

City Council Special Called Meeting - 2/12/2013

>> I want to call the work session order, tuesday, february 12, 9:05 a.M. We're going to begin today with item a-1f and a-2 which are action items. First we'll consider item a-1. If there is any public comment, sense there that are action items, people are allowed to sign up and speak. Speakers will sign up for both a-1 and a-2 at the same time. Without objection, I suggest we limit public comment to 30 minutes total. If there's no objection, we'll proceed that way. Right now, I don't have anybody signed up to speak. So fiscal year 2012, 2013, mid year budget amendment, item a-1 for cemeteries, civil service, and districting related expenses. We are considering these separately because they're mandated by law and not discretionary as are the rest of the items on the list. The item a-1, those three categories. So first we'll have a brief staff presentation and then we can have the council discussion, and citizen input if anybody signs up. Then we'll vote on item one and item two next. Go ahead.

[04:31:53]

>> Thank you, mayor. Elaine hart, city cfo. This morning in your packet, i would like to go over what's in it for you and the public. It looks rather large. But the appendix includes the entirety of the january 29 work session presentation material. We've added that just for your convenience. So today's presentation will be brief, it will be about five pages. Cover the funding sources again. The summary of those. And briefly describe the action item, cover the uses of funds that are presented with that action item, both for the a-1 items that are mandated by the november election and contractual issues but a-2 in the same manner. The way this presentation works is we assume you take action on a-1 first and then the remaining balance after that action is what will be discussed with a-2 and then those policy items that the council told us they would like to consider expenditures for. With me are leila fireside, assistant district attorney, ed banino and budget officer will continue the presentation. And alicia martinez will be tabulating the budget decisions just as she does during budget adoption process in september. So without any further ado, ed? We go to the slide show.

>> Mayor pro tem and members of the council, deputy cfo for the city. First slide we have for you is to recap

-- all right. The first slide we have for you is the funding source of the staff as identified as part of the mid year budget exercise. We had identified the funding around one-time sources of additional funding versus recurring sources of additional revenue. We had ending balance upon closing out fiscal year 2012 books. We identified \$8 million of ending ballots, identified by council and remain in the financial policies pertaining to the budget stabilization reserves and drawing that fund down by no more than 1/3 in any fiscal year. We had 1.4 million of ending balance available from our support services fund. As you well are aware of, we had improved sales taxes in the final quarter of fiscal year '12 and continuing on to 2013 so better results than what we had seen at the time that we proposed the budget to council and staff proposing an increase in our sales tax projections of \$2.2 million. That's the recurring source of funding. We also talked about moving around the funds that have been allocated one-time needs. There was a \$2.6 million there that could be

-- we could issue contractual obligations instead and freed up the general dollars for use of any general purpose. Then we had an ending balance of \$119,000 in our sustainability fund which is another source of one-time funding. In total, we had \$12.1 million of one-time funds available in fiscal year 2013. And \$2.2 million in recurring sources of revenue. A-1 pertains to the funding

necessary for cemetery maintenance and operations as well as the implementation of the civil service system and establishment of the council districts. What you can see on the next slide, then, is the sources of funding broken out one time versus recurring the amount of funds we need to implement the programs and the remaining balance that would be left after item a-1 has taken action on the amount of money left for other council priorities as we move on to item a-2. You can see on the slide that the annualized costs will be in the out years. The costs we're talking about for the fiscal year 13 are for the remaining six months of the fiscal year. The costs go up as we go fiscal year 14 when we had to analyze some of the costs. That's the final slide we have for a-1. Staff would be happy to answer any questions that council has.

[04:36:39]

>> Questions for staff? Councilmember Morrison?

>> Morrison: Regarding the cemetery. Could you

-- I know we have a slide from last time, could you talk us through the funding for that. It's a matter of in sourcing temporarily as we take a look at what we're going to do as I understand it. The amount of \$467,000 and how we arrived at that.

>> The maintenance costs related to the vendor that provided the services for many, many years for the city notified the city as of March 31, they will no longer be available. They are no longer interested in providing the services. The parks department identified an interim solution to get us through the next RFP process. The long-term solution is to find another vendor to provide those services but in the interim, the parks department needs funding for the remainder of the fiscal year to continue to operate those costs. The costs we're projecting are higher than what the previous years have been able to do the work for it. Parks is maintaining the work of 200 acres of our cemeteries. Would be two permanent positions. There are ongoing costs of this even though it's characterized as an interim solution. The 25 temporary solutions need appropriate supervision and guidance from permanent professional employees and the permanent professional employees are envisioning they would continue on after new vendors identified to provide oversight for that contract and to make sure the work is getting done appropriately. So the staffing costs for the remainder of the fiscal year would be \$666,000 for those additional positions. \$765,000 is related to tools and supplies that the department is wanting to lease this equipment wherever possible as opposed to purchasing it. The idea is an interim solution to get us to a new vendor. All told, it's \$1.4 million of costs. Now the cemeteries do generate revenues. The projections are the remaining six months they would generate revenue and the cemetery fund itself has an existing balance of \$255,000. So using those sources of funds from the cemetery operations helped to offset some of those costs and the costs from the general fund to implement this program is \$476,000. >>.

[04:39:28]

>> Morrison: So a couple of follow-up questions. The \$765,000 for equipment, tools, and supplies, it makes sense that we're renting them because we're not sure we're going to be in the business ourselves in the long term. Do we have any idea of how much the purchase of those -- of that equipment would be? The reason I'm asking is \$765,000 seems like a lot. And if it was like \$865,000 to buy it, which I'm sure it's not, it would make sense to go ahead and invest. I wanted to get those figures.

>> Director of parks and recreation. Several staff here who worked together as a staff team to re-evaluate here. I want to let you talk to the people who have expertise. This is a division manager.

I have gilbert hernandez who's been working with us on the contract management cemeteries working closely with the current contractor and, of course, the finance manager angela means. So the question is now how much would it cost 24 if we bought this equipment versus rent it? >> We cost it out to purchase all of this equipment, we talk about 35 to 45 pieces of equipment, we'd be over \$1.5 million thereabouts. It's not just for equipment but for utilities. There's a lot of yue utilities there as well as electrical equipment. There's a lot of general operations that the cemetery kind of generates and that the contractors are paying for as well and we're paying for some of the items as well. So for the short term, renting equipment will be the best option and we're looking also at leasing to purchase at the end depending on the outcome of the situation. >> Morrison: That sounds like a good approach. And one other question. What do we have in our budget

-- I see we're accounting for a projected revenue. Is that what we have in the budget to cover the cemetery contract? We had something to cover. But the cemetery contract.

[04:41:44]

>> I'm going to let angela answer that question. Two things that we alluded to. One is what we need right away to what I call a gap funding to get us through a request for proposals that we're hopefully very hopeful we'll find qualified bidders that can then take over the operation. At that point, there's more funding that will be needed to be able to pay back the winning successful bid that will perform those duties other than for us, than if they don't, we come back, purchase all -- purchase the equipment as troy mentioned through a lease/purchase or find someone else to maintain and operate the cemeteries which in addition is not just the maintenance. The selling of the plots and the management of the current plots and everything from placement of markers and repairs to structures. You want to give them the numbers?

>> The cemeteries on average generate \$1.4 million in revenue. For the last few years the expenses have been equivalent to that. We had to subsidize the current contractor but there are prior years where there was revenue in expenses. We enjoyed the revenue coming back to the cemetery fund. So we anticipate given the budget amendment will sufficiently cover expenses for the remainder of the fiscal year and determine after the rfp process whether or not we'll need to continue what we anticipate will be for the rest of 2014.

>> Is that the point, I guess that's important to me that I'm hearing is that we didn't have anything in our budget to pay for the contract because we assumed it would be revenue neutral?

>> Correct.

>> Morrison: Thank you very much.

[04:43:45]

>> Mayor Leffingwell: Other questions? Entertain a motion on item a-1. Councilmember morrison moves to close

-- to approve item a-1 on all three readings. Second by councilmember spelman. Any discussion? All in favor, aye. Aye. Opposed, say no. That passes on a vote of 7-0. So now we'll go to item a-2, which are the council priorser for the remaining funds that are available for the mid year budget amendment. This may amend both of our budgets for 2012 and 2013. For process, we'll take a motion to approve or deny the approved ordinance

-- the recommended ordinance. Then assuming we get the motion and second, we will use our procedure that we did in the last budget meeting since last september. Any change, decision or deletion from the budget will require the second motion and the separate vote then assume it will

all be amendments to the basic motion through the made motion. Then we will vote on the made motion as amended. So, with that, I'll turn to staff to give us a very brief presentation on funds available. To this point, we have no speakers signed up.

>> Okay. Item a-2 is indeed an ordinance that would amend our budget and capital budget pursuant to council's direction at this work session. The ordinance that was attached to your packet had all of the numbers blanked out. We had that same ordinance loaded to the computers and the direction that's provided by all of you, we will update the ordinance and print it out and have the final version of the ordinance that you can look at prior to taking the vote. The item we discussed at the last work session you can set on list broken out one time versus recurring, I won't go through them all but the bottom line is after the one you just took on item a-1, there's \$11.5 million of one-time funds that staff identified that still remained in \$1.9 million of recurring funds. When you look at the cost of all of the various items, there would be a deficit, a \$250,000 deficit in regards to one-time funding and \$1.5 million deficit in what we need to find some funding for. There needs to be decisions from council in regards to what the priorities are to reduce the dollar amount to stay within the funding priorities we have available to us. Not going through the regular motion process, but a modified friendly process where anyone basically can object, not just the maker and the second. Councilmember Spelman [04:47:23]

>> Spelman: Two ways we can do it. Put it all on the table and remove.

>> Mayor Leffingwell: That's what we do.

>> Spelman: Prefer to do it differently.

>> Mayor Leffingwell: If you were, for example, to make a motion, you can incorporate any changes you might want to in to that main motion.

>> Spelman: Let me suggest a slight alternative to that. That is we start with nothing. We start with zero-based budget and adding nothing to the budget at all. Then add things in pieces as we go. Until we hit the number that he suggested a few minutes ago, \$11.5 million or \$1.9 or so.

>> Mayor Leffingwell: I would prefer to keep it the way it is now. That's the way we operated with

-- that's the way we've always operated with the budgets. Have a main motion on the table.

>> Spelman: That we start the main motion is not to increase anything. The amendments would be to increase our spending by \$10.8 million for affordable housing or \$25,000 for a pilot program for hike and bike trails.

>> Mayor Leffingwell: You want to make a motion to approve an ordinance that contains nothing in it.

>> Spelman: That's right. That's exactly it.

>> Beautiful.

>> Mayor Leffingwell: Well, I don't have any objection to that.

>> I'll second that motion.

>> Mayor Leffingwell: There's no motion. We'll just agree to do that. Any objection to proceeding in that way?

>> Spelman: I make a motion we approve the ordinance with zeros in all of the appropriate places where the digits would go. We'll replace the zeros with real numbers as we go.

>> Mayor Leffingwell: Let me ask

-- let me ask the law department. So we're going to have a motion on the table that has zero in it. Then we're going to take amendments to that main motion in the manner that we previously

discussed. Is there any

-- is there any problem with proceeding in that way?

>> I don't think so, no.

>> Mayor Leffingwell: Okay. So the motion is to approve the ordinance on all three readings. With no components to it. Seconded by the mayor pro tem. All right. Councilmember morrison. You look a lot like martinez.

[04:49:43]

>> Morrison: I'm honored to be mixed up by councilmember martinez. I had a visit last week with a head start program. I hope some of you had the opportunity to hear from them. They're in a situation 245 they just arrived at recently what they're calling a perfect storm because of changes in federal guidelines, their budget needs to find an additional \$1.8 million this year and also they used to get \$305,000 from the city of aus tip and they were removed from the social service contracting in the last go round so they are looking for a lot of ways to be able to continue to serve young kids here in need in the city of austin. And what they have in front of us -- in front of them right now that they came to talk to me about was the fact that they don't at this point have funding for their summer school program. Which means that -- which means there are 600 students at 13 centers, 11 of those centers are in the city of austin. A full-day program of head start. 400 of those students have parents who actually rely on this program as

-- for a full-time day care as well as it being a great early childhood education program. I wanted to put it on the table with us as we consider all of this right now because I think it's a -- it's certainly a worthy priority and it's a shame that the timing worked out that this has to be a last-minute addition. They did provide

-- I receive add letter that was to all of the councilmembers yesterday. I do have additional information to share with you if you didn't get a fact sheet from them via e-mail. When we looked at the numbers, if in fact looking at the centers that are in the city of austin, rather than the total 668,000 price tag, it would be a \$570,000 price tag. So in order, you know, they have a huge impact if they're not able to find funding for this program, 400 parents will not have -- will not know what to do with their kids, their preschool-aged kids. So I wanted to -- if this requires the notion to consider it. But I wanted to put it there the consideration -- because the number works well here, for 500 children as opposed to 600 children \$557,280 for child inc. For their head start program. And I do know that they're looking at a lot of different ways to be able to cut that down. One of the ways would be if they

-- instead of providing the head start program for this summer, they turned it in to more of just a day care. That would at least keep the parents working. But it wouldn't be a successful program for the kids. But I would like to put the \$557,000 on the table. And I'll pass out some fact sheets

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[04:53:11]

>> councilmember

-- first of all, tell me what the name of the organization is.

>> It's called child inc.

>> Mayor Leffingwell: Child inc. And \$557,000, a one-timex pence? Recurring and annualized?

>> Morrison: It's a one-timex pence.

>> Mayor Leffingwell: One-timex pence. I think what we have to do procedurally since this item

is not on the list is lay the main motion on the table and you have to make a motion to add this item to the list and get a second and have that passed.

>> Morrison: So I make the motion to add the item to the list?

>> Mayor Leffingwell: Motion by councilmember morrison, is there a second? Second by councilmember martinez? Councilmember spelman.

>> Spelman: One of the consequences of the amendment's passing? Does it mean we'll be funding child inc. Or considering child inc.?

>> Mayor Leffingwell: Considering it as a part of the list.

>> Spelman: Okay.

>> Martinez: If I could add a friendly amendment on another program brought to my attention as well. Not nearly the amount of funding.

>> Mayor Leffingwell: Another item.

>> Martinez: Another item.

>> Mayor Leffingwell: Let's deal with this one. Make a second

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>> Martinez: In the same wheel house, early child care. But I can wait.

>> Mayor Leffingwell: It would be better to do it that way. Councilmember tovo?

>> Tovo: I have a quick question about that. I'm looking over the fact sheet and trying to figure out what i heard. Am I right in thinking that there are 600 children who will lose their summer program?

>> Morrison: 600 children at 13 centers, 11 of which are in the city of austin.

>> Tovo: And so

-- so the decision about

-- so help me understand why we are

-- the 557,000 rather than the 668,000 is to try to fund the ones that are within the city?

>> Morrison: Right.

>> Tovo: You think that's about equivalent?

[04:55:16]

>> Morrison: That might be a little low.

>> Tovo: That would fund all of the children in the head start centers within the city of austin.

>> Morrison: That's correct. And to be clear, child inc. Is the head start provider in our area.

>> Tovo: The consideration it shall what I was mulling over in my head is whether we ought not to just fund the full \$600,000.

>> Morrison: I would love to be able to do that. I was trying to be a little disciplined in acknowledging that we need to be using this funding for the prioies for austin children.

>> Tovo: We were confident that the \$557,000 will fund the children within the city of austin.

>> Morrison: My notes when i met with them is just very rough calculations where that it would be a decrease of 5% taking it to a decrease of \$570,000. It would take us to about \$557,000

>> Spelman: What can you tell us about the kids and the location of the centers.

>> Morrison: I know the kids are identified as high-needs kids. Low-income kids, very low income kids so that they're

-- they're certainly at risk is it the kind of thing where it's a terrific investment because the head start is a highly successful program in bringing kids along, head start kids. I wish I had the numbers and wish they were here to speak to it. And so

-- but head start kids do get a head start so that when they enter kindergarten, they're in good

shape.

>> Spelman: These kids are all participants in the head start program?

>> Morrison: Yes.

>> Spelman: Whatever programs there are for head start programs apply to these kids. Roughly, where are they located?

>> Morrison: Does anybody remember? Many different places, many of them east of i-35. I apologize. Oh, actually, I can search through the information they've provided for me and see if it's in there.

[04:57:24]

>> Spelman: I don't need it right away. Thank you. I'll yield the floor.

>> Mayor Leffingwell: So, we have a motion and a second on the table. Any further discussion? Let me just say, I'm going to vote against adding this to the list because I know I'm going to vote against it in the end. I think this is something we haven't had adequate time to consider. Last-minute additions to the list that's already problematic in my view is very

-- we don't know the impacts. What I do understand that this particular organization rated very low on the list when we

-- when we

-- when the nonprofit agencies were raided for

-- rated, r-a-t-e-d

-- for allowed for grants. To bring it in in this point in time, I understand the last-minute change in their plans. But, you know, most of the time, our deliberations about whether or not to make grants were based on the merit, not on the particular hardship of it. So I'm going to vote against it. Is there any other discussion? Councilmember Morrison?

>> Morrison: I do want to comment. Because I spoke with the representatives from child inc. About the allocation process and a couple of the things that came to light. One, they did not submit an application that was joined with partnering with any others. And if you'll recall, we had very few organizations because of the scoring system that we're able to score high enough for funding if they didn't partner. They are working to make sure that they're sort of in line and they've been working with our health and human services folks to look at, you know, what are the things and the priorities that are going to be set through the next allocation process and they did, of course, we did of course discuss the fact that one of the downfalls of our process was that it didn't, in my view, do enough, a good enough job of identifying the different areas that we needed to fund aside from priorities. Because early childhood is certainly an area and early childhood is an area that took a big hit in our allocation.

[04:59:48]

>> Mayor?

>> Mayor Leffingwell: Mayor pro tem.

>> Cole: I'm very much aware of the work that it does and I know it serves a lot of minority students and it would be problematic if not to be able to take care of children this summer. So I will be adding it. But I do want to say that we should exercise caution and restraint for items that have not been through our regular process and did not score highly in the social service contract matrix formula, the one that we have existing. So we'll be supporting adding it and considering it.

>> Mayor Leffingwell: Yeah, I

-- I'm going be

-- any item added to the list as I said before has been problematic because there hasn't been adequate time for councilmembers to think about it or discuss it or research it or attempt to find out exactly what it's about. So, again, I'll be voting no. But all in favor, say aye. Opposed, no? No. So on a 6-1 vote with yours truly voting no, this item for child inc., One-timex pence of \$557,000 in recurring zero in the analyzed out year of zero is added to the list.

>> Cole: Mayor?

>> Mayor Leffingwell: Mayor pro tem?

>> Cole: I wanted to point out that we have not talked about the budget overall in this context or property tax relief. And the many of the items are getting at affordability, but we need to think about affordability for the entire city. So I want to make a motion that we put

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>> Mayor Leffingwell: We have a motion on

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>> Cole: We didn't vote?

>> Mayor Leffingwell: Now

-- we have a main motion which is to approve on all three readings, the ordinance or the budget amendments that contains nothing in it right now.

[05:01:51]

>> Cole: Okay, I second that motion. We need to vote on that motion.

>> Mayor Leffingwell: We're not going to vote on it right now. We're going to go through the amendment process.

>> Cole: I'm making an amendment that was made with child inc.

>> Mayor Leffingwell: Go ahead, what is it

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>> Cole: I make an amendment we consider property tax relief as part of our discussion in the amount of \$4 million. And that would be reserved for the half-cent deduction on the property tax rate like we discussed last time in our work session. We would actually discuss that. Because I think that needs to be a part of the discussion as we recognize that the money that we have now in surplus is coming from our funds and we discuss reserving the funds for property tax relief.

>> Reserving funds from what?

>> Cole: From our one-time dollars. Would you explain how we talked about it last time how that would work?

>> Yes, the discussion we had last time is whether or not some of these

-- any of this money, whether it be one time or the recurring ds

-- recurring dollars could be used to lower the tax rate and if it were one-time funds used to lower the tax rate, it would be a one-time rethe ux in the tax rate in fiscal year '14, in 2015, the tax rate would need to elevate back up to pay for the recurring costs if it was a reduction and we were to use the recurring revenue that we've identified the sales tax revenue, for example, to say we want to set that aside to lower the tax rate, then it would be a permanent

-- we would look at it as most likely a permanent reduction in the tax rate.

>> Cole: So, mayor, what we heard throughout all of the imagine austin plan and throughout the city is the overriding reserve for oi fordability. We should put the item up for discussion that would apply to all of austin.

>> Mayor Leffingwell: So your motion, in essence, is to take the \$11.5 million number that's on

the pages aren't numbers here. But it's mid year funding needs for item a-2, \$11.5 million one time and reduce that by \$4 million

[05:04:06]

>> Cole: Yes, for property tax relief.

>> Mayor Leffingwell: That would make that number higher mathematics here at \$7.5 million?

>> Cole: Yes.

>> Mayor Leffingwell: It would also address the bottom line number to negative \$4.2 million.

>> Cole: No, it would just be \$4 million of the \$12 million.

>> Mayor Leffingwell: 4 million off of \$11.5. But the balance for all of the items is now negative \$200,000. So if you reduced the total sources of funds by \$4 million, you would have to add \$4 million to the deficit, wouldn't you?

>> Spelman: Mayor?

>> Mayor Leffingwell: Assuming, yeah, on this table right now. Assuming all of the items are funded?

>> Cole: We would not be able to fund \$4 million additional.

>> Mayor Leffingwell: We'd have to figure that out as we go through it.

>> Cole: Exactly.

>> Mayor Leffingwell: As we go through it.

>> Spelman: This is a line in the spending priorities. We spend some money on affordable housing, wild fire mitigation, property tax relief. This would be adding another \$4 million. We don't have to worry about what we add and subtract, everything would be added.

>> Mayor Leffingwell: I understand it. But I am trying to from a beginning position, right now with this list, we're starting off with a negative \$4.2 million with this list. Councilmember martinez?

>> Martinez: I wanted to ask a little bit more about this

-- the pending motion that's made. What exactly does that look like in terms of

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>> Mayor Leffingwell: By the way, I'll second the motion. Go ahead.

>> Martinez: What does that look like in terms of the property tax rate currently. And what it would reduce it to if we were to apply the one-time cost of \$4 million and then knowing that it's only this year

-- if this passes, it's only for 12 months the very next year, it goes right back up. I wanted to know what the real effect of that is.

[05:06:08]

>> Currently the tax rate is 50.29 cents for every \$100 of taxable value. That would not change. We're looking at fiscal year 2014 budget, which will have a proposed tax rate associated with it, and if we add \$4 million set aside for property tax relief, that rate, whatever it ends up being, would be about a half a penny lower than it otherwise would be just for that year.

>> Martinez: Just for those 12 months?

>> Right. So the property tax rate we need to balance the '14 budget once everything is settled is 52 cents for \$100 of taxable value. If we had the \$4 million, we could do it at 51.5 cents for that year. And for the next year, it would have go back up.

>> Martinez: So for me, the way I look at this, these are one-time expenditures mostly. One-time expenditures in my view with items that are before us. I certainly agree we need to talk about the

property tax relief. But for me the place to do that is when we're adopting the budget and increasing taxes to cover that budget. If we want to provide property tax relief, we need to hoe the line when we're adopting the budget and not raise the taxes to the rollback rate or somewhere between. That's the appropriate place. It would be 100% structurally funded moving forward, it's not a one-time half a cent savings for 12 months. It would be a permanent change.

>> Mayor Leffingwell: You're objecting to the amendment?

>> Martinez: Not objecting.

>> Mayor Leffingwell: The procedure is the amendment is adopted unless someone objects. If anyone objects, we vote on it. So, does anyone object? Councilmember morrison objects so, we'll have a vote. Councilmember morrison?

>> Morrison: I

-- I certainly would like to heed the comments that councilmember martinez made and would like to suggest this kind of consideration will make more sense in terms of having it structurally sustainable impact if we were to put affordability as a line item under the recurring

-- under the recurring column as opposed to under the one-time column. Does that make sense.

And I gather you've

-- you've

-- I gather that the motion is to put it in the one-time column.

[05:08:48]

>> Cole: I'm not opposed to doing both, splitting it between the one-column and the recurring column. The recurring column has \$2.2 million in it.

>> Mayor Leffingwell: You know, I

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>> Cole: I don't know procedurally how that works. I

-- we'd have to ask.

>> Mayor Leffingwell: Let me ask this question of ed or elaine

-- my understanding is what mayor pro tem is proposing is that we take this one-time, this \$11.5 million pile of money. She wants to take \$4 million out of that and reserve it for property tax reduction in the next budget. So I think it is properly include in that column. But if it were to be included in the annualized column or the

-- or the current column, it would be much more impactful.

>> Cole: Absolutely. Thank you, mayor.

>> Mayor Leffingwell: Yeah, yeah. So is there any other discussion before we vote?

Councilmember tovo?

>> Tovo: For the

-- so the idea then would be to put \$4 million in the recurring

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>> Cole: No, in the one-time.

>> Tovo: Just picking up on the point that you made it about being more impactful. If we do that, we would be just suggesting every year we have a \$4 million reduction to on going

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>> Mayor Leffingwell: Says here

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>> Tovo: Talking about if it was moved to the recurring category. Some discussion about moving it to the recurring category, which doesn't make sense at all.

>> Mayor Leffingwell: Correct.

>> Tovo: I thought you were discussing it would be a better way to do it. I didn't understand the point of that. It would be better to direct and come back with a budget that's \$4 million less rather than have a

-- an ongoing reduction of \$4 million.

>> Cole: I agree with the mayor's comment, money is money.

[05:10:48]

>> Tovo: The decision to add \$4 million as a one-time property tax reduction on next year's fiscal

-- on next year's budget.

>> Mayor Leffingwell: Essentially.

>> Tovo: So procedural, we're going to add them in and have an opportunity to strip them out later?

>> Mayor Leffingwell: We're doing that right now. We're adding and subtracting. Then at the end when we cover all of these and whatever other items come up, we vote on the main motion.

>> Spelman: The current tax relief currently at \$4 million, we can adjust that up and down. If we say no to this, what we're doing is saying of that \$13 million we found lying under a rock, we're going to spend every dime of it. That's not what we want to be doing. So this is leaving aside the possibility that we want to not spend some of that and put it back in reserve and able to use it for property tax relief downstream.

>> Mayor Leffingwell: Councilmember martinez?

>> Martinez: My interpretation is if we don't spend anything, it goes to reserves. So by not supporting this item, I'm not presuming that we're going to spend every penny. I'm presuming that what we don't spend will go to reserves.

>> Mayor Leffingwell: Okay. Councilmember tovo?

>> Tovo: We'd still have an opportunity at next year's budget cycle to make a decision -- to use \$4 million out of our budget reserves as a one-time expenditure for property tax relief. We can't have that discussion next summer because the property tax relief wouldn't kick in until then anyway. What it allows that money to do is go off and be useful right now and have the discussion of property tax relief.

[05:12:53]

>> Mayor Leffingwell: I think the advantage of doing it the way the mayor pro tem is suggesting we're doing it is it allows a more meaningful process leading up to the budget. What is presented to council if this were to pass would be to

-- would be predicated on that \$4 million. Meaning there's something you could use. Whereas you just said we can put it in reserves, it might not work that way.

>>

>> Cole: EXACTLY, MAYOR, BY Doing it this way, we make an up front amendment to

--

>> Mayor Leffingwell: Extend the marker.

>> Cole: The surplus, \$4 million of that will be used for the property tax relief.

>> Mayor Leffingwell: All in favor, aye. Opposed, say no. Passes on the vote of 4-3 with councilmembers tovo, morrison, and martinez voting no. So that is now \$4 million for property

tax relief in the next fiscal year is added to the list. And that is a \$4 mill one-time expense. Other amendments. Councilmember tovo?

>> Tovo: I have a question for staff. I asked a question last week about the economic reserves fund and I don't believe I received an answer yet. The question was, the gist of the question is, is there money available in that economic reserves fund to fund something like the austin play house, which would seem to me to meet the goals of that economic reserves fund? And it's on my mind because in our last

-- in our last council meeting, we provided a substantial

-- a substantial grant to troublemaker studios and it was out of the economic reserves fund and it seems to me, again, that austin play house sort of falls in line with that kind of

-- the kind of

-- the projected uses for that money. And if it is, go on and fill the gap here while everyone is thinking about their response. It seems to me if there is money in the economic reserves fund to fund something like the austin play house, we ought to offer direction to staff that the austin play house if there is the council will to support it, I hope there will be, we fund it through the economic reserves fund rather than this reserve so that we'd have a little bit

-- we'd have a little bit more opportunity here on our list.

[05:15:36]

>> Mayor Leffingwell: Is that proposed amendment.

>> Tovo: I'd like to know first whether there's any money in the economic reserves fund. That's the place to fund.

>> Assistant city manager

-- the economic

-- the austin play house is a different situation than the troublemaker film studio that we just passed a few

-- the last council meeting, pardon me. What

-- what you passed last council was for a pilot to do certain kinds of film for performance for children. The austin play house really fits under the cultural contracts. And that is a different

-- a different fund. And we have not yet made any projections for next year for the chapter 380.

So we don't know if you remember that fund is used to pay for the incentives as you move forward. And at this point, it may already

-- I don't have the figures in front of me

-- but it may already be totally committed because you're paying each year and as you add something to that particular fund, it adds

-- it takes away from the

-- from the future years. The funding.

>> Is there opportunity in the growth fund? There is. If we have a business who contacted you and expressed an interest in relocating here? We would probably have money available in that and at least consider. And I would like to pursue why austin play house

-- austin troublemaker studios was, you know, are proposing to do some innovative work. But it seems to me that could have gone through the cultural contracts as well. So, I think we're

splitting hairs over businesses that are in the main going to be providing opportunities for smaller organizations. They are certainly supporting our five industries here in austin. I think it will be

-- it's contemplated at the austin play house is that the new facility will in the partnership provide housing for artists, provide opportunities for the children's museum to use their space. They are

going to provide opportunities for smaller organizations. To me, the description of what austin play house is doing sounds a lot like what troublemaker studios was doing in a different genre of the cultural arts in terms of fostering smaller businesses, providing economic development opportunities, expanding and supporting our commitment to the arts. So, thanks.
[05:18:20]

>> Thank you. Kevin Johns, director of economic growth. The
-- the economic fund has different guidelines set up for private sector companies that are making
-- that are creating a certain number of jobs that have private sector investments and were able to run the local analysis. So it's not set up
-- the guidelines don't provide for funding nonprofit organizations. So unless the austin play house were to have a private sector instead of a 501-c-3 background, it wouldn't qualify. In addition, we have met four or five times now with austin play house trying to identify funds for them. We've looked at a number of resources including new market tax credits and private sector partners. We haven't found a fit but we'll continue to look for that. In terms of the economic fund, as Sue Edwards has said, it's a fund that was set up specifically to help companies like eBay and the company that develops a strong job and tax base for the city. Used it successfully to recruit expansions, major expansions. So it's not the correct tool for a nonprofit organization that really is not in a position, I think, to create the kind of jobs. It's in a better position, I think, austin play house, to receive a grant and we would continue looking to help them find grant funds. We don't think that we have come to the conclusion of what we can fund yet.
[05:20:26]

>> Did we get one for troublemaker studios? It wasn't include in the backup.
>> No, for an incubator, just like the university of texas ink bay tors, it shall incubators, it's not the web loci on the company that's an issue. The university of texas incubators are selected and funded for the companies they create. So it's kind of a different animal.
>> Tovo: So the reason I was asking is that you said the economic reserves fund was used for companies for which you could do a webloci. I didn't remember getting one. And did troublemaker studios, did it meet the qualifications of 100 jobs or more or was that too different because it was an incubator?
>> We did run an analysis on the first film for troublemaker. If you recall, they're required to generate at least 100 jobs, 130 jobs per year from each of the films they make.
>> Tovo: I see.
>> So it does meet our requirements. The large number of nonprofit organizations that we have are such that we have to find a different way to fund them.
>> Tovo: Okay. So the basic criterion that's not been met is austin play house is a nonprofit and those funds are reserved for private enterprise.
>> They are a nonprofit so they don't meet the guidelines. In addition, the fund is set up for creating approximately 100 jobs or more. So the web loci is based upon that analysis. >>.
>> Tovo: Thank you.
>> Austin play house receives from the city \$70,000 out of the cultural arts funding.
[05:22:28]

>> Mayor Leffingwell: Did you want to make a suggested amendment? Recommended amendment? If not, we'll go to anyone else? Councilmember Martinez?

>> Martinez: I have one item to add to the consideration list. I don't
-- well, I hope the council will consider it. But it is one of those items that probably no one has heard about. This is a program we funded that the council funded through the good neighbor program. It was a one-time grant for the overton group taking kids from east austin and putting them in a bilingual day care. So these are nonspanish speaking students that are at risk that are put into a full emersion spanish day care and just through the pilot program that's just ended, their testing scores
-- post testing scores increased in some cases by 45 to 48%. So a tremendous impact in the overall learning, not just spanish proficiency, but in all skills. And so they have asked for a one-time, \$50,000 additional grant to get them to the next
-- to get them to the next rfp process.
>> Mayor Leffingwell: If there's no objection, withe lay the main motion on the table. And councilmember martinez wants to make a motion to add an item to the list.
>> Martinez: That's correct.
>> Mayor Leffingwell: Is there a second for martinez's motion?
>> Morrison: Second.
>> Mayor Leffingwell: Second by councilmember morrison. Councilmember spelman?
>> Spelman: Do we have any of the evaluation results available?
>> Martinez: I don't have that available today. But, you know, I can try to get my staff to get ahold of them and get something before we take up deliberation on this.
>> Spelman: Okay. How long has the overton group been working on this. How long has the day care been in operation?
>> Martinez: This is a one-time pilot program that just started six months ago. It's just concluded.
>> Spelman: The evaluation results are based on the first six months.
[05:24:30]

>> Martinez: That's correct.
>> Spelman: How many kids are in it?
>> Martinez: 17 children, thereabouts. Not a huge class and a new nonprofit that, you know, we decided to fund as a one-time grant to see if it was something that would improve their testing outcomes in the end. So far, it's
-- in the short six months, it's proven to be very effective. I simply committed to bringing this discussion to the council. And see if we can get consideration.
>> Spelman: Last question. How much money do we put in to this six months ago.
>> Martinez: It was only \$20,000. It was a small amount that was a one-time grant.
>> Spelman: And the additional \$50,000 is necessary because
--
>> Martinez: They want to continue the program through the next
-- through october 2014 so they can apply through the normal rfp process for social service contract funding.
>> Spelman: A lot bigger than the \$20,000 you started with because it's going on for another year and a half.
>> Martinez: Basically.
>> Spelman: Gotcha.
>> Mayor Leffingwell: The organization is again?

>> Martinez: The overton group.

>> Mayor Leffingwell: The motion is to add the overton group at a one-time cost of \$50,000. I'll be voting against this one also. Any further discussion. Councilmember tovo?

>> Tovo: Since we fund them last year and this year's budget and we have holly funding under the health and human services budget, do you know if it would be eligible for that funding?

>> Martinez: I don't know that.

>> Tovo: I don't have a good sense of what programs we're currently funding under the youth -- holly youth programs that are specified in our -- in our budget.

>> Martinez: I think we just adopted that in the last council meeting.

>> Tovo: That was not funded through the holly funds. I know that because I asked the question whether or not it was being funded through the holly funds the answer I got back was that was being funded through the parks budget. So I know that is not -- so this year, we have some money in our health and human services budget designated at holly program funding and it was designed to support youth programs that had been funded under the good neighbor program but we wanted to continue supporting. But I don't know how much of that money is been allocated. That might be an option. It's very important that we look at the kind of programs that we're funding outside of the community because there are a lot of requests and a lot of needs and one of the things that will help us make good decisions is the youth summit that's coming up. So as the day goes on, we might want to consider setting aside some money and making those decisions after the youth summit when we have a good sense of what is really critical in terms of funding out in the community and what are the best research-based programs and going forward, I hope that will have that kind of discussion about our youth program funding, because there are, you know, many programs out there and we want to be sure that our limited resources are going to support the most effective ones.

[05:27:47]

>> Mayor Leffingwell: Once again, I will say this one time because it will be all inclusive -- inclusive. I'm going to vote against any last-minute study, conversation, research, whatever it is. So I'll be voting no on this one and any subsequent additions to the list that come out. So all in favor of councilmember martinez' motion to add \$50,000, one-time expense to the overton group. Councilmember martinez.

>> Martinez: Just to add the overton group as a consideration.

>> Mayor Leffingwell: As a consideration, yes. We're talking about the list, not funding.

>> Martinez: Okay.

>> Mayor Leffingwell: Thanks for that clarification. So all in favor, say aye. Opposed, no? No -- so that passes on a vote to 6-1 just to add it to the list. With yours truly voting no. And so without objection, the main motion is back on the table.

>> Cole: Mayor?

>> Mayor Leffingwell: Mayor pro tem.

>> Cole: I would like to put on the list, the african-american cultural district. This is an item that's been around for sometime. It was created with the african-american quality of life as a recommendation. And what this will do is begin the process of helping the district with the up front fees and way finding in getting started in designating this area of town.

>> Mayor Leffingwell: You want to add to the list.

>> Cole: It's on the list.

>> Mayor Leffingwell: The main motion is back off of the table.
>> Cole: Withdraw my motion. It's on the list.
>> Mayor Leffingwell: All right, so the main motion is back on the table. Do we have any proposed amendments to the list? Councilmember martinez?
[05:29:54]

>> Martinez: I would like to make a motion we add the forensic laboratory staffing that the police department and many of the judges in the court system have asked us to fund because of the inordinate amount of backlogs and dna testing that are still waiting.
>> Mayor Leffingwell: Recommended amendment by councilmember martinez to add to staffing. Is there any objection to that? Councilmember morrison?
>> Morrison: The
-- do you object?
>> Mayor Leffingwell: No, i don't.
>> Morrison: But I would like to get clarification from staff about what we're talking about. I think it's on the list.
>> Mayor Leffingwell: It is on the list. We're not
-- we're not
-- we started with no items on the list.
>> Morrison: Not just adding to the list.
>> Mayor Leffingwell: Adding to the list we have before us.
>> Morrison: I'm very confused about the motion.
>> Mayor Leffingwell: Okay, in the previous cases where we were adding items that were not on the list, according to legal advice, we had to have a separate motion to do that. So we tabled the main motion, which has nothing in it at this point. And we voted on the motion to add this item to the list. Now, we went back to the main motion. All of these items were on the list. All of these that were on the printed list plus child inc. And the overtongroup. Those are added to the list. But they're not funded yet. So I
-- I realize it's complicated. But what we're doing right now is we're taking all of the items that are on the original list or the two that had added to the lilles, and we're taking amendments to consider those items for adding it to the main motion.
>> Morrison: So to be clear the motion is to add the funding.
>> Mayor Leffingwell: The motion is to add funding.
[05:31:56]

>> Morrison: Thank you, that was my question.
>> Mayor Leffingwell: Any objection to adding that?
>> Spelman: Yes, mayor?
>> Mayor Leffingwell: Councilmember spelman.
>> Spelman: Maybe we'll have different printed lists. My list does not have apd forensics printed on it.
>> Mayor Leffingwell: Mine does.
>> Spelman: We added one today? Okay. Thank you.
>> Mayor Leffingwell: So I take it there's no objection. That item is adopted as part as the
-- okay, councilmember tovo? Do you object councilmember tovo? Councilmember tovo objects?

>> Tovo: I have discussion on it.

>> Mayor Leffingwell: Our procedure is that we

--

>> Tovo: I'll object and then so I can have a discussion so i can ask some questions. So I'm looking through the budget materials from last year. And looking at the unmet service demand, I notice under apd, the forensic position if there are the same ones noted on the unmet service demands are almost dead last in terms of the unmet needs. So I guess I need to understand the additions that were unidentified in the very end of the unmet needs why we're midway through the year and we're suddenly getting letters from judges saying the positions are critical. And then just to

-- the lists i have, we have promotions, we're number, 15 was replacement for travel and training funds. 17, more training. AND NOT UNTIL WE GET TO THE 20s. That's right. 20s OUT OF -- OUT OF 32. But we get to the forensics positions. So that is a concern to me that we went through a budget cycle. These were not identified as high-priority items. Other items if we had been asked to make a decision

-- why did they rank so well on the list.

[05:34:02]

>> That's a good question. It's a question we asked how did we get to that point. I think the short answer is that the staff and the forensic lab didn't have a good grasp of how far behind the management team there they were following. And so we are where we are right now in terms of the backlogs. And the need. We weren't apprised of the extent of the balance of the lab in the budget process last year.

>> Tovo: I appreciate that candid answer and I hope they'll stay on top of their needs and be able to manage, you know, give management some sense of how well they're doing so we can

-- we're not in a mid-year getting

-- I mean, it's a

-- it's a little uncomfortable to start getting letters from our judges to suggest

-- and we've got messages from our constituents suggesting we're not appropriately funding this area when we work with the best information we've got which is not very accurate on this point.

>> We have to take ownership in the police department in terms of giving the information. We were not provided with the sense of urgency in the budget process and that's something we're addressing internally going forward. I think we owe it to this body to give you the information in the budget system and to the city manager. I take full ownership to actually paint that picture. In 27 yearlings, I've never had the district judges send a letter and have the district attorney call us. I apologize on behalf of the police department for not pressing harder last year in the budget process. >>.

>> Tovo: Thank you, for that, chief.

>> Mayor Leffingwell: I also, myself, received a similar letter from the district attorney and the county attorney asking for this.

[05:36:03]

>> Tovo: Those are the letters that I was referring to. So on the unmet needs, there were various kinds of forensic technicians discussed. The money we're contemplating today, what sort of forensic technicians will be hired? Operty crime technicians? Fingerprint technicians?

>> Three forensic chemists will be dealing with specifically the testing of drugs and blood

evidence in criminal cases throughout the county. Or throughout the city.

>> Tovo: Those were 28. That was number 28 on the list. Ranked higher were fingerprint technicians, property crime technicians, but we're certain that it was the forensic chemists that were the highest priority?

>> That's the biggest need right now. The problem is we're going to start losing criminal cases and impacting criminal cases. It's the absolute

-- the truth is, the forensics area needs help and a lot of areas, but we have to prioritize and with e

-- with the criminal justice process being slowed down, the rules of justice being slowed down this, truly is our number one priority. The

-- the piece with the crime scene investigator, that slows down the intake into the criminal justice process. The problem with this is that these people already are in the process as defendants and we actually have to keep those cases moving or it's going to have a very negative impact.

>> Tovo: Sure.

>> It is having a negative impact.

>> Tovo: In the unmet services, it was noted there was one fte needed. We contemplate hiring three. Is that because of the backlog in the budget cycle or an inadequate assessment at budget time that was needed and now we're so far behind we need three.

>> It was an inadequate assessment at the time. And the other piece is that we try though keep the numbers as realistic as possible. Because if you ask for three, you know, chances are you're not going to get it anyway. So I think they're trying to keep it as realistic as possible. We move forward with what we told our staff is that when it was for assessment, we need to not worry about the decision or how it's going to play, we need to provide an honest assessment based on business need and provide the business justification to make those decisions.

[05:38:33]

>> If I might, just to underscore what the chief said. Let me put it in simple terms. We don't play games with the budget. I expect the department heads based on sound business rationale to ask for the resources that they need. Now, the budget at the end of the day is a dynamic document in the sense that we do things based on

-- make decisions based on the information we have at the time that we're going through the development process and making the recommendations. As council well knows, as we all know, things change over time. They change in the police department in terms of operational demands over time and that certainly was the case in terms of this forensic issue as well as other things that were on the unmet needs list. So even though when we look at it, it has a relative priority that they've given, certly not long after we adopt a budget for whatever reason not relative to apd or any department. Those circumstances can change and they can change significantly or for a relative short period of time.

>> Tovo: Now we need to understand if three are needed to clear the backlog or go back down to a lower number or if there are many cases in this point to meet that ongoing need.

>> To not have to be back again, we are confident that if we need the three to handle the workload that's being presented to the forensic lab moving forward. We're very confident that with those three, we won't be back any time in the near future asking you for more.

>> Tovo: How many are there currently?

>> There are eight forensic POSITIONS, FTEs, ONE IS Currently vacant. That person is now going through the hiring process. Six of the eight are funded by the city, one is funded by travis county. And one is funded by hayes county. The travis county position is doing 100%

exclusively

-- 100% of travis county cases. The hayes count tip one right now through contract that you approved I believe last

-- for this current year, right now, we're getting a 60/40 benefits. We're actually benefitting from that position that's actually doing apd cases. But city funded is actually six positions.

[05:40:51]

>> Tovo: Okay, thanks.

>> Yes, ma'am.

>> Mayor Leffingwell: Councilmember morrison.

>> Morrison: Thanks, chief. To follow up on that, can you help us understand how you came to the number three? That that was going to

-- that that would be the right number to address the backlog?

>> That recommendation came from the forensic lab that looked at the total case work and the average

-- the actual casework. The other piece we looked at was the overtime. They extended the overtime dollar. 40,000 a year they received from the city budget. And I don't know if the a actual number for grant funding, but they're going to expend all of their overtime dollars between the city overtime dollars and the grant funding. So the other piece is that the

-- we're very concerned about always relying on our forensic scientists constantly working overtime because we didn't want the degradation of the actual quality of the work. If you look around what's happening to crime labs around the country, there have been a lot of issues around the nation in crime labs and part of that is not having scientists or having scientists work several hours that mistakes are made. We believe having additional positions will not only help us with the backlog, but it will help secure the quality and ensure the quality of the work being done as well.

>> Morrison: Can you

-- we received an e-mail from someone suggesting that there's an alternative to apd running a crime lab. That is to have an entity that apd, of course, helps support this independent that provides regional services. Have you contemplated that? Are you familiar with that model?

>> I'm not sure we have a crime lab

-- a private crime lab here. The only crime lab that I'm aware of that we use that is private is in dallas. Today the county, they're going to be a motion for \$75,000 to provide some overtime to help fund some immediate relief. The only crime lab that I'm aware of that we could use would be in dallas. It's nearby. The problem with that is that you may need complete control of the prioritizing of the

-- of the exam

-- of the testing and there's additional costs of bringing people down out of the city and so on and so forth. But some city, the city of houston, is moving away from running their own crime lab. When our crime lab is a crime lab that thus far, knock on wood, has been probably the best crime lab in the nation. You're talking about people's liberty and justice for the victims, I would rather have a crime lab where we completely controlled the quality of the personnel and the quality of the work being done.

[05:43:54]

>> Morrison: Okay, I know we have later in our agenda an item to look into the whole issue of the
-- the workload for the forensic work that's being done. But I think that would be
-- i certainly appreciate your points and it seems to me that if there are other cities, it would suggest that there's actually a recommendation for the national academy of science in 2009 that we'd look at independent entities to do that. I would propose a motion on thursday that we investigate that. I'm going to support this motion on the table right now. We've got to do what we've got to do to get it done. But I think it would pay to think broadly about and you raise some very important points about if it were an independent entity. It would have to be an entity that doesn't exist right now because it can't depend on services out of dallas. But I imagine that the issues that you raised are issues that other cities and municipalities have grappled with in terms of how do you control quality and things like that. So I'll say I'm going to support the motion, but I'm going to be hoping that we can have a continued conversation about it. And let me say I see chief McDONALD BEHIND YOU. I would love to hear any comments that you might have, chief, if you'd like to add in right now.
>> THANK YOU, michael MacDonald, deputy city manager. I think one of the things that i think the chief explained the situation very well. But one of the things I wanted to also inform council is that years ago prior to us having our own forensics lab, we primarily relied upon dps. And dps was providing that forensics for the entire region. So there were times, for example, even on murder cases where we had to wait over six months to get information back in those investigations and then, of course, lesser cases took quite a bit longer. So the
-- so the council at the time supported a recommendation that we came forward with when when he expanded the northeast substation to create our own forensics lab so we could have, you know, realtime response, particularly on some of the more serious crimes and so one of the things that I could simply have the police department do in the interim before we get to that discussion is to get some background information so council can better understand why we make the decisions we did to create our own forensics lab.
[05:46:27]

>> Morrison: That would be great. When did we create our own lab?
>> Gosh, I'd have to get this idea. But it was when we completed the northeast substation. I believe, it was probably somewhere in there. But it was over ten years ago.
>> Morrison: Okay, great. It just occurs
-- since we're now hayes is asking us to do their
-- their lab work and it looks like
-- and we're working for the county. So it looks like we do have a regional thing that's going. So it would pay to give creative thought to it. Thank you.
>> Thank you.
>> Spelman: Mayor?
>> Mayor Leffingwell: Councilmember spelman?
>> Spelman: I was going to say what councilmember
-- I was going to say martinez
-- martinez-son? Never mind. Given that we're taking all of travis county tip's cases
-- county's samples or just some of them?
>> The
-- we do travis county's work. And the problem is that this is not a problem just here in austin.

Crime labs around the country are just slammed. There's backlogs all over the country. I'm proud to say that because we do control the work flow that I think we have a crime lab that's second to none.

>> Spelman: I'm prepared to believe we have an excellent crime lab. I know we have good people working there and we have good facilities. If we're doing Travis County's, we're doing all of Hayes County's work?

>> Hayes County

-- county does not have

-- we do whatever work they're sending our way through contract. And 65% of that is actually

-- positions being spent on our cases. So right now, it's

-- it's a positive for us in terms of that position being funded by Hayes County tip.

>> Spelman: Two

-- you probably already thought this through. But I wanted to put it on the table, two good arguments for our continued to increase the number of people we have in the lab and increase the number of places that we're drawing samples from. One of them is it's going to be a source of income. If we can do it as cheaply as the private sector can or GPS can or provide better service to say you have to turn around your homicide samples in two weeks or one week or whatever the minimum is. I could imagine we're providing much better service because we're a lot closer to the customers. Second, it will even out the peaks and have a level so we're reliable on how many people we need, how many lab stations we're going to need, all of that stuff will be a lot smoother than if we have had a slightly larger operation and a small operation that can go up and down depending on the weather and a lot of things. Is this something we thought about as being a revenue center or an enterprise?

[05:49:17]

>> We can take a look at that. I'd have to look at and talk to staff but what is capacity in terms of being able to build

-- in terms of the equipment costs. You know, the more people you ask and the more samples you get, there's a process that goes in there. Sometimes it's 24 hours, sometimes it's 72 hours. I'm not a scientist.

>> Spelman: Sure.

>> But that's something that we can look at to see if we can actually grow the lab into a

-- an enterprise to get positions and we can get you an analysis on that.

>> Spelman: Now, another

-- another model for this in addition alongside our

-- our operating lab for a lot of surrounding jurisdictions might be some sort of a joint lab that we have with the joint intelligence center. That may be something we can consider doing too. It might be cheaper for us to have one place to do all of the lab work instead of Round Rock and Georgetown, and so on.

>> Councilmember, with the exception of the ones I mentioned rely on DPS. They are

-- I think that they're

-- you might be speeding up the process by going through DPS

>> Spelman: I understand. Going through DPS. I remember the discussion we had years ago on the subject. I have another question on this. That is, based on where the money needs to come from. Now, I remember last year, you're \$1.4 million under budget on the course of the year, is that right?

>> I'm sorry, for what?

>> Spelman: At last year, fiscal year '12, apd was under budget. We gave you -- we allocated \$1.4 million that you spent over \$12 million. Is that accurate?

>> Yes, it is accurate. Yes, sir.

>> Spelman: I don't remember where it is that the

-- the shortfalls in spending came, or the increases of the amount allocated, but if we were in the same position now, we may not need to allocate any further money. We'd just have to move some money around from places where you weren't using it as quickly to the forensic lab and not have to dip into the reserves to do that? .

[05:51:33]

>> Alan suter, or chief financial person. Hey, chief.

>> Yes, sir. We were under budget \$1.4 million. Most of it was from vacancies and salary savings. And it's a lot more different formula when we hire, budget for cadets and salary savings. Depending on how often we have academies and how many cadets we put in them generates the salary savings. We do our best to try to come out at year end and meet all of the need. 1.4 million. We spent 99.4% of our budget. We're right on. It sounds like a lot of money, but it's not.

>> Spelman: I understand you spent the vast majority of the money allocated to you. I'm not chastising you in the slightest for coming in under budget. That's the last thing I want to do, ma'am.

>> That's the number one task i give her is not to go over budget.

>> I understand.

>> As far as this year, you know, we're mid year into the budget. So, you know, we've got -- i think two academies going right now. We're looking at starting another one in april. So to -- to tell you that i could absorb these costs, i would have to do something internally like delay positions in order to be confident that we could come in.

>> Spelman: How is it, then, that we incur vacancy savings of \$1.4 million. What caused that to happen?

>> Just the

-- just the timing of when we had academies and how many people leave and when they leave. You know, you don't know when people are going to retire. They walk in and

--

>> Spelman: So more people retire than expected, more people come out of the academy than we thought they were going to, we didn't have to pay their salaries when they graduated, things like that.

>> True. We'll lose people in the academies. We put 40 people in the academy and graduate 32.

[05:53:35]

>> There's not much wiggle room left in the budget. As you recall in the last few years we went up the budget by several million. Last year we went through all of the overtime dollars. I would be hesitant to say

-- when hurricane ike or hurricane katrina or one operation like that would probably have taken up all of that money.

>> Spelman: Not looking for fat, chief, just looking for foreseeable vacancy savings based on where your current academies are and retirements look like since we're midway through the year. Is there anything foreseeable? Ma'am?

>> We're not foreseeing having extra money, no. Not saying it's not going to happen. Because I'm going to do my best to come in at budget.

>> Spelman: I understand.

>> But it

--

>> Mayor Leffingwell: Let me just say, hold on. If we're going to get into this kind of in depth departmental budget discussion on every one of these items today, we're not going to get through this meeting. So I would respectfully request that we limit our discussion to the merits or review merits of the item at hand rather than to get into this departmental budget negotiations.

>> In this case

--

>> Spelman: Generally speaking, I think it's on target. But in this case given there was a short fall of \$1.4 million. Given the fact that the police department received more from the general fund than any other department, there's a possibility for there to be vacancy savings that, with although not reported, had been realized or very likely to be realized in this case than any other -- anywhere on this list. And I wanted to explore that possibility before we went any further.

>> Every dollar that we come underneath, it doesn't go back to the police department, comes back to the city. I never want to come over budget. That's my number one commitment to you all when you give me that checkbook. I can

-- we can be like other police departments around the country towards the end of the year, they're burning through their money. We do not do that. And believe me if the goal is for the police department not to come in under budget, we can make that happen very easily. But I'd rather be safe so we don't come in over budget. One of the things that we

-- we don't have much left over. We pride ourselves as the department as coming in under budget every year.

[05:56:04]

>> Spelman: Chief, my mother worked for the veteran's administration for 20 years. In the end of the fiscal year, they spent money like water. I'm happy you're not in the position to do th thank you, sir.

>> Thank you.

>> Spelman:

>> Mayor Leffingwell: Okay a, so proposed amendment is up for a vote. If there's no more discussion, which is to add in the apd forensic lab staffing, \$26,000 one-time, \$155 recurring and 278 analyzed. All in favor, say aye. Aye. Opposed, no. That passes on a vote of 7-0. Other -- other proposed amendments? Councilmember riley?

>> Riley: Mayor, one of the items relates to planning and development restaffing. I would like to take that up if the council is agreeable to diving into that at this point?

>> Mayor Leffingwell: Yes.

>> Riley: Okay. I see mr. Durnby in the audience. Can you help us with the numbers. I can see on the list that the numbers that I see are one-timex pence of \$118,000. Recurring expense of \$170,000. And analyzed expense in the out years of \$299,000. We've been talking about problems in pdr for sometime now. And I just wanted to get a better sense from you as to what -- what the funding of those levels would achieve in terms of getting us on track towards clearing out that backlog and getting the office and the kind of working order that it needs to be in.

>> If we were to benefit to having the additional positions, the senior reviews, these are

-- you're doing more complex REVIEWS MAYBE WITH the McMansion area in the urban corridor where WEHAD MCCDs, THOSE COULD BE Reduced by 2.6
-- 2.6 months, and for january reviews, these are reviews where there's small additions, fences, remodels outside of the urban quarter. Those could be reduced by about 1.57 months down to be .82 months. So you would see reduction for 47 to 57% on the review section for the additional staff. The staff again aren't used just for reviews. What the position would be for the component intake. They weren't planners, they are customer services representative positions that are similar to other positions handling zoning intake and so there would be a more administrative type function so they don't need a higher level for the actual intake for the position. The senior planner positions that would exist in consultation where a customer comes in and we would move some of the positions such that we have more senior level staff that might be addressing someone on how to buy a house or how to comply with the McMansion regulation so in the front end, we have better product coming in our door.
[05:59:33]

>> Riley: Okay, so right now, we had a hard time hitting the targets that are drug that are set out in the code in terms of the timelines that applicants should expect for to be completed. Would funding at these levels

-- when

-- when the funding of these levels, when can we expect to be hitting those targets? In your memo, you indicated that we could have the backlog cleared in about four months for the

-- for the applications for senior level review and about 35 days

-- 35 days and 1.75 months. 1.75 months down to .82. And from four months down to about 2.26 months for the senior level reviews and that's dealing with just the backlog. I'm still doing temporary staffing and I'm still doing overtime staffing. Because they still have applications coming in. I'm just trying to say this is taking care of the backlog that we saw the number, 600 applications. So the benefit of having those two things going on simultaneously is

-- goes toward a quicker turnaround.

>> Riley: Okay, you understand the urgency of dealing with the backlog and getting the

-- the processes where they need to be. I know you've been working hard at that. I'm just trying to get a good sense from you as to whether these are the right numbers to get us there. Have you

-- can you tell us about the process you went through to land on these numbers. Are you comfortable that this is

-- this is the right level that would enable you to not only clear the backlog, but to put processes in place that would en that we

-- that we don't see this type of issue in the future?

>> I think it is. What I've done is taken the positions that I had which are more junior level planner, planners might be coming out of college that was assisting with these reviews that work with the hr department to get more senior level positions established. So the person that might be encountering has had experience in austin and other places. Two of the planners that we hired most recently are senior planners. One

-- one has the experience in building trades in austin. The other one I stole from another sister city in texas doing residential reviews. These aren't people that are coming off of the street not acquainted to doing review. I'm also prioritizing the type of applications that come in. So there are more senior level staff and getting more senior level reviews. We recently initiated last week or I should say about a week and a half ago the ability for someone to by signing a waiver to

allow an application that still meets zoning requirements, the requirements not in the flood plain or building over pipeline to go to the process and I think we had 30 years or so that we've gone through this where they pass through and on the inspection side we're doing a review for certain things out in the field to make sure they are accurate and correct. I'm actually going through a process right now talking with my staff about additional improvements that we might have on the i.T. Side. Since our last meeting, I've had conversations or my staff has had conversations with ctm about bringing up some projects that would allow for more on-line payment or transactions that may be able to occur remote will from their computer without coming to my office and making a payment and going back out to the job site which is a loss of time for them and additional cost to the customer and not improving the quality at the same time.

[06:03:31]

>> Riley: I appreciate you looking at the processing improvements. We heard a number of suggestions from citizens about potential improvements. Are you
-- are you in addition to talking with your own staff about measures that could be taken to make things work better there, are you also getting input from people who actually go through the process.

>> I have talked to a lot of people in the last couple of weeks about the process. And we stay in constant contact with the home builders' association and ra, which is a remodelers association. I've had a couple of individual meetings with people who have called me up and told me about the experiences that they've had with the process. Some of them complimented some of the things that we've done would be beneficial. My staff has already gone out on tuesday the 5th to the american institutes of architects and gave them a briefing of that accelerated process. And right now I'm working with hba, the home builders, and aia, the architects about tweaking some of the forms that we have. So if there's a concern about liability, we can move the concerns perhaps on the to builder so that process keeps operating smoothly

>> Riley: Okay. If you continue to put processing improves in place, it seems likely that they could ultimately have some impact on your staffing needs and your ongoing budgetary needs. How would you suggest we factor that in to the budget needs that we're considering at this point?

>> I think these positions, as i said before, would be helpful. There is a concern on the backside of this because as i move applications through a process and they get out, they go through the inspection realm. And so there's a memo that went out friday to all of you and so it

-- if in that

-- I actually speak to the additional inspector positions because the inspection is just as important as is the planned review portion of this. So there may be some other impacts that are in the future that certainly that I would like to

-- like council to consider in that regard. Applications are

-- are still up and all indications are I don't think that will slow this year. So I think this goes a long way, though, in the residential area like you did earlier last year for the commercial portion. This helps us out quite a bit.

[06:05:59]

>> Okay.

>> Riley: But now first of all, I wanted to thank greg and the other staff for all of their work on figuring out how to deal with the backlog and what we're going to do to get better processes in place going forward. I expect that conversation will be continuing. In fact, I know there's an item

on this week's agenda that suggests looking at gathering some more information from pure cities. And so I have no doubt that we will need to adjust these numbers in the future. And we'll have ample opportunity to do that in the course of considering that the budget for the next fiscal year. But at this point, I want to go ahead and move to approve the budgeting levels suggested in my staff here that include the numbers that we mentioned for one-time incurring analyzed costs to get additional staff in place for funding and appointment review.

>> Mayor Leffingwell: Proposed amendment by councilmember riley to add in planning and review staffing, \$18,000 one time, \$170,000 recurring, \$299,000 analyzed. Is there any objection to that?

>> Tovo: I'm going to have to object.

>> Mayor Leffingwell: Councilmember object. I'm going to support I want. But I'm going to object so i could ask the questions as I had to at the last one. Greg, I submitted to a couple of questions to you that I hasn't gotten answers back yet. So maybe you know them here today. Senior level

-- and I submitted them just so my colleagues know back when when he got the memo on february 8

-- senior level reviewers, how many do you have now?

>> Pricing four uenior level and four junior level. You know, some of those are in training because obviously you can

-- this is just adding some of the staff to them, just came to the city and joined with the department last month.

>> Tovo: And the funding that we're contemplating today would add how many and how many? [06:08:01]

>> Would add two customer service representatives, well, not planning positions, and two senior planning positions.

>> Tovo: Okay. And so what I wasn't able to do because I didn't have the number of junior level reviewers, the way you calculated the total number

-- the total hours to clear the backlog was moved a bit. Let's say it's 320 and they can do

-- I guess

-- I'm not going to be able to do this on the fly here. I'm going to need to take a minute and figure it out. But the number of days didn't seem to equate to

-- if you are to

-- if you're looking at the junior level reviewers who can do a plan in about 1 1/2 hours, I thought I had seen a stat that suggested how many they were doing per week and it didn't seem to equate to the fact that they can do two plans in three hours.

>> What I could do is go back and get you

-- get you some additional information on that. The portion of this request really does not have to do as much with the review function as segregating those activities of consultation review and actually intake. And so there would actually be more time for a reviewer to actually do the reviews if that same reviewer isn't doing consultation intake at the same time as it occurs today.

>> Tovo: It's clear from the numbers if that's the case. I'm wondering if you have four reviewers who can do a review in 1 1/2 hours, if the total number of hours required to clear the backlog is say 320, that would be 80 hours worth of, you know, if each of those employees to talk about 80 hours of reviews to clear the backlog, which is two work weeks. Not eight work weeks. I understand they have the duty to take intake and there's going to be little downtime. But still, if

we have a future staff member, the future reviewer has 80 hours worth of reviews to do to clear the backlog, why

-- why is that 35 days instead of

--

[06:10:23]

>> kit be in their

-- it's part of the review, they also have to do data entry as part of that application. So I know that's one thing we're looking at the department right now to have the additional staff to lend the assistance to do the data entry as part of that review. So I'm reviewing the document, i come up with the documents, i have to incorporate that to our system to make sure that those comments get out so that it can be also a component of the that.

>> Tovo: Okay. I know that there's a resolution on thursday to look at other best practices. And I guess we had a discussion at our work session about whether it might be useful to have a consultant look at this. I guess I would say just looking at the numbers here, it would seem that there are real efficiencies to be gained if we've got about 320 hours worth of reviews, but they're going take not ten days but seven weeks. So there's a lot more to the review process than is present in this chart. I have a couple other kinds of questions, but it looks like assistant city manager edwards has a point to it.

>> Assistant city manager. Here are a number of other things that the reviewers do. They have some training, they also have staff meetings. They answer the phone, and they respond to questions by individuals who are coming in. So it's a complex formula we went through to get that. But they're not doing eight hours a for review. Probably doing about half of that is what they're doing. And we can get you the figures if you want. But that's what's include in there.

>> Thank you for that. I understand that from the discussion before that they each have, you know, the obligation to meet with customers for certain hours per day and whatnot. But again, I think the numbers that we see before us certainly point to the need for the system where the reviewers are in this backlog period focusing on the reviewing and if there are tasks that people can do for them in segregating them out. I have questions because we've gotten a lot of support for this item from members of the community. But if you asked all things being done efficiently as possible and even those for support

-- we got a thoughtful one yesterday saying I'm waiting for a permit, I have been for a long time. I support this budget item but i do support looking at whether there are some management issues that can improve efficiency or other kinds of efficiencies. So we're hearing a lot of support for this item but also questions about are things being done as efficiently as possible. I know you've got that on your mind.

[06:13:18]

>> Before you respond, I wan include in your response what other agencies, stake holders, as well as bringing in outside expertise, if you can speak to that.

>> I will.

>> Craig mentioned he has looked at efficiencies. There have been a number of changes. We get seasonal positions, that allows the reviewers to review actually on those eight hours a day. So that's a huge efficiency in itself. The city manager is referring to a couple of other things that we are doing. We have a facilitator, one in march, one in april, and the purpose to gain all of the creative ideas about what they think the process might look like and how it might improve what

we're doing. The second part of that would be prioritizing the efficiencies. The third part would be implementing them. Then after that, part of what we're going to do is have a much larger process where we have a group that helps us how to implement the processes and that would be with hopefully the larger agencies like rica and hba and chamber of commerce. So we're looking at a variety of opportunities to provide input to the process. So I think that by the time we get through, we'll see something that is somewhat different and certainly more efficient. One of the examples I can use right now that Greg mentioned is just the permitting process. If we can do on-line permitting, right now, we can do 1,000 faxes a week in terms of permits. And that's because we don't have on-line permitting. And that's just one with escrow accounts. If somebody walks in and you have 75 permits that you can get that day as one individual and you have 40 people waiting for permits, that backlog is going to be cleared out in no time at all with electronic permitting. We've been talking about efficiencies that we need as a city in terms of on-line plan review and the permitting and some smaller things that we're doing that we can talk about later.

[06:15:48]

>> I appreciate that. I just want to

-- I'm sure that this is all part of the discussion that you're having internally. In looking at some early periods it seems to me there are other spikes that we have a lot of development coming in and some very

-- some new code changes and things that we're requiring reviewers to

-- to learn

-- learn new information and apply it to work with developers and others out in the community to make sure they understood it as well. And it seems to me it would be valuable to go back to some of those periods of time and see how staff handled the backlog in those periods and whether there are any applicable strategies you might use and some of those suggested was 2006 where the McMANSION ORDINANCE TOOK EFFECT. I believe it was a high number of applications that year. Some of the times were challenging that we might be able to learn from in terms of clearing the backlog. So I guess I would also like to suggest that one

-- again, this may be something you're already working with the staff to do is making sure you move forward and get input from your stakeholders that we're taking too much input from staff about what their ideas are for this. And this is a

-- this is an awkward point, but I feel I need to raise it because I know our constituents are raising it in some of the e-mails that I've receiving. It was a very high number of people who left at once

-- six out of eight reviewers or something out of course of the year. I would just say I hope exit interviews were conducted. My idea of what some of the reasons were. Some may have left to go to private practice and others. That would be an area of exploration that I hope you and the other management are doing to see if there are things there we might learn so we don't experience that situation again in the future.

>> Again, council. I think it would aid us in our goal to finish this today if we don't get into the in depth departmental procedures and working rules and management prerogatives or whatever on each one of these items. City manager?

[06:18:01]

>> Tovo: I appreciate that, mayor. But I just say I feel like when we did make an expenditure and it's clearly warranted on the kinds of concerns we've heard from the public and the staff themselves about how overwhelmed they are and they need additional resources but I do feel that when we are hearing some concerns from the public that these are other items that they would like addressed, i feel it's my obligation to assure they're being addressed.

>> Mayor Leffingwell: I agree. There's a proper time and place for doing that.

>> Tovo: Sure, thanks. For me the proper time is for before I vote to make an expenditure on additional resources. I wanted to air those thoughts. Know that the director is working hard with his staff to figure out what the strategies are. And I'm appreciative of those and offer the additional consideration but I'm sure they crossed your mind already.

>> Councilmember, part of the reason why I work with the hr department to increase the level of positions is because frankly our competition, software company because of the reasons that's our job. Frankly we didn't offer enough money.

>> Mayor Leffingwell: The city manager wants to make a comment.

>> I want to clarify and say there's no deliberate decision on our part, on your part to eliminate positions with people and we can't control and people choose to go to other places. In the course of the period of economic decline as council well knows, we did eliminate a number of vacant positions throughout the organization and that may well have included greg's shop. But during that same period, greg, as you'll recall, we added a number of positions and i don't know whether that was 2009 and 2010. I came to you with a specific question about what your needs were and you told me. And while we didn't do everything, it did result in

-- in giving you a number of additional positions to assist with this very issue so long. Is that correct?

[06:20:18]

>> Two positions in june. And I think part of that had to do with there's a company called iso that does casualty and property insurance. It's basically to ensure that homeowner insurance policies do not go up in austin where they asked to conduct a review that many cities in texas already do look at framing, roof, and foundation. And that actually was recently added to what we do in addition to what we do for those types of governing things. We do expired permits in making sure that the homeowner is up to date and expired permits. The buildings are safe and the city's liability in the future would be reduced and that's also taking place I think it started in 2007 and 2008. So those are the things that my staff does since 2006 that have changed.

>> Tovo: Thanks for that. I want to say again I appreciate all your work. It sounds like a challenging time. I appreciate all of your staff. Because I know they're working very hard to get on top of the conversation.

>> Cole: I have one more comment.

>> Mayor Leffingwell: Mayor pro tem?

>> Cole: Greg, back in may of 2012, I was the lead sponsor along with their mayor leffingwell and chris riley in an effort to end bottleneck relief and look at best practices in that we had the basic crisis on our hands. Now the only concern now, has everybody has complimented you on coming forward with a plan is why did that take so long?

>> I think we were looking at

-- in may, we were looking at a lot of commercial issues, more of them residential at the time. One of the measures I have for turning around permits looks at the number of permits in the process in the timely manner. We've done a good job at taking care of the volume builders, those

companies that build in larger subdivisions and our measurement numbers skewed for residential. It doesn't look at the underlying person who is doing custom build or additions. The main driving number is the new construction. But I think we have come a long way for commercial

-- I had compliments and some of the projects you see that are coming in have come down much quicker as far as residential is concerned. We have

-- I've had staff go to san antonio and talk to some of the surrounding cities about what they're doing, what their processes are. To try to assist us in improving our process. And so some of the things

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[06:23:01]

>> Cole: I want to make sure you know we mean it for this time, both commercial and residential. I think you know that.

>> I understand. I heard you loud and clear the last time we met.

>> Mayor Leffingwell: He did.

>> I wanted to clarify that commercial review is totally separate from residential review and the crisis we had at the time was in commercial review. And I would say that greg did an excellent job in correcting the commercial review and now we're seeing residential coming back and that's the second part of that. That you're seeing right now.

>> Cole: We're proud of greg.

>> Morrison: I want to make sure we manage expectation with this action that I fully intend to support. Because we have four month backlog with the senior reviews. And if we do this, your estimate is that we reduce the backlog to two months, approximately, something like that. What does that mean for somebody who brings in a permit application today? If we fund this, when do we think the permit will be through processing.

>> This is not the only thing I'm doing.

>> Morrison: We understand. It's a wholistic issue.

>> There's discussion on my staff of adding additional days of overtime where it's more organized where we have some of the lead reviewers and senior get together with more junior staff and organize an event on Saturdays or in the evening where would go in and do the reviews and try to clear part of the backlog out. This portion is really important really for the long term for Austin and in processing applications because the way I'm set up right now, the one reviewer does consultation, situation, and review. By implementing this change, I can be more efficient in bringing in the applications and allowing the application to be submitted in a timely manner throughout the week rather than on certain days that the consultation is of a higher quality, hopefully resulting in a higher quality product coming in so there's less time spent by a reviewer. This helps with that portion. The other things that I'm doing with utilizing overtime for the reviews, some of the things we're working with CTM will help reduce that even more. So every other week I'm providing you an update. As I think you've seen in the last one, there's been a measured improvement even in the last time I spoke with you. I'm aware that 30 folks have gone through the process to fast track those people through, but those people that are behind that are Jane and Joe homeowner that are doing the editions themselves, those get moved up.

[06:27:35]

>> But that has a direct effect on someone who submitted, because they move up quicker because I'm already moving people off.

>> Because they moved out of the line. Okay. So

-- and then, I guess, another part of it is how quickly are they going to be able to get these new positions filled and trained, and two will be intake, so it will take minimal training. For the two senior planners, I gather you hope to connect 57600 that right now. I know when I enclosed my own back porch many years ago, which was 2006, I waited 45 minutes, and that was at a time when we weren't experiencing as much as we are now and

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[06:29:45]

>> that's because we have burn person take

-- person taking money?

>> No, we actually have several people. But the number of faxes coming in that the permit section handles, there is only a couple hundred several years ago but now we're averaging around a thousand. As requests come in, I have staff that accept things by fax that they have to process that we go through escrow accounts. I also have people showing up at my doorstep that needs to be assisted. So it's not an exaggerated. One person comes in and will make five, ten, twenty different permit requests at that same time. So my permit center is a meet with the customer. They might not be just dealing with one permit, you're out the door, they might be dealing with 20, 30, 15 permit applications at the same time they're trying to pick out.

>> Morrison: And you're saying that's when the money comes in the door?

>> That's when the money comes in the door. If I could figure out how to do that through a separate process, if they come in my door except pick up a piece of paper where they could print that at home, that would be ideal.

>> Morrison: I thought some were coming down to make a payment for something already processed.

>> That's correct. That's part of the escrow we're talking about. If they can do that all online, we wouldn't have it on the doorstep at all. All.

>> Morrison: Seems like the opportunity to dedicate someone to take funds. I appreciate you thinking about that.

>> Mayor Leffingwell: Council member Spelman.

>> Spelman: If we fund about \$200,000 through your department to hire two intake and two consultation people, you will be able to reduce your times to 57% and reduce your backlog.

>> That's correct.

>> Spelman: Will we then have the effect of moving the backlog further down in the construction cycle?

>> As I said before, there is an inspection portion to this story as well. If I get them out the door and they start construction, right now my inspections are 89% on time. So if any customer calls for an inspection today, there is an 89% chance on the residential side they will be inspected tomorrow. I try to do 95% and the reason is so I don't get false calls for inspections that comes in. Somebody says, I call in today, I'll definitely get someone in the day before, I want to do it just in time for this, so that's why, in your memo that I distributed last week, there was a reference to the inspection portion of this story.

[06:32:29]

>> Okay. And remind me because I don't know have the memo in front of me. What's your response on the inspection side of the story?

>> The inspection portion of that story

-- and let me just call it my memo

-- has to do with additional staff. There would actually be five inspectors and one manager over those inspection areas. It's a sizable more amount of money. It's about \$496,000 that would be associated because they have vehicles, computer equipment. They actually work from their vehicles, but these folks would take care of the inspections that are out in the field that occur after the permit's already issued. So they would look at mechanical, plumbing, electrical, building as well, and they may do more than one review on a particular site, depending on the complexity of the job.

>> Spelman: At what point will we need more inspectors than managers.

>> When that comes up, I would put that in my needs and that would eventually photo mark and reviewed by him and for presentation possibly.

>> Spelman: Would we be in a position to verify by the time we get into the next budget cycle

-- say june, july this year

-- that, in fact, your expectation of a need for additional inspectors is warranted and we really do need them?

>> Yes, I can provide that information to you certainly that time and probably beforehand as the backlog is reduced and more permits are going out.

>> So we've choked off the tube in the front end now because it takes a long time to get the permits. If we back o that's giving us a trickle downstream, and, so, we're able to keep up on inspections. If we back off on choking and more stuff comes through, we'll get choked off on inspections downstream, but it will be 2-4 months before we see that effect?

[06:34:34]

>> Once we start issuing the permits or the ones going through the more accelerated process, those folks will actually start construction, i assume, as soon as they get their permit. So that might be hitting me quicker than 3 or 4 months. It might be two months out you will start seeing a little increase in inspections. I already have an increase in inspections because of the work loads out.

>> Spelman: Sure, I understand that. I'll just ask you, you've documented a lot of things you and your staff have been talking about the process for permit issuance. Have similar things been happening on the inspection side?

>> Yes, on special, for instance, if you recall, we had some inspectors we've hired for that, I think on the residential side. If it starts to increase, I'll be doing temporary inspectors to add them to this as well. Right now, overall inspections, I think, are up about 27% from what they were last year. The last number they have, they were 54,000 inspections, including residential and commercial, and right now we're at about 68,400 inspections. So that's about 27% increase of work that goes out for residential and commercial.

>> That is with some artificially limited number of inspections because the permits have been slow to be issued.

>> For the residential side? I've included commercial and residential to a breakout on that level.

>> Spelman:ERE IS NO WAY OF Identifying what's likely to happen once we start issuing permits?

>> No, but I can probably give you a better idea in the biweekly report. If I see the trend, I'll let

you know.

>> Spelman: I'd like to see it, thank you.

>> Mayor Leffingwell: Those in favor of the amendment for planning and development review, staffing and the numbers that are on our sheet here say aye. Opposed say no. Passes on a vote of 7-0. So, ed, right now, I have basically three items. Forensic lab planning and development review with

-- or a vision of a one-time source down to 7.5, allocating 4 million of that for future tax relief. Is that in accord with what you've got there?

[06:37:07]

>> I don't believe this tax relief item had been voted on yet. It was voted on added to the list.

>> Mayor Leffingwell: You're correct. Okay. Then I'd like to propose that we add the \$4 million tax relief to list of approved items.

>> I second.

>> Mayor Leffingwell: Is there any objection to that? Objection is heard. So council member spelman.

>> Spelman: Mayor, the elephant in the living room or the biggest thing on this list, of course, has been affordable housing. I think maybe we could take up the \$4 million or whatever the number is for property tax relief after we've taken up affordable housing. Housing.

>> Mayor Leffingwell: The mayor pro tem, if she wants to withdraw her amendment.

>> Cole: I withdraw.

>> Mayor Leffingwell: It's with drawn. Council member tovo.

>> Tovo: I was going to yield to council member spelman if he wants to make a

--

>> Mayor Leffingwell: I withdraw it for the time being.

>> Spelman: I would like to propose we take up the issue of affordable housing. Rather than a specific number, obviously, since council member tovo has a number in mind and would like to take the ball forward, feel free.

>> Mayor Leffingwell: Council member tovo.

>> Tovo: I would like to propose we add affordable housing in the amount of \$10.8 million to our mid-year funding needs. This is, I think, very much a one-time fund. You know, so far, we've voted on several things that are actually recurring expense. So as we think about the impact on taxpayers, those recurring items will have an impact into the future. The additional staff were proposing to adding to planning and review, the additional staff to forensic lab. This, though, is contemplated as a one-time expense and I think, as such, it fits right into our goals of how we use our one-time funds in our reserve funds.

[06:39:17]

or Leffingwell: PROPOSED Amendment by council member to tovo. I'll object because, if we approve affordable housing in the amount of \$10.8 million, we just physically can't approve the \$4 million in tax relief. So I object. And I will say that, if the proposed amendment were to include funds for affordable housing in the amount of \$4.6 million, which is the number given to us last wee by betsy spencer, that would adequately fund two of the half dozen or so proposals that are on our agenda for this thursday for approval, and based on her statement that it's very, very, very unlikely that more than two of those would be proposed and the two most expensive add up to a little bit less than \$4.6 million, that would fit in with the \$4 million proposal by

mayor pro tem to

-- for property tax reduction, whereas the 10.8 would not. So I would support 4.6. Should the motion for 10.8 not pass, which I'm not really betting the farm on that, I would propose the 4.6. Well, we're not seconding, we're just proposing amendments and voting. If anybody objects, we vote. And I've already objected. Council member tovo.

>> Tovo: I would like to ask if our housing staff would walk us through again, if they're willing to, what that \$10.8 million would fund. And I appreciate your support for the 4.8 or 4.6

--

>> Mayor Leffingwell:4.6.

>> Tovo:

-- Because I think it's critical we fund our tax projects, they have potential in our community to leverage state resources and private fundraising and create lots of jobs. But our other programs that our housing department funds are critical, too, and that is how we got from 4.6 to 10.8. So if you wouldn't mind walking us through what the other components are.

[06:41:34]

>> I'll do my best. Director neighborhood housing. Mayor, you are correct. The 4.6 is the amount requested to fund the up to two tax credit projects this year. The additional funds

--

>> Mayor Leffingwell: The two most expensive, correct?

>> That's correct.

>> Mayor Leffingwell: Might not be that much.

>> Very correct. We won't know, though, till later in the year what that could be, but that is the most

-- our conservative request is because it's the most expensive. So the other additional funds historically, we have spent between 12 million and \$14 million a year for the last five to six years on affordable housing that generally splits out about 70% parenting housing activities, 30% home ownership, or acquisition and development activities, so the \$10.8 million is roughly a little over \$7 million for rental housing activities as a whole. 4.6, 4.5 million for the tax credit projects, the additional roughly \$3 million would fund other rental housing development activities that have not applied for the 9% tax credit around this year. And then the \$3 million, roughly, of the 10.8 is for homeownership or home owner activities which is the go repair program which is basically a preservation program that keeps seniors in their home for roughly \$5,000 to \$10,000 per unit, we are able to keep seniors in their home longer by doing minor repairs. We also fund other home ownership activities, acquisition of land, infrastructure expense, down payment assistance and construction assistance for home ownership activities for low income families. Does that answer your question?

>> Tovo: It does. I'm glad you highlighted some of those programs because when we think about how we spend our affordable housing dollars in the city, preservation isn't always what people have in their heads. In addition to creating new affordable housing in the community, I think it's important to do programs like the one you're designing which is to help long-time residents of the community stay in their homes at a time when property taxes are increasing and the city is becoming increasingly expensive and the \$5,000 or \$10,000 at lets them stay in their home really helps us preserve the kind of diversity in the community I think all of us are committed to. With regard to the gap financing for other rental housing opportunities, and that is estimated at \$3

million, are those in the form of loans or outright financial support?

[06:44:26]

>> They are typically structured as a loan. Many are deferred forgivable, so as long as the property continues to provide affordable housing, they don't necessarily have to pay us back right away, but there is a lean on the property, and should there be a transfer of title, then the city would get the money back. So often to provide opportunities for folks that at very low income, we offer assistance in the form of a forgivable loan, so as long as they're achieving the mission, they don't have to pay back till title transfers.

>> Tovo: And the homeownership activities you talked about, do you have a sense of how many individuals in our community are able to participate in the downpayment assistance? Or just kind of a range? Are we talking under 100 100- more than 100?

>> We provide down payment assistance through our department. Habitat for humanity has down payment assistance. Through the g.O. Bonds in the last five or six years, the overall contribution to homeownership has been about 600 units.

>> Tovo: So this is support for low-income residents who are at a point and are able financially to invest in a home. The city provides them with down payment assistance, and then the city benefits because those residents then pay property taxes.

>> Absolutely.

>> Tovo: So it's a good investment, I would say, for the city. So I would just argue all of these programs are really important and critical and very much part of the mission that, as a council, we adopt it and that earlier councils have adopted. The only other thing I wanted to talk briefly about, we've referred to it a few times. In the last budget cycle, some of the housing trust fund set up to provide affordable housing, the creation and preservation of reasonably-priced housing as described in the ordinance. The housing trust fund, a portion of that was allocated to salaries. It was proposed at 570- but i don't have the final figure on how much was moved into a salary

--

[06:46:55]

>> if I recall, council member spelman split the baby and cut that in half.

>> Tovo: So 270,000-ish is now going to salaries rather than development and creation of affordable housing. Okay. And, you know, we've had work that the staff has done in terms of looking at the housing trust fund to determine how the funding has come in, how the funding has gone into it over the years and out of it. I don't have a clear picture yet how much of the commitment

-- when the housing trust fund was set up, there is a commitment to move \$3 million per year from the general fund into the housing trust fund, \$1 million which would be kept as an endowment. But to my knowledge, that 3 million per year has not been maintained. I looked at my colleagues just to make sure I'm understanding that correctly.

>> Is that a question for me?

>> Tovo: Yeah, am i understanding that correctly? I know we have been lately talking about it as \$1 million per year commitment that the council made. But in looking at the ordinance, it actually said \$3 million of general fund revenues, \$1 million of which should be reserved as the endowment. That my memory of it. Am I correct? I know I have it in my stack. I guess the point here is the council made a exhibit to use general fund moneys for the affordable housing trust fund, the point of which was to create and preserve reasonably-priced housing here in our

community. So I think since the council

-- you know, we've not been able to do that through the budget cycle, I think it's completely appropriate that we now

-- we're looking at very significant gaps in the programs and in the need to support seniors who need to stay in their homes, the creation of affordable housing. We've got a lot of great entities in the community who are able to work on these and leverage our dollars and a great return on our investment. I'll conclude because I know others have questions, but i believe we need to fund this appropriately at the full 10.8- level as a one-time expenditure.

[06:49:16]

>> Cole: I have a question.

>> Mayor Leffingwell: Mayor pro tem.

>> Cole: You say we spend between 10 and 14 in affordable housing. From the 2006 bond, can you tell me how much we spent?

>> We have committed the entire 55 million.

>> Cole: So annually did we spend about 10 million from the bond funds we issued?

>> The straight math on that would be about 9 million. There were some years higher than others. When you add in our expend expenditures for our home funds, trust funds, that's when we get close to the 10 million to 14 million a year annually.

>> Cole: So the 10.8 we're considering spending, how much of that would ordinarily be coming from affordable housing bonds?

>> Roughly about 9 million.

>> C mayor, I know affordable housing goes to help seniors, women and children and veterans and is sorely, sorely needed, but I am extremely concerned if we approve the full amount of this funding for affordable housing after we have, regrettably, received not approval

-- that we did not receive approval from the voters that we risk a backlash, and i think the appropriate action for us to take is to go to the voters again and explain the necessity of the funds and what we actually do with them and the fact that we leverage them for this amount. So I will support the 4.6 million that you have suggested for us to be able to get the housing tax credit of potentially 30 million, but i cannot support the entire 10 million.

>> Mayor Leffingwell: And i would just point out, ed, this is really literally back of the napkin calculations, but if we were to approve the 10,800,000, that would leave us with a balance on the one-time recurring 656,000, and we still have, on this list, more than 800,000 left remaining to consider. Which, if we approved all of these, we would be well over

-- no, I'm not even counting the 557- and the 50-. We would be 1.5 million over, considering the rest of the items on there, pproximately.

[06:51:51]

>> That is correct. Assuming you also take into account the \$4 million of the property tax relief item, it's significantly over the amount

--

>> Mayor Leffingwell: Yeah, that's definitely out the window. But just the items that are on the list that

-- yeah, you're right. So it would be \$5.5 million over.

>> Just the items on the list, not including the property tax item, you would be over by 1.4 million on the recurring dollars.

>> And add 4 million to that, you're close to 5 million.
>> That's correct.
>> Spelman: Mayor.
>> Mayor Leffingwell: Council member spelman.
>> Spelman: Let me get out my scalpel and find some middle point between 4.6 and 10.8. The 4.6 comes from taking the maximum number do
-- the maximum funding we can get tax credit funding for, the list of projects seeking low-income housing tax credits, right?
>> Yes, sir.
>> Spelman: The maximum is defined by 4800 berkman and homestead apartments, the two asking for the maximum funding requests?
>> That's correct.
>> Spelman: We add them and get 4,510,000, not 4.6. So 100,000 bucks.
>> Mayor Leffingwell: Didn't want to be 10,000 short by saying 4.5.
>> I'm willing to round to the nearest hundred thousand, so we're talking 4.5 and a little bit more. Let me tell you what it is that I've actually categorized the affordable housing other than that
-- back up. 4.5 for the low income tax credits, based on they get funding. The chances the two get funding are pretty low based on the scoring on whatt likes like for all the tax credits funded from the state.
[06:53:59]

>> At this time, but they have not added in the points for the local contribution.
>> So could be pflugerville, travis county haven't pone idea up dough
-- ponied up dough. The reality check from you, the most likely case is one city of austin project gets funded. The least likely is two city of austin projects get funded and most likely no city of austin projects get funned. Is that right, from your point of view?
>> I feel very confident about one. I feel relatively confident about two. And, yes, it's always possible nothing happens.
>> Spelman: So could be reversing the 1 and 2. 1 is the most likely case. Okay. And if one gets funded, that means roughly half of the \$4.5 million will not be spent. If two are funded, some portion of the 4.5 might be spent, depending on whether the more expensive or cheaper projects. So probably some of the money might be go back into the reserve fund
-- might be \$2 million, \$4 million, \$100,000, we're just not sure where we are yet.
>> Right.
>> Spelman: Okay. I don't propose to change that \$4.51 million at all, but I do want it to be on the table that the most likely case is a couple million of that will be returned to reserves and, therefore, be available for subsequent property tax relief at some future date. Even if we cannot identify it as such right now. Of the other 7 million or so, approximately 3 million, you're talking about, for filling rental gaps and another 3 million for homeownership, and that's consistent with the way we've done things in the past, i would suggest that if we have an expectation of having \$9 million, \$10 million a year off of general obligation bonds to be spent, that that's a very reasonable thing for us to be doing. But since we have no such expectation at this point, since we did not pass a bond package and we're just trying to cobble together whatever we can, that in a current situation, it makes more sense to spend a much larger percentage of that on rental properties, which are almost always going for people who are of lower income and closer to the margin than for homeownership, and that homeownership could take a back seat for the year for

the next couple of years until we've actually cobbled together a steady stream of funding, for example, from the housing trust fund or some subsequent bond package. What would be the ramifications of dialing back

-- well, let me say one more thing. It's my understanding that the bang for the buck we get out of the home repair programs is extremely high. We get a lot of units, we have a lot of people closer to the margin who are able to stay in homes, and it's a lot cheaper to repair houses that are in disrepair than to put people in new houses. It's also my understanding the bang for the buck as opposed to putting people under new roofs is lower for other homeownership programs by and large, and the other homeownership programs are aimed at people who are 70, 80, 90% median family income. If I'm wrong about that, that's what I'm asking.

[06:57:32]

>> Habitat for humanity is an example. The primary population of folks they work with is between 30% and 40% income. A huge bang for your buck when it comes to volunteer contributions in that program and that's how they help folks at a much lower income to become homeowners.

>> Spelman: If I were interested in focusing scarce RESOURCES ON PEOPLE OF 50% MSI Or less and I did not want to spend as much as 10.8, I wanted to lose a million dollars or two out of that group, where might i find the couple million? Because I knew that money is likely to be spent on people greater than 50% median value income.

>> The majority of the folks are at 50% and below. We have core values. So you get more points when you apply to our program. If you're serving folks at 30 or 50% below.

>> Spelman: Right.

>> So across the board, the vast majority of unit we're subsidizing are for folks at very low income. I appreciate your question. I'm trying to figure out where that would be. It's what we're currently financing right now most often benefits folks that are very low income, and that subsidy that's required to be able to make it affordable for folks. My initial reaction is maybe a half million for each one, if you're looking for a million dollars, a half out of a half million

-- now we're horse trading

-- a half million out of a and d and a half million out of home rental.

[06:59:44]

>> What's the maximum amount we could reasonably spend a home repair? About 1.5 million a year historically. We have five organizations that ramped up and working effectively at that program. I certainly have the capacity to spend that much, maybe a bit more.

>> I'm happy with the 1.5 million per year. It's the right demographic and we're providing value at a very reasonable cost to the taxpayers. We also have some projects that are already in the pipeline that have a funding gap and are not able to break ground till they have more money.

Those are mostly rental programs or are those homeownership programs?

>> Mostly rental but one or two are currently homeownership.

>> How much money are involved in the rental programs which have a funding gap?

>> Rental about 2.5 million.

>> Okay.

>> Homeownership about about 1 million. That's just gap for existing projects that are already in the pipeline. That's not new applications.

>> Spelman: Okay. And what, roughly, would be the consequences of not meeting that funding

gap for the \$1 million for homeownership programs that are in the pipeline?

>> A potentially stalled project.

>> How many units are we talking about?

>> I believe that project has between 60 and 80 units, but let me see

-- hold on. I don't want to lie to you, sir.

>> I'm trying to get the most units to support the poorest people at the least cost

>> understood.

>> Mayor Leffingwell: Can i make a suggestion while we're in the midst of this horse trading process and trying to figure out, it also, coincidentally, is lunch testimony, we could take a brief, 30-minute recess and, in that time, have time to work out your numbers and we could come back.

>> Spelman: Suits me.

>> Mayor Leffingwell: All right. So get your sharp pencil out and we'll table this until after recess. Thank you. Q. We're out of recess and we've had one speaker signed up. Tom wall. Tom, if you want to come down, you have three minutes.

[07:02:18]

>> Mayor Leffingwell:

>> St of you are here. I wanted speak on the budget item for providing security for the 24-hour access to the trails. A couple things I want to point out. I mean, as representative of bike austin, I'm definitely in support of opening up the trails for 24-hour access. This pilot program will help provide information on opening up other trails for transportation access as well. What this does is it allows any individual person who is commuting late at night to make the choice whether they want be riding on the street or on the trail balancing different risks. When riding on the street there's obviously fast-moving cars and a lot of those are driving intoxicated and impaired in other ways so for some people the choice is ride on the trails which happens currently already but they do it illegally. The other thing I want to point out, I've been talking with councilmember chris riley and the police chief and we're working on finding something that can be a more affordable option. And that option is to just for the meantime allow just bicycle access for transportation during the overnight periods and we're fully in support of that with the long-term we can open it for for the future. I realize this is a considle expense to add the additional security for the trails at night, but i want to highlight that what's happening here is we're drawing out one expense just for the trails and saying, well, that's an extra expense for biking and that's an extra expense for walking. Whereas we need to know throughout our city there are a lot of other externalized costs. When I say externalized costs, we provide traffic management, we provide accident and collision scene investigation for motorvehicle traffic and all traffic at all times and that's at considerable expense to the city, e.M.S. Response and so on and so forth. If we look at those costs, which are usually in the tens of millions if not much more, then that helps to put in the context of adding a few hundred thousand dollars for the cost of monitoring the trails at night. So thank you for your time.

[07:04:44]

>> Mayor Leffingwell: Okay. We were discussing the affordable housing item, which on the table right now is proposed by councilmember tovo at \$10.8 million so we can take that item up. Councilmember spelman.

>> Spelman: I was discussing with the director of acd if there was a way of meeting our most important objectives for less money and the most important objectives are the tax credit, we meet

the tax credit obligations, that we fund shovel ready projects and fund those projects for the low-income folks.

>> Let me tell you what i did in the last 30 minutes. And one of your challenges was what -- what if we got to \$9 million. So going based on historical math, and we normally do 70% rental housing, that would put us \$6.3 million for rental housing. We've already I think agreed 4.5 million for the tax credit projects. If successful, that would garner us up to 300 units of affordable housing for very low-income folks at roughly \$15,000 per unit contribution or investment on the city's part. That leaves a balance of roughly 1.8 million for other shovel ready projects. We currently have three projects that total about 170 units that are all what I consider shovel ready. So the challenges we normally spend an average \$23,000 per unit investment. Some are much higher when we're looking at things like investing in permanent supportive housing. If we do the straight math on the 1.8, 23,000 per unit would give us about 78 units. Or if we wanted to -- if we wanted to invest in all 170 units that would be more like an investment of roughly 10.5 -- I'm sorry, 10,500 per unit. I only tell you that so it's either we invest less per unit which sometimes just stalls the project, it means none can go forward because it's not what they need, or we would make a conscious choice to invest in fewer units. But that's -- so possibly potentially we could get somewhere between 375 and 470 units out of the 6.3 million.
[07:07:15]

>> Spelman: Let me make sure I understand the math. 300 units for the -- up to 300 units for the tax credit projects.

>> Correct.

>> Spelman: That leaves 1.8 if we kept that 70/30 split.

>> Correct.

>> Spelman: And the 1.8 could go for as many as 78 units if we backed off on the -- the full shovel ready projects at full buildout. Approximately 3.6 million, together like that?

>> Yes.

>> Spelman: What's the other 3 million. 2.7 for the homeownership or activity for homeowners. My recommendation would be 1.1 million for go repair because we already invested 400,000 this calendar year. That would get us roughly 100 homes. There's administrative costs and stuff so roughly 100 families could benefit from the go repair program. But when I subtract the 1 point -- that's \$106 million. We have several projects that I consider to be shovel ready which are about 90 units. Would produce about 90 units right now. Let me go back to my straight math of 23,000 per unit. If we were going to invest roughly that in the 1.6 million that would garner maybe 70 units. Or if we invested in all 90 units then it would be a lesser contribution. So I see if I do my overall math, if we stick with our normal math, we maybe could get about 550 units out of the 9 million. Or if we invest less, which again is somewhat risky in the sense that we may get none of those projects may be able to come to fruition. We have 660 units that are either shovel ready or in the tax credit process.

>> Spelman: Right.

>> Does that answer your question, sir?

>> Spelman: Sort of. So the only stuff what you are telling me now, the only stuff that was on the pipeline for 10.8 million is shovel ready stuff. There was nothing nonshovel ready in that

\$10.8 million.

[07:09:26]

>> That is correct.

>> Spelman: Define for me shovel ready.

>> Those are projects that actually the developer has already acquired, has a site plan in process and/approved, have the majority of fanning in place and if not for the additional funds are ready to move forward.

>> Spelman: So the only thing standing between them, my understanding of shovel ready has always been the only thing standing between them and getting construction is completion of financing and we hold the key to the last dollars of financing.

>> Correct.

>> Spelman: That's where we are with \$10.8 million.

>> Yes, sir.

>> Spelman: Okay. Presuming that both tax credits, things hit.

>> Yes, sir.

>> Spelman: If we were to reduce that \$10.8 million by anything, we would be doing is cutting into shovel ready projects.

>> That is correct.

>> Spelman: Okay. Is there any other source of funding available for those shovel ready projects other than the city of austin?

>> Certainly. I mean there's other grant funds. There's other foundations and stuff. The challenge with that is timing. So federal home loan bank is another source of funds. That has an application process of twice a year, very competitive process and traditionally only subsidizes units for very low-income folks. They have certain populations. I'm not certain right now which one of these applications may or may not have already tapped that source of funds. So I mean there are other -- I mean but they are all very lengthy processes and have different time lines.

>> Spelman: Let me suggest another alternative which is some of these could wait until september because we're going to have a new fiscal year starting on october 1 and it's only a few months from now before we could make decisions about how to spend that money. So it could be when we actually have a little more money to play with in the beginning of a year, if a project which is shovel ready in theory but doesn't have a shovel ready to dig into the ground next week, the shovel ready to dig in the ground in the next 180 days or something like that, maybe the 180 day projects could wait.

[07:11:33]

>> One of the challenges, and I'm not trying to be argumentative, are carry costs.

>> Spelman: Oh, go ahead.

>> If you delay a project for any length of time typically you have some sort of financing in place, you've taken up interim financing so you are paying interest on that. So the project and cost of construction. Gasoline is prime example. Gasoline is currently going up. When gasoline goes up, the cost of every other thing on that project goes up as well. Those are just some of the factors that when we delay projects it can increase our costs. [One moment, please, for change in captioners]

[07:15:57]

>> we weren't be going with the proposal that got put on the line of using a 4 million-dollar amount in our reserve for a one time tax decrease, and I
-- i wanted to address that just briefly because as council member spelman has noted, there is an opportunity for
-- for increasing
-- moving some of this money to reserve if, in fact, the tax credit projects don't come through. I also wanted to mention that the one time funding we are looking at is calculated based on projected 3% growth rate in our sales tax, if i am right, mr. Vandino, i think you told us that last time. That's what you have in your
-- in our budget.

>> Well the \$2.2 million, inclusive of \$2.2 million, we need 1 and a half percent growth in the previous year.

>> And that is a conservative amount of money we are talking about in terms of what is happening with our sales tax this year because it actually has been showing in 11 and 13% increase so all to say that it looks like there is other opportunities

-- there is opportunities for other reserves to become available because of the high sales tax growth rate so that we are not going with this, with shovel ready projects for affordable housing which is such a critical need. It's not going to make the other option of attributing our reserve funds to a one time tax decrease if we wanted to to

-- to do that. It is not taking it off the table but it is still a possibility. I also want to mention i read an interesting article recently about

-- about the mayor of washington dc, mayor gray, who upon having a rather large unexpected surplus, was taking

-- actually 100 million-dollar investment in affordable housing and what really struck me were his comments and why he was doing that. He said he considered this the extra surplus a prosperity dividend which i thought was very, sort of compelling and touching when we think about when we do have prosperity showing, where do we want to invest that. The other comment he made that I think really is something that we need to pay attention to, and he said we are at risk of becoming not a city is that's the haves and have nots but the city of only the haves and that would be because only the have nots, not that everybody was lifted up to be a have, but then all of the have nots have to move out of the city and so I think it's very important that we continue with a, you know, mr., Many years policy, well beyond earlier when we did a bond of investing in affordable housing and that's why I am supportive o large amount of money going to affordable housing and I do want to suggest that I think the numbers that were put forward before were that if we are looking at the one time column and we look at everything except for the property tax relief, if we were to do a 10.8 million, we would be about \$800,000 short. And so what I wanted to suggest to the motion maker is to consider the possibility of reducing that 10.8 to just 10 and that would give us, then, the option of considering all of the other ite on the list. So those are my comments.

[07:19:40]

>> Mayor leffingwell: If i understand that math right, you said down to 10

-- 10 million even and 800,000

-- say that again.

>> Morrison: I believe that if it were a motion for only 10 million, there would be 800

-- about \$800,000 left, which is about what the rest of the items on the one-time list are.

>> Mayor leffingwell: For some reason, I have 656,000. That's
-- that's with
-- that's with 10,000,008, if that were to pass we would have 656,000, so I must have a mistake somewhere in my calculations because it is not adding up to me. We will get a recap from mr. Vannino.

>> Sure, if I understand it correctly, if we were to remove the consideration of \$4 million of property tax relief and lower the \$10.8 million for affordable housing down to \$10 million, and then if we were to assume everything else on the list were to pass, you would be about \$13,000 short in that one-time funding, so you would basically be there if we to not do the property tax relief and if we were to lower the affordable housing to \$10 million, there is enough one-time money to do everything else on the list, short 13,000.

>> Morrison: Thank you. That was my point and i think that gives us an opportunity to discuss all the others.

>> Mayor leffingwell: Assuming that

-- and i think

-- what I understood you to say was you believe that the estimate is too conservative. Be that as it may, it is what we have on the table right now, so if we were to pass this 10 million or 10.8 million, in either case, we would not be able to set aside \$4 million for tax relief as the item was proposed. We could not pass that item right now.

[07:21:44]

>> That's correct.

>> Mayor leffingwell: So i understand that we think it might get better, but then if it doesn't, then we have basically an unfunded mandate

-- an unfunded item from council if we were to pass that.

>> Morrison: I guess I don't understand why that becomes unfunded mandate from council. It's just something on the table to consider

--

>> mayor leffingwell: Right. You have to forego that and say, but we think it will really come in through additional revenues and then we will

-- then we will do the tax relief.

>> Morrison: That's

-- i don't believe that that's what I am saying at all. I am saying if it comes in, we could then consider it. It's not

--

>> mayor leffingwell: Right. It would not be a part of this discussion.

>> Morrison: It would not be a part of this discussion and frankly I have a discomfort in using one-time funds for tax

-- tax property

-- setting tax property rates when you know you are going to have to undo it. It would rather look at other ways through our budget so we have sustainable tax relief.

>> Mayor leffingwell: Mayor pro tem.

>> Cole: Yes, mayor, I would like to make a substitute motion

-- a couple of substitute motions.

>> Mayor leffingwell: First of all, we have to deal with this amendment, this amendment that's on the table right now unless council member tovo wants to change her number.

>> Tovo: I would like to revise it a little bit. I think in light of the discussion we've had, i think it makes sense to lower it to ament amount to allow us to at least consider the other items on the one-time fund so I will revise my motion to be \$10 million and by council member morrison and mr. Vannino's calculations, that would allow us to support every other item on this list under one time funds and still be, you know, about at the right level. And, you know, I will just emphasize that I really support the efforts to provide property tax relief and I think that that is a very good measure that we need to consider in the budget and I would suggest that the way we do that as we start to begin our budget discussions we make it very clear to staff that we want to see the least amount of increase as possible, or no increase, if that's possible. But that's probably going to mean some pretty substantial cuts that are going to be difficult

-- some difficult discussions but I think that is the way to do it, through our budget, so as council member morrison says we have something sustainable over the next couple of years, rather than trying to use one time funds to provide tax relief at a low level for just one year. I would also note, as i believe the mayor noted at our work session, you know, several of the items on our list are recurring costs. Several of them that we passed today already are recurring costs and those are the ones we really need to be concerned about as we look at the impact of property taxes and we had planning development and review that I supported and apd friends and staffing, those are the things that are going to have an impact in the future so I think we do need to be concerned about the recurring costs and the impact on next year's budget, but, again, i think this is a very important one-time expenditure to close

-- to really continue the city's long commitment to creating and preserving reasonably priced housing.

[07:25:20]

>> Mayor leffingwell: And so you revise your proposal to 10 million.

>> Tovo: To 10.

>> Mayor leffingwell: I would vote four of those remaining items have very significant annualized numbers attached to them. I just want to say one

-- i understand the desire to spend all the money that we have now and hope for the best and get a tax relief in the budget for next year. I really think there has to be some kind of

-- some kind of padding in there to take care of things that we

-- we know may be on the horizon. We don't know for sure they are going to be on the horizon.

We don't know what is going to happen in next year's budget for sure with the pending rate case before the public utility commission, how that will affect the transfer, how that would affect the money that austin energy sends into other departments. Right now, that money might have to be made up somewhere else. I

-- I believe that it's a good idea to go into this next budget session with some extra money to be able to take care of those contingencies so we don't wind up having to cut parks, libraries, that kind of thing dramatically just to stay within the pivotal limits on property tax. So I won't support the motion. All those in favor, say "aye." Opposed say no. No. That passes on a vote of 4-3, with myself, council member spelman and mayor pro tem voting no. I am assuming you voted yes. All right. So 10 million is approved for affordable housing. Other amendments? Other amendments, proposed amendments?

[07:27:25]

>> Cole: Mayor mayor pro tem.

>> Cole: I would like to propose that we add the african-american cultural district to the items. I believe it was left off during air discussion.

>> Mayor leffingwell: It is on

-- african-american cultural heritage district is on the original sheet. It's 0 one time impact, 80,000 recurring and 237,000 annualized. Okay. So that's a proposal r. Council member riley.

>> Riley: Mayor pro tem, i understood in discussions with representatives of the district that -- that they could actually get by with 50,000 in one time expenses for this year and then they would

--

>> Cole: I believe that is correct and I believe the 80,000 was for next year.

>> Riley: Right.

>> Mayor leffingwell: Do i have the wrong page? I am looking at 0 for this year.

>> Riley: Actually is chief mcdonald around? It would help to get some context for this request. The context briefly is that this

-- that efforts towards this district have been underway for a very long time. It originated in recommendations from the african-american quality of life initiative. There have been a number of steps taken ever since then to move towards the establishment of this district. People have been working hard at it for a very long time and everything is in place right now to keep the momentum going and to get the district established and they would be able to get it up and running for, what really is a modest amount of \$50,000 this year. I think there is still some additional work to figure out a long-term vision to sustain the funding for this project over time. But I think in light of all of the efforts that have gone into getting us to this point, I think it makes sense to go ahead and put forth that \$50,000 to get the district established.

[07:29:37]

>> Cole: I will second that, mayor.

>> Mayor leffingwell: Well, you are the proposer, so you've got to agree to amend your own proposal to add \$50,000 to the one-time cost for that.

>> Cole: I will do that.

>> Mayor leffingwell: Is that what you want to do?

>> Cole: Yes.

>> Mayor leffingwell: Okay. So now it's one-time, \$80,000 reoccurring, 237,000 annualized. That's the proposal.

>> Spelman: I misunderstood. I thought it was to reduce that 80 to 50 and not to include -- increase that 0 at all.

>> Mayor leffingwell: I thought it was -- is that correct?

>> Spelman: There would be \$50,000 but no onee only costs and annualized costs which we would pay in next year's budget which would be higher, so the 80 would go down to 50. That was your proposal, wasn't it?

>> Riley: The suggestion i was making, if I may, that we

-- we allocate \$50,000 for this year and then we do some additional work to figure out a long-term funding strain, and now that chief mcdonald is here, i would like to get some additional context. We were discussing the efforts that led us to the point of being ready to move forward with the establishment of the african-american cultural heritage district. The ruest, as I

understand it, from representatives of the district, this was that we
-- we provide \$50,000 in funding this year and that they would
-- they were pursuing other sources to fill the gap to get it up and running, and then we would have some continued conversation to figure out a workable, long-term funding stream. Is there anything else you can add to that?

>> That's correct, michael mcdonald, deputy city manager. Yes, that's correct. This goes back to the african-american quality of life initiative that was started back in 2005. One of the items in that initiative was the creation of an african-american heritage district, and council took some action back in, I believe, it was 2006, 2007, where you established the boundaries for the district and just referly, it's i-35 to the west. It goes down 11 street and surrounds houston till lit son and works its way

-- tillotson and then back to north boulevard and then the main road and then to i-35 and then that was the district established by council and then a group of community leaders headed by lisa byrd went to the state and got state designation as being the african-american heritage district, one of the few designations that have occurred like that in the state, and so a lot of volunteer time went into the effort. The university of texas has been one of the partners as well, where they have stepped forward and provided space and some in kind contribution over the last couple of years to help this group move forward in working with the district from the city's point of view, we sponsored a couple of trips for them to go and look at similar heritage districts to see what went into the best practices that took place there. Since then, they culminated a lot of information. What they have come forward is a plan over a two-year period to try to establish a district and try to even get it to self-sufficiency if they can and so if that request, what they are requesting from our end is i think 50,000. In this budget, they are looking still to u.T., To the chamber and several other sources to try to get additional moneys to help with in component and then moving forward into the next year, their request is for the city to somehow help somewhere in the neighborhood of 200,000, i believe, in our meeting, you know, in future

-- in the next budget year, but i think some of that, we are still working through can be in kind.
[07:33:47]

>> Okay.

>> Mayor leffingwell: Can somebody tell me what goes in these three columns for this item? What numbers go in there, as it stand right now? Or maybe mayor pro tem should tell me, since

--

>> Cole: I make a motion that \$50,000 goes in the first column of this year and then a recurring expense of 830,000.

>> Mayor leffingwell: And annualized, zero?

>> Cole: The first column is 50,000

-- it is a zero. I can't speak.

-- I can't see it. The first column is zero of 50. Yes.

>> Mayor leffingwell: 50,000, 80,000 in the second column.

>> Spelman: Zero, 50, a player to be named later.

>> Cole: Yes and to be named later. I think the number we currently have is 237,000.

>> Mayor leffingwell: Okay. Council member morrison.

>> Morrison: So my question is

-- I am fully supportive of this item. The question for me is the 237 we have in the out years, did I hear you, chief, say that some the

-- that our contribution would be

-- some of it would be in kind. Does that get folded into this 237?

>> What we are reviewing right now because that budget

-- that portion was recently delivered in a meeting with mayor pro tem and council member riley and one of the discussions we had was taking a look at that because it appeared of that 200,000 because some of the portions of that, they are still looking to get contributions in other places so our conversation was centered on about 200 and we were looking at that and saying some of that in the outer years in the next year, we could maybe do in kind but we still maybe needed to do additional staff work to determine what that would be and we figured we would have time to do that.

>> Morrison: I guess my only comment is since that last column is going to get really tight, my suggestion is if there is a way to include a smaller number, there would be a way to include the smaller number but I didn't include in the conversations so I don't know if that is practical or not.
[07:36:02]

>> Cole: As a practical manner, I would say they have asked for that amount worth over \$200,000 worth of funding for the out years so I would leave that there.

>> My question for mr. Vannino, when you go and prepare the budget

-- and that's coming up very shortly, your briefing for if next fiscal year, what number would you put in for this item.

>> Well, I believe nor the 2014 budget, it would be \$237,000, from what I am hearing. The conversation I had with anthony snipes, it was at the

-- the \$50,000 we are talking about right now i think would help the district in regards to some of their one time needs with remarking, signage, things

-- marketing, signage, things of that nature. 237,000 may include ongoing commitments and it would be included as the 2014 budget but we are talking amending the budget with \$13,000 would be a one time commitment with regard to usual marketing, signage, things like that. If it there is staffing involved it gets up to \$237 and other ongoing commitments in the future, that would be part of the '14 budget, so for purposes of today's action, the first column would be \$50,000. The recurring costs in '13 would be zero. You put zero there, but there is just an understanding here from staff that council would like us to pursue ongoing resources to support the district as part of the

--

>> mayor leffingwell: So that's really important. What column that 50,000 goes into? Because that's the column we are working with and trying to work air way down and to fit everything into \$11.5 million. Granted it is only \$50,000, but it is the column it goes into.

>> It goes into fy '13 one-time column.

>> Mayor leffingwell: So it counts against the number we are working against?

>> Yes, it does.

>> Mayor leffingwell: So that's the motion on the table. African-american cultural heritage district with a one-time of 50,000, recurring of 0 and annualizes, from what i understand what you said right now, 237,000. All those in favor, say "aye." Opposed say no. No. That passes on a vote of 6-1, with myself voting no. Next. Council member tovo.

[07:38:37]

>> Tovo: I have a question about the arc of the capital area. I would like to better understand that on our list.

>> Mayor leffingwell: Do we have staff to answer the arc of the capital area?

>> That would be parks.

>> Tovo: It could be parks, parks, health and human services.

>> Mayor leffingwell: I guess we have nobody here right now.

>> Tovo: I am happy to go on down to another one if somebody wants to suggest something else.

>> Mayor leffingwell: We can come back to it. Council member martinez.

>> Martinez: Well, I am going to try to take a stab at some wild fire fuel mitigation funding but i need a better understanding, since we just took an additional 50 out of one-time expenditures, i wanted to ask chief kerr, we have a one-timeline item of 383,000 and that is what i believe is for fuel mitigation, and that's why it can be used as one time. If we were to reduce that by 50,000 to 300

-- what would that be, 33,000, would that get you to the remainder of this year's fuel mitigations, you know, as close as possible? Could you work with that?

>> Yes, sir. Any reduction means just less to be able to do.

>> Martinez: Right.

>> But

-- and always and absolutely since our interface problem is going to continue and the a little bit of rain we have had lately hasn't reduced our risk that much and anything we can take and put towards fuel mitigation is absolutely acceptable.

>> Martinez: Thanks, chief, the 3,383,000, how did you arrive at that number, and is that what you believe you can do or are capable of doing that the next year? How do you plan for that and how do you come up with the eyeing your that is here?

[07:40:51]

>> Okay. All right. So I was

-- sorry

-- when you started the questioning, I was concerned about chief mcdonald and I didn't focus on it right away. But the one-time capital is

-- it is fuel mitigation but it's also vehicles, radios, mobile data computers, equipment, and storage. So all of that stuff that we are going to be buying, that people are going to need to do what we call technical fuel mitigation has to have a place to be stored. We have to buy the equipment to do it so if we reduce that amount with 50,000, we will just do a little bit less.

>> Martinez: Okay, so let me ask a little bit further. In the current memo we received yesterday from staff and I hesitate to ask these questions because the guys on the promotions list are going to be upset. You have two fire cap tapes and two lieutenants in the proposal.

>> That's correct.

>> Martinez: Is it possible to get the division up and running with, let's say, one captain and one lieutenant and does the vehicle purchases apply to these four proposed ftes, the two captains and the two lts?

>> I am going to have to look over my shoulder.

>> Martinez: Yes, thanks.

>> To clarify the answer to the question. The answer is correct because the vehicles are four the four individuals and I apologize chief minardes is not here today but he is in corpus christie

teaching a class at the texas fire chiefs association annual conference on wild fire mitigation, so I apologize he is not here but that does do that in that I know his idea of the 2 captains and the two lieutenants was that there would be two programs. One of them is technical fuel mitigation and the other is community outreach and doing some of the self-awareness and self-assessment so you sort of separate those two and i think that the preference would be is that we probably would do either two captains, you know, and eliminate the lieutenants positions until next fiscal year. That way, we can still create the two programs and somebody to run the two programs.
[07:43:25]

>> Martinez: That would make sense. And so if we did that, we would reduce
-- on your recurring line item, 2 million recurring and 3.7 annualized, if we reduced the two new lieutenants, how much would we reduce the two line items and how much would we reduce the line item expenditure for vehicles?

>> That question I would have to refer to our finance expert.

>> Dr. Paulson, are you understanding my flow of questioning here?

>> Assistant director at the fire department. I hope so, if we reduce the two lieutenants that is roughly \$90,000 out of the personnel costs. And if we reduce the vehicles

-- let's say we reduce two of those vehicles

-- I don't have it all added but sort of eyeballing it, it looks like about \$75,000 per vehicle, 70, 75,000

-- because it has light bars and all the other things with it, so that times the two positions, also.

>> Martinez: So is the two positions, 93,000 each, correct?

>> For six months

-- for six months, it's only \$46,000 for a lieutenant. So that was doubled for the two positions.

>> Martinez: Right. So on an annualized basis, it is 92,000 per lieutenant?

>> Yes.

>> Martinez: Okay. So mr. Vannino, what is our rolling total for annualized structural funding moving forward after the items we have already adopted?

>> You would have a deficit of \$1,345,375.

>> Martinez: We would or we do?

>> We do. Based on where we stand right now. We started off with a significant gap on the affordable

-- on the recurring dollars. We had

--

[07:45:38]

>> Martinez: And so you would

-- so if this were adopted by council, your, i guess directive would be to try to fund that in the 2014 budget on an annualized basis, but, again, that would be ultimately up to council's decision when we adopt the next budget?

>> Yes. If these get approved, we would have to include them in the 2014 budget. You know, what we were trying to accomplish was keep council within recurring funds we would be able to commit to this day, which is \$2.2 million. I believe the totality of all of those recurring needs with the change we just made with the african-american heritage district is \$3,276,000 so there is a gap there with the two biggest items being the wild fire fuel mitigation and the hike and bike trails, are the two most significant recurring costs that are

-- that are

-- we are kind of weighing against the 2.2 million of recurring funding that we have identified.

>> Morrison: I would just like to ask a question to get clarification.

>> Mayor Leffingwell: Council member Morrison.

>> Morrison: For the recurring column, let's go all the way to the end. We are starting with 0s on everything and we've added in the PDR reconducting of 299, forensic recurring of 278, cultural heritage district of 237 and that's all. Right.

>> Mayor Leffingwell: That's annualized, not recurring.

>> Morrison: The annualized recurring, so we have totaled 814 so far? 895

-- you are right.

>> Morrison: It is 814 and we have 1.7 million that is our source so we actually have 886 left, and what you were talking about, Ed, I think you were talking about, let's assume everything is approved and see how much of a deficit we still have, but we decide to start with the zero base. Is that correct, based on what we approved so far, we actually have 886 in that last column

-- the last?

[07:47:56]

>> Okay, yeah, you are looking at the annualized column. I think the column we need to be having a focus on for purposes of amending the fiscal year 2013 budget is the one-time column and the recurring column. So in terms of the recurring costs, that we are committing to, you know, it's

-- it's actually ,336, that's the APD forensic lab, planning and development, the African-American cultural heritage, and that's the amendment that's going to happen right now in '13. The stuff that's going to happen in '14 will happen as part of the '14 budget so we are tracking the recurring column relative to that 2.2 million. The annualized amount is really just there for council's understanding that as we move forward in the '14 budget, those annualized costs are what we are going to have to include in the budget but the column that comes under FY '13 recurring, that is the amendment we need today to do these items.

>> Morrison: Right. And we have 1.9 million source of funds for our recurring for FY '13.

>> Following action you took on A1, yes.

>> Morrison: And we have so far in recurring, putting aside wild fire mitigation, we have approved two things, right?

>> Yes, planning and development review staffing and APD forensic laboratory staffing for a total recurring cost of 325,336.

>> So we still have room for 1.575 million

-- 1 and a half million recurring left?

>> That's correct.

>> Morrison: Okay. So that's my understanding, we have 1.5 million left recurring for that.

>> Right.

>> Martinez: So Ed

-- and Chief, I apologize. Obviously we are trying to do the best we can here. Let me just ask your professional opinion. If we were to move forward with a one-time funding that is reduced by some amount for vehicle savings and if we were to only add two fire captains, is that going to be enough for you to get the program really ramped up and running?

[07:50:16]

>> Well, let me just

-- I am not quite sure I

--

>> Martinez: I KNOW, IT IS A Hard question.

>> I am totally clear. Are you, out of the proposed personnel, are you also eliminating the civilian burn boss, or just talking about moving the two lieutenants and their vehicles out, leaving everything else in place?

>> Martinez: Yes.

>> Then, yes, we can.

>> Martinez: That's what I would like to propose. I don't know the exact numbers, ed, as they would fall. I presume it is the 383 minus about 150 for two vehicles.

>> And ronnel is working over here on her calculator. We didn't have a lunchtime.

>> Martinez: Thank you. If we pull the two lts out, what would be.

>> The one time savings with personnel and protective equipment would be roughly 143,200 so it drops if 383 down to 239-eight.

>> And then on the recurring of 938,000.

>> Because that's a six month salary, we need to double it, it looks like it takes it from 487381 down to 301,291. That one I am not as confident about, but in that area roughly.

>> Martinez: Well, I am lost, because

-- oh, I see what you are saying.

>> These the phase two personnel. We still have to consider the recurring cost for phase one personnel that were funded in our '13 budget.

>> Martinez: That's where you got up to 938 in your recurring cost is you are adding in all of the phase one personnel as well for the remainder of this year and the phase two.

>> And part of 173 in operating costs is important because in phase one we didn't have ongoing operating costs.

>> Martinez: I understand. So what was that number again, sorry, dr. Paulson, if I take two lps out, it would be 289-eight for one time expenditures.

[07:52:24]

>> No, 239-8. 239-

>> mayor leffingwell: Let's call that 240, even thousands on everything else.

>> Okay, so from 383,000 down to that and then on phase two personnel, 487,381 it looks like down from 301,291.

>> Mayor leffingwell: 301.

>> Yes, rounding.

>> Martinez: That is 187,000-dollar reduction. 487 down to 301, about 187?

>> Yes, 187. Sorry. Does that take the recurring to 151,000, ed?

>> Is there still funds in there for the fuel mitigation. You are talking about reducing the costs for the staffing. What is your number?

>> Yes, sir, we still would have to have the funds in there for the fuel mitigation.

>> Martinez: So my motion would be that we would add \$240,000 in one-time fuel mitigation and equipment purchases and then the recurring commitment would be reduced from current number of 938 to 751.

>> Mayor leffingwell: 301. Column 2 is 301?

>> Martinez: No.

>> Mayor leffingwell: What is it?

>> Martinez: 751 based on dr. Paulson's rough estimates. The 301 number, mayor, is phase two of the personnel. You still have to add in phase one and still have to add in operating.

>> Mayor leffingwell: I am interested in what goes in three columns. What goes in the annualized column.

>> The annualized column would be the recurring personnel costs, including the ones that we've already have in phase one plus the additional two captains and a burn boss. Then it would also include the one-time

--

[07:54:37]

>> mayor leffingwell: Just give me the numbers. One time costs, recurring costs in fy '13 and the annualized costs for the outyears. Because we changed, as i understand it, the first column -- I am not even going to give the names. Column number 1, 240,000, column 2, 751,000. What is in column three?

>> I don't know

-- I am sorry, I am

--

>> Spelman: Is there a reason it should have changed? We are hiring the two lieutenants next year, aren't we?

>> No, two captains, as opposed to the two lieutenants.

>> Spelman: Two captains now but two lieutenants next year, but we will have that for 2014.

>> We will ask for that next year, yes.

>> Martinez: 1.2 million.

>> Mayor leffingwell: So 24751 and 1.2 million.

>> Martinez: That's my motion, mayor.

>> Mayor leffingwell: Proposal by council member martinez. Is there any objection to that? Objection by council member spelman.

>> Spelman: I am not sure objection is a proper term. Discussion?

>> Spelman: Do

-- and I will ask this question because i am not sure we have the answer here. We have personnel. Assistant director, administration spermist and environmental specialist senior, that's phase one.

>> That's correct.

>> Spelman: Fuel mitigation fund and one time capital purchases, all of that, it adds to 591.

>> That is also correct.

>> Spelman: And none of that is

-- 37,000 of that is one-time purchases. And the rest of it, less the 30,000 for office setup, the assistant director's vehicle, 591 minus 37 is recurring expenses, not one-time expenses?

[07:56:37]

>> The 591,528 there is the one

-- are the expenses that we have already expended in

-- for phase one.

>> Spelman: Okay. So this whole phase one, that's already expended. It is under a bridge?

>> That's correct.

>> Spelman: Never mind. So the only thing we are dealing with, then, is the back page. I want to be sure i understand this because i got a different number than council member martinez did and I want to be sure we are all together here. What I did was I added up the first amount of cost for phase two, the original. We have changed that but i wanted to make sure where we are.

>> I would say as they were originally stated on the original intent.

>> Spelman: Original intent.

>> For phase two. 251 was two captains, two lieutenants and the environmental program coordinator.

>> Civilian burn

-- yes. Yes.

>> Spelman: You call them burn boss, you have a better name for it.

>> That's right, not a right name for it.

>> Spelman: I am trying not to use the colloquial name for it. And that's for six months.

>> Six months, correct.

>> And then we have 469-7 including one time only costs and then uniform, services, operating costs, other stuff, 383 one time only and then 80,000 and change, 86,000 or so is other expenses. And then \$600,000 would be fuel mitigation.

>> That's correct.

>> Spelman: What we have just done here is taken a reduction in one-time capital purchases because we aren't hiring the two lieutenants now.

>> That's correct.

>> We are taking out the 93,000 because that's what two lieutenants would be paid the next six months if we were to promote people into those positions. They aren't going to be in this position.

>> That's correct.

>> Losing 93 and keeping the fuel mitigation fund in its current state?

[07:58:39]

>> Yes.

>> Okay. And the next question is what happened to the fuel mitigation fund and that's what I wanted to get down to is we are still keeping \$600,000 for fuel mitigation in this budget?

>> Yes, sir.

>> Spelman: Got you.

>> Mayor leffingwell: Council member martinez, i have been asked by staff with all of the discussion about numbers, they want to take a few minutes and sit down and make se everybody is on the same marriage and that all of these numbers are actually

-- if it is all right with you, we would like to table this one for right now and come back to it in 10-15 minutes.

>> Martinez: Absolutely. Thank you.

>> Cole: Mayor.

>> Mayor leffingwell: Mayor pro tem.

>> Cole: I believe we still need to add the november elections requirements that are going to

--

>> mayor leffingwell: No.

>> Cole: We don't? It is already included?

>> Mayor leffingwell: The

-- we approved three items in an ordinance first thing.

>> Cole: Oh.

>> Mayor leffingwell: A1, item a1, the listing is on there. We approved the funds for the redistricting. We approved the funds for the

--

>> Cole: But

--

>> mayor leffingwell: And approved the funds for the cemetery. They are not a part of this discussion. So the floor is open for, i believe some parks people are here now. Somebody brought that up. Council member tovo, did you want to

-- this has to do with the arc?

>> Tovo: Yes, I would just like to get some context for this budget request, please.

>> Sarah hensley, director of parks and recreation.

>> Tovo: I am trying to get context for this. I am not sure I understand what the 250,000 would fund?

>> As it relates to

-- this is a building that is right next to the annex building that is on lamar

-- further up lamar that we have currently. There is a parks and recreation building that, at one point, was operated and maintained by easter seals, I believe. We retrofitted the building and now have some of our staff in the building. The building behind us is on dedicated park land and it is on a building that has been used by the arc of capital texas for a long, long time, and they are nearing the end of their agreement but they have a few more years left. They have an opportunity to move to another location they they feel is a better location for them, knowing where they are is becoming smaller and smaller and parking is becoming a bigger issue and they wanted the city to somehow work with them in a way to see if there was some funding that could be allocated for them to take with them to their new building as they would be getting out of their lease with us, the city, early andhe 250,000 is the amount of funding that they believe they need to be able to make a transition to another building.

[08:01:32]

>> Tovo: So would that funding go to help th get

-- help them with the moving expenses as well as the deposit? I am not clear on what we would be doing

--

>> I don't know exactly how they use it but this is sort of what I believe, understand as mother of start-up money for them in a new building they have already tried to secure, for them to move into and the benefit to us, quite frankly, is, one, they are getting out of their lease agreement with the city early and, two, we believe there are other uses for this building for city staff that would benefit city staff instead of using currently being placed in another building, possibly rental or in buildings that may not be up to par as far as conditional assessments are concerned.

>> Tovo: So in having that space available to park staff or other city staff, the city would not incur costs of leasing and other space, so we could break even or

-- anyway, maybe ms. Mcneilly has something.

>> I think the promise there is if there are other city staff or currently other parks and recreation staff in other buildings or places not desirable or or paying rent, frankly, there is a tradeoff there so they don't have to pay rent.

>> Kimberly, assistant director to the parks and recreation.

>> The benefit is not just to the parks and recreation department but it is a city wide process. There is a committee that is comprised of representative from building services from our law department and our budget office. What they have done is they put together an application process, for lack of a better term, where all city departments can talk about the needs that they have for space

-- excuse me. Sorry. Needs that they have for space and that if there are available buildings

-- not necessarily just owned by park but by any city department that could help meet those needs, then the overall benefit to the residents or the citizens of austin is that those departments would not have to pay present but could then occupy space that's already owned and operated by a city entity. In this particular case, it is a parks and recreation building. We would want or desire to have some parks and recreation uses but we wouldn't necessarily have to use the whole

-- sorry. Sorry about that. The whole building and so that process, that application process is occurring right now to identify who could best utilize that space and to answer the first question, i believe the \$250 as it has been

-- sorry. Thank you. Thank you. The \$250

--

[08:04:26]

>> kimberly is not dead.

>> Thank you.

>> Is the seed money, which is how it was described and the seed money is to help them get started somewhere else but the actual use of the money has not been described in any more detail than seed money.

>> Tovo: Okay. Thanks. Presumably some might be moving expenses as well as

-- mr. Lambreras do you have anything.

>> Yes, assistant city manager. I did want to cover some soft points in the previous backup and it was information that council may not recall because we have provided you a couple of applications on it. This lease is a long-term lease we have had where the arc has paid the city one dollar a year. They were not required to pay us anything other than that. It specifically does not have a buy-out provision in the contract and I think what law had indicated is that certainly it's an optional thing if council wants to consider to create that, but that's somewhat after the fact. The other thing that we had indicate said that the council has the option and something that is totally your prerogative because we were asked to look at funding options, what are some other funding options, is if you wanted to do something in terms of like a social service contract, where you are, in fact, getting some sort of public benefit, because, at the end of the day there is no buyout provision and there is no way

-- no buy-out provision but a way to create dollars but an avenue could be through a social service contract and the other problem with the buy-out provision is it is not something standard we put in our contracts because, in fact, the benefit for the organization utilizing our city facilities with no lease is, you know, it cuts our expenses and they are obviously not having to pay that but, in this case, we did try to make an attempt to try to see how we could utilize this building and there is a use for it but because we are in the stage of looking at overall

-- all of our facilities being mindful of where we've got a lot of pieces that are moving and who best can fit there, we really don't have a solid, concrete answer, in terms of any true cost of savings and especially in light of the fact that we don't have an actual buy-out provision. So I

wanted you to be aware of those issues as well.

[08:06:51]

>> Tovo: Thanks. How much longer

-- I don't remember from the memo we received. How much longer remains on the lease?

>> I think it is a couple of years. Fifteen, a couple of years more.

>> Tovo: Okay. Thank you.

>> Mayor.

>> Mayor leffingwell: Council member tovo, are you finished?

>> Tovo: Uh-huh.

>> Mayor leffingwell: Council member morrison.

>> Morrison: I wanted to thank staff for working on this and remind folks that council member riley and i sponsored a resolution asking staff to look into what options we might have because they were doing, you know, the response arc

-- the arc was doing I think the responsible thing in terms of trying to find a new space for themselves at the end

-- with the end of their 50-year lease coming year, which is pretty amazing that they had a 50-year lease, that they provide such an important

-- they play such an important role in this community, and so, you know, there were

-- it was a matter of, you know, looking at

-- the number 250,000 got tossed out there early on in the conversation and once we got the staff port on the

-- you know, on the options that we had, and especially looking at knowing their needs and the costs of moving into their own space, which i understand they are purchasing, so they will have, you know, a permanent space, this was the

-- the idea was, well, we do have the option of doing social service contract with them, which I am very supportive of and want to put that motion on the table.

>> Mayor leffingwell: Proposed amendment by council member morrison to add in the arc of texas with column one 250,000, column 2, 0, and column 3, 0. So any discussion on that?

>> Spelman: Yes, mayor.

>> Mayor leffingwell: Council member spelman.

>> Spelman: Is there a shelf like on this proposal? Is the arc going to say we were only joking. We want to stay here for a dollar a year for the next three years?

[08:08:54]

>> I don't think so. I think

-- as council member morrison put it, I think they really want to get out and get their own building and are really working hard to get that.

>> Spelman: We can move them out the door a little bit quicker but we also

-- that's a good thing, i understand but we don't have a clear idea how we will use the space ourselves, what money, if any, we are going to be saving, what departments we will be moving in. It seems like it is not cooked yet.

>> That part is not cooked yet. I will say and kimberly put it eloquently that there is a process conducted through the facilities area, greg canali has been doing it in looking at all of the issues dealing with space. Any department that needs space or currently renting space

-- and there are departments renting of space, so economies of scale, there are issues with that

where we do have opportunities. I will say, because I am here, we -- we have an issue as well and are overpacked where we are. So there is opportunity of sharing for space, among other things. But at the end of the day, no, it is not cooked.

>> Spelman: How long would it take before it's cooked

-- by cooked, I mean, who is going to be moving into that space and they are actually ready to move in?

>> I think greg canali is willing to work with us to identify the priority because you are talking about a space that will house probably 30 people, max. Thirty, 32, so you aren't going to be able to move a whole didn't in there but we are looking at

-- again, employs of scale and perhaps an example may be a group that has capital planning unit and we have a capital planning unit that we could work together and save on equipment and things and those kinds of items but we haven't been able to go through that because we wanted that process to take its

-- do its thing and really look at what needs% what, see what the cost of the rental spaces are costing us and then look at what is the best scenario to bring forth to the city manager's office.

>> Spelman: How many square feet are we talking about? 9,800. About 9,800 square fee [08:10:55]

>> Spelman: Thirty people max, that's really max.

>> And a kitchen area for a break room but that's included in the 9,000 square feet.

>> Spelman: You hope they are short people. That's not too much space.

>> I will be honest, there is limited parking, which i understand because we don't want a lot of parking around it but we have been a good partner with them and shared.

>> Spelman: There is very little parking in the 2800 block of san gabriel, i would imagine. Okay, it seems to me I am going to be opposing this, not because I am opposed to the idea at all. It is not cooked and a few months when it is and we can take it up in our regular budget process and free a little more money for other things which I think we are going to be pressed on.

>> Mayor leffingwell: I will just say that I am not going to support it, either. I think this is something that can wait and be fleshed out in more detail and i don't see the urgency of it right now. Council member morrison.

>> Morrison: I just like to add that my understanding of the urgency has to do with the arc and they are putting all of the pieces in place for their ability to close on their new building and so this is part of their financial picture, and in that regard is helpful in getting them over that line.

>> Cole: Mayor.

>> Mayor leffingwell: Mayor pro tem.

>> Cole: I would similarly like to say for the same reasons that you and council member spelman have spoken, i think we can take care of this in a normal budgeting process and it's important that, although we have many good organizations that are coming before us, that they follow the procedures and go through the budgeting process or the

-- any of our other procedures for receivingunding so I will not be receiving it.

>> Mayor leffingwell: Council member tovo.

>> Tovo: Just one additional question, and I guess health and human services

-- public health and human services committee talked about this, but is that 250 number sort of exactly what they need? We are a little bit over in that first column and so i am wondering if 200 gets them there in terms of finances or is 250 really the request in terms of what made it work for

them and allowed the space to revert back to the sparks.

[08:13:04]

>> Morrison: Maybe staff can help but in the conversation that I had, I wouldn't have enough information to answer that and maybe my colleagues would.

>> That was their request. So I can't begin to think one way or another but that was their request.

>> Tovo: Okay. Thanks.

>> Mayor leffingwell: Okay. So the amendment is on the table for the arc of the capital area item 250 in the first column and 0 in the second and third column. All those in favor, say "aye." Opposed opposed. Opposed say no. No. That's passes on a vote of 4-3, council member, spelman and myself voting no. Council member riley.

>> Riley: The next on this list is the hiking program to open the hike and bike trails 24 hours and there are rather large numbers in those columns so I think we ought to talk about that. As y'all know at the time we

--

>> mayor.

>> Do you yield.

>> Martinez: We have the fire staff ready to go. This may take a little bit i want to see if council member riley would allow them

--

>> mayor leffingwell: Okay. With that, we will come back to this later and take it off the table, the item about wild fire mitigation.

>> Martinez: Thank you, mayor.

>> So I apologize, I was not working offer the same documents you all were until after so when you were saying column 1, column 2, column 3, I was going

--

>> mayor leffingwell: No wonder.

>> I apologize. It was my bad. So now, mayor and council, column 1, for one-time fiscal year '13, the cost is \$236,000 rounded off.

>> Mayor leffingwell: Okay.

[08:15:07]

>> Column 2, recurring 2013 is \$845,000. Column 3 annualized remains at 1.2 million.

>> Mayor leffingwell: Okay. So we understand that. Thank you.

>> You are welcome.

>> Martinez: Make that motion, mayor.

>> Mayor leffingwell: So council member martinez proposes we approve the wild fire fuel mitigation at just reading it back, 236,000 in the first column, 845,000 in the second column, and 1.2 million in the third column. Discussion, council member tovo?

>> Tovo: Yes, I guess I need to understand that middle column. I was following the math that we did earlier and it seemed as if the middle column was subtrac out 187,000, which I would have thought yielded the 751,000 we had earlier, so we are off by about \$90,000 and i am not following where that went.

>> We found a math error when we were in the hallway, so

-- we corrected the math error on the cost of the vehicle. Is that right?

>> Tovo: I thought the recurring expense

-- the recurring expenses that were included in the middle column were the two lieutenant salaries at 93.

>> The two lieutenants

--

>>

>> female student: I see what we did, half versus a whole. Thank you. Thanks.

>> Mayor leffingwell: Other comments? Council member morrison.

>> Morrison: I am going to support this and I know mr. Vannino you said it is not the last column that matters but I am worried about the last column because this does put us over the recurring annualized funding that we found and it does point to the fact we have some hard

-- we are already setting ourselves up for some hard budget questions. Would you agree with that assessment, mr. Vannino?

[08:17:09]

>> I would, except for the part that I said it doesn't matter. The last column absolutely does not matter. It is just not what council is taking action on today. Council is taking action on the budget for one time column and the last column does matter, it is for 2014 and the annualized for 2014 but it is not something you are taking action on today. It is for information.

>> Morrison: I wish I could take those words back. I know you meant it doesn't matter but I want to highlight

-- I get your point. Thank you.

>> Mayor leffingwell: Other comments? I will just say, you know, with great regret, because this is a very high priority for me, but with great regret, primarily because of the other things that have already been added into this budget amendment, I won't be able to support it, simply because of the money. I will pledge to work as hard as I possibly can to get something included in next year's budget, but, again, because of the situation we are already in, items already approved, i can't support this item or really

-- I don't know if i can support anything else on this list at this point. All those in favor, say "aye." Opposed say no. No. Passes on a vote of 6-1, with myself voting no. Others, council member riley?

>> Riley: Mayor, we were starting to talk about, there is an item on the list for pilot programs to open and select hike and bike trails 24 hours. As y'all were called when this first came up, it did not come out as a proposal to spend a bunch more money to add police to our trails. Really the idea is to simply make legal an activity that we already know is going on to some degree and that is the late night use of our trails which has become more and more of a concern as we have more folks walking and biking to their destinations and as there are growing concerns about the safety of our roads. Every night people are in a position of making decisions about how to get to their destinations and sometimes when the choice is between going

-- using our roads and dealing with hazards of drunk drivers and others on the roads, sometimes trails can offer a very appealing alternative and so the idea was to simply make that practice legal. After the proposal came out, we did hear some public safety concerns related to the fact that we don't have much of a presence of public

-- public safety presence on our trails late at night and so we have had a number of conversations about how to address that concern and I wanted to see if chief acevedo would be willing to come down and consider that conversation. Chief, as I understand it, one part of the concern about opening up the frames late at night relates to the fact that it makes

-- it raises issues with respect to enforcement, especially in regard to people who may not really be using the trails for transportation but may just be there for other reasons. They may be just hanging out there. They may be sleeping there. They may just be there for other
-- other reasons. And if
-- if they are always to say, well, I was just strolling through, then that makes it more difficult to deal with that public safety issue. Is that
-- is that accurate?
[08:20:54]

>> That is absolutely accredit. Unfortunately
-- fortunately our system is probably the most pristine and I think it is kind of a crown jewel of the city that residents take a lot of pride in, but it is also a transportation system that if we open it up, especially to pedestrians at night, it is a transportation system that will be used by the criminal element to avoid detection by the police. We know that we have some challenges in our greenbelts and there are very adjacent and near our hike and bike trails where we've got some illegal encampments going on already. So I think the largest cost driver in terms of the necessity for providing additional resources, if we were going to have those pedestrians there, was really driven from our perspective, from the potential of opening it up and having people that would be lying in wait for people. They are very vulnerable in the dark, walking along the location, so that absolutely is the greatest concern and the greatest cost driver.
>> Riley: Part of the problem is many of the trails are not well lit at night. And so
-- and pedestrians and joggers often aren't carrying lights with them and so
-- and that could be a real issue?
>> Council member, I think we have a rule
-- a real poignant example of the challenge, and that is the pfluger bridge open to pedestrians at night and if you talk to the folks who use it for legitimate reasons to cycle and as a transportation point, they will tell you that the pedestrian element is the challenging element, where we have people defecating, people sitting down across the roadway and right now we have the tool to actually run people off if they are causing problems, but that would create a great challenge for us.
>> Riley: At the same time, we recognize the
-- the trails we are talking about were funded by transportation dollars and there is some
-- and we are likely to see increasing expectations in regard to those trails, especially as we approach the opening of the boardwalk about a year from now, and so as we have tried to sift through these concerns and figure out how to best approach the problem, one idea that we have talked about relates to restricting this pilot to bikes only, and mr. Wald mentioned that in his comments a short while ago. There are a couple of reasons we talked about that. One is, it addresses the problem that we just talked about, about people who may be on the trail for reasons other than transportation. If you have to be actually moving through on your bike, it becomes a little easier to tell who is actually there for transportation and who is not. And at the same time, it also relates to the lighting issue, because under state law, bicycles are required to have lights, both in front
-- in front at night. Whereas pedestrians are not. Isn't that right?
[08:23:49]

>> That's correct. And those lights are really more for folks to be able to see the cyclists. Not the other way around and unfortunately, pedestrians at night, you can come up, like fast and speed like cyclists like to do on trail, you come up to the person and you are going to have a lot more conflict and the potential for people to get hurt. The last piece is you are much less vulnerable at night in our trails, especially if there is a police presence on a bike moving at a high rate of speed than you are as a jogger or as a cyclist. Even though you aren't completely

-- I don't want people to think they are not completely not vulnerable because you can be knocked off your bike if you are surprised. But from this standpoint, it is much more preferable and I think you are accomplishing what everybody else is trying to accomplish by limiting it to cyclists and you do it in a way where it reduces the need for lighting greatly because the cyclists have their own lights, which I think we talked about keeping the

-- the nature

-- the trails as close to its natural state as possible, so I think that it would be very beneficial all the way around.

>> Riley: Okay. And so, then in your judgment, restricting this pilot to bikes only and the three trails we have discussed with shoal creek below 38, johnson creek and the ann and roy butler trail along lady bird lake, those trails restricting and to bikes only, for purposes of this pilot, that would help mitigate the public safety concerns?

>> Yes.

>> Riley: Okay. Okay. Now, we also talked about

-- previously when we talked about this pilot, one idea that we talked about was expanding the presence of park rangers and you and i have talked about potential issues associated with that and -- and my sense is, based on our conversations, that may not actually be the best approach to dealing with this?

[08:25:50]

>> Well, I would be his about to put park rangers who aren't armed, a lot of them are very young, in that environment at night. I don't plan on putting police officers by themselves that are fully trained and armed. We are going to put them in teams of two. So our recommendation would be, especially if you reduced a footprint, the posepy footprint is to limit it to police officers.

>> Riley: Okay. The number we had talked about with respect to the park rangers was 350,000, and that, I believe, included some equipment needs that they had. If instead of spending that money on park rangers, if we were to make that available for the police for any overtime needs that might arise in relation to this pilot, would that help further mitigate the public safety concern associated with the pilot?

>> Absolutely. I think if we were to limit it to cyclists, with that overtime program, we could put some folks on atvs or on armed bicycles, depending on the environment, and we can have a presence out there. It won't be a huge presence, but it will be a presence, nonetheless, that would have a deterring effect. But secondly, by limiting it only to cyclists, it has the opportunity to spot potential problems. If you are

-- this is a warning. If you are on a bike, we expect you to be on it riding on it, not in the park because we know sexual predators hang out in the park and other malfeasance hang out in the park and are up to no good in the middle of the night. So I feel a lot more comfortable that we could do this. We will monitor it very closely. If we saw that

-- that the 350 becomes a big challenge or a huge problem, I think we would have the duty to go back to this body with concerns with the city manager to tell you, here is what we were seeing,

here is what is unexpected or either we need to adjust our strategies and we need additional support or we need to reconsider it but we would have to monitor it very closely.

[08:27:57]

>> Riley: With all of those provisions, do you feel like this pilot would put us in a better position to be ready for additional use of the trail when the boardwalk opens next year?

>> I think it would afford us an opportunity to assess much more accurately what the

-- what the challenges will be, what's increasing traffic at night. But, again, even with the other boardwalk, really

-- it's a different environment right there where they are building it but limiting the cyclists and having police presence, I think those two really helps us with what we need to do to keep people safe and I really believe it's in keeping with what

-- I don't want to speak for you, council member, but I know what you are trying to do. We want to support it and we think that would be in keeping what your initial intent was which is to remove the vulnerable road user, which is the cyclist, off the streets.

>> Riley: I appreciate that. I would like to ask a couple of questions to the instructor, I see you have mr. Lazarus in the back. And the questions relate to lighting. There have been a number of questions

-- and I see director hensley there, too, and so I encourage here to offer any opinion she has to say about this. A number of questions have come up about what we can do about lighting, even if

-- recognizing that with a bikes only pilot that we would have

-- state law would require lights on the legal users of these trails and light at night, still, it would be helpful from a public safety standpoint and general approximately from a public safety transportation standpoint as well to have better lighting on the trails and I know there has been a lot of discussion about that in the past. In fact, in the 2012 bond election there was some funding for our trails and i understand there has been some talk about directing that towards lighting, especially along bridges on the trails. Could you speak to whether there

-- to what extent we could look to those or any other bond funds to

-- and make improvements in the lighting among the

-- along the trails that we talked about as being part of this project?

[08:30:14]

>> Lazarus Lazarus, public works director, the 2012 bonds r approved by voters provide 13 and a-million dollars for bicycle facilities and urban trails. The funds have been committed to certain efforts but are not obligated wholly right now. If it was the intent of council to use the moneys to light some of the trails. Generally you are looking at a cost of 250-\$300,000 per mile to put in full mounted solar lighting. I think the big concern not so much is the technical challenge but some of the trails run through neighborhoods and there is likely to be neighborhood opposition. Parks board, which sarah is much more capable of addressing, would also have some concerns about the impact of lighting on the natural setting of those trails. So the short answer to that be used for that. Something else would not get done in its place.

>> I understand that there is a draft project list for the 20123 trails bond money and there actually is some

-- 2012 trail bonds money and there is actually money set aside for lighting, at least on one bridge along the trail, that was at 24th street.

>> That's correct.

>> On if shoal creek trail.

-- On the shoal creek trail. The concern I heard on super bowl creek is not so much lighting the whole length of the trail. It is more about lighting, particularly at the bridges.

>> Generally, council member, when we have trails that cross right-of-way or urban areas or built-up areas we do generally light those sections of the trails. It is just the portion of the trails that are adjacent to neighborhoods or as these trails are either on park land or park easements or recreational easements, that's where the challenge comes as to whether you will light them or not. From the parks commission standpoint, from the neighbors standpoint. Not really technical challenge to it.

>> I know there is a lot of work along the shoal creek trail and significant work on the horizon with respect to the long-standing gap on the shoal creek trail between fifth street and west

avenue. Do you expect the lighting along that trail will continue to be a subject

-- that your department will be paying attention to as we make

-- as we continue to make improvements to the trail?

[08:32:33]

>> I do. I think the section of shoal creek that is about 15th street south into the connection, tie over by the cross town bike ride, i think that will be led and we are going to continue pursue that.

We also have parallel to that the bike boulevard or the

-- the rio grande which is obviously regular street lighting on and when the bridge is lit, to make that connection. That will be lit and the hike and bike trail that goes from third down past new central library will also be lit.

>> Another issue that has come up is lighting along the boardwalk expected to open next year and i understand it will have liking on the portions that go over water, as for the portions that go over land, that will be conduit that will allow lighting to be installed at a future date but there is currently no plan to move forward at this time with lighting on the trails that are no over water. Is that correct?

>> That's correct.

>> Riley: Do you expect that is also an issue, that we could revisit adds we get closer to

-- as we get closer to the opening of the trail and that your department would be interested in monitoring?

>> We will work with the parks department to do what is the appropriate thing in terms of lighting those sections of the trail.

>> Riley: Do you see any value in a pilot that would allow lawful use of those trails, even with the existing provisions for lighting, in terms of getting ready for increased use of the trails in the future?

>> Council member, if you are asking me to make a comment about public safety, I am not going to do that because it is noty strong point. What I will tell you is we are capable of lighting sections of the trails to meet the needs and uses that the community desires.

>> Riley: Okay. Mayor, with all of that context, I would go ahead and move that we

-- of course we are not

-- we already approved the pilot, allowing use of the trails. What I would offer is that on not this week but at the meeting on the

-- on february 28th, that

-- assuming I can find a cosponsor I can bring forth an item to modify the pilot to restrict it to bikes only, understandg that long-term vision would be to allow lawful use of the trails and other

trails potentially on a 24-hour basis. But for purposes of this pilot, given existing funding constraints, as well as the lighting and other public safety concerns that have been raised, that we would restrict this pilot to

-- to bikes only and i would, for purposes of our discussion today, I would suggest that

-- providing some amount of

-- for police overtime that might be necessitated by increased activity on the trails would be

helpful and would respond to the public safety concerns that have been raised and the amount of

-- in the@ amount of \$350,000 seems like a reasonable starting point, given that was the amount

we were talking about with staff previously and the chief indicated he could work with that

amount to address any concerns and adjustments could be made at some point in the future but

for purposes of getting started on this pilot, \$350,000 to allow for additional police overtime to

address any public safety concerns would be helpful.

[08:36:10]

>> Mayor leffingwell: Which column?

>> Riley: I would

-- we are talking about police overtime, I do not see that as being a continually recurring expense. I would suggest that

-- i would suggest that we put that in the one-time column and then we will need to have a discussion as we approach next year's budget about

-- about increased staffing

-- police staffing needs, especially as we get closer to the opening of the boardwalk and that

-- and that

-- but the better way to address this for the long term would be to integrate it within the regular budget opposed is to just paying for it overtime. To answer your question, i would put it in the one-time column.

>> Mayor leffingwell: What are you putting in the recurring?

>> Riley: Actually at this point I put 0 in the recurring.

>> Mayor leffingwell: How about mr. Vannino, which number will you use in the third column to formulate your 2014 budget?

>> When is it anticipated that the pilot would conclude?

>> Riley: Sorry.

>> The pilot would be concluded end of fiscal year or continue on into fiscal year '14.

>> Riley: It would be a one year pilot starting june 1st.

>> So we would have to plan for overtime costs into fiscal year '14 as well. If it's \$350,000 for six months of '13, I would anticipate we will need another 350 in '14 and that would be the out years annualized column.

>> Mayor leffingwell: Chief acevedo, can you provide the safety you argued for the last two times we discussed this pretty strongly for \$350,000 for six months?

>> I can provide additional patrol. It is nonexistent now with bikes only. My comfort level is much higher, mayor.

[08:38:12]

>> Mayor leffingwell: Go ahead. Kind of

-- what do you think you need?

>> Well, if 350 should

-- the 350 should give us sufficient to put two teams of two, two officer teams for a six-month period on probably atvs so they can cover a lot more ground on a daily basis for 7 hours a day.

>> Mayor leffingwell: All right. So you are comfortable with \$350,000 one-time cost to get us through the next six months?

>> Yes, sir. For the fiscal year.

>> Mayor leffingwell: And \$350,000 in the next fiscal year. Plus, you know, something is going to have to happen. It's going to have to be more than 350, is, mr. Vannino, because we do it for the whole year, not just for six months? Are you counting on the

-- would you be anticipating that the pilot would end and this project would end after six months and we have to go in for a budget amendment in mid 2014?

>> No, I don't think I would recommend doing a mid-year amendment again. [Laughter] I think we would have to talk to the chief and getting a feeling if we think the pilot is going successfully, of course we would want to budget in the anticipation that the program would continue and we want to set aside funds in the budget for a full year of cost.

>> Mayor, the caveat we will throw out, there is unknown. We don't know 100% certain what the impact will be in terms of service loads, so i would say that I would be directing my staff to give you a lot of information so we can make a better assessment for the actual bucket going forward in 2014. So we report back on where we are at, you know, if there is any shortfalls or maybe it is sufficient. We will be watching it very closely. My job as marc ott always tells me to make your policies and decisions work. We will work our very best at resources at 350 and if it startsism packing us, we will report

-- if it starts impacting us, we

-- impacting us we will report back to you we need more help.

[08:40:35]

>> Mr. Mr. Vannino, i realize we don't have to deal with the annualized number but as we all said it has a big impact because we know it's going to come back to haunt us, so to speak, so for your purposes, just tell me what number you want to put in there so we can vote on it.

>> The number

-- I will give you logic for the number. If we starting talking about the pilot in june and \$350,000 of cost anticipated for the current fiscal year

--

>> Spelman: Six months i have heard and we have four months after june, so we may not need 350. We may be able to get by a little less than that. You aren't working for two of the months? 350, I was under the impression that was for the pilot project. That is how we did the math. The pilot project for this fiscal year.

>> Spelman: Okay. I heard you and some other people saying 350,000 for six months and then I did the math we are starting in june, july, august, september and then we have a new fiscal year, four months so maybe you maintain the same patrol levels for each of those four months at something like \$250,000 rather than 350 that you would need to do all six of those months.

>> If I may.

>> Spelman: How much is it going to cost per month to actually patrol these three trails and multiply by four?

>> Well, the math that we did, council member, was 350 for the four months of this fiscal year.

>> Spelman: Okay, not for the six months?

>> Correct. That's the premise we were operating on when we were doing the math.

>> Spelman: Okay.

>> My math would be three times that amount for a full year if we are going to continue that program for a full year in 2014, twelve months, you need three times that amount or \$1,050,000.

>> Spelman: I was trying to make a case for multiplying by two but not three but i see your point.

>> Mayor leffingwell: Council member riley

-- wait a minute

-- go ahead.

>> Riley: Just to complicate this a little further, somebody pointed out to me the resolution we passed actually did not speak to a one-year pilot. It spoke to a pilot for calendar year 2013, starting june 1st, which by my account works out to a 7-month pilot, june, july. For the calendar year 2013, starting june 1st.

[08:43:01]

>> Okay. That's how I understood the resolution from council as well. It puts us in the same budgetary dilemma for '14, though, in that if we expect the pilot to be successful, that council will want to continue this program past the

-- past the end of the calendar year, in which case, we would want to set aside funds in the '14 budget to do so in the event that the pilot is successful and we want to continue it. Otherwise we wouldn't be able to commit to having the money available to continue the program past december 31st.

>> Mayor leffingwell: So council member morrison.

>> Morrison: Is

-- ed, can you tell me or maybe the city manager can, is that generally how we budget when the council passes, adapts an endorsement for a pilot project? Do we assume the pilot is going to be successful and plan that it's going to be in our budget? Because it seemed

-- I guess I am just a little

-- I know it's all going to have to be hashed out later. I just wondered about consistency, because I guess I always sort of had in mind that it is a pilot. Let's try it and see how it fits into the rest of our priorities and other considerations. I realize we can come out this differently. Do you have other examples where we adopted plans for a pilot and then we just assume that we will be budgeting for it?

>> Not

--

>> I don't

-- I don't have a recollection of doing that, and of course the budget development, if it's a new program, we simply budget on an annual

-- excuse me, on an annualized basis for a new program. When we do pilots, it is usually because of some proposal that has come midyear, at some point in the course of a fiscal year, like we are talking about right now.

>> Morrison: Okay. By the way, ed, I think it I thinks this fun. What do you mean you don't want to do this year?

[08:45:02]

>> Mayor leffingwell: It would be fun if it wasn't so serious. Any other comments? So the vote will be on the pilot program for hike and bike trails with 350,000 in the first column, 0 in the

second column, and 1.05 million in the annualized column. And I will just say that obviously I can't support this. There are a lot of good projects on here that I have already voted against and I really like the project. It is just a matter of their urgency and their absolute need and I don't see it in this case. So with that said, all those in favor, say "aye." Opposed say no. Did you say aye, mayor pro tem?

>> I said aye.

>> Mayor leffingwell: That is 5-2. I didn't see anything from council member martinez. You with aye.

>> Martinez: Yes, sir.

>> Mayor leffingwell: 5-2, with myself and council member spelman voting no. Next. Council member tovo.

>> Tovo: Yes, I would like to move that we include the austin play house in our midyear funding needs as a one-time expense at 150,000, which is the that are figure here. I will just say I know that their actual need is greater than that, but I think we are going to

-- there is probably the best we can do right now and I think it is a very

-- very important project for the miller development and the surrounding community and I really appreciate the work that they are doing and the benefits it will bring to our community.

>> Mayor leffingwell: Okay. Is there

-- I will ask for a vote in this in discussion and begin the discussion saying, again, it is not the project. I have enjoyed local austin theater many times. I have seen mr. Toner out there in plays here in austin. I appreciate what he does. But, again, the urgency and the need to

-- the absolute urgency, the need to spend this, I just can't vote for it.

[08:47:18]

>> Martinez: Mayor.

>> Mayor leffingwell: Council member martinez.

>> Martinez: Likewise. I think I share some of your concerns but I want to ask a follow-up request because the funding request is 450,000 one time funds and all of the emails I am receiving is a request for 750,000, so this is identified at gaap funding but would it truly fund the gaap or would it not only create a 550,000-dollar gaap or whatever that number is?

>> Mayor leffingwell: I guess staff will have to answer that question.

>> Martinez: 600,000-dollar gaap.

>> Mayor leffingwell: Council member morrison.

>> Morrison: Thank you. I know mr. Turner is out there if there are any specific questions but I can explain my understanding of the issue, and that is when they first came to us, to talk about this funding plan, they were looking at a range in terms of what amount they were hoping to be able to qualify for in terms of a loan from the bank. And given that range, if they were able to get the maximum amount from the bank, they would only need 150 to fill the gap. If they got minimum amount, they were thinking they would need 750. So

-- and it is my understanding at this point as far as they know, they are at the minimum amount from the bank, so their need existing is 750 and I guess maybe it would make sense if you don't mind to ask mr. Toner if he thinks that it would be worthwhile to have 150 or are they really basically left in the same boat.

>> Martinez: Mayor, for me, I certainly think it is a worthy project but if it is \$150,000 that's not going to get to a finished project and not let the project be built, that's where I remain hesitant.

>> Morrison: Mayor, would it will all right to ask mr. Turner to come up.

>> Mayor leffingwell: There is no objection. Do you want to come up and respond to the question very briefly. This is not an opportunity to make your case. 150,000 would get us that much closer to being able to fund the project. It will not get us there. I would just simply say that you

-- \$150,000 now would leave us with 600,000 to raise otherwise. Whether or not we can do that, I can't guarantee. I think we have a banking interest willing to lend if the city is

-- is in for 750,000. I don't know what their answer will be if I go back and it is 150,000, to be honest with you.

[08:49:59]

>> Mayor leffingwell: Great. Thank you. That's very clear.

>> Tovo: Mr. Turner, if I could just ask one follow-up question. I guess my rationale is I really appreciate the discussion. I think it is a challenging situation if we are putting a little bit of money forward but not closing the gap. My hope was

-- I know we had staff earlier from economic growth and redevelopment and I think they were going to look at some other opportunities that may exist where this would fit into some of the programs that they support. I hope that that will continue. Do you

-- my hope in proposing this at 150 is that that may send a signal to your lenders that the city is -- the city is supportive within its very limited means. We are very supportive of the project and we think it's a viable one and that may give a signal to the bank. Is there any

--

>> I think you are absolutely right about that. I think that the lenders would take a zero allocation on the part of the city as a deal killer. I think that \$150,000 would encourage them to know that the city is at least approving of the project and aware of the good it can do to the community.

>> Tovo: Thank you.

>> Mayor leffingwell: Discussion? Council member Spelman.

>> Spelman: While you are close-by, sir. I will just ask it and maybe somebody else will answer it. How close is the Austin Playhouse actually being shovel ready? How far away from actually breaking ground are you, sir?

>> Next week.

>> So if you have the cash in your hands, everything else is right, ready to go. You have permits pulled, site plans, all of that stuff. You just need the cash?

>> Yes.

>> Spelman: Okay. Thank you.

>> Mayor leffingwell: Council member Martinez.

>> Martinez: Would the

-- well, can we make a friendly amendment to

--

>> Mayor leffingwell: No. You can suggest that the maker revise their

--

[08:51:59]

>> Martinez: I object. [Laughter]

>> Mayor leffingwell: It would be funny if it wasn't so serious.

>> Martinez: So I would suggest that maybe we put a contingency on this, that if they are that close, a week away, a couple of weeks away to get a final answer from the lending institution,

that if it's not, that this be put back into I guess the reserve fund so that council

--

>> mayor leffingwell: You are putting a time limit on the available

-- it is up to council member tovo.

>> Martinez: I am just making a suggestion.

>> Mayor leffingwell: Council member tovo.

>> Tovo: So if I understand that

-- if I understand your amendment, we would agree to fund 150,000 of that gap contingent upon their securing other financing for the

-- for the project to go forward?

>> Yes.

>> Tovo: I think that's certainable. I am happy to make that adjustment.

>> Mayor leffingwell: I will simply

-- 150,000 asked by council member tovo

-- well, all of this is contingent but it is specifically contingent on their being able to recur another 600,000 for the project, 0 recurring and 0 annualized. All those in favor, say "aye."

>> Spelman: Hang on.

>> Mayor leffingwell: Council member spelman.

>> Spelman: Until when? Council member martinez, what date did you set?

>> Mayor leffingwell: He didn't. Just contingent.

>> Spelman: Well, I think we need to have a deadline.

>> Mayor leffingwell: Council member tovo.

>> Tovo: I would like to ask mr. Turner huh we might structure that.

>> Mayor leffingwell: Mr. Turner, come up here, please. I hate to have you moving so much but we've got to get this on the record.

>> Our contract with catella's expires end of march and if we cannot get the rest of the financing put together by then, we will do something else but we are very urgently trying to raise all that we need to make this happen because it's not only for austin play house. It is for a lot of other arts organizations and to bring art space with 40 affordable

-- 40 live work spaces, affordable live work spaces for arrest tests that will be a part of this second phase of this project.

[08:54:18]

>> Tovo: Thank you very much. So it sounds like march

-- end of march.

>> Mayor leffingwell: March 31st. All those in favor, say "aye." Opposed say no. Council member martinez? Is aye. So that passes on 6-1. Mayor pro tem what was your vote? Six-1 with myself voting no. Next. No more

-- council member morrison.

>> Morrison: I would like to make a motion that we consider the funding for child inc. And I had originally suggested it as 557. I know there is some wiggle room in there and I am going to suggest maybe that we take 25 off of that. No, I am sorry. Time out. Mr. Vannino, do we have

-- can you tell me what we have in the last

-- in the last

-- in the one-time column? Is it 420? Something like that?

>> I wanted to clarify the austin play house is \$150,000.

>> Mayor leffingwell:150.
>> That's right. Then the remaining amount in the one-time column is 366,353.
>> Morrison: Okay. Can you run down those numbers for me so I make sure
-- I am getting
-- we started at 11.5, right?
>> Yeah, I am going to give you the exact numbers.
>> Mayor leffingwell: Before we vote on the
-- on the basic motion, we are going to take a break and let them refine those numbers.
>> Morrison: Okay. I guess I want to
--
>> mayor leffingwell: Do you want to do it now?
>> Morrison: I would like to so I can make my motion based on what is left?
>> Mayor leffingwell: Any objection
-- without objection, we are in recess for 15-minutes.
[10:00:09]

2/12/13 AUSTIN CC 2:15-3:30P

>> SO WE'RE OUT OF RECESS AND I THINK COUNCIL MEMBER MORRISON HAD THE FLOOR, ASKING ABOUT THE ITEM.
>>MORRISON: THANK YOU, MAYOR.
I WANTED TO EMPHASIZE IN OUR CALL, WE HAVE 366,000 LEFT.
IN COLUMN NUMBER TWO OF THE RECURRING ONE TIME, WE ACTUALLY HAVE 762,000 LEFT, AND I JUST WANTED TO CONFIRM WITH STAFF THAT IT'S IS IT OKAY IF WE SPEND SOME OF THAT COLUMN TWO, 762,000, ON A ONE TIME COST THAT DOES NOT RECUR?
SO CAN WE MOVE GO IN THAT DIRECTION?
[INAUDIBLE]
>> IN THAT CASE, I WOULD LIKE TO MAKE A MOTION FOR CHILD, INC., WHICH WE SPOKE ABOUT BEFORE THAT WE FUND THAT TO THE TUNE OF THE 550 DO WE HAVE IT DOWN FOR 557?
>> IT WAS 557,280.
>>MORRISON: 280.
>>MAYOR LEFFINGWELL:
>> ARE WE GOING TO GET TO THE HUNDREDS, TENS AND DIGITS THIS TIME. ALL THE OTHER ITEMS HAVE BEEN TO THE NEAREST THOUSAND DOLLARS.
>>MORRISON: I WOULD BE GLAD FOR THAT TO BE 557,000 IF THAT MAKES SOMEONE MORE COMFORTABLE.
>> WE'VE BEEN TALKING IN ROUNDED NUMBERS BUT ALL THE WORK FAR ATTACHED TO THE ORDINANCE IS DOWN TO THE TENS OF DOLLARS SO WE DON'T WANT TO HAVE TO GO BACK AND CHANGE ALL OF THAT.
>>MAYOR LEFFINGWELL: RIGHT.
I MEANT FOR PURPOSES OF OUR DISCUSSION.
>> FOR PURPOSES OF YOUR DISCUSSION, THAT IS FINE.
>>MORRISON: GREAT.

THAT 557,280 IS MORE THAN THE 366 LEFT, ACCOUNTING FOR THE FUNDING LEFT IN THE RECURRING COLUMN, 762 THAT WOULD STILL LEAVE US OKAY.

>>MAYOR LEFFINGWELL: WELL, I'M NOT SURE I FOLLOWED YOU THERE. WHERE DID THE ADDITIONAL MONEY FROM 557 TO 762 COME FROM? WHICH PARTICULAR ITEM?

WAS THAT WHAT WAS LEFT?

>>MORRISON: WE HAVE 366 LEFT IN THE FIRST COLUMN.

>>MAYOR LEFFINGWELL: YES.

>>MORRISON: SO THAT'S NOT QUITE ENOUGH.

SO SOME OF IT WOULD HAVE TO COME OUT OF THE SECOND COLUMN, THE 762.

>>MAYOR LEFFINGWELL: SO THERE IS 762 REMAINING IN THE SECOND COLUMN?

>>MORRISON: CORRECT.

SO, THINKING OF IT JUST AS ONE TIME FUNDING, WE HAVE, LIKE 1.1 MILLION TOTAL LEFT, AND THIS WOULD BE 557 OUT OF THAT.

>>MAYOR LEFFINGWELL: OKAY.

SO, THE IMPACT, THE OUT YEARS IS ZERO, I ASSUME.

LAURA MORRISON LAWYER RIGHT.

>>MAYOR LEFFINGWELL: SO THAT IS THE PROPOSED AMENDMENT BY COUNCIL MEMBER MORRISON FOR 557,000, AND IS THERE ANY OBJECTION OR DISCUSSION ON THAT ONE?

I WILL CALL FOR A VOTE ON THAT, AGAIN, BECAUSE I PLAN TO VOTE NO.

BUT I DON'T HAVE ANY COMMENTS IN ADDITION TO THOSE, IT IS BASICALLY A DITTO SITUATION.

ALL IN FAVOR, SAY AYE.

[CHORUS OF AYES]

OPPOSED, SAY NO.

AND I'LL SAY NO SO THAT PASSES ON A VOTE 6 1 WITH MYSELF VOTING NO.

>> MAYOR?

>>MAYOR LEFFINGWELL: MAYOR PRO TEM I MEAN, COUNCIL MEMBER SPELMAN WAS FIRST, I BELIEVE.

>> I WOULD ASK FOR THE FLOOR, MAYOR.

>>MAYOR LEFFINGWELL: COUNCIL MEMBER MARTINEZ.

>>MARTINEZ: I WOULD LIKE TO MAKE AN AMENDMENT WE USE OUT OF THE REMAINING FUNDS \$73,000 TO THE RECURRING LINE FOR RIVER CITY YOUTH FOUNDATION, WHICH AGAIN, MANY OF THE THINGS WE'RE SUPPORT HAVING TO DO WITH EARLY CHILDHOOD EDUCATION, CHILDCARE, AND THAT IS AN IDENTIFIED GAP IN OUR HEALTH AND HUMAN SERVICES CONTRACT PROCESS THAT WE REVAMPED SO WE ARE WORKING WITH STAFF SO THE NEXT ROUND THERE IS AN ACTUAL CARVE OUT JUST FOR CHILDREN'S PROGRAMS SO THAT WE DON'T MISS AND HAVE SUCH GAPS IN FUTURE YEARS.

>>MAYOR LEFFINGWELL: SO GIVE ME THE NUMBER AGAIN.

IS IT 73,000?

>>MARTINEZ: YES, SIR.

>>MAYOR LEFFINGWELL: IN THE SECOND COLUMN.

AND 73,000 IN THE OUT YEARS.

>>MARTINEZ: YES, SIR.

>>MAYOR LEFFINGWELL: DISCUSSION IN WE'LL CALL FOR A VOTE, SO CAN I AGAIN VOTE NO.
ALL IN FAVOR, SAY AYE
[CHORUS OF AYES]
AYE.
OPPOSED, SAY NO.
NO.
THAT PASSES ON A VOTE OF 6 1 WITH MYSELF VOTING NO.
AND, MAYOR PRO TEM.
>>COLE: WHAT IS OUR REMAINING MONEY?
>> IT'S \$497,399 IS REMAINING.
THAT IS NOW COMBINED ONE TIME IN RECURRING SOURCES.
>>COLE: MAYOR, I'M HIGHLY DISAPPOINTED WE'VE TAKEN AND SPENT \$14 MILLION AND NOT HAVE RESERVED ANY SUM OF MONEY FOR PROPERTY TAX RELIEF OR ANY OTHER CONTINGENCIES.
SO, I WOULD LIKE TO MAKE A MOTION THAT THIS REMAINING SUM OF MONEY BE MOVED INTO AN ACCOUNT FOR CONTINGENCIES LIKE WE HAVE CONTINGENCY FUNDS FOR PROPERTY TAX RELIEF, POTENTIALLY, OR ANY OTHER ITEM THAT MAY COME UP DURING THE YEAR.
>>MAYOR LEFFINGWELL: OKAY.
SO \$497,000 AND ODD CHANGE, WHATEVER IS REMAINING, BE MOVED INTO A CONTINGENCY FUND.
>>COLE: FOR POTENTIAL PROPERTY TAX RELIEVE OR ANY OTHER ITEMS THAT MAY COME UP.
>>MAYOR LEFFINGWELL: WOULD THAT BE DESIGNATED FOR PROPERTY TAX RELIEF?
>>COLE: PROMPT TAX RELIEF AND OTHER CONTINGENCY ITEMS THAT MAY OCCUR.
WE HAVE FUNDS WITH AUSTIN ENERGY, THIS COULD POTENTIALLY BE SUMS FOR THAT.
>>MAYOR LEFFINGWELL: THE \$497,000 NOT SPENT.
>>COLE: NOT SPENT.
>>MAYOR LEFFINGWELL: IS THERE ANY OBJECTION TO THAT?
>>SPELMAN: NO, MAYOR, BUT I WOULD LIKE TO MAKE A QUICK COMMENT.
ALTHOUGH THAT LOOKS LIKE A VERY SMALL PERCENTAGE OF WHAT WE STARTED WITH, IT IS LIKELY TO GROW IN THE NEXT FEW MONTHS AS WE FIND OUT MORE ABOUT THE TAX CREDIT PROGRAM AND REALIZE MOST LIKELY WE WILL NOT HAVE TAX CREDIT HOUSING PROGRAMS TO BE ABLE TO SPEND MONEY ON.
WE'LL PROBABLY HAVE ONE.
WE MAY HAVE NONE.
WE WILL PROBABLY HAVE MORE MONEY AVAILABLE IN THOSE RESERVES.
IT MAY BE THAT DESPITE THE BEST EFFORTS, THE AUSTIN PLAY HOUSE GUYS ARE NOT ABLE TO FIND MONEY FROM OTHER SOURCES SO THAT \$150,000 MAY COME BACK TO THE GENERAL FUND.
AND, IN THE, I THINK, EXTREMELY UNLIKELY EVENT THAT THE AUSTIN POLICE

DEPARTMENT CANNOT MUSTER THE CHUTZPAH TO MUSTER THE \$300,000 FOR ATVS ON THE HIKE AND BIKE TRAIL THAT MONEY IS RESERVED SPECIFICALLY FOR OVERTIME EXPENSES ONLY FOR THAT PURPOSE.

IF THEY TRY TO USE IT FOR OTHER PURPOSES, I WILL BE EXTREMELY UNHAPPY AND WILL TRY TO HAVE THAT MONEY TAKE AWAY.

IF THEY SPEND THE MONEY WHERE IT IS SUPPOSED TO BE SPENT \$350,000, THEY CAN SPEND UP TO THAT AMOUNT.

SO THERE MAY BE ADDITIONAL FUNDS COMING BACK TO THE GENERAL FUND AND RESERVES, AS A RESULT OF SOME OF THE THINGS WE'VE DONE TODAY.

>> I WILL TAKE THAT TO A SECOND TO MY MOTION.

>> YOU DON'T NEED IT WE WILL VOTE ON IT.

>> I WILL TAKE THAT AS INCLUSIVE SO WE ARE CLEAR THAT WE'RE DIRECTING THE ADDITIONAL FUNDS THAT WILL COME BACK THAT WE HAVE ALLOCATED TODAY TO GO INTO THIS SUM OF MONEY.

>>MAYOR LEFFINGWELL: THE ADDITIONAL DIRECTION, I THINK IS UNDERSTOOD.

I THINK IT IS UNDERSTOOD.

SINCE WE WON'T BE BACK DOING THIS AGAIN THIS FISCAL YEAR, I THINK WE'RE PROHIBITED FROM DOING THAT, ARE WE NOT, BY EXISTING POLICY?

>> FINANCIAL POLICY THAT LIMITS GENERAL FUND BUDGET AMENDMENTS TO OCCURRING ONCE PER YEAR, WITH A FEW MINOR EXCEPTIONS TO THAT.

>>MAYOR LEFFINGWELL: OKAY.

SO, WE'LL VOTE ON COUNCIL MEMBER ON MAYOR PRO TEM COLE'S PROPOSAL. ALL THOSE IN FAVOR, PLEASE SAY AYE?

OPPOSES, SAY NO.

THAT PASSES ON A VOTE OF 7 0.

SO, YOU NEED A RECAP TIME?

>> YES, WE DO.

PROBABLY ANOTHER 10 MINUTES TO FINALIZE EVERYTHING FOR PURPOSES OF GIVING YOU WHAT THE FINAL LANGUAGE WILL BE TO BE YOUR ORDINANCE.

>> WITHOUT OBJECTION, WE STAND IN RECESS FOR 10 MINUTES.

>>MAYOR LEFFINGWELL: WE'RE OUT OF RECESS, AND WE'VE COMPLETED THE AMENDMENT PROCESS TO THE BEST OF MY KNOWLEDGE, AND ACCOUNTED FOR ALL OF THE ADDITIONAL MONEY, SO THAT BRINGS US BACK TO THE MAIN MOTION, WHICH IS TO YOU NEED A FEW MORE MINUTES?

>> I THINK WE, DO MAYOR, TO GET THIS PRINTED OUT.

WE ARE ABOUT READY TO SEND IT TO THE PRINTER, BUT IF THERE ARE OTHER ITEMS YOU WANT TO TAKE UP WHILE WE'RE FINISHING, THIS YOU MIGHT AS WELL.

>> WE WILL PUT THIS MAIN MOTION ONLY THE TABLE WHILE YOU FINISH THAT AND GO TO THE NEXT ITEM.

PRESELECTED COUNCIL ITEMS.

THERE ARE THREE.

ITEM NUMBER 43 FROM COUNCIL MEMBER SPELMAN FOR DISCUSSION.

>>SPELMAN: GIVE ME JUST A MOMENT, MAYOR, TO REMIND MYSELF WHAT 43 WAS.

>>MAYOR LEFFINGWELL: THE COMMISSION ON VETERAN'S AFFAIRS.

>>SPELMAN: THANK YOU FOR THE REMINDER.

IF YOU COULD TELL ME, MAYOR, SINCE YOU ARE THE PRIMARY SPONSOR OF THIS ITEM, I WONDER IF YOU COULD TELL ME A LITTLE BIT MORE ABOUT WHAT IT IS YOU HAVE IN MIND FOR THE COMMISSION TO DO.

>>MAYOR LEFFINGWELL: WELL, THE PROPOSAL IS THAT THEY WOULD FOCUS ON SEVERAL PROGRAMS THAT WE HAVE NOW, AND POTENTIALLY ADDITIONAL PROGRAMS IN THE FUTURE.

ONE IS OUR PROGRAM IN SUPPORT OF EMPLOYEES IN THE GARDEN RESERVE, THE SGR, FOR WHICH I WOULD REMIND EVERYONE THAT THE CITY OF AUSTIN, WON THE FREEDOM AWARD, THE ONLY CITY IN THE COUNTRY TO RECEIVE THAT BECAUSE OF THAT PROGRAM.

IT IS BASICALLY OVERSEEN BY A VETERAN'S CONSULTANT WHO IS INVOLVED IN THIS PROGRAM AND IN MANY OTHER PROGRAMS.

A LOT OF THEM ARE PIECEMEAL, ORGANIZING AND PLANNING SPECIAL EVENTS, LIKE MEMORIAL DAY AND VETERAN'S DAY, FOR EXAMPLE.

COORDINATING ALL KINDS OF EFFORTS WITH OTHER JURISDICTIONS.

TRAVIS COUNTY HAS A VETERAN'S COMMISSION.

THE STATE OF TEXAS HAS ONE.

OURS, BY THE WAY IS BETTER ALREADY AND WE DON'T EVEN HAVE A COMMISSION YET.

DO WE A LOT OF THINGS.

RIGHT NOW, WE'RE IN THE MIDDLE OF A PROGRAM CALLED HONOR FLIGHT AUSTIN, WHICH IS PART OF A NATIONAL ORGANIZATION WHOSE OBJECTIVE IS TO SEND EVERY WILLING AND ABLE WORLD WAR II VETERAN TO WASHINGTON, D.C. AS NO EXPENSE TO THEM.

WE HAD THREE FLIGHTS LAST YEAR, WE'RE PLANNING AN ADDITIONAL EIGHT FLIGHTS THIS YEAR, ALL THAT TAKES A LOT OF WORK AND COORDINATING EFFORT, AND THE IDEA WAS, SINCE OTHER INTEREST GROUPS HAVE A COMMISSION TO ADDRESS THEIR ISSUES, WE FEEL LIKE IT IS VERY APPROPRIATE THAT VETERAN'S GROUPS HAVE A COMMISSION AT THE CITY OF AUSTIN TO ADDRESS THEIR ISSUES FROM TIME TO TIME.

THOSE ISSUES THAT ARE ALREADY IN PROGRESS AND ADDITIONAL ITEMS THAT WILL COME UP IN THE FUTURE.

RIGHT NOW, THE TEXAS, FOR EXAMPLE, THE TEXAS VETERAN'S COMMISSION IS HOLDING A MULTIDAY EVENT AND SEVERAL OF US ARE GOING TO BE GOING, THAT IS TUESDAYS.

A LARGE PART OF THAT IS ORGANIZED BY OUR VETERAN'S CONSULTANT.

FRANKLY, HE NEEDS THE SUPPORT OF THE COMMUNITY TO ADVANCE A LOT OF THESE PROGRAMS, AND IT IS, BASICALLY, A NO COST ITEM.

>>SPELMAN: THE MEETINGS AND STAFF SUPPORT, THAT'S RELATIVELY MINOR STUFF.

>>MAYOR LEFFINGWELL: YEAH.

AND THE STAFF SUPPORT IS BEGUNNERY SERGEANT ALLEN BERGERON.

HE IS ALREADY AN EMPLOYEE OF THE CITY.

HE WOULD TAKE ON THIS AS AN ADDITIONAL FUNCTION.

>>SPELMAN: THE REASON SKI THIS, I KNOW THAT TRAVIS COUNTY HAS A SMALL STOP, FOCUSED ON CASES SO VETERANS GET ALL THE MONIES AVAILABLE NOT FEDERAL GOVERNMENT AND STATE GOVERNMENT AND I WANTED TO KNOW WHAT WE WERE DOING WAS WORKING WITH TRAVIS COUNTY AND IF WE COULD HAVE A JOINT COMMISSION OR FIND A WAY TO NOT DUPLICATE THE WORK BEING DONE IN TRAVIS COUNTY.

TO THE EXTENT WE COULD USE ADVICE ON WHAT WE'RE DOING AND TRAVIS COUNTY COULD USE ADVICE ON WHAT THEY'RE DOING, PERHAPS THIS WOULD BE A GOOD OPPORTUNITY FOR US TO COMBINE ACTIONS AND HEAD OFF THE POSSIBILITY WE END UP WITH TWO PARALLEL BOARDS AND PERHAPS TWO PARALLEL STAFFS.

>>MAYOR LEFFINGWELL: WELL, MY IDEA WAS WE GO AHEAD AND ESTABLISH THIS COMMISSION.

WE'VE BEEN WORKING WITH TRAVIS COUNTY AND THE STATE OF TEXAS AND NATIONAL GROUPS SUCH AS ESGR FOR A LONG TIME.

I THINK THAT IS ALWAYS A POSSIBILITY, BUT SOMETIMES IT BECOMES PROBLEMATIC TO GET ON THE SAME PAGE.

I THINK WE CAN DO OUR WORK AND COLLABORATE WITH TRAVIS COUNTY AND THE OTHER JURISDICTIONS, AND THIS WILL BE A VERY EFFECTIVE WAY TO DO IT.

AND, SO, THAT'S THE REASON I SUPPORT, THE REASON I PUT THESE ITEMS WITH MY CO SPONSORS, COUNCIL MEMBER TOVO AND MARTINEZ ON THE AGENDA.

>> I WOULD ASK YOU TO CONSIDER AN AMENDMENT, AND I HOPE YOU CONSIDER IT FRIENDLY AND I WILL WRITE IT UP IN AS FRIENDLY AS A WAY AS POSSIBLE IN A COUPLE DAYS, THEREFORE BEING RESOLVES THE STAFF ASSIST THE COMMISSION IN ITS WORK, COORDINATE ITS ACTIVITIES WITH THE COUNTY STAFF, AS WELL.

>>MAYOR LEFFINGWELL: ABSOLUTELY.

ANY OTHER COMMENTS ON THIS ITEM?

SO, WE'LL GO TO ITEM NUMBER 46, WHICH IS THE AUSTIN ENERGY ITEM.

I PULLED THIS ONE OFF.

IT IS TO APPROVE A RESOLUTION DIRECTING THE CITY MANAGER EXCUSE ME. I'VE GOT TO GET ON THE RIGHT PAGE HERE.

IT HAS TO DO WITH CREATING A GOVERNANCE SYSTEM FOR AUSTIN ENERGY, AND I WOULD JUST LIKE TO HAVE A STAFF PERSON, IF CAN YOU, BRIEFLY ADDRESS THE ISSUE, AND, HOPEFULLY, WE WILL HAVE DISCUSSION ABOUT IT. IF NOT, I WILL GO AHEAD AND LAUNCH INTO IT.

ITEM NUMBER 46, BY ORDINANCE, ESTABLISHED INDEPENDENT GOVERNING BOARD FOR AUSTIN ENERGY, AND IT IS A RESOLUTION DIRECTING THE CITY MANAGER TO COME BACK IN A VERY SHORT TIME TO CREATE TO SUBMIT AN ORDINANCE FOR APPROVAL BY COUNCIL THAT CREATES THIS COMMISSION, AND THE RESOLUTION CONTAINS SEVERAL GUIDELINES, AMONG THOSE BEING THE BOARD BE SEVEN MEMBERS, THAT THE MAYOR BE ONE OF THOSE SEVEN MEMBERS, THAT THE OTHER SIX BE SELECTED BY A THROUGH A PROFESSIONAL PROCESS AND ULTIMATELY APPROVED BY THE COUNCIL THAT ONE OF THOSE SIX MEMBERS REPRESENT RATE PAYERS OUTSIDE OF THE CITY

OF AUSTIN.

WHO ARE AUSTIN ENERGY CUSTOMERS WHO LIVE OUTSIDE THE CITY, TO ADDRESS THAT ISSUE.

THERE ARE A NUMBER OF SPECIFIC ISSUES THAT ARE CALLED OUT IN THE RESOLUTION.

BASICALLY, CALLING FOR WHAT THE ORDINANCE SHOULD SAY IN THE END. AND, IT ALSO CALLS, AMONG OTHER THINGS, IT CALLS FOR THERE TO BE A TRANSITION PLAN DEVELOPED OVER A LONGER PERIOD OF TIME, BECAUSE WE KNOW THERE WILL BE A LOT OF VARIOUS KINDS OF ISSUES, SUCH AS SHARED COST ITEMS.

WITH AUSTIN ENERGY, AND THE CITY OF AUSTIN, BECAUSE THIS WON'T ... THERE WILL BE POTENTIALLY PERSONNEL PROBLEMS.

WE DON'T KNOW THAT, BUT HOW ARE THESE ITEMS GOING TO BE HANDLED? THERE IS A LOT OF MOVING PARTS OF, IT BUT BASICALLY, WHAT IT DOES IS CREATES THIS INDEPENDENT PROFESSIONAL BOARD TO HAVE A LOT OF FUNCTIONS AND DUTIES, AMONG WHICH ARE ... THEY'RE GOING TO CONDUCT A PROFESSIONAL PROCESS FOR ALL RATE INCREASES, THEY'RE GOING TO CONSIDER AND APPROVE THINGS, ALL THESE THINGS, LIKE IMMINENT DOMAIN CASES, DEAD ISSUANCE, ET CETERA, BUT ALL OF THOSE WILL BE SUBJECT TO FINAL REVIEW BY THE CITY COUNCIL.

YOU DON'T NECESSARILY HAVE TO BE, BUT THE COUNCIL RETAINS ULTIMATE AUTHORITY OVERRATE SETTING, DEAD ISSUANCE, IMMINENT DOMAIN, LONG RANGE PLANNING PROGRAMS, ET CETERA.

SO, A LOT OF THINGS ARE NOT FINALLY CALLED OUT IN THE RESOLUTION THAT WILL BE ... RECOMMENDATIONS THAT COME BACK IN THE ORDINANCE THAT WE WILL HAVE TO CONSIDER WHEN IT COMES BACK.

BUT, I JUST WANTED TO POINT TOUT EVERYONE, BASICALLY, WHAT THIS IS. IT CREATES INDEPENDENT GOVERNANCE FOR AUSTIN ENERGY.

THE ELECTRIC UTILITY COMMISSION, BASICALLY IN ITS PRESENT FORM, GOES AWAY AND WILL BE REPLACED BY AN ADVISORY BOARD, WHICH IS ADVISORY TO THE BOARD OF DIRECTORS, AND CONSISTS OF A MEMBER APPOINTED BY EACH COUNCIL MEMBER, WHETHER THAT MEMBER BE SEVEN OR 11 IN THE FUTURE, FOUR ADDITIONAL MEMBERS SELECTED BY THE GROUP FOR THEIR EXPERTISE.

JUST OFF THE TOP OF MY HEAD, THAT'S A QUICK RUN OF IT.

AND, I WOULD BE HAPPY TO ENTERTAIN ANY FURTHER DISCUSSION ON IT. COUNCIL MEMBER RILEY.

>>RILEY: JUST A QUESTION, MAYOR.

ONE ISSUE THAT WE TALKED ABOUT AT SOME LENGTH IN REGARD TO THIS MATTER IS THE QUESTION OF VOTER APPROVAL.

WHILE THERE'S SOME QUESTION AS TO WHETHER VOTER APPROVAL WOULD ACTUALLY BE REQUIRED UNDER OUR CHARTER, WHEN WE LOOKED AROUND AT OTHER CITIES WE DID SEE IN GENERAL WHEN OTHER CITIES CHANGED THE GOVERNANCE OF THE UTILITY IN MOST CASES IT WAS SUBJECT TO APPROVAL OF THE VOTERS.

AND, I JUST WANTED TO GET YOUR SENSE OF THAT QUESTION.

I UNDERSTAND THAT THERE IS LEGISLATION THAT EITHER HAS BEEN INTRODUCED OR IS EXPECTED TO BE INTRODUCED THAT AUTHORIZED US TO MOVE FORWARD WITH THIS ABSENT VOTER APPROVAL, BY GIVEN THAT WE'VE ALWAYS PRIDED OURSELVES ON HAVING A MUNICIPALLY OWNED UTILITY THAT GIVES CONTROL OF THE PEOPLE OF AUSTIN, I JUST WANT TO ASK THE QUESTION, WHY WOULDN'T HE WANT TO PRESENT THIS TO THE VOTERS FOR CONSIDERATION?

>>MAYOR LEFFINGWELL: I WOULD SAY THAT PROPOSAL WAS MADE FOR THE NOVEMBER 2012 AND THE COUNCIL DECIDED NOT TO DO THAT. SO, WE CAN PROCEED UNDER STATE LAW, POSSIBLY EVEN WITHOUT THE CHANGE STATE LAW THAT VERY CLEARLY POINTS OUT THAT THE CITY COUNCIL HAS THE AUTHORITY TO ESTABLISH THE BOARD AND THE AUTHORITY TO GIVE THEM THE POWERS THAT WE'RE PROPOSING.

>>RILEY: AND ONE MORE QUESTION.

WOULD YOU ... CAN YOU HELP ME UNDERSTAND YOUR EXPECTATION IN TERMS OF THE TIMING ON HOW OUR DISPOSITION ON THIS MATTER THE EXPECTATION IS THE CITY MANAGER WILL REPORT BACK TO THE COUNCIL, IN THE MEANTIME, EXPECT THE LEGISLATION WILL BE MOVING FORWARD, WE EXPECT.

>>MAYOR LEFFINGWELL: IT IS MY UNDERSTANDING THE LEGISLATION HAS ALREADY BEEN FILED.

>>RILEY: IT'S BEEN FILED.

>>MAYOR LEFFINGWELL: YES.

>>RILEY: ARE YOU EXPECTING BY THE TIME WE ACTUALLY ACT ON THE CITY MANAGER'S RECOMMENDATIONS ON THIS MATTER THAT THERE WOULD HAVE BEEN SOME DISPOSITION OF THAT LEGISLATION?

OR ARE YOU SUGGESTING THAT WE OUGHT TO BE PROCEEDING WITH THIS INDEPENDENT OF THE

>> I THINK WE CAN PROCEED INDEPENDENTLY WITH THE EXPECTATION AND IT CONTINGENT UPON GETTING THE AUTHORITY FROM THE TEXAS LEGISLATURE, GOVERNOR.

AND, WE EXPECT THIS TO BE IN PLACE BY THE END OF THIS CALENDAR YEAR.

>> AND SO THAT WHEN SO YOU EXPECT THAT WHEN WE ACTUALLY COME BACK AND TAKE FINAL ACTION ON THE CITY MANAGER'S RECOMMENDATIONS, THAT WE WOULD DO THAT REGARDLESS OF WHETHER THE LEGISLATURE HAS ACTUALLY PASSED LEGISLATION?

>>MAYOR LEFFINGWELL: I WOULD RECOMMEND DO WE THAT, CONTINGENT ON THE LEGISLATION HAVING ACTUALLY BEEN PASSED AND SIGNED, YES.

THERE IS ALSO SOME DIVISION OF LEGAL OPINIONS, TOO, WHETHER OR NOT WE COULD GO AHEAD AND DO IT ANYWAY, WITHOUT THE CLARIFICATION THAT'S PROPOSED IN STATE LAW.

MAYBE WE CAN DO IT UNDER OUR EXISTING STATE LAW AND CHARTER.

BUT, I DON'T THINK WE WANT TO GET INTO THAT IN OPEN SESSION.

>>RILEY: IS IT YOUR SENSE THAT OUR ACTION ON THIS MATTER IS SIGNIFICANT AND THE LEGISLATURE'S CONSIDERATION OF THE BILLS THAT HAVE BEEN INTRODUCED?

>>MAYOR LEFFINGWELL: MY GUESS IS THAT, YES.

>>SPELMAN: MIGHT I ADD TO THE RESPONSE.

>>MAYOR LEFFINGWELL: COUNCIL MEMBER SPELMAN.

>>SPELMAN: THE ARGUMENT HAS BEEN MADE THAT THE CITY COUNCIL IS GIVING AUTHORITY AWAY BUT ESTABLISHING AN INDEPENDENT COMMISSION, AND I THINK IN ALL THE RESPECTS THAT PEOPLE ARE MOST CONCERNED ABOUT IS GIVING NOTHING AWAY.

WE ARE STILL MAINTAINING CONTROL OVERRATES.

WE'RE STILL MAINTAINING CONTROL OVER EMINENT DOMAIN, OVER LONG TERM ASSETS, OVER DISPOSITION OF THOSE LONG TERM ASSETS, AND OVER THE LONG RANGE PLANNING, INCLUDING THE GENERATION PLAN.

THOSE ARE THE THINGS WHICH EVERYBODY SEEMS TO TALK ABOUT WANTING THE CITY COUNCIL GETTING INVOLVED IN, AND UNDER THE CURRENT PROPOSAL ON THIS RESOLUTION, THAT IS STILL RETAINED BY THE CITY COUNCIL.

SO, WE'RE REALLY GIVING NOTHING AWAY THAT IS MATERIAL OR NOTHING AWAY THAT WE ALREADY HAVE.

I'LL LEAVE IT AT THAT IT SEEMS TO ME THAT, IF PEOPLE LOOK CLOSELY, WHAT IT IS THEY WANT THE COUNCIL TO DO AND LOOK CLOSELY AT WHAT IT IS WE'RE ASKING THE COMMISSION TO DO, THEY WILL FIND THE COUNCIL IS ABLE TO DO, UNDER THE PROPOSAL, WHAT THEY WANT IT TO DO.

>>MAYOR LEFFINGWELL: I THINK THAT IS A GOOD WRAP UP, BUT I WOULD EMPHASIZE THE POINT THAT COUNCIL HAS THE DISCRETIONARY AUTHORITY TO REVIEW AND PERHAPS CHANGE ALL OF THOSE ACTIONS.

IT'S ANTICIPATED MOST SUCH STUFF WOULD GO ON ROUTINE.

BUT, MAINLY, AS WAS POINTED OUT IN THE EDITORIAL PIECE THAT WAS IN SUNDAY'S PAPER, WE'RE TALKING ABOUT, YOU KNOW, 50 TO 200 ITEMS EVERY QUARTER OR SO THAT RELATE TO AUSTIN ENERGY.

MINOR DETAILS OF THEIR OPERATION.

THEY WOULD TAKE CARE OF THAT KIND OF THING ON A ROUTINE BASIS.

I WANT TO POINT OUT, I WANT TO BE ABSOLUTELY FAIR ABOUT THIS, I DON'T WANT ANYBODY TO WALK AWAY FROM HERE TODAY WITH THE IMPRESSION THIS IS DIRECTED AT THE CITY STAFF OR THE CITY MANAGER.

IN FACT, I THINK THEY'VE DONE AN OUTSTANDING JOB OF BRINGING THIS ISSUE TO THE FORE OVER THE LAST YEAR, FACILITATING THAT PROCESS TO GET SOMETHING DONE THAT WASN'T DONE FOR 17 YEARS.

SO, I THINK THAT IS SOME INDICATION WHAT ARE PROBLEMATIC AND CONTENTIOUS PROCESS IT CAN BE, AND I THINK TRANSFERRING THIS GOVERNANCE TO AN INDEPENDENT BOARD, AS IS DONE WITH MUNICIPAL UTILITIES AROUND THE COUNTRY, I BELIEVE IT IS DIRECT SAY WE'RE THE LARGEST, RIGHT NOW WE'RE THE LARGEST MUNICIPAL UTILITY IN THE COUNTRY THAT DOES NOT HAVE SOME KIND OF INDEPENDENT GOVERNANCE. I THINK WE'RE THE EIGHTH LARGEST MUNICIPAL UTILITY IN THE COUNTRY ANYWAY.

SO I THINK IT IS TIME.

IT IS A BIG ORGANIZATION.

OVER A BILLION DOLLARS, SOMEWHERE APPROACHING \$1.5 BILLION, ALMOST HALF OF OUR TOTAL BUDGET.

IT IS SOMETHING THAT NEEDS TO BE RUN IN A BUSINESS LIKE AND PROFESSIONAL MANNER DAY TO DAY INSTEAD OF KIND OF HAPPENSTANCE COMING UP AT COUNCIL MEETINGS AND PASSING HUNDREDS OF ITEMS ON CONSENT THAT RELATE TO THE DAY TO DAY BUSINESS OF AUSTIN ENERGY.

>>COLE: MAYOR?

>>MAYOR LEFFINGWELL: MAYOR PRO TEM.

>>COLE: I WOULD LIKE TO REPLY TO COUNCIL MEMBER RILEY'S QUESTIONS AND ISSUES.

ONE, WE HAVE A TIMING ISSUE BECAUSE WE DIDN'T GO OUT IN 2012 SO WE COULD NOT GO OUT AGAIN UNTIL 2014 TO ASK THE VOTERS THEIR OPINION ON THIS ISSUE, AND DURING THAT INTERIM TIME, NOT ONLY IS THE LEGISLATURE MEETING, BUT ALSO WE HAVE A PUC CASE THAT MIGHT BE IMPACTED.

AND, THEN, SECOND, I THINK IT IS IMPORTANT THAT WE CONSIDER AN INDEPENDENT BOARD BECAUSE OF THE EXPERIENCE AND POTENTIAL ... AND THE EXPERTISE THAT THAT BOARD COULD BRING TO OPERATING AUSTIN ENERGY.

>>MAYOR LEFFINGWELL: OKAY.

ANY OTHER COMMENTS?

COUNCIL MEMBER TOVO.

>>TOVO: JUST A FEW.

I WILL HAVE MORE TO SAY ABOUT THIS ON THURSDAY.

A FEW THINGS TO MENTION RIGHT AWAY.

I WOULD HATE FOR ANYBODY TO GET THE IDEA THAT JUST BECAUSE ITEMS ARE NOT ON CONSENT WE DON'T DILIGENTLY REVIEW THEM IN ADVANCE OF A MEETING.

I KNOW I CERTAINLY, DO AND IF YOU LOOK AT OUR Q&AS, THE QUESTIONS WE SUBMIT TO STAFF IN ADVANCE OF THE COUNCIL MEETINGS, THEY OFTEN DEAL WITH CONSENT ITEMS THAT NEVER COME UP FOR DISCUSSION.

I HEAR YOUR POINT, MAYOR, AND I SAW THE POINT MADE IN THE EDITORIAL, BUT I DON'T THINK THAT IS EVIDENCE THAT THE COUNT SILL IS NOT DOING THE COUNCIL IS NOT DOING ITS JOB IN CONSENT.

THERE ARE MANY, MANY ITEMS WE PASS, NOT JUST SKIN ENERGY.

IF WE'RE DOING OUR JOBS, WE'RE REVIEWING THOSE ITEMS BEFORE THE MEETING, ASKING QUESTIONS OF STAFF AND MAKING SURE WE'RE COMFORT WITHIN THEM BEFORE WE VOTE ON THEM, EVEN IF WE DON'T DISCUSS THEM.

>>MAYOR LEFFINGWELL: AND I WOULD NEVER WANT TO IMPLY NOBODY WAS PAYING ATTENTION TO THESE THINGS, THERE IS SIMPLY NO PUBLIC DISCUSSION PROCESS.

>>TOVO: THERE IS AND PROCESS FOR THAT, SOMEONE CAN ASKED IT BE PULLED FOR CONSENT BY ONE OF THE COUNCILMEMBERS, OR SHOW UP TO SPEAK ON IT. I'M GLAD WE PRESERVES THAT OPPORTUNITY FOR THEM DO SO BECAUSE IT IS IMPORTANT AND SOMETIMES WE REALLYIZE SOMETHING ON CONSENT NEEDS FURTHER DISCUSSION AND WE HAVE AN OPPORTUNITY TO DO THAT.

SO, I ALSO WANT TO SAY, YOU KNOW, THAT I BELIEVE WE HAVE A UTILITY

THAT IS RUN IN A VERY PROFESSIONAL MANNER AND DOUBLE REQUIRE AN INDEPENDENT BOARD.

I THINK WE HAVE A VERY, VERY GOOD TEAM IN PLACE, THAT INCLUDES OUR STAFF AND OUR GENERAL MANAGER AND OUR CITY MANAGER, AND I THINK IT IS CRITICAL THE DECISIONS OF THE UTILITY, THE POLICY DECISIONS THAT IMPACT THE UTILITY, BE MADE BY PEOPLE WHO ARE ELECTED BY THE AUSTIN RATE PAYERS, AND IF WE SEE A NEED TO HAVE ADDITIONAL REPRESENTATION FROM RATE PAYERS OUTSIDE THE COUNCIL, THERE ARE OTHER WAYS TO ACHIEVE THAT.

ONE THAT HAS BEEN SUGGESTED IS THAT WE SET UP A BODY OF A COUNCIL SUB COMMITTEE AND INCLUDE A MEMBER OF OUTSIDE THE CITY ON THAT AND LET THAT BE, IN EFFECT, THE GOVERNING BOARD FOR AUSTIN ENERGY.

I THINK THAT IS A VERY APPEALING MODEL.

YOU KNOW, WE HAVE THE EUC RIGHT NOW, WHICH HAS BEEN OPERATING AS AN ADVISORY BODY THAT INCLUDES REPRESENTATION, EACH OF US HAVE AN OPPORTUNITY TO APPOINT SOMEBODY TO THAT BOARD.

RIGHT NOW, THEY ARE OVERREPRESENTED, OUTSIDE OF THE CITY RATE PAYERS ARE OVERREPRESENTED, THREE MEMBERS OF THE COMMISSION.

AT THE TIME OF THE RATE PROPOSAL GOING THROUGH THERE WERE THREE MEMBERS OUTSIDE THE CITY OF AUSTIN, AND SO, YOU KNOW, OUTSIDE THE CITY OF AUSTIN, RATE PAYERS WERE VERY WELL REPRESENTED ON THAT GROUP.

I WANT TO POINT OUT, WE HAD A VERY LONG AND EXTENSIVE INPUT PROCESS. THE PROPOSAL WENT TO THE EUC.

I BELIEVE THE VOTE WAS 4 3 TO SUPPORT THE RATE PROPOSAL THAT CAME FORWARD TO THE COUNCIL, AND THERE WAS A HUGE AMOUNT ... I DON'T NEED TO REMIND YOU ALL, A HUGE CONCERN IN THE PUBLIC ABOUT THAT RATE PROPOSAL AND WE WORKED HARD TO MAKE SURE WE LOOKED CAREFULLY AT ALL THE ASSUMPTION EMBODIED IN IT AND LISTENED TO CONCERNS FROM THE FAITH COMMUNITY, FROM INDIVIDUAL RATE PAYERS AND BUSINESSES AND COMMERCIAL BUSINESSES AND WORKED ON WAYS TO REALLY MITIGATE THE IMPACT AND REDUCE THAT RATE INCREASE BY ALMOST HALF.

AND, I DID NOT SEE OUR ELECTRIC UTILITY COMMISSION DOING THAT.

PART OF THE DIFFERENCE BETWEEN WHAT THEY DO IN OFFERING US THEIR SAGE ADVICE AND WISDOM AND PART OF OUR JOB IS WE'RE ACCOUNTABLE TO THE PUBLIC AND THEY'RE NOT, AND I'M AFRAID THAT IT IS WHAT WE WILL HAVE WITH AN INDEPENDENT GOVERNING BOARD.

WE WILL HAVE EXPERTS NOT DIRECTLY ACCOUNTABLE TO THE PUBLIC AND IT WILL NOT BE A GOOD THING FOR AUSTIN ENERGY RATE PAYERS.

AGAIN, I KNOW IT IS LATE AND WE'VE GOT OTHER THINGS TO DISCUSS, BUT I HAVE GRAVE CONCERNS AND I WOULD ASK THE MAKER ... THE SPONSORS OF THIS TO CONSIDER WHETHER WE MIGHT ACHIEVE SOME OF THE AIM SAME THROUGH A COUNCIL SUB COMMITTEE.

AND I DO PLAN ON REVIEWING OUR CITY MANAGER'S MEMO AGAIN BEFORE THURSDAY, BECAUSE I THINK HE ALSO BROUGHT OUT A LOT OF VERY GOOD POINTS TO CONSIDER IN EVALUATING THIS PROPOSAL.

>>MAYOR LEFFINGWELL: I WOULD CONSIDER THAT PROPOSAL FOR A COUNCIL SUB COMMITTEE TO BE STATUS QUO, SO I ABSOLUTELY WOULD NOT SUPPORT IT.

THAT WILL KEEP THE SAME GOVERNANCE SYSTEM IN PLACE, BASICALLY THAT WE HAVE RIGHT NOW WITH MINOR DIFFERENCES.

AND, KEEP IN MIND, A LOT OF FOLKS THINK IT WAS A GREAT RATE CASE THAT WE WENT THROUGH.

PEOPLE CAN HAVE DIFFERENT OPINIONS IN THAT BUT I WOULD ONLY SAY THAT THAT CASE LANDED US WITHIN AN APPEAL TO THE PUC AND HAS EARNED US A LOT OF LEGISLATIVE SCRUTINY.

SO, WITH THAT, COUNCIL MEMBER MORRISON.

>>MORRISON: THANK YOU.

I'M JUST GOING TO BUILD ... I'M GOING TO ECHO THE COMMENTS THAT COUNCIL MEMBER TOVO HAS MADE BY I AGREE WITH MANY OF THEM AND I THINK THAT, FOR ME, THE CRUX OF THE MATTER THAT I THINK WE NEED TO PAY ATTENTION TO THAT IS CRUCIAL TO HOW WE SERVE THE PUBLIC, HOW IS IT WITH AN INDEPENDENT GOVERNING BOARD WE WOULD BE ABLE TO EMBED OUR VALUES THAT WE INTEGRATE INTO OUR DECISION MAKING?

BECAUSE THE BOTTOM LINE IS THAT WE DO INTEGRATE AFFORDABLE, DO WE INTEGRATE CLEAN ENERGY POLICIES, AND DO WE INTEGRATE ASSISTANCE AND CONCERN FOR LOW INCOME PEOPLE INTO OUR DECISIONS.

AND, SO, THOSE ARE THINGS THAT WE'RE ACCOUNTABLE FOR.

THOSE ARE THINGS THAT WE'VE ADOPTED SORT OF AS COMMUNITY VALUES, AND WHAT I DON'T SEE IS HOW IDENTIFYING BUSINESS PROFESSIONALS TO RUN AUSTIN ENERGY SEPARATE FROM US WOULD LEAD US TO BEING ABLE TO IN A HARDY WAY, EMBED OUR ACTIONS WITH OUR COMMUNITY VALUES.

I DO GET THAT THIS SUGGESTS THAT THERE IS A SUGGESTION THAT THE BIG DECISIONS WOULD COME TO US ANY I WAS.

I WILL DON'T SEE ANYWAYS.

I DON'T SEE HOW TO WOULD BE ANY DIFFERENT THAN OUR LAST RATE CASE, FOR INSTANCE.

IF WE GET SOMETHING THAT COMES TO US WITHOUT THOSE VALUES, BECAUSE THAT'S WHAT I THINK HAPPENED.

THEY CAME TO US AS THE RATE CASE RECOMMENDATION, CAME TO US WITHOUT WHAT WE FELT THE MAJORITY OF US FELT WAS ADEQUATE CONCERN AND ADDRESSING OF THOSE ISSUES.

AS WELL AS, RELIGIOUS INSTITUTIONS AND SCHOOLS, SO WE HAD TO PULL IT APART AND TRY TO PUT IT BACK TOGETHER AGAIN, EMBEDDING THOSE VALUES.

SO, YES, THIS WOULD HAVE THE FINAL RATE DECISION BEING MADE BY THE COUNCIL, BUT IF I WERE ON COUNCIL AND IT CAME TO ME LIKE THAT I WOULD BE IN THE EXACT SAME SITUATION SO I DON'T UNDERSTAND HOW THIS COULD PRACTICALLY BE A STEP FORWARD.

I ALSO SO THAT'S MY MAIN CONCERN ABOUT THIS.

I DO WANT TO MENTION REAL QUICKLY, AS I LOOK AT THIS AND THINK ABOUT IT MOVING FORWARD OR NOT, YOU KNOW, IN THE CASE THAT IT WERE TO

MOVE FORWARD, I SPECIFICALLY HAVE CONCERNS ABOUT ONE STATEMENT ABOUT HOW THE COMMISSIONERS OR THE INDEPENDENT GOVERNORS WOULD BE SUBJECT TO 27 IN OUR CODE, WHICH IS FINANCIAL AND ETHICS CONSIDERATIONS, AND JUST TO SAY THAT I WOULD HOPE THAT IT WOULD SAVE ... IT WOULD EXPLICITLY REQUIRE FINANCIAL DISCLOSURE FOR THE COMMISSIONERS, AS WELL AS THE NOMINEES, AND THAT'S NOT THE WAY IT IS WRITTEN RIGHT NOW, IT DOESN'T SAY THAT.

IF YOU LOOK AT THE WAY 27 COMES TOGETHER.

AND, I WOULD ALSO ... LET'S SEE.

THERE WAS ONE ... OH, THERE IS ONE OTHER ISSUE I REALLY DON'T UNDERSTAND, AND THAT IS, WHAT ROLE DOES THE CITY MANAGER PLAY IN AN INDEPENDENT ... IF THERE WERE AN INDEPENDENT GOVERNANCE BOARD? IT IS NOT CLEAR TO ME AT ALL ABOUT WHAT THE VISION FOR THAT ... THAT IS BEING BROUGHT TO THE TABLE.

SO, I LEAVE YOU WITH THAT.

>>MAYOR LEFFINGWELL: WELL, AS COUNCIL MEMBER TOVO HAS POINTED OUT, IT IS GETTING LATE IN THE DAY.

I THINK I HAVE GOOD ANSWERS TO ALL THOSE QUESTIONS.

I'LL JUST ANSWER ONE.

THE CITY MANAGER IS NOT DIRECTLY INVOLVED IN THE GOVERNANCE OF AUSTIN ENERGY AT ALL, AND I WILL LEAVE THAT AS IS.

WE WILL HAVE MORE DISCUSSION ON IT THURSDAY.

COUNCIL MEMBER TOVO.

>>TOVO: ONE LAST QUESTION THAT PERHAPS WE WILL HAVE AN ANSWER TO ON THURSDAY, WILL THERE BE A FISCAL NOTE ATTACHED TO THIS BY THURSDAY?

>>MAYOR LEFFINGWELL: YOU KNOW, THERE IS GOING TO BE A TRANSITION PLAN DEVELOPED, I THINK I MENTIONED THAT EARLIER, AND THAT WOULD INCLUDE FISCAL IMPACTS.

>> I THINK THAT IS ACCURATE.

PREMATURE TO DEFINE FISCAL IMPACT, WHAT THAT MEANS IN THE CONTEXT OF THIS, WE CERTAINLY WOULD HAVE JUST THE WORK THAT IS ASSOCIATED WITH THE DRAFTING, THE ORDINANCE THAT MAY BE REQUESTED, BUT JUST PREMATURE.

>>TOVO: I GUESS WHAT I THINK WOULD BE USEFUL TO THIS DISCUSSION WOULD BE TO GET SOME SENSE OF WHAT THE MEMBERS OF THE BOARD MIGHT BE PAID.

IT IS MY UNDERSTANDING THESE WOULD BE PAID MEMBERS OF A GOVERNING BOARD.

>>MAYOR LEFFINGWELL: THE NUMBER RECOMMENDED BY THE EUC AND THEIR RESOLUTION, THIS FOLLOWS VERY CLOSELY THE EUC RECOMMENDATION, WAS 43 5 A YEAR PER COMMISSIONER, BUT WE DON'T SPELL THAT OUT IT JUST SAYS COMPENSATION WILL BE SET BY THE CITY COUNCIL.

>>TOVO: THAT IS A FAIRLY HEFTY FUND.

THOSE ARE SALARIED POSITIONS AND IT IS A CLEAR DEPARTURE FROM OVERBOARDS AND COMMISSIONS AND THAT NEEDS TO BE DISCUSSED, AS WELL.

>>MAYOR LEFFINGWELL: THIS IS NOT A BOARD OR COMMISSION, THIS IS A BOOR OF DIRECTORS.

>>TOVO: I KNOW, BUT WE NEED TO POINT OUT WE'RE TURNING OVER RESPONSIBILITY TO MAKE A SLEW OF DECISIONS FOR AUSTIN ENERGY AND THEY'RE PAID TO BE ON THE BOARD.

>>MAYOR LEFFINGWELL: LET'S PUT IN THE RESOLUTION, IT IS ANTICIPATED THE BOARD MEMBERS BE PAID.

COUNCIL MEMBER SPELMAN.

>>SPELMAN: ALTHOUGH THE ELECTRIC UTILITY COMMISSION DIDN'T SUGGEST 43,500 BEING THE PAYMENT SCHEDULE, WE HAVE NOT COME TO CLOSURE ON THAT, AND THIS IS ONE OF MANY ISSUES WHICH WOULD BE DECIDED BY THE COUNCIL AT THE TIME THE ORDINANCE CAME BACK FROM THE LEGAL STAFF, SO THERE WOULD BE A BLANK IN THERE, AND WE CAN FILL IT IN WHATEVER NUMBER WE WOULD LIKE TO FILL IT IN WITH.

ALTHOUGH THE EEOC WANTS A NUMBER, I WOULD POINT OUT THE HIGHEST PAID BOARD MEMBERS OF THE UTILITY COMMISSION IN TEXAS ARE THE MEMBERS OF THE SAN ANTONIO UTILITY AND THEY GET PAID \$200,000 A YEAR. SO 43,500 WOULD BE A LOT BIGGER THAN OUR NEXT HIGHER COMPETITOR IN TERMS OF THE BOARD WORLD BUT I THINK PAYING THEM SOMETHING MAKING A SYMBOLIC STATEMENT AND THAT IS THE DIFFERENCE BETWEEN WHAT A TYPICAL ADVISORY BOARD WOULD DO, HAVE AUTHORITY OVER SOME OF THE THINGS THAT HAPPEN IN THE UTILITY COMMISSION.

THE MORE GENERAL POINT, WE'RE NOT DECIDING ON THURSDAY WHETHER TO DO THIS OR NOT.

WHAT WE'RE DECIDING TO DO ON THURSDAY IS WHETHER TO DIRECT THE MANAGEMENT AND LEGAL STAFF TO COME UP WITH AN ORDINANCE WHICH WOULD DO THIS.

ONE THING WE CAN DO BETWEEN NOW AND THURSDAY AND ON THURSDAY IS TALK ABOUT WHAT KIND OF DETAILS, SUCH AS FINANCIAL DISCLOSURE FOR BOARD MEMBERS, PAYMENT FOR BOARD MEMBERS, SUCH AS WHETHER, IF WE WERE TO ASK FOR A HEADHUNTER TO GIVE US NAMES, WE WILL BE COMPELLED TO PULL NAMES FROM THAT LIST OR WHETHER WE CAN PUT OTHER PEOPLE ON IT.

WHETHER THERE ARE SOME THINGS, EVEN IF THE BOARD HAD A DECISION, WANTED TO MAKE A DECISION THEY COULD RULE BY THE COUNCIL CONTINUE TO AND VICE VERSA AND SO ON.

A LOT OF LITTLE DETAILS HERE WHICH I THINK WOULD GO A LONG WAY TOWARDS MAKING PEOPLE WHO ARE VERY CONCERNED ABOUT THIS CONSIDERABLY LESS CONCERNED, BECAUSE I WOULD BE FAIRLY SURE THE COUNCIL WOULD RETAIN WHAT IT CURRENTLY HAS, AND THE PEOPLE DIRECTLY ACCOUNTABLE TO THE PUBLIC WOULD RETAIN THE AUTHORITY THEY HAVE ON THE MOST IMPORTANT ISSUES WE HEAR MOST ABOUT.

BUT, I LOOK FORWARD TO HAVING A DISCUSSION.

IF WE CAN HAVE A DISCUSSION ON WHAT IT IS THAT WE NEED TO DO TO RETAIN ACCOUNTABILITY TO THE PUBLIC FOR WHATEVER GOVERNANCE OPERATION WE PUT UP, WE PUT TOGETHER, I THINK THAT WOULD BE A VERY FRUITFUL

DISCUSSION.

AND, THEN, FOR THE RECORD, I'M NOT AGAINST THE IDEA OF A CITY COUNCIL COMMITTEE.

WITH AN OUTSIDER, IT WOULD BE A STEP FORWARD IN GOVERNANCE THAT MIGHT BE A GOOD IDEA, AS WELL.

>>MAYOR LEFFINGWELL: ANY OTHER COMMENTS?

I'LL JUST SAY, FINALLY, AND WE'LL PROBABLY SAY IT AGAIN THURSDAY THAT THIS RESOLUTION BASICALLY WAS BUILT ON THE RECOMMENDATION THAT HAS BEEN MADE FOUR TIMES BY THE ELECTRIC UTILITY COMMISSION.

>> MAYOR LEFFINGWELL: COUNCILMEMBER SPELMAN HAS THIS ONE ALSO, 51.

>> SPELMAN: 51?

>> MAYOR LEFFINGWELL: 51.

>> SPELMAN: I DON'T KNOW WHETHER SOMEONE IN THE STAFF OR THE SPONSOR CAN DISSUADE ME.

I WONDER WHO WILL DO THE WORK AND HOW MUCH TIME DO WE ENVISION TO DO THE WORK IF WE CAN GET THEM TO COME BACK WITH A RECOMMENDATION IN 30 DAYS.

I'M COGNIZANT OF THE OLD COMMENT, IT COULD BE GOOD, FASTER, PICK TWO.

>> MORRISON: IF I COULD ANSWER THAT.

>> MAYOR LEFFINGWELL: COUNCILMEMBER MORRISON.

>> MORRISON: I WANTED TO BE SURE THEY DIDN'T GET IN THE WAY OF THE BACKFILL.

RATHER THAN AN ANSWER IN 30 DAYS, BUT WHAT THE RESOLUTION ACTUALLY ASKS FOR IS TO ESTIMATE A COMPLETION DATE WITHIN 30 DAYS.

SO BASICALLY, JUST ASKING THEM TO SORT OF GET A PLAN TOGETHER WITHIN 30 DAYS, KNOWING THAT THIS IS A BIGGER, UM BIGGER PICTURE ITEM THAT NEEDS TO BE ADDRESSED AND WILL TAKE SOME WORK.

AND I ALSO UNDERSTAND THAT THERE THE WHOLE SPECTRUM OF WAYS OF GOING ABOUT DOING IT.

PULL PEOPLE TOGETHER, DO IT SERIALLY.

DIFFERENT WAYS TO DISCUSS IT.

CLEARLY, OUR STAFF ARE FOCUSED ON CLEARING THE BACKLOG.

I WOULD HOPE THAT AND ASSUME THAT FROM OUR CITY MANAGER AND ASSISTANT CITY MANAGER, THERE WILL BE IDEAS ABOUT WHAT KIND OF SUPPORT CAN BE PROVIDED TO THE DIRECTOR TO GET THAT DONE.

>> SPELMAN: IT SOUNDS LIKE YOU ARE OPENING THE DOOR TO A CONSULTANT OR ADDITIONAL EMPLOYEES?

>> MORRISON: I AM OPEN TO THAT.

THE LAST CONVERSATION ABOUT THE REVIEW, THAT WAS JUST A COUPLE OF HOURS AGO.

OUR PREVIOUS CONVERSATION AT THE WORK SESSION LAST TIME, I DID BRING UP THE IDEA OF BRINGING IN AN OUTSIDE MANAGEMENT CONSULTANT, AND IT WAS MY UNDERSTANDING THAT THERE HAS BEEN SOME WORK WITH ONE LAST FALL THAT WASN'T ABLE TO CONTINUE, BUT THAT THERE IS WHAT I WAS TOLD AT THAT MEETING IS THAT THERE IS A PLAN TO BRING IN SOME OUTSIDE EYES

AND CONSULTING IN ANY CASE.

>> SPELMAN: THERE ABSOLUTELY IS AND THAT WILL COME LITTLE LATER. NOT THAT MUCH LONGER LATER AND WE ATTEND TO DO THAT WITH APPROPRIATE STAKEHOLDERS AS PARTNERS, PERHAPS TO EVEN INCLUDING HELP SUPPORT THE COST OF THAT EXPERTISE.

THAT IS SOMETHING WE'RE WORKING ON AND NOT TOO DISTANCE FUTURE WE WILL PROVIDE COUNCIL WITH THE PLAN OF ATTACK IN THAT REGARD.

>> MORRISON: I WOULD LIKE TO MENTION THAT A FEW MONTHS AGO, I WAS VISITED BY THE DIRECTOR OF KPMG OF THE OFFICE HERE IN AUSTIN WHO SAID, HEY, WE'RE PART OF THIS COMMUNITY, WE WANT TO CONTRIBUTE TO OUR COMMUNITY, WHICH IN FACT IS SIMILAR TO WHAT HAPPENED IN CHICAGO, SOMETHING CALLED THE CIVIC CONSULTING ALLIANCE.

A PROFESSIONAL ORGANIZATIONS THAT PROVIDE SERVICES PRO BONO TO GOVERNMENTAL ENTITIES.

I HAVE BEEN IN CONVERSATION WITH THIS PERSON AND SAID DID YOU REALLY MEAN IT.

HE SAID YES.

I HOPE THAT WILL DEVELOP INTO AT LEAST AN OPPORTUNITY TO BRAINSTORM AND SEE WHAT CAN BE BROUGHT TO THE TABLE.

>> SPELMAN: IS IT YOUR INTENTION TO RELY ON OUTSIDE RESOURCES, PERHAPS SCHMOOZED AND NOT

>> MORRISON: IT IS MY INTENTION TO HAVE THE CITY MANAGER MAKE THAT DECISION.

>> SPELMAN: THAT IS WHAT I NEED TO KNOW, THANKS.

>> MAYOR LEFFINGWELL: THAT IS ALL THE PRESELECTED ITEMS.

WE WILL TAKE OFF THE TABLE.

WE ARE READY TO ADDRESS THE MAIN MOTION TO AMEND THE 2013 BUDGET. I THINK ALL OF US HAVE THIS HANDOUT.

>> MAYOR?

>> MAYOR LEFFINGWELL: GO AHEAD.

>> WE DISTRIBUTED WHAT WILL BE ITEM A TO THE ORDINANCE.

THAT IS THE AGENDA INCLUSIVE OF ALL THE CHANGES THE COUNCIL MADE OVER THE LAST SEVERAL HOURS.

IN THE ORDINANCE, WE ARE USING EXACT NUMBERS, AS OPPOSED TO THE ROUNDED NUMBERS WE GENERALLY USE IN THE DISCUSSIONS.

FIVE DIFFERENT FUNDING SOURCES INCLUDING SALES TAX REVENUE, BUDGET STABILIZATION RESERVES, CRITICAL ONE TIME FUND, SUSTAINABILITY FUND.

TRANSFERS IN AND OUT BETWEEN THE FUNDS TO MAKE THOSE WORK AND

ALSO AN AMENDMENT TO THE CIP, WHICH IS PART OF THE ORDINANCE IS

AMENDING THE CIP FEBRUARY THE HOUSING RELATED PRACTICALS.

WITH THAT, IF THERE ARE ANY QUESTIONS ABOUT WHAT I UNDERSTAND TO BE A LENGTHY AND DETAILED EXHIBIT, WE'RE HAPPY TO LOOK AT THEM, BUT IT DOES SET OUT TO DO WHAT YOU DISCUSSED THIS MORNING AND AFTERNOON.

>> MAYOR LEFFINGWELL: WE HAVE A MOTION ON THE TABLE WITH A SECOND AND THE AMENDMENTS OUTLINED IN EXHIBIT A.

ANY [FURTHER DISCUSSION|FUKUSHIMA DAI ICHI]?

COUNCILMEMBER MORRISON?

>> MORRISON: I WOULD LIKE TO BREEZE THROUGH THIS REAL QUICKLY, IF I MAY?

60 SECONDS.

>>

>> SPELMAN: WHILE SHE IS BREEZING, MAY I ASK A QUESTION?

>> MAYOR LEFFINGWELL: I THOUGHT SHE WAS GOING TO BREEZE OUT LOUD. SINCE SHE IS BREEZING SILENTLY, GO AHEAD.

>> SPELMAN: I DO MY BREEZING BEST OUT LOUD.

WHAT IS THE AMOUNT OF MONEY WE ARE SETTING ASIDE FOR RESERVES?

>> PAGE 4 OF THE DOCUMENT UNDER STABILIZATION RESERVE FUND.

YOU SEE A POSITIVE NUMBER, \$497,399.

THOSE ARE THE MONEY THAT COULD HAVE BEEN ALLOCATED TO OTHER SERVICES, BUT THE MOTION WAS TO SET THOSE ASIDE FOR POTENTIAL PROPERTY TAX RELIEVE OR OTHER CONTINGENCIES THROUGHOUT THE YEAR.

>> PART OF THE TRANSACTION, HALF A MILLION DOLLARS GOING BACK TO THE RESERVES?

>> THAT'S CORRECT.

>> SPELMAN: IS IT A PRESUMPTION I WANT TO REMIND US, IF THE MONEY SET ASIDE FOR TAX CREDIT HOUSING IS NOT SPENT, IT WILL COME BACK TO THE RESERVE FUND AND NOT STAY WITH THE HOUSING DEPARTMENT, IS THAT ACCURATE?

>> THAT WOULD REQUIRE A SEPARATE ACTION.

THE ACTION HERE IS TO TRANSFER THE \$10 MILLION TO THE HEALTH AND DEPARTMENT CIP, IF THOSE PROJECTS DON'T OCCUR, YOU KNOW, THE TRANSFER TO THE CIP WILL OCCUR, IT COULD STAY THERE FOR FUTURE PROJECTS OR COME BACK FOR COUNCIL ACTION TO HAVE IT BROUGHT BACK INTO THE GENERAL FUND RESERVES.

>> SPELMAN: AT THE APPROPRIATE TIME, IF IT TURNS OUT THAT BOTH TAX CREDITS, ANYTHING REMAINING IN THE \$4.5 MILLION IN CHANGE FOR THE TAX CREDITS AFTER THE TAX CREDITS HAVE BEEN GIVEN OUT, IT WOULD BE UP TO US BY RESOLUTION TO HAVE IT RETURNED TO THE TREASURY?

>> THAT'S RIGHT.

>> SPELMAN: OK.

I WILL DO THAT.

>> MAYOR LEFFINGWELL: OK.

SO WE OPEN IT UP THE BALLOT.

I WANT TO SAY I WILL VOTE AGAINST THE MOTION.

ALL OF THESE ARE GOOD PROJECTS AND DESERVE ATTENTION AND PERHAPS EVEN DESERVE FUNDING, BUT I BELIEVE THAT WE NEED, AT THIS POINT IN TIME, TO PRESERVE THE MAXIMUM AMOUNT OF MONEY THAT WE CAN TO ADDRESS PROBLEMS IN THE NEXT FISCAL YEAR.

AND A LOT OF THE ITEMS CONTAIN I DID VOTE FOR TWO OF THEM, BY THE WAY, OUT OF THE WHOLE LIST.

BUT A LOT OF THE ITEMS WILL HAVE IMPACT ON OUR NEXT BUDGET.

AND I THINK IT'S GONNA THIS IS MY OFFICIAL PREDICTION.

THIS IS GONNA BE WHEN WE WILL BE STRUGGLING TO FIND THE FUNDS THAT WE NEED FOR ALL THE BASIC SERVICES THAT WE HAVE, THAT WE HAVE TO DO EVERY YEAR, WE NEED TO DO EVERY YEAR AND TRY TO DO THAT WITHOUT A TAX INCREASE.

AND IT HAS BEEN SUGGESTED THAT WE EVEN HAVE A TAX DECREASE.

I WOULD CERTAINLY STRIVE TO DO THAT.

BUT I THINK WE'RE GOING TO BE FACING THE OPPOSITE PROBLEM.

SO I JUST WANTED TO SAY I UNDERSTAND, I LIKE THE PROJECTS, I JUST DON'T THINK, TO ME, THAT I CAN SUPPORT THE FISCAL ASPECTS OF IT, BOTH NOW AND IN THE FUTURE.

ALL IN FAVOR SIGNIFY BY SAYING AYE.

OPPOSED, SAY NO.

NO AND THAT PASSES ON A VOTE OF 6 1 WITH MYSELF VOTING NO.

SO, WE ARE ON THE WORK SESSION AGENDA.

ITEM C IS COUNCIL DISCUSSION.

I'M NOT SURE WHAT THAT IS, BUT I'M SURE COUNCILMEMBER TOVO WILL TELL US.

>> TOVO: I WILL THROW THEM OUT AND IF WE CAN ANSWER THEM, BUT IF NOT I WILL LOOK FOR ANSWERS ON THURSDAY.

WHAT I AM TRYING TO GET AT

>> MAYOR LEFFINGWELL: WHICH ITEM?

>> TOVO: ITEM 44.

ARE ALL SIX OF THE LOTS CURRENTLY OWNED UNDER SOLD?

WILL THE CITY OF AUSTIN START ON ITS WORK BEFORE RECOVERING PAYMENTS FOR ALL SIX OF THOSE LOTS?

WHAT IS THE TOTAL COST?

WHAT I NEED TO SEE IS WHAT IS THE TOTAL COST TO THE CITY OF AUSTIN TO PROCEEDING ALONG THIS PATH OTHER THAN WHAT WE WOULD OTHERWISE HAVE.

I DON'T KNOW IF THE COUNCIL SPONSORS HAVE THAT ANSWER.

>> MAYOR LEFFINGWELL: DO WE HAVE A STAFF PERSON THAT CAN ANSWER THAT?

I DON'T THINK SO.

>> TOVO: I KNOW MY STAFF HAVE BEEN WORKING ON IT TODAY, I MAY HAVE THE ANSWERS WHEN I GET BACK.

>> SPELMAN: ALTHOUGH I THINK I KNOW THE ANSWER, I WOULD PREFER TO HAVE STAFF ANSWER THE QUESTIONS, TOO.

>> MAYOR LEFFINGWELL: OK.

ADDITIONAL ITEMS ON THE AGENDA IS NEXT.

ARE THERE ANY OTHER ITEMS THAT COUNCILMEMBERS WANT TO DISCUSS NOW?

OR OTHER ITEMS OF INTEREST?

IF NOT, IT IS MY IMPRESSION THAT WE HAVE ADDRESSED ALL THE ITEMS ON OUR WORK SESSION AGENDA.

SO WITHOUT OBJECTION, WE'RE ADJOURNED AT 3:45 P.M.

