

Austin City Council Meeting Transcript - 9/10/2012 (meeting continued 9/11/2012)

>> Mayor Leffingwell: Good morning.

I'm mayor lee leffingwell.

I call the meeting of the austin city council to order on monday, september 10, 2012.

The time is 9:06 a.m.

We're meeting in council chamber, austin city hall, 301 west second street, austin, texas.

Without objection, council will begin with our executive session items, items 11 and 12.

So -- yeah.

071 of
the government code, the council will consult with legal council

regarding the following items.

Item 1 and 3 to discuss legal issues related to the adoption of city budget fees.

Item 11, discuss legal issues related to open government matters.

Item 12 to discuss legal issues relating to prevailing wage matters on city construction contracts.

Any objection of going to executive session on these items?

Hearing none, we're now in executive session.

[09:26:15]

[Rumbling]

Announcer: What if a disaster strikes without

warning?

What if life as you know it
has completely turned on its head?

What if everything familiar becomes anything
but?

Before a disaster turns your family's world
upside down,
it's up to you to be ready.
Get a kit. make a plan. be informed today.

[10:54:03]

,

directly directly cell cell

>> Mayor Leffingwell:

We're out of closed session.

In closed session we took up
and addressed items 1, 3, 11

[10:56:01]

and 12.

So now we'll take up agenda items about the budget for fiscal year 2012-2013.

We'll begin -- we'll begin with the presentation from the staff in just a moment and then after we get a motion on the table, as soon as we adopt the proposed budget with amendments from staff will be an opportunity for amendments from councilmembers.

[Inaudible] I think we'll continue with the same process used during the deliberations on the bond items that no amendments would be automatically considered friendly.

If any members objects to an amendment, that item goes to a vote and either pass or fail or be incorporated.

Also note there will be no amendments to the amendments.

If there is objection to the amendment, the process would be to vote against the amendment and then propose another one [inaudible].

Before we begin again, on august 23 and august 30, council will take public comment about the city's proposed budget and the proposed maximum tax rate. The public comment part of the hearing to adopt the

budget and the tax rate will
close on august 30 by a vote
of council and the council
will now conclude the
hearing by discussing and
voting to adopt the city's
budget.

And the actual tax rate for

[10:58:03]

2012-2013.

Since the public hearing is
formally a part of the
budget process, we need to
formally close the public
hearing and I'm entertain a
motion to that effect.

Mayor pro tem moves to close
the public hearing.

Is there a second?

Seconded by councilmember

martinez.

Discussion?

All in favor say aye.

Opposed say no.

That passes on a vote of 6-0
with councilman spelman off
the dais.

The public hearing is
closed.

So I believe at this time
we're ready to take up staff
presentation on the budget
and their recommended
amendments and staff will
ask council to adopt the
operating budget.

>> Good morning, mayor,
mayor pro tem and members of

the council.

Before I begin,

congratulations to

councilmember martinez on

his new baby.

Congratulations.

Staff has a number of

amendments to present to

city council.

As always the time we

deliver the budget on

august 1 to the time we come

back to get approval of the

budget, a variety of

circumstances come up and

staff has a handful of

recommendations to the

operating budget.

These are the same as what

we presented to you on
AUGUST 29th.

The first one is in regards
to austin fire department.

In the general fund staff is
proposing to amend to add
THREE FTEs.

Create a wildfire mitigation
division.

There is no cost associated
with this.

The department is going to
be [inaudible].

Essentially taking money
away from the warehouse
relocation.

[Inaudible]

[one moment please.

]

does not apply to the
extended hours and extended
geographic areas.

This amendment doesn't sync
up with that change in the
ordinance the council
approved.

The next three amendments
are all related to the
rosewood environmental
remediation project.

When the bids on that
project came back they were
about \$861,000 higher than
what staff estimated.

That project is being funded
by three departments who are
going to equally share is
increase and cost of that
project.

So we have a \$287,000

increase in the budget of
the austin resource recovery
department to transfer funds
into the environmental
remediation fund.

Another \$287,000 going from
the drainage fund on the
environmental remediation
fund.

And then one more, another
\$287,000 coming from the
water utility to the fund.

So in total three different
departments contributing
\$861,000 to fund that
rosewood environmental
remediation project which
will be a total of \$261,000.

You are going to see this
again when we get to the
capital improvement program

and actually on the next slide [inaudible] for that project.

Number 9 on this list is amending the water utility's budget to decrease revenues by \$900,000.

This is related to a fee proposal that's going to be coming forward on item 3 which would be to offer a lower fee to those customers that are in the customer assistance program, so essentially a larger subsidy for those programs which result in reduced revenue to the department.

There is that \$861,000 that the previous three amendments transferring

money into the environmental
remediation fund.

This is the environmental
remediation fund
transferring money out and
you will see it again under
that c.i.p. item.

Amendment number 11 is to
amend the proposed budget of
the code compliance
department by increasing
revenues in the amount of
\$352,392.

And increasing expenditures
in the same amount as well
AS ADDING THREE NEW FTEs
For the short-term rental
program.

There will also be amendment
under item 3 on your agenda,
the fee item, in order to

enact the fees associated
with this increased revenue.

Moving on to a couple grant
amendments, the first one
has to do with the safer
grant that we were very
happy to hear we were going
to be awarded.

It's 5,010,000 and adds 36
full-time equivalents to the
fund.

Number 13 the the health and
human services special
revenue fund, increasing
appropriations in the amount
of \$186,000 for an emergency
solutions grant from the
department of housing and
urban development.

The health and human
services department is

receiving the grant, but the grant is actually going to fund two positions in our downtown community court and that's what item 14 does is amend the proposed budget of the municipal court special revenue fund to add those two full-time grant funded positions.

These will be case managers that will work out of our [inaudible].

I believe that concludes staff's recommended amendments to the operating budget, both the general fund and nongeneral fund.

And with that I would be happy to answer any

questions.

>> Mayor Leffingwell:

Questions for staff?

Councilmember morrison.

>> Morrison: This gets a

little bit into the fee

items.

I assume we're going to take

up later.

But with regard to code

compliance adding three

FTEs AND THE REVENUE FROM

The short-term rental fee to

cover the short-term rental

program, I did have a couple

of questions.

One, I wanted to understand

if we thought that there was

going to be support from any

other department for the

short-term rental program

besides code compliance.

Because I think that the way

the fee has been figured out

has been specifically based

on the assumption that the

fee -- the fee times the

number of expected

short-term rental

registrations would cover

THREE FTEs.

>> Good morning.

Mayor, councilmembers.

There will be support from

other departments in

implementing the short-term

rental program.

We've been meeting already

with planning and

development review.

They would have a role in

the registration of the
program.

They would actually identify
the cap for each of the
census districts.

Census tracts.

And they would also help us
to identify and make
available, make accessible
certificates of occupancy
for short-term rentals.

We would also have to work
closely with the
controller's office making
sure that the hotel
occupancy taxes are paid and
that we've got some proof
that -- proof of payment or
proof of registration by the

short-term rental.

And so -- and we'll also be
, our
police department
documenting any kind of
complaint, problems that
occur with short-term
rentals.

So the staffing that you see
there, the three staffing,
although they are going to
the code compliance
department, those would be
two code inspectors and one
administrative person to
help with registration, they
are really just the basics.

We will keep track of what
it takes to completing run
the program throughout the

year.

I think part of the ordinance requires a review, and by bringing a review -- review by staff and bringing that back to council next year, around june I think we're looking at june of 13 coming back.

At that time we may be able to document and show the need for additional resources or we may be able to show that it was incorporated into existing resources in those other departments.

>> Morrison: Well, I guess one question I would have, first off, is -- and I don't know if this is okay for me to talk about what the fee

is right now.

We're not talking about that
quite yet, about out the fee
is -- that's been proposed
is \$235.

And the assumption is that
that fee will fund those
three code compliance.

But it sounds to me like
we're going to have
additional costs, maybe not
, but there are
resources from other
departments that will be
needed to run this program.

Our fee that we're charging
does not sound like it's
going to be supporting any
of those other resources,
and I thought this was
supposed to be a completely
self-funded program.

So how do we -- you know, if
it takes throughout the year
a quarter of a person's time
in pdr, where are we getting
the funds to cover that
person's time?

And is it appropriate for
that to come directly out of
our general fund as opposed
to having revenue from --
from [inaudible].

And I guess I'm not sure who
that question is for, but i
think that's something we
need to be asking.

>> I think director guernsey
would need to reply with
regard to the additional
staff.

The additional burden this

will put on his staff, but
in regards to the
appropriateness of using the
general fund to support that
cost, it's certainly
appropriate, but those are
costs associate with the
short-term rental it would
be appropriate to include
them in the fee as well.

>> Morrison: Okay.

And voila, there is

mr. guernsey.

>> Greg guernsey, planning
and development review
department.

The amount of time it would
take to do the estimate of
the cap that was mentioned
really doesn't take that
much time.

My department can easily
[inaudible].

I think the notice
requirement is one where it
would take some time and
there's already a fee
associated with notification
whenever we do any type of
application.

So that should cover the
cost for doing [inaudible]
>> Morrison: And who is
doing the website?

>> Actually the website is
being coordinated through
many different departments.

department is
taking the lead as far as
establishing a website.

Compliance department,
controller's office, my
department and eventually
probably and will be
involved as well.

We'll all be contributing to
that.

And it's actually being
built right now.

>> Morrison: And so in the
coming six months or
whatever, is there a
mechanism that we have at
the city to actually track
when somebody is expending
hours on a short-term
rental?

For instance, we can count
up how many hours.

>> I certainly -- in my department we could have a number that we could put on our time sheets to log the time.

And we can get with your office and work among the different departments and our staff to come up with that so we could track that.

>> Morrison: I would appreciate that because i understand legally appropriate use of general funds, but on the other hand it would be an interest of mine to make sure that the fees that people are paying cover the cost as opposed to draining our general fund.

And then I wanted to raise

one other issue when we do
get to the fees.

It's a flat fee regardless
of a type 1 or a type 1 so
that if somebody is renting
for, say, a week out of the
year and they are
registering to be able to do
that versus somebody who
will be renting their
short-term rental as a type
2 for 50 weeks out of the
year, they are being charged
in this proposal the same
amount, and in a way that
feels a little theological
to me, and I wonder if we
could maybe have staff
comment on that, on why we
need to start there.

>> I think, councilmember,
that's certainly something

we can take a look at.

We computed the fee, we looked at the -- we use the number of 1500 ftr's, which is documented by the auditor's office, estimated by the auditor's office, and we used that to determine that fee.

Across the board.

And you are right, it's a across the board number for ALL FTEs, BUT WE COULD

Take another look and see if we could -- if we could break that number out so that if you are one or two time type event would it be a less number.

Now, the key is going to be how much -- how much of staff time it would take to

handle the one-time ftr
versus a full year.

It may not be a lot of
difference in that, but we
could take a look at that
for sure and then get back
to the budget director on
that.

>> Morrison: Right.

I would appreciate that.

I think that, you know, if
you are tracking so that we
can make sure as we just
discussed that there could
be a number that you all
could put together so we
could track, so we could
refine that for the folks
working on individual ones,
whether it's a 1 or a 2, we

would be able to figure out
if it takes more time for
you all to deal with one
that's funded all year
versus one week.

I understand they have the
same registration
requirement and they have to
pay hotel taxes so there are
things that are common.

Then the auditor did break
down that 1500.

They thought that between
type 1 and type 2.

If you guys -- if you all
can give some additional
thought to that and look at
that, I don't want to hold
anything up today, you want
to get moving because I know

it's a program on fire ready

TO GO BY OCTOBER 1st.

But I think it would pay to

really think about that.

>> We will do that.

>> Morrison: Thank you.

>> Thank you.

>> Mayor Leffingwell:

Councilman spelman, welcome
back.

>> Spelman: We looked
at -- do you have an idea
what kind of workload would
be required of your staff to
deal with those complaints
in short-term rental
properties and figure you
are going to need three

full-time equivalent staff
people to go through those
complaints.

Is that about right?

>> That's correct.

Two field persons.

Two field officers and one
administrative officers.

>> Spelman: Okay.

And that ratio of two field,
one addmin pretty much the
way you work your operation?

>> Well, short-term rentals
is a little different animal
and we're looking at
approximately 1500 and
guesstimating maybe the
number of complaints that we
might get on those 1500 and

looking at the number of
inspections.

We know that one officer can
handle around 500
inspections like that per
year and so we're thinking
two people will work.

We'll track that very
closely, document it through
the year and to make sure
that that too is a good
number.

Right now it's our best
guesstimate.

>> Spelman: So something
like not every short-term
rental is going to have --
some are going to have a lot
of inspections required,
some are going to have none,
but our average a little
less than one required for

short-term rental and about
1,000 inspections per year
but obviously we haven't
focused on short-term
rentals [inaudible]
understand very recently so
there's no way to know for
sure.

>> Yes, sir.

>> Spelman: How do we
usually pay for inspections?

Do we usually have some sort
of fee basis that pays for
your operation?

>> Currently we do not have
a fee that takes care of
individual inspections.

As noted before, we have
become a enterprise fund or
are becoming an enterprise

fund through this budget and
the cost of our inspections
and doing our code
compliance program would be
borne by the community fee.

In the short-term rentals,
the fee as we talked about
is designed to cover the
cost of the program.

That fee should, if you
multiply it by the 1500, it
will cover the cost of the
program.

Now, will 1500 register or
will more register?

We'll have to see how that
goes during the year.

>> Spelman: If -- I'll
have more to say about that
in a second.

Let me get to that in a

moment.

If we have -- you've got

1,000 sections being done.

You find some percentage of

those inspections somebody

made a mistake, somebody is

not up to code.

Then we maybe red tag them,

write them up somehow and

they've got to come up to

code and they may have to

pay a fine.

>> Yes, sir.

>> Spelman: What happens

to that fine number?

Does it come back to you?

Does it stay in municipal

court?

>> If it goes through
municipal court, it stays in
municipal court.

If it goes through the
bidding and standards
commission as a civil
penalty, we have a source
of -- we can recover those
funds into the department.
But municipal court stays
there.

>> Spelman: About what
percentage of your total
enterprise budget comes from
the building standards --
>> building and standards
commission.

A very small -- maybe one,
two percent, very small
percentage.

>> Spelman: So the vast majority of what you are doing are funded by fees like this or the general fund.

>> Not the general fund anymore.

As of this year, all enterprise funds.

>> Spelman: It's all enterprise funds through the clean community fee.

>> And that's assessed as part of my formerly known as solid waste bill; is that right?

>> Yes.

Anti-litter fee was the official name, but on the

utility bill sometime it
appeared as solid waste fee.

>> Spelman: That's your
fee.

>> We will share it with
austin resource recovery.

About a 60/40 split, we're
getting 40.

>> Spelman: And they are
getting 60 for cleaning the
streets, for example.

>> That's correct.

>> Spelman: Gotcha.

All right.

Here are the core of my
concerns.

I understand that we think
THREE FTEs IS ABOUT RIGHT.

[Inaudible] sounds about
right.

You are not going to get
very much off the building
standards commission fines
because you don't get very
much out of that right now.

So basically if we're going
the pay for this thing, it's
going to be self-contained
as councilmember morrison
suggested, this fee
[inaudible].

I'm concerned about the
following.

If you've got somebody who
is what we're calling a type
1 short-term rental owner,
somebody owned a house, they
just want to rent it for a
week.

The people who own the list

aren't asking questions.

Then we might miss the
opportunity for a fee and
also might miss the
opportunity for a fee to
collect taxes associated
with whatever rentals are
going on.

I'm concerned that the
fee -- if the fee were high,
1,000 bucks, there's a whole
bunch of people that are
going to say I think I'll
cheat and see what I can get
away withen a plead
ignorance and see if I can
get away with it and not pay
taxes and see what happens.
If the fee were 20 bucks, a
lot of people would say 20
bucks, some day I might want

to rent my house, it will
make it easy for me to do
it, I'll pay my 20 bucks.

And somewhere in the middle
there y going to --
versus people who may pay a
fee and not rent their house
out at all.

And I'm wondering if we're
giving much thought to what
point in that continuum
between zero and 1,000 if it
can get us the largest
revenue.

Have you given that much
thought?

>> We have, and we think
that 235 is a good number,
that we were looking for a
number, you are right, that

would be reasonable.

Where it wouldn't be a
deterrent to comply and it
wouldn't encourage folks to
just get it -- the license
without really having the
intent on the short-term
rental so we think the 235
is a good place.

We'll keep an eye on that
during the year and we come
back to council next year
we'll have some information
on how well we think that
fee will work.

But we're hoping that's a
really good number right
there.

The other point, you
mentioned about craigslist

and websites and those kinds
of things and the ordinance
does include a section that
says if you are advertising
as a short-term rental, then
that can be used as prima
facie evidence you are a
short-term rental, we can
use that to deal with the
case.

So that would help us a lot.

Obviously we will need to
monitor and so we will.

>> Spelman: On the other
hand, monitoring, for
example, a b&b or home away
to see which properties are
being offered is not always
going to be dispositive
because you could argue
there's been a breach, there
hasn't been a breach, I'm

not sure how you would end
up with that, but more on
point, you might find
somebody has offered a
property but it's hard to
identify exactly which
property because the address
is rarely published on line.

And --

>> we'll have so see how --
we'll do the best we can in
researching that and see if
we can identify the
property.

Then be able to go out to
the property and try to
determine based on the site
visit if it's being used as
a short-term rental, then
follow up.

>> Spelman: I could easily imagine saying oh, what the heck, let's -- formula one is coming up, let's put my property out and see if i get any nibbles and I won't register with this program because if I don't get any nibbles I'm not gooding to spend 235 bucks and you get one and you think wow, this is great.

I can imagine some people thinking, well, maybe i don't need to do this just this once.

This is probably going to be especially true for people type 1 rentals and not doing this for a living and not expecting to make a whole lot of money off short-term

activity.

And I suspect the commercial
short-term rental, the type
2s, ARE GOING TO BE DOING

This enough 235 bucks is a
little more perhaps than
they expected but a cost of
doing business and not
particularly a big deal and
will probably get a large
percentage of them
registering, but we might
get a much smaller
percentage of the homeowners
doing this on a very, very
small-time basis,
registering, that might be
something we'll have to
rethink downstream.

>> Well, yeah, we'll take a
look at that.

We'll think about that.

As councilmember morrison
was saying, maybe there
should be a difference
between type 1 and type 2
and we really didn't see it
that way, but we'll go back
and rethink that a little
bit.

You could conceivably reduce
the type 1 registration fee
and increase the type 2 in
order to still have a
balance where it covers the
cost of the program, but
we'll take a look at that
and see if we have a
recommendation to bring back
to council.

>> Spelman: Again, the
last point which is where i
started with this, is the
real money we're getting out

of the short-term rental
program, it's the hotel
taxes.

And the higher the fee,
there is at least an
argument that we're going to
be getting less in taxes and
if the fee is high.

And establishing a low fee
and perhaps eating some of
the cost of our inspections
through the community fund.

Councilmember morrison is
not happy with that though i
just heard her clear her
throat though not into the
microphone -- completely
unrelated throat clearing --
that might end up as a way
we're better off by setting
the fee quite low, getting
everybody and his kid

brother to register so we
know where they are and we
can ensure they are paying.

>> Something to consider.

>> Spelman: I appreciate
your consideration.

>> Thank you.

>> Mayor Leffingwell:
Councilmember tovo and
remind everyone we're
talking about the general
fund.

>> Tovo: I just will add
to the record I agree the
cost of administering the
program so I would not
support lowering the fee
with the -- out of intention
that some people may not
want to pay the fees and
then we wouldn't capture the

hotel-motel tax.

People should follow the rules and if they are going to rent there residents on a short-term basis, then they need to pay the fee, whatever it is, and I don't think we should be in the practice of subsidizing through taxpayer dollars people's private enterprise.

So absolutely I think the fees that we set whether they are lower for type 1 and higher for type 2, but those fees at the end of the day, in my opinion, ought to cover the cost of implementing this program.

>> Mayor Leffingwell: Any other questions?

Okay, so what we have before
us is the staff proposal
with the amendments that we
went through today and i
would reiterate that keeps
the property tax rate at
50.29 cents.

No change in that.

Is that correct?

>> That is absolutely
correct.

And I just want to clarify
that the amendments we gave
you were for both the
general fund and --
[inaudible]

>> Mayor Leffingwell:

Right.

Obviously this item pertains
only to the general fund and
I would entertain a motion

to adopt the city's
2012-2013 operating budget
with the staff recommended
amendments.

Councilmember morrison so
moves.

Mayor pro tem cole seconds.

And now we're at the point
where it's possible, if
there are any, council
amendments to this budget.

For a start, I just want to
say that we -- the city, the
nation, the world, has just
gone through a very
difficult period.

We're in the process of
recovery.

I feel very good about where
the city of austin is, but

we are in recovery, a
gradual recovery not only
here but around the nation
and I don't think it's a
time for a huge tax
increase.

What we have before us is a
tax increase, a significant
tax increase, the effective
32

cents per hundred.

That's a little bit of above
11, but the effective
rate, the actual tax is
48.32.

What the council has
approved as a maximum,
which, of course, is the
5
cents per hundred.

What is before us with this

motion is 50.29 cents.

That is over a 2-cent
increase above the effective
rate.

A very significant amount,
in my opinion and one that
I'm not going to, frankly,
be able to support.

So I want to try to reduce
that amount, I've said this
all along publicly and i
want to try to reduce the
amount of property tax
increase and still provide
necessary services.

And so I'm going to make
that proposal here in just a
second.

I realize this budget
prepared by staff is a good

budget, a lot of thought
went into it.

It reflects the influence of
the community and re-- input
of the community and
councilmembers, but I'm
going to make a proposal
that will reduce that and
I'm going to make it in the
form of amendment in
accordance with the process
we just went through.

It is very difficult to go
through the budget and look
at line by line for cuts and
trying to identify cuts.

When, frankly, this is a
large operation.

Almost 12,000 city
employees, multi-billion
dollar operation.

A lot of expertise down at the levels where these cuts might be applied.

With the, of course, supervision of the city manager.

So what I'm going to propose these cuts be made in the form of a generalized across the board cut.

And what I'm going to propose is going to reduce the property tax by approximately .57 cents.

These numbers, of course, are I'm saying approximately because they will be verified with the actual numbers by the staff, but

approximately -- that would
bring the proposed tax rate
down to about 49.7.

4 cents

above the effective rate.

The rate at which anything
is considered to be a tax
increase.

But it's somewhere close to
the middle, a little above
the middle, because the
5, that

would be a two dollar --
2.18% increase, about.

So a 2% across the board,
we're talking only about the
general fund here, not about
the enterprise fund.

My motion would read as
to amend the

general fund budget by
reducing appropriations
4,468,224 in the following
manner.

And I want to interject here
that by charter I have to
enumerate the department,
but that does not preclude
further budget amendments
after the entire budget is
approved.

But by department that 2%
works out, these are the
numbers that I obtained from
staff, municipal court a
decrease of \$285,201.

Planning and development
review reduction of
\$500,216.

Health and human services,
\$436,286.

Animal services reduced

\$163,409.

Social services reduced

\$349,863.

Parks and recreation reduced

\$1,022,892.

Library reduced \$604,910.

Transfers out to support

services, 736, \$1,180,

transfers out \$369,268.

That is all departments that

you'll note that I've

excluded all public safety

departments.

They are not subject to this

2% across the board.

The second part of the

motion is to amend the

general fund budget by

reducings property tax

revenues \$4,468,224.

That's exactly the amount of

the appropriation reduction.

So, again, I realize this is very difficult and the process of identifying specific cuts is going to be a difficult job, I know, but we do have a number of proposed new hires on the table.

I would suggest provide direction that that be looked at first, additional hires within these various departments, and noting again that there would be opportunity at a later date to come back and adjust these numbers between departments, but that would have to be done by an amendment to the budget and would have to be approved by

city council.

So that is my proposal as an amendment.

Is there objection?

Councilman spelman.

>> Spelman: I just have a couple questions.

Would a question to you be in order?

>> Mayor Leffingwell: I think so.

I'll sell you after I ask.

>> Spelman: Fair enough.

You listed the departments and I wrote down what you were saying.

Is this in writing anyplace?

>> Mayor Leffingwell: Yes,
right here.

>> Spelman: Okay, I'll
look for the details of
that.

I noticed you read off a the
look of departments and I'm
thinking a million dollars
in parks, [inaudible]
library.

I didn't hear you mention
anything from two of the
biggest general fund
departments which are the
police department and fire
department.

Would you be exempting them?

>> Mayor Leffingwell: I
did mention that public
safety departments were

excluded including police,
, and c-tac and
wireless, having to do with
public safety.

>> Spelman: And this is
not a specious and
rhetorical question.

Why exclude public safety?

>> Mayor Leffingwell: I
guess the short answer is
that it's public safety and
I think that's our paramount
duty as a city is to
maintain public safety.
I just expand just a little
bit, I believe that we're
right on the edge right now,
we don't want to go any
lower.

We're looking at men new

hires in the police
department, for example.
I know there's going to be
discussion about the fire
department's expanded role
in combating this new
situation we have, hazard
with regard to wildfires,
et cetera.

, I know everybody's
[inaudible] is the same the
extent overt has caused
costs to increase so these
are definitely areas that i
don't think we can afford to
cut beyond what's being
proposed.

That's just my opinion.

That's why I'm proposing it
the way I did.

Councilmember tovo.

>> Tovo: I have a few questions that I will direct to you and hopefully then you can -- if they are acceptable, you can answer.

I wonder, this is a pretty big -- obviously this is a big -- this would be a big amendment and I don't have a clear sense how this would impact the department nor was I able to copy down the numbers as you read them so I guess my first question would be could you please go through those proposed reductions again department by department, and my second question is whether we have think sense from staff of those individual departments what the impact would be, for example, of a \$1 million

decrease in the pard budget.

Would it require staff
layoffs, what kind of
programs would we be looking
at cutting.

I would add to that it might
be appropriate since we have
self days of budget hearings
scheduled, I know we
probably had all intended to
get through it today, but i
think with the contemplated
impact such as the one
you've suggested, I would
argue that we would want to
come back and have some
sense of a direct impact on
those affected departments.

>> Mayor Leffingwell:

Well, I'll just say the
nature of across the board

cut is to give the people
who manage these departments
the flexibility to make the
cuts in the best and most
effective ways they see.

Frankly, I feel like they
are better qualified to make
those individual judgments
than I am or any of us are.

So that's just the nature of
a across the board cut.

I don't anticipate that this
2% of each one of these
departmental budgets, i
don't anticipate it would
cause any layoffs and i
would be surprised if that
were the case.

Total I think there's 157
new hires planned, something
in that range.

Not all of those are covered

by these departments we
talked about, but i
suggested in my opening
remarks that would be the
place to look first.

Maybe we need to not hire
some of these new folks.
And I think the judgment of
strategically deciding where
to hire and where not to
hire is best made by people
who work most closely with
those departments.

>> Tovo: Mayor, I'll ask
my first again again, would
you mind reviewing the
numbers --

>> Mayor Leffingwell: Yes,
and I'm sorry I don't have
this.

I think we can try to get

the numbers out to everyone.

You've got the numbers.

Do you want to pass them
out?

It's a lot of numbers.

Do you want me to read them
again?

>> Tovo: If he is handing
them out, I'll take his
version and I would like to
hear responses from some of
the impacted departments.

And I appreciate your
comment that they would be
in the best position to
determine where that 2% is,
but I want to get some sense
since we've been looking at
a very different budget the

last several months, I want to hear what impact that would have on their operations and they could avoid staff layoffs.

>> Mayor Leffingwell: I'm assuming at this point we've heard objection which will lead to a discussion, and discussion and vote eventually.

Now we're in the discussion phase and I think any questions -- you have the floor.

Are there any questions you might want to ask of staff or others?

>> Tovo: Thank you, mayor. I appreciate that.

>> Mayor Leffingwell: Before we go on,

councilmember, the procedure
that we're operating under
is that there won't be
friendly amendments.

That amendments that would
be proposed would be
incorporated if there were
no objections by any
councilmember, not just the
maker or the second.

So we're just proposing
amendments.

If there's no objection,
they are adopted.

If there is objection,
there's a vote.

>> Cole: Have we had a
second?

>> Mayor Leffingwell: We
don't need a second.

We have not been using a
second.

That's the procedure that we
unanimously agreed to adopt.

Councilmember, go ahead.

>> Tovo: I'm sorry, mayor,
do I still have the floor?

>> Mayor Leffingwell: Yes

.>> Tovo: DO WE HAVE THE
Director of health and human
services who could speak to
what a \$436,000 cut might
have on that budget?

>> Mayor Leffingwell: The
city manager might want to
address that first.

>> I guess I want to say at
the outset in light of staff

being called to come and
speak to these proposed
reductions, we have not
analyzed them so I have a
little bit of concern about
any staff member coming and
trying to react to what the
impact would be of the
proposed reductions as the
mayor has outlined.

If we have people that come
up to do that are really
just shooting from the hip
and I don't think that's
wise.

It would really require us
get together and discuss
what's been proposed here.

>> Mayor Leffingwell: And
let me just answer that a
little bit.

That's exactly right.

This placing a cap on these

budgets and asking the management, city manager, employees of the city to look at it and see how these can best be accomplished.

It could be that throughout the course of the year if we happen to have a rosy scenario, it would not result in these reductions, we could experience increased revenue from another source.

If the worst case scenario comes through, we probably need to be making these cuts anyway.

What I'm talking about, the other major source of revenue is sales tax.

And in this budget very conservatively and correctly assumes that the increase of sales tax will be 3.5%.

The last now months it's been a great deal more than that.

So if that trend continues, these cuts may not be quite as deep as 2%.

So it would require analysis and coming back with potentially budget amendments after that analysis takes place.

Councilman spelman.

>> Spelman: First, I'm not -- I guess I am objecting, but only to the format of incorporating this in the discussion item that we actually adopt today.

I like the idea of saving
\$4.5 million.

I like the idea of spreading
it around so that it is
roughly, well, at least
roughly even-handed among
all departments, although i
would extend that even hand
to at least some extent to
our public safety
departments.

Not every dollar we spend on
public safety is equally
valuable.

Not every dollar christian
county to public safety to
the same extent.

But I would like to know, i
think it's important before
we make any decisions on
this to have at least a
better sense of what we have
now as to what is going to

happen if we lose \$285,000
in municipal court.

HOW MANY FTEs ARE WE GOING

To be losing that we were
expecting to have available.

What services will we not be
delivering or not delivering
as well.

And I guess the question i
have for the city manager,
budget director, anybody who
could answer it, if we want
to get at least a rough-cut
sense for what the
ramifications would be of
these reductions, how long
would it take for you to
come up with those
consequences?

>> Councilmember, all that i
can say is that it would be
difficult, we would do our
best to do it within the
context of the three days
you have allotted for budget
adoption.

>> Spelman: Well, all
right, that helps, but is it
realistic that you would be
able to get us to a point of
saying, for example, in
animal services, these
services would be reduced.

We would not have these
FTEs THAT YOU WOULD EXPECT
Us to have in these
particular program areas.
This is fairly specifically
what we're going to get or
everything is going to be

about 3% less than you
expected it to be?

>> Again, it's just hard to
say.

To do this requires us to go
through much of the same
exercise we went through to
provide our budget
recommendation this the
first place.

>> Spelman: Right.

>> And in doing so, in
providing our
recommendations, you know,
and when you take into
account the past three or
four years, we're at a point
where none of the decisions
are easy to make.

I say that to try to put in
context that going through

this process will likely
require us to make some
pretty tough, thoughtful
decisions in regard to
making recommendations in
the context of three days, i
said we would do our best,
but it would just be
difficult.

>> Spelman: From a
[inaudible] point of view,
when do we have to adopt the
budget?

>> Your last day
wednesday.

Is that correct?

>> We're posted till
wednesday, but under state
law we have until
SEPTEMBER 30th.

29th.

I'M SORRY, 29th.

>> Spelman: So the charter is binding on us, this is more restrictive than state law, so we would have to come up with a budget by the 27th and we could post another budget meeting so long as we had 72 hours advance notice.

I'm asking hypothetical questions because I'm flying in the dark here and I'm only eligible for vfr flying.

If we were to give you another week rather than another three days, would that significantly improve the resolution that you could give us as to the consequences of losses in

each of these departments of
these amounts?

>> Yes.

>> Spelman: Thank you,
mr. manager.

Mayor, let me ask you a
question, if I could.

Much as I would like to deal
with this budget in the next
three days, which is what
we've posted for, what i
think everybody in the
community and staff has
expected us to do, if we're
talking about this kind of a
change, I'd like to have a
lot more information
available and I would be
happier making this decision
a week from now knowing what
the consequences on each of
these operating departments

would be than making the
decision now without those
consequences.

And I wonder how you feel
about that.

>> Mayor Leffingwell:

Well, I will tell you it was
not my intention to go
through an indepth analysis.

That's the reason I proposed
it the way I did, a across
the board cut and let the
manager and the folks who
work for him work out the
details within that
constraint.

If I had thought, for
example, it was going to
cause some huge degree of
hardship, disrupt city

operations, I would not have done it.

That's why I limited it to 2%.

It's really not as much as we would like to see.

I would like to see right at 32,

but I realize when you start talking about cuts, and that would be something like 3, perhaps 4% in the way that I've proposed it here.

I feel comfortable myself with this proposal.

Again, that it won't disrupt city operations or cause hardship or even cause layoffs, but if someone is uncomfortable that might be the case, might just not

want to support this
amendment.

If it's the will of council
to stop everything dead in
its tracks for this, i
personally would not like to
see that.

I'd like to see us go ahead
and either vote this up or
down and go ahead with the
rest of our business, but if
it's the will of council, so
be it.

>> Cole: Mayor, I have a
couple of questions.

First I would like to
explain I'm wearing shades
today because I have an eye
infection.

Second, and the mayor has
just shocked my eyes.

>> Mayor Leffingwell: It
looks really cool coal cole
I do want to be cool, but i
do have an eye infection.

I want to back up a little
bit and talk about the
budget process in the
context of what we're
considering right now.

The mayor mentioned that
this particular proposal
would take us back to the
effective tax rate.

Will you please --

>> Mayor Leffingwell: No,
that's incorrect.

The effective rate is 48.32.

This only takes us back to
about -- relying on the

confirmation of the numbers,
49.72.

Still almost a penny and a
half above the effective
rate.

>> Cole: Right.

So close to the effective
tax rate.

And it's my understanding
that the effective tax rate
is the amount of revenues
that we would have -- the
amount of revenues we would
have received last year.

Is that correct?

Please lay out that
definition.

>> The effective tax rate
gives us the same amount of
revenue in the current year
as we had in the previous

year for operations and
maintenance from properties
that are taxed in bows
years.

So it excludes new
valuations, new properties.

>> Cole: So this proposal
does not make much of an
adjustment or tell me if you
know how much of an
adjustment for the
additional growth that we've
had or increase in tci.

>> Well, I think the -- I'm
not sure exactly how to
answer that other than the
proposal would reduce our
5 million
roughly and would lower the
tax rate by a little more
than half a penny, 0.57%.

>> Cole: And we do not know the impact on each of the individual departments. I think we've established that and you guys have not had an opportunity to do that.

When do you start the budget process?

How long does that last?

>> Well, you know, we really get started with it as early as november where we're working with our departments on their business plans and their strategic objectives for the next fiscal year and then that turns into a fiscal forecast and unmet needs and budget reductions ab meetings with board and commissions.

It's a lengthy process
leading up to budget
adoption today.

>> Cole: And I think you
do that with prudence and
it's not the situation
council leaves rubber stamps
at, but because you go
through such a lengthy
process, we tend to look
very carefully at what you
do at the same time
respecting what is it season
input that you have had.

Citizen input.

If we were today to take
these numbers without any of
that input or any of that
process, I believe that we

would be acting very
prematurely.

So as much as I would like
to see us cut our tax rate
and save money, I wouldn't
want us to do it in a manner
that was not prudent and had
not been through that
process or even ask the city
manager or his staff to do
that even in a week's time.
So I will not be supporting
this motion.

>> Mayor Leffingwell: And
mayor pro tem, with all due
respect, I do think this is
a prudent proposal.

[Inaudible]

>> Cole: I just mean
evaluating --

>> Mayor Leffingwell:

Councilmember morrison.

I just wanted to get that

on --

>> Cole: I don't mean to

say a across the board

increase or decrease of 2%

by all the departments

slugged public safety is

necessarily not prudent,

it's just not the way we

have done the budget process

in the past since I've been

on council so just to even

make a change in process

like that would be a

significant deviation from

what we've done.

>> Mayor Leffingwell: It's

innovative, mayor pro tem.

>> Cole: I can say that

with my cool shades.

>> Mayor Leffingwell: I have to say I've been seeing for many months now that I wanted our -- I didn't want to see a large increase in taxes, I didn't want to see it be any more than we absolutely had to have to maintain city services, basic services and I believe this proposal -- may not be in conventional way, but after a lot of investigation, this is the way that I felt was the best way to do it.

In my opinion.

Councilmember morrison.

>> Morrison: Thank you, and I appreciate some

outside the box thinking,
although I also have
concerns about whether this
is the right way to do it
because I think everybody
wants to keep the tax rate
down.

One question I have about
this kind of approach, I'm
not sure who can help me
with this, but our budget is
for the general fund is
pretty packed and has a lot
of detail in it.

And so if we were to -- i
guess I'm questioning the
formality of now at this
point saying, well, we mean
this budget but let's just
take a million out here and
200,000 out there so we

don't really know what's
left in our budget in terms
of some of the break downs
below the departmental
level.

Is that actually -- what
exactly are we adopting here
as a budget if we adopt the
budget today?

Are we -- I'm wondering how
we can do this in a general
manner like this at a
department level.

Could you help me understand
it?

>> I mean, I think it has to
occur at the department
level because one of the
things council is adopting
is an appropriation for each
department, so that's what

we need specific
recommendations from council
that this budget, this
department's budget would be
lowered by this dollar
amount.

That's one thing that
council is adopting is the
appropriations for each
department.

Another thing you are
count
for each department, how
MANY FTEs ARE WE
Authorized to hire by
department.

Council is approving that as
well.

Now, the manager, city
manager does have discretion
in terms of administering

that budget.

If the dollar amounts are

less than what we need in

ORDER TO FUND THE FTEs

That you are authorizing us

to fill, we would have to do

a higher increase or some

decisions would have to be

made.

The charter requires us to

keep the general fund budget

in balance and if the

revenue we have to keep it

in balance is lower by

5 million and the

department appropriations

5 million,

we would have to come up

with a plan to manage that

budget prudently.

>> Morrison: Okay, so

that's helpful information,
even though there's a lot of
detail in here.

What our formal action is
the [inaudible] for
departments and the number
OF FTEs AND WE HAVE
Situations where we've seen
the city manager and staff
rearrange some of the things
within a particular
department.

I guess my concern is
there's been -- for me i
have looked in such detail
some areas obviously where i
have more of an interest,
more of a concern, and to,
you know, turn things over
to a process where council
is no longer involved in
that would -- would raise a
lot of concern for me.

And I guess I also want to
say that if we're talking
5 million, that is
about 2% of those nonpublic
safety departments, i
gather.

And my question would be if
we wanted to spread
5 million completely
across the general fund in
an even way, including all
the departments, including
public safety, my guess is
that we would end up with
something like rather than a
5 -- is that the
right order of magnitude or
.05% cut?

>> It would be right about
0.75%.

That would still exclude

some of the items in our fund level budget, things such as our economic incentive payments, our workers' compensation, liability reserves, things that we have to fund, we would exclude putting the cuts -- it would be about a 75% reduction across the board if we were to apply to all departments.

>> Morrison: I appreciate that because that sort of lays out for me if we're looking at a half a million dollars for health and human services, that's a big impact and that means programs can go away. 75% would limit it, but we're not taking

substitute motions, I'm not making a substitute motion, but for me there's just a lot of different ways to go about this.

>> Mayor Leffingwell:

Yeah, and let me say nothing in this motion, were it to pass, would preclude another amendment within departments that set certain amounts for certain line items.

As long as it stayed within the [inaudible].

So that could still be done.

That doesn't preclude that.

Councilmember martinez.

Martinez thanks, mayor.

First of all, I want to
thank you for understanding
that, you know, you are
trying to do everything you
can to minimize the tax
burden to the citizens, as
we all are.

Not one person's attempt,
it's seven councilmembers
trying to do the best that
we can.

But I just think across the
board cuts, one, is not
based in policy, and two,
could be even irresponsible
because we just don't know
the impact.

And I can't imagine being a
department director sitting
out there right now hearing
that after all of this work

and all the public hearings
we've been through and all
of the comment that now, you
know, they could face a
potential severe cut of this
magnitude, which I don't
think they are going to
face, but at a minimum, you
know, we've been given a
laundry list of items by
different departments that
if you included the public
safety departments and
internal services, including
ctm which I think was exempt
in your motion, we're almost
at \$4 million.

>> Mayor Leffingwell: Ctm
was not in the motion.
Ctec.

>> Martinez: Based on what
staff has brought to us

there's almost \$4 million
here and we haven't even
started with these potential
items.

And I goodes to respond to
councilman spelman, this is
probably what you would get
back this three days saying
this is how we reached that
goal.

I'm all for making tough
decisions and cutting the
budget where we believe it's
important and where a
majority of this council
believes it's appropriate,
but an across the board cut
is something I cannot
support, one, but it short
circuits the entire process
we've just been through
since april, since our first

budget briefing and budget
forecast.

And so I'm looking forward
to the next couple of days
if it's necessary of going
through each item, but I do
want to point out something
that you did bring up,
mayor, that I think is
really important and it's
something that we don't have
which I believe puts us in
this situation.

We don't have line item
based budgeting.

And that's a big problem.

We should be able to go
through line item by line
item.

We should be able to as a
council to see that and make

tough decisions and
prioritize the finite
resources that we have.
So I'd be all in favor of
this body taking action to
move forward to create a
line item based budgeting
process as opposed to what
we go through now because i
do believe it's difficult
for everyone to engage and
understand the totality of
the context of our budget.

So I won't be supporting
motion but I will be making
proposals that would cut
funding and reallocate it in
other areas as I believe
[inaudible].

>> Mayor Leffingwell:

Well, thank you,
councilmember.

And certainly I respect your
opinion, but I would just
raise a couple of points.

First of all, I don't think
it's irresponsible and i
don't think that the work
that's gone into the budget
process to this point has
been a waste of time.

They've come up, we need --
with a needs assessment and
this is what we need to run
our departments and you'll
I've done is come back and
say, okay, you good aetna
minus 2%.

So it's based on their work.

It's not a shot in the dark,
so to speak.

With that I think I've kind

of said my piece on it.

Again, I don't think it's
imprudent or irresponsible
and I certainly respect the
opinions of my colleagues.
Councilmember Riley.

>> Riley: I certainly
appreciate the mayor's
suggestion about ways that
we can tighten our belts a
little further and minimize
the impact on the packs
pairs.

Like my colleagues, I have
some concerns about doing
that blindly without fully
understanding the impact it
would have on the effective
departments.

So I would -- if there is
interest on the part of

council, I would support something along the lines of councilman spelman suggested, if there are places we can make 2% or more -- my concern is based on the information we have today that there may well be unanticipated consequences in the form of very severe impacts [inaudible].

>> Mayor Leffingwell:

Having discussion.

Going down the way about how to save more money in the future and throughout this fiscal year and we can do that.

There can be proposed budget amendments throughout the year but what we can't do after this week is reset the

property tax rate.

Once it's set, it's set for
the entire year.

Even though we were to
reduce the expenditures, we
couldn't change that.

That's why I'm taking this
approach.

Is there any further
discussion?

Councilmember tovo.

>> Tovo: And I agree with
all of the comments made
earlier and I want to thank
the mayor, we you will want
to see the least amount of
impact on the residents of
austin and if there are
appropriate ways to reduce

the budget, then certainly
that's the path we should
take.

I wanted to ask the city
manager if you could just
remind us all of the kind of
belt tighten that has gone
on.

And you've elaborated on it
in previous budget sessions,
but I don't want anybody in
the public there hasn't been
ongoing intent of the
management of this city to
reduce the budget and to
eliminate extraneous
expenses.

>> It has been actually from
the time of my arrival, and
my arrival here as city

manager coincided to the
decline of the economy.

So we were from the very
beginning in a mode of
watching the expense or the
cost side of our budget just
from an historical
standpoint, I would note
that prior to my arrival in
terms of a tax rate, it was
based upon the rollback
calculation for a good
number of years prior to my
approval.

This may be the third or
fourth budget cycle, I think
the fourth, but in the
course of preparing those
budgets and in the midst of,
you know, significant
decline in the economy, we
have offered this council

budgets that were based on a rate that was less than the rollback calculation.

As I said before, that hasn't happened in a good number of years prior to my arrival.

It is in an overarching sense an indication of our effort to drive costs down at a time arguably when it was probably the most difficult set of circumstances to do that.

Having said that, of course, we, you know, our approach was to not in terms of looking at our budget and being mindful of expensive cost, not to go into the toolbox that cities have and

use the typical tools to try
to get through a time, a
period like we've been
through by doing things that
were essentially one time.

You know, sort of band-aid
kind of fixes that result in
only having to contend with
the same kind of challenges
in subsequent years.

So we indicated to council
early on when we first
started that our approach
was going to be, you know,
was going to be strategic
and structural.

Structural in the context
that we wanted to try to
apply methods that -- on the
cost side, reducing our
costs that would have a
recurring impact.

And you've heard some of
those things alluded to
along the way.

For example, the elimination
of positions.

You know well over 100
during that period of time
have been eliminated from
the budget.

You know that staff in one
of those years have gone
without a pay adjustment.

May recall that.

He did I believe some
consolidation with respect
to some of our functions,
our departments, and a
number of other things.

Staff could probably provide
additional details in terms
of some of the cost
measures, you know, that we

took.

And we just worked very hard
to live within our means.

Our physical posture
throughout this period has
been one of being
conservative.

And I think that that has
paid off in terms of where
we find ourselves today
coming out of -- to the
extent that we have the
impact of the economic
decline.

We've had, you know, our
public safety department
that the mayor -- to step up
and assist us in terms of
foregoing the 3% pay
adjustments and putting them
on the tail end of their
contracts.

We've done a variety of things to, you know, to focus on the cost side and that's true also in terms of the very budget recommendation that is before you today.

Ed, would you have some things to offer that I may have missed in terms of steps we took along the way to keep down our costs?

>> I think you've hit on all the ones that are related to our employees and our employees are a huge part of this in terms of we've deferred market studies.

We've had our sworn personnel step forward and

renegotiated contracts to go
without a pay raise in 2010.

None of our employees got a
pay raise in 2010.

We capped pay for
performance in 2009.

Our employees have done a
tremendous amount in terms
of trying to restructure our
budget in a way that saves
costs.

We've also looked at
services and there's been
difficult decisions made by
this council and previous
councils in regard to the
trail of lights and reducing
library hours and
after-school programs.

There's definitely been some

challenges over the last
three years and belt
tightening that has gone on
and continues to go on even
though we didn't have things
of that magnitude in this
budget, I think the manager
mentioned earlier to the
extent you consider any of
those things you mention low
hanging fruit it's been
picked and you start looking
at how to cut the knowledge budget
further the fruit higher up
the tree and more difficult.

>> Tovo: I appreciate that
description.

Thank you for reminding us
about some of the measures
you've taken to reduce the
budget and also keep it from
increasing and also reduce

the impact on taxpayers.

I concur with the comment
that was made earlier that
if there is an interest in
prolonging this discussion
and having the staff go back
and look at whether 2%
decrease would look like, i
would be open to continuing
that dialogue.

But at this point, not fully
understanding what the --
what this cut would mean for
particular critical
programs, I will not be
supporting the motion.

>> Mayor Leffingwell:
Councilman spelman.

>> Spelman: One last word,
I wouldn't have made it

unless one counts yourself
and councilmember tovo and
riley and you add me to the
list of considering a 2%
cuts so long as we knew the
consequences, that would be
the majority of the council
who would be willing to
consider that.

But I believe I'm just
reiterating what I heard
from the two councilmembers
who mentioned this
previously, we would expect
the city manager to need
more than a couple of days
to do that justice and we
would probably have to come
back next week.

So you would have a majority
of people who 8 consider
your proposal but only next

week, I suspect, sir.

>> Mayor Leffingwell:

Thank you, and I guess any
kind of action would have to
take the form of a motion
until a date certain.

We'll see how that goes.

Let me say I think I can
read the tea leaves on what
I've put out there so far
here today, but at the same
time I can only see that
we've started a discussion.

We've started a serious
discussion about how we're
going to reduce expenditures
of taxpayer money in this
city and I think that's a
regardless of
how it turns out, we'll go

ahead and have this
discussion.

If the tax rate, and again
is set today or wednesday,
that can't be changed.

But we can still work on
that process of trying to
address not only the
needs -- nobody has more
respect or more admiration
for the employees of the
city than I do.

They are a great bunch.

I've worked with them for,
let's see, a long time, ten
years, and my respect every
year and admiration every
year only grows, but we also
have a responsibility to our
taxpayers and rate payers.

Here we are in this fiscal
year, we're not just talking
about increase, respectable

increase in property tax,
but also in a little while
we're going to be talking
about some very significant
increases in electric rates,
water utility rates,
wastewater rate across the
board, even down to clean
community rate.

So taken in content, I think
this is something I had to
put on the table.

And itself just going to
call for a vote and
councilmember morrison wants
to speak.

>> Morrison: We've been
getting a lot of memos and
all in the past few weeks,
but the one that our deputy
chief financial officer sent

on august 29 included a listing of potential budget reductions per department and so I do think that that does offer us a way, and it may be in the interest of each of us -- I mean for us to talk about each one of those today, because it does offer us a way to discuss cuts that have been already evalua prioritized by the departments should cuts be made so I'll just direct to you that august 29 memo for a listing of all -- and it does in the general fund come to 2 million or something like that.

If, so I'll look forward to discussing some of those as we move forward.

>> Mayor Leffingwell: I
think we can do better, and
as I said, I think we've
begun this discussion and
after this vote I look
forward very much to hearing
the cuts that other
councilmembers might propose
in giving those very
favorable consideration as
we go through this amendment
process.

So with that, all in favor
say aye.

Aye.

Opposed say no.

I think that fails on a vote
of 6-1 with councilmembers
riley, martinez, tovo,

spelman, morrison and cole
voting no.

Now the floor is open for
additional -- mayor pro tem.

[One moment please]

>> Cole: The additions on
the bottom and the
reductions in savings are on
the top.

First, we have austin free
met who we received
testimony from who does
worker training programming
with computers and they've
been very successful and
this would cover their gaps.

It is funded through our
general fund and also
through a grant.

They have facilities primarily in east austin but also at hancock center and they've been a very productive program and i think it gets at the issue that we oftentimes face with not wanting to create two austins meaning a very prosperous austin and also a very challenged economic austin.

And so this provides a mechanism for people to help themselves.

The second item that I have on my list is actually the auditor's budget for an additional city -- assistant city auditor and continuing education for the auditor.

You may remember that we

have used the auditor on special projects this year especially water treatment plant 4 and he helped out an incredible amount with austin energy.

And we had an unusual situation this year where the auditor brought forth a proposed budget that didn't entirely match the city manager's budget and this will satisfy his request for additional funding and as we anticipate using him into the future, I think that we should close that gap and I believe that everyone in the audit and finance committee was supportive of that and we discussed it extensively in work session,

so that additional amount is
\$195,000.

I also have proposed an
amount for the parks and
recreation department for
urban forestry.

We've had drought conditions
and we need to prepare for
fuel mitigation and this is
unwith of the departments
that also deal with that
that is in the parks
department that is very
sensitive to environmental
issues facing our urban
forestry and contained
within the city of austin
and this would add, i
BELIEVE, TWO FTEs TO THAT
Department.
And finally, I have
recommended a landscape

architect also for the parks
department.

It is mentioned in the same
memo of august 9th they've
had cuts over the last two
careers.

So those are the proposed
additions in my motion in
total.

[One moment, please, for
change in captioners]

>> Spelman: I realize that
would require some changes
from the procedures that
were laid out by the mayor
earlier in the day.

Here comes the mayor,
perhaps I could address the
question to him.

>> Cole: Please do.

>> Mayor Leffingwell:

Could you repeat the
question.

>> Spelman: Certainly.

Mayor pro tem cole has -- i
had to think about that, i
wanted to say mayor pro tem
cheryl, my apologies.

She has sent around a list
of proposed cuts and
additions to the budget
before us.

They look interesting.

I would like to discuss them
further but I would also
like to discuss them if
possible in the context of

other proposals that may be forthcoming from other councilmembers, I wonder if that is at variance from the procedure that you outlined today or whether there's a way of making those consistent.

>> Mayor Leffingwell:

Well, I think that we are considering amendments one at a time.

If you want -- if the purpose of discussing them with other possibilities would be to amend hers, that would be the procedure that we are operating under.

The procedure is supposed to work very quickly and efficiently.

We vote up or down on these

amendments.

The reason for doing it this way is sort of the substitute for the old friendly amendment style, the thing that's wrong with that, of course, is the only people that can object are the maker and the second.

This is in the nature of a friendly amendment with just a -- just requiring approval of the whole council instead of the maker and the second.

>> Spelman: I have two reasons for asking for a counter proposal.

First reason is because by our understanding of state law, no majority of us were able to talk about -- about mayor pro tem cole's

amendment or any of the
other amendments that may be
forthcoming in advance.

So at a maximum, mayor pro
tem cole, has had a chance
to discuss with this other
two other members of the
council and doesn't know
what the other four of us
think.

And I think that's just
generally true unless
somebody is not playing by
the rules, I think we are
all playing by the rules.

So none of us knows what all
of the possible amendments
are going to look like yet
by design.

We can't know that in

advance.

The second one is personal,
I have not been here for the
last month, I have not been
participating in the
discussions with any of the
rest of us.

I don't know what anybody
wants to propose.

At least I am in the
position this is alienator
me today.

I personally would be better
off if there was a -- let me
suggest as these amendments
come up, we could table them
just so we could see what
they look like first, put
them on the table and then
systematically take

them off the table.

Once we understand what the whole list looks like.

That would accomplish your need for speed at the same time it would accomplish my concern about wanting to getting the context proper.

>> Mayor Leffingwell:

Yeah, that sounds very reasonable to me.

I think that we could proceed in that manner.

Lay them out first and then go back the way we had intended to go with the approval of any amendment.

We have a running tally.

What does this do, how does this get to the bottom line, how does that affect the

property tax rate.

But certainly if there's no objection from the rest of the council we can proceed in that manner.

When someone proposes an amendment, if there's objection, a suggestion to table, we will just table it and go back and address it later.

But that -- we could vote on it, it's just the option is to -- I'm not sure about this one.

Let's table it and we'll go back.

Is everybody clear on that?

And if there's no objection

to amending our rules to
proceed in that manner.

It has been suggested --

>> mayor?

>> Mayor Leffingwell: That
we table this motion, this
suggested amend, all in
favor say aye.

>> Aye.

>> Opposed say no.

Passes 7-0 as laid on the
table.

>> Spelman: Mayor?

>> Mayor Leffingwell: Mr.

Vanito, your responsibility
is to keep up with all of
these things.

Councilmember martinez?

>> Martinez: Going just --
just want to go through the
process out loud again.

So if I wanted to add
additional items to the
table, so to speak, i
just -- do I make a motion
and then we make a motion to
table it again.

>> That would be my
proposal.

Then once we've got all of
the proposals for additions
and subtractions on the
table.

They can take them up
systematically one by one.

>> Mayor Leffingwell:

That's what we've already
adopted as our modified
procedure.

>> Martinez: Right, I was
just clarifying.

So I need to make a motion
to make some amendments to
the budget as proposed.

As follows -- I will say
that I'm supportive of mayor
pro tem's items that are on
the table because they
address some of the things
that I wanted to address.

So I will be supporting
them.

But in addition to that,
there are a couple of things
that we've been talking

about through the process,
this wild land management
division within the fire
department.

We've talked about the --
about the extreme cost in
ramping up, we need some
lead time.

Staff has come forward with
a thoughtful proposal that i
think ramps them up.

No the a full departmental
proposal but does give them
what they need to get
started.

Once they have that rampup
time we are going to be
sitting waiting for the next
year's budget cycle.

To actually do mitigation
and get the department up

and running.

I think that it's prudent
that we start doing as much
as we can within this budget
cycle.

So in the fire department's
summary of potential budget
reductions, they identified
some areas, one specifically
being that we would hire
from certified applicants,
precertified firefighters we
now have a -- have a process
that allows us to hire
certified firefighters as a
preferred candidate for the
academy, which would create
\$243,423 in savings.

I would -- I am proposing
that we accept that budget,
recommended budget

reduction, apply the
\$243,423, to -- to a -- to
a -- wild land management
division within the fire
department.

That consists of a battalion
chief, a captain, a
lieutenant and a burn boss
and this would be for half
year funding.

The total for the captain,
for the chief, the captain
and the lieutenant burn boss
is 248,356, we would apply
the 243,423, leaving a
balance of 4,933 and that
would propose eliminating
4,933 from the overhead door
preventive maintenance
bringing that total down to
90,067, which is another --
which is another potential
budget reduction suggested

by staff.

So the total amount would be
a reduction of 248,356 and
then applied to the wild
land management division
with that same amount of.

>>

>> Mayor Leffingwell: So
councilmember just to
reiterate your proposal also
is revenue neutral and
expenditure neutral.

>> Morrison: Mayor.

>> Mayor Leffingwell:
Councilmember morrison?

>> Mayor Leffingwell: Let
me see if there's any
objection to adopting -- you

want to lay it on the table?

>> Morrison: I want to
make a comment.

That is that was something
that caught my eye, hiring
only from certified
firefighters.

I asked staff a question
and -- in our q and a, it
was question number 93.

I wonder if we could have
staff come speak to that
specific issue and where
things stood on that.

Because there were a couple
of issues that were raised.

And I believe it was sort of
a lay question and the
answer came in somewhat

late, also.

Because of that.

So it might not have been
seen by a lot of people.

>> Mayor and council, rhoda
mae kerr, fire chief.

That staff or that budget
reduction was made in
previous years when we --
when we were able to and we
had a list from which we
could hire certified
candidates and the reduction
that -- the reduction was
based upon less time spent
in training or in our cadet
academy.

We have graduated one class
that did come from that
certified list.

And have -- there's a couple
of realizes that have come

into everything.

Number one, we don't have a list in which to -- in which to hire from any longer, so we would have to go back and do the whole employment process over in order to realize a savings from a lateral or a certification class.

Second the training time we have -- 12 weeks, was adequate, we have actually added two weeks to our normal basic academy, we would have to have two weeks plus an additional four weeks to make sure that the transition of -- of our certified candidates was adequate into the workforce. That [indiscernible] realize that \$243,000 savings based

upon that.

I think the other part was
that lateral class, we
actually took that into
everything, hoping that
would improve our diversity
when in fact it doesn't have
that great of an impact upon
our diversity.

>> Morrison: Okay.

I guess my question is this
still a practical budget
savings that we can -- that
we can work with?

>> No it's not.

>> Morrison: Okay, thank
you.

>> I would love to be able
to see it in -- if my
colleague has -- I would

love to hear your comments
on ways to maybe expand and
really take advantage of it.

>> The list by staff further
potential reductions and
cost savings.

If it's not feasible why was
it in the memo as a
potential option for the
council to undertake.

>> That list included in
that memo was originally
published to council I think
back in may.

As chief kerr was mentioning
the list was originally
developed as part of 2012.

A lot of things were cut
from that list.

That is what was remaining
from things that weren't cut

as part of the 2012 process.

We published that list

initially back in may.

I think what's occurred is

the recruitment process got

ahead of the budget process

we have not put ours in a

position where we have

recruited for laterals

because we didn't know at

the time that this action

was going to be happening.

Back in may I think it was

still viable.

Right now it wouldn't be.

Not that it couldn't be

viable in 2014, given where

we are right now in the

budget process and

recruitment process.

We are at a point where we have recruited for non-laterals and it would delay the academy if we had to do something different.

>> Martinez: Until we run another process that potential savings can't be realized.

>> Yes, sir.

>> Martinez: That also depends on the size of the class and the number of hires.

>> Yes, sir.

>> Martinez: Then I will withdraw that proposal, mayor and simply make a motion that we allocate

\$248,356 from our -- remind
me, ed?

I can't pull up the memo in
front of me.

>> Budget stabilization.

>> Budget stibbleization
reserve.

248,356 From budget
stabilization researches,
which we have already taken
from budget stabilization
reserve from the wild land
management division, but
this would specifically go
to that proposal that i
fireside of the
four positions, battalion
chief, captain, lieutenant,
burn boss for half year
funding for this fiscal
year.

In addition to that, I will
also proposal that we reduce
overtime budget
by \$200,000.

And allocate that \$200,000
to the services provided via
our health and human
services department.

But it's something that's
directly related, in my
opinion --

>> Mayor Leffingwell:

Excuse me, councilmember,
are you going on to a
different proposal now?

>> Martinez: I'm making
all one motion but yes a
different proposal.

>> Mayor Leffingwell:

Let's take them one at a

time.

Your first proposal is to
allocate 248,000 odd out of
the budget stabilization
fund.

>> Martinez: Yes.

>> Mayor Leffingwell: Is
there any objection to that?
Councilmember tovo objects.
Councilmember tovo.

>> Tovo: I don't
necessarily object.

>> Mayor Leffingwell: We
have to have an objection --

>> Spelman: If objection
is the term that you are
looking for, I will object.

Although I reserve the right
to vote for it later on.

>> Mayor Leffingwell:

Okay.

Yeah.

>> Tovo: Thank you,

councilmember.

>> Martinez: I thought we

were putting them all on the

table anyway.

Why do we have to object if

we're going to make a motion

to put them all on the

table?

>> Mayor Leffingwell:

Councilmember tovo?

>> Tovo: It's my

understanding that the

budget stabilization reserve

fund is available for

one-time expenditures.

I know that that is being
used for the \$87,000 there
or with some change for the
wild lands for the capital
expenditures for the
wildlands.

Would this meet the
requirements of being a
one-time expenditure because
we are relying on savings in
subsequent years?

Can you help me understand
whether or not this would
meet the policy of the
budget stabilization reserve
fund and if not with do we
have an option of veering
from that policy here today?

>> My understanding of the
motion is that it would not
be consistent with the
council approved policy for
the use of budget

stabilization reserves which
essentially says we can't
draw them down by more than
one third in any given year.

We are okay there.

But also dictates that it
needs to go to one-time type
of expenses that we can't
use that reserve fund to
fund ongoing obligations
that the four positions
would presumably be ongoing
obligations not just
something that we would add
only for fiscal year '13.

>> Tovo: Has it ever been
the case that ongoing staff
salaries have been funded
through the budget
stabilization fund with the
understanding that there
would be other funding

available in subsequent
years so it would be a
one-time funding of those
ongoing expenditures because
other funds would be
available later on?

>> Since I've been budget
officer that's not occurred.

>> Tovo: Okay.

Thank you.

>> Mayor Leffingwell:
Councilmember Riley.

>> Riley: The presentation
that you gave this morning
spoke to the transfer out of
the general fund, from the
budget stabilization reserve
fund in the amount of 87,000
[indiscernible] equipment
for the fire department to
create the division.

I understand that was for--
that's for one-time
property, one time equipment
purchases?

>> 50,000 Of it was for the
development of the cwpp, the
plan, 30,000 for a vehicle
and equipment.

>> Riley: There have been
suggestions about the need
for additional funds for
fuel mitigation.

Did you all look at the
possibility that there could
be -- additional one-time
purchases that would be
appropriate to -- to secure
through the budget
stabilization reserve fund
for the purpose of fuel
mitigation?

>> I think the motion or direction from council was to pull from those reserves a certain amount of money for a contract to do fuel mitigation type services.

It was clear that that was -- we are going to take 500,000 for fuel mitigation in 2013 it was just a one-time allocation that would be consistent with things that we have done in the past out of that fund and consistent with the policy.

>> Riley: Okay.

Then how would that work if we don't -- the staffing positions that are contemplated and -- apartment the motion on the

table.

If -- in the motion on the table, if we just had the actual fuel mitigation purposes, would our staff be able to manage those purchases with the -- would the existing staff -- actually not the existing staff but the staff being proposed as part of the budget package that's on the table?

I guess that's a question for the fire chief.

Basically the question is can we look to the budget stabilization reserve fund to increase the fuel mitigation up to say \$500,000 and keep the

staffing levels as currently proposed, but just increase the -- the fuel mitigation funding?

Would you all be able to manage those additional one-time purchases for fuel mitigation that we could get from the -- through the budget stabilization reserve fund?

So can I just clarify the question.

I'm not sure that i understand entirely.

Are we including the staff that was proposed by councilmember martinez as well as that which I have incorporated into our budget?

>> Riley: No.

If we back off of looking to
the budget stabilization
reserve fund to support
staffing positions in light
of our financial policy and
instead just increase the
amount of fuel mitigation
funding, through the use of
that fund and then look to
the current budget proposals
in materials of staffing to
manage those additional
amounts for fuel mitigation.

>> Okay.

So the answer to your
question then would be we
es
and then you are asking me
then, I just want to be

certain that I answer
correctly, whether if we
were awarded additional
dollars for fuel mitigation,
would we be able to utilize
those funds with the current
staffing?

And the answer to that is
yes we would be able to do
fuel mitigation with the
approximate 'em that I have
proposed -- with the people
that I have proposed and we
would use some seasonal
workers and there are ways
that we can manage fuel
mitigation within certain
limits, of course.

The most important thing
becomes the development of a
plan, a cwpp, which is a
community wildfire
protection plan.

But we can take allocated funds and use them in our high-risk areas as well as those that are fire-wise communities and be able to do further fuel mitigation and still be sensitive to our endangered species act and our environmentally sensitive lands.

>> The development of a plan like that could well make sense as a one-time purchase because we don't have a plan in place now.

It would be an appropriate one-time expense for the use of the budget stabilization reserve fund.

>> That's correct.

>> Riley: Thanks.

>> Tovo: I just want to clarify that in is the staff's amendment that \$50,000 for the community wildfire protection plan is part of that 87 so they have already suggested that we treat that as a one-time expense and fund it through the budget stabilization reserve fund.

>> Councilmember, your statement is correct.

There is a \$50,000 ask and it is in the one-time request.

For the cwpp or the community wildfire protection plan.

And so -- I just want to

clarify a point that my
colleague made.

It sounds like the answer
yes we could contemplate a
motion to fund fuel
mitigation for fiscal year
'13 in the amount of 250 or
something like that as a
one-time expenditure and
chief occur you did say with
the staffing that you have
proposed you feel that's an
acceptable level of
management.

>> The answer to your
question is yes.

I believe that we could
manage fuel mitigation with
the staffing that I have
proposed.

>> Thank you.

>> Spelman: Mayor.

>> Mayor Leffingwell:

Interesting discussion, but
what is on the table right
now is \$248,000 for staffing
requirements by
councilmember martinez.

Without objection that is
laid on the table.

Councilmember martinez has
additional amendments,
proposals.

>> Martinez: I appreciate
all of the comments.

But before I make any
further proposals off of
this document that was given
TO US ON AUGUST THE 30th,
What else is not acceptable
in this document that we
can't use for potential

budget savings?

You said this was brought to
us in may, but you sent this
to us on august the 30th
as a potential reduction in
budget considerations from
staff and now you are
saying, at least in this
instance, that -- i
understand the explanation.

But why didn't w update
this list before we sent it
BACK OUT ON AUGUST 30th,
Saying here you go council,
here are staff's
recommendations for
potential further budget
reductions?

Anything else in here that's
no longer applicable to a
budget reduction?

>> Tom change that's been brought to my attention is the change in regards to the recruitment process for the fire department and that we would not be in a position right now to do a lateral class in 2013.

That's the only change from what we initially sent out that I've been made aware of.

>> Martinez: I would just say city manager, that's pretty significant.

240 Something thousands, why 7 wouldn't we have updated this before we sent it to our city council and aides less than 12 days ago saying here's a list of menu

options.

>> Mayor Leffingwell: City
manager.

>> I don't have an
explanation beyond what mr.

Ravino has said to you.

>> Martinez: Mayor, I'm
going to make another
proposal that we reduce or
yes that we further reduce
the police overtime by
\$200,000.

And reallocate that to our
council and at-risk youth.

>> All right.

I'll object to that just so
we can have discussion.

Is there someone here from

who will give us a

little bit of information.

About how this reduction of
\$200,000 in over time would
affect the department?

>> Good morning, mayor,
council, city manager.

The 200,000 would be
difficult for us,
challenging for a variety of
reasons.

Number one our overtime
budget has been cut by about
5 million over the last
few years on an annual
basis.

This year we're looking at
going over our overtime
budget.

Those are the dollars that
we're using to target some
of the spikes in crimes and

some of the issues that pop
up around the city.

So that will really impact
in terms of our ability
to -- to respond in a timely
manner to some of these
emerging threats.

The other issue going on,
that was a rollover from the
previous year that was --
that was remained in our
budget that we have other
issues that we're going to
cover with that this year.

Including our human
trafficking coordinator
position and the overtime
that was used for human
trafficking, which is a
significant challenge here
in central texas and
throughout texas.

As it relates to that
specific issue.

We also are using that to
cover the \$43,850 related to
the communications operation
that we have lost grant
funding for some of our
communications operators.

As you know, that has been
an issue that the public
safety commission has been
looking at for the last
several years.

So it will have an impact.

You know I never scream that
the sky is falling, you all
make the decisions, we will
do our very best.

It will limit our ability to
address some of these issues

and will limit -- further
reduce our ability to
respond to emerging issues
around the neighborhoods as
they pop up.

>> Mayor Leffingwell: Is
it extreme to say that it
will have a negative impact
on your mission?

>> It will.

Our overtime budget was
close to 10 million about
five years ago when I first
got here.

What's happened reduced by
2.5 million a year.

On top of that, those
dollars that remain don't go
as far because the pay in
benefits that the officers

received due to the contractual obligations, so we have fewer dollars and on top of the fewer dollars they don't go as far because of those additional cost drivers and the other piece is the reduction in the grant funding that we are receiving from -- on a national level.

Again, I never say that the sky will fall, but it will have a negative impact.

It will further limit our ability to balance our budget.

Again, this year, we're going over, looking at going over our overtime budget by

about \$1.1 million.

So it will be tough to
handle.

>> Mayor Leffingwell:

Thank you, councilmember
morrison.

>> Morrison: Thanks,
chief.

You mentioned in your
response that you are going
to be using that funding to
cover the loss of the grant
and the human trafficking
program administrator, did i
hear you correctly?

>> The overtime piece of
that, yes, ma'am.

>> The overtime piece.

So we're still losing the

in the human
trafficking program?

>> That was actually a
temporary f.t.e.

Which will happen is one of
the sworn officers in that
unit will have to pick up
some of that responsibility
and what we're hoping to use
is that piece of the funding
that actually covered the
overtime for the actual
investigations.

Human trafficking
investigations are very time
extensive.

They are 24/7 type of
investigations that go on
day and night.

So that's what we're going
to be using it for.

Use the sworn staff to
use -- to complete the
duties of the actual
coordinator that we had in a
temporary position.

>> Morrison: So if we
could actually find at least
the stopgap money for the
program administrator in
human trafficking, would it
be fair to say that we would
then have to rely on less
overtime?

>> No, because that
administrator, those
administrative functions are
separate from the actual
that goes to the over time
for the officers working the
investigations out in the
field.

>> Morrison: What I heard
you say was okay we're
losing the administrator
because it was grant funded.
I thought that I heard you
say that the detectives that
are working in that in
organized crime and on human
trafficking are going to
have to absorb the
administrator's work.

>> Correct.

>> Morrison: Which will
add to their overtime.

If we had a less expensive
civilian program
administrator, there -- they
would use less overtime?

>> Well, that's -- that
piece of us absorbing it,
that's already happened
because that position is

already gone.

But I don't understand the
second piece of that
question.

>> Morrison: I'm just
saying if our detectives are
doing some administrative
work, if we can offload that
administrative work to a
civilian, they're going to
be able to do their job more
efficiently and not going to
need as much overtime
because they are doing some
non-police work.

IS THAT michael McDonald,
deputy city manager.

I think what the chief is
explaining is that that
administrative function
being done in the program
has already been absorbed by

's within

that unit.

The additional cost out in
the field, that portion of
it was done by overtime,
that's the portion that they
are handling with overtime
and what they plan to handle
with the additional overtime
that they have in place
here.

So that administrative
function, the old f.t.e.

That was in place, that's
already been absorbed.

>> Morrison: Absorbed by
sworn officers or --

>> yes.

>> Basically what the
coordinator was doing is

actually working on an
education piece during the
day.

Most of our education
functions for that is, you
know, monday through friday,
it's through different
organizations throughout the
city.

Where most of the overtime
factors are at night.

That's when we would be
expending those dollars:

>> Morrison: Okay.

My take away from this is we
have sworn officers doing
work that was previously
done by an administrator
that is a lower paid
position.

>> Yes.

>> Mayor?

>> Councilmember martinez.

>> Martinez: I just want
to put a little context to
this.

Because it's \$200,000, in
the grand scheme of the
1 billion budget and the
police department's budget
it is small.

About you in the grand --
but in the grand scheme of
what carey provides it's
pretty significant in that
they actually are a public
safety if you think.

They provide these kids
with -- public safety
function.

They provide these kids with

counseling services that keeps them, prevents them in many cases from dropping out of school, from attending school so that aisd can get their full funding and hopefully keeping them out of the juvenile justice system.

I sat here a few months ago and I voted and I stood in the face of criticism to 's request for an almost 4 million-dollar helicopter fund.

We did that under the conversations of it will create efficiencies, we will be better off.

We're asking for \$200,000, as opposed to 3.1.

I supported that.

I'm trying
to strike a very difficult
balance.

I think \$200,000 is nothing
but it means
everything to the council
and at-risk youth and to
those 600 middle school
students that they provide
services to each and every
year here in austin.

I just want you to keep that
in mind and that you all
consider that in totality of
what this council has done
in support of public safety,
you know, throughout time.

This is not a slight on
or what they need to

do.

This is just simply trying
to find a way to fill some
gaps that I think are sorely
needed to be filled.

>> Cole: Mayor?

>> Mayor Leffingwell: Let
me say my concern is what
happens when we run out of
overtime money.

That means that we don't
have the correct machining
of the officers on the
street that need to be
there.

That's -- we're not going to
vote on this right now.

We'll vote on it later.

But that's going to be my
concern.

Mayor pro tem.

>> Cole: I simply wanted to express my support of councilmember martinez's statements.

This is an organization that we have both supported since we have been on council and they do tremendous work and I think that some preventive maintenance increase dollars would help.

I certainly understand the connection to the police department that I will be supporting this.

>> Councilmember tovo and just for strategic planning purposes, I think we're going to need to take a

recess, short recess for
lunch.

I think it's important that
we all be on the dais for
these discussions and kind
of impractical to go one at
a time.

So with that said, about
five minutes.

Councilmember tovo.

>> Tovo: Chief, since you
are up here, we're talking
about your budget.

I wanted to say that I think
councilmember martinez i
appreciate this suggestion
and the -- the interesting
conversation about overtime.

I do notice something on

your highlights as an
increase and that is
\$123,000 for the lease space
for the special events
center and I did ask a
budget question about it.

I got back some information
saying that, you know, since
we -- since the city owns
it, it's -- anyway the
answer was not entirely
clear about why your
department has expressed
that as an increase and
other departments have not.

But I would also just say
with regard to that line
item, and also the answer
that I was provided about
fee, I do notice that you
have some collections that

need to happen within the
special event fees that the
department has expended, has
some expenses outstanding,
so I will be either today or
at some subsequent point
making a recommendation to
this council that we look
carefully at the special
event fees that we are
charging, what does it cost
our city to -- to experience
these events.

What are the direct costs to
because there are
some very direct costs and
frankly we haven't recovered
those costs at this point in
the budget.

So that is also money that
should be available for
overtime or for victim

services counseling, which
has suffered a hit.

I see in this budget.

Or for human trafficking.

I mean we want those moneys

to be spent where they are

most important and most

critical and in my mind, you

know, we shouldn't be -- we

shouldn't have -- we should

have nose funds going to

the -- those funds going to

the direct critical services

that are necessary and not

to subsidizing private

events that are responsible

for paying their costs, so i

hope we can all look at that

together and very carefully.

But I do want to ask one

more question about formula

one.

I see in the response back

that you are not
anticipating any out of
the -- extra ordinary
overtime costs related to
formula one.

I just want to be assured
that the 200,000 that we're
talking about is not
contemplated to be spent on
that.

Just sort of a general.

>> No, ma'am.

I don't think we are.

Some of the events that will
be impacting city they will
be required to hire off duty
police officers like they
always do.

You might have seen in the paper where there are going to be quite a few closures downtown potentially for the different venues and we are working to make sure that the costs associated with maintaining those closures, crowd control, and the entry points, depending on the venue to make sure that the organizers are paying for that.

I just wanted to add to councilmember martinez and to the council.

I'm actually on the board of cary, we are very supportive of that.

I just want to make sure as
you make those decisions try
to stretch those budget
dollars I want to be as
transparent as to -- has to
come from somewhere in our
budget some of the things
that we're looking at.

>> Tovo: Great, thanks, i
hope we can have a
conversation as a council
about how to make sure that
the events that are taking
place are paying their own
way, paying the city's costs
so again you have the money
you need to serve these
other critical needs.

If no objection,
councilmember martinez's
proposal to cut police
overtime by 200,000,

reallocate that money to youth services is laid on the table and without objection, we will go into recess now for lunch and other activities and be back in about 40 minutes.

Thank you.

>> Mayor Leffingwell: We are out of recess and i believe we left off councilmember martinez had the floor and was in the process -- do you have any more amendments?

>> Martinez: Not at this time, mayor.

>> Mayor Leffingwell: Okay.

Councilmember morrison.

>> Morrison: Thank you,
mayor.

I have a few that I want to
put out there on the table
and [inaudible] of
amendments.

The first one is a
proposal -- you know, we
certainly have many unmet
needs and some of them are
critical one-time needs and
some of them are critical
needs.

Our critical one-time needs
can be funded by our --
well, that fund is funded by
our budget stabilization and
we had a good discussion at
audit and finance about our

reserve and how much we can draw it down in terms of one-time funds.

And the bottom line was that what we really like to be able to do is have 12% -- can you help me with these numbers -- as our reserve represents 12% of our general fund.

Is that correct?

Of the general fund operating budget.

And we're actually -- the way the proposed budget sits right now, our ending 8 million is going to be swept over into the reserves and that's actually going to take us

above 12% by a little bit.

And actually it's going to
take us to 12.08%.

So what I wanted to do was
propose that we capture what
would amount to \$580,000,
08% is \$580,000, and
move that into our critical
one-time fund to actually
spend, and I have at least
one important thing I wanted
to propose to spend it on.

And I think it's not an
unreasonable -- I don't
believe it's a risky thing
to do because that 12% is a
really good number to be at.

We've been below 12% before.

8% Is an absolute minimum
that we don't want to be
anywhere near in terms of
conservative fiscal

policies, but 12% is good
and the other thing this is
all based on a projection of
the rest of the year in
terms of sales tax.

And our sales tax is
looking -- has looked good
and is looking good so what
I'd like to do then is
propose an amendment
basically to loosen up some
more funds for one-time
expenditures.

And that would be to amend
the proposed budget of the
budget stabilization reserve
fund to increase transfers
out of the -- do I have this
right -- out of the critical
one-time fund?

And I'm sorry, I need to

transfer it out of the
budget stabilization reserve
to the critical one-time
fund.

Is that correct?

>> [Inaudible]

>> Morrison: In the amount
of \$580,000.

Which would then allow for
580,000 more in expenditures
in the coming year either
now at this budget time or
later in one-time
expenditures.

Did I get that right?

>> You do and if I could
clarify.

Councilmember martinez's was

to take \$148,000 to help
fund fuel mitigation in the
wildfire division.

If your goal is keep that at
no less than 12% and that
motion were to pass, 248,000
would already be [inaudible]

>> Morrison: So what i
might do then is make it 580
minus 248.

Whatever that turns out to
be.

I mean 580 minus 240.

So that's my motion and if
there are any questions i
would be glad to discuss it
now or we could put it on
the table.

>> Mayor Leffingwell:

Well, I'll object to putting
it on the table and I'll
just say that at the end of
the day when we get around
to voting on this, which is
likely not to be a while,
I'm not going to support it,
I'm not going to support any
motion that increases
expenditures without off
set.

I don't think that taking
money out of reserve is an
off set.

Mayor pro tem cole cole yes,
I had a question first of
councilmember morrison.

Can you clarify, it's my
understanding that what you
are doing is tapping our
budget stabilization reserve
at 12%, and then you are
putting the excess at --

excluding the amount
councilmember martinez has
identified for -- for
wildfire mitigation.

In another fund that would
be used for the same purpose
as budget stabilization fund
during the year.

Is that correct?

>> Morrison: Will with,
it's my understanding that
the funding from budget
stabilization that we make
accessible for one-time
critical needs goes into a
budget called the one-time
critical fund.

I'm merely moving those over
so we know what we have to
work with.

>> Cole: For that particular purchase.

Really it's an accounting sort of transfer.

It's not any money that's been allocated for a specific purpose.

>> Morrison: That's correct.

>> That is correct.

In terms of we're putting things on the table so we can certainly add to our list that's on the table is to move \$580,000 from the stabi reserves to the critical one-time fund and take [inaudible] to help fund fuel mitigation for wildfire division and then the other thing brought

forward by council to do

with the remainder

[inaudible]

>> Cole: Thank you.

>> Morrison: And just to

clarify, it's not that I'm

suggesting we have a cap.

I'm just suggesting that we

hit 12% this year.

And likely it will go up.

You know, our [inaudible]

may come in this last

quarter and that means it

would go up above.

And my intent was for it to

get on the table how much

there is to actually work

from.

>> Mayor Leffingwell: So

the motion is to take
\$580,000, there about, from
stabilization fund and
transfer it to critical
one-time need fund.

And I hadn't realized
before, but councilmember
martinez's motion was also
dependent on this -- you
said that would also come
out of the critical
one-time --

>> it's my understanding.

>> Mayor Leffingwell:
Which would also require --
for councilmember martinez's
motion to be funded, this
motion would have to pass,
transfer 580 out, otherwise
that 284 would not be

available.

Is that correct?

>> Yeah, short of a motion saying just to transfer 284, that's right, some money needs to be transferred out of stabilization reserves to one-time fund.

>> Mayor Leffingwell:

Right now if this were to pass 580, out of that would be potentially 284 and other things.

One-time.

Did I say 284?

[Inaudible] so if there's no objection, we'll put that one on the table.

Did you want to say
something, councilmember?

Put that one on the table
and go to the next.

>> Morrison: So the next
one is acclly a use of
\$250,000 from the critical
one-time fund.

And that is to support the
expansion of the healthy
families program.

And I don't know if we have
our health and human
services staff here.

The healthy family program,
healthy families program,
they can speak to it a
little bit.

It's a very important
program that we already
participate in in terms of

helping new families sort of
get off the ground and works
with all sorts of folks that
are at risk, it works on
child abuse issues and
things like that.

And before they describe it,
what I would like to mention
is that this is for an
expansion of it specifically
targeting african-american
families that are where we
have a demand that's not
being met, additional
outreach needs to be done,
but also importantly this is
one of our 1115 waiver
programs, which means that
for this expansion, we will
be able to to apply to
the -- I don't know if it's
the state -- I guess it's

managed at the state level,
the state government for
each one of the dollars that
we spend for this expansion,
and it does need to be an
expansion, we will get an
extra \$1.43 in return.

The idea is we use this as a
one-time seed money to get
this started and then we
will actually be generating
those 1115 waiver funds to
help us support it as an
ongoing program.

And we have staff here to
talk about how all that
storks.

Works.

>> Human services.

You are absolutely correct,
it is an 1115 waiver project
which we presented to city
council before so you should
be familiar with it.

Right now there are two
units that provides services
to our at-risk families out
of the county.

And the programs are
provided out of the county.

We would like to expand it.

Currently 87% of the clients
are hispanics.

There's an amount of
african-american youth that
could benefit so the 250,000
would go towards a program
dedicated to that particular

ethnic group,
african-americans.

>> Morrison: And I think
the critical health
indicator reports that you
put together a I will whew
ago identified some pretty
poignant health disparities
in our minority communities,
but specifically in the
african-american community
and I wonder if you could
list some of those office.

>> What we're trying to
accomplish is to prevent
children from being taken
out of their families.

So we're doing some
prevention work, making the
family stronger, doing some
pre-natal care with them
before they are born and

then working with the families up until the age of 2 to 3 years old.

So it would be a savings to the economy and also it would have these children go through less trauma and the families go through less hardship, you know, by strengthening their skill sets.

>> Morrison: And thanks, i wonder if you could talk about how this could be seed money and just summarize what I was trying to say also.

>> So we submitted this as one of our projects.

In fact, it's one of our top three projects, we only have

one project funded

currently.

So this 250,000 could be

sent up and it would come

46 worth of

match.

I didn't do the math on that

so it's like 300 and

something thousand dollars

that could potentially come

back to the city because of

\$250,000 investment.

We would have to meet

performance measures which

we're quite confident we

could meet because this is

an established program the

county has been running for

a number of years so they

have the expertise to

executive.

Once we hit those

performance measures, we
would get the money being
about.

We are allowed to submit our
performance measures for
reimbursement twice a year.

>> Morrison: I think
that -- I mean -- do you
want to say something?

I saw you scrunching your
eyebrows and that makes me
worried when you do that.

>> Me too.

>> Morrison: But I think
this really points out for
us, you know, we did -- we
do have a list of programs
that we've submitted that

are expansions and we don't
necessarily -- that are
really supposed to be
transformative health
initiatives had this
community and we don't
really have necessarily
funding for all of those,
but there is -- it's money
that will be leveraged by
the state.

So I think we really need to
be thinking in terms as
broadly as we can about how
to get these programs funded
so we can take advantage of
the opportunities that are
out there in terms of
[inaudible].

>> You should also keep in
mind that once we are
reimbursed or the money is

matched, there is really few
strings attached so we could
use it in in I way the
department felt fit, which
would be to continue the
program.

>> Morrison: Right.

And in fact we get more
money back than we send up.
I think it would be really
helpful if we could get
staff to sit down and think
comprehensively about how we
might be able to use some of
those funds to help start on
the road to funding other
programs and all.

So, okay, but the bottom
line is this is a very
worthy program in and of

itself.

The reason it makes sense to do it with -- with one-time funds it is sort of a situation where it can be seed money to start an additional cash flow flowing that can support it in the long run.

So that's 250 from critical one-time funds.

>> Mayor Leffingwell: I have a question for you.

Obviously this sounds like a very good deal, taking advantage of the 1115 benefit, almost 150% matching.

In fact, it's so important I'm surprised you haven't

already allocated this money
in your budget from other
sources.

So if this item were not
approved, would you go back
and readjust your internal
budget and make sure that
you apply for these funds or
would you just let them go?

>> Well, my budget is such
where we have no
discretionary funding
really.

So I'm really not in a
position to take any money
and make it available for
this project.

And that's the way the
project was always spelled
out, the way it was
introduced is that it has to

be new funding, and again,
the department is not in a
position -- we would have to
take it from somewhere else
and those funds are already
allocated.

>> Mayor Leffingwell: So
there's absolutely no way
that you could find that
amount of money.

You would pass that out to
fund something else.

>> I have no discretionary
funds.

Again, that's the way we
operate.

We fund our current
operating program, we're
very grateful to be able to
provide the services that we

do, but we don't have a the
look of wiggle.

What we would end up doing,
there's a certain amount of
money set aside for health
departments in our region
and there are only two
health departments, ourself
and hays.

So we would leave that money
on the table if we didn't
come up with money to use
for a new program.

>> Mayor Leffingwell:

Councilmember morrison.

>> Morrison: A good point,
mayor.

I think that we need to have
some real brain power sit
down and help us figure out
where to get additional

funds because leaving this
money on the table in times
of need, it's really just
not acceptable.

So this is one opportunity
to get things started and i
think if we can get our
financial wizards sitting
down with our experts in the
field, we could figure
something out.

>> Mayor Leffingwell:

Yeah, and I guess that --
you stated there's no way
you could find the money,
but maybe there's a way that
somebody else in the city of
austin could find that
money.

>> Yes, sir.

>> Mayor Leffingwell: And

so in that case I think i
could definitely support
something like this.

Councilmember Spelman, did
you have a comment?

>> Spelman: Only if the
department director has no
discretionary money we need
to ratchet it up a level and
find somewhere else.

>> Mayor Leffingwell:
Without objection, that is
laid on the table.

>> Morrison: I do have
some more.

>> Mayor Leffingwell: Yes,
go ahead.

>> Morrison: We did have
some discussion about the

human trafficking position
that has been grant funded
for the past several years.

The grant is now half.

What I took away from that
discussion is that our
foreign officers are now
doing administrative work
which they are having to
absorb that which is
obviously more expensive
than it needs to be and it
drives more overtime.

Now, that was a grant funded
program which means that it
wasn't in as a sustainable
f.t.e.

I would like to propose that
we actually fund that
position of the program

administrator to the tune of
\$84,057, from the critical
one-time needs fund with the
understanding that it only
extends it for a year.

We normally don't do
personnel with one-time
funds, but the bottom line
is that it's been grant
funded, which this is
essentially just like
treating it like it's
getting one more year of
grant funding.

And I would ask at the same
time that staff look for a
way to carve out this f.t.e.

And I would like to
highlight that there have
been some -- there was a

huge arrest that was done
back in august and I think
that's where three people
were arrested and broke up a
couple of human trafficking
rings, and, you know, for me
it's one of those things
that it's hard to imagine
that goes on in the city of
austin, but the comment was
that -- from the police was
it's a hidden thing,
obviously, but it's
prevalent.

And I just don't think it
makes any sense to be
transferring our
administrative jobs over to
our sworn officers.

So that is to take that as a
one-time cost of \$84,057.

>> Mayor Leffingwell:

Anything else?

Councilmember Spelman, I was

just going to say ditto.

Councilmember Spelman.

>> Spelman: Ditto is fine

with me.

>> Morrison: Okay.

And then --

>> Mayor Leffingwell:

Let's lay this one on the

table for a while and go to

the next one.

>> Morrison: We've had

discussion the river city

youth program which is a

fine program and

organization in Dove

Spring.

And the city has funded for
several years dove springs
to the tune of \$146,000.

And because of the -- one of
the unexpected impacts, i
think, of our social service
funding was that it was left
off the list of those
organizations that we funded
because of the way the
priorities had been
structured.

But I think I certainly
believe and I think there's
a shared sense that that
organization brings a really
critical affect to the
table.

And in fact there is \$73,000
in unallocated social

service funding within the health and human services department.

So I would like -- my motion is to actually it's not a change in the budget, but it's just to direct staff to reallocate \$73,000 of the unallocated special service funding within the health and human services department 2013 budget to fund river city youth foundation.

And then also to ask staff to continue their efforts to identify an additional \$73,000 so that we might be able to fully fund for last year as well.

So that's -- I don't know if that needs to be laid on the

table.

>> Mayor Leffingwell: See
if there's any discussion on
it.

Councilmember martinez.

>> Martinez: I think
before today's meeting that
was staff's intention with
that item.

I don't see bart in here --
there he is.

If,.

>> That's all right.

[Inaudible]

>> Morrison: All right.

Thank you.

>> Mayor Leffingwell: So
without objection that's
laid on the table.

>> Morrison: That's
correct.

Let's see.

I have a few more.

One is regarding the
innovation office that we
have had some discussion
about recently.

We've had some discussion
with the city manager and
then open austin came down
and has been talking with
staff about this concept of
having an innovation office.
There's been I think open
austin's perspective was a

little bit more of how do we
use innovation and leverage
technology to improve our
ability to engage the public
and to have an innovative
interface with the public.

We've also had discussions
about trying to promote
innovations from within in
terms of our internal
processes as opposed to just
our external processes.

And what -- we heard from
the city manager that he was
certainly interested in
continuing to explore that
possibility and seems
what -- there were folks in
discussion.

We've certainly talked about
it I think and planned to
talk about it at emerging

technology committee, but
the scope had not completely
been defined.

We don't have a real
specific detailed amount of
exactly who and what and
when.

I would like to be able to
put a stake in the ground
that says we are going to
move forward and fund
something in that realm.

And in order to fund that,
what I wanted to do was
think about funding
something only a half a year
or three-quarters of a year
because we know we have more
work to do before we know
exactly what it needs to be.

In order to find funds for

that, I went to -- c.t.m.

Has a line item of a million
dollars to fund a consultant
to come inen help develop a
strategic plan and do
assessments of our i.t.

Environment here.

And what I would like to do
is to -- I think that we
likely can get a very
professional report and
strategic plan for less than
a million dollars, and I'm
very concerned that if we
even have a million dollars
on the budget, everybody
that bids on the statement
might
actually bid a million
dollars.

So I think that it would be
very safe for us to crimp
our \$250,000 of that line

item to cover some portion

OF A YEAR AND TWO FTEs FOR

An innovation office.

That's my motion and that is

that we amend the proposed

to add

TO -- TO ADD TWO FTEs TO

Form an innovation office

and direct the city manager

to reallocate 250,000 within

for the citywide

strategy assessment from

1 million to 706.

>> Mayor Leffingwell: Any

discussion?

I guess -- can anyone speak

for ctm?

I guess my question is this

something new your office

has been doing with regard

to open government or

whatever the term of art is?

Is that something that your
office or some other office
in the city does currently
or are we doing something
entirely new?

It seems to me I've been a
the look of innovation this
this particular area in the the
last couple years.

>> We've actually been doing
some innovative things.

I think we've been doing
quite a bit with the
website, with mobile apps.

With open data so we've been
doing quite a bit to engage
the citizens so I'm not
really clear --

>> let me see if I can help
you.

He's correct, from a technology standpoint the city has done some very innovative things over the year.

I think the gentleman who was here awoke or so ago, rosenthal and he think he pass out information.

The other piece of this is -- was a staff initialed effort to create what we initially characterized as r&d, that ultimately we changed the vernacular.

That notion is browder than a would encompass what rosenthal presented a few weeks ago.

And if you'll recall my remarks, I embraced with

what he had to say and I see
a logical connection and you
the broader notion in terms
of where the constitution
began with staff, actually
with me.

And so councilmember
morrison is correct, we were
still in the defining
refining process, but this
money that she's proposing
would help us get a lug up
in getting that started in
2013.

The broader notion that I'm
talking about, r&b, and i
think we've had some
conversation with
councilmember spelman, just
let him now we were working
along those lines.

It's really open to the entire organization to bring innovation ideas forth.

So the two quite naturally come together so I think this makes a whole lot of sense.

>> Mayor Leffingwell: Is this new employees or are you just redesignating employees?

Two new hire employees we're talking about or just going to move two people -- yeah.

>> This would be two new people, and I do want to say the question is it a c.t.m.

Function or sort of a different level that we're

trying to talk about in
terms of innovation broadly
and it's not just
technology.

And while my motion

SUGGESTED TO CREATE FTEs

And it may be appropriate to
come back and look at a
budget amendment to move

THOSE FTEs TO A DIFFERENT

Place in the budget.

We know it's going to be
related to technology, but
in the end the idea I think
was it may well lead to
something a little
different, but it's
definitely two new
employees.

And there's been some talk
about best practices in
other cities.

I know you all have been
looking at in terms of
boston and I believe chicago
and maybe philadelphia have
some of these.

So it's also wanting to rely
on what other cities have
learned in doing this.

If,.

Q.further comment?

Without objection it's laid
on the table.

>> Morrison: I have two
more to talk about.

And one is I wanted to talk
about our transportation
fund and some of the special

projects for the transportation system that we might think about using that for in terms of, you know, we have certainly in imagine austin and over the past 10 years with our different funds how to focus on sustainability, on equity, on the sustainability of the three-prong things as defined equity, the environment and the economy.

And what I want to talk about or propose here is that we like with other funds take 1% of our transportation fund, which i understand would amount to about \$570,000.

And not transfer it out of
the transportation fund, but
dedicate it to -- to
transportation system
improvements that are --
that are addressing more
equitable transportation
systems with a special focus
on imagine austin actions
and outcomes that would fit
within that.

Hello, howard.

Q.good afternoon.

>> Morrison: I'm not
talking about moving this
funding out, out of the
transportation fund, I'm
talking about putting a
special bucket in there, and
it's not clear to me we even

know exactly what those
programs would be right now.

It's also I just want to say
I understand that the ending
balance of the
transportation fund is
\$1.1 million this career.

So this would -- if we put a
special line item in the
transportation fund of this
\$570,000, it would reduce
the ending balance, but
doesn't require any other
jostling of any other
planned activities that you
have.

>> Howard lazarus, public
works director.

There are many things that
we do each year that I think

would qualify for types of activities that you just mentioned.

I think maybe what we could do a better job of is highlighting what those things are.

Some of the things we had talked about for the coming year included relooking at our transportation criteria manual and make it more inclusive, less descriptive and more adaptful, particularly at relates in working in areas of established infrastructure.

We also are doing things there that relate to increasing bicycle acceptability and I think there are a lot of things we

could designate to meet the requirements of what you just mentioned and provide you with some feedback on that without changing the ending balance.

The reason for the concern in maintaining the ending balance is two-fold.

One as we presented during the financial forecast, we need to keep a balance in coming years so the fund doesn't go negative.

We are still this year spending more than we need in revenues and we need to reverse it.

The he could is is make sure we maintain enough of a balance to address contingencies.

A couple years ago when we
had fun spin on hurricane
spans.

I would offer that maybe
what we could do instead of
designating an additional
\$570,000 in expenditures,
identify those things that
need the criteria what you
just mentioned.

>> Morrison: I procedure
that input.

The reason I would like to
go ahead with a motion is
you mean can of fold.

One, you are talking about
improving the things that
we're already doing.

I'm talking about going
above and beyond things.

We've had transfers in the past and talked about having a whole list of discussions about transfer and if we -- this for me is a way they are sort of able to maintain a similarity to what we were doing, make sure that we're focusing on the transportation system and keeps us from having a piecemeal change in our transfer policies and allows us to have that discussion over you're overall.

I think we have our budget set and I think we're going to see as we have every year that there are council priorities that come up through our interaction with folks in the community that I think especially if we try

to ensure a tie between
this, equity and
transportation system, as
seen through the imagine
austin plan, then I think
it's a really good exercise
for us to keep in mind that
imagine austin, we're
supposed to be using it as a
guide for how we move
forward.

A couple of things that i
would -- I would envision.

This could be use for it
just to give you a flavor
what I'm thinking about.

I'm not going to suggest we
allocate this money by any
means at this point and i
would think we could leave
it open and work with staff

to help gather ideas.

One, I was originally
thinking about cruising it
for continuation of the safe
routes to school program.

Because that was grand
funded and the grant funding
as ending.

And safe route to school is
an amazing program that, you
know, I think the numbers
show increasing active
travis county to schools in
some neighbors by some just
a little bit, by some 10,
and I think I saw 10 and
15%.

That's amazing changes.

It turns out that public

works has picked up those positions and is going to continue the safe routes to school program for a program like it.

It no longer fund 9.

Is that correct?

>> That's correct.

I said with burliss and he explained the grant position they had for the public health trainers was not going to be remood.

We talked about how to

THEREFORE THOSE FTEs INTO Child safety zone.

And we were able to accommodate that and I think both of us are extremely, combining the training and education with the infrastructure and physical part of it.

The best and most recent examples are the green lines by zilker elementary school which is one case those things come together really well and willing to create healthier choices when it comes to getting things from school.

We're excited about that.

The staff are great people.

I think the [inaudible] is phenomenal.

We will continue the relationship to make sure we continue the progress they made.

>> Morrison: That's great.

That means we don't need to think about it or we could expand it.

With regard to safe routes

to school, I want to mention
I hope that especially now
that if we have more
layover, I did see the
criteria for selecting a
school and I don't see a
measure of, like, childhood
obesity and different health
indicators in the criteria
and I really think that we
should be addressing hot
spots there and I hope that
we can talk about doing that
in dove springs.

[One moment, please, for
change in captioners]

>> so we are excited about the
process of expensing --
expending the value of the
dollars that are specifically
set aside for traffic calming
that is an enforcement of the

future of what we are doing.

I will let rob address it.

>> Before rob starts it, I want
to say I congratulate you on
that.

I know under your leadership,
public works has really
increased the efficiency of the
work that we do by coordinating
different efforts and not going
back over and over again.

>> Thank you very much.

>> Will you tell me where that
comes fro.

>> To support more equitable
transportation system tied to
imagine austin.

where

does it come from?

>> Morrison: It comes from the
ending balance of the
transportation fund.
so that's
a revenue neutral?

>> It's -- I don't know if it's
accurate to say it's revenue
neutral.

The department or the fund
1 million
ending balance projected for
fiscal year '13 with this
proposal that would put it
538,769.

So they weren't proposing to
increase the rate.

It just draws down the ending
balance.

all

right.

>> Robert phillips

transportation department.

I don't know if you were
requesting a response with
regard to the traffic calming.

I wasn't quite sure.

But you are absolutely right.

There has always been a backlog.

In fact, that's why we moved
from the previous neighborhood
calm to go the new latm, more
than just acronym.

It is really designed to try to
resolve that backlog.

There is certainly some
different procedure that is we
think will accelerate that and
we have gotten a huge response
to that change and clearly
that's a set of product that is

the communities want.

We are working with public works
and I know there was discussion
about staffing the issues.

We are going to be working with
public works to see if we can
use some of the existing
staffing that howard has to get
over the hump of restarting or
reenergizing the whole program.

>> Morrison: I guess my point
is, for me, this is an example
of where it might make sense to
try to go above and beyond what
we have already budgeted,
because speeding traffic through
neighborhoods is a product of
densefi cation and the growth we
have and one of the goals of
imagine austin is to protect the
integrity of the neighborhood
and this program is specifically

to cut down on a safety issue
and something that impacts
quality of life and
neighborhoods and so if we only
have 3/4 of a person assigned to
it right now, it really could
help rise it up a little bit.

>> So this money is for actual
traffic calming infrastructure,
or is this purely --

>> actually, mayor, we fund the
infrastructure through bond
funds.

We have bond funds.

Who are getting ready to hire a
rapid response.

what

would you do with this money if
it weren't spent for planning.

>> We would use the front side of that to run the process to get community buy-in when an issue is brought to our attention and then, also, on the management of that contract.

Yes.

>> Mayor, I do want to be clear, though, that if we are doing -- if we are going and doing routine pavement maintenance in the neighborhood and there are areas where traffic calming devices are going to go in, we will pay for that out of our operating budget, which is the transportation fund.

So while there are dedicated capital dollars for traffic calming, if it's done in addition to other work, we will pay for it

out of the fund.

so it

might or might not be spent for
infrastructure?

>> Yes, sir.

That's correct.

>> Morrison: And, mayor, what i

was intending to do with this

motion is to move some funds

into the specific line item for

priorities that come up like

this, within the -- to improve

the transportation system but

working under these kind of

assumptions, yes.

That's my motion on that.

Now I have my last motion.

we will

put that one on the table.

>> Morrison: Okay.

Thank you.

The last one is an austin
energy item.

We have had some folks come talk
to us about the amount of
funding that's budgeted for the
solar rebate programs --
does this
have to do with the general fund
budget?

>> Morrison: No, but it's the
operating fund budget.

Ed, is this something I should
be talking about under number 1?

>> Item number 1 approves the
operating budget for all
department general fund and
nongen fund.

Your amendments need to come
now.

>> Morrison: Okay.

>> Morrison: Amount of money allocated to the solar program was \$4 million.

We heard a lot of folks suggesting that it should be higher.

It should be \$10 million, and to show our strengths and our commitment, we have heard from weis that there is a commitment to meet the demand for the rebate program, even if it exceeds \$4 million, and I do want to note that we have a lot of good work going on in the local solar advisory committee and they will be coming to us for a recommendation for future years, not this year.

I guess the timing doesn't work.

For future years of recommendations on how much should be allocated to the solar

program, you know, on a longer horizon.

So what I would like to do is try to find some middle ground here because we did have a 10 million-dollar recommendation from the local solar advisory committee.

Their budget working group actually, I believe, came up with 7 and a half million dollars and showed a methodical outlay of how that would work, so I would like to make a motion that we -- that we amend the proposed budget of austin energy to increase appropriations in 5 million, to 5 for the solar program.

And I understand it's similar to the situation -- the situation

is similar to what we talked about was the transportation fund.

There is an ending balance there so it would just be -- it would just be adjusted to account for this extra 3 and a -- 3 and a half million dollars.

any other questions?

>> Morrison: If we can put that on the taint I do have a question about the austin energy operating fund beyond that.

okay,

without objection, that's on the table.

Go ahead, council member.

>> Morrison: Great.

We also heard quite a bit about funding for clean air force and there is some suggesting that we

have been funding the
membership -- our membership
there at 90,000-dollar level for
20 something years or something
like that.

There was some suggestion that
we might change that this year,
and I understand that that
change is off the table.

>> Let me, if I may ask our
chief of sustainability officer
to respond to that.

Essentially, yes, there is and
she is going to outline an
alternate proposal for this year
but talk about going forward
after that.

>> Yes, we are planning to
continue the funding for the
clean air force as it has been
previously, so that's the plan
for the next -- this next budget

year.

WEñooRa

Responding to a resolution from council that you will recall that asked to have to do with an assessment of how we can be working towards improving air quality in our region and so those -- that report and some recommendations that are coming out of quite a bit of stakeholder process that we have been undertaking will be forthcoming to you and I think that will help inform for the next budget cycle what we would want to do with our resources, but for the next budget year, we are planning to can't the support of the clean air force.

>> So we will have plenty of

time to talk about it.

>> Yes.

>> Morrison: And figure out what's -- because I was hearing let's shift some money to marketing, and to me, we need time to talk about that, because collaboration -- regional collaboration is not necessarily the same as marketing and we didn't really have a chance to have that discussion so i appreciate you being able to change that.

>> Absolutely.

You will have plenty of time to review the report.

I think you will be pleased the report.

It is thorough and 300 comment

there is stakeholders that have
been taken into account with the
recommendations that will come
forward to you for your
consideration.

>> Great.

so this
does not require.

That's already done.

It's not a required amendment?

And I would like to reinforce
council member morrison's
comment about this being a
marketing effort.

Whatever needs to be done to
reinforce the idea that this is
a regional collaboration effort,
an auction-oriented effort and a
not a marketing effort, I would
suggest that we pass that on to

the clean air force and make our plans accordingly, because we've got to get this right next year.

>> Thank you.

>> Mayor leffingwell: thanks.

Council member riley.

>> Riley: Thanks, mayor.

I want to first say I am very glad to see a number of the amendment that is have come forward.

We have covered a lot of ground that I expected to cover, so i am very pleased with where we are.

I also have to say there was a lot of good stuff in the budget already and I want to thank the staff for all they did to include a lot of very important items within the proposed budget.

There are a couple of
outstanding concerns that i
have, one of which I want to
address first.

That relates to early childhood
services.

This is an issue that has been
troubling to a lot of folks in
the community and --

I was
talking about the spider that
was on the dyas here.

Sorry.

[Laughter]

>> Riley: That's another
concern.

[Laughter]

but -- but with respect to early
childhood services, as y'all

know, we went through a very difficult process over the past year or two to go through the reworking of the way we fund our social services programs and one outcome of that was that there was significant cuts to funding for early childhood programs.

We heard from a lot of folks in the community that really want some further attention because we all know what critical needs there are with respect to early childhood programs.

There is a wildly held sense that we are not doing nearly enough to address that critical need, and so we have struggled to figure out ways that it could be better addressed within the context of the current budget and I would like -- I wish i

could say we had come up with a solution but at this point i can't say that.

This is not in the nature of a one time need that we can look to the budget revenue -- the budget stabilization reserve fund for.

This is -- these are -- these are long-standing, ongoing needs, and the question is, can we figure out sustainable funding sources to support those important efforts on an ongoing basis?

That is not -- we are not going to be able to solve that today, but we can give it continued attention in the public health and human services committee and

a I just wanted to make a note
of the importance that we
continue those discussions,
unless my colleagues have other
suggestion that is we haven't
heard yet about ways to address
that, I would just note that we
have talked within that -- that
subcommittee about a it.

Our expectation that we will be
continuing the conversation
about that important problem.

When he even talked about -- we
even talked about having a youth
submit this fall to get more
stakeholders to the table and
figure out more planstor goings for going
forward and I want to emphasize
we take it very seriously and i
wish I had a better solution to
offer that today, but I will say
that my hope is that we will,
through the course of efforts in

the -- if that subcommittee,
that I hope -- in that
subcommittee, I hope we will be
able to come up with funding --
I would hope we would be able a
to consider a midyear budget
amendment this fiscal year to
the extent we can identify
funding to be able provide
support for the important
service that is have suffered
some cuts over the past couple
of
years.

With that said, I want to shift
to one other item that's much --
that I hope will be a much
simpler item and that relates to
to -- to the fee structure of
one of our parks.

And saltillo, I asked a
question, budget question number

21 about the fees.

The city currently leases prezza saltillo from capital metro and has strived to maintain that park and we would like to see it made available to community park that is could bring life to that park that critically located on the transit line in central east austin.

We have talked to community groups and other stakeholders of ways to revive the park an one thing that is clear is we can do a better job of structuring our fees, to make it easier for groups to rent the park and for -- for events that -- some events that may be even less than a day.

So I have -- based on all of those discussions with stakeholders and staff, I have a proposed amendment that would revise the fee structure for plaza saltillo, adding 150 per day maintenance fee of rental of \$150 for four hours.

Reduce electricity fee of \$150 per day to \$50 per day and delete the \$200 per day minimum fee.

It would also amend the proposed budget of the general fund, the increased revenues from parks fees by \$21,731 based upon these amended fees for plaza saltillo and amend the proposed budget for parks department and increased appropriations for the same amount and had half time for

maintenance of plaza saltillo so
revising the fee structure,
adding a half time -- .5 f.t.e.

For maintenance, and then
adjusting the budget numbers
based on their expectations of
the additional revenues that
that fee structure would bring
in once we are able to make the
park available on a more
frequent basis.

So that's the amendment that i
looked over.

That's all I have.

>> Mayor.

go ahead,
ed.

>> I want to -- in regards to
that motion, we have the fee

amendment down.

I think the motion for item
number 1, though, would simply
be the revenue increase and the
and

them we will bring back to
council on item 3 the ac
amendment to the fee.

>> Mayor leffingwell: okay.

So is this revenue neutral with
the general fund?

>> This is revenue neutral to
the general fund.

21,000

increase revenues from fees, and

21,700 in increased

appropriations.

>> Correct.

anything

else, council member?

Council member tovo.

>> Tovo: I have some amendments

to propose but I would like to
ask some questions about this
item, if I may, probably ask it
of the parks department.

First of all, I think it sounds
like a great idea and i
appreciate the creativity,
council member riley in bringing
this forward.

I just wonder if we've got any
other examples to point total
tax suggest that the fee -- that
having that half time position
will indeed bring in that amount
of revenue, because, you know,
at the last -- certainly none of
us want to move forward in a
direction that, if it doesn't
pan out, you know, represents
\$21,000 more you need to find in
your budget.

But do you have a pretty good sense that reducing the fees in this way will indeed bring in the expected amount of revenue?

>> Council member, sarah hensley
director of parks and recreation.

In this particular case, we do.
This is a site where we have not been able to utilize in a rental capacity like we would like to, and we believe -- we were given some opportunity to really do some analysis and actually this -- we believe will come to fruition and be able to cover 5 position and maybe even more, to be able to open it up and have rentals there and have it available to the public.

>> Tovo: Great.

I am glad to hear that.

So some of the logistical issues that you have raised here, it sounds like there are good solutions to them with regard to electricity access and things of that nature.

Do you feel those aren't going to be impediments?

>> No, the other thing, this is a site where we have had some requests for use already, whether it be receptions or small activities, and we weren't able to accommodate because of the lack of being able to pay attention to it from a maintenance perspective, and truthfully, we didn't want to open it up and allow for use and

not be able to take care of it
prop her i.

This is sort of a win win, to be
able to open it up, allow for a
rental, reduce and kind of
restructure the fees, still be
able to generate the revenue and
cover the costs.

Not saying there aren't other
opportunities out there to do
the same.

This is the one we have been
able to tackle and staff did a
good job of analyzing how it
could come out but we believe
this will generate to cover
enough money not only the
position but also generate a
little more that will help it.

>> Tovo: Great.

I think that's great if it serves as a good model for other sites.

>> Absolutely.

>> Tovo: I appreciate your work and for council member riley for the idea.

>> Thank you.

>> Mayor leffingwell: go ahead.

>> Tovo: I have several amendments to suggest.

I will start with the one we haven't talked about yesterday today and I did hand out three yellow sheets on the dyas.

The first one is to keep austin water utilities contribution to

the sustainability fund at 1%,
consistent with previous years,
and then to increase the
transfer to neighborhood housing
and community development to
support administrative staff
salaries, so as background, you
know, we have heard from housing
advocates, as well as from the
cities community develop
commission that they have
serious concerns about what
would precedent setting
change in how we use the housing
trust fund money to approve the
budget as it is currently
proposed.

In this year's budget, four
administrative positions
totaling \$557,000 would be
shifted to the housing trust
fund and that would, in effect,

make less money available for the direct assistance that is the primary purpose of the housing trust fund and so i share those concerns.

I think it's really critical we have that money available for purposes to which the housing trust fund was set up which are home buyer education, counseling for owners who are in danger of losing their home.

Financial education, tenant assistance for the homeless, downpayment assistance for individuals with disabilities.

There are many, many critical programs that operate right now with the support of the housing trust fund that would be impacted by this shift and I do think we have a good solution

available to us.

In the past the austin water utility has transferred 1% of its revenue to the sustainability fund.

This year, it's proposed to transfer slightly less.

If we keep their contribution to the -- their transfer to the sustainability fund at a constant level of 1%, that yields \$659,203, and that would fund for neighborhood housing and community housing positions which total \$557,518, and, indeed, result in about \$101,000 difference and I have, as you will see, another motion that speaks to the use of those fun. So that is the first amendment i would like to propose and a i

believe we -- and I believe we
have staff here to talk about --
can you
give perspective me the numbers
again?

>> Tovo: Yes, and, actually,
mayor, it's on the -- I have
another set.

I believe so.

Those numbers, to amend, it
would be to amend the proposed
budget of the water utility to
increase sustainability fund in
the amount of \$359,203 and to
increase transfers in from water
utility business in \$659,203 and
amend the proposed budget of
sustainability fund increased
transfers out to neighborhood
housing in the amount of 557,518,
and then amend neighborhood
housing to increase transfers
in, 557,518, and then to amend

the proposed budget of the
housing trust fund to reduce
appropriations in the amount of
\$557,518.

vandeho for
working the ins and outs and
whatnot.

That should be pretty close to
the language that he had
proposed.

And as I was saying, I believe
we have staff from neighborhood
housing and community
development here as any of my
colleagues have questions about
the housing trust fund, how it's
typically used.

I did is several budget
questions that are relevant to

this issue and hopefully my
colleagues are had an
opportunity to read them but in
the past the only staff that has
been used to fund the housing
trust fund is a position
directly related to -- directly
related to rental assistance
counseling, I believe, or
housing counseling and I believe
I am correct in saying that when
we did have a situation this --
very recently when where the
tenants in one of our
multi-family housing that needed
assistants, I believe it was the
trust fund support that was went
to bare on that situation so i
think it's critical that we make
this budget amendment.
I will
object.

Get it on the table.

Do you have a comment, council member morrison.

>> Morrison: I have a question.

spencer could

talk a little bit about, if we

do this and it loosens up some

hundreds of thousands of

dollars, I take it, in the

housing trust fund, so what

would be the process of figuring

out what to use that money on?

>> Typically we use the funds in

our rental housing development

program or our and acquisition

and development.

And supports ownership and rhd

supports rental housing.

We typically include that in

the application process, on or

october 1st when folks apply for
go bonds, from the housing trust
fund and when we apply, we score
everybody and allocate funds,
the trust funds typically go out
through that process.

>> Morrison: So this would, in
effect, really allow for
additional funding to go
directly to housing?

Right?

I have a
question for somebody from the
water utility.

From your perspective, this is
about \$659,000 a transfer out to
the sustainability fund, most of
which should be spent on cdc?
Tell me how this relates to the
delivery of treated water to our

customers and the recovery of
wastewater.

>> Greg lazarus with austin
water utility.

It doesn't directly relate to
that.

They will have historically
transferred 1% of our revenues
in support of the sustainability
programs and community health
programs, so to the degree those
kind of investments support the
overall health of the
community --

well, i

just asked you what the
relationship was.

Not what the past justification
is.

>> It's not directly related to

the provision of water and
wastewater services.

so

that -- this is kind of the
discussion we have had over the
last six months, about austin
energy.

Austin energy paying for things
that weren't directly related to
their primary mission, and there
was a long discussion about how
we are going to try to set about
correcting that.

But we haven't yet had that
discussion, about what -- the
austin water utility also funds
a lot of services and projects
and programs and aren't -- don't
have anything to do with the
delivery of water to our
customers or the recovery of
wastewater and so I think this

the place to begin that discussion.

We need to take a hard look at any item that would cause a utility to spend money on thing that is are unrelated to their primary mission.

This is the old thing we have been doing for years and years and years, and that is using our utilities basically as cash cows to fund other services.

Thanks.

>> Mayor.

council

member spelman.

>> Spelman: Would you prefer to have council member tovo

continue or can we still ask
questions about this item?

well, i

think we can go back to council
member tovo after -- do you have
something in response or --

>> [indiscernible]

>> mayor leffingwell: go ahead.

We are going to -- we aren't
going to fight over it.

Go ahead, anybody.

>> Spelman: A quick question on
the use of the -- the current
recent uses of the housing trust
fund money.

I understand the idea that this
s with
one fairly minor exception which
is closely related to what the
housing trust fund has usually

been used for, but I am looking at response to council member tovo's request number 31, how the housing trust fund might actually have been used, and i will keep the -- I don't know if you have a copy of it in front of you, that's great.

Terrific.

Okay.

In every year -- fiscal year '10, '11, '12, we have actual revenues which are probably -- full of numbers, budget requirements which I presume are the program requirements which were passed by the city council in '09 and '10 and '11 prior to the fiscal year, and the actual program requirements, which are roughly one-third of the actual budget program requirements.

I wonder -- it is an interesting pattern, budget \$2 million and spend \$600,000 and we do that for every year three years running.

So why is it the budget requirements are so much higher than the actual uses?

>> My understanding of the requirements is they are actually -- it is the carry forward funds.

It's money that has been in there.

Again, you are absolutely right.

The third column is what was actually spent and so this current year -- the year that we are in now, there are several

project that is we have just
actually -- are this close to
starting construction on, to
which we have dedicated the
funds, so that we would expect
the -- the challenge has been
that some of the project that is
we have dedicated the funds for
in the past either didn't make
or we ended up using other funds
for, so this current year, we
have got three different
projects that we expect to spend
the majority of the funds on and
several of them are within weeks
to be able to get started.

Historically I can't speak real
directly why they weren't spent
before.

But I do know the last two years
we had them dedicated to
programs that either we were
able to use other funds for, or

to the projects that I have got right now, have been on the books for a very long time.

>> Spelman: Kind of like the presumption we have made is we will take the fund balance down to zero every year and for whatever reason, we have found other ways of funding things we needed in the fund or they haven't worked out.

We haven't been able to do that.

The reason I bring this up is there is a presumption in this year's budget is that we will bring the fund balance down to zero again and my guess is we probably won't bring it down to zero this year any more than the previous three fiscal years and the end of this fiscal year,

there is probably going to be a fund balance from the trust fund.

>> There may or may not, with all of the programs and real estate and the difficulty part with our application process or funding projects is the ability to cobble together all of the funds, get the permits, get all of the stuff together for the project to begin.

Sometimes they can take six, twelve months for an a project to actually start.

From the moment we dedicate funds to when it actually will occur, affordable housing being one of the activities more complicated than straight up real estate or a for profit kind of activity, sometimes it just takes longer for these projects

to get started, so it would --
we may or may not have a balance
at the end of the next fiscal
year, but we tend to, in our
budgeting process, allocate the
funds, we just don't always have
the opportunity to spend the
funds.

>> It looks like the last three
years we haven't had the
opportunity to spend 2/3 of the
funds by and large but there is
reason for believing because
there are some project that is
are on the verge of being able
to make, that this year we might
actually be in a position to
spend all of the money that is
budgeted in the previous fiscal
years?

>> Yes, sir.

>> Okay.

>> Is there a way you could put
a possibility?

Is there a way -- a
possibility -- a possibility is
just a possibility, we are in a
weird of position of setting up
a budget where maybe this will
work, maybe it won't.

My best guess, based on past
experience ought to be about a
third of what it is that we have
allocated we will actually spend
and, therefore, my best guess is
even if we spend \$557,000 on
personnel, which, of course,
would be an anomaly, something
we have ever done before.

If we did that and set a ide
2 million for everything else,
chances are we will only spend
2 and stillave
800,000 left in the trust fund

at the end of the year.

Is there a number you can give me which is your most probable guess or something else other than the possibility of having it left at the end of this to give me a sense of how much we will be giving up from the uses for which the housing trust fund was originally envisioned by setting aside 557,000 for \$ from the housing trust fund money.

>> Let me see if this a different way to answer that.

>> Okay.

>> Of the million 7 that we have budgeted for '12-'13, several hundred thousand is for what we call the Anderson 24 unit

project which has been a
commitment that we have had for
quite a while.

We are currently in the
purchasing process on that, i
hope the and expect to start
construction in the fall.

The other one is juniper olive
phase three which we are pending
permits for.

Once we get the permits, that
work will begin.

Then the third project is the
life works project.

Probably of all of the tree
projects I listed, the third one
is probably the one that will
take the longest.

The other two projects are both
very real and I expect to spend

funds this fall.

>> How much money is in the
anderson and in the juniper
lines?

>> Roughly \$400,000 each.

>> About 8 hundred thousand dollars,
we can say we are real likely to
be spending, and the amount in
the lifeworks line is a little
less likely?

>> About 200.

>> About 200 for that?

>> Uh-huh.

>> So your best guess is about a
8
roughly?

>> Uh-huh, yes, sir.

5 and still

2 left -- we will still have a
little money left over.

We will still be able to meet
the needs you identified right
now?

>> Yes, sir.

>> Spelman: Okay.

That's what I needed to know.

Thank you.

>> Uh-huh.

council

member tovo.

>> Tovo: Thanks for walking
through that.

I would like to talk a little
bit more about some of the items
in the community development
commission letter.

We have gotten also some
feedback from the housing repair
coalition requesting, again,
they were concerned about this
and their point was that they
could certainly absorb more
housing -- there is a great
demand for housing repair that
they could satisfy if their
budget was increased through the
housing trust fund.

Would you concur, that's the
case that, we have needy
families in our communities that
could benefit from the housing
repair funds, if that's a

decision.

>> I believe we have people that benefit all of our programs to include the home repair program.

>> The community development commission's letter talks about the consequences of allowing such a decline in the funding for housing programs.

They talk about the city's action plan and some of the decrees are that are in the 2012-2013 action plan, that it projects 47 fewer families will be assisted in transitioning out of homelessness, while only 13 units of rental housing will be produced in the coming fiscal year.

Do you agree those are accurate?

>> Yes.

>> Tovo: So to get back to council member spelman's question, what we might do with those funds if they aren't going to fund salaries, are those ways in which the housing trust fund moneys could be deployed, to try to get the numbers back to where they were the year before?

>> They are certainly eligible expenses.

>> Tovo: One of the other discussions that we have been having has to do with multi-family housing and the extent to which that will be an increased priority of code compliance.

It would seem to me that that would also create some new

service demands on neighborhood
housing and community
development and I did is a
question about that in the
budget process and I think the
answer was, you know, it niece
at possible at this point to
certain whatever additional
service demands there might be
but would you say that is one
consequence if we had code
enforcement -- code
compliance -- I knew they had a
new name but I couldn't come
up -- but new code compliance
inspectors looking at family
housing and responding more
rapidly about concerns of
multi-housing families that may
need significant repairs, is
that more of a for tenant
counseling, rental assistance,
thing that is are through the

program -- having trust fund
money?

>> Yes, when the question came
to us, because we didn't have a
lot of time, we didn't really
have the opportunity to put
thorough research on what the
impact of that could be but i
can certainly tell you from the
wood ridge experience, if we
continue to have more
opportunities like that, then we
will be resource strapped as a
department as well as the
tenants rights council.

>> So that would be another
eligible expense as I understand
it for the housing trust fund
money?

>> Uh-huh.

Yes, ma'am.

>> Tovo: So I guess the last question I had about housing trust fund is I understand that, of course we don't want our money sitting in a fund rather than being out, providing direct assistance, but it would seem to me that sometimes you might have to let the funds accumulate so that you can undertake some of the project that is are costlier.

Is that part of the rationale of not spending that down to zero every year.

>> I would say one of the biggest impacts is the go bonds, in addition to being a significant amount of money sometimes for the applications.

But we have been very fortunate
with if go bonds to be able to
provide towards probables.

For us -- I don't like to use
this term generally but the
perfect storm has occurred the
last few years with the federal
funds, go bonds being spent,
everything is suddenly coming to
light.

There -- I would not say
concerted effort to not spend
the housing trust fund dollars,
we just had an ability through
other opportunities to utilize
those funds first.

>> But go bonds would not be
able to be used for all of the
things we just talked about?

>> They would not be used for
support services, but any

capital improvements, they would be.

>> Tovo: Right.

The letter that we all received from housing works -- I think we all received it, maybe I just received it from housing works this morning, talked about certain programs that make use of the housing trust fund moneys that are not eligible -- they are not eligible for go bonds fund support.

Can you give us a couple of examples of what some of those might be?

Programs that are not eligible?

>> I apologize off the top of my head.

>> Tovo: Okay.

Sorry to put you on the spot.

I have the letter somewhere.

>> Miles per hour, it would be more along tenants counseling support or social services type acuity.

Anything that is capital should be eligible under go bond.

>> Tovo: Downpayment assistance, financial education.

>> Correct.

>> Tovo: Those are the kinds of programs currently being funded through the housing trust fund and would on the to be eligible expenses but would not be eligible for go bond money.

>> Yes, ma'am.

>> Tovo: Is that about right.

And then the last thing about the sustainability fund, the questions about the relationship between the programs that the sustainability fund has in the past funded and the water utility, the sustainability fund, I had an opportunity to go along with the staff of kind of siphoning the past history of the sustainability fund and when it was created in 2000 and 2001, it was -- its purpose was set forward to provide resources for projects to help the city of austin build a economic, environmental and good infrastructure and we have learned that it helped fund things like workforce

development, childcare
initiative and community
technology and then affordable
housing came into play.

At some point since its creation
but they have always been
eligible programs in support of
sustainability -- the general
goals of the sustainability
fund.

And austin water utility as i
understand it has always
contributed at 1% level.

Is that right?

>> That is all correct.

>> Tovo: So this the first year
where the 1% would have dipped
down that we know of?

>> Yes, sir.

Yes.

The first year.

>> Tovo: Thank you.

So -- and.

and i

feel like I have to respond,

yes, yes, we have been doing

these things for many years.

The energy company has been

doing the same thing for many

years, but the end result of it

is our -- in the case of austin

energy, those customers have to

pay for that.

Some of them adopt live in the

city of austin.

The case of the water utility,
those rate payers have to pay
for that.

That's the reason -- I am not
saying absolutely all of these
are not legitimate expenses.

I am saying as we have begun
that discussion with regard to
austin energy, so should we
begin it with regard to the
water utility.

Council member tovo, morrison.

>> Morrison: I just wanted to
chime in on that.

We've had -- we have been
focusing in on this budget for
the past several months and when
it came up in the earlier
months, talking about
dismantling the process and the
sustainability support, you
know, I think everybody

recognizes we need to have that discussion, but I am not comfortable doing is dismantling it in a piecemeal way.

If we are going to be changing and shift weigh I from those kinds of transfers and those kinds of support, then I want to make sure that we talk about a what are the impacts of that.

What are we developing.

How does that -- what are we dropping.

It impacts the property tax rate if the general fund doesn't pick it up.

Otherwise, we are just not going to be supporting some of these programs that are -- you know, have been -- many of them critical to helping to lift

folks up and it was make
austin -- bring austin to the
prosperity that it has, that, in
the end, supports the -- these
different utilities, so while i
agree we need to have the
discussion, I will not -- I just
can't support dismantling this
policy in the piecemeal way.

and
nobody suggested dismantling it
in a piecemeal way.

Council member tovo.

>> Morrison: Mayor if I can just
respond.

>> Mayor leffingwell: yes.

>> Morrison: My point is, if we
are undoing some of the two or
three funds transfers this year,
it looks like we are dismantling

it in a piecemeal way so i
disagree with that.

and we
can agree today's gree.

-- We can agree to disagree.

Anything else council member?

Do you have another item.

>> Tovo: I do.

with no
objection, this one is on the
take.

Go ahead with the next one.

>> Tovo: I agree with both of
you.

I think we should have a policy
discussion about a it.

In the meantime, we should not
make decisions that have the
impact of dismantling the fund
or the program without having
that full policy discussion.

I know that we had an opportunity to talk about a similar issue during the austin energy rate case, but I -- we have not, at this point, had a full policy discussion about the sustainability fund.

There are some changes this year in terms of which -- which departments are making those transfers, but, again, I would strenuously argue that we have this policy discussion as a full comprehensive discussion, and at this point we keep the austin water utilities transfer at the rate it has been, since we have not had a policy discussion to the contrary.

So my next item relates to that.

I think I will skip to that one.

As I mentioned, bumping up the -- or keeping the austin water utilities transfer rate to a consistent 1% does have the net result of providing an opportunity to fund those administrative staffing positions and there would be a balance of \$101,685,000, so you will see -- 101, \$685 and you will see a motion to allocate support for senior programs in neighborhoods that are high crime and high poverty and my shorthand here, I just want to explain, we have obviously a lot of neighborhoods that are -- where we have economic challenges.

These funds are not great, \$101,000 is a relatively small

amount of money for this budget line, and that's why I have suggested that we is hard to use strategically to look for those areas experiencing high levels of poverty as well as high levels of crime.

We have more information on the rovers leader q and a program. I think it will be a dynamic program for this funding.

It's listed as one of the unmet needs within par for a very high dollar cost but I think there has been a lot of back and forth in council member morrison on ways to scale this down.

This is an opportunity we had an opportunity to talk about at our youth -- our counselor retreat.

We had an opportunity to talk

about the roving leaders and the significant impact that that program had on reducing crime among young people in our city and I think it's a very, very solid investment of our dollars, so I would suggest if this motion passes that we is hard to perhaps return to us on how to spend what is really a small dollar amount again in that and the other opportunity that i think is really a critical one, if you notice another question council member morrison had asked member -- 68, talks about the fees, this is something i heard about constituents and other colleagues may have as well.

The fees for our program -- for programs not our facilities have increased.

In some cases they have increased from a fee of 0 to \$175.

And this is -- this is going to pose -- I am sorry, \$125.

This is going to pose a real challenge for many of the families in those neighborhoods.

In the past, as I understand it, recreation center staff have been able to make some adjustments to those fees and propose fees that they thought the families in that community could handle.

In this case, what we would be doing, as part of this budget, is standardizing those fees, so no matter where you live in the city, you would be responsible

for the same level of fee,
though the families in that
community may be able to less
able to bare it.

I know some of the questions
present in the q and a it is
present of pard to provide fee
waivers or scholarships or other
financial as assistance but as
far as this budget goes, there
are no plans to do and I think --
to do so and I think the 101,000
provides some opportunities to
provide some very, very limited
assistance in
that way.

I will leave it there and let
people chime in.

so we
have 659,000 from the water
utility.

>> Tovo: From the sustainability

fund.

and

proposing to use 557 for one

purpose and 101 or 102 for the

other?

>> Tovo: Correct.

102 for

pard and these are two separate?

>> Tovo: Right and the 101

depends on the first one

passing.

We would need to agree to

increase the sustainability fund

transfer from the water utility

to have those moneys available

for neighborhood housing and

then as a separate -- a separate

matter --

this page

is incooperative here?

>> Tovo: I haven't gotten to
that one yet.

oh, you

haven't gotten to that.

It's another one.

>> Tovo: I will move to that
quickly.

It is a downtown different fund.

-- it is

a different fund.

with no

objection, we will lay that on

the table and go to the next

one.

Council member morrison.

>> Morrison: I did have a
question about the 101 from the

sustainability.

Can we consider that ongoing funding or does that have to be thought of as a one-time thing?

>> That could be on source of revenue, the water utility increase transfer back to 1% where it has been, that would be ongoing source of revenue.

>> Morrison: Okay.

What I would like to suggest we think about, in terms of roving leaders, the answer we got from staff is we need about -- we could actually implement it in phases and although it had 800,000-dollar price tag, we could actually implement phase one with a quarter of one of

four teams that would be one
that I believe is about
100,000, and then about 100,000
plus a little bit more in one
time capital fund.

So I just wanted to put that
into the mix because that's --
that would be a possibility to
actually get that going this
time.

that is
just discussion item, council
member?

>> Morrison: It's just a
discussion.

>> Mayor leffingwell: okay.

>> Morrison: I would also like
to chime in on the fees.

My question -- I would urge all
of my colleagues to look at the
answer to question number 68,

because it is -- I understand
staff wanting to standardize
things, and what they have done
is what's the cost of the
program, how many kids are
there, and then they included a
subsidy based on the type of
program, so what seems like a
good approach, and as i
understand, the subsidy is for
youth development, subsidized to
50% and for recreational athlete
tick, it subsidized at 30%, but
I really think that we need to
look at subsidizing -- either
doing it on needs base or
subsidizing based on
geographic -- income levels in
the geographic area that it
serves and I don't know which
way would be the best way to do
it but I hope we can have some
continuing discussions about

that.

council

member.

>> Tovo: Yes.

I want to say that I would absolutely support a motion, and if one isn't forthcoming, I will make one, to provide for some one time funding for the capital expenses for roving leaders.

So at last, we had an opportunity today to look at the drainage utility fund in executive session and I would like to ask staff from watershed, if they would be willing to come talk about a few matters.

>> For the drainage utility fund, as I understand by purpose

set up by state law is to impact areas like erosion control, storm water detention.

I wonder if you will briefly describe what the purpose of the drainage utility fund is and how it can be used.

>> I am for the watershed protection and barbara lee, for this fund, the mission is to do for water quality control, erosion control.

>> And those --

>> Tovo: And those controls as i understand the state statute can be both artificial as well as natural?

>> Absolutely.

>> Tovo: So one of the things that I have asked some questions

about through the budget process
has to do with one -- the extent
to which we turn our part
department, the forestry
department and other programs
around the city engage in tree
maintenance and watering, and
whether those might be eligible
expenses for the drainage
utility fund, and I wonder if
you could address, in situations
where they are -- can be -- can
be illustrated to show that --
or can be illustrated to show --
can -- in areas where trees and
vegetation and the watering and
preventative maintenance of such
have storm water benefits, would
those be eligible expenses for
the drainage utility fund?

>> We definitely recognize the
benefit of trees and vegetation,
the benefits to storm water

management.

It helps, with storm water
absorption and also water
quality control.

However, our understanding of
the benefit has been broad and
general.

And we have not had a chance to
quantify the type of benefit,
and if you know that -- as you
know, the drainage utility fund
is limited but our needs is
tremendous.

We have -- our master plans need
this cost estimate as about
2 million, so we are --
2 billion so we are trying to
budget for the next 40 years,
plus all of these other council
initiatives, like the tod

development and all of these
drainage, the utilities that we
need to accommodate and support
different types of initiatives.

The total cost is tremendous,
3 billion, 4 billion, depending
on what you need to include.

So with all of that in mind, our
management strategy has been
using strategic partnership and
also database decisions to
produce the biggest bang for the
buck so that we can maximize our
utility fund and so we have
prioritizing and we do
appreciate this opportunity to
look at the trees and
vegetation's benefits in trying
to do more studies and quantify
that so that we can include that
in our document.

>> In looking at some of the

past work done, it looks like in 2008, there was a study done that actually did quantify the storm water benefits of the trees here in austin and estimated that benefit at being somewhere in the neighborhood of \$3 million.

Is that -- is that accurate?

>> Yes.

I believe that study was conducted maybe by the parks department.

We would like to have an opportunity to review that and verify the benefit and do a study so that we can continue to produce bigger bang for the buck.

>> Tovo: Could you describe for me or a member of your staff what the storm water benefit -- how the trees assist us in terms of storm water benefit?

If you can sum it up.

>> Basically the trees absorb lot of water, when you have quick run off, the trees absorb the running water and at the same time, because the storm water goes through vegetation, goes through trees, then it produces water quality type of control.

And at the same time, chief vegetation grabs the soil and helps with erosion and so erosion would not happen if there are trees and vegetation there that help with the water quality in our creek.

>> Tovo: Thanks.

So we have talked -- you know,
we have certainly heard from
constituents about their
interest in seeing more money
for maintenance of our parks,
especially more -- more funds
available for tree maintenance
and preservation and we know the
trees in our city have direct
storm water benefits and direct
benefits to the purposes that
would be in alignment with the
purposes of the drainage utility
fund so I am proposing -- i
understand from going back and
forth with staff that there is
no way today to quantify what
that dollar amount is, so when
we look at, for example, the
770,000-dollarish, that park has
in their budget for watering our
public parks, that is a cost
entirely absorbed by the parks

department right now but certainly some portion of those would be eligible for funding through the drainage utility fund because they meet the benefits of that fund.

There is no way for us today to quantify what that number is or figure out from the forestry budget to what extent within 8 million program, how much of that might be directly benefiting storm water, erosion control and some of the other purposes of the drainage utility fund, but I think those are very important questions to get to the bottom of because we do have a need to increase our resources in that area and increase the funds that we have available for tree maintenance and preservation.

I believe recently we had a discussion at the auditing and finance committee about our schedule -- the amount of time -- the amount a of dollars we have to spend on landscaping and tree preservation and maintenance and then 91 years it would take for the existing staff to attend to all of the 300,000 -- the 300,000 trees within our city's inventory.

So I think this is an important question to get to the bottom of.

We won't get to the bottom of it today so I have, with the help of staff, I am proposing an amendment -- an amendment that we would prioritize up to 1% of the drainage utility fund for

the maintenance and watering of
vegetation and trees, where
doing so furthers the mission of
the drainage utility as provided
in state law.

This will direct the city
manager to conduct the study
regarding the relationship
between drainage utility
functions prescribed by state
law and the maintenance and
watering of trees on public land
and the necessary fiscal
requirements and to report back
to us within 90 days.

[One moment, please, for change
in captioners]

thanks very much for being
here all day.

>> Mayor Leffingwell: I've
got a question for you.

Don't leave.

The question is what do you understand, prioritize for maintenance and water?

Do you have to set that money aside?

Yes, as I explained, our need is tremendous.

We are -- we are using our fund in a way the highest priority.

>> Mayor Leffingwell: So this is before the study and analysis takes place.

You are already being directed by this motion to set aside 1% of the drainage fund is the way I understand it.

>> Up to 1%.

>> Mayor Leffingwell:

That's your intent,

councilmember?

>> Tovo: You know, we had gone back and forth a little about the language and I'm certainly open to suggestions about altering it and I would just remind you up to 1% means it can't exceed 1%.

It can certainly go a lot lower.

>> Mayor Leffingwell: That's why I asked the question what do you understand by that.

1 or

1.0?

>> I hope to be able to do an analysis to show the priority and the cost beneficial analysis and then

reprioritize the dollar
amount.

>> Mayor Leffingwell:

[Inaudible].

>> Financial manager diane
gonzalez.

What I understood it to be
was 1% of our revenue and
that we would have the
option with the budget
amendment language of
deciding whether or not we
would want to absorb that,
try to absorb that money or
take it out of our ending
balance which would mean a
budget amendment.

>> Mayor Leffingwell: So
actually when it says up to
1%, you take that to mean

1%?

>> Yes.

>> Tovo: And I'll point out that one of the reasons that I've landed on 1% or up to 1% is because that is the amount that traditionally has been transferred from the drainage stability fund to the sustainability fund and I believe that I am proposing here fits solidly within, again, the goals of the sustainability fund and how we broadly think about sustainability.

I am not proposing this transfer into the sustainability fund.

I'm just suggesting this is a way to support our city's

commitment to sustainability
clearly within the drainage
fund.

>> Mayor Leffingwell: I'm
not going to be able to
support this for a couple of
reasons because first, as
you just described, there's
such a long-term need, a
40-year-plus, billion dollar
plus need for the kind of
work this fund was designed
to do.

And now we are talking about
diverting it for some other
funds or having it -- some
other purposes that have not
been fully exposed,
examined.

So I'm not going to be able
to support this effort to --

once again, to take money
from a fund that was
established and dedicated
for another purpose and use
it for another before that
purpos sub stand i
eight.

>> The amount of that 1%.

>> Mayor Leffingwell:

That's why I asked the
question.

>> Tovo: That's fine, and
I appreciate your comments,
mayor, and if you would feel
more comfortable seeing the
study first, but the intent
here is that if we believe
there are -- I mean, i
believe based on my
discussions and also based

on the literature I've read,
that there are indeed --
there is a very close
alignment between the work
that our parks department is
already doing to preserve
and maintain our tree canopy
and that we can -- that we
are not really proposing a
diversion of funds, we
wouldn't -- I certainly
wouldn't support a diversion
of those funds.

I'm suggesting that we look
at the state statute and its
emphasis -- not its
emphasis, but it's notation
of natural -- natural ways
to work toward erosion
control and other things and
consider those within the
mix, broaden, if you would,
our thinking about how we

undertake addressing these
issues.

>> Mayor Leffingwell: I
understand, but --

>> Tovo: To green
infrastructure as well as
kind of the built.

>> Mayor Leffingwell:
vanino pointed out his
understanding and mine at
this point is this is also a
budget amendment to take 1%
of the drainage fund and
dedicate to maintenance and
watering vegetation of these
[inaudible].

Is that still part of your
motion?

>> Tovo: It is, but I'll
give a look at it and
consider whether -- before

it comes up again.

Yeah, that is my intent.

I mean that was my intent
and if it fails, I may make
another attempt.

>> Mayor Leffingwell: So
you understand 1%, you got
to figure out what that is
and then the other part, the
legal he's is redirecting
that to another purpose.

And as we discussed --

>> Mayor Leffingwell:
Councimember spelman.

>> Spelman: Ed is bursting
with information.

He would love to tell us
what that 1% is and I'd love
to hear it.

>> It would probably be
about \$650,000.

>> Spelman: And could
anyone give us a sense for
what we could expect to
accomplish with \$650,000 now
that we actually have a
number?

How much watering can we do
for \$650,000?

>> Tovo: Well, we know in
this year's budget, one of
my budget questions asked
how much we are currently
spending and I think it was
in the neighborhood of
\$750,000.

Again, it's not clear how
much of that would be
specifically related to
watering of trees and
vegetation that have storm

water benefits.

So it's likely a smaller number than 770,000, but there is also work within the forestry program that I think fits really within this mission as well, but it would not exceed that drainage number and I've got that somewhere in my notes as well.

648,000, I believe.

>> Sara Hencery, director of parks and recreation.

There's two things, one is the earth with ailing of trees which we're doing now.

Not a lot of our parks are irrigated or sprinkled so many trees we plant to

continue our urban forest
program are knew so we have
to hand water those.

It takes a lot of extra care
to do that and we have to
have the water trucks which
we have and take go out on a
regular basis to make sure
they stay alive.

Second of all, of course, as
the number you quoted,
councilmember tovo, we're
able to get to en a maintain
our trees in if inventory we
have which is over 300,000
when you include the
cemeteries, one every 90
years.

That means we can get around
to trees in our inventory
every 90 years.

Any kind of infusion into
the department for forestry
purposes would make an
impact on being able to help
maintain those trees.

>> Mayor Leffingwell:

Okay.

So that is the proposed
amendment.

We'll lay that on the table.

Councilmember morrison.

>> Morrison: I would like
to make a comment I think
this is a really interesting
and positive step, this
motion, because it's helping
us to broaden our
understanding of really

attacking and addressing our
drainage issues and
obviously we're overwhelmed
in terms of the needs, but
it's important to be
integrating and thinking
about every way to address
it so that we can find out
the way to be most effective
and how to get the biggest
bang for your buck.

So I think this is the good
stuff and to put a stake in
the ground to say, yeah, we
are going to start
integrating this approach to
drainage issues with jugs a
small amount I think is a
really conservative but
productive step to take.

>> Mayor Leffingwell: I
understand, and I would just
add to my earlier comment i

think it throws into serious question where we don't need to have a question regarding the legitimacy of the drainage fund and that's another reason I'll not be supporting it.

So I have one more amendment.

Others may have more, but this is all I have.

And the motion would be to amend the proposed budget of austin resource recovery by decreasing the appropriation for public education campaign by \$1 million.

And I would note that the current budget for public education campaigns is 75 million so this would

still leave \$750,000 in arr
for public education
campaigns which to me even
after the \$1 million cut is
a staggering number.

But just basically for t.v.

Ads and the like.

In the second part of it is
to amend the proposed budget
by decreasing revenue by
\$1 million to reflect the
reduction in the clean
community, that is what's
paying for this public
relation campaign, and to
use that \$1 million,
reallocate that \$1 million
to purposes that I believe
originally intended for,
street cleanup, graffiti
reduction and cleanup and
code enforcement, which is
very important.

I think everyone agrees that
we can use that additional
money in code enforcement.

So it's revenue neutral as
it sits right now.

It's just reallocation of
\$1 million from one purpose
to another.

And that's -- that will be
my proposal.

Councilmember morrison.

>> Morrison: I wonder if
we could have
[inaudible] come and
speak to the fund that's
being decreased here, the
public education fund.
I remember talking about
that when we were talking

about the whole plan that we were looking at and it was a big number and we had a little discussion.

Can you remind us about how you see public education fitting in as being able to achieve our goal?

>> Yeah, a couple of quick comments, but I also would want jessica king to answer more precisely.

75 million that the mayor mentioned is spread over two years.

It's a two-year spread of expenditures.

And I just wanted to clarify that.

I also want to note that the education and outreach that's intended by that fund is not only for 800,000 residents in our city but also 20,000 businesses that are affect.

We have a responsibility to educate our businesses that are directly affect, and a good majority of them have not been engaged in the process of this discussion.

And so -- and I also would note that our visitors to our city are impacted so there's some ongoing education.

But I would like jessica to note the 1 million that's being referred to here.

>> Good afternoon, council,

jessica king.

The 1 million that has been referenced in the budget specifically relates to education and outreach to a variety of issues, primarily the [inaudible] and education and outreach primarily again to businesses that will be directly impacted by that ordinance.

So the 1 million if that is pulled back would impact the outreach to educate businesses and in particular to the city of austin's customer bases 185,000 customers.

So when you look at that

million and you look at
changing and creating an
impact among businesses and
about 800,000 residences as
well as visitors coming into
our city, the impact is
pretty tremendous.

And so we do have to reach
out.

It's a very specific,
coordinated, focused effort
in terms of the message and
the campaign so that's why
we looked at million
initially and 750 k for the
next fiscal year for that
campaign.

So I can answer any more
detailed questions if you
like.

>> Morrison: If I could
follow up a little bit, how

did you figure out that to
be successful with our
conversion to reusable bags
that it would cost
1.75 million over two years?

Can you give a feel for
that?

>> Sure, absolutely.

We looked at other cities
that started off with our
own campaigns as well.

So programs in los angeles,
portland, seattle, other
cities that adopted --
brownsville also, cities in
texas.

In addition to that we look
at campaigns that really
focused on behavior change,

that really required people
to really rethink how they
handle things and how they
approach their lives and
look at a behavior change
because it does take a
little rethinking before you
go to the grocery store or
retail centers to bring your
own bags.

Looking at that campaign, we
looked at one in the city we
do right now which is the
smoking cessation campaign
and that smoking cessation
campaign looked at how they
reached out to the
community, the social media
efforts that they embarked
on, a lot of the outreach
not just to citizens through
partnerships with cdc online

as well as television media,
print and a lot of social
media when you are looking
at that direct citizen to
citizen contact, that was
really critical to us.

When you look at campaigns
like that, they averaged in
the million range.

>> Morrison: And as we go
to this I guess march is our
date where we're going to be
converting to reusable bags,
I don't know how if you have
a sense for how do you
measure whether we make the
transition successfully or
not, but my question is what
impact, if you can even
define that, what impact
will cutting this million
dollars have on being
successful in that

transition.

>> I actually saw on channel

6 today an interesting fact

which was 250 tons of trash

pulled from the lady bird

lake on an annual basis.

And a lot of that definitely

I'm sure is water logged.

We have been working with

keep austin beautiful too to

start documenting the amount

of plastic bags during their

event to see if we can see

an impact from year to year

in the reduction amount of

bagged litter that you see

in any type of litter

because litter in and of

itself is critical.

But for plastic bag use, but

reusable bags are critical

to zero waste, reusable
anything, so we're looking
long term at knowledge and
knowledge about reusable
products and seeing that
emerge as a whole.

It will be a difficult and
basically the point to your
question is performance
measure will be difficult to
track.

>> Morrison: But I think
an even more diff but one to
track but one I'm concerned
about do we have a smooth
transition or is it chaos
and the whole community is
up in arms because they
don't know what's going on
and things are, you know, a
big surprise and as opposed
to having smoothed the way
for the next six months, and

I know you've been working
on that.

>> That's exactly why
working with a group to
really focus on that
education and outreach to
citizens is critical because
the transition -- what we
don't want them to do is go
to the store on march 1st
and not know what their
options are.

And for businesses even more
so to not know what they can
provide to their customers.

Our biggest concern really
is the businesses because
then they have to reach out
to staff, educate, and in
terms of planning for the
purchases they make long
term, inventory of bags,

they need to know what their options are.

This campaign will allow us to do that.

>> Morrison: You mention visitors and I imagine it's also important to work directly with hotels and motels and, oh, hay, commercial short-term rental owners, and to make sure they are doing outreach to the folks that are coming to stay so people aren't getting, you know, in trouble for bringing their plastic bags and expecting them.

>> That's correct.

>> Mayor Leffingwell:

Well, let me just say about five years ago I visited san

francisco and I went to
joe's market grocery store
and they gave me a paper
reusable bag because i
didn't know they had an
ordinance for reusable bags,
but I was a tourist, I just
looked at it and we went on
out with it.

It was no big thing.

With regard to tourists.

The second thing I'm not
sure comparisons with what
other cities have spent are
valid.

I don't know.

I just would question that.

But I think one big
difference is, and I know
this because I really was

instrumental in the effort
originally with regard to
reusable bags or
specifically plastic bags,
that's what it started off
at and probably still should
be at is plastic bags, we've
had over four years of
intense education, hundreds
of public meetings.

We've met many times with
people in the retail
industry, the texas retail
association and six major
bag users here.

So I would suggest that
we've had a long process
already of good base to
build on.

And the last point I want to
make is that, you know,
seems like this is very

appropriate for psa.

Channel 6 was mentioned.

I don't think we paid too much to put information out on channel 6, but even on the commercial stations we could internally work out

PSAs AND HOPEFULLY

Commercial television stations would run them for no charge.

It just seems like a lot of money.

>> Mayor, just some quick responses.

THE PSAs ON COMMERCIAL

Stations do cost money.

They are a reduced fee but they do cost money and it's the production as well as the placement of those ads.

But I would also add that
we've done a lot of press
releases.

We issued a press release
last monday and there was a
four-hour radio show that
displayed a tremendous
amount of misinformation
about the ordinance.

Simply because the talk show
host disagreed with the
ordinance.

So we have --

>> Mayor Leffingwell:
That's never happened
before.

>> And so we have a
reeducation on a regular
basis of what the ordinance

is about and what it doesn't
do and what it does do.

So we are challenged
economically to constantly
reeducate the public.

And I want to just
reemphasize Jessica's
statement that we do need to
work the retail businesses
to get them to know what
their responsibilities are
on the ordinance as well.

>> Mayor Leffingwell:

Thank you.

Any other proposed
amendments?

Councilmember Spelman.

>> Spelman: Let me ask a

question first and then i

have a proposal for

procedural proposal.

Is there somebody here from

austin police department?

They all left.

>> Mayor Leffingwell: They

were here five minutes ago.

>> Spelman: I'll ask my

question at some future date

which is something to do

with a procedure issue.

I'll be honest with you,

mayor, I'm tired and a

little bit confused, we've

spent almost five hours

proposing things we would

like to take out, things we

would like to add.

I'm not sure all of that is
completely cooked.

There's been some people
said, well, they would like
to revisit this, I'd like to
reconsider that and I'm not
sure all of us -- I'm
certainly sure about me so i
won't try and point this to
anybody else, I would
benefit from having some
time this evening and
tomorrow morning to take a
look at this again and get a
sense for how this all sorts
out in my own head.

So rather than continuing to
push forward and try and
make these decisions right
now, I would appreciate an
opportunity to recess the
meeting and take them up

00 tomorrow

morning.

>> Mayor Leffingwell:

Well, what our original plan

was to at this point this

time to take a 30 to

45-minute break while staff

went out and quantified all

these amendments and give

[inaudible] on the effect of

it so that was the plan, to

come back here.

I'm certainly willing to

consider that, but in my

mind that's going to require

us today to post another

meeting for friday.

We have to potentially have

three meetings, do we not,

city attorney, to ensure

that we -- in case something

takes three readings, some
part of this takes three
readings so we'll be able to
do that.

>> I would think we would be
able to do that.

>> Mayor Leffingwell: Who
is speaking?

>> I think that would be
correct because if you
haven't taken a vote and if
we want to have the
possibility of rereading
[inaudible].

>> Mayor Leffingwell: I'm
sure we would have to do
that.

I mean, just as we
originally posted three
meetings, three meetings for

this session, monday,
tuesday and wednesday,
although we've never taken
all three, we have to post
it to make sure that we have
adequate meetings to pass a
budget.

>> Mayor --

>> Mayor Leffingwell: City
attorney.

>> We haven't done this, but
the open meetings act does
allow that we could recess
this meeting, today's
meeting, reconvene it
tomorrow so it would still
be this meeting where we
could have one reading, and
then we could then adjourn
it at some time tomorrow and
call the meeting that's been
posted for tuesday and that

would be a second meeting.

And then we still have the
meeting schedule for
wednesday.

So there is a way to do it.

You know, we've never used
those provisions of the open
meetings act, but they are
allowable.

If, of course, the safest
thing to do would be just
post another meeting, but
there's a way to do it
legally under the act
without posting another
meeting.

>> Mayor Leffingwell:

Okay, so noting.

Councilmember morrison.

>> Morrison: I wonder if
there's another option and
who knows depending on how
this council would want to
act, what if I were to make
a motion that we adopt the
proposed budget on first
reading only today before we
leave.

That means that we would
only need two other meetings
as most and I don't know if
people would be comfortable
doing that or not, but
that's something we could
consider.

If,.

>> Mayor Leffingwell:

Well, I'm not sure if people

would know exactly what
we're voting on or what the
amount of the -- what the
amount -- what the
expenditures in the budget
would be and what is revenue
would be.

>> Morrison: Mayor, what i
said we adopt a proposed
budget, the one that the
city manager proposed.
And then tomorrow we get one
reading under our belt and
then pass through tomorrow
and if need be wednesday two
other readings.

>> Mayor Leffingwell: Does
that work?

City attorney.

>> I just want to mention

that in adopting the budget,
you also know you have to
then levy your taxes in
accordance with that budget.

So we would recommend that
you go and at least have
first reading on the other
items that are directly
related to the budget as
well.

We've only taken up really
item number 1, so in order
to make it sure that we're
on track to get three
readings of the other
items --

>> Morrison: We would have
to do all.

>> We recommend you have to
do the others specifically
related to the budget as

well.

The other nine, ten items.

>> Mayor Leffingwell:

Mayor pro tem.

>> Cole: I have one-third
option which is to do both,
which is to go ahead and
recess the meeting,
reconvene tomorrow and also
post for friday as a safety
measure.

>> Mayor Leffingwell: I
think certainly that is what
we should do if we're going
to recess this meeting until
tomorrow morning, we should
go ahead in abundance of
caution and post for friday.
So is there any objection to
recessing this meeting now
with austin city council and

30 tomorrow

morning?

>> Cole: Mayor, I do have
one other comment.

The information that staff
is supposed to compile
that's going to take between
30 and 45 minutes, I would
like to be able to have that
for myself and I'm sure
everyone before we leave
today.

I don't know the plans for
that, but I would like to
work that out.

>> Mayor Leffingwell: So
mayor pro tem is suggesting
that we recess the meeting
and come back in 45 minutes
to get the input.

Is that what you are
suggesting?

>> Cole: I guess we can
just agree that's going to
be emailed out to us.

I just want us to be clear
about what we're going to do
with that information
because councilmember
spelman, I agree with that.

I just wanted to make sure,
ed, you can do it that way.

>> Mayor Leffingwell:
Councilmember tovo.

>> Tovo: I mentioned this
when I was talking about the
sustainability fund fund and
2,100,000 and talking about
the -- I would make one
myself and I want to say I'm
going to work out the

numbers and propose a motion
or I will amend my \$101,000
motion to include funding
from the one-time
expenditure for the roving
leaders.

I just wanted to put that
out before we recess the
meeting.

I think it's a critical
program and we have an
opportunity to fund the
capital expenses through the
one-time expenditure budget
stabilization fund and the
difference.

Then I think we should do
that.

>> Mayor Leffingwell:

That's an additional motion.

>> Tovo: It is an
additional motion.

I don't have the numbers.

I'll have to talk with
director hensley.

>> Mayor Leffingwell:

We'll put that on the table
and without objection we're

30

tomorrow morning.

>> Mayor Leffingwell: Good
ing.

Austin

leffingwell.

A quorum is present.

I'll call back to order this
meeting of the austin city
council where we left off
with the briefing from staff

regarding these proposed
budget changes.

It's a very complicated
thing and I think we need a
little guidance.

>> Good morning, mayor,
mayor pro tem and members of
council.

I would like a moment to
walk you through the
materials we distributed via
email last night.

[09:12:01]

Essentially before you we
have eight pages of
amendments to different
funds that council discussed
and put -- I think the
language we discussed was
put them on the table.

That's are things from
council so far in the
process, they are on the

table.

Page 1 is showing you
amendments that would need
to occur to our general fund
revenue as you will see
right off the ballot there's
some color coding.

A lot of times amendments
require a budget change.

Our critical one-time fund,
maybe revenues and
expenditures so to
facilitate the discussion we
have color coded them.

On the right-hand column you
will see a running column
for the general fund.

We are required by law to
have the general fund be
balanced, revenues need to
be balanced with spend
yourself.

The top line says fiscal

year 13 proposed budget.

That's the budget that staff

delivered to you all.

It had a zero balance.

Revenues were in balance

with expenditures.

And then you can see the

running tally with positives

being to the good.

As we start making

amendments, you can see the

revenue we have to work on.

If you go to page 2, these

are the amendments that

council put on the table in

regards to general fund

spend if you are changes,

and again you can see the

color coding for the

different amendments that

are interrelated and how the

gap changes.

The gap numbers start to

come down now as some of these proposals get put on to the table.

Going on to page 3 then, you can see the conclusion that all the expense changes

[09:14:00]

balance currently with the revenue changes.

The general fund budget would still be in balance with -- but with an

ADDITIONAL 9.5 FTEs AND \$449,000 Of expenditures in revenues.

There would be no change to the tax rate.

That would stay exactly the same as what's currently in the proposed budget.

Going on to page 4, this is that pot of money that gives us funds that we can draw

down by up to one-third per year and we can draw that fund down to fund one-time purchases.

Typically it's allocated to capital purchases but it doesn't have to.

It needs to be constrained to things of a one-time nature.

With the staff's budget amendments, one of our amendments was to spend some of that money on the cwpt and vehicles and equipment

FOR THE THREE FTEs IN THE

Fire department for phase 1 of the wildfire division.

We were spending or proposing to spend \$87,000 out of the fund and so the fund balance number there is 43.1 million.

That's 12.1%.

We had some discussion about what is our budget stabilization reserve and how will the changes council is talking about making to it change that percentage.

You can again see the -- the one-time type of expenses that are coming out of that fund.

Flipping over to page 5, you can see the bottom line that there was \$706,713 of proposed appropriations to come out of the budget stabilization reserve fund.

That would drop the total 1% to 12% which is still a nice healthy level for us to be at.

There's a bit of a kind of

[09:16:01]

an accounting flow of funds here, but typically what we do is have dollars flow from our budget stabilization reserve to a fund we call our critical one-time fund.

The reserve fund, the pot of money where we keep our reserve dollars in and then the extent that we want to appropriate some of those moneys to capital purchases and one-time purchases we first move them into a critical one-time fund and from that fund we expend them.

So you can see a couple of amendments where we're moving those moneys from the stabilization reserve to the critical one-time fund and

you can just see the amount
of money we're planning on
spending on critical
one-time.

7 million out
of that fund.

That's for technology,
equipment, vehicle
replacement and all the
types of capital we need to
maintain on a regular basis.

You can see the additional
changes that came from
council.

There are things on the
budget stabilization reserve
that are not going to the
critical one-time fund and
maybe I need to explain
those a little bit.

If you went back to page 4
and kind of followed the
color coding scheme I gave

you, two of those amendments have to do with staff, which is atypical, unusual for us to be funding staff members out of our one-time fund because staff members are typically recurring ongoing commitments.

So for those two items instead of the budget stabilization reserves, transferring the money to our critical one-time fund, transfers are going to the general fund so we could fund the staff they would be supporting.

That's why you'll see the off setting expenditures related to the blue item and the green item.

Those are over in that general fund budget.

The gray item and the orange
or peach colored item, you
see those on page 6.

That's balancing out the
critical one-time fund.

[09:18:00]

The last two pages have to
do with all of our other
operating funds.

That's austin energy, the
water utility, the drainage
fund, sustainability funds,
all those funds are captured
on the last two pages and a
lot of them are
interrelated.

If I looked at councilmember
tovo's proposals related to
taking the austin water
utility transfer to
sustainability back up to
1%, we could then allocate
some of that additional

sustainability fund money,
the proposal was to allocate
some of that to the
neighborhood housing
department.

But they then to rely on the
housing trust fund to fund
THESE FIVE FTEs, THAT'S
All interrelated.

We can't do those other
items if we can't do the
transfer from water to
sustainability.

If we're going to adopt one
of those, we probably need
to adopt all of them
otherwise it doesn't all fit
together.

I did have one change.

Page 7, the documents in
front of you are correct,
but I want to make clear in
regards to the documents we

sent out last night, item 2
on page 7, there was three
words at the end that said
AND 3.5 FTEs.

That was a correction and
we've removed that language.

The language before you
where it ends at 212,371,
period, that's the correct
language.

If anybody has a version
THAT SAYS 3.5 FTEs, CROSS
That out.

Page 7, number 2.

Should end 312,371, period.

If that's what reads, that
should be correct.

-- 212,371.

With that, could we bring up
the presentation from
yesterday?

[09:20:01]

Slide 20.

>> Mayor Leffingwell: A

question before we go on.

It seems to me like we would

have to take these as one

motion per color code.

Since they are interrelated,

say, for example, all of

them are [inaudible]

proposals in light blue as

one motion and then go on

all the way through,

including the general fund,

stabilization reserve fund,

critical one-time fund and

the other operating fund.

>> That would be my

recommendation.

>> Mayor Leffingwell:

Without objection that's how

we'll proceed.

>> [Inaudible]

>> Mayor Leffingwell: The

color code -- number 3 on

page 2.

Number 1 on page 4.

And that's it.

All of those would go
together.

And in a similar fashion,
take up all the purple, all
the green, all the pink.

Seven I guess.

Salmon I guess it's called.

Brown, et cetera.

That's all.

>> And I did have one more
staff amendment.

It's not an amendment to our

DOLLARS OR FTEs, BUT EACH

Year it's part of crafting
the budget staff looks at
its financial policies.

We presented a financial
policy to the audit finance
committee in regards to the
one you see on our screen

here and the audit finance
committee had a recommended

[09:22:01]

change to the language and
so I wanted to read that
language to you because in
adopting number 1 you would
also be approving the
financial policies
pertaining to the operating
budget.

To improve financial
planning, nonemergency
amendments to the budget, in
one meeting except in cases
off set by new revenue
resulting from the
[inaudible] and there is no
discretion how the revenue
is spent.

For the most part this is
the existing policy and a
good policy.

Everything up to that comma
is really existing polity.

Shall be accomplished in one
midyear council meeting.

What it's saying we don't
want to be coming back to
council every council
meeting, we want to spend
more money out of our
general fund, we want to
spend more money out of our
general fund.

We want those discussions to
have happen cohesively and
recognizing that we may need
to come back during the year
to make amendments and
wanting that to happen at
one time.

The current policy allows an
exception if it's grant
funded.

So if it's something where

we got a grant that's going
to pay for the program,
there's really no reason in
waiting, in fact, it may not
be practical to come back
once per year.

We're just trying to provide
council and staff with
flexibility here.

There's been some situations
where maybe we enter into an
interlocal and need to add a
funded by the third
party agency.

Under the current policy we
couldn't do that except for
once per year.

If it's an amendment off set
by the revenues,
expenditures are off set by
revenues and there's really
no discretion how we use
those revenues, we can come

back at any time.

Essentially if it's an

[09:24:01]

amendment that is looking at

sales taxes or property

taxes, discretionary

revenues, we would try to

bring all of those back at

one time so if there's

competing initiatives we

could have a collective

discussion about the

priority.

That's the change and the

recommendation from the

audit finance committee was

to add the last part about

no discretion [inaudible].

>> Mayor Leffingwell: So

it would be item 20 on page

8 pencilled in.

Is that correct?

This is -- this is

already -- yes, that would
be item number 20.

[One moment please]

>> Mayor Leffingwell: Is
that related to any of the
other amendments?

Councilmember morrison.

>> Morrison: Regarding the
policies, I thought that we
in audit and finance had
actually looked at several
policies, but I think maybe
what you are saying is that
we only made an amendment to
the staff recommendations in
that one policy.

[09:26:01]

>> That's correct.

There's six policy changes
that are outlined and
included in your budget
document back in the
supporting document section

of volume 2 where we lay out
our financial policies.

There's six policy changes.

All of them were looked at
by audit and finance.

This one policy they had a
requested change this the
language which is what we're
bringing forward, an
amendment to the document, a
language change that audit
and finance requested.

>> Morrison: Okay, but i
think there was one policy
change that we did not make
a recommendation on one way
or another.

>> That's correct.

>> Morrison: So I think --
I wonder if you could put
that policy up.

And I think there was a
presentation about whether

we felt that was the right
way to go or not.

>> We don't have a slide,
but I have a handout that we
could pass out so people
could see the -- it was the
one with the austin water
utility, I believe,
[inaudible] pass these
around and if we have
[inaudible].

>> Morrison: That would be
great because I think it
would make sense since we
don't come to any
recommendations at audit and
finance, but I'll highlight
that one.

I wonder if you could come

[09:28:00]

and explain what the
recommendation is and maybe
those of us that were in

audit and finance

[inaudible].

.>> One of our proposed

changes goes back to old

long standing policy

statement for austin water

where we would have revenue

bond [inaudible] specially

for projects in the drinking

water protection zone.

There's been several

[inaudible] over the years

it's not authorized to --

other policies have been

updated to reflect this.

There was an audit review of

this about a year ago and

based on all those

recommendations we had

proposed to revise this

policy to remove this

particular policy where we

would not have revenue bond

elections in our plans and
policies in conflict with
the legal opinions and
instead would fund all of
our projects through our
commercial paper and regular
revenue bond [inaudible] for
finance.

I would mention there's one
other part of the finding
that was continuing to work
to achieve the council's
desire to [inaudible]
drinking water protection
zone project.

We have public input on
that.

Obviously we take all of our
projects to council.

We had been working to
update some of our titles of
our capital projects, clear
which ones were in the

drinking water protection
zone so there would be
additional transparency on
those projects.

But those are rare.

>> Morrison: But you are
talking about an audit, is
that an audit that was done
by our city auditor or was
that internal is this.

>> Our city auditor.

>> Morrison: I wonder if i

[09:30:01]

could ask [inaudible] to
come down to speak to that.

And I don't know if I'm
putting you on the spot, if
you are familiar with that.

Because it has been a topic
of some conversation at
least in the community and
certainly on the dais and in
executive session.

Session.

>> Good morning,

councilmembers.

Ken, city auditor.

>> Morrison: Can you talk

about that audit

recommendation?

>> Greg is correct, we did

recommend that we reconcile

the differences so that part

of it -- we're also in

concurrence with the

transparency issue.

We recommended -- it's been

a while so I'm sort of

paraphrasing.

If you look at it from the

perspective of transparency

[inaudible]

>> Morrison: Okay.

Thank you.

>> Mayor Leffingwell: Is

this a discussion or is this

related to what we are about
to consider?

>> At this point I believe
it's just a discussion.

The policy change you'll see
there on page 1 of what i
handed out that starts with
voter approved revenue
bonds, then it says deleted.

That change is this the
proposed document before
council.

Audit and finance took no
action on it and I think
councilmember morrison is
making it clear that is in
the proposed document.

>> Mayor Leffingwell: It's
in here.

Delete this entire section.

>> Yes, sir.

And approving the operating
budget, that's a change in

financial policy.

>> Mayor Leffingwell: And the net effect of deleting this policy statement would be what in very simple terms?

>> Zero.

Dollars.

>> Mayor Leffingwell: In terms of dollars, but what about in terms of policy?

>> In terms of policy, you could argue that in terms of policy it doesn't change anything.

State law says we can't be doing this so we're not

[09:32:00]

doing this currently.

>> Mayor Leffingwell: This alliance our policy with state law?

>> Yes, sir.

>> Mayor Leffingwell:

Thank you.

Councilmember tovo.

>> Tovo: meszaros, can

I ask another question.

One of the reasons we didn't

take action on it in audit

and finance we didn't have

an opportunity within that

setting and meeting to

discuss this in any depth

and I'm not sure we're going

to have that time today

either.

What is -- is there a

time -- is there a reason

why we would need to approve

this today or is it

something we could approve

after today?

I don't know if that's a

question for you or city

legal.

>> I would probably defer that.

From our perspective, you it would have to be approved today.

I don't know if there's a budget --

>> the council really just needs to make a decision of either they want to make a decision on this today, which in adopting item 1 currently this policy would be deleted.

If you do not want to take that action today, then we would offer up a number 21 amendment that would maintain this policy which we could craft that way [inaudible] I think staff's preference would be to get it resolved today because

there's an issue of it not
being in alignment with
state law and we like to
have our fiscal policies for
13 be in alignment with
auditor's recommendations
and state law.

And I don't think --

[inaudible].

>> Tovo: [Inaudible] for
quite some time.

meszaros, I know you
said that you talked about
transparency.

There has been a lot of
interest in this particular
issue of revenue, voter
approved revenue bonds, and

I appreciate that you are
interested in moving -- in
making sure that it will
still be a transparent
public process especially

when we're talking about
projects in the drinking
development zone.

Have you -- have you done --
excuse me, drinking water

[09:34:00]

protection zone.

Have you done any -- have
you laid out what that
process would look like or
can you provide us with any
information?

I'm thinking if we're
substituting this I would
rather have some sense what
your aims are for a public
process and be able to
present that to the public
as an alternative.

>> One, all -- all
investments in the drinking
water protection zone that
occur through private

development or service
extension requests, there's
already council language
that requires all those to
come before council so we
think that's already taken
care of.

In terms of our own capital
improvement projects, we had
a couple of thoughts.

One were to put in the title
of any capital improvement
project if it's in the
drinking water protection
zone so it's clear from the
title of the project that
you know it's in the
drinking water protection
zone.

The final piece of it that
we were considering to offer
up would be at the budget
time council could hold a

separate public hearing on
only capital improvement
projects in the drinking
water protection zone.

We always have a public
hearing on rates, you would
have a second hearing on
drinking water protection
projects and any projects in
the drinking water
protection zone and folks
could come to council and
discuss that prior to the
budget approval.

>> Tovo: I like those
ideas very much and would
suggest it would be useful
to get some of those written
up.

If we are moved to eliminate
this policy to replace it
with something else.

So I would suggest that we

do consider this on a
separate day.

But that's a motion, that we
remove this from
consideration today and get
meszaros' points
in some kind of fashion so
sothat we can take action on
it.

>> Mayor Leffingwell:

Mayor pro tem objects, so
[09:36:03]

mayor pro tem, just for the
purpose of discussion.

>> Cole: Yes.

I do degree we did not
explore this completely in
audit and finance and there
is interest in the
community.

And so I would simply like
to request that we hear this
particular policy change in

its entirety with your
recommendation at the next
audit and finance meeting
and then we'll bring that to
council [inaudible] take a
lot of time [inaudible].

Mayor?

>> Mayor Leffingwell:

Councilmember Spelman.

>> Spelman: As I

understand it, the only
change in financial policy
brought before the council
by staff is the first one on
this list.

But the only one which
councilmember Tovo is
concerned we need further
discussion on is the second
to last on the list with
respect to revenue bonds.

Am I right?

Could we not consider 2, 3,

4 and 6 today?

>> Tovo: I'm sorry for not being clear.

That was exactly my intent, that we just pull the one that needs more discussion.

>> Spelman: Okay.

>> Mayor Leffingwell:

Well, I assume you are talking about sequentially because I don't see any numbers on mine.

So you are talking about just count out the paragraphs?

2, 3, 4 And 6?

>> Spelman: At what point would a motion be in order?

>> Mayor Leffingwell: I think councilmember tovo just made one.

>> Spelman: I'll second it.

>> Mayor Leffingwell: Is
that your motion,
councilmember tovo, to have
an item numbered 21 that
addresses incorporating only
items 2, 3, 4 and 6 and not
item number 5?

>> Tovo: Yes, mayor.

>> Mayor Leffingwell:

[09:38:01]

Okay.

So we will put that one on
the table and take action on
it in order.

>> Tovo: Mayor, I will say
there's one on the back.

I don't know if it's part of
the same 21 or not.

On page 2 of the financial
policies there are some
recommendations from the
austin water utility and i
don't intend to delay those.

But the establishment of the
water revenue stability
reserve fund, so that can
remain on there too.

The only one I'm suggesting
postponed, all the rest
could go forward.

>> Mayor Leffingwell: I'll
just say I'm not sure what
the concern is on item
number 5.

From what we just heard,
it's an effort to align
written policy with state
law and we're going to
continue to operate in
accordance with state law
irregardless what our policy
says.

I'm not sure what the
purpose is, but we can
continue to disregard our
policy and follow state law

indefinitely, I guess.

So I guess no -- it does no harm.

So with that, adding item number 21 to the amendment list, I think we're ready to start making our way through the entire list.

Councilmember morrison.

>> Morrison: Having had --

I think this process has been very helpful and now that once we got this last night and once I understood it, it helped me realize that I -- looking at the priorities and things we're having to trade off, i wanted to withdraw one of my amendments and add some [09:40:00] additional ones.

The amendment that I want to

withdraw is the one that
first shows up on page 1 as
number 3, morrison.

It's the one about filling
in the grant funded human
trafficking program and i
want to thank [inaudible]
for following up with
discussion yesterday on i
now understand in terms of
the lack of this position is
not taxing overtime as I was
under the impression because
actually the overtime is
from evening calls because
there is no coverage from
these experts in this unit
evening calls.

And reinstating that
position to be as productive
as it was, maybe somewhat
difficult, but I also heard
councilmember riley's

comments and reminded me
about the need for early
childhood education
involvement and investment
in this community.

So what I want to do is
withdraw that one motion and
put in -- put something on
the table that takes those
funds that I had mentioned,
the 84,057 that are one-time
funds and invest them in a
one-time early childhood
investment.

And I hope you can manage
that without too much
trouble.

So basically big picture
point of view, withdrawing
that motion about a one-time
year extension on that
position and just add a
one-time investment in early

childhood.

>> I think the only thing we
would need clarification on
is department.

>> Morrison: That would be
health and human services.

That's one thing that was
really helpful that we
had -- excuse me.

[09:42:01]

For me that helps align
priorities a little bit
better.

The other issue on the table
for me is I think that an
investment in the roving
leaders program is --

>> Mayor Leffingwell:

Before you go into this one,
so as I understand it then,
number 3 on page 1 would
just substitute hhs
department early childhood

programs for the language
referring to police human
trafficking program.

Is that right?

>> No.

If I could -- number 3 on
page 1 will go away.

It will be eliminated.

If,.

>> Mayor Leffingwell:

Okay.

>> Number 9 on page 3 would
also be eliminated.

>> Mayor Leffingwell: And
what about 5 on page 4?

>> Number 5 on page 4 will
stay the same except instead
of transferring the money to
the general fund we'll
transferring the money to
our critical one-time fund.

>> Morrison: And then do
we need an addition on page

6?

>> Yes, eventually the language that I deleted on page 3, number 9, that language is going to get added at item number 3 on page 6.

>> Mayor Leffingwell: So language here would be what?

>> Well, it would actually be to amend the language on number 3 on page 6 would be to amend the proposed budget of the critical one-time

[09:44:00]

fund to appropriate \$84,057 to 2 health and human services department for early childhood program.

>> Mayor Leffingwell: Okay.

So number 3 on page 6,

morrison green coded would
be to amend the critical
one-time fund to appropriate
\$84,057 to hhs early
childhood program.

Is that about it?

Councilmember riley.

>> Riley: First I want to
thank councilmember morrison
for thinking [inaudible] i
strongly support trying to
find the funding for early
childhood services and i
would certainly support this
amendment as proposed.

The only question I have is
about the amount.

How did we land on 84,000
for the amount on that.

I understand that was the
amount we were discussing
with respect to the human
trafficking program.

I'm wondering if that number
still makes sense if we're
shifting to early childhood
services.

And just by point of
reference, I heard from one
provider in particular about
funding for head start
program that they
requested-he have requested
334,850.

I just wanted to raise a
question about whether --
whether 84,000 is the right
amount or whether we could
possibly do more.

>> Morrison: Mayor, if i
may.

>> Mayor Leffingwell:
Councilmember morrison.

>> Morrison: I would
certainly support doing more
if we can do that in such a

way that I think I'm sort of
working toward the goal of
making sure that we keep our
[09:46:00]

reserve at a comfortable
level.

And so I guess if some
additional fund open up by
some of these other motions
not passing or perhaps
there's really -- I think
that the number that ed gave
us take us to 12%, if it
really takes us to 12% or
001% and
there's additional funds --
I'm getting [inaudible].

>> Mayor Leffingwell: I
think that's right,
councilmember.

If we're going to talk about
a different number here, i
think we've got to go

through the entire process
and maybe take a break and
have you realign these
numbers.

>> I think that's going to
be necessary.

What we just did was
probably one of the simplest
ones we're going to hear and
it's going to be difficult
to do it live.

We're going to have to come
back with a cleaned-up
version of this would be my
suggestion.

>> Morrison: What I would
suggest, councilmember
riley, we take a look at
where that number is after
we get our final numbers in
from sales tax and
everything for the fiscal
year and see if we still

have some room because i
wouldn't be surprised if we
have some room if our sales
taxes come in in a healthy
way.

But I think as long as we
remember that remains
priority for us, there might
be an opportunity later.

>> Mayor Leffingwell:

There's always the
opportunity any time in the
year to amend the budget.
Councimember spelman.

>> Spelman: A followup on
the same issue.

How would the 84,057 be
spent?

>> What I would like to do
is leave that open at this
point and maybe we could
[inaudible] speak to that
because I'm not sure exactly

what might be the most --

I'm not sure they know or

have a recommendation what

might be most effective use

of a one-time \$84,000

[09:48:00]

investment.

So this would give them some

time, and in fact we could

ask them to come back, have

health and human services to

talk about it and get

priorities from the early

childhood council, or maybe

they've got one [inaudible].

>> Spelman: My strong

suspicious is adding to an

existing grant would be a

lot more efficient than

requiring a new proposal

[inaudible] but I would like

[inaudible] that money could

be spent appropriately

before we [inaudible].

>> Morrison: And if we

have -- mr. city manager.

>> Good morning, mayor and

city council, bert

lumbreras.

What we have proposed to do

I think alliance closely to

the council resolution on

the youth services summit.

This falls very much in line

with looking at the whole

continuum of services as it

relates to all sorts of

programs that not only the

city invest in but also

what's out in the community

with all of our great

service providers in looking

at everything from zero to

21 years of age.

And the whole idea with the

youth services summit that

we're already planning for
for sometime here in the
fall would be to look at
what programs are out in the
community, align with the
city and then work that
through the public health
and human services
subcommittee and eventually
come back with city council
to determine what the values
are for youth services and
what the priorities were,
the gaps were, the need, and
then come back with what i
consider a robust set of
recommendations on what
would be a good investment.

What we clearly know is
early childhood is a need
based on previous year's
funding that has not been --
that has been decreased and

also we know that based on
where we see a significant
growth in our population in
[09:50:00]

our communities, the zero to
five years of age is a
tremendous need.

So those two things along
with the work that will be
happening with the youth
summit, youth services
summit I think will give us
a better idea.

>> Mayor Leffingwell:

Mayor pro tem.

>> Cole: lumbreras,
can you tell us if any of
those needs that have been
identified by your
department or the early
childhood council or the
health and human services
department involves capital

expenditures of one-time
need as opposed to operating
needs?

>> I would respectfully say
that I would need to get
with staff because what I do
know, prior to investments
in early childhood where
there was a decrease in
funding had to do a lot
with, like, for example,
service provider training,
teacher education.

You know, I don't recall
right off the bat.

I would need to go back with
staff and look to see
whether there were any
capital areas or not.

I'll be happy to get that
answer for you as soon as
possible.

I just don't have that right

off the top of my head.

>> Cole: Okay.

I certainly support early childhood development and recognize that as a critical need this our community and support additional funding for it, but I have a concern about our budget [inaudible] being directed for one-time expenditures that are of an operating nature and either we fund a capital need within that department that we can actually improve the program or we do what is suggesting and put it on the table and look for our potential funding mechanisms in our operating budget. But I would still support this.

>> Mayor Leffingwell:

Councilmember martinez.

>> Martinez: I think

councilmember spelman makes a

good point and so does mayor

pro tem cole, but the way i

[09:52:01]

view this, if it's a grant

and if we can extend the

grant, it's not an ongoing

operating expense, it's just

a finite extension of fund

with an existing agreement.

I didn't really hear the

answer to councilmember

spelman's question that i

believe was do we have

existing grants that we can

apply funding if we identify

funding through this process

without having to go through

process for

\$84,000.

Maybe there's something
already on the ground that
we can just add that to.

>> Director of health and
human services.

We definitely have a variety
of projects that are
available for that.

Child safety issues such as
bike helmets and child --
proper placement of child
seats.

We also have the opportunity
to provide scholarships to
providers of early learning
services.

We could do some work around
making sure that providers,
the actual physical sites
are ready for accreditation.

There are any number of
things we could do with that
funding.

>> Martinez: So there are opportunities.

>> Yes, sir.

>> Martinez: But it does not preclude health and human services or this council from issuing an if there is enough funding and unmet need identified that would have to go through that.

I'm not opposed to that, i just want to make sure all those options are available.

Thank you.

>> Mayor Leffingwell: Councilmember morrison.

>> Morrison: I did want to mention a couple of other things.

Looking at the kind of decisions we're going to have to make and i

mentioned -- I was just
mentioning I think that
investing in things like the
roving leader program is
very important to me and
whether or not the motions
that require that are going
to pass is still to be seen.

It had me looking at some of
the other positions that
we're talking about and i
want to thank mayor pro tem
for the work that she did in
terms of opening things up

[09:54:03]

so we could check some of
the priorities.

And one -- which many of
them I agree with and will
be supporting, there's one
that jumped out and that was
the landscape architect
position for supporting

community initiatives.

And I started thinking about
that in terms of other
priorities that we might
have, especially since we
added two positions last
year in the parks department
to work with community
initiative.

What I want to do is offer
two additional amendments
that I know will -- if we --
if we approved both of them,
it would put us over our
general fund balance and
that's not my intention.

My intention is to offer
alternatives to the
landscape architect
position.

And one I would like to
propose as amendment that
would only need to be

considered if in fact the
other funding for the roving
leader position does not
have, would be to make an
amendment to add the roving
leaders, the one roving
leader position to the parks
department.

And it would have to be at
the amount that the
landscape architect is in
there for because I don't
intend to do anything else
about it.

The second amendment I'd
like to have on the table
and apologize if this is
getting complicated, but if
in fact the roving leader
position can be funded
through another mechanism
that we have on the table
already, I would like to

consider, frankly for myself

instead of the landscape

architect position, meeting

[09:56:02]

one of the health and human

services unmet needs which

is the public health nurse.

It had been grant funded.

The grant has ended.

5 public

health nurses that we have

serve our neighborhood

centers.

This public health nurse

specifically was assigned to

south austin center working

on diabetes, outreach and

screening and hypertension

outreach and screening so i

wanted to get that on the

health and

human services that we may

have as an opportunity to

consider alternatively if
there's a way that we can
work that out.

>> Mayor pro tem?

>> Mayor Leffingwell: Let
me make sure I understand
this.

Number 22 would be to add
to
the parks department if the
roving leader proposition
does not pass?

Is that essentially it?

>> Morrison: Yes.

>> Yes, the roving leader is
currently on the table,
funding for a roving leader
program that would be
interrelated with austin
water utility in its
transfer and sustainability
fund.

>> Mayor Leffingwell: If

that fails, then that f.t.e.

Would go with the same
dollar amount to parks
department.

>> It would be a slightly
smaller dollar amount.

I think about \$20,000 less.

>> Mayor Leffingwell:

We're going to need to --
after we get all these
things on the table, are we
going to need to go back out
and have you redo this?

>> Yes.

>> Mayor Leffingwell:

Okay.

>> Morrison: Well, my
intention would be to keep
the dollar amounts the same
so that -- if that means

8

roving leader, same with the
public health nurse.

I think that it's a higher
expenditure.

[09:58:00]

It may only be for 76,000
might only .75.

So the intention is to
create whatever portion of a
, that amount would be
equivalent because I don't
want you to have to
recalculate.

>> That's understood.

>> Mayor Leffingwell:

Theoretically it could be
or

something like that.

How would you do that?

How would that ever be
administered?

>> We're going to do it in
quarter chunks, so half time
or three quarter time.

>> Mayor Leffingwell: And

number 23 would be to change
landscape architect f.t.e.

In park and make that a
nurse in health and human
services.

If the roving leader item
passes.

>> Morrison: Well, and i
think the assumption is on
page 2, if you look on page
2, number 1, that's the --
mayor pro tem's proposed
amendment to actually create
the landscape architect
assistant.

So I don't know if we want
to somehow bunch those all
together and I would look to
staff for how to handle
this.

>> Mayor Leffingwell:
Maybe we should take a
recess, but I'd like to get

to the end of this process
before we do that so that we
don't have to come back out
and redo this all over
again.

[One moment, please, for
change in captioners]

>> one position trying to go
to eight sites and run this.

The whole idea is with temp
seasonal, part-time staff,
we are doing this program
between the ages of nine and
19, that would be -- while
we would always really be
thankful for anything that
we receive, I want to make
sure that you understand.

I want to be honest and
clear about what that would
do and it would be almost
impossible to do that and do
it effectively with quality.

>> Morrison: Well, I guess
we got some confusion around
the answer to number 97.

>> Okay.

>> Morrison: Because that
suggested that the full
program, four quadrants,
required four specialists.

>> Okay.

The specialists are the
full-time positions that
helped to lead the program,
but then there's another
line item that looks -- that
actually looks at hiring
part-time seasonal staff to
help us actually implement
that program.

>> Morrison: That's also
one per quadrant in the
answer.

>> One group.

Kimberly if you want to -- i

CAN ASK kimberly McNeilly

to come up and answer it

more extensively.

But the whole idea was to

have different quadrants,

start with the most highly

needed area of need, those

quadrants would have eight

sites in them.

Meaning eight different

sections based on need.

Then there would be a series

of staff at those sites

running programs that would

work with staff to run

programs, there would be a

mobile unit that would go

through, have a variety of

technology, games that we

would pull out and then so

one person could not just do

that by themselves.

>> Morrison: I think that

we have then some
misunderstanding in reading
the answer.

>> We could take two
individuals, one temporary,
kim McNeilly assistant
director of parks and
recreation.

We could take one full-time
person and one temporary
staff and be able to visit
those eight different sites
and provide a program.

I think in our mind's eye,
the full-time person with
multiple temporary
individuals provides a more
quality program and provides
a more -- provides us an
opportunity to serve more
individuals.

As she said, whatever you
are gracious enough to give

us, we can create a program that will be of quality, but the number of individuals that we serve will be based upon the budget that we receive.

I apologize for the misunderstanding.

I think in our minds we were thinking temporary staff four and one full-time person.

But whatever amount we are given will create a program that will be of quality and will meet the objective of the roving leader concept.

>> Morrison: To be clear, we already have in our list of amendments a one-time amount for the vehicle and the one-time thing.

What we also have, maybe

where the confusion was,
we're looking at 382,000 for
the full program, we were
dividing that by four, and
that includes one full-time
and one temporary and maybe
it needs to be allocated
separately.

And so
commodities.

So we divided that by four,
thinking that 95 would get
you almost a full quadrant.

What I am hearing from you
kim is saying if that were
actually 76 instead of 95,
you might have to scale
back, but you could still
get a phase of the program
going.

>> Yes.

And of course I would be
concentrated in the highest

area -- we haven't been able
to fund it for a while.

>> Cole: Mayor.

>> Cole: I guess when i
received all of the
amendments last night, I had
one overarching issue and
that is that I did not want
this council to take a vote
that was in any way
contradictory to our
financial policy.

And because of that, one of
the amendments that i
planned on offering was to
eliminate the landscape
architect position and to
also eliminate the two urban
forestry positions and for
those funds to be used
for -- for councilmember
martinez's motion on the
table for ftes for the fire

department.

I know this is starting to
get us in never-never land.

But the reason to do that
was to -- and then also to
take the funds from budget
stabilization reserve from
parks for equipment.

So let me back up.

>> Morrison: Okay.

[Laughter]

>> Cole: So -- so
councilmember martinez has a
motion on the table for four
's in the fire
department.

That is roughly \$248,000.

I currently have a motion on
the table for the landscape
architect for \$76,000 and
two urban forestry positions
for \$154,000.

I would take both of those

motions together with those
amounts and direct that they
's in the
fire department.

And then I would direct that
the budget stabilization
reserve be used for those
amounts for equipment,
one-time equipment purposes
in the parks department.

And I talked to sarah
briefly about that this
morning and so -- so because
we're trying to lay this out
altogether, sarah, will you
come up and talk about that
a second.

Before you talk, let me
actually give ed an
opportunity to comment on
the extent to which we would
then be using budget
stabilization reserve

dollars for park equipment
and that would be one time
park equipment and that
would be within our existing
policy.

Is that correct, ed?

>> That would be correct.

>> Cole: And then the
money that I have on the
table allocated with my
motion for the landscape
architect and urban forestry
could be used for the
's for the fire
department for wildfire
prevention.

>> Mayor?

>> Mayor Leffingwell: I'm
definitely going to
recommend that we go into
recess while all of this is
reformatted at this point.

But councilmember riley, go

ahead?

>> Riley: Just a -- to
respond briefly to the mayor
pro tem.

I had intended to offer an
amendment to -- to what's on
the table now, with -- on --
on item 1.

Instead of looking to the
budget stabilization reserve
's i

was going to suggest we --
we use the budget
stabilization fund to
support fuel mitigation in
the amount of \$250,000,
which is roughly the same
amount.

And we heard from the fire
chief yesterday that with
the additional wildfire
staff that are currently in
the budget, that they would

be able to manage that --
that money, so that would --
that would allow us to meet
that need without foregoing
those positions in the parks
department, including the
forestry division, which
could actually help serve
some of the same purposes.

>> Cole: Thank you,
councilmember riley.

Then I will not be putting
that motion on the table.

>> Mayor Leffingwell:

Okay.

Councilmember riley, is that

your motion that we fund

1 with -- instead

's in

the fire department, that

that be used for fuel

mitigation?

>> Riley: In the amount of

\$250,000.

>> Mayor Leffingwell:

248,356.

>> Mayor Leffingwell:

Okay.

All right.

Councilmember spelman?

>> Spelman: I have -- i

have plain forgotten our
procedures whether friendly
amendments are allowed or
not.

>> Mayor Leffingwell: No.

>> Spelman: Okay.

>> Mayor Leffingwell: Just
offer a new amendment.

>> Spelman: Okay.

Let me offer a new amendment
in hopes that perhaps this
very marginal change in
councilmember riley's
original amendment may be
improved, just slightly

better.

As I understand it, the staff's proposal on wildfire management is first to come up with a plan and second to implement the plan.

The money to come up with 's to come up with the plan are funded, that's in the budget, that was one of the recommendations which -- which ed made to us yesterday.

And what I understand councilmember riley suggesting is that we put in some money for fuel mitigation, which is one of several things that need to be done to implement the plan.

But there are other

expenditures which could be useful for implementing the plan in addition to fuel mitigation money.

There is substantial public education amount which is likely to be useful for implementing the plan, in particular a lot of the work of reducing the risks in wildfire neighborhoods or residential neighborhoods that are close to wildfires needs to be done by the people who own the property.

And is not public land but is private land.

And as I understand it, a lot of what happens in -- in comprehensive wildfire protection plans is to work with the individual residential owners to -- to

have green space between the public land, which may be a source of wildfire and their house, to -- to work on the physical aspects of their house so that they are less likely to catch sparks, things like that.

This is one of many things which could be a part of that plan, fuel mitigation of course is another one.

My only concern here is if we earmark money strictly for fuel mitigation, it can't be used for any of the other several purposes that might be helpful in implementing the comprehensive plan.

So the amendment I guess would be -- the substitute i suppose would be that it be

used for implementation of
the comprehensive plan once
that is ism thed and the
fuel mitigation could be the
entire use of that money but
there could be other uses as
well.

>> Mayor Leffingwell: So
councilmember spelman's new
amendment is that the
250,000 approximate dollars
be used in a general fund
including mitigation,
education, other purposes.

Is that right?

>> Spelman: For purposes
of implementing the
comprehensive plan once it's
completed.

Comprehensive wildfire
protection plan.

>> Mayor Leffingwell: Not
the other comprehensive

plan.

>> Spelman: Right.

>> Mayor Leffingwell: So
as of now, those are both on
the table unless
councilmember riley would
like to withdraw his.

>> Riley: Mayor, I would
like to hear from the chief
just to make sure that we're
all on the same page.

In particular, I want to
make sure that the plan that
councilmember spelman is
referring to is funded
within the proposed -- the
budget that is proposed by
staff.

The plan for -- for wildfire
prevention.

And that -- and that you
only need additional funds
for implementation.

>> Cole: Mayor and
council, rhoda mae kerr,
fire chief, first of all.

And there's several answers
I think that are required by
your question and by your
statement.

The one thing that I just
wanted to clarify to start
with, it's not a
comprehensive plan.

I want to make sure that
we're saying the right
thing.

It's a community wildfire
protection plan.

To answer your question,
councilmember riley, there
is money in the one-time
expenditures in that \$87,000
to develop a plan.

A cwpp as we call it.

You know, another acronym

for something that we need
to remember.

And if we were to use the --
the \$250,000, it would be --
could be very appropriately
designated for fuel
mitigation and then as
councilmember spelman
stated, there are many
components to creating a
fire safe community or what
we're now being called fire
adaptive communities and
part of that is education,
part of that is assisting
homeowners with their
private lands and part of it
is also actual technical
fuel mitigation.

>> Mayor Leffingwell:

Okay.

So you are saying that's
already really in there,

that if councilmember
riley's amendment were to
pass, that money that's
earmarked for mitigation
could be used for -- besides
just cutting down trees and
brush, it could also be used
for education with regard to
mitigation, et cetera.

>> Well, that would be part
of the cwpp.

And I think councilmember
spelman was trying to make
sure that we didn't just
designate that whole 250
just for fuel mitigation,
that we could actually use
it for some of the
educational portion of the
preventive end of wildfire
mitigation.

Not just fuel mitigation.

>> Spelman: Mayor?

>> Mayor Leffingwell:

Councilmember spelman.

>> Spelman: Chief, I was

talking with deputy chief

evans yesterday and he

actually had a list of items

which show up on community

wildfire protection plans.

My apologies we have so many

comprehensive plans, i

filled in a different c for

that cwpp.

>> That's quite all right.

I just wanted to make sure

that we were making the

right statement in a public

document.

>> Spelman: Now that

you've properly stated what

the acronym means.

Of the I'll just use the

acronym now.

There's a list of things

that go into implementing a
cwpp, my only concern is all
of those things be eligible
expenses so that you have
the opportunity to use
whatever money is available
as efficiently as possible
to best accomplish our
objectives.

>> You are correct.

That would be the best way
to take the money and not
only say fuel mitigation,
but all of those items that
include public education and
a number of items that i
couldn't list them off for
you without looking at the
document.

But I think to answer
councilmember riley's
question, there is money for
the cwpp if we were to

designate a money, it could
be used for education, fuel
mitigation, all of them
contributing to wildfire
mitigation efforts.

>> Mayor Leffingwell:

Okay.

Councilmember Riley.

>> Riley: So we're talking
about fuel mitigation and
other measures related to
implementation of the cwpp.

>> That's correct.

>> Riley: If I could just
ask ed to make sure that we
get the terminology right.

In order to remain
consistent with our
financial policies we
probably would need to be a
little more specific than
that because for instance
's might be

questionable, but -- with
these funds but there are
other expenses that could be
associated with
implementation of the plan
that would be inappropriate
use of the budget
stabilization reserve.

What would you suggest would
be the right terminology?

If we want to say -- would
they be one-time expenses,
capital expenses, what is
the appropriate term that
would keep us consistent
with our financial policy?

>> I think that I would
offer you to amend the
budget stabilization
reserves to transfer money
into the critical one-time
funds and then one the
[indiscernible] to

appropriate \$248,000 to --
to one-time implementation
costs of the cwpp, including
education and fuel
mitigation efforts.

>> Riley: Sounds good to
me.

So moved.

>> Mayor Leffingwell: So
moved, that's councilmember
riley's proposal.

Without objection it will be
laid on the table.

Who was that?

Councilmember martinez?

>> Martinez: Yeah.

Totally appreciate the --
the attempts here to
allocate this in an
appropriate manner.

And certainly appreciate
staff putting this --
putting this sheet to work

from -- but if we just
wanted to stay consistent
with budget policies, all
that we would have to say in
my amendment is that we only
fund it for six months.

Just as we did in
councilmember morrison's
original proposal of the
human trafficking program.

but simply
because the language said
for only one year, it's
consistent with budget
policies.

So my proposal is not
inconsistent with budget
policies.

I just didn't add the
language that says only for
six months.

I want to be very clear
about that, because I'm not

proposing that we violate
policies.

We're trying to fund a bunch
of unmet needs in the best
possible manner and I just
wanted to point that out.

There's a subtlety in two or
three words that all of a
sudden gets you tagged with
not being in line with
financial policies.

I think we can make it
clearly within those
policies if we just added
that language.

>> Mayor Leffingwell:

Okay.

Well, let me just say my
purpose in any questions
that I might have is just to
make sure that it's clear.

That what we're voting on is
clear because I personally

intend to vote against any
items that are funded out of
either other enterprise
funds or out of reserve
funds.

My only interest, as I said,
is to try to keep them
straight.

Do we have others?

>> I have a point of
clarification, mayor.

>> Mayor Leffingwell: Yes.

>> But I believe
councilmember cole removed
her --

>> Mayor Leffingwell: Yes,
she did.

And councilmember spelman,
did you remove yours?

I think we kind of --

>> Spelman: I believe
councilmember riley restated
what I suggested.

I'm happy with his
restatement.

>> Mayor Leffingwell:

Good, councilmember
morrison?

>> Morrison: I need to ask
staff, I'm -- I may have had
some dated information about
the public health nurse
position.

And I wonder if staff can
come speak to us.

It was on page 7 as one of
our unmet needs, but there
might be some more current
information about whether
that need for a public
health nurse was unmet or
met.

>> Yeah, I can just respond
briefly that the health and
human services departments
number one unmet need was

requesting funding for a
public health nurse in the
amount of \$86,892.

That is in the city
manager's proposed budget
before council.

>> Morrison: Okay.

I apologize for that.

I didn't realize it was
actually in the city
manager's budget.

But I would like to ask mr.
Lumbreras if -- what
would -- is there a second
priority that is in front
of -- of health and human
services now that that need
was met?

I apologize for misreading
that if I did.

>> Councilmember, one that
comes to mind that I think
that really would benefit

the city that falls in line with the discussion that was occurring yesterday with the 1115 waiver, there were three projects that were identified as the priority projects for -- for the waiver, one of those is permanent supportive housing.

As you recall, in the city manager's proposed budget, there is \$100,000 and the city council has really been very supportive of -- of permanent supportive housing which we have found across the country as a -- as a strategy that is very effective to addressing the needs of our homeless individuals and the folks that have a lot of needs.

So what we have in the
budget is 100,000, which
46
return in dollars, so i
would say that that
certainly is a one that's
worthy of consideration
because of the added benefit
of the return of dollars
that we could use for
investment.

Those dollars, in effect,
are part of that overall
plan to reach the 350
350 units that we wanted to chief in
the four years, we're about
halfway towards that goal at
this point.

We have huge capital and
operating needs both in
terms of buildings, but also
wrap around services.

So I think any funds towards

that purpose would certainly
be worthy of consideration
and with the added benefit
of the run of additional
dollars.

Return of additional
dollars.

>> Morrison: That 100,000,
if we were able to add more
's,
did those get converted into
's to help to manage
the services or did we
contract out for services?

>> It would primarily be
wrap around services that we
could potentially contract
out with service providers.

Everything from case
managers to folks that would
ensure that those folks are
stable within their --
within their housing units.

So for the most part, it's
going to be operating
dollars for contracts.

>> Morrison: Okay.

Thank you for that
clarification.

So -- so that motion that i
had -- with regard to the
public health nurse, I would
like to withdraw.

And replace it with a motion
that would actually not
but just
allocate those additional
\$76,000 in funds in -- to
services to add to the
permanent supportive housing
services for consideration.

>> Cole: Mayor, I would
like to respond or object to
that, just for the purpose
of discussion.

>> Mayor Leffingwell:

Mayor pro tem?

>> Cole: I would like to

offer the landscape

architect position as a

basis for funding that

position for permanent

supportive housing.

>> Morrison: Does that

mean that you are

withdrawing your landscape

architect.

>> Cole: I would withdraw

it and your motion would be

to approve it as a funding

source for ed, ed, did you

get that?

>> Morrison: Mayor pro

tem, I appreciate that.

>> Mayor Leffingwell:

Anything further?

In the way of amendments?

Councilmember tovo?

>> Tovo: Mayor, I just

want to point out you had
talked about maybe
reassessing and coming back,
I just want to ask that we
do after we work through
this and I want to say that
there are a few things
where -- if a tweak needs to
be made, I may make a motion
that tweaks something.

So I'm not going to lay it
out now, but we've already
talked about, you know, some
plan b strategies if the
motions here don't succeed,
I just want to indicate
there may be others.

If we could take a recess
later rather than right now
if that was your intent to
take one right now --

[multiple voices]

>> Mayor Leffingwell: My

intent it to take it right
now rather than start
through this process without
knowing what the big picture
looks like.

Because without -- without
an end in sight, you know,
we're going to have to go
back to -- we might as well
have started as we
originally planned to do
with just going through one
by one and keeping a running
tally.

If our objective in
accordance with
councilmember spelman's
suggestion, which was a good
one, that we lay everything
out there, so that we could
look at all at once and vote
on each item in context, in
total context, if we still

support that, I think we
need to go into recess
and -- and realign
everything.

Reprint.

>> Tovo: Mayor, if I may
then, I'm reluctant to
continue to engage in a
discussion about what
happens if my motion fails.

But I will continue along
that path I guess since my
colleague has raised it as a
possibility and say that,
you know, we've been talking
about the roving leader.

I think it's critical that
we fund that program in --
we are talking about scaling
it back from what the staff
has envisioned to one-fourth
of it.

And so I do not want to

scale it back to the 76-5
that we were talking about
before.

I would like to get that
back up to what the staff
have said they need to fund
it in one quadrant.

I think that number was
95,000 something.

I would suggest that if we
get to the point where we
are talking about finding
other moneys for it and we
need to use councilmember
morrison's motion rather
than mine, then I would
suggest we take mayor pro
tem cole's suggestions of
reducing the commodities
number and bump that up to
get us to the same level.

So I will -- I will throw
that out there as a -- an

option.

This was on your sheet,
management services, partial
reductions, contractals, it
was a potential budget
reduction identified by
management services.

It's attachment c, page 11.

You have proposed reducing
it by \$17,444 and I would
propose reducing it by
whatever amount gets us
from -- from 76,000 and
change up to 95,000 and
change so that we can fully
fund the roving leaders
program in one quadrant.

But I'll just use this
opportunity to say that i
think that we've got a -- a
great option out there of --
of using our sustainability
fund to fund that and I'm

going to argue strenuously
again that we do that
because it is a need.

If we have another \$100,000
to be realized, through the
potential budget reductions,
then heck let's do it in two
quadrants instead of one.

But again since we're
talking about plan b, that
would be my suggestion
for --

>> Mayor Leffingwell: That
a new motion?

>> Tovo: Yes, that's a new
motion.

I'm sorry I don't have the
figures in front of me.

Ed, did that give you enough
to work with?

>> We can work with it.

>> Tovo: Thanks.

>> Mayor Leffingwell:

Council, without objection,

we will go into recess for

come back about

11:00.

we're out

of recess.

I think we are ready to go into

the voting on the individual

amendments.

There may be cases where we need

to deviate somewhat.

When we run across that

eventuality, we will deal with

it at the time.

I think we need to start moving.

I think the first item to be

considered were together item 1

on page 1.

Item 3 on page 2.

Item 1 on page 4.

And I believe that's all.

>> Councilmember martinez?

this item was

amended by councilmember
spellman and riley and now it is
back before us from the same
form.

I did not take that to be a
replacement motion but -- not to
be a substitute motion but a
motion in addition to this one.
so we have to vote
it down.

or you
withdraw it.

>>Martinez: I will withdraw.

that is
withdrawn by councilmember
martinez, the maker of the
motion.

Second one to consider is item
1, page 2, this has to do with
the general fund for increased
revenue associated with plussa
saltillo b changes.

The second on page 2 related is

item 8.

I believe that is all.

Item 2 on page 1 and item 8 on
page 2.

These are an item that is
totally funded with revenue,
changes in revenues.

From the parks department, i
believe, to support this
increased expenditure of
\$21,000.

>> Mayor?

councilman

spelman.

this would be for
changes in fees for them is that
something voted on differently
or administratively.

>> If it passes, we'll have an
amendment to the schedule which
is item 3 on the addendum.

>> Mayor leffingwell: ok.

All in favor of that aye.

Opposed, no.

That passes on vote of 7-0.

Item 3 is withdrawn.

Item 4 on page 1 is transfers in
from the sustainability fund for
a part rover program.

And that is associated with item
10 on page 3.

Item 4 on page 4.

Item 2 on page 6.

Items 12, 13, 14, 16 and 17 on
pages 7 and 8.

Councilmember tovo.

I want to speak to this
again for one minute.

I want to remind my colleagues
the sustainability fund was set
up for exactly this kind of
purpose.

To help the city of austin build
a sustainability environmentam
and economic infrastructure.

The program funded through that

program have consistently been
child care, economic growth --
I'm sorry workforce development
and also technology and
affordable housing.

This is squarely within the
mission of the sustainability
fund.

All that we're doing is keeping
the transfer from austin water
utility consistent at 1%.

I hear the mayor that he wants
to have a policy discussion
about the sustainability fund,
we can do that.

For this budget cycle we should
keep it consistent for previous
years and for purposes that the
city council set up the
sustainability fund for.
further
discussion?

Councilmember spellman.

in the 412, 12, 16 --

there may be something else
going on here tied to the 1%, in
the water sustainability, or is
that the only issue?

>> This is a complicated one
that involves a lot of different
items.

In general getting the water
sustainability back to the 1%
where it has been historically
been increases revenues by
\$659,203.

\$557,000 Of that amount go to
the housing department for fte
and reduces reliance on the
housing trust fund for fte
leaving it out of the trust
fund.

That left 102 of the mone
unallocated.

We would transfer that to the
parks department to fund one

team of the roving leader

program.

this is the entire

package of getting the roving

program and the housing trust

fund and non-fte only?

>> It is the entire package.

is it possible to

separate the two pieces?

>> It is.

I suggest if you are trying to

separate, decide whether the

water utility will increase by

1%.

We can take extra pieces from

there.

the reason I raise

the issue, although we have not

had the conversation that i

think we very much need to have,

specifically on the extent to

which the utility needs to put

in the 1% it has always put in,

sensitive to the mayor's concern that we need -- we need to with some of the funds, we need to reduce the reliance on the funds of transfers from the enterprise funds, to keep the enterprise funds primarily the use of the enterprise.

I understand that.

This is a small piece of that, the general policy statement and obviously this particular issue.

At the same time, I understand wanting to keep enough money in the housing trust fund to make sure that we have enough there to fund.

On the commission in previous years and have to spend more money out of the housing trust fund on an annual basis.

At the same time, I don't feel the same need to keep the -- i

don't feel the need to keep the housing trust fund pure.

That seems to be a secondary issue, so long as there is sufficient money in the housing trust fund with the support.

.. it seems to me that there is a way of backing off slightly on the 1% for the sustainability fund from water utility, we can further that general policy initiative of trying to weed some of the funds off of the reliance of the enterprise fund and make sure there is enough in the housing trust fund as long as it gives up on the general statement.

That seems to be a secondary concern.

Where we are backing off on 1%, keeping the trust fund money sufficient to meet its demands

and the expense of keeping an
fte or twoutof the hou --
two out of the housing trust
fund.

I'm apologies to making this
more difficult.

Wanting to get what we are
looking for, and not necessarily
all of some things, none of
another.

>> I think it would be helpful,
I think if you look at numbers
14, 15, 16, collectively, which
I will talk about the housing
trust fund and council can give
us some direction about this
\$557,000 that we would like
to -- currently \$557,000 of the
housing trust fund is going to
fund staff.

We would like to create less, if
we can get an amount, we can
revise this to reflect that

direction.

557 is for five staff

members, is it?

>> For five.

is there a way we can

get -- pardon my use of the evil

"

it seems like it would be an

appropriate use.

If we have the 557, take it or

leave it.

WE COULD PARCEL OUT TWO FTEs.

Keep two in the housing trust

fund.

Take out three for what we use

the housing trust fund for and

back off on the total amount to

take out of the water utility

and move forward on that

initiatesive.

I am 5 fte, 557.

>> We have a budget question

that we are trying to find the

number to where we talked about

THE SPECIFIC 5 FTEs BEING FUNDED

Out of the housing trust fund

with dollar amounts for each.

>> Mayor?

it might be

useful to go ahead and table

this item or this set of items

and address it after you had a

chance to work on the numbers a

little bit.

I don't want to go back into

recess again.

>> No.

that will

be an endless process.

We can do the others and take

this later.

>> Mayor?

>> Mayor leffingwell:

Councilmember tovo.

the budget question is

number 32, I believe.

It is also an option to consider
it as it is and consider an
alternate.

if you want
to consider it as it is, that is
your privilege, if you would
like to offer a vote on that.

>>Tovo: I would.

I will make another point about
the sustainability fund.

Until this year, the
sustainability fund has received
transfers on the user fee and
drainage utility fund.

We are making changes to the
sustainability fund this year.

Just put that out there, that --

>>mayor leffingwell:

Councilmember tovo has suggested
this set of items doesn't pass,
you can offer yours.
although I will vote
no on this entire package, i

think it is possible for us to

square this circle by circle out

OF THE FTEs OUT OF THE HOUSING

Trust fund and keeping some in.

I'm generally -- I generally

agree with what councilmember

tovo is trying to accomplish.

all in

favor of this set of items, aye.

Opposed, no.

I believe that fails on a vote

of 4-3.

Councilmember riley, martinez,

myself, spelman.

>> I voted no.

that is

what I meant.

You voted aye.

Councilmember martinez voted no,

I voted no.

Councilmember spelman voted no.

That passes 4-3.

>>Tovo: it still fails.

[Inaudible, multiple people
speaking]

>> show of hands.

May I suggest we call the roll
since we're doing budget votes.

To prevent confusion.

>>Mayor leffingwell: all right.

You have embarrassed me into
doing that.

Councilmember riley --

>> councilmember riley?

Councilmember martinez?

Councilmember tovo.

>>Tovo: aye.

>> Councilmember morrison.

Councilmember spelman.

>>Spelman: no.

that fails

on a vote of 3-4.

Myself, spelman pro tem,

martinez voting no.

So we go to the next item, which
would be -- councilmember tovo.

before we move on, why
don't we consider an alternative
along the line of councilmember
spelman.

Did you have an opportunity to
pull up item 32?

>>Spelman: I have not.

why don't
we go in order.

We will bring it back.

>>Spelman: ok.

so on page

2, we have items 2 and 6.

11 On page 3, correct?

That is by a different maker.

But it is the same color.

I believe it is because

I decided to use number four

instead of 11.

>> That is correct,

councilmember cole removed

item --

so we are

voting on items 2 and 6 on page
2 and item 11 on page 3.

>> And.

and items

one, two, three, four, five,
six, seven, eight on page 7.

>> That's correct.

>> Mayor Leffingwell:

Councilmember Morrison.

I have a question

here.

This is ultra complicated.

As I laid out earlier, for me, I
wanted to look at plan B, ensure
that we got the funding for
roving leaders.

I guess I want to ask if you
would be inclined to share with
me, my colleague Councilmember
Spelman, part of what you may be
revising and bringing forward,
part of what was there was some
funding for roving leader

person.

I wonder if you intended -- if

you would share with me.

>>Spelman: happily.

do you intend to

keep that?

I want to back out

TWO FTEs, TO KEEP THE 1% FROM

Coming out of the water utility

rate.

that gives me room

to support.

My plan b won't be needed

hopefully.

as far as I'm

concerned, you will have four

votes.

depending on what

the others think.

It is sounding hopeful.

>>Spelman: good.

contingency

votes are not allowed.

>>Tovo: I will support this.

If we are not successful in
funding a roving leader position
in the reconfigured austin water
utility sustainability budget, i
will make a subsequent motion to
REDUCE THE TWO FTEs DOWN TO 1 TO
Fund the roving leader.

I'm voting for this right now,
but fair warning I may amend it
later.

mayor pro
tem.

I think this is the only
thing on the table.

We talked earlier about the need
to increase funding to early
childhood development through
the health and human services
department.

For page 2, item number 2 and we
talked about needing equipment
in the parks department to

actually help with urban
forestry.

So what I want to do on that
item is to actually take that
amount.

The \$154,159 and fund that for
equipment in the parks
department through the budget
stabilization fund and use that
funding to go to health and
human services for early
childhood development.

Let me repeat that.

We talked earlier about the need
for additional funding in health
and human services for early
childhood development.

Item number two, on page 2 is
actually funding for the parks
department for urban forestry.

But we also talked earlier about
the urban forestry division also
needing equipment in place of

FTEs IN ORDER TO OPERATE THE
Program.

So I'm requesting that the funds
for \$154,159 be taken from
budget stabilization reserves
and that money actually be
transferred to health and human
services for early childhood
development.

that is

kind of like an entire new item.

>>Cole: that is an amendment.

>>Mayor leffingwell: ok.

So one option is to vote on
these and if it is voted down,
you can --

>>cole: I can withdraw it.

you want to

withdraw this set of items?

2, 6, 11.

>>Cole: I tell you what.

Let's just leave it as is.

Then when we finish, I can

amend.

>>Mayor leffingwell: all right.

We're voting on that set of
items.

Councilmember tovo.

I would like to better
understand what your alternative
is.

Right now, we would be voting to

ADD TWO FTEs FOR URBAN FORESTRY?

what we are

voting on now is what you see
written on the page.

I have a lot written on

the page.

printed on

the page.

voting on 2 and 6 on

page 2, 11 on page 3, which I as

SEE IT WE VOTE TO ADD TWO FTEs

In urban forestry and allocating

\$76,000 for permanent support

housing?

>>Cole: yes.

The confusing part is itemly
item 4 and 11 go together and 2
and 6 --
4 is --
let's try

to speak in order, here.

>>Cole: I'm sorry, cathy.

this is

confusing enough.

Councilmember spelman.

do you want two feet

in urban forestry?

to go to early childhood

development.

she said

she wanted to vote on the item

as is.

I'm asking about the

amendment forthcoming.

>>Tovo: I am as well.

I'm still not clear on what's to

come.

I would like to be clear on
what's to come.

We're photovote for the taxing

ON ADDING TWO FTEs IN URBAN

Forestry and allocating \$76,000
for permanent housing.

Mayor pro tem, I think I heard
you say you are going to make a
subsequent motion or maybe you
are withdrawing this one now,
I'm not clear.

You are no longer advocating for
two fte for urban forestry,
instead you are going to
advocate for adding equipment
for parks through the one-time

FUND, NO URBAN FORESTRY FTEs AND

Instead allocating \$154,159 to
early childhood.

yes, but I have to do it
later.

if we vote up or down on
this, will you propose your next

motion as an alternative or in addition to?

If we vote on this and then we would rather have the monies available for that.

the

original plan, councilmember, was to vote on all amendments.

Vote them up or down.

And not amend the amendments.

But apparently, there is not a clear understanding of what the process is.

If you would like to suggest another course of action, please be my guest.

not suggesting another course of action.

I'm trying to understand what my colleague is proposing.

[One moment please for change in captioners]

>> okay.

Thank you, mayor, that's the
course of action, and so mayor
pro tem withdraws item 2 and the
rest remains the same.

So, curt, call the role.

>> Pro tem leffingwell.

>> Mayor leffingwell: no.

>> Council member cole.

>> Cole: Aye.

>> Council member riley, council
member martinez.

>> Council member tovo, council
member spelman.

>> Aye.

>> That passes on a vote of 6-1
with myself voting no.

So that brings us to item number
3 on page 2, I will see if
that's associated -- that's
associated with items 1 on page
4.

>> That was withdrawn by council
member martinez.

>> Mayor leffingwell: oh.

Three on page 2 is withdrawn.

>> Yes.

>> Mayor leffingwell: okay.

We will go to item 4, and 4 and

5 associated on page 2?

>> Only those page 2.

We were running out of colors

here.

running

out of colors.

>> We have light yellow and dark
yellow.

and

that's reduce over \$290,000

and use it for at risk youth.

Call the role.

Mayor leffingwell.

>> Mayor leffingwell: no.

>> Cole.

>> Aye.

>> Council member riley, council
member martinez, council member

tovo.

>> Tovo: My.

>> Council member spelman.

>> Aye.

passes on

a vote of 6-1 with myself voting

no.

Okay.

That brings us to item 7.

Texas standalone on page 2,

standalone.

>> Yes.

All right.

\$73,000 For refer city youth

foundation in the existing

contracts and directing the city

manager to identify funding

options for additional 73,000.

Discussion?

Clerk call the role.

>> Mayor leffingwell.

>> Mayor leffingwell: no.

>> Mayor pro tem cole.

>> Cole: Aye.

>> Council member riley?

Council member martinez?

Council member tovo?

Council member morrison?

Council member spelman.

>> Spelman: Aye.

passes on

a vote of 6-1 and I voted no.

This page is already done.

Have we done 10 on page 3?

No?

>> We will have to do that one

again.

>> We deferred that, or that

failed 3-4.

the rover

program.

Are you ready address that one,

council member spelman?

>> Spelman: If the raw material

I needed is available, I will

happily address it now or we can

address it later.

all

right.

We will go ahead and go to the
next item, then.

Item 11, has that been
addressed?

Eleven on page 3?

>> Yes.

>> Yes.

>> Spelman: We did that one, and
12.

>> Mayor leffingwell: and 12.

>> Spelman: Yes.

Right.

>> Morrison: Mayor, if we
perhaps could skip 12.

council

member morrison.

>> Morrison: I think we can skip
12 until we have an opportunity
to loo revised amendment
that council member spelman is

preparing.

>> Mayor leffingwell: okay.

--

>> Tovo: Mayor.

Mayor?

council

member tovo.

>> Tovo: I have a question about

the -- so after saying it was

32, I see you have distributed q

and a, 32 to us but it doesn't

have dollar figures attach todd

the staff positions.

I am happy to make another

motion regarding the items i

have proposed.

Maybe council member spelman,

you can give me a sense of what

we are talking -- would you like

to see that reduced by 150,000,

100,000, whether -- what sort of

scale are you talking about?

Terms of the reduction from the

austin water utility?

>> Spelman: I was thinking in terms of approximately half, so instead of 557,000, something like 275,000, which of course would be probably splitting an and that's why I wanted to know where the sweet spot s or three s, to continue to be supported by the housing trust fund and we would reduce the transfer from the water utility to the sustainability fund accordingly because that would not be necessary to support the rest of the amendment.

>> Tovo: Mayor, I would like to ask if I may. council member tovo.

>> Tovo: Could we ask the housing staff what the impact

would have on the other programs
that are traditionally funded
through this housing trust fund?

Can you quantify that through
the number of tenants that would
not get tenant counseling, the
number of renters that might
have other why gotten rental
assistance, the residents of a
place like wood ridge that need
emergency assistance, how will
that kind of reduction impact
their --

>> betsy spencer director of
neighborhood housing.

Our services range from roughly
\$700 per individual to \$100,000
per unit and so it is a wide
range that we can have.

So like the go repair program,
the average investment is
between 5 and 10,000, all the
way up to a rental housing

development unit which could be
as much as \$100,000 per unit.

So our general average
investment per unit and/or
person is about 122-25,000,
because it's -- 22-25,000,
because it is a wide range.

That's how I do the math.

I would have to look at the
individual service programs.

Services tend to be a much
smaller per unit investment,
versus actual capital
expenditure, which could be as
much as \$100,000 per unit so
it's hard to give you --

>> Tovo: I appreciate that.

So if we are talking about
rental assistance or other kinds
of emergency assistance that
get, say, a homeless family into
stable, safe housing, \$250,000,
we could be talking about, what

is that, 2500 people?

>> So, on -- emergency

situation, if we were doing
tenant based rental assistance,
that will probably be \$750 a
month per person.

That program tends to help them
from 12-18 months.

>> So it's not one month
commitment, a year to year.

>> You are right.

It's usually 12 months for
someone to get stabilize before
they can move on to more
permanent settings, in that
particular service.

>> Tovo: Right, and of course if
we are doing, as you said, some
of the costlier things, we are
talking about a fewer number of
individuals but \$250,000, it
wouldn't be -- we may be talking
about 100 -- 100 people, 100

individuals impacted by that?

>> If it were a service like the tenants rights council where they actually do counseling, yes, it could be a much larger number.

>> Tovo: Okay.

Thanks.

Having -- given that the prior motion failed, I appreciate the creativity in figuring out a way we can agree to move forward with this plan.

I would just suggest that if we could get to a point where it's a little lower, that would be ideal.

>> Spelman: One of the reasons why I suggested it in the first place is because of the historic use of this program, which has been on the order of a half -- between 500 and \$700,000 a year,

and I might -- my understanding
of our conversation from
yesterday was that the demands
on this program are going to be
higher this year than they
usually are.

Think they they estimated
800,000 in those three big
chunks and I don't believe I am
going to be able to read my
handwriting well enough.

Life works, juniper and anderson
will be the three big chunks you
are talking about and that's
about \$800,000, and there are
also smaller chunks that would
also be -- other demands would
be put upon the program which
you may be able to fund if the
money is available add to go
around \$1 million, but if we
s

out of the current housing trust

fund and put some money into it from the sustainability fund, we would still leave you with \$1 million or more to be able to cover those three big chunks, plus smaller pieces, consistent with our previous usage but also consist with the demands on the program will be higher than previous years.

It was my understanding, right, betsy, or did I misunderstand?

>> That's a correct statement.

>> Spelman: Okay.

If we, instead of funded five out of that program, we only funded three, would you still have sufficient money to be able to do all of the thing that is you want to do in that fund?

>> We would meet our current obligations as we -- as the --

the three that you just listed
are previous commitments.

>> Spelman: Right.

>> It doesn't allow for
additional commitments.

We basically committed with the
s in the programs you
listed, the bulk of the
1.7 million.

>> Spelman: Right.

>> So if we were -- if there
s
funded out of the trust fund --
or three out of --

>> Spelman: Yeah.

>> Any additional funds that the
trust fund had, we could then
put into an additional eligible
expense, so we would put it
wherever -- I mean, if it was
tenants rights counseling, if it
was acquisition and development,
rental housing, tbra, any one of

those we could put it in.

>> Spelman: Okay.

So I am thinking in terms of
300,000, rather than 557,000,
which would free up some money,
which would free up sufficient
money that should be able to hit
the 1 million-dollar mark that
you were talking about yet
yesterday?

>> We would still have the
1 million-dollar mark but just
add add \$300,000, is that
correct?

We have not changed the
million -- no, the original
three projects would remain by
offsetting some sustainability
funds for staff.

That increases for other
projects, so, yes, you have not
taken anything away from what we
talked about.

Is that the question.

>> Spelman: Yes.

That was my issue.

Okay.

Does that make any sense to you
at all?

>> Well, we are prepared to --

we passed out the positions --

the five positions that are

being talked about and we are

now printing out the costs of

the five positions so council

solvency

some direction with regards --

council could give us some

decision with regards to --

if you

aren't ready to vote on this, go

on to something else.

>> Tovo: I can also is

another -- mayor.

council

member tovo.

>> Tovo: spencer, sorry, i
didn't get the mic before you
left it.

I want to be clear on the
numbers you are talking about.

The numbers -- the figures that
you discussed are, as you said,
previous commitments.

>> Yes.

>> So that's not allowing you
to -- I mean, you are going to
have a fairly limited budget to
respond to any kind of new
situation, like another wood
bridge or -- not that I think
the city should be
responsible -- like another wood
ridge -- when we have a private
landlord that is available but
in situations where we have
people in our community that
need emergency assistance, how
much money -- how much money

will you have available to
responding to those kinds of
situations?

>> We would -- as the way it is
right now, if we used all of the
s and

the three projects we have
discussed about, about \$150,000.

>> Tovo: You would have 150,000
left for an entire year left of
worth of community
development -- I forget the
components --

>> yes, downpayment assistance
and other things, yes, ma'am.

>> Tovo: And that's with the
five positions housed through
the house trust fund?

>> Yes, ma'am.

>> Tovo: that is
can be transferred to the
sustainability fund is
additional money that is opened

up for getting people out of homelessness into stable, secure housing or providing assistance to renters or things like that?

>> That's correct.

>> Tovo: Council member spelman, can I be clear on, were you spencer three positions or two to be funded out of the housing trust fund?

>> Spelman: My rough cut idea was somewhere between 2 and 3. Obviously it ought to be a whole number.

It is cleaner that way.

But with the effect of taking that 557 and cutting it in half.

>> Tovo: Okay.

>> Spelman: Which would leave about 275,000 more than you had before.

>> I -- if it's okay, if you can

give me a number, we can offer
back a suggestion, or a
recommendation to that.

>> Spelman: Okay, well, I can't
give you a number until I know
s

is, unfortunately.

couldn't

you just say this is what we are
allowing for the cost of the
s and --

>> Spelman: I think it's cleaner
, mayor
and it requires us to know what
s are going to
cost.

>> They are printing up the
salaries.

I apologize I didn't bring the
salaries with me this morning.

They are printing that now.

>> Tovo: Mayor.

council

member tovo.

>> Tovo: May I just -- I have one in front of me.

I am assuming we all got them.

May I propose that we fund the contract compliance specialist senior and the research analyst senior out of the housing trust fund for a total of about 175?

can you

tell us what you are talking about?

>> Tovo: I will be glad to.

I am proposing that we shift the contract -- well, that we fund the contract compliance specialist senior and the research analyst senior out of the housing trust fund moneys and transfer the other three to the sustainability fund, not quite half, but it is two even numbers.

s

still within the housing trust

s shift to go

the sustainability fund.

Total of 92,584 plus 82,239.

does

everyone have that information?

>> Spelman: Mayor, if I could

amend that.

>> Mayor leffingwell:

Mr. spelman.

>> Spelman: I think it is almost

exactly consistent with my

original approach, would be to

incorporate council member

tovo's suggestion, but to also

add the financial consultant,

the contract compliance

specialist senior of 92,

research analyst senior of 82

8

add up to almost exactly the

same amount as a manager for

housing policy and planning and assistance director, they are a little bit smaller, so that would transfer approximately 300 -- see, 287 -- 288 to the sustainability fund and keep the other three positions, which are a little less than 288, I haven't been able to add them all up, but the first three add up to a little less than that, about half of the total.

Half of the total would stay in the housing trust fund, the other half total would go in the sustainability fund freeing up \$280,000 for the housing trust fund to use on all of their projects.

So basically split the baby in half 50/50 and that would be my proposal.

>> Tovo: If that's the best we

can do, yes, I prefer to see it

under 200,000, but --

>> Spelman: Try to get that last

94815 but I prefer that to go

back to the water utility.

okay, so

I am just going to ask staff to

lay this out for us when they

are ready.

>> Tovo: And all other --

>> Spelman: And all of the

roving leader stuff stays intact

without any changes at all, if i

could reiterate.

>> Mayor leffingwell: okay.

>> Spelman: Sausage.

[Silence]

[silence]

[silence]

.

[Silence]

[silence]

are you

ready to lay it out for us?

>> I am going to do my best.

Starting with number 12 on page

7, I think we would like to

change the language for the

transfer -- the transfer in

amount from the austin water

utility \$485,150, it would be.

>> Mayor leffingwell: okay.

>> Number 13, the transfers in

from the water utility to the

sustainability fund that, number

likewise changes to 45,\$150,

which in essence, what that is

doing is reducing transfer from

the water utility to the

sustainability fund, the

difference had been 659203, it

is now 485150.

>> Mayor leffingwell: okay.

>> Number, 14, 15, 16, all of

..

The new amount is.

>> Spelman: numbers

don't exactly run into what I am doing.

Is that what it is?

>> We are working on council member spelman's numbers.

>> Mayor Leffingwell: Let's do that.

Let's work on council member spelman's numbers until we get some numbers and then we will talk about whether they need to be changed or not.

>> Spelman: All right.

Mayor, I suggest, then, we pay for the last two.

>> The housing policy and planning director out of the sustainability fund and my account is that that adds up to 288019, so that 557518 would change to 288019.

>> Mayor leffingwell: okay.

Do you agree with that --

>> that's where the manager and
the assistance director
positions?

>> Spelman: That's my idea.

Yes.

Those fy don't add up to 518 but
they are close.

>> We are getting close, we are
getting 587290.30.

>> It has to be 288.

>> Council member, go ahead.

>> Tovo: Thank you.

If I may, I don't know if this
clarifies confusion, the
original 1% transfer after you
subtracted out 557,000, there
was about 101,000 left and the
roving leader position is
95,000, so if there are some
discrepancy in numbers, that may
be why.

The roving leader didn't equate

to exactly 101 but we only had
funding in there of the actual
cost of the one team of the
roving leader so that may be the
number situation.

>> Well, my suggestion would be,

I think staff understands the
direction but we are getting
different sets of numbers so i
think we could crunch these
numbers and come back to this
item and there is still plenty
of items for council to take
action on as we carefully go
through the numbers and make
sheverything reconciles.

all

right.

We will put that one on the
table.

And I think go to page 4 item 2
that related to anything -- that
related -- is that related to

item 1 on page 6?

Yes?

>> Yes.

and i

think that's it.

So council member morrison.

>> Morrison: Thank you.

I just want to comment that i

think it's really greet that we

have the conversation about a

the 1115 waiver program like

this one is that yesterday, and

I look forward to working on

sort of an overall program,

financial program corporate

wide.

I know that parks is even

working with health and human

services because I think we have

a lot of great opportunities

here and I look forward to this

one kicking off.

is there

any question about the
legitimacy of taking this money
out of the critical one-time
fund for this purpose?

>> I don't believe so.

This would be one-time funding
for a contract.

It's something we have done in
the past.

For example, atcic comes to mind
where council wanted to extend
the funding to that agency.

It was a contract.

They wanted to extend the
funding for an additional 6
months so it was a one-time
commitment and this as well
would be a one-time commitment
to provide additional \$250,000
for fiscal year '13 only and
after that the contractual
amount will go back to what it
had previously been.

I believe this to be consistent with council's policy for the use of these funds.

s this the

item yesterday we had the discussion on, where we talked about it would be a good thing to fund if we could find the money for it.

There is no money within the department to do this, and so the suggestion was we find it from where else.

We couldn't find it -- there is no place else to be found, so it's coming out basically the reserve fund.

Is that correct?

>> Morrison: That's my understanding and the additional element here is that it can basically act as this money so we can get a return for the 1115

waiver program that can then
fund it in the future.

>> Mayor leffingwell:

Ultimately it's coming out not
budget stabilization fund.

>> Morrison: Correct.

>> Cole: Mayor.

mayor pro

tem.

>> Cole: I would like to speak
up in support of this program.

I know the county has it and it
has been very successful and
because it's is part of the 1115
money, we will, I think, more
than double our return on it by
making it, and it is also
serving many people in the
minority community.

>> Mayor leffingwell: I agree.

I think it's a good program and

I would like to be able to

support it but it's coming out

of the stabilization fund and i
won't be.

Is there any further discussion?

Clerk can call the role.

>> Mayor leffingwell.

>> Mayor leffingwell: no.

>> Mayor pro tem cole.

>> Yes.

>> Council member riley?

Council member martinez?

Council member tovo?

Council member morrison?

Council member spelman?

that

passes on 6-1 and I voted no.

And item -- on page 4, item

number 3, again -- precinct

transfers into the critical one

time fund of 84057 for early

childhood services that related

to item 3 on page 6.

>> Correct.

>> Morrison: Mayor.

council

member morrison.

>> Morrison: If I could just take a moment to remind folks, because we earlier had talked about critical one time funding for the different program and the police department that turned out to be not quite so pragmatic and I withdrew that motion and suggested instead that the funding, it be critical one-time funding from budget stabilization.

And dedicate that to early childhood.

The idea being that this still allows us to stay at 12% of our reserves, a good healthy reserve, but to address the unfortunate situation that we found ourselves in, in significant defunding of early

childhood to our last social
service contract.

So it's not -- it's not a
solution that's a permanent
solution but it is bog to help
some folks -- it's going to help
some folks out in some grants
that we already have going.

any
further discussion?

Again, I am going to continue
with what I have said before.

It's a good program.

I would like to see it funded
but not out of the reserve fund.

Clerk call the role.

>> Mayor leffingwell.

>> No.

>> Mayor pro tem cole.

>> Cole: Yes.

>> Council member riley?

Council member martinez?

Council member tovo?

Council member morrison?

Council member spelman?

passes on

6-1 with I voted no.

So -- so -- oh, yes, item number

5, which is, again, going to

budget stabilization reserve

fund, transferring that \$248,000

to the critical fund for

one-time mitigation efforts with

the community wild fire

protection plan.

That's associated with item 4 on

page 6.

Discussion?

Council member spelman.

>> Spelman: Any chance we can

get you to vote for this one,

mayor?

actually,

I am going to vote for this one

because it is a public safety

emergency associated with the

critical need and mitigation for
wild fires, I am going to
vote on this.

This meets the criteria for
going into the budget
stabilization fund.

And a you would have found that
out in just a second.

So there is no further
discussion?

Clerk call the roll.

>> Mayor leffingwell.

>> Aye.

>> Mayor pro tem cole.

>> Aye.

>> Council member specialist,
council member riley, council
member morrison, council member
spelman?

, Council member leffingwell.

passes

7-0.

It takes us to, I believe, item

number 9 which is to amend the

s,

reallocate 250,000 within

communications and technology by

reducing the budget for the

city-wide it strategy assessment

from \$1 million to \$750,000.

This is simply a reallocation of

funding.

Is there any discussion of this

item?

"

aye.

Opposed say no?

Passes on a vote of 7-0.

Item number 10, transportation

fund, amend the transportation

fund budget to increase

appropriations by 571,000 for

more equitable programs related

to the transportation that

supports the imagine austin

plan.

And I would just like to ask a question once again, I know we have discussed this once.

About what are we losing by transferring this money?

Are we losing fixing x number of potholes or -- or preventive maintenance on x number of streets or what is the cost of?

>> Given, howard lazarus public works.

This balance brings down the year end balance, it is money that we would have used to address future year requirements that to make sure the funds stay positive as well as trying to build a reserve in the funds to handle any emergency that may have occurred.

so there

is no project that is you have planned that would go wanting

because of of this reallocation?

>> Not in the current fiscal

year.

not in

the current fiscal year.

>> In the -- not in next fiscal

year.

>> Mayor leffingwell: okay.

Anything further?

>> Morrison: Mayor.

council

member morrison.

>> Morrison: I would like to

note that allocating these funds

to this -- to this special

bucket of money is what I am

thinking.

Give us the opportunity to go

after programs as they arise and

it doesn't actually dictate that

we spend this money although it

may roll-over.

Although if there is programs

that need to exceed money or
special priorities that arise,
especially as they relate to --
as we work through implementing
imagine austin, I think it gives
us the flexibility.

all in

favor of that amendment say aye.

Aye.

Opposed say no.

Passes on a vote of 7-0.

And item number 11, amending the
austin energy budget to increase
appropriations in the amount of
3 and a half dollars for the
solar program.

Austin energy -- anybody from
austin energy here?

I don't see anybody from austin
energy here.

The question is, is this also
coming from -- from the
remaining balance or --

>> it would be the '13 budgets
that projects a surplus of
revenues over expenses in the
current fiscal year of
\$15 million, so this would lower
that amount by 3 and a half
million dollars, wouldn't change
their programs or their fee
structure.

is does

that have an effect on the --
does that have an effect on the
required observes?

Observes -- on the
require reserves?

>> Ann little, cfo for austin
energy.

Could you repeat the question,
please?

I just

wanted to ask what the effect of
increasing appropriations for
the solar program by 3 and a

half million dollars would be.

>> Well have in excess of
\$15 million, including the
transfer from the strategic
reserve fund, so that would be
adequate to cover that.

so it

doesn't require any transfers
from any reserve funds?

It's already transferred?

>> We already have a transfer of
11 million, and it is included
in that 15 million-dollar
excess.

included

in the excess.

>> Yes.

and this

is money that's available for
solar rebates, rebate programs?

>> Yes.

and if

it's not spent, it will remain

in the fund.

Is that correct?

>> That's correct.

if

rebates aren't issued?

>> That's correct.

any

discussion?

>> Spelman: Mayor.

council

member spelman.

>> Spelman: We haven't had an

opportunity to have a

substantive discussion about

this question.

And you may not be the right

person to answer this question,

but if you can answer it partly,

it will be helpful to me,

ms. little.

How much is currently in the

solar rebate program?

Is it 4 million?

>> Yes, there is 4 million
currently in there.

>> So this would be more or less
doubling the size of the
program?

>> That's correct.

>> Spelman: I am concerned about
two things.

One of them is that when we
double the size of the program,
it may be simply difficult for
the -- given the current staff
we have of the program we have
for us to spend that much money,
spend twice as much money.

I am also concerned about
distortions in the market, in
that if we double the amount as
a rebate, would this have the
effect of doubling the number of
up stallations, or will it have
the affect of doubling the cost
per installation, because the

installer community will take advantage of the increase in the rebate amount and double their prices, or somewhere in between?

And if it's -- I do not believe that the installer committee will be doubling their prices but I suspect that there may be some effect on the price for installation and that we will not necessarily get a doubling of the total number of solar installations as a result of almost doubling the total amount, and I wonder if there is somebody from the solar program who could speak to the extent to which there may be market distortion in the program and the capacity of the current staff to be able to handle almost twice as many requests.

S are.

>> I don't think there is anyone else available, but we have had a few meetings on that and we would have to increase the staff level, probably.

The cost of solar is actually going down, so the number of installations could increase, regardless of the increase in the solar rebates.

But you are correct, in we would have to develop some programs in order to -- to utilize that money efficiently.

>> Spelman: All a of that makes good sense to me.

It doesn't quite answer my question, unfortunately, and i can't blame you for not being able to completely answer my question because it was a very technical question and probably could only be answered by

somebody who actually operated
this program.

We would -- there would be more
s but it would be included
5 million available,
5 is not only for rebates,
it is for accommodation of
rebates plus operate or only
rebates?

>> No, it's only just for
rebates.

>> Spelman: Okay.

Do we have a sense for how
much -- how much our
administrative costs would
increase in order to spend twice
as much rebate money?

>> No.

I think we are looking at adding
maybe two employees, but I don't
know the dollar amount exactly.

>> Spelman: So something like a
couple of hundred thousand

dollars?

>> Correct.

>> Spelman: Which is not included in this item but it is another cost you would have to bear.

Is there somebody that could persuade me there will not be a significant market distortion by doubling the amount of rebate money available?

>> I am sorry, I can't really answer that.

>> I didn't figure you could.

Is there somebody who would be available on call who would be able to speak to that issue, ann?

>> I can bring someone over later today.

I could -- I could probably make a call and get back with you in a few minutes.

>> Spelman: I would like it if
you could do that.

It would make me feel a lot
better.

>> Okay.

Okay.

Thank you.

before

you leave, I would like to -- if
we are asking for more
information, I would like to
know exactly what end of this
number, of 3 and a half million
dollars, when did we come up
with 3 and a half million as
opposed to 2 and a half or 4 and
a half?

It has to be based on some
measure of demand out there, of
historic, unmet demand.

Is it just a number?

>> I don't have the answer to
that.

to maybe

when you bring back -- council

member riley has the answer.

[One moment, please, for change

in captioners]

>> it would be upwardly

significant.

2009 Has been generally to

discuss, the lower threshold of

where we need to start from, as

we think about the future of

this program.

So this would be a modest but

significant step insofar as it

would be moving upward from the

2009 level, and would position

our program for further growth

as we continue to work with the

local solar advisory committee

on their recommendations, and

that is consistent with our

often-stated intent that will

often maintain and build upon a

historic position as a leader in
the solar industry.

I think it is a worthy amendment
and I strongly support it.

I guess
similar to councilmember spelman

I would like to be assured it
will not adversely impact our
goals.

That council adopted the goals
for 2%.

Bottom 50%.

>> I will get back to you with
an answer.

is the idea

we want to put this on the table
until we get answers, or are you
ready to vote?

Ok.

All right.

We'll put that on the table for
now.

And go to more.

Number 18, drainage utility
fund.

Increasing appropriations in the
amount of \$648,000 for drainage
and erosion control purposes.

I believe we had considerable
discussion on this.

This was to allocate that money.

Is that correct councilmember
tovo?

yeah, I would be happy
to recap.

With the sustainability fund.

What this motion would do is
allocate up to 1%, which the
total is there.

Up to \$648,293 for tree
irrigation and tree preventive
maintenance, as it benefits
storm water benefits.

So the other piece of this is
that it will direct the city
manager to direct staff to come

back to council with a report
indicating to the extent to
which you are applicable for the
storm water benefit.

The extent to which the existing
activities have storm water
benefits and have the impact of
reducing flooding and reducing
erosion control or increasing
erosion control.

I see mr. kelly here.

I wonder if I might prevail on
him to just come speak for a
minute about this.

I'm the director for the event.

I want to speak about our
infrastructure program.

City of austin has been viewed
as a leader for the nation with
the green infrastructure, epa,
selected with the city for the
green infrastructure and also
picked the water park with the

national green initiative

structure.

We're proud of our program.

We established a cross

functional green infrastructure

team within the department to

further integrate this

technology into the storm water

management of the water quality

and erosion control.

And we have the team here that

can address that more.

I appreciate you both

being here both days all day.

green, if you could discuss

the infrastructure and how this

will enhance the great work you

are doing in terms of using

green infrastructure for storm

water benefits for reducing

flooding.

>> Mayor, councilmembers, mark

kelly with the water department.

Traditionally watershed protection, looking at green infrastructure looking at engineered approaches where we consciously divert water off of streets and rooftops and detain that and put it into the ground.

We use certain quantitative methods to give out how much benefit that gives us for reducing flooding and erosion.

I believe the proposal deals more with the existing natural green infrastructure with the parks, green belts, things like that, which we realize have a function.

What we have been unable to do is quantify those, at this point, unincidental benefits of the natural green infrastructure.

So I think what the study that

is proposed would do is allow us to use the current tools we use in terms of numbers of gallons diverted from the storm water system, which reduces flooding.

It allows a one-to-one comparison, with the loss of x amount of trees you lose x amount of benefit to the storm water system.

That gives us the ability to do a one-to-one accounting of what it is worth to maintain.

I think that would be helpful.

And thank you for nicely articulating kind of what the study would do in terms of assessing what the existing green infrastructure is and how to care for it and what the real economic benefits are and what the real storm water benefits

are of caring for it in a way
that is appropriate.

So it sounds like this proposal,
in many ways, ties in nicely
with some of the work you're
already doing within watershed?

>> It does.

Would you like me to expand.
sure, if you have more
to say, absolutely.

>> We're working with staff to
locate some of the green
structures, because it is open
public land that benefit the
creeks that flow through the
parks.

We're able to locate these and
capture the runoff that was up
until that point going through
storm drains or pipes and use it
on the landscape, we clean the
water before it gets to the
creeks but also use it on-site

for irrigation.

So, that is one of the initiatives we're working on is instead of using potable water or hand trucks, we're looking to capture that runoff off the street systems into parks by curb cuts or diverting pipes to actually use that as the irrigation system for trees.

We are confident we can achieve great gains in that 91-year sickle of irrigating trees by harvesting water off the street and putting it on to the land directly.

And not necessarily just taking over potable water supplies.

So that is currently underway with staff.

We believe that any report we make would be able to further quantify of where it is

available.

>>Tovo: that is great.

We would like to see that number
come down a bit.

Thanks for all the work you are
doing already.

With that, I think that is my
last question on that.

I've just
got a concern about, you know,
reallocating a dedicated
enterprise fund for another
purpose.

Without going through this
exercise that you just described
before we do that, especially.

Right now, we're making the
allocation first.

We will do the study later.

And being as how this particular
fund is one that is literally a
million dollars behind schedule.

A million dollars of projects

that are waiting if for funds.

It is something I can't support
at this time.

I could maybe in the future, if
we come back with, you know,
more information on how and
where this will work, for that
purpose, for the intended
purpose, maybe I can.

But I can't right now.

>>Tovo: mayor?

>>Mayor leffingwell:

Councilmember tovo.

storm water benefits,
are clearly within the state
statute that enabled this fund.

It is by no means are we going
to be able to allocate that
money to a purpose that is not
squarely -- that doesn't fit
squarely within the purposes and
missions laid out by the
drainage utility fund in the

city ordinance and in the state statute.

So the staff will come back to us with a report.

All we're doing, as I understand it, reserving up to 1% for any project that might be eligibility within -- and we'll know better what those are and what that amount is when the staff come back to us in 90 days.

We can make a determination then.

>>Mayor leffingwell: yeah.

I hear what you're saying.

It could be a good program.

I'm not ready to do that right now, until we have done a thorough evaluation.

Diverting needed funds for something not -- mayor pro tem.

>>Tovo: go ahead.

>> We will use all the funds we collect from the drainage fee, and we will prioritize all the fees to our project.

We will include the green infrastructure tied with the project in our priority list.

We appreciate this opportunity to highlight the need of all the existing trees and vegetation and the needs that are mentioned.

We will use our formal process to prioritize the fund, up to 1%.

If we see the priority is a cost benefit ratio is high enough, we will allocate more funds in the infrastructure program.

Basically, we're following our normal process to prioritize.

mayor pro
tem.

this is a quick question

for councilmember tovo.

I noticed that the amendment

uses the specific language that

it is for drainage and erosion

control.

I think that is consistent with

what professional staff has

said.

You earlier used a term "tree

mitigation" and I was not sure

if I heard you right or what you

meant by that.

>> I think I might have said

tree irrigation.

>>Cole: oh, irrigation.

>>Tovo: I meant tree irrigation.

>>Cole: ok.

Thank you.

in the

original discussion, there was

talk about making the money that

originally used for the

irrigation purposes reimbursing them for the money they use so they can use the money for some other purpose, relieving them of an expense.

Is that still the intent of this?

Is that still the net effect of this?

>> We hope that we will be able to use this fund we will allocate, so we can produce bigger bang for the buck.

I heard that.

I'm concerned about the cost shifting, enterprise, essentially shifting those costs into a general fund.

And that was what we had discussed the recall day.

I want to see if that is still the case?

I think the assistant city manager is right behind you and wants to add a comment?

No?

That is not how I would interpret the language.

That is what you have to ask the council member about intent.

>> Mayor, you are correct.

When we talked about this yesterday, there is -- we will have to talk about how to handle this.

I was suggesting that in addition to enhancing the amount of money we spend maintaining and preserving our trees here in austin, that that might be a very appropriate -- there is work that they're doing that fits squarely within the drainage utility fund purpose, yes, it would offset some of the

money that is spending on the activities and there may be some costs that are more appropriately handled through the drainage utility fund.

do we have

a later opportunity to address that at a later date?

>>Tovo: as I understand it, yes.

What I understood, if savings exist, council shall direct as needed to allocate the funds to use in senior programs and senior forestry programs.

It is to enhance the money spent on tree maintenance, prevention, and address other needs.

But again, it is my understanding of that is have to happen through a budget amendment, at which point, we can talk about whether that money needs to remain in

watershed or can properly offset
some of the paid money, right
now paid is bearing the full
responsibility for caring for
irrigating our public parks and
public spaces.

To the extent that there are
storm water benefits, those
might be better handled in part
by the drainage utility fund.

with the
assurance that there is nothing
in the current amendment that
shifts enterprise money out of
the drainage fee and interest
the general fund department,
parks department, that will only
be done through a later budget
amendment, not being done here.

Is that the case?

>> That is the case.

with some
degree of trepidation, I can

support it.

I am concerned that staff down the path will be prepared to deal with that later.

All in favor signify by saying aye.

Opposed, no.

That passes 7-0.

That brings us to item 19.

This is to reappropriate the originally budgeted amount, take one million out of that, divert that to funds.

The purpose of the fund out of which it is funded.

Fund treat cleaning code compliance, and I'll just repeat what I said the other day.

I think \$750,000 over two years is adequate for public education, given the fact that we have engaged over five years of public education.

Any further discussion?

Councilmember morrison.

I wanted to provide
comment after hearing from the
director yesterday,
understanding more, and
understanding this number was
not picked out of the air by our
staff.

They did talk with other cities,
and all of that.

I think we have a real
commitment to making this
successful work that we have in
front of us.

That is why I am going to be
voting against this.

>>Mayor leffingwell: ok.

Clerk, call the roll.

>> Mayor leffingwell.

>>Mayor leffingwell: aye.

>> Cole, tovo, morrison,
spelman.

that fails

on vote of 4-3.

Councilmember riley, tovo,

morrison, spelman, voting no.

I believe the last item we have,

you have a sheet that has been

passed out.

Items 12, 13, 14, 15, 17.

Which has to do with water

utility sustainability

transfers.

All one motion.

>> It includes the other

peach-colored items earlier in

the document.

Item 4 on page 1, item 10, page

3.

4, 10, page

3.

>> 4 On 4.

>>Mayor leffingwell: 4 on 4.

These items.

Thanks for the correction.

>> I would say, if you look at what we handed out, there is no longer a 16.

So by our understanding, item 16 would not need to be on here any longer.

After we make all of the changes to see the appropriations of the housing trust fund.

It firms up \$297,000 in the trust fund, that would stay in the fund to do projects with.

We don't need item 16 any longer.

12-17 Are replaced with what you see on the black and white handout, with there is no item 16 any longer.

>>Mayor leffingwell: ok.

Any questions about this item?

Councilmember tovo?

>>Tovo: a quick one.

I think you said 4 on page 4 and

10 on page 3.

So basically, this will
accomplish -- this motion would
accomplish the transfer from the
water utility to the
sustainability fund, from the
sustainability fund out to
neighborhood housing.

It would assure the critical
one- -- the purchase of the
capital expenditure leaders
through the roving fund and
create the fte necessary through
the sustainability funding.

>> Yes, it also funds \$20,000
for the temps in the roving
leader program and the supplies
and equipment.

>>Tovo: thank you.

any further
discussion?

We'll take a vote on all of the
items together.

Call the roll.

>> Mayor leffingwell?

>>Mayor leffingwell: no.

>> Mayor pro tem cole.

>>Cole: aye.

>> Councilman martinez,

morrison, spelman.

>>Spelman: aye.

>>Mayor leffingwell: passes 6-1.

I voted no.

>> There are two items which are

the financial policy which need

to be approved.

>>Mayor leffingwell: correct.

mayor, I have one other

amendment that we talked about

to put on the table.

If you want to take the

financial policies.

financial

policy item 1 is an amendment to

the general fund financial

policy.

Number 3.

You can all read it there.

Any discussion on this item?

All in favor signify by saying
aye.

Opposed, no.

Passes 7-0.

Item 2.

To amend the proposed budget by
adding back the existing
language in the water utility,
related to voter approval of
revenue debt.

Any discussion on that?

All in favor signify by saying
aye.

Opposed no.

No.

That passes 6-1.

I voted no.

Councilmember -- mayor pro tem
cole has the floor.

>>Cole: yes, I have the floor.

I would like to make an additional amendment that we discussed earlier, which would basically amend the budget stabilization reserve fund for \$154,159 for the parks department for equipment.

AND WHAT WAS PREVIOUSLY TWO FTEs

For the urban forestry, a sum of \$154,159 would go to the health and human service department for early childhood department.

That would be a revenue-neutral motion.

>>Mayor leffingwell: ok.

Transfer \$154,159 from early childhood to parks department equipment.

>>Cole: right?

What was the question, mayor?

say it

again, please.

we had an item

withdrawn, which is page 2, item

2.

Which amended the proposed

BUDGET FOR FTEs FOR URBAN

Forestry.

I AM DELETING THE TWO FTEs FOR

Urban forestry and making a

request that the parks

department have \$154,159 from

the budget stabilization reserve

fund.

>>Mayor leffingwell: ok.

then I'm also asking

that health and human services

receive \$154,159 to go to health

and human services for early

childhood development.

>>Mayor leffingwell: ok.

Everyone understand that?

>> Ed, are you clear?

>>Mayor leffingwell:

Councilmember morrison and

councilmember spelman.

>>Morrison: I'm confused.

It feels like we had a surplus.

It sounds like we're spending it twice, with that motion.

>> The budget, after all the changes would have the surplus of \$154,159 in the general fund operating budget.

The motion is to amend one more amendment to appropriate that \$154,159 to the operating budget of the health and human services for early child services.

General fund is now in balance with no change to the tax rate.

The second part is go to the stabilization reserve, second pot of money, appropriate \$154,159 out of the budget stabilization reserves to fund capital equipment in the parks and recreation department.

>> For urban forestry.

>> To round that out, we need a third amendment -- that amendment to transfer money to the critical one-time fund.

That is a third amendment to appropriate the money out of the critical one-time fund for the equipment needed for the urban forestry.

>> So moved.

one follow-up question.

Why does that take us in terms of reserve?

It sounds like it is an additional 154 from budget stabilization.

>> Um, it is.

Currently, with all the amendments, council has appropriated about \$970,000 -- actually about \$955,000 out of our budget stabilization

reserves.

This would be an additional 154 thousand.

We have to calculate the change.

>> With the 955?

That is essentially where we started this morning, I think?

>> I'm sorry.

Because we took -- if you go back to the budget stabilization reserve list, it starts on page 4.

Number one was withdrawn.

Number 6, no action taken on it.

I think that has been -- just go away.

>> I plan to withdraw that.

>> The new numbers would be the total reserve changes \$860,891.

That percentage changes to 11.95.

Little higher than where we started a couple hours ago.

Because of the fact that we're
removing item 1.

Which was for 248.

>> Last night it was right at
12.

>> Last night, it was right at
12.

what did we do today

that took it below 12?

>>Mayor leffingwell:

Councilmember, can I make a
suggestion?

It is 1:15.

We have a lot more to do today.

Perhaps we can figure this out
what the projections are for the
remaining budget stabilization
fund and percentage, take a
30-minute break.

>>Morrison: fine with me.

>>Mayor leffingwell: ok.

>> How many decimals did you go
to?

>> We're out of recess.

We will pick up where we left off.

The question that had been asked was about with the proposal on the table, what would be the amount of the budget stabilization fund, in terms of percentages.

>> Now, as we speak, but I can read the numbers to you that um, including, which in conversation with councilmember cole after the fact will be an amendment from her, which would be to appropriate an additional \$100,000 from budget stabilization reserves for a one-time fund for equipment for parks and urban forestry. in essence, I would reduce it from 154 down to 100.

.

Where we were talking before we left at 154.

What I will hand out, when they get down here, one for \$1,000.

The total changes from what staff recommended from budget stabilization reserves.

\$86,742 More money coming out.

That would put the reserve percentages exactly 12%.

You can see that on page 5.

so you have

the number, the actual -- i

think we have all the amendments on the table.

How much in extraexpenditures that resulted over and above the original proposal with staff amendments?

If you don't that's ok.

>> I'm taking it through the new handout we just gave you.

First of all, I should say, if

you see on page 3 number 13, we
put a black square around it.

Not been council action on that
yet.

>>Mayor leffingwell: right.

>> It is on the table.

The sum total at \$117,266 in the
general fund.

Some are coming down, some are
going up.

The whole list is there.

The net increase in expenditures
is \$117,266 which is offset by
the additional transfer from the
sustainability fund and the
additional fee for the plaza
saltillo.

So the general fund remains
balanced with no change in the
tax rate.

Flipping over to page 5, you can
see the additional \$806,742
coming out of the stabilization

reserve fund.

We have somebody working on tallying what the sum total of the other changes to the other operating funds would be.

But looking on page 7, one of the largest changes to the operating funds would be the 5 million related to austin energy.

I think after council takes action on that, we can give you what that sum total of all the other operating changes are.

>>Mayor leffingwell: ok.

Let me know when you're ready.

We'll go ahead and address the item that's on the table from mayor pro tem cole.

>> We just got that.

The other operating funds is 6 million of additional expenses.

5 Million change from austin
energy approved it will go up
additional expenses for the
other operating funds.
mayor pro
tem.

I wanted to ask you a
question on item 13, I intend
for that to go into early
childhood development and you
have youth services, if that is
properly characterized to
include that?

>> I would change the language
to your specific language
instead of youth services, if
that is your desire.
early childhood
development.

>> Early childhood services.
you just
passed out an additional piece
of paper.

Could I have that?

I have so many different copies
of this, I have to make sure I'm
on the right one.

Where are we now?

We need to vote on the proposed
amendment from mayor pro tem
cole.

>> Number 13 on the bottom of
page 3, we need to take action
on.

this says

\$154,159.

>> Correct.

any

discussion on this item?

Call the roll.

>> Excuse me.

Mayor leffingwell.

>>Mayor leffingwell: no.

>> Mayor pro tem cole.

>>Cole: yes.

>> Councilmember riley,

martinez, tovo.

>>Tovo: aye.

>> Councilmember morrison, and
councilmember spelman.

>>Mayor leffingwell: passes 6-1.

I voted no.

I think that takes us to the
solar item from austin energy.

>> Actually, there is still two
operating changes.

There is number 7 on page 5.

And that is connected with
number 6 on page 7.

So you can take action on those
together.

5 And 7.

Ok.

Any questions on that item?

Again, \$100,000 out of the
budget stabilization reserve
fund.

Councilmember riley.

we were talking about

the amount before, 136.

It didn't have much meaning in

this context because it was the

COST OF TWO FTEs, WHICH WE WERE

No longer funding.

In the discussions with the

parks department about what

capital we have, that should be

funded out of the budget

stabilization reserve, being

mindful of the need to keep our

drawings -- our drawing from

that fund to a minimum.

We did identify a need within

the forestry division for some

handheld devices that will

actually make that division much

more efficient.

Right now, some of the workers

are having to go back to the

office repeatedly to do

paperwork when with the devices

they could actually stay out in

the field and be much more efficient.

So this is -- this \$100,000 would be enough to support the capital investment as a one-time necessary expense.

It seems like a very appropriate use of the budget stabilization reserve and will have the effect of making the forestry staff more efficient.

I strongly support it.

>>Cole: mayor?

mayor pro

tem.

ed or elaine, can you briefly comment on the budget stabilization reserve amount?

I mean, I think it is important to all of us that we stay fairly within a certain range.

Can you give us an indication of what it has been the past few

years?

>> In terms of percentages,
hovering around 12% for the last
several years.

>>Cole: ok.

Thank you.

the motion

is on item 7 on page 5 and item
6 on page 7, together.

Further discussion?

Call the roll.

>> Mayor leffingwell.

>>Mayor leffingwell: no.

>> Mayor pro tem.

>>Cole: aye.

it passes

6-1, I voted no.

Now, I believe it takes us to
the solar rebate item, item
number 11 on page 7.

Had a couple of outstanding
questions.

Are you ready to answer those?

>> Yes, chief operating officer,
austin energy.

ok

councilmember spelman, you want
to restate your question?

>>Spelman: two questions.

First, what, if any, additional
administrative expenses will be
required to support an increase
in the rebate amount for four
million to 7.5 million?

Second, what, if anything, need
to be done by the people
operating the program to prevent
market distortions from
inhibiting something like
doubling the actual amount of
megawatts installed.

>> I think on the first one, the
program to grow will certainly
require additional
administration.

We have vacant positions that

would be rededicated to making sure the program dollars can be processed.

So that is not an additional cost to the austin energy budget, which is to reallocation.

I think that with regard to the program expenses, I certainly think austin energy does keep on top of how our costs compare to others in the country.

We're competitive.

We believe our program is the lowest cost in the country.

\$3.78 Per watt install period.

Compared to national average of \$5.48 a watt.

We don't have a way to control that, per se, we do monitor that regularly.

We will watch that throughout this program.

Again, the additional funds
won't go toward increasing
incentives but will extend and
make available additional funds
to accomplish more solar.

>> The best guess is moving from
5 we should get something
like twice as many watts
installed?

>> If we are doubling the
program dollars.

That would strictly in our
expectation be that we double
the installed solar in the
community.

>> Ok.

Will this help -- never mind.

Stop talking once the sale is
made.

I'm done.

[Laughter]

my question

what is going to be the

effect on our portability goals?

That is the bottom line customer

bills, by taking this action?

>> Certainly this in itself will

not prevent austin energy from

meeting the affordability

targets and goals.

We'll be monitoring everything,

of course.

Based on the current financial

forecast, this will not impact

our affordability.

it will

stay in the limits.

What is the impact on the bill

that goes to the customer's

bill.

>> I will ask ann to step up in

helping answer that question.

It is not a direct hit to the

current bill, but it will

eventually get to the customer

bill.

>> Ann little with austin

energy.

I can't tell you the exact

dollar amount, but it would

probably not impact the

customers until next year, when

we reconcile and we'll see if we

need to increase the rates at

that time.

would it be

less than 1%?

>> Yes.

well, i

trust we're keeping a running

total of all these incremental

increases.

We may need to touch base after

the budget has passed and after

we have time to assimilate the

information you have gotten over

the new billing procedure, which

is whatever they may need to get

an update on that.

Ok?

Any further questions?

All in favor of the motion aye,

opposed, no.

Passes 7-0.

MR. McADAY, HAVE WE PROCESSED

All the amendments at this

point?

Mr. van eno.

I have always been hung up on

McANO, I DON'T KNOW WHAT IT IS.

>> As long as it has "no" in the

name.

[Chuckling]

>> yes, we have processed all of

the amendments council has

brought forward.

>> Mayor?

>>Mayor leffingwell: yes.

>> Just for the record, I want

to state that I'm withdrawing

the plan b emotions -- emotions?

Plan b motions, since we talked

about not having contingent
motions or contingent votes.

I'm withdrawing on page 3,
motion 12.

On page 5, motion 6.

On page 6, motion 5.

You had already crossed those
out.

I saw it, I wanted to get it on
the record that I was
withdrawing those because we
were able to take care of the
roving leader program a
different way.

so it is on
the record.

Those are all the proposed
amendments have been processed?

>> Yes.

we're ready
to proceed on the motion to
approve the general fund budget
as amended?

>> Yes.

and before

we proceed to that, are there
any comments anyone would like
to make about the general fund
budget that haven't been made in
the last day and a half?

The motion is already on.

I object because I want to say
something.

Calling the question.

Is there a second to calling the
question?

>> I would halfway second to
call the question.

Since you want to say something
anyway, just say it.

I will be

brief.

I am disappointed in the way
this turned out.

We set out originally, as I said
yesterday, with a hope that we

could reduce the property tax

29 to

a little bit less than that.

5% increase over this

year's rate, approximately.

What I had proposed was about

half that.

Still an increase, but less.

And I think that is the way

we've always got to approach

dealing with budget matter, not

only at this level, but at every

level.

It has to be a combination of

spending cuts, spending

restraint and taxes.

I didn't go into this with the

idea of no new taxes.

That was not my goal.

My goal was to restrain the

increase.

I put a suggestion on the table.

Early yesterday.

It didn't pass.

I understand that.

I understand a lot of my
colleagues had some trepidation
about the unknowns involved in
the process.

I totally understand.

At that time, I say I look
forward, during the next day and
a half to seeing what other
suggestions are offered to cut
expenditures.

So far, I haven't seen any.

What I have seen is, I think,
van eno, an
increase in expenditures of
about a million dollars.

Somewhere in there.

Is that about correct?

>> About a million dollars from
the general fund resources and
about \$5 million from the other
operating funds.

so -- in

large part, funded from various
sources but in large part from
our reserve fund.

And that is not what I wanted to
see.

The bottom line is, I have no
illusion about what is about to
happen here.

We're going to pass the budget.

We have to pass the budget.

But my intention is to vote no
as a symbol, an acknowledgment,
hopefully, that we could have
done better.

I'm not going to let this be a
unanimous vote of the entire
council approve this budget with
a large spending increase.

So with that, the clerk can call
the roll.

Councilmember martinez.

in light of the

comments, I certainly appreciate
your offering a suggestion
yesterday, but I can't let it go
without saying.

If your offer was meaningful,
you should have taken up at
offer from many of us on this
council to continue the
conversation to get to the
budget proposal you proposed in
making the \$4 million in cuts.

You specifically said yesterday,
I don't want to prolong this,
I'm just making this across the
board cut.

And let's let staff engage in
that and come back and tell us
what they cut.

What we said is we're not
necessarily opposed to it.

What councilmember spelman said,
I would like another week or so,
which we have the time until the

end of the month, we would be willing to have the conversations.

I don't appreciate the portrayal that the rest of us on this body just out and out rejected your proposal.

We were -- I think we're still, at this point, I'm willing to extend this conversation, if you would like to do that.

If you would like to engage with us about where these cuts come from and how they impact each and every department.

well, the vote has not been taken.

So a substitute motion would still be in order, if you wish to make one.

Well, I'm not going to get into an argument on the dais.

But it is not my proposal.

Clerk call the roll.

Councilmember spelman.

I won't make a
substitute, but I will make an
observation.

We have only be talking about
want detailed changes weave e
been talking about over the last
24 hours or so.

I think what happens is budget
gets made over a long period of
time by many hundreds, maybe
thousands of people throughout
the entire city, including us,
and by the time it gets to the
last two or three days when we
were actually going to take a
vote, there is not a whole lot
of room left for fooling around.

7 million in changes
in \$3.2 million total budget.

I think the decisions being made
in the last couple of days are

quite good.

I think we are moving the ball
in small ways but forward in all
directions.

But we think it needs to go.

I'm happy with all the decisions
we made.

But by the time we've got a
budget, which is printed in two
volumes, of this size, with this
level of detail, it will not be
possible for us to completely
rethink that budget and come up
with reductions of 2%, 3%, 5%.

Too much water has passed under
the bridge.

We're too far gone for that.

If we want a reduction the size
the city is making, we have to
get started earlier.

We had an opportunity to do
that, didn't take advantage.

Have an opportunity for the next

fiscal year if we want to, to do
this differently.

We get information on the utman
deeds -- when is the report?

In april?

>> April.

economic out outlook
in march or april.

>> April as well.

and an early look at
what some of the general fund
agencies and enterprise funds
are expecting to have in their
budget, what new programs they
believe they're going to need,
what the bottom line needs to
look like starting in april and
may, before the book is printed.

I think what we're really
interested in is having a budget
which is different from this
year's budget that is either
small in some respect or totally

different since it is spending
more money on early childhood,
spending money on roving leaders
and something else that is in
this budget.

What we need to do is take
advantage of the fact that we
have an opportunity to weigh and
not listen to the reports only
from city staff but respond to
those, give a better sense of
what we are looking for early
on, so when this is printed and
most of the budget is largely
set in stone, it is the right
budget.

I have one more thing to say
about that.

It is my best guess this is a
much better budget because we
did get these reports in april.

We did get the economic outlook,
we engaged with the city staff

in april and may in the
early-morning system and
continue is hard to describe how
this budget is different because
we were engaged in that process
as early as april than we would
have been.

The fact that we are engaging
earlier than we did when I was
IN THE COUNCIL IN LATE 1990s,

This is a much better budget
than otherwise would be and that
we had fewer things to do over
the last couple of days than we
otherwise have had.

Our budget process is working
better than it has.

If we want a substantively
different budget, we have the
tools to make it different than
we have made.

We can do it better next year,
if we want to.

We have to start it earlier,
like in april, not earlier than
we want to pass it and make a
change.

Thank you.

>>Cole: mayor.

mayor pro
tem.

I would like to respond
to your comment.

I have heard you give speeches
ever since I have been on this
dais about us having a great
city and it has become an even
greater city on your watch, with
many initiatives that you have
championed, some that we have
brought to conclusion, some that
we haven't.

Undoubtedly one day will, such
as urban rail, plastic bags,
clean water.

And we have broad constituencies

that have come behind us as a council and you in support of those.

And those constituencies recognize that those things making us a great city is on every -- I think you say every -- if there is a list, we're number one on it in a ranking of a city, costs money.

We can't have it both ways in providing the services, these needs, these major initiatives and at the same time cut taxes.

So it is always a careful balancing act.

I feel like this time, and every time that we have sat here and sat here together, we have tried to do that.

In good faith.

And I don't think today is any different.

I'm not going to make a motion
to substitute, but I certainly
appreciate your desire at this
time for us to take a more
careful look at that process.

And I respect the fact that you
have brought us this far with
balancing that, sometimes voting
for a tax increase or no tax
increase or a slighter one.

But that always is carefully
done and has been done many
times that exceeds our current
list on this dais.

I believe all of us are
struggling this time to do that
again.

Thank you.

thank you
mayor pro tem.

I appreciate those comments.

If there were a list of cities
that appeared on the list, we

would be on that list.

[Chuckling]

mr. van eno.

>> To clarify the motion, maybe

when you ask the motion you ask

for it regarding the general

fund to be clear, item 1

aprovens -- approves all funds.

item 1 on

all three readings.

Call the roll.

>> Mayor leffingwell.

>>Mayor leffingwell: no.

>> Mayor pro tem cole.

>>Cole: aye.

>> Councilmember morrison,

spelman, tovo, martinez.

>>Mayor leffingwell: passes 6-1.

I voted no.

Now we go to agenda item number

two.

Ordinance adopting the city's

capital budget for the next

fiscal year.

Staff presentation.

>> All right mayor, just

bringing up a presentation.

You should have the presentation

in front of you from what we

handed out yesterday.

Staff has just three amendments

to offer to the capital budget,

the first one is an amendment in

the transfers in to the austin

research recovery capital

program in the amount of

\$861,000.

And increase appropriations by

the same amount for the rosewood

cip project.

I think you will recall me

talking about this.

Early yesterday, we had

amendments on the operating

a -- sides as well.

This gets it into the capital

fund.

The next amendment, number 16 on our list, would be to amend the proposed budget by increasing appropriations for the parks and recreation barnas springs pool in the amount of \$671,089.

We're just appropriating funds here.

This is from austin foundation.

Item 18 is related to the great streets cip and reducing appropriatings by \$783,019 to sync that program funding up with the program ordinance where you decided to have the green streets program only apply to the kind of previous hours for parking meters, to not apply to the extended hours or extended geographic area.

Those are the three amendments to the capital budget.

so with

that, I guess we entertain a
motion to approve the capital
budget as approved by staff.

Councilmember morrison moves
approval.

This is all three readings.

Councilmember riley seconds.

Are there any additional
amendments to be proposed by
council members?

No additional amendments?

No additional discussion?

Let's just say clerk, call the
roll.

>> Mayor leffingwell.

>>Mayor leffingwell: aye.

>> Mayor pro tem.

>>Cole: aye.

passes on

vote 7-0.

Item number 3.

>> Mayor, item 3 on the agenda

is to approve the city's fees,
fines other charges.

Staff has a small number of
changes to offer there.

The first one being in the
austin water utility, which we
would amend the proposed fee
schedule to approve a separate
fee section to provide for a
water volumetric fee discount
for the discount on the
presentation in front of you.

This offers lower volumetric
rates to the customer program.

The second amendment is code
compliance related to the
short-term rental program, which
is offering a fee of \$235 per
year for homes that register for
that program.

The next amendment is in the
austin energy department.

I believe austin energy, the

representative will come down
and help us with those
amendments.

is this

beginning with item 1, thermal
energy?

>> Item 1.

under

these.

Go ahead with your presentation.

I will try to figure out where
we are after you get started.

>> Ann little for austin
energies.

Since june 7, 2012, council
approval of austin energy rates,
we have detected minor changes
and corrections.

And these are all included in
the handouts.

I think they're in exhibit b, it
is called the proposed rates
from austin energy.

These are all included.

Would you like me to go through each of these and explain them?

>> Mayor Leffingwell: yes.

>> You would?

Ok.

The first one, secondary voltage less than 10-k w changed from demand rate to nondemand time of use.

This is a change to the time of use rate schedule.

You may remember from the rate work sessions that each customer has an option of time of use within the class.

And the small -- the very smallest commercial class is secondary voltage under 10-k w.

And that class is a nondemand class.

We did not change the time of use complementary rate to

nondemand, so the proposal or the change is to change it from demand to nondemand.

So it complements the existing nondemand rate.

These are very small retail customers.

And they're accustomed to the nondemand rate.

The second one, secondary voltage rate clarified for public school and housing.

This is to change the wording 5% cap that was applied to the houses of worship and school discount.

And we wanted this to be clear.

As we were developing the rates, some of the wording was not as clear as we wanted it to be.

We wanted to make sure that the discount and the cap applied to all of the rate components

within the schedule.

The next two are power factor examples corrected and primary voltage under or greater than 20 megawatt rates schedules.

They were modified to correct the rate.

Both of those were just error corrections that we found after the ordinance was approved.

The next one is the green choice rate schedule.

Option language modified to ensure consistency.

Here, we wanted to clarify this that a green choice option is available to all customers.

So all customer classes have the option of applying for the green choice rate.

The next ones on that particular slide are applied to the closed rates.

You may remember that we have
some large contract customers
and those rates are closed now.

But we wanted to clarify those
rates to apply only to the
contract customer.

So we made minor wording changes
on those.

On the next -- one more slide.

Ok.

The customer owned nonmeter
lighting, estimated use for each
fixture was added to the
schedule.

The schedule now shows the bill
type for each fixture.

The writer time of use on
thermal energy storage was
closed rates for the contract
customers.

This was eliminated prematurely.

We found out that we still
needed to give this option to

the large contract customers to
continue allowing them to
benefit from thermal energy
storage.

Power supply adjust
clarification, this we just
wanted to clarify this wording
to make sure that it was clear
that green choice revenue would
be offset in the power supply
adjustment.

Because the expense is in there,
we wanted to offset it so we
clarified the wording.

The last one is the regulatory
charge.

And we found out that there may
be some credits that would apply
if this would be additional
revenue.

It would reduce the regulatory
charge.

We changed the wording to

include credit.

Are there any questions?

questions

of staff?

Councilmember riley?

Thank you.

ther--

>> there is one more, mayor, i

passed out for you the fee

changes proposed by

councilmember riley as part of

adopting the operating budget.

This is what they would look

like.

That would be part of the motion

before you.

any

questions about that?

I would like to hear from the

austin water utility.

There is a schedule change here

and I would like for you to go

over that with us.

In particular, we have it before us, but I would like you to point out how it is different from the past.

>> Yes, the proposed change as it showed up on the screen, is only for customer assistance program customers.

Historically our customer assistance programs, those that meet the low-next eligibility had their fixed fees waived, but a part of the restructuring of the water rates with the joint financial subcommittee recommendations this year, we significantly changed the block intervals for water.

And there is a group of customers, clustered in kind of the middle blocks, say 7,000 to 10,000 that were experiencing a fairly significant increase as a

result of that interval

restructuring.

And for cap customers, we were sensitive to that.

And wanted to provide a broader range for rate relief for cap customers.

Low-next customers that are not irrigating, have a little larger family, use a little more water.

The fixed fee relief alone wasn't providing them enough relief in terms of the vulnerable class of customers.

So we proposed this new rate schedule that would apply to the volumetric component of water for cap customers.

It is the first time we are extending cap customer subsidies to the volumetrics.

That is what this particular recommendation is to the

council.

so this fee

schedule you have before us on

the slide there, that is just

reflective of the volumetric

change in the stability fee and

the fixed fee?

>> This one is just for cap

customers, though.

Just for cap.

What you see here is a reduction

just for cap customers.

customer

assistance program?

>> Yes, I'm sorry.

Customer assistance program.

do you have

many that use over 20,000?

>> Approximately 5,500

customers, we're expecting that

in our budget to increase

throughout fiscal year 2013 as

we go to automatic enrollment

and extending cap benefits to customers that don't have a meter in multifamily residences, working with ae on extending it into that.

The regular rate schedule, mayor, that would apply to everyday customers, all other customers is a different rate schedule than what this one is.

>> Mayor Leffingwell: ok.

So we'll go away from that for a moment.

We hear all the time that the average use is about 7,700 gallons average for customers.

>> That is about right.

under the

new fees what is the charge for a customer that used 7700 gallons?

>> You mean noncap, a regular customer?

>>Mayor leffingwell: right.

A regular customer.

>> Hang on just a second.

what I'm

getting at, we hear all the time

down here that austin water

utility has the highest water

rates in the world.

I want to dig into that a little

bit here today.

Councilmember morrison.

while we're waiting,

I wanted to make a comment to

greg and his staff.

What we have in the proposed

budget is recommendation for the

change in our water rated based

on the change from the joint

subcommittee from the resource

management, wastewater and

impact advisory.

All of you came together to find

a bit of a different approach to

things to try to balance, if I'm
correct, conservation,
affordability, volatility.

So that is what we're looking at
here.

Somewhat different than what we
had before.

I just wanted to mention that
that -- that we do have the
product of your work there and
your recommendations and i
appreciate that, because I think
it really takes us a step
forward trying to balance all of
those, what can be conflicting
goals.

>> Ok.

For an average customer.

Average is not usually typical.

We did analysis.

About 52% of the customers are
going to see no increase or
decrease this year, particularly

if you are lower use.

We have a lot of low-water
users.

High water users and very high
water users.

The average customer from the
highs and lows average out to
about 7,727 gallons of water
used per month.

In terms of the water component
of the bill.

The current customer that uses
that much water would spend
\$28.82 -- excuse me.

This is just water.

These two here.

That is just for water.

Ok.

Mayor, did you want just water
or combined water and
wastewater?

we'll start

off with just water.

Currently 7,727 water user, the
monthly bill is \$32.82.

After our revisions in the fy
.. \$36.74.

I think i
said highest in the world.

Is this the highest in the state
of texas.

The highest water rate?

>> No.

It depends on, again, you know,
some of your definitions.

First, we provide very high
value to customers.

We have been conserving water.
Particularly the water advance
falling through the conservation
program.

That is putting rate pressure on
us.

We prepurchased our water.

Invested in things like austin
clean water program.

Many value-added steps we have taken.

We track higher comparatively to other large texas utilities, when you compare our rate structure to more central texas communities.

We're right in the competitive, even to the lower end.

Your water bill, and our rate structure depends on how much water you use.

Unlike almost any other utility in the state of texas -- that is

what I was going to get at.

Maybe I should be more direct.

To say, if you are an average water user, your water bill is maybe not average, maybe above average, but not the highest in the state.

I think that is what I heard you

say.

But if you are very low water user, especially if you are a low water user and a cap customer, I think prior to this year, they were the lowest in the state.

The water rates were the absolute lowest in the state.

On the other hand, if you are in a higher use category.

Say up around 25,000 gallons or so, then it's maybe a little bit different picture.

Where would we be at 25,000 in relation to other water utilities around the state, with the usage of 25,000 and you're not in the customer assistance program?

>> We do the high cost.

Our rate -- block rates, by design for pricing for

conservation.

We the aggressive block rate as
surge any large utility in the
nation.

in fact, a

thousand percent higher?

>> The lowest over \$1.

It is 12 to 11 times the amount
from the --

that is

1,100% higher in the first year
if you're in the fifth tier,
which is substantial.

I assume it was designed that
way as -- I was going to say a
carrot toward conserving water.

It may be a little bit of a
carrot in that we have a
thousand percent more, but that
was the idea, right?

>> It was.

the idea

was to put a premium on higher

water usage.

Agree or disagree that that was the idea.

So I think we have the picture here, if you are a low water user, your bill is low.

Perhaps the lowest.

Average water user, it is somewhere near the middle, not the highest, not the lowest, if you are a high volume user, it is extremely high.

Maybe higher than everyone else.

We have the most aggressive tier structure in the state of texas.

And the other component of the bill is wastewater.

So wastewater, as we know, depends on use during the cold-weather months.

Which reflects outdoor irrigation.

How do those rates compare with

other rates around the state?

>> We are in the upper middle of

the wastewater rates.

upper

middle.

I'm assuming -- you can confirm

this if I'm wrong.

I'm assuming in large part it is

due to the extensive program we

had over the last two years,

that is now in debt.

The reason we did that was we

administrative

order, facing stiff, daily fines

if we cannot comply.

Nobody is complaining about

that.

This is correcting sewer

overflows in the streams of

austin, texas.

That is what this is about.

So I'm thinking that a large

part of this wastewater bill has

to do with that debt service.

>> That is a good assumption.

that is a

good assumption?

If you are an average customer,

7,727 gallons, water and

wastewater combined, how does

your water and wastewater bill

compare to other utilities

around the state?

>> I would characterize upper

middle.

Central texas, smaller water

utilities, middle utilities

competitive.

how about

major cities.

>> We are a higher cost provider

relative to them with the

average uses.

are we the

highest?

>> We could be the highest.

Again, it depends on some of
your analysis of that.
you know,
if you could at some point, i
would like to have an analysis
of all of the things that we
discussed, maybe in memo form.

You don't have to especially do
a briefing on it.

Since there has been so much
discussion on a daily, weekly
basis around this place, it
would be good to lay out the
facts and see what the facts
are.

>> When you consider those
things you need to look at the
programs we provide for the
community, that is a part of the
whole value equation.

Not just what you pay but what
you get for what you pay.

that is

another part.

I mentioned it earlier in the budget deliberations, one of the things I want to do on an ongoing basis is take a look at the services and functions of where the water utility performs.

Maybe we should follow the same pattern like we did with austin energy, take a look, see if austin water utility paying too much on a pro rata basis?

Whatever that may be.

Just take for one example, wild lands division, which arguably has absolutely nothing to do with water.

At least not with the water service that your department performs.

That includes water quality protection lands, which are

basically aquifer protection

lands in the balcones preserve.

I'm all in favor of the

programs, always in favor, in

fact, I share the balcones

canyon land, conservation

coordinating committee.

I think maybe other city

departments might have a stake

in this also.

So, this is just to say that

going forward, I want to look at

the programs that the water

utility funds with the same

lands that we looked at the

programs of austin energy to see

if those benefits are pro rata,

if we need to spread those out.

That is just going forward.

Now, finally, I know you have

got a big new briefing coming up

in a couple months, what is it

next month, resource management

commission briefing?

>> Yes, we have been planning
update the council on work we
have been doing with resource
management commission on the
conservation-related programs.

yeah, I --

if you are already planning to
bring it to council, great.

I think the soaper the better.

If we can do that in october,
that would be better.

But I would like for council to
see -- and the rest of the city
to see what a great job we have
actually done around the state
and in fact around the nation.

Conservation programs and have
been for a very long time.

I look forward to that
presentation.

Thank you.

[One moment please for change in

captioners]

>> any other questions?

All right.

>> Mayor, I have a question.

>> All right.

Council member spelman.

>> It was actually of

mr. mac inu.

How do we pronounce your
name?

>> I've got you!

[Laughter]

macinu.

>> Ed, I have a hypothetical
question of you.

And I understand
hypothetical questions often
get hypothetical answers.

But that's okay.

It's better than what I've
got right now.

I'm mindful of the fact that
we have just passed a budget

which calls for three new

FTEs IN THE CODE

Compliance department to

cover additional

expenditures to support the

short-term rental program.

And that would be paid for

out of what's before us now,

which is approving a

licensing fee for a

short-term rental properties

of \$235 a year.

I'm not going to propose any

alternatives or substitutes

to this, but I do want to

know what was going to

happen if the following.

\$235 A year, would apply to

both commercial short-term

rentals, who can expect to

make a lot more than \$235 in

the course of the year if

they are actually renting

their property for many days
or weeks or months over the
course of a year.

But also to what we have
been calling type 1, our
residential short-term
rentals only renting for a
couple of weeks probably.

If the take-up rate is not
100%, if we do not have all
1,500 people who engage in
short-term rental of their
property either on a
part-time or full-time basis
on only if 1500 pay the
license and the fee, what
effect will have that on the
code compliance department
and the ability to hire
those three people?

>> Well, my belief is the
code compliance department
is going to hire those three

people out of the gate in
order to run the program.

And I mean that's certainly
always a risk we take in any
fee that we set.

We are in the land of
hypotheticalness when we say
we think there will be 1500
registrants in that they
will cover the staff at that
1500 becomes 3,000.

We'd obviously have more
funds than we need.

And, you know, we need to
keep our fees in line with a
nexus between what we're
charging for the service and
how much revenue it brings
in.

So I don't know enough about
the program.

For example, if it were
3,000 registrants we

actually got and if it didn't require more staff to administer the program, then we would be required to lower the fee.

And we would do that as part of our next budget.

So I think the answer to your question is after we get some experience with this program, we may need to come back and revise the fee.

Now, in terms of immediately in regards to fiscal year 13, if we just don't have the registrations, and the revenues aren't coming in to support this program, you know, the department would have to make some decisions about how to manage its overall resources to stay

within the appropriation
levels that council have
authorized.

>> Sure.

In addition to the supply
side of a licensing fees
coming in, we have also got
the demand side of
complaints coming in and
work for those inspectors or
code compliance officers to
be doing.

And what we know from or so
far as we can tell based on
the historical record is
that there is no important
difference between
residential single family
properties which engage in
short-term rental activity
and those that don't in
terms of 311 and 911 calls.

But that commercial

short-term rental properties
have significantly fewer 311
calls and significantly
fewer 911 calls than other
single family properties.

So based on the historical
record that we have been
collecting over the last
year or two, we can be
pretty sure there will be
fewer there will probably be
fewer code compliance cases
in the commercial short-term
rentals than there will be
in other single family
houses and in the
residential short-term
rentals.

The value in this program is
not that there will be more
work for the code compliance
officers to be doing
particularly in the

short-term rental

properties.

There will be less work.

But that work is so

politically charged, it's

vital it be done immediately

and well.

And the great value in this

program from point of view

of the public is that people

who are concerned about the

party house down the street

will have less reason to be

concerned.

The code compliance will

take care of the property

and make sure that somebody

out of compliance will get

back into compliance much

more quickly than otherwise

they would.

I felt the need to say that

because I'm not sure that

came out in our discussion
yesterday.

So far as we can tell, there
will be fewer cases for your
people to take care of in
the short-term rental world
than in the rest of the
single-family world but
those cases will be a lot
more important from a
political point of view or
social point of view that
they be taken care of
properly and quickly.

I'm concerned that we may
not be able to pay for that
increase in efficiency and
speed, purely from licensing
fees.

smart, I urge you if
you could keep track of what
the take-up rate is among
short-term rental owners,

operators and keep us apprized of the percentage of those 1500 who are actually participating in the licensing fee, who are actually paying the licensing fee, I think that might help us make a mid-course correction if any were necessary to alters the fee and adjusting the type 1 users and people only renting their property for a small, couple or three weeks out of the year, presumably, who would be making fewer demands of your people than the commercial short-term rental folks would.

And also, to ensure that as many short-term rental operators got into this program and, therefore, we

could be fairly sure we're
paying hotel taxes as
possible.

And my primary concern here
is that if the take-up rate
is not close to 100%, then
the hotel tax rate is going
to be a lot less than 100%.

And that's where the real
money is from the point of
view of the entire city's --
the point of view of the
entire city.

So if you could keep track
of that, sir, and keep us
apprized of how we're doing
on that and if there's a
mid-course correction that
needs to be taken, I'd very
much appreciate it.

>> Carl smart, director of
the code compliance
department.

spelman to
answer your many questions
there, we will be closely
monitoring and tracking the
activities associated with
the short-term rentals.

Right now, we don't really
have a track record because
it's a new program.

So it and see if
there is any difference in
activity between type 1 and
type 2, commercial versus
single-family residential.

Also looking at the
differences in registration
of short-term rental versus
the hotel occupancy taxes,
those kinds of things.

So be glad to come back to
council at the appropriate
time and keep you informed
of how that program is

going.

And see if we need any
adjustments.

>> Thank you, sir.

I'd very much appreciate
that.

>> Thank you.

>> Thank you.

And I would just like to
concur with that discussion
that we need to come back
and reevaluate the fees.

I think it was council
member morrison's original
idea that maybe we need to
talk about a difference for
type 1 and type 2.

I'm not so much worried
about the cost of
administering the fee.

Maybe I should be concerned.

Maybe that's a legal
concern.

But to the extent that we could, I think that there might be a type 1 customer that would only want to rent their house once a year for two or three days.

And \$235 enrollment fee might be a deterrent.

And I think one thing we want to do in every legal way possible, encourage participation and make it easy for people to go ahead and sign up.

Okay.

Council member morrison.

>> If the folks are through commenting on this topic, i wanted to bring up another topic in our fees in our parks department I had a question about.

And we touched on this

briefly.

Essentially, if you don't mind, what we have in the staff recommendation is a new approach.

We shifted to a standardized approach to after-school fees.

If anyone is looking at the question, we got an answer from staff to question number 68 to ask about how they were changing.

And I understand, you know, you put together an approach to, first of all, get a standard for how much it cost to run the program, divided by the number of kids and all that.

But also to basically be subsidizing because that is a community value.

Those that are serving
athletics and youth and
those that are developmental
programs as opposed to I'm
not sure just nice to have,
less core programs.

My concern about that is in
the attachment and the
answer that you all
provided -- and I appreciate
the answer because I think
it was nice and clear.

Made a lot of sense to me.

The upshot of it is that we
are going to have some
substantial increases in
some places where we used to
have a much lower fee and
some of the different areas
and lower income areas of
town.

But, for instance, at
givens, a couple of

examples, at given and park
sargossa, we will see fees
from \$100 to \$125.

I'm concerned about the
bears that's going to create
to folks being able to
participate in the programs.

So I just wanted to get your
thoughts on the matter and
how we might address that.

I appreciate there was
feedback that things needed
to be standardized.

Now we're going to have this
other consequence and I'm
really concerned about that.

>> Sarah hence, director
of parks and recommendation.

Council member morrison,
that's exactly correct.

The issue that we've been
facing for some time now
that we have basically torn

down all of the programs
that we offer and started
looking at equity, quality
and, of course, fee.

I gave the example
previously in a discussion
that where we were having an
area of maybe a gymnastics
class on one side of town
and we would hire somebody
for \$10 an hour to teach it
and the person wasn't really
qualified and wasn't a
really quality program.

On another side of town, we
would hire an instructor at
\$25 an hour who had a degree
and had the background in
teaching gymnastics but it
was because that area could
afford that program and the
quality of that instructor.

We began to look at basic

level of services.

What does it cost or should
it even cost anything for a
young person or an adult to
come into a recreation
center and use some
basic-level services?

The game room, play games in
the gym when it's open for
gym hours.

And the answer is not to
charge.

That's a free fee.

Then to have programs more
enhancement beyond the basic
level of programs, where
there would be a fee, but it
would be a smaller fee.

And then, of course, a fee
which was more a
self-fulfillment, more of
adult programs, which would
be a cost recovery.

This is the first year we
have begun to look at this.

And it is a true testament
of how out of whack, quite
frankly, our fees were.

What it does mean, though,
and what you're pointing out
is that when we look across
the board and try to offer
the quality services that
the citizens as a whole
deserve in the city, it
meant an enhancement of
those fees because we did
not have honestly the
general fund dollars to
waive it.

I can't waive fees but dint
have the -- didn't have the
general fund dollars to say
we'll offer this program at
no cost.

The good news about this, if

there is a good news, is
that with the efforts led by
council in the youth summit
and looking at priorities,
then we have the opportunity
to take from a holistic
point of view, looking at
priorities of council and
citizens from a youth
perspective and then take
those dollars that we have
and put them where they need
to be according to the
highest level of need and
the highest number of youth
to be served.

Have we done that yet?

No.

Because we haven't done the
summit.

But this is a leveling out
and it is a higher fee.

But by looking and going and

doing the youth summit, we should be able to hopefully put more allocation of existing funds in areas where there's a highest level of need, but it will still mean we'll be charging fees in some areas where it is affordable.

>> Yeah, I guess you're really touching on some very difficult policy issues.

Because when you talk about equity, we want to make sure equity in terms of quality programs and all, but also equity means for me and includes the consideration of accessibility.

And if it's a financial barrier and it's not accessible, then how do you balance all of that out?

So it's really a difficult
issue.

It's such a huge shift all
at once for some programs.

Did you think about phasing
these in at all for some
areas of town?

>> In some areas, we have
actually done a little
phased in where we slowly
went from a smaller fee of
\$25 up to the \$50 fee or
higher.

The problem is when we do
that, the ones being charged
the rate already, why are
they getting a phased in
approach.

So we are looking at ways to
set up and we are looking at
partners to set up what we
call the scholarship funds
and looking at ways to

provide services for those
who cannot afford this fee
at a different amount.

But that again, too, is a
policy decision and
something that we need to
bring back to council.

And the other thing is we
don't want to -- we want to
be able to fulfill our
revenue obligations.

That's the other part of it.

We are held to a revenue
obligation when we offer
certain programs.

And we have to strike a
balance here of where we can
charge a reasonable fee that
we believe can be made,
where a scholarship is
applicable.

And then how we balance that
with other classes where

we're charging the full fee
and we're generating the
revenue to cover the cost.

>> We need to keep in mind
the parks department is not
an enterprise fund.

You don't need to be revenue
neutral.

People think they pay their
taxes to have some parks and
some programs like this.

In terms of the big changes
that are going to be
happening, have you taken a
look at any estimates on
expected impacts on
enrollments?

Because if you used to be --
if it used to be free and
now it's \$125, I wouldn't be
surprised to see a shift and
decrease in the number of
people signing up.

>> There's two reasons.

Yes, that is true.

And we do see sometimes that happen.

The other thing we're also trying to do is offer other programs at no cost.

So, for instance, where we may have a day camp program at a site for \$125 for a session, we will offer a playground program that if that proximity as a complete free program.

As you recall, one of the things we wanted to work on from this last budget was improving the quality of our playground programs.

Which we needed to make sure those were quality and not just a drop-in baby-sitting service.

We have done that.

And actually, it's a more organized and more of a program, but it's outdoors.

So there are some options.

It is not always right there on site, to be quite honest.

I don't want to mislead.

But there are options where we can have a playground program that can be accessed by families and used at a site where it's free.

And then there's a choice for a day camp program that is -- has a cost associated.

>> What about in terms of after-school?

Here's what I'm thinking.

When we start getting hundreds of calls from parents this fall that say i can't possibly afford this

program, am I going to have some alternatives to suggest to them?

>> Yes, we are.

I'll let patrick answer that.

>> Good afternoon, mayor and council.

I'm the acting assistant director.

Community recreation centers is my primary hat I wear for the department.

To answer your question, yes, there are alternative services available to the community that's an alternative to the paid after-school program.

We have what we called this past summer a structured drop-in program to give children the opportunity to

come into the recreation center and participate in activities we have in the paid program.

The difference being is that the kids want to show up, they stay for an hour or two and leave.

If not, they are there for the entire time.

The paid program, they are there from the moment we pick up until the parents sign them out of the program.

So yes, we do have opportunities there.

>> Okay.

So I guess it would be helpful if you all can make that available to my office.

I'm sure other folks might because I'm expecting to

hear.

And I wonder, also, if you can maybe give us, as you gather -- I exposure in fall signups now or maybe since school already started.

>> That's correct.

We are interested in the information to see how these new fees are impacting registration.

So I have started a process of collecting the data so i compare this year's figures to last year's.

>> Great.

I do agree that hopefully we can get some better conversation and priorities set with the youth summit that will hopefully be at the end of this fall.

But let me just say I don't

know what to suggest.

I'm saying I'm very
concerned about what impact
this is going to have on
some folks.

>> Mayor.

The other thing I might just
mention is that we are
looking at some other
opportunities, including we
have this program he's
talking about, but we are
looking at two other
options.

One is setting up a
scholarship program
through -- it's worked and
been very successful in
other cities where people
add actually money on to
their registration fee to
pay for someone who may not
be able to participate at

the fee.

The second thing is we are looking at some community partnerships to support youth in other programs.

By them paying for that.

And I have a pretty good lead on that as well.

>> Thank you.

>> Mayor pro tem.

>> Thank you.

Thank you.

And I appreciate all the information that you have provided thus far about the park fees because that's something that I too am very, very interested in and concerned about.

Council member tovo and i brought forward a resolution in early march implementing by policy some of the

recommendations of the urban
parks working group.

And we have not seen any of
those in this budget.

Can you tell me the status
or how you're considering
those, especially with
respect to fees in lieu -- i
mean maintenance in lieu
fees and graduated fees?

>> I'll have to -- mayor pro
tem, I'll have to get back
with you.

I know we're doing a lot of
things in regard to the
urban stakeholder direction.

And actually, staff, I asked
them to put a work plan
together and start ticking
off the different items we
were responsible of doing.

Most of those we have been
working on diligently have

been partnership with aisd
and we making sure we don't
recommend purchase of
property when we have an
amenity that can be used for
parkland or playground
purposes.

We have 10 sites we are
redeveloping playgrounds to
be more of a natural
self-developed playground
through public engagement
where they are more of a
natural environment.

And a new trend when it
comes to playgrounds.

When it comes to
maintenance, the maintenance
fe the other thing we're
doing is working with the
parks and recreation board
to come forward with a
recommendation to you as a

council and body about how
parkland dedication fees are
spent towards sort of an
area that may not be
adequate or may not cover
and may not be enough needs,
looking at maybe a first
priority as a
recommendation, a
acquisition of property
where needed as spending
those dollars and widening
that scope.

Instead of a mile radius, it
may need to be larger.

That's going through the
parks and recreation board.

There's a long laundry list
of things we're ticking
through.

The one you mentioned, off
the top of my head, I can't
grasp it.

>> Let's do it this way.

I don't think that right
here now, as we're
considering the budget, is
the place to and niez all
the park fees and the
graduated nature of them and
the maintenance fees.

I have heard a lot from
turner roberts and I'm
concerned about the cost of
givens and the whole cost
allocation method.

Let me ask you to do this,
not in any opposition from
my colleagues.

I know council member
morrison and tovo have been
interested in this.

We both sit on the audit and
finance committee, otherwise

I would send it to
comprehensive planning and

transportation.

If you would, I'm going to
put you on the agenda to
give us an update and we can
monitor that progress so
we're not looking seven
months later for a
resolution and it's not in
the budget and we haven't
made progress and we haven't
given direction.

Because we know it's a
difficult process.

>> I'll be happy to do that.

>> Okay.

>> Mayor.

>> Council member tovo.

>> Thanks.

I appreciate this
discussion.

Many amendments ago
yesterday morning, one of my
motions would have offered

some opportunity to perhaps
defray some of the fees and
in the end, we needed that
money for the roving leaders
program.

So I just want to also
express that this is a grave
concern for me.

And I hope that we can --
thank you, mayor pro tem,
for suggesting it come back
to audit and finance.

I hope we can do whatever we
need to do as a council to
encourage you to blast on
forward with setting up the
scholarship program or doing
something.

Let's continue to think
creatively about how the fee
situation might be resolved.

I appreciate the community
engagement process.

Yet I'm not sure if we

really --

I mean did we really hear

from people that they want

to pay the same fees that

other people are paying?

Or were they really talking

about a quality of

programming that they wanted

and the opportunities they

wanted at their recreation

centers?

I understand you need to

spread the cost, but from

the public's perspective,

they wanted quality

programs.

>> Quality programs was the

number one.

The quality program was

number one.

Obviously, the ability to

pay is important.

And we can't -- the idea is
we're not going to turn
people away because they
cannot do it.

We have to figure out a way
to make it work.

This is one level of a
process that we're trying to
go through to make sure that
we know who we're serving,
what their needs are, what
their ability to pay, how we
structure it so that they
can enjoy it and it's a
quality program and not just
something based on quantity
or trying to offer the same
thing at one area that we
have in another.

We're trying to look at the
pulse of the community in
all the different areas.

And then base the programs

on their needs and then
structure what we believe to
be a tiered approach.

Basic level of service,
people being able to be
served.

Then if it's something
that's beyond what we
believe to be that growth
program for youth or for our
underserved population, then
looking at the fee that may
be associated.

We're just not completely
there yet, but we have
started with the different
tiered program where you
don't have to get turned
away, period.

You do have options.

>> I guess, you know, I saw
a much earlier draft of
this, I think, earlier this

spring.

And it talked about -- i
thought it had a line in
there about offering some
scholarships.

So I guess I wish that had
made progress at the same
rate that the fee schedule
had because it really does
seem a shame.

One of the immediate impacts
is that people who had an
option for their children
after school no longer have
an option if it's gone from
zero dollars to \$125 and in
one case I think one went
from zero to \$225.

Where are those kids going
after school right now?

And I appreciate what you
did with the playground
program in making a drop-in

program available at
different places.

But I just want clarity on
the answer you provided to
council member morrison.

At the centers where there
is now a paid program in
place of what had been a
free one, is there any kind
of drop-in free program
available to those families?

How are you publicizing it?

>> There are several
options.

If we're looking
specifically to the turner
roberts recreation center
community, we not only have
a paid program that's housed
out of barbara jordan
elementary, but we have
drop-in programs available
there on-site at overton

elementary offering -- we just received 24 spaces to provide a free drop-in program after school to complement the 150 spaces that the boys and girls clubs offer.

For the middle school and high schoolers, we are providing programs at the middle school as well as providing transportation to brown recreation center and dotty jordan, wherever we can get a foothold until such time as the multi-purpose building oppose.

Givens recreation center has other programs that are there available on a drop-in basis.

We have the luxury of having

a gymnasium there and staff working with kids in the program.

Staff does have good relationships with the children dropping in where they notice they may need some additional homework assistance.

Staff are making attempts to provide some resources and opportunities for the youth there, not just the paid programs.

>> Would you say that's consistent at rosewood and the other centers where it has gone from a zero charge to some level of charge?

All of those have some kind of free --

>> very much, ma'am.

>> Great.

I look forward to continuing
this conversation.

I am really looking forward
as the sponsor of the youth
summit, along with my
colleagues.

I'm really looking forward
to that.

Some of these decisions
really can't wait on that,
so I look forward to having
a more immediate
conversation, especially
about fees through the audit
and finance.

>> And just one point,
council member, so you know.

The extra programs they are
offering at no cost are of
the highest quality as well.

And that is why it's taken
us a little longer.

This is not just a typical

you drop in and it's a
baby-sitting service.

These are programs that are
quality and they are based
on the pulse of that
community and the needs that
have been expressed by the
citizens and the kids that
are there.

>> That's great.

I think that's a very really
valuable resource you're
providing.

>> We'll provide all of that
in the update.

>> Super, thank you.

>> I was going to say
something about the
entrepreneurial activities
of the parks and recreation
department.

But last time I did that, i
got accused incorrectly of

wanting to charge admission
to mount monel, so I'm going
to forego that discussion.

[Laughter]

>> we're still going to try,
mayor.

Not charging.

[Laughter]

>> I will entertain a motion
to approve on all three
readings item number 3,
adoption of an ordinance for
fees, fines and other
charges.

>> So moved.

>> Mayor pro tem cole so
moves.

>> Second.

>> Second by council member
spelman.

And that would be with the
proposed staff amendments.

And are there any other

amendments to the proposed ordinance?

All in faith of the motion say aye.

[Chorus of ayes]

opposed say no.

Passes on vote of 7-0.

So if there is no objection, we can take agenda items 4 and 5 together on consent.

And unless some council member wants to pull those off of consent, I'll entertain a motion to approve that consent agenda, items 4 and 5.

Council member tovo so moves.

Second by council member martinez.

Those are on all three readings, of course.

All in favor say aye.

[Chorus of ayes]

opposed say no.

Passes on a vote of 7-0.

Likewise, items 6, 7 and 8

may be taken on consent.

If nobody wants to pull them

off consent, I'll entertain

a motion to approve that

consent agenda of items 6, 7

and 8.

Council member martinez

moves approval on all three

readings.

Second by the mayor pro tem.

Is there any discussion?

All in favor say aye.

[Chorus of ayes]

opposed say no.

That passes on a vote of

7-0.

Next is agenda item 9, which

is a vote to ratify the tax

increase in the budget.

The vote is in addition to
and separate from the vote
to adopt the budget.

And this vote sets the tax
rate.

Motion must be made in the
form shown below in the
texas code.

It's an action to ratify the
property tax increase
reflected in the budget.

It's required by state law.

And we have to make this
vote separately to make
clear that we know it will
take more property taxes
than the city raised last
year to pay for the budget
that was approved and we
approved for this year.

Note, this is not a vote on
the tax rate.

Separate vote on that will

take place later.

Again, it's just a vote to reflect that we know that this tax increase is required.

So I'll entertain a motion to ratify the property tax increase reflected in the fy 2012-2013 budget that was adopted by council earlier today.

And the motion would be i move to ratify the property tax increase reflected in the fy 2012-2013 budget.

>> Mayor.

>> Mayor pro tem.

>> I move to ratify the property tax increase reflected in the fiscal year 2012-2013 budget.

>> Second.

>> Second by council member

spelman.

Is there any discussion?

We have a motion by council
member cole, a second by
council member spelman.

All in favor say aye.

[Chorus of ayes]

opposed say no.

That passes on a vote of
7-0.

Now, we'll take up a vote to
adopt the property tax rate.

A motion has to be made
exactly as it's shown below.

And staff is going to
provide some numbers.

We'll now take up item
number 10 to approve the
ordinance adopting and
levying a property or
ad valorem tax rate for the
city of austin for fy
2012-2013.

Motion must be made using words required by the property tax code and it's also required that this be on a roll call vote.

>> And, mayor, lela fireside on behalf of the law department, I just wanted to let you know before you take this vote, that the ordinance that you're approving is a little bit different than in prior years.

This year we have in accordance with prior council actions, added a finding and a new attachment.

And the finding sets out that the historic properties that are receiving the exemption this year meet the

requirements of texas tax

24 and that is that

they are either

appropriately designated

historic landmarks or that

they are in need of the tax

relief to encourage their

preservation.

The attachment is to exhibit

b is also the listing of

those properties.

So I just wanted to let you

know that's a little bit

different than in your prior

years.

And it's consistent with the

actions that you have taken

to date.

>> So with that extra

information, the motion

would still be I move that

the property tax rate be

increased by the adoption of

29 cents

per \$100 valuation which is

1% increase

in the tax rate.

>> Yes, sir.

>> And that is based on the

effective rate, not the

current tax rate.

>> Correct.

>> So is there any council

member that would like to so

move?

>> Would you like us -- do

we need to repeat it?

>> I don't think it's

necessary.

I have just read it.

>> So moved.

>> So moved by council

member spelman.

Is there a second?

>> Second.

>> Second by mayor pro tem

cole.

We have a motion and a
second that the property tax
rate be increased by the

29

cents per \$100 valuation.

And the clerk will now call
the roll.

>> Mayor leffingwell.

>> No.

>> Mayor pro tem cole.

>> Yes.

>> Council member martinez.

>> Yes.

>> Council member riley.

>> Yes.

>> Council member morrison.

>> Yes.

>> Council member spelman.

>> Yes.

>> Council member tovo.

>> Passes on a vote 6-1.

I voted no.

We do have two board meetings to convene. So without objection, we'll recess this meeting of the austin city council and call to order a meeting of the austin housing finance corporation.

And I guess we will get a presentation from staff.

>> Good afternoon, board of directors, betsy spencer, treasury of the austin housing finance corporation.

I offer one item for you today on consent.

This is the budget for the finance corporation.

This does not include the roughly \$287,000 increase of sustainability funds to the finance corporation.

I will bring that back in

the form of an amendment on
SEPTEMBER 27th.

And I'm available for
questions.

>> Questions for staff?

Is there a motion to approve
the agenda items for the
austin housing finance
corporation?

Council member morrison so
moves.

Second by council member
spelman.

Discussion?

All in favor say aye.

[Chorus of ayes]

opposed say no.

Passes on a vote of 7-0.

Without objection, we'll
adjourn this meeting of the
austin housing and finance
corporation and call to
order a meeting of the

mueller local government
corporation.

>> Good afternoon, chair.

Greg canally of the mueller
local government
corporation.

Today we put forward three
items on consent for your
approval.

One are the minutes from our
august 23rd board meeting.

Two other items, one for the
capital and the operating
budget for the upcoming
fiscal year all related to
the debt service on the
bonds that we have
previously issued.

>> Any questions from staff
on these items?

If not, I'll entertain a
motion to approve the agenda
items for the mueller local

government corporation.

Council member spelman so

moves.

Second by mayor pro tem

cole.

Discussion?

All in favor say aye.

[Chorus of ayes]

opposed say no.

Passes on a vote of 7-0.

Without objection, we'll

adjourn this meeting of the

mueller local government

corporation and call back to

order the meeting of the

austin city council.

And I believe we have no

more items on our agenda.

>> Mayor, before you wrap

up, I just --

>> city manager.

>> Thank you.

I'll take this opportunity

first on behalf of myself
and the staff to thank the
council for all of your hard
work throughout this budget
season that you just wrapped
up today.

Obviously, the past year
have entailed a whole bunch
of big issues and this was
just one of them.

I wanted to take a moment to
acknowledge all of your hard
work and leadership you
provided us in terms of
putting together a new
budget for 2013.

Of course, I want to
acknowledge my financial
team that is sitting right
in front of you, whom you
know so well.

And I have forgotten the
nickname you have gotten

today.

I'm not sure I got that.

>> I think that's maccadoo.

We want to thank lee and the team that supports them.

Obviously, my executive team and all the department heads and their staffs that are involved over a long period of time as you heard earlier today in putting together our recommendation for your consideration.

And then, of course, there are just lots of other people.

Boards and commissions and just austinians from all over the city who engage and participate.

So we want to thank everybody that was involved in bringing us to a point

that we were able to provide
and you adopted I think a
very responsible fiscal plan
for 2013.

So thank you for that.

Mayor, I think that you had
one final matter that you
wanted to --

>> before we adjourn, yes.

I almost forgot.

Thanks for reminding me.

This is a non-agenda item,
but a personal privilege.

I believe we have a slide to
show on the screen.

>> Ahhh.

[Applause]

>> who is that?

I think we all offer our
congratulations to council
member martinez and his wife
in the new arrival.

He likes pretty happy to me.

>> Thanks, mayor.

We're all happy.

>> Mayor.

>> And before we adjourn,

I'll call on you in just a

second, I just wanted to

second the city manager's

comments with regard to the

hard and very professional

work done by our staff.

As I think everybody who has

watched these proceedings

today, it's not easy to

follow, much less actually

do.

So my congratulations and

express my great

appreciation for what you do

for our city and your

professional work.

It's of the absolute highest

caliber and I appreciate it.

Mayor pro tem.

>> This is my 7th year on
the dais and my 7th
budget.

And I have not ever seen a
professional staff who had
to work so hard.

So my congratulations go to
the city manager and his
professional staff.

And with that, just like we
did for council member
martinez's addition, I would
like to ask the council to
extend a round of applause
to our financial staff.

[Applause]

>> with that, regrettably,
there are no more items on
our agenda.

[Laughter]

without objection, we stand
adjourned at 3:44 p.m.