

City Council Meeting Transcripts – 9/9/2013 and 9/10/2013

Title: ATXN2

Channel: 6 - ATXN

Recorded On: 9/9/2013 6:00:00 AM

Original Air Date: 9/9/2013

Transcript Generated by SnapStream Enterprise TV Server

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>> Mayor Leffingwell: Good morning. I'm austin mayor lee leffingwell. I'll call this meeting of the austin city council to order at 9:03 a.M. On monday, september 9, 2013. We're meeting in the council chambers austin city hall, 301 west second street, austin, texas. Our time certain items for today are at 10:00 a.M. To adopt the tax rate, at 10:15 to convene a meeting of the austin housing finance corporation and also at 10:15 convene a meeting of the mueller committee. Before beginning our agenda today, we will

-- okay. We will go into executive session to take up three items. First item 1 which is the general operating budget. Pursuant to section 551.071 of the government code we will consult with legal council regarding the following items. First is item 1, the general operating budget. Second item 2, discuss legal issues related to the city of austin 2013 labor negotiations. And item 13, related items related to austin energy fees, rates and program offerings proposed for the f.Y. 2013-2014 budget. With no objection going into executive session, hearing none, we will now go into executive session. Mueller.

[04:39:44]

>>> We're out of closed session. In closed session we took

-- related to items 1, 12, and 13.

-- Took up items related to

-- ON AUGUST 22ND AND 29th, Council took public. The public comment period of the part of the hearings to adopt the budget and the tax rate was closed on August 29 by a vote of the council. The council will now conclude the hearings by discussing and voting to continue the city's budget

-- adopting the city's budget and the actual tax rate for figures for 2013-2014. We will begin with item number one. And I want to turn it over to staff to give us background material about the supporting materials and how we can use them with regard to item one specifically in explaining the attachments in a, b, and c.

>> Good morning, mayor, mayor pro tem, members of the council. I'm joined by Elaine Hart, the city's CFO, Diane Syler, our deputy budget officer, and Iela Fireside, our attorney for our budgetary matters. As you're aware, you know, adopting the budget every year is a lengthy, complex process and I think in this year's case in particular, we have a lot of moving pieces. So we wanted to provide some background information and prepare a binder that we hope will facilitate the discussions over the course of the next several days. The binder materials we provided to you, we've also posted those online. It's divided into five main tabs. Tabs a, b, and c, all pertain to the operating budget and I'll discuss those in more detail in a moment. Tab c, and a, b, and c, the operating budget, that's item one. That's the first agenda that would adopt the city's operating budget. Tab b pertains to the city's capital budget, item 2, and tab e pertains to changes to our fee schedule, which is item 3 on your agenda, adopting the city's fees and rates for fiscal year 2014. Underneath there are a number of subtabs. A1, a2, b1, b2, et cetera. Those subtabs provide additional background information and contextual information that may help you as you're deliberating on these items. I'd like to talk about attach a, b, and c, which pertain to item 1 on your agenda for adopting the operating budget. Tab a will correspond with the

-- I'll walk you through. Back on August first we delivered to you our initial budget proposal, the green budget document and this is a small handful of recommended changes that we're offering to that budget recommendation at this point in time. They're largely driven by the fact that we now have additional data, in some cases we've been notified of grant awards, so things of that nature. Attachment b provides a summary of what we're calling staff initiated funding options beyond what we're recommending. So last week at our final budget work session, staff presented to you 15 million dollars of funding options to help you achieve some of the priorities that

have yet to be addressed in the city's budget. 5 million of those are things that staff is recommending. There's another roughly \$10 million outlined in attachment b. Then attachment c is everything we've heard from council at our previous work sessions, or via email. These are items that council is interested in funding as we go through these budget proceedings. There

-- budget proceedings. There were a handful of items missed from that list, so we've provided to each of you an addendum to that attachment c that has three or four additional items for consideration. Each of those tabs maybe I could bring your attention back to tab a. Each is divided into a general fund and non-general fund section. With

-- so for example, tab a, number one, those are our general fund changes. And many of those changes then end up impacting non-general funds. So you'll see some of this ticking and tying. For example, one of staff's recommendations is to increase the transfer into the general fund from our business retention fund.

[04:44:36]

-- Retention fund. That's a general fund increase, but then there's a change on the non-general fund side as well. The business retention fund has an increased transfer out. So some of the items in the non-general fund section will just be the time that needs to occur as general fund changes happen. And we'll be sure to keep track of those as we go through the process. But you know, in some cases, by you taking actions on the ground item, it will have effects on non-general fund items as well. And that just kind of brings me to my final point, that some of these changes are complex in nature. Some of them are fairly straightforward. The one I just described is fairly straightforward. Some of the changes council will be contemplating literally affect every city fund and all the inner connections between those funds, our transfers in and transfers out and the rates that we need to set to achieve our -- to maintain our budget and balance. So we just offer as a caveat as we go through this, many of the deliberations we'll be able to handle on the fly, but there could be some conversations that occur that will require staff to take a break and potentially a lengthy break. We may even need to in some cases work overnight in order to be prepared to come back to you on Tuesday. It just depends upon the course that your

conversations go, but I just wanted to be able to set the expectations that many of the things we'll be talking about today I anticipate we'll be able to handle on the fly, but there may be some, given the complex nature of them, that staff will indicate will need more time on. So with that, mayor, I

-- I conclude high comes comments.

>> We'll take up agenda item number one, which is to approve the operating budget. And as we go through this, we'll go through separately, first of all, we'll take a presentation from staff on the staff recommended items, which is attachment a. And then we'll go through attachment b, and we'll begin to take individual motion. These are the items that are recommended

-- suggested by staff as possible revenue enhancements or expenditure reductions.

And finally, we'll take up

-- finally, we'll take up item c, which are the items that we know about so far, going to be proposed by council members. As we go through this process, the first step will be to get a motion on the table to approve the operating budget. That of course, I think it's safe to say, will be amended numerous times. Before the end of the day. So we'll go through the amendment process first with a, b, and then c. As amendments are proposed, by council members, those items will be accepted on unanimous consent and if they're not we'll go immediately to a vote on items that are contested or objected to, not subject to unanimous consent. Be no friendly

amendments. And our procedure when we get to item c, if I'm suggesting

-- what I'm suggesting, council speaker has brought up the issue. We go through a round robin fashion. Each council member will be allowed to propose one amendment until everyone has had an opportunity to make a proposal and then we'll just keep using that procedure. We'll circle back one at a time until all the opportunities for amendment have been exhausted. So if there's no objection, those are the procedures that we'll adopt to go through this particular item. Council member tougho?

[04:48:16]

>> Let me just carry fly the round robin process. Some of us have proposed budget reductions, so it would make sense to start with those to see what kind of extra

revenue we have?

>> Well, some of them will be revenue reductions. Most of them are going to be expenditure increases. So I'm open to that discussion. But we're first going to put i think item a is all revenue enhancements. So we'll go through that process first and we'll pause as we go through periodically to have staff to advise us to what the status is now. How much money is on the table, so to speak. But I would suggest that when we get to the staff recommended proposals, that we go just in order, whichever amendment, whether it's a revenue enhancement or otherwise, just take them one at a time. Otherwise it gets kind of complicated.

>> I agree. I was really proposing that for the council items to the extent that those of us

--

>> that's what I'm talking about.

>> Have proposed reductions, it might make the best sense to start with those and see what we have consensus on, so we have a sense of what kind of extra revenue we may have to allocate to some of the additions.

>> I would prefer to just go in order and take them up one at a time as they come, whether they be, as you say, expenditure reductions or expenditure increases and we'll keep a a runtally on where we stand. Is there any other comment on that part of it? Council member morrison.

>> I can see the logic in what council member to haveo has suggested, because I guess before I can make a decision on whether or not to add something, I'd like to see, you know, how far above or below a given tax rate her.

>> We know know that on a running basis as each amendment is approve. Council member spelman.

[04:50:20]

>> If I may

-- I'm not quite through.

>> Go ahead.

>> I understand we'll know that on a running basis. But on the other hand, if an amendment on down the road that would open up a million dollars doesn't pass,

then my decision on what I'm going to be supporting to add back will have to -- would still be pending. So I can definitely see the logic.

>> Well, I don't think there's any question at some point there's going to have to be abreconciliation of all of these items to make sure it fits. We have a cap. We cannot exceed \$51.14 cents property tax rate. We know that's been approved by the council officially. So we may find ourselves above that and we'll have to go through reconcile those differences. Did you have a comment?

>> I did, mayor. The reason I suggested the procedure I did is that I think we can think of this as being

-- creating a first draft in our first go round and then reconciling later, once we know exactly where we stand. Once we have a sense for all the things that the council would like to do to amend the budget, it may turn out that we're to the good, and we're coming through with a tax rate that would result from that. It could be that we're actually in a hole by 10, \$20 million, in which case we would have to go back and figure out what are these things we thought we were in favor of we're not low know in

-- no longer in favor of. It seems reconciliation, see how we stand on all those, and fiddle with them afterwards when we figure out what effects they're going to have on the budget.

>> That's kind. Procedure we'll go by. And

-- kind of the procedure we'll go by. And if members want to offer their revenue enhancement proehls first, that's

-- proposals first, that's a good thing. So I think with that, I turn it back to staff.

Council member metro.

[04:52:22]

>> Mayor, did you

-- council member metro. Martinez?

>> Did you want a motion to atonight the budget just to get things started?

>> That is correct.

>> So move.

>> Mayor pro tem moves to adopt the city's operating budget for fy 2013-2014.

Seconded by council member martinez. Now staff can present they're recommended amendments.

>> All right, mayor. If we have a presentation that we provided to you. You can also follow along with this presentation under tab a, page 5 of your binders. It's the same information, whatever is more convenient for you. So the first slide 3 here shows some revisions to our fiscal year '13, general fund revenue estimates, which will have the end result of increasing our budget stabilization reserves. And will allow us to fund some one-time items in our fy 14 budget that are currently in the operating budget. As a result of our property tax rate coming in higher than our anticipated level of 98.5%, we're proposing in 13 to increase our estimated revenues by one and a half million dollars. On the development revenue, we're proposing \$900,000. We currently estimated or in our budget we estimated 19.2 million dollars. The two months of data we've received since the time of delivering the budget to council have both been very strong. And staff feels comfortable increasing that development revenue estimate by \$9,22

-- i will note again that that will

-- is and will be the highest level of development revenue the city has seen in its history. We are proposing to reduce the general fund transfer to neighborhood housing and community development cip in fiscal year think fine by \$250,000. That's related to the two federal tax credit projects that we now believe will come in \$250,000 in the amount that was set aside for nose programs. We

-- those programs. We set aside four and a half million dollars. And the two projects will be 4.52. And then finally, there was a little bit of our stabilization reserves that was left. When we proposed our budget over and above what was needed to maintain 12%. Essentially we were maybe at 12.01%. So this. Bit can be drawn down. In total it's 2.8 million dollars that we can now use when we go to the next slide, to fund what we call critical one-time items. Essentially what that does is free up funding in our o and m budget to pay for reduring items. You'll see this

-- recurring items. You'll see this similar concept in item b, by increasing our sales tax projections for fiscal year 13 it has the same effect, but as far as what staff is being forward, we would have \$2.8 million in our operating budget that would be freed up by these actions. Next is to decrease our transfers out to our employee benefit fund. We talked last week about how our experiences continue to be very good. Very favorable and so the increase that we initially budgeted for our medical costs of 5%

we're proposing to lower that to 3%, which has a \$1.2 million savings in the general fund. Increasing the transfer in from our business retention fund. This is a fund that's set aside to provide small business loans for businesses along the congress and 6th street area. That fund currently has an ending balance of \$1.6 million and staff's recommendation is to draw that ending balance down by \$600,000 and bring it to the general fund. Decreased funding for abd requirements for the travis county central booking contract. That's the result of us having an agreed to contract. And it being lower than what we had anticipated. Decreasing the general fund transfer to the housing trust fund and associated housing trust fund appropriation by 78,251. This has to do with staff's earlier recommendation to revise the housing trust fund calculation. But as a result of council conversations and the recent direction to put a \$65 million bond program forward, staff would no longer be recommending that change in the housing trust fund kral craigs, so it -- calculation, so it would be lowering it by \$78,000. One of the discussions we had in council was regard to ems' fee structure and whether or not we could charge a range of fees for our medical supplies, thereby allowing the fees to change during the years as market conditions vary. We are bringing that forward at this time. When we get to item 3 on your agenda to set the fees, you'll see those changes. And they're also shown under tab e of your fee schedule. But this is to recognize the additional revenue and anticipation that council would approve those changes. So if that's -- something that council is not interested in doing, we would want to have that discussion now, because there is disconnect between when we have to recognize the revenue and what the fees are actually changing. So again, under item 3 of your agenda, tab e. Book, you would see the proposed changes to the ems fee schedule that would result in this additional revenue. And for general fund, increasing our general fund requirement -- the leave bank program that council approved. The total cost are \$117,000. This simply reflects the general fund's piece.

[04:58:23]

>> Mayor?

>> Mayor pro tem cole?

>> I move adoption.

>> We're not finished yet.

>> You're going to go through the whole

--

>> yeah.

>> Those are all the general fund changes. But item one on your agenda approves all of the operating budgets in the city. So I do need to go through a handful of non-general fund operating budget amendments. The first two being, we talked about those on the general fund. Decreasing the transfers out to the employee benefits fund. Also does impact all of our non-general fund departments. You can see that by department, by fund under that tab a2. The total for the non-general fund departments is \$1.3 million. Increasing requirements for the employee leave bank has a non-general fund impact of \$83,000 and you can see the details of the different departments and funds under tab a2 of your binders. This is one of those ticking and tying issues I talked about where we're increasing the transfer into the general fund by 608,000. So we need to have the corresponding transaction over here on the business retention fund to increase the transfer out. The \$78,251, this has a net zero impact. We would be decreasing the transfer into the housing trust fund from the general fund. But then we'd also be lowering the expenditures in the housing trust fund by \$78,000. So this is reflecting the change that would occur in the housing trust fund budget as a result of lowering the general fund's transfer by \$78,000 to that fund. [Captioning will continue shortly]

[05:00:52]

>> so with that that concluding staff's recommended changes to the operating budget for fiscal year 2013-2014.

>> Mayor Leffingwell: Just to summarize, this is a revenue enhancement.

>> It's not just revenues, mayor. There's a combination of revenue enhancements and expenditure. The net result is the sure police.

>> Mayor Leffingwell: Correct. Mayor pro tem.

>> Cole: We had a presentation in our work session and I know this is not all the proposed changes that staff discussed with us, but i believe that these are fiscally

responsible, all of them, so I'm going to make a motion that we accept the staff recommended operating budget changes.

>> Mayor Leffingwell: Motion by the mayor pro tem. And I will second. All in favor of the motion say aye. Aye. Opposed say no. That passes on a vote of 7-0. So we're now ready to discuss the lists of other budget additions and reductions that the staff has provided in attachment b. That includes

-- we'll take up these items separately and we don't have to specifically address them. We have the list here and if councilmembers wish to, you can make a proposal for an amendment to adopt

-- to adopt a particular one. If there's not motions to adopt the others, the remaining items, they just won't be considered. Again, that same procedure will apply. No friendly amendments to proposals, and if there is not unanimous consent, we'll proceed to a vote. So again, we're in attachment b. I will propose an amendment to adopt items 1.1, 1.2 and 1.3.

[05:03:16]

>> Cole: Second.

>> Mayor Leffingwell: And we don't need a second. Is there any objection?

>> Spelman: Mayor, question.

>> Mayor Leffingwell: Councilmember spelman.

>> Spelman: Remind us, ed, what did we just assume for sales taxes for fiscal year 13?

>> In the proposed budget staff assumed that the remaining months of fiscal year 13 would come in at 3% which was consistent with our long-term trends of 3.6%. It was on the conservative side of our 10-year trend. Year to date we're 8.1% so obviously 3% is very conservative and 5% would still be prudent.

>> Spelman: Okay. And the 4% growth for fiscal year 14? Would you care to comment on the likelihood that we're going to hit 4?

>> Yes, sir, I think there's a very strong likelihood we'll hit 4% in fiscal year 14. Staff presented a variety of options. I think those options are listed under tab b-1. The high end of what staff would recommend for council to consider was this 5%, 4% scenario. We certainly would suggest to council to not go beyond that, but we were

comfortable with the 5%, 4%, and we've had this discussion. A lot of it is about your tolerance for risk knowing that in the future there are economic cycles and sales tax can go down as quickly as they go up.

>> Spelman: Can you offer a likelihood we're not going to hit 4%?

>> I think it's very unlikely.

>> Spelman: That's close enough to a number.

>> Mayor Leffingwell: Any objection? If not, those three items are adopted.

Councilmember martinez.

>> Martinez: Thanks, mayor. I also want to move that

-- that we incorporate staff's suggestion of 1.6, which is managing the vacancy savings to enhance revenue by 1.1 million. Is that right, ed?

[05:05:32]

>> Mayor Leffingwell:1.18. 1.18. You can look on tab b-3 and it shows you the impacts for all of our departments on all of our funds. Total citywide it's 6.4 million.

>> I had an additional question to go with this and i don't know if we can get it answered today, but it's something that is somewhat significant. When I look at the proposal by councilmember riley to add the 36 new police officers, we have a similar price tag for one-time expenditures related to those officers as I guess it relates to vehicles, equipment, firearms, vests. Wouldn't that also apply to vacancy savings? Something like a one-time expenditure that would normally be a part of those employees if we would hire them on? And the same question is going to go for the proposal

-- and I'm just teeing this up so maybe we can have at least an anecdote tall response. WITH THE FTEs FOR CODE Enforcement, there's 19 proposed and they are also proposing buying 21 vehicles. If we eliminate some of those REQUESTED FTEs, ISN'T THERE An associated one-time expenditure savings?

>> There would be. I'd have to look into the details of the code compliance positions in terms of whether or not they, you know, budgeted those funds in their operating budget.

>> Martinez: As we move along in the process, if we could get some of that information, I think that would have an impact on one-time expenditures that could

be, again, added to the back end of this, if you will. So mayor, I'm moving that we incorporate staff's recommended 1.6.

>> Mayor Leffingwell: Is there any objection?

>> Cole: Mayor, I have a question.

>> Mayor Leffingwell: Question from mayor pro tem.

[05:07:33]

>> Cole: Ed, I am just not clear on what the increased budget vacancy savings for the general fund is because i thought that you said it was 1.5 and then on this presentation I see 1.180.

>> Well, when we presented to you last week at 1.5, and it could be 1.5. There's this interplay between savings that occur in our support departments and the general fund. So the 1.1 million we're showing here, if you were to look at tab b-3 on page 17, there's 1.1 million vacancy savings as a result of doing this just to the general fund. We also realize savings in our support service departments, ctm and fleet. And to the extent those departments have savings it can generate savings in the general fund that would take us up to one and a half million. We can't say for sure until we see all the pieces fit back together here today whether or not that will occur because if we're also going to talk about increasing employee wages, if we're going to talk about funding some priorities in the support departments, those savings may get spent on those items. If this is the only action that happens today, then there would be an additional \$400,000 of savings to the general fund. I just felt the way that this process was likely going to play out, we needed to see how all the discussions that occur before we can start to fit this back together. So it could be as much as 15.55 million, but at the very least it would be 1.1 million.

>> Cole: For the tally you are keeping right now we're going to use the 1.80.

>> Yes, ma'am.

>> Mayor Leffingwell: And that's a conservative number. It could only go up there. Council makes other decisions.

>> Mayor Leffingwell: Is there any objection to adopting staff initiated change number 1.6?

>> Spelman: No objection, mayor, just another question.

>> Mayor Leffingwell: Councilmember Spelman.

[05:09:35]

>> Spelman: Am I right in the assumption as to the length of time a vacancy is going to stay vacant?

>> It depends how a department, you know, manages their vacancy savings and it depends conservatively their vacancy savings currently is relative to what they realize. If they have a lot of turnover, they may not need to delay hiring, it may be a course of natural attrition. It could be in some cases in departments holding positions vacant for an extra month or two before they fill them in order to achieve a higher number. This is taking departments from an aggregate vacancy savings of 1.6% up to 2.6%.

>> Spelman: That 2.6% does appear to match our historical record for how long vacant positions will stay vacant.

>> It does. I mean when you look at it in terms of attrition and positions being vacant, I can say with a great deal of confidence departments just through normal attrition will be able to meet vacancy savings of 2.6%. It's to some degree part of the story because in many cases departments are utilizing vacancy savings to bidding fill positions with temporaries or using overtime or to fund other priorities. It's one of those release valves that departments have as other priorities come up through the year that need to be addressed. By conservatively budgeting vacancy savings and having more vacancies throughout the year, it gives them that flexibility which will be hampered by this proposal.

>> Spelman: We're removing their flexibility but not necessarily changing historical practice.

>> That's correct.

>> Spelman: Why is it not public safety is not included in this list?

>> When you look at the public safety departments and, you know, we had some discussion about whether to exclude sworn or not, you know, but then the 311 call takers are not sworn but they are clearly part of public safety and so in the end we just decided to exclude all of the public safety departments and really the main difference is that

-- you know, for fire and E.M.S. And even for police as the impact of having more

vacancy

-- the impact it has on their overtime, particularly in the fire department and e.M.S., Any time they have a position vacant they are going to backfill so there really is no savings there. And even though they don't have that hard policy in the police department that was our same thought process that to the extent there's vick cyst in the police ranks that they would need to utilize more overtime in order to meet patrol requirements.

[05:12:22]

>> Spelman: This is true even if we restricted that 1% to civilian employees of the police department and nonsworn employees of the fire and e.M.S. Departments.

>> I

-- I suppose we could get down into details and maybe carve out small slices, but you start looking at the civilian ranks, the largest civilian ranks would be associated with some of the call takers and that would be the same situation, if they were short call takers they would end up filling those slots on an overtime basis. So again we had that discussion at the end of the day we decided to exclude public safety from this exercise.

>> Spelman: The short version is in including public safety in this list would probably not lead to budget reduction because of the need for backfill and overtime expenses.

>> That's right.

>> Spelman: Thank you.

>> Mayor Leffingwell: So is there any objection to adopting this item? Hearing none, item 1.6 is adopted. Other

-- other amendments under tab b? Councilmember morrison. We're trying to do the round robin thing here.

>> Morrison: I appreciate that. Yes, I would like to offer item number 1.5 as an amendment to reverse the general fund contribution for economic development by 1.2 million. And my reasoning behind that is that the general fund is already responsible for funding the economic incentives reserve fund which is what we've committed. We're paying our 380 agreements and other, you know, agreements that

are based on the increases in property taxes. So my sense is that it would
-- it makes sense, there's a certain logic to not having general fund on top of that.
Also contribute 1.2 million to the economic development.
[05:14:36]

>> Mayor Leffingwell: So councilmember morrison's amendment is to adopt 1.5?

>> Cole: And I'll object to that.

>> Mayor Leffingwell: Yeah, I will too. Any other comments? Before we go to a vote?
Councilmember martinez.

>> Martinez: I'm going to support this recommendation because we currently have
at least in this year's budget \$17 million that's funding the economic incentive
agreements and so I think reversing

-- in a tight budget year when we're trying to meet a the look of priorities, 1.2 million
is a pretty small amount to ask when we already know we're going to fund 17 to 20
million dollars in the next year in tax rebates to these companies. So I understand,
you know, economic development is very important to me, it's important to our city
that we continue, but we're making those commitments that we have agreed to and
we're funding those commitments. So this would allow us just to meet some of our
other objectives and priorities so i will be supporting this.

>> Mayor Leffingwell: Councilmember spelman.

>> Spelman: Who would pick up that \$1.8 million? If we don't fund it by 1.28 million,
who will?

>> Page 12, item 3.3, an increase in austin energy's allocation to economic
development department.

>> Mayor Leffingwell: That's on the next page.

>> On the next page. Page 12.

>> Morrison: Mayor, if i may.

>> Mayor Leffingwell: Councilmember morrison.

>> Morrison: That wasn't my motion. My motion was just to decrease it so it would
in fact

-- unless somebody else makes a motion to have it increased under

-- so that it would just decrease the overall economic development effort.

[05:16:40]

>> The way we structure it here being that this was a staff initiated operating option was to have it not impact economic development department's services, that it was a shift of funding that up until now egrso has been 100% funded by ae. In this current budget we proposed starting to share some of those costs with the water utility, arr and the general fund and staff proposal was just to take the general fund's piece back to austin energy. So I understand your proposal. I just was explaining why we've structured it why we did on these pages. And I would mention that i think there probably would be a need to have testimony from economic development in regards to impacts this change would have on their budget and ability to deliver services.

>> Mayor Leffingwell: I'm not going to support that amendment because I think it's incorrect to say, well, we've got \$17 million that we're putting out anyway on economic development projects. The truth is we're taking in more than that \$17 million and it shows up elsewhere in the budget. And that's been demonstrated on every single economic agreement that we've had, that we've adisappointed, that this council has adopted, every one has been cash position active. So I think it would be detrimental to the city's revenue picture over the long term to defund if that's the motion. The general fund contribution to economic development. And the reason it's a general fund contribution in this case is because we started on this process to more fairly allocate funding and make it not just to be from austin energy but to be from other enterprise departments and from the general fund. This was the allocation that was determined. So I'm not going to support that one. Mayor pro tem.

[05:18:46]

>> Cole: I would also like to add that economic development has been very important to the city and our sales tax revenue news and approximate revenues and we would not be able to contemplate an approximate going down to the nominal rate or not being as high as staff has proposed so I will not be supporting the

motion.

>> Mayor Leffingwell: Those in mayor of councilmember morrison's amendment say aye.

>> Aye.

>> Mayor Leffingwell: Opposed say no.

>> No.

>> Mayor Leffingwell: And i believe that fails on a vote of 3-4 with councilmember riley, myself, councilmember spelman and mayor pro tem voting no. Councilmember tovo's turn.

>> Tovo: Yes, mayor, I would like to propose 1.9 for consideration decreasing appeared overtime related to the pilot program. And I would like to increase the amount to 1.05 million which, as I understand, is the total included in this year's budget for that pilot program. With the additional language or the additional thought that we would revisit

-- I think there's a will among certain members of council to revisit the question whether these trails would be open and I am open to having that discussion again on another day if a councilmember wants to bring that forward, but for now i would propose eliminating the funding for that program.

>> Mayor Leffingwell: Is there objection to that? First of all, I'll object, but expect.

>> Spelman:

-- Expect.

>> Spelman: That does not necessarily reverse our decision to keep the trails open. This is only budget item we're talking about here. In so far as I can tell if we did not take additional action the trails would remain open to bicyclists after hours. Is that accurate? Thank you.

[05:20:56]

>> Mayor Leffingwell: That's correct. Is that all, councilmember? Yeah, so given that situation, that is tantamount to just

-- I mean it is just a reduction in \$1.05 million to the a.P.D. Budget. That's what it is. Because there's

-- there's just no other way to describe it because they still have the same

responsibilities and they are not

-- if this were on the table as you describe, councilmember tovo, if we had already taken that action to remove that responsibility, i would support your amendment, but in this case I won't.

>> Tovo: Mayor?

>> Mayor Leffingwell: Councilmember tovo.

>> Tovo: If I may, i certainly would be open to a suggestion of how much funding it would take to get us, say, through the

-- I assume that the trails will continue to be patrolled by a.P.D. Through the month.

Correct? I mean, we've allocated funding for the end of the fiscal year. In last year's

-- in the midyear budget amendment. So we have

-- the police have funding to patrol the hike and bike trails through the end of the month.

>> That's correct.

>> Tovo: And so a councilmember or a mayor could propose something on september 26th agenda to reverse or at least reconsider that decision of whether the trails should be open under the circumstances we would find ourselves in if it passes here today to eliminate the funding. So the decision today to eliminate the funding as councilmember spelman points out, but we have an opportunity to address this on the 26th before the patrol stops. So I guess I would offer that to you that if you wanted to bring forward a resolution to reconsider that decision, we would have an opportunity to do so without putting
-- without eliminating the patrols in the meantime.

>> Mayor Leffingwell: I appreciate that, but it's just a question of which comes first. You know, anybody has the opportunity to bring forth that initiative to eliminate use of the trails during the middle of the night, but there's no assurance it's passed and if it doesn't pass, then you've already eliminated the funding for it. I appreciate that suggestion and I think it's a good one, but it's kind of in reverse order for me.

[05:23:19]

>> Mayor? In order to help you keep track, I believe the proposal councilmember tovo has brought forward would be a combination of 1.9 on this page combined with

1.33 on page 24 which was the second \$525,000. So with this action we'll need the approve both or remove both.

>> Mayor Leffingwell: Yeah. I picked up on that. It is also listed

-- the second half is listed under attachment c. So there's an objection by me so we'll go to a vote. All in favor of councilmember tovo's proposal say aye.

>> Aye.

>> Mayor Leffingwell: Opposed say no. No. Councilmember martinez. So that passes on a vote of 6-1 with me voting no. All right. So mayor pro tem cole cole I'd like to make a motion that we reverse the

-- adopt staff's recommendation to reverse the 311 cal indication for 500,000.

>> Mayor Leffingwell: That is item 110 by the mayor pro tem.

>> Cole:1.10.

>> Mayor Leffingwell:1.10 or 110? All right. Is there any objection to that?

Councilmember spelman, are you objecting?

>> Spelman: Yes.

>> Mayor Leffingwell: We'll go to a vote.

>> Spelman: To be sure i understand, page 12, the flip side of reversing the general fund's paying for 311 would be to increase the arr budget for 311. Is that right?

That's what that \$500,000 is all about is the flip side of 110.

>> Yes, 3.4 is the flip side of 1.10.

>> Spelman: Okay. Quite apart from the spending changes which are clear. Would that require a rate change in austin resource recovery?

[05:25:27]

>> No, it would not. We have verified over the weekend this change could occur and without a rate increase and with still having their

-- their ending balance meet their 1/12 reserve requirement. Almost to the dollar but they still meet it.

>> Spelman: There's no margin left, but they can get through there. Remind us the reason why the general fund was going to pick up another half a million dollars is because we did analysis where the 311 calls went, what agencies the people were calling about and concluded that the general fund agencies were not picking up their

share of the tab because they were getting a larger share of the 311 calls than we originally expected. Is that right?

>> That's right. This is one of those services that previously had been 100% funded a couple years ago by austin energy. Staff brought forward a proposal to start sharing those costs between the energy utility, water, arr and the general fund. Our initial stab at that was admittedly an ad hoc basis but we have collected data over the last couple of years not only in terms of what the calls are for but the types of calls, how long it takes to clear them, work order type information. So we have good data to do a databased cost allocation model. That data indicates the general fund's share of the total is significantly higher than the million dollars and so we proposed a four-year transition to this true databased allocation with a half million dollars of that coming in the f.Y.14 budget. So by undoing that, our recommendation would be to put that cost back into arr. That's where the additional -- the additional costs or the general fund resulted in the savings the general to arr. So this option would be to undo that.

>> Spelman: This is not spending reduction, this is moving funds from general fund to arr. How is it you chose arr to pick up the slack?

[05:27:29]

>> Well, when we looked at the modeling we're doing, it really was primarily the general fund that's currently under paying and arr that's overpaying. So when we -- the other two were relatively close. When we were looking to make this transition, it's arr's dollars that we're drawing down and the general fund's that's increasing. In undoing this, we didn't want to -- that's the issue we're trying to correct with the allocation between the general fund and arr and that's why we're recommending to put it back as opposed to burdening one of the other two utilities in a way that date to doesn't indicate we should be.

>> Spelman: In the long run, the general fund ought to be paying considerably more than a million dollars, more than \$1.5 million. Am I right this is going to be a smooth increase for a four-year period?

>> The general fund's share based upon the data should be 2.8 million and it's

currently a million. So we proposed a four-year transition to get us up to that \$2.8 million level with overtime savings coming to arr. That's essentially the bottom or basis of our transition that we proposed.

>> Spelman: Thank you. Mayor, the phrase I grew up with was every tub on its bone bottom. I think the general fund needs to be paying legitimate share of expenses of 311 and I think transitioning slowly over a four-year period makes sense.

>> Mayor Leffingwell: Okay, so if there's no other comment we'll go to a vote on the motion by the mayor pro tem to adopt item 110 or 110. All in favor say aye. Opposed say no. Councilmember spelman and riley voted no. Councilmember martinez, what was your vote? So it passes on a vote of 5-2 with councilmembers riley and spelman voting no. So councilmember spelman and riley have not had an opportunity yet. Councilmember spelman.

[05:29:48]

>> Spelman: Question on 1.11. If we were to pass 1.11, that would simply reduce the size of the economic development program but would not transfer costs from the general fund elsewhere. Is that accurate?

>> That is accurate.

>> Spelman: Okay. And remind us how much money would be left available to use for the economic development program if we were to reduce funding by \$333,000.

>> Over the last three years there's been a total of \$3 million contributed to that fund. I think the expenditures to date, because these smaller deals are spread out over 10 years, the expenditures have been in the neighborhood

-- so there's roughly a \$2.8 million balance in that fund. Which would come down by \$333,000 so about \$2.5 million would still be left and that's a pot of money that's there to not only provide economic development staff flexibility in negotiating deals and bring things forward to council for approval, but also to pay out those deals over time, over the next 10 years.

>> Spelman: What are the annual obligations on that fund?

>> It's about 200. I'd have to look up, but it's in the neighborhood of 200, \$250,000.

>> Spelman: Okay. And this, of course, is replenished from at least other sources, not necessarily the general fund if we passed item 111, but replenished from other

funds.

>> It is.

>> Spelman: Mayor, I move approval of 111.

>> Mayor Leffingwell: Councilmember spelman moves to approve item 111 to eliminate the general fund contribution to the economic development program. Councilmember morrison.

>> Morrison: I wonder if we could get a little more springs. I'm going to be supportive of this. I'm supportive of it even with what I thought was a different explanation of the fund that we got last week. It sounds like these are part of our 380 agreements that funds part of our 380 agreements, but last week we heard an explanation that it was

-- or I thought I heard that it was a fund

-- a fund to fund smaller projects for economic development.

[05:32:11]

>> If you look at tab b-5, it may provide clarity because it lists the six deals that have been done under this program. And to a large degree these are

-- you think of some of our 380 agreements where a business is coming and doing a significant construction project and it's increasing our property tax base which then results in additional tax revenue that gets repaid

--

>> Morrison: I get that. I thought that was our economic reserve fund which is different than an economic development program, i thought.

>> That is correct.

>> Morrison: So I'm trying to understand the difference

-- what money is in what.

>> If I may, why don't we allow the assistant city manager to draw some distinction between the programs.

>> Sue edwards, assistant city manager. Council, the \$3 million that ed references \$1 million each year does come from the general fund and it is used to provide incentives for those smaller companies that do not provide enough property tax in order for it would be a worthwhile incentive. Although some of those funds, ed may

want to correct me, are commingled together, what you are specifically talking about when you talk about the \$333,000 is a portion of the 3 million that

-- that goes to incentivize those

-- those companies that do not support property tax.

>> Morrison: But i thought

-- okay, so help me understand because the six that are listed here, orthopedic, facebook, legal zoom, advisory board, visa and e-bay, we did the web loci analysis. It showed that it was going to be a net benefit and are you saying that it's a net benefit but the property taxes increase doesn't cover it? I'm very confused.

>> Councilmember, rodney gonzalez, deputy director for economic development department. What you don't see on the lists are the projects like samsung and apple, which have property tax rebates connected to them. Because as sue is pointing out, those are the larger property tax incentives projects and they are all net positive. The six that you have in front of you are net positives as well and they do generate property tax and they do generate sales tax. However, they generate more sales tax than they do property tax. So we use this special fund that was created for those smaller projects. But they all are net positive.

[05:34:49]

>> Morrison: Okay. So it's because we're basically having to account for them differently and so the 17 million in the economic incentives reserve covers apple and samsung and the ones where we expect the property tax to be enough to cover it.

>> Yes.

>> Morrison: Okay. And so there was a reference last week to smaller programs and there was some

-- i believe i heard some comment about smaller programs like for art and film or music and film, am i misremembering or that was just not

--

>> I'll respond to that. Councilmember, we do

-- we do provide incentives for

-- i think i used last week or so the example of friday night lights. And so this would be that fund that would provide for those kinds of projects that provide economic

development for the city of austin and provide for jobs, but they don't have a property tax that goes along with them.

>> Morrison: Okay. And the other reason that i was having a hard time connecting the dots is because this fund was created in f.Y. 11 and I think friday night lights was before f.Y.11.

>> And that was one of the reasons, councilmember, you are exactly right. That was one of the reasons we did create this fund because we had a very difficult time being able to find a way to provide incentives to friday night lights. So when we have -- when you have a film coming to town and you wanted to incentivize a film or something like that that didn't provide a property tax, this was exactly why we created this particular fund.

>> Morrison: So this fund really does reflect commitments that we've made already and the suggestion is that even if we decrease it by 333,000, we will have the funds available because of some of the other things that have loosened up.

>> That's the commitment reference ed had talked about, 2.8 million approximately of that fund is committed for those six projects.

[05:36:57]

>> Morrison: And the total balance in the fund right now?

>> Actually I think it's going to be

-- we keep this fund summary, it's all part of the economic incentive reserve fund, and we actually keep the fund balances separate, but they are not currently reflected separately, they are combined but we do have them separate. It's in the neighborhood of 3.3 million, the best I'm trying to do my math here.

>> Morrison: And

--

>> even with this reduction there would be enough to meet our existing obligations.

>> Morrison: Right. And it would just be that the funding that's available beyond that will be decreased a little bit and so some of our efforts might have to be decreased. Okay. Great. Thank you for your help.

>> Mayor Leffingwell: Well, I would just comment that if we look at this list of six economic incentive agreements that we're funding now with this money, those are

all approved unanimously by this council. All of them. And I think we would all admit they were all cash positive for the city and they've all made a great contribution to our community. These are still funded, as was just pointed out, but we're going to potentially lose the ability to be able to approve economic agreements similar to these in the future and my understanding is there are several in the pipeline right now. Councilmember morrison.

>> Morrison: I would like to ask a follow-up question about that because it's my understanding that if we're looking at a [indiscernible] that would fall under this fund, we'll only be considering those that are cash positive. So if we're looking at a prospect that's cash position active, presumably if we made an agreement with them, we would be able to count on funding to go

-- available to go into this fund to be able to adhere to our commitments. So I guess I'm not getting why it limits our ability to do more in the future.

>> Well, as the mayor is pointing out, we do have several projects in the pipeline. So we would request when we bring those forward to council that we use this fund. Attached with each of those projects is going to be an annual commitment with regard to approving those projects. So that's what we're speaking about is when we bring those forward, we look to the budget office to talk about what those commitments are. Now, in some of these agreements, as you know, they are performance based so it may be a year lag behind when the payment is made. So it would be our conversation with the budget office informing them of we would need this money in future years' appropriation. But we did indeed state that yes, this does hamper our ability to attract businesses to austin by using this fund.

[05:39:41]

>> Morrison: I guess i still

-- I have a hard time absorbing that principle because looking at prospects in the future, we're only going to look at those that are cash positive so we would be able to depend on that positive benefit.

>> I think it may be a matter of the budgeting and timing.

>> Morrison: So it's not like we're going to

-- we're really going to take options off the table. If something that's a great prospect

comes up we can work the timing issue but we're not going to be looking at projects that are a drain.

>> I would say generally it's a timing issue but there could be, we haven't done this before, but there could be a item we brought to council which was less than a 10-year duration. It could be a one-year duration. We could have a project whereby we need to do expend the funds earlier rather than later. So having that fund allows us a great degree of flexibility. For projects to consider.

>> Morrison: It sounds like we'll still have a lot of flexibility.

>> Mayor Leffingwell: I may be getting into grounds i shouldn't be going into, but these were deemed to be positive, have a positive economic impact through the web loci, there are economic impacts all over the place from a lot of different sources and very hard to quantify and it is, even though we know because the analysis showed a positive impact, it shows up in so many different places, it's hard to say we're going to draw that money down directly. And I'm probably not saying that very well, but that's basically what I mean. And the backup material does say that, quote, there are pending economic development projects that are currently under consideration which may be impacted by the proposed cut to the eip. And so we do -- we will potentially lose the ability to consider those types, and these are mainly smaller innovation type companies that are involved in this. That don't necessarily have a big physical plant that they are paying property taxes on. That's who this -- that's what this program was designed to capture. We would not have been able to reach an agreement with facebook, for example, or the others, any of the others that are listed here, but they are all positive for our community. Councilmember spelman.

[05:42:15]

>> Spelman: I understand the need to maintain a balance in this fund so that we have some flexibility with respect to small economic development projects. I just want to be sure we actually have that. We're adding \$666,000 to this fund this year even if we pass this item out of the water utility and austin energy. Is that accurate? Am I reading your note on b 5 accurately?

>> That's correct special was it 2.5 or

-- in this fund, ed?

>> For fiscal year 14 ascending balance of 3,457,940 special so almost 3.5 million.

>> I'm sorry, 3,457,000 and that would be reduced by \$333,000.

>> Spelman: So we're talking about 3.157 or so. And the total commitments we've made over the next 10 years is 2.8 million, but the annual obligation for next year is only 200,000. So even if we had to pay the whole 10-year commitment in cash right now, we would still have a half a million bucks left in this fund. We would still have \$300,000 left in this fund. We're not going to be paying that in cash over one year, we're going to be paying it over ten years. Seems to me the annual obligation is only around \$200,000 that we're not making this fund anywhere near insolvent. We're going to leave plenty of flexibility for staff to work this through and I don't see there is really going to be an issue as far as flexibility. Rodney, how much

--

>> one other point that I did want to make whichist that

-- and I think you had asked this question earlier whether or not the fund is replenished. The fund is replenished subject to council approval.

>> Spelman: Of course.

>> If there is no further council approval for replenishing the fund, then the balance in there is committed and so that severely impacts our ability to do other projects.

[05:44:24]

>> Spelman: Of course. But you do have considerably more in the fund right now than the obligations that will be placed on the fund over the next year or two.

>> Than what the next year or two obligations are, but without further replenishing based on the commitments we have we would not be able to do other projects.

>> Spelman: We're still replenishing it this year.

>> This year.

>> Mayor Leffingwell: Miss edwards.

>> I wanted to address councilmember morrison's question because I don't think it's been really clearly answered yet. When we talk about the web loci giving us a benefit, when we have a small company that benefit may not be in property taxes. It may be in water, utility, it goes back to the

-- either one of the utilities, either austin energy or to the water utility, and it may not be, again as I said, in property taxes. So it does not come back into the fund. So even

-- even though we may have created a number of jobs which is a value to the community, there are certain times when we don't actually get a

-- a significant amount of property tax to replenish. And that's why this particular fund was set up.

>> Morrison: Mayor, if i could, I appreciate that. And we have in f.Y.11 and 12 we did contribute 1 million

-- excuse me, to the fund each. Each of those years. So if we reduce that to 666,000, they still have the option of 1 million next year or 666,000.

>> I believe that's on the table this engineer is \$666,000

-- this year is \$666,000.

>> Morrison: Thank you.

>> Mayor Leffingwell: Councilmember riley.

>> Riley: Trying to reconcile your two statements, on the one hand our awards are typically performance based and secondly cutting funds for this year would hamper our ability to provide those incentives. What puzzles me about that it seems like

-- I'm trying to picture circumstances we would need to provide funding for a new [indiscernible] in the current fiscal year. If we're talking about performance based incentives that the expenditures would be in subsequent fiscal years. What am I missing?

[05:46:53]

>> Some of these may be more along the lines of creative industries. For example, film. Those projects typically don't occur over a 10-year period. What we're engaging in discussions those are three months to six months. We should look into agreement or rebate that matches that type of project. So we may engage in a project in the future where it's a shorter term agreement, say nine months or a year, and the payment comes sooner rather than the lag that we experienced currently.

>> Riley: Okay, thanks.

>> Mayor Leffingwell: Okay. So these are investments. We're talking about

investments in our budget that have a return as opposed to an ordinary expenditure that's spent and the money is gone. I think it's wise to continue to fund this program which has been very successful in the past so I won't support it. So we're ready for a vote. This is on councilmember spelman's proposal on item 111. Or 111. All in favor of that say aye. Opposed say no. No. And I believe that passes on a vote of 4-3 with councilmember riley, myself and mayor pro tem voting no. Councilmember martinez.

>> Martinez: I don't know if we have any more,

--

>> Mayor Leffingwell: So that everybody has had a turn so we can go back to you, councilmember martinez.

>> Martinez: I wanted to see if we could get a running tab of what we've done so far.

>> Mayor Leffingwell: Well, that was the plan after we decide that there are no more.

>> Martinez: There may be more depending on the tab.

>> Mayor Leffingwell: Do you have one readily available?

>> Yes, including what

-- yes, \$9.4 million.

[05:48:57]

>> Mayor Leffingwell: 9.4? Okay. Councilmember martinez. Councilmember morrison.

>> Morrison: Thank you. I am not going to be proposing an amendment to adopt 1.7 and 1.8 which was to eliminate the fee waivers for our city code sponsored events, but I know that it's been a topic of discussion and I learned a lot

-- I was curious especially about the sxsw fee waiver about how that even about in the first place and I learned quite a bit about it yesterday and I think we have mr. Wail listen or mr. Spies in the audience and I really wanted to have them share a little about what i learned because it's a complex

-- complex issue. It's not just as simple as hey, let's give south by a fee waiver and I wonder if I could take a quick moment to ask mr. Whalen to come up and give us a

little context about the fee waiver for south by.

>> Mayor Leffingwell: If there is no objection to waive the rules because the public hearing has been closed, if there is no objection, you can ask a question.

>> Morrison: Thank you, and I would like to ask a question of mr. Whalen and I think it's important to share this with the public but also with my colleagues. If you could give us a little context about when and why a fee waiver for south by was started in the first place.

>> Michael whalen on behalf of sxsw. In 2002, 2004, the then city manager toby futrell came to sxsw with serious concerns about advertising vans that were running and parking overnight in the parking spots and the overcrowding that had begun to occur as a result of the size of the unofficial, the unofficial events at sxsw. The official events are occurring primarily inside brick and mortar venues, as you know. As a result she asked that we close the entire street much like the pecan street festival, halloween, new year's day, mardi gras, which is all done by the city. We began investigating that and found out that it was awfully expensive for a very small operation at the time in 2002, post-9-11, as you might know, south by was down in terms of people showing up. And we decided we weren't able to afford that and that's what kick started the fee waiver idea. And fee waivers were proposed as a way to more broadly provide safety for the unofficial and the official events. And what's happened quickly is I call it the fence effect. We do not have a fence around this open event, it is very unique. It's much different than being in a field or in a park. We don't have a way so all the money that's spent isn't captured by sxsw. Over 50% of the venues and events are unofficial sxsw events. And what happens is the overcrowding and the numbers that are being generated now, almost 400,000 people, are really a mixture, many of which, at least 50% of which are not coming to official events. As many of you know, we only give out 25,000 badges and 20,000 wrist bands. You can pay to go to official events, but it's the unofficial events that are here causing that. And what is happening now is we have a command center, sxsw does, we pay for a command center and sxsw is organizing the public safety function with incredible help from a.P.D. And fire and e.M.S. All do a wonderful job to organize a very broad safety paradigm, net, if you will, for all of downtown and it really is something that benefits a much broader group than sxsw inc. These are critical to I think the unofficial events. One or factor that's helpful to note, sxsw, the revenue for drinks and food at all of the venues, regardless whether south by swiss

goes to bars, restaurants, hotel. Sxsw does not take in any of that revenue. This is a huge revenue generator. I think you will find out at a press conference over the next four years we're hoping it would be a billion dollars in generated activity for the city of austin. Think about the fence effect when you think about safety and how this is an open event for a the look of unofficial participation which is great for the city. So that's all.

[05:53:55]

>> Morrison: So if I can

-- this may capture what you've said properly, please confirm or not, and that is sxsw is working sort of on a holistic safety plan for the city as opposed to just southwest by southwest events and husband thus the fee waiver are to compensate for the fact the work is beyond specifically sxsw work.

>> I couldn't have said it better. You make money off those waivers more than you are contributing because it is done in a broad area. We're not just protecting our venues, our events, we're protecting with the city's fee waiver and the a.P.D., The entire area in which these official and unofficial events are occurring.

>> Morrison: And i understand sxsw works with the crowd management work that you've gone doing.

>> We do and it's been a great relationship. It works.

>> Morrison: Great. Thank you.

>> Mayor Leffingwell: And i would just

-- I also have to point out that this is not a commitment to spend this money. This is allocation of funds and the approval, the actual approval will be council initiated at the appropriate time. So I think it is prudent in the event that council does approve these fee waivers that the money already be pre-allocated. So I'm not going to make an amendment that we subpoena these two staff recommendations either or staff initiated things either. And I would

-- but I have to say at the same time we have a long list, which I think surprised some of us of city sponsored events. It includes sxsw. Some hefty fee waivers to sxsw. I think the other biggest one was the farmers market and there are smaller ones. I do think we need to take a close look at these events and analyze these fee waivers and

their economic impacts on the city and on the community. And we need to do that before and reexamine this list of city sponsored events and make sure they are all appropriate. I would note that acl is not one of the city sponsored events so we need to take a look at their model. Formula one is not a city sponsored event. We need to take a close look at these, but I think it's prudent to allocate the funding right now so that it will be available regardless of which decision we make in the end.

Councilmember tovo.

[05:56:43]

>> Tovo: Mayor, I want to take this opportunity to agree with you. I appreciate being here today, mr. Whalen and mr. Spies. We talked about special events and fee waivers throughout this budget process and it goes back years actually to the street closure task force, to which I was appointed by mayor.

>> Mayor Leffingwell: A lot of common ground here.

>> Tovo: Pardon me? But in in I case, if people had concerns about the amount of money, about not understanding how much money the city spends on special events and I think we really need clarity around that. The ordinance that the council ended up passing asked for an annual assessment, a real careful cost benefit analysis and I'm not sure we have moved forward with that piece and i think it's important. Because when we see these lists, and I'm not sure the ones we've gotten in our budget process are all inclusive. Those numbers add up and we need to be mindful of those. As I was trying to explain to a citizen, they fall into at least four categories. The first amendment, I m.B.E. We have police costs and other things associated with spontaneous first amendment events that we have to provide public safety for. We have events, you know, on the other side of that scale like sxsw, and then we have events in between where they are

-- everything from a neighborhood block party where the city isn't really losing money, we're not getting revenue for an event in a park or something like that. So there really is

-- there are a lot of different events within the category. What I

-- you'll see and i don't

-- this may be a little out of order and I may get commented on here, but later in the

process I do have a proposal and I'm going to adjust it a little bit. I don't think it's appropriate to reduce fee waivers in part because we just reduced the funding that I had hoped would cover the reduction of fee waivers, but I do think for these large scale events that are more complicated for which there are significant economic benefits to the city, I think it makes sense to consider those in a slightly different process than we have been. And so I will be proposing that for events that are about \$60,000 and more, that we consider those really within the context of economic development and fund them appropriately. Rather than out of general fund, out of the general funds that are within the economic development fund. So we can have that discussion later, but it connects very nicely to what we've been talking about here.

[05:59:22]

>> Yes, and I think there's a big difference between the farmers market, sxsw on the one hand and the economic development fund on the other. I think an unfenced event, which is what this is like mardi gras, halloween or new year's, really is one in which so many more people benefit. That's what makes sxsw unique from acl and cota. If you want to allow \$75 per person, that would be one way to manage it but we're not going to have fee waivers it becomes much more difficult. We will then, to councilmember morrison's point, focus on pro equity thing our events, pay for security for our events. And that will hurt everybody because in the end if something goes wrong, if something goes wrong from a safety perspective in which we do not want, we spend a the look of money on crowd control, sxsw and the city of austin will get blamed, not the unofficial event that happened to be in a bar where somebody got hurt or somebody got

-- well, somebody got hurt.

>> Mayor Leffingwell: We'll have this discussion later.

>> I'll be here for that too. [One moment, please, for change in captioners]

[06:01:22]

>> mayor, I have an update. If we could, could we get verification that approving 1 point 1, council also approv 1.2 and 1.3?

>> Mayor leffingwell: That is correct. That's my proposal. So I've got 1, 2, 3, 6, 9, 10 and 11.

>> Okay, and then no.2, the increase in vacancy savings was for all city departments.

>> Mayor leffingwell: Which one are you talking about?

>> Talking about

--

>> mayor leffingwell: No, that excludes public safety.

>> I'm sorry, exclude public safety, as shown on b 1. That we need to provide an updated tally for you because we don't have 1.2 and 1.3. It's \$1.3 million surplus to the general fund at this point.

>> Mayor leffingwell: So we're \$12.3 million to the good at this point. Are there any other amendments from tab b from council members? Council member morrison?

>> Morrison: I just wanted to check. I presume we also need to adopt 3.5, or am I jumping ahead? Did we already do that? The 333,000, it's the parallel action. 3.35, I think, are

-- were the parallel actions, and just let me

-- this is to help us keep track. We've got a more detailed spreadsheet that when you take your final action on the final motion, we will give you a printout of all the different things that have to happen, but yes, 3.4 and 3.5 need to happen as a result of your other actions you've taken and we have all that captured.

>> Morrison: So we don't need to take another action.

>> I don't believe you do.

>> Morrison: Just one question. The 12.3 tally or whatever, does that include

-- that includes our work under tab a as well?

[06:03:22]

>> That's right.

>> Morrison: Thank you.

>> Mayor?

>> Mayor leffingwell: Council member martinez and then spelman.

>> Martinez: I just had some questions about 1.4. I don't know that I want to make a motion at this point but I want to do ask some questions, ed. 1.4 would be reversing the proposed sustainability funding model for this year, but there's information provided from you all in the backup about the commensurate fee increases that would come with that move. So underwater rates, the proposed rate increase for this year, 7.4, would take it to 7.9?

>> They provided two options. One would be to increase rates, which is their recommended option, but then they did articulate strategies for reducing the budget to avoid having that increase. But one of those things would have to occur if we were to push use sustainability cost back to the water utility.

>> Martinez: Then I will move to adopt 1.4 with option 2 that we do not increase rates but find the savings within those respective departments, including arr as well. Their option was taking it out of their , I believe, to not impact the rates.

>> Mayor leffingwell: That's a motion by council member martinez on item 1.4 with additional direction that we adopt option no.2 from the water utility as to how to fund the shortfall. And I do have a question about that. If the water utility adopts that alternative, the one recommended by council member martinez, does that have the effect of delaying debt service? Delaying the payment of debt service or

--

[06:05:30]

>> no, they would still meet their debt service requirements. They're talking about drawing down their ending balance and also shifting a piece of their cip that they would otherwise cash fund, shifting that over to the debt side but they wouldn't delay any other debt service payments.

>> Mayor leffingwell: I wanted to make sure we weren't doing that because the city did that once BEFORE BACK IN THE 1990s And we're still feeling the effects of that today. Yeah, I would

-- I'm going to not object to that. I'm going to support that. Council member spelman.

>> Spelman: Mayor, I just wanted to clarify what the practical effect of this would be on our reserve balances. We have to maintain a reserve balance of

-- is it 12% of the general fund total?

>> It's not a policy, but it is certainly our strong goal, our recommendation, is to maintain the general fund reserves at 12%.

>> Spelman: Okay. And would a failure to increase the awp transfer to the sustainability fund affect this in any way?

>> Not the general fund reserve.

>> Morrison: Okay. Reserve.

>> Spelman: Maybe I'm confused then. What's the level of the sustainability fund? What policy determines how much money we put in that?

>> Kind of the

-- the standing policy has been for 1% of the revenues from the water utility in arr to go into that fund. This was another one of those where we had proposed lowering that over time and shifting those programs to the general fund. That's something we proposed in our initial fy '14 recommendation and this undo this. This would push back up the amount of funding that comes from the water utility to the sustainability fund to fund those programs and take it off of the general fund's ledger.

>> Spelman: What is the current balance of the sustainability fund?

>> I could look that up for you quickly. It's going to be small. It's not a fund that we keep a large ending balance in. Generally it's money flows in from the two utilities and then it gets appropriated to neighborhood housing and various social service contracts. So zero.

[06:07:37]

>> Spelman: Zero. Okay. So failure to increase the transfer from water utility and resource

-- whatever aar stands for these days, solid waste. [Laughter] would have what effect on the sustainability fund overall?

>> If we do both, if we push those programs back into the sustainability fund and increase the transfers from the water utility and arr, there would be no net effect, it would still have a zero ending balance. If we just do the shift without the additional contributions, then the fund would be in a negative balance.

>> Spelman: And what effect would that have downstream? Come to think of it,

there are uses we put that fund to.

>> Well, we would not want to end oh, you know, we wouldn't want to bring a budget forward that has a negative ending balance. So I don't view it as a downstream issue. It would be an immediate issue that we would be spending more out of our fund than we have dollars in and we would not recommend that. But in terms of a downstream issue, you know, as part of, you know, undoing this proposed change, we would view it that either awu and arr would continue their long-standing policy of contributing a percentage of their revenues to the sustainability fund to fund those programs.

>> Spelman: I'm sorry, i must have somehow mentally checked out on that option 2. I thought the idea was the water utility and resource recovery wouldn't be putting in additional money into the sustainability fund to make up for the reduction of the general fund transfer.

>> No, that's what's on the table, is for them both to increase their contributions, only about \$30,000 for arr, fairly insignificant, but almost \$1.3 million for the water utility and the way they would deal with that in the short-term, in fy '14, would be to draw down their ending balance to the minimum that's required to 60 days, and then they would also shift some of their cip funding from cash funded to debt funded which, you know, allows them to still meet all of their reserve requirements and debt service coverage requirements. Now, downstream further than that for fiscal year '15 and 16, what that's going to look like, I'd have to defer to the water utility.

[06:09:55]

>> Spelman: Thank you for clarifying my confusion.

>> Mayor leffingwell: Is there any objection to adopting 1.4 as proposed by council member martin? Okay. So are there any other items under

-- I think we've addressed them all in some way under tab b.

>> Spelman: We can take a vote on it mayor. I'm just going to vote against it.

>> Mayor leffingwell: Oh, you did objection. I thought there was no objection.

>> That was a yes.

>> Mayor leffingwell: All in favor of approving item 1.4 as stated by council member martinez say aye.

>> Aye.

>> Mayor leffingwell: Aye. Opposed say no.

>> No.

>> Mayor leffingwell: Passes on a vote of 6-1, council member spelman voting no.

Sorry, I didn't catch your objection. So I think that completes our tab b.

>> Spelman: Mayor, I just have a question about that.

>> Mayor leffingwell: Council member spelman.

>> Spelman: We've just added 1.3 to your running total so now you're at 13.6 or so, ed. I wondered if when you give us a running total in the future if you could separate that into two pieces, one piece which would be revenue enhancements and another piece which would be spending reductions.

>> We're not set up to do that on the fly, but, you know, if you give us time we could figure that out for you.

>> Spelman: My running tally, we have got

-- my running tally has to be changed because of the last action we took, but it seems like there's been a roughly even split between increases in revenue that we've realized and actual reductions in spending of the general fund. Thanks.

>> We can verify that.

>> Mayor leffingwell: What is the number at this point, assuming that we're finished with tab b? 13.6 million surplus.

>> Mayor leffingwell: 13.6. So, council, I'll leave it up to you. We can take a short recess for lunch. Is there general agreement on that? All right. Without objection -- council member martinez.

[06:11:59]

>> Martinez: So when we come back, mayor, I assume we'll start on tab c?

>> Mayor leffingwell: That is correct.

>> Martinez: So what I'd like to propose is that

-- some of the things

-- most of the tab c is now burning through that 13.6, but there are some that would enhance revenues, so I would suggest we contemplate taking those up first. So that we can get to, i guess, a full completion, if you will, of identifying potential revenues

before we start going through other motions.

>> Mayor Leffingwell: Well, yeah

-- well, that was essentially what council member tovo suggested earlier, and we decided we would address that on a case-by-case basis, but you are correct in saying that tab c, I believe, has over \$20 million to the negative, over \$20 million in the negative, so obviously we're headed toward some kind of reconciliation effort at the end, but we'll discuss that when we get back from break. Without objection, we are in

-- we're in recess until 1:00. Test test test test test test

[07:05:42]

>> Mayor Leffingwell: So we are out of recess and we're going to begin with

-- now can council initiated changes. And I'm going to go first because I have one large item and I'd like for a full council to be here. Councilmember spelman is leaving at 1:30 so I'm going to call on him after my item because he's got a couple of things he wants to say. So if we're ready, my proposal is to reduce property tax revenue to a rate of 50.29 cents per hundred. And that is a revenue reduction of \$7,255,553. Is there any objection to adopting that? Hearing none, then that's included in the -- that's included as an amendment. Councilmember spelman. Thank you, mayor. I didn't expect to be on a mic so quickly.

>> Mayor Leffingwell: Neither did I special springfield, missouri I have a quick presentation.

>> Spelman: I have a quick presentation. I'm going to be leaving at 1:30. I have class at 2:00. This is the worst city council meeting for it to conflict but it's the first day of class and I need to be there. I will be not around to vote on most of the changes to the budget this afternoon. I presume we're going to have a chance to have a second look at all these tomorrow so i will be participating in everything on tuesday and wednesday if necessary. However, there may be some opportunity for me to engage in some strange behavior over the next couple of days and i wanted to explain that. I went to an affordability summit last saturday where listened to a bunch of speakers talk about valuable programs and policies which would help the neediest folks save money. Not news to any of us but all good stuff worthy of funding and attention. I

also sat in on a discussion of taxes where 15 people talked about how bad taxes are and how they are and needed to be reduced and a lot of ways of making the property tax rate less regressive and more equitable. The thing that struck me about the discussion, we were talking about taxes for an hour and nobody mentioned anything about spending. It occurred if we're going to talk about tax reductions we need to talk about spending. The state requires a balanced budget. We can't reduce taxes without reducing spending and if taxes are a problem, spending is the real problem but I didn't hear anybody talk about that. Yesterday I sat down and put a pencil to something I've been thinking about which is the affordability question. We are taking a larger percentage of people's income out of their pockets to pay for city government. And the problem is especially acute this year. Second, in my colleagues in a few minutes are going to be proposing some reductions in spending and some additional spending, virtually all of the additions in spending are worth of our attention and funding but I'm going to have to vote against every single one of them. Even if we take all the cost reductions offered by the budget office last week and that we passed earlier this morning that ends up being 5 or 6 million dollars depending how you score it. We will still be taking a larger percentage of people's income than last. I think we need to reduce expenses not increase them. I don't think we can afford them. That's the bottom line. Let me get to some details on that. Back up if you could just a second. The question I'm asking is our city's funding sustainable. Spending is the issue not taxation. Spending has increased over time. We know the income of austin residents has increased over time. Is question increasing consistently faster than income. If it is systematically making the city less affordable. Austin has grown consistently richer. The first year I can get easy data from is for 1969. This is the total income of everybody who lives inside the city limits of the city of austin. From 1969 until 2014. Projected for 2014. And as you can see we are getting lots richer than we were back in 1969. This is still true even the last few years. Next slide, if I could. Just looking at 1999, which turns out to be a very reasonable place to start keeping track on a detailed basis because '99 is the last year from which we have actuals online for the city budget. From '99 until 2014 there's been a fairly substantial increase in income by which i mean wages, dividends, rents, social security payments, basically everything that goes into a resident's income added up along all residents in city of austin has almost doubled from 1999 until this year. Our income has grown by a heck of a lot. The question is

what's happened to the general fund. There are three reasons for this. First we have a lot more residents than we used to have. Second, inflation has caused everything to become a little more expensive, and third, on average, people are making a little bit more money than they were before. Slightly higher incomes on average. The reasons for expecting that income would have gone up and about doubling is what you would reasonably expect. The general fund has increased from '99 until 2014. I had to do a little interesting

-- complicated work on this because one big piece of the general fund in 1999 is no longer with us as Brac hospital and the health clinics. I backed out all of the health clinics so we could have an apples to apples comparison between 1999 and 2014. If you look at everything that's not Brac and the health clinics are spending around \$250 in 1999 to about, well, again, to keep apples to apples, these are not directly comparable to our budget, but it has gone up by a little more than twice as much. Well, all right, so how have we done relative to income. If we set an index of 99 nears what the income was, spending was, set them to 100, turns out resident income has gone up by about 100% the last 15 years and general fund spending by about 150%. General fund spending has gone up faster than resident income which I'll claim is our residents' ability to pay for that general fund increase. Another way to think about this is to ask what percentage of a person's income is

-- has to go to pay for general fund. For every \$100 that they take in from all sources, how much are we taking out in order to pay for that general fund spending for all of these departments that people rely on. Next slide, please. If 1999 we took out about \$1.24 to pay

-- of every \$100 that people made in order to pay for city government general fund agencies. That state [indiscernible] but thousands have been increasing, this year we're proposing \$1.71 for every hundred dollars people are making. The general fund is increasing, we can account for inflation, the increase in people, but what I'm considering here is of the money people are making what percentage are we taking. That percentage that we're taking out of people's income has been increasing steadily from 1999 until this year. And this year in fact we're asking for a larger percentage of people's income than in previous year in the 2013 budget. Next slide. That's a 38% increase on balance. That's a substantial problem, I think, structurally because we are on track to continue that increase structurally for the next few years unless something takes place to change it. Now, the next slide. I'll have more to say

about where it came from in a second. Let me talk what specific departments we're talking about. In 1999 we had the general fund was -- could be reasonably split into three equal sized groups. The police department, fire, e.M.S., Municipal court, all the other public safety departments, and everything else. Parks, libraries, flood control and planning, everything else. In each of those were about the same styes and for each of these we took about 40 cents out of every \$100 people made to pay for police, other public safety, everything else. Since 1999, the following has happened. All others is about even. We're still taking just about 40 cents out of every hundred dollars to pay for parks, libraries, planning, all nonpublic safety agencies. We have pretty much flat lined on all of these things. They've increased with population, with inflation, with residents' incomes, but we're still taking about the same amount to pay for all of those other agencies. Fire, e.M.S. And municipal court has gone up by about 30%, and police has gone up by about 60%. Seems to me this is an unsustainable elin yum and this is something we ought to be thinking about. Some of these are easier to explain than others. Next slide looks as just a very rough cut, quick and dirty analysis for is there any justification for that increase in fire and e.M.S. Spending and there is. What we have systematically done as a society is make more and more demands on fire and e.M.S. Departments by picking up the phone and calling for traffic accidents, for medical emergencies. The increase in e.M.S. Incidents, which is what the vast majority of our fire department responses are for, has increased at just about the same rate as fire and e.M.S. Spending. That's explainable in a rough cut because we have just a greater need than we had before for fire and e.M.S. To do their job. They jus more work to do. Not so for police. What this it's indexed at 100. The blue line is police spending and the rest of the lines are workload measures. The bottom line dispatchers per capita. That's gone down since 1999. The red line is violent crimes per capita. That's gone down. The yellow is property crimes, the green nonindex crimes, not typically reported to police but discovered after the fact. Involves forgery, fraud, counterfeiting, vice crimes, d.W.I., Crimes against the family, these are things which are not reported at a high enough rate we can be sure from year to year we can compare them and typically go up when are have more pro-active police work. Nonindex crimes are pretty much flat as well. Let me put a finer point on that if I could. Violent crimes per thousand population are down 13% since 1999. Property crimes per thousand down 11%. Nonindex crimes per thousand down 1%. Total calls

for police service to which we dispatch an officer are down 22%. But the number of sworn officers per thousand population is up by 12%. I don't mean to suggest our police department is not doing a good job, that our police officers are not working hard, that our firefighters and E.M.S. Officers are not working extremely hard. I hear from the firefighters and paramedics all the time how hard they are working. We've got hard working parks staff, librarians, planners and drainage staff, lots of people doing the best we can, but I'm concerned we are systematically do two things: one of them is that our general fund is becoming systematically more and more lopsided towards public safety and second that it is becoming bigger and bigger as a proportion of our ability to pay. The people who pay that bill have housing needs, transportation needs, food, clothing, entertainment, all that stuff has gone up and if the general fund is also taking more and more money out of their budget that makes it

-- the city less affordable for them. I don't think anybody planned this. This is not -- nobody had a grand plan 15 years ago to say let's increase the police department by 60%, let's increase fire and E.M.S. By 30%. What happened I think is in good years every department got a little built more and public safety got a little bit more than that. And in bad years everybody was federal lined or got cut except for public safety which we held harmless. Every year over the last 15 years we've held public safety harmless, it's gotten a little more and a little more to the point it's 30 to 60% more than our residents' ability to pay even though all the other agencies that depend on the general fund are not. Because of these 15 years of little steps all of them in the same direction, we end up with two things. A lopsided general fund and a larger general fund that is taking up a larger chunk of people's incomes. Now, the federal government, the state government, the county, the community college district, central health, who have I left out? Somebody I left out. School district. Have all taken larger and larger chunks of people's income and I suspect if I did the same analysis for all those other agencies competing with the public purse with us that they would be perhaps more responsible for the unaffordability problem than the city of Austin is. I don't have a chance to vote on the federal budget or the state budget or any of the other budgets. I can vote on this one and because I think we're a part of the problem, I'm going to be voting against all of the increases in the general fund budget this year. Last slide. I think a reasonable affordable target, this is my conclusion, I think a reasonable target would be to limit our spending increase in

any given year to the percentage change in resident income that we expect. There are good reasons to expect economic forecast from a few months ago that the resident income for the city of austin is going to increase by about 4% this year. We're increasing the general fund by more than 4%. If we limited our general fund spending increase to 4%, which is a limit to the

- which is basically the same amount that our residents are able to pay for, then I think we would at least be stopping the bleeding, we would not be getting further and further away from that
- our residents' ability to pay. Unfortunately that is going to be extremely expensive, even that very small step would require spending cuts up to \$20 million and we're not really at \$20 million on that list ed has been keeping track of. I think the bottom line for me is that I'm very happy to support any cuts in spending that anyone puts forward, but after I've put a pencil to this and realized the depth of this situation, I will find it very difficult to vote in favor of any additional increases in general fund spending and so the fact that I'm not going to be here after a few minutes is not going to be important because you wouldn't get my vote anyway. Thank you. I appreciate your indulgence.

[07:21:57]

>> Mayor Leffingwell: Thank you, professor. Ever have the feeling you are back in school again? All right. Other amendments initial aid by councilmember. Mayor pro tem.

>> Cole: Thank you. Mayor, I think with our first vote we showed a commitment to affordability and the way we have set the nominal tax rate so far, but I think at the same time we have to recognize our most needy population and front steps who operate the arch has asked us to make a

- to expand it to include a garage, air conditioned courtyard space. We have received numerous criticism about our inability to manage the arch and to help people get off the streets and this proposal would actually do that. The work
- the architect and engineering work has already been done by the front steps, but, of course, needs some more work in evaluation by city staff. So I would move that we adopt \$500,000 for the conversion of the arch and I'm not seeking at this time

the additional case managers or operating costs because I think that can be done after the facility is completed.

>> Mayor Leffingwell: So proposed amendment by mayor pro tem cole for \$500,000 only for renovations. Is that correct? Is that what you said?

>> Cole: Yes.

>> Mayor Leffingwell: Not the 78.

>> Cole: Not the 78.

>> Mayor Leffingwell: Any objection to that? Councilmember spelman.

>> Spelman: Mayor, I have to vote no.

>> Mayor Leffingwell: We will go ahead and have a vote on this. In favor -- councilmember tovo. Trophy have a question for staff. I don't know if there's someone from staff who might address the concern that was identified in our staff response which is that the cost estimate may be too low to meet the project requirements through completion. As I read the response, it doesn't -- it's not really an argument against moving forward here today, it's just a caution, it's a caution that there may not be enough money in 500,000 to actually get the work done.

[07:24:36]

>> Eric stockton, building building services office. We have not had a chance to thoroughly go through the requirements programming and assess the estimate so far so there is a risk that it would not be enough to complete the project. We need to run it through our city process and put our heads together with public works and just

-- and front steps and check out the programming, see what it is exactly they need. As you know, depending on the services or the use of the space, it could drive costs either downward or upward.

>> Tovo: Who provided this estimate?

>> I'm not certain, but it did not come from us. My understanding it came from front steps.

>> Mayor Leffingwell: Front steps provided the estimate.

>> Tovo: And as you say in the description, the estimate was just based on a rough

per square foot.

>> Yes, it was a very preliminary estimate as described to us.

>> Tovo: Okay. Thanks.

>> Mayor Leffingwell: Councilmember martinez.

>> Martinez: Yeah, I us want to proceed with caution on this item and ask that -- I'm not going to support it, but that doesn't mean I won't support it at a later date because this also to be viewed as a one time expenditure if we get the true numbers. And we know we're going to have excess revenue at the midyear budget adjustment because taxes are projected to come in at 8% and we've budgeted for a much lower amount. So I think we should get a detailed analysis of what the needs are. I'm certainly supportive of making these improvements, but I would prefer that we get that information first and then look at it as a one time expenditure item during midyear budget adjustments as opposed to putting it into a structural ongoing expenditure.

>> Mayor Leffingwell: Mayor pro tem.

>> Cole: Mayor, I have two comments. First to say the arch and front steps also are involved with a number of nonprofits who raise money and I believe they be very committed to making this space more suitable to our homeless population and have been active in helping us with our homeless issue. And second, we voted earlier today to eliminate a \$600,000 of revenue that went from the business retention fund that is paid by the sixth street business owners. So I think it is only proper that that money be used to fund some of those community services. And they do that through their license agreement. So that's approximately \$600,000 that we have taken from a specific area and this is the opportunity to give that area something that they have desperately wanted for a long time.

[07:27:22]

>> Mayor Leffingwell: Councilmember morrison.

>> Morrison: I guess I would like to make two comments. One of them is a question. One is I understand councilmember martinez's approach to it, but I think what I'd like to do, I'm going to support this and in the end if we're over, then I'd like to come back and look at ways to

-- if we're over the amount of money that we have, this might be one of the ways that we could come back in and reduce it. So I would be open to that later. Secondly, the reduction in the bre, I just heard that the bre was paid for by the sixth street business owners and that's not my understanding. And I wonder if we could ask staff to give us just a bit of a summary of where the business retention and expansion fund comes from.

>> Sue edwards, assistant city manager. Councilmember, those funds come from right-of-way fees that are generated to the development in a particular area on each side of congress avenue from the capitol to the bridge, and from sixth street from congress avenue all the way to i-35.

>> Morrison: Great, okay, so it does come from construction and whenever we have to have right-of-ways.

>> That's correct.

>> Morrison: Closed down for that area. But it's not like the individual businesses are paying a fee into this as a membership.

>> You are correct.

>> Morrison: Okay. I just wanted to get that clear.

>> Mayor Leffingwell: Okay, first of all, I'm going to kind of echo councilmember spelman's statement to the effect that we have to get a handle on spending. I mean so far at least as of right now we have

-- we're going to be able to hold the property tax rate constant. That's still a tax increase. There's the opportunity to go even lower than that perhaps. Just a rough calculation, i show us about \$6.3 million to the good at this point. That being said, there's a long way to go here. There are a lot of things on this list that I would really like to be able to vote for, they are great causes. There's also another long list of things that aren't on this list that are great causes too. But we have to make our best effort, I believe, at trimming spending, not just finding, you know, a new assumption such as the sales tax sum shun, that's good and realistic and I supported it, but we've got to find real cuts in here too. I'm going to be like councilmember spelman voting against all of these. I also degree with councilmember martinez, there's an opportunity down the road when we have a more firm estimate of what that is going to cost, we have a better grip on what our actual sales tax revenue year over year is going to be, there will be another opportunity to take a look at this and perhaps other items, but for now I'm not going to support it. Are we ready to vote? All in

favor say aye.

[07:30:38]

>> Aye.

>> Mayor Leffingwell: Opposed say no. No. I believe that passes on a vote of 4-3 with councilmember martinez, myself and councilmember spelman voting no.

Councilmember martinez.

>> Martinez: I'll give councilmember spelman another chance to vote no before he leaves, and the mayor. In all seriousness, I'm going to make an amendment or propose an amendment here to the budget that speaks to what we've been hearing throughout the budget public hearings from our city employees. I know that there is a proposed one and a half percent increase and that is in line with what we've done in terms of contractual agreements with police and i know e.M.S. Is still kind of pending out there, but I think they are in the same wheelhouse. But for me, it's an opportunity for us to take care of city employees who have been lagging much further behind over the last 10 to 15 years as it relates. We even started out in the 90s WITH WHAT WAS CALLED A Public safety premium which meant public safety always got 2% more than whatever everyone else got and that really, really put those employees behind in that regard. So I realize that the \$6 million that we have in front of us, 6.3, is not going to go to fund everything that's requested and that's proposed. I think as a priority we should at least start with our own workforce and recognizing their efforts and doing everything we can to impact the affordability as it relates to them. If there is any one group that we can truly have an impact on their affordability, it should be our own workforce. We also asked some questions that I have not seen the responses to, don't know if we got them about how many city employees are on things like customer assistance programs and other programs to help lower income folks, and the reason I ask that is because i have been provided information that in fact we do have city employees who are seeking assistance in some of our affordability programs. And that to me speaks to why i think we should take this opportunity to do what we can to try to give them just a little bit more. And it's not a lot. I mean, you know, it's going to be

-- my motion is going to be to maintain the one and a half percent and then add \$750

for each employee beyond that as a one-time base salary adjustment. The reason I'm doing that is because of what we all discussed in the work sessions is that the 750 means so much more to those employees at the lower rung than it does at the higher rung. And I realize there may be some

-- there may be an employee that just happens to make a little bit more than another employee who has more tenure or who might be conceivably over that employee, but I think after all of the discussions, I think just trying to fit within a budget amount and trying to do the right thing that this is for me the approach I would like to attempt to take. So that item would add 2.122 million to the budget, but it would recognize the efforts of our city workforce by providing that \$750 lump sum adjustment to their base salary.

[07:34:18]

>> Mayor Leffingwell: Councilmember morrison.

>> Morrison: Thank you. I plan to support this and I appreciate the comment that councilmember martinez made because I think he very articulately explained why this makes sense. I'll leave it at that. But I do want to get one thing very clear and that is if you have

-- there will be no leap frogging of salaries with this approach, as I understand it. If one person is making this much and another person is making more than them, they will still have that relationship. The first person will be making less, the second person will be making more. Can you confirm that, please, ed?

>> That's confirmed. Some of the proposals we're talking about last tuesday would have caused that, but these proposals as constructed will not.

>> Morrison: Right. And I just want to make that very clear because we still have some documentation under tab c-3 that suggests otherwise. And it's just not clear because it says there might be some unintended impacts such as employees making more than crew leaders or supervisors or more than co-workers who are on higher job applications. If that wasn't the situation now, it's not going to be the situation if we do adopt this and I just wanted to get that very clear.

>> Mayor Leffingwell: Okay. Thank you, councilmember. I just want to say obviously this would be a great thing to be able to add this kind of a pay increase for all of our

employees, but, again, it's over \$2 million to do this. I had -- so I'm not going to support the motion. We'll have a vote on it. But I would support if

-- assuming this does not pass or if it does not pass, I would support the option 1 listed there which I put forward which is a very modest increase. It's essentially the equivalent of a one and a half percent. It's just a flat \$842 for every single employee. What that would do is, of course, we wouldn't have the leap frogging problem at all, but in addition to that it would put most of the pay increase on the lower paid employees. In fact, the lowest paid at 22-8 would receive a pay raise of 3.7%. The higher-ups, it begins to flatten out at \$100,000 and the chart doesn't go above 100,000. But 100,000, it would be less than a 1% pay raise. So there's definitely a continuity in the hierarchy there. There's no anomalies as far as a worker being paid more than his or her supervisor, et cetera. And it doesn't bust the budget, in my opinion. It's a very modest increase, but that's not on the table now, I'm just saying that's what I would support, but I will not support this one. Councilmember martinez.

[07:37:25]

>> Martinez: I'll say even if this passes, I'm still open to a later conversation depending on how priorities look at the end of the budget. I think it's worthy to try to do the best we can for our workforce. I am happy to revisit those options and appreciate those because they may become real options as we get closer to the end of this trying to fund everything that's been requested.

>> Mayor Leffingwell: Councilmember riley.

>> Riley: Mayor, just to point out, item funded by staff is option 2 and that would be something in between the two that have been mentioned already. That would be -- go ahead and do the 1.5% across the board and then on top of that add a flat dollar amount of 570 instead of 750. And that, as I understand it, is based on 1.5% of the average pay of all employees below the median. The 750 is roughly -- represents 1.5% for the median and then the 570 would be based on the average for those below the median. And the difference actually comes out being fairly significant between those two. Option 2 would cost 1.626 million as compared with

2.122 so savings of about half a million dollars just based on awarding the flat sum of 570. I'm prepared to support the 750 subject to the understanding this may be one of the things that we revisit later in the day or tomorrow as we see what all our needs are. There is an opportunity to trim back some without going all the way back to option 1.

>> Mayor Leffingwell: And i understand that, but --en it is between the two options, but it's very much on the high side. The proposal on the table is \$1.123 million. Option 2 is \$1.626 million. And option 1 is 343,000. So quite a bit of difference. I guess we're ready to vote. In favor say aye.

[07:39:39]

>> Aye.

>> Mayor Leffingwell: Opposed say no. Passes on a vote of 5-2 with myself and councilmember spelman voting no. All right. Somebody besides me, councilmember spelman, cole and martinez. It's your turn. Councilmember morrison.

>> Morrison: I would like to make a motion that came on the addendum to tab c this morning, and it is number 1.36. With a bit of modification. We've had some discussion about the business retention and expansion fund, the bre. And we've already adopted an amendment to

-- to move 600,000 of that 1.6 million that's in it to our general fund. If we look forward to the coming 30 months, it's my understanding that we have an expected \$100,000 per month that

-- that we are estimating will be coming into this fund, and I'm going to ask staff to speak to that a little bit. And because of that I'm going to make a suggestion that we draw down completely, but i wonder if we could have staff speak to that estimate.

Which was not really on the table when we were

-- when the budget proposal was being put together.

>> Yes, we initially had some fee waivers that had been proposed and with those fee waivers now not occurring, you know, there is the potential for an additional \$100,000 of right-of-way revenues coming into the business retention fund over the next 30 months. So potentially 1.2 million in fiscal year 2014. The business retention fund does currently have an ending balance of \$1.6 million. Through your actions on

tab a, we drew that down by \$600,000 so there's still a million dollars remaining in that ending balance.

[07:42:04]

>> Morrison: Great. And I know this is a fund that came about some years ago because to encourage downtown retail and restaurant expansion and we've brought in el sol. And annie's if I understand with a loan, and those are the only two over all these years. It's my understanding also, are there some guidelines that we have that there would only be so many loans per year?

>> Mayor Leffingwell: It's capped at 250, I believe.

>> Morrison: A cap of 250, and I thought maybe there was an estimate or a cap of two per year. Oh, here's mr. Gonzalez again. I bet you can answer.

>> Deputy director rodney gonzalez. There is no cap. Annually we budget 250,000 in the event we do one loan.

>> Morrison: Okay. That's great. So my sense is that to be

-- to move the rest of this funding, the one million into the general fund to use for some of these needs and priorities, but as a back stop we have full expectation that by the end of the year it will be up to 1.2 million again and there is an expected revenue even following that. And then I guess one other thing, we would hate to pass up a really golden opportunity if that golden opportunity came up and the cash flow was not there, although expected the fund to be there, would there be some way to be able to manage the loan but then pay it back with the funds that come in the next month? I mean, we can only be

-- it's only two and a half months we're talking about.

>> Well, one thing I would just add to the discussion, as rodney indicated, we do budget \$250,000 each year. So we're not talking about that. There is a

-- there will remain a budget of \$250,000, which would be enough to do up to one loan at the max amount. We're just talking about tapping into the ending balance, but there still would be funding in fiscal year 14 to do up to one loan even if this were to pass.

[07:44:18]

>> Morrison: Okay. Great. Mr. Johns, a comment?

>> Kevin Johns, director of economic development. I just want to put in context the new effort to do the great streets program for congress avenue. And last friday there was an effort launched of how all the departments were going to get together and begin to do restoration. And we have looked at the

-- the loan fund issue as you indicated and we'll be proposing that it will be expanded for local businesses instead of just businesses that are recruited, with the idea we would recruit local austin businesses very prominent to locate on congress avenue. Also the

-- there is a restriction in the loan program now that is for displaced businesses. So that's why apple annie's located there. So there's not that many companies that are being displaced. Instead there's companies where the construction is going up on vacant lots. So we would propose that not only local businesses be allowed to apply, but also with the keen interest in historic preservation that we would look at the facade improvements as an additional use. So what I'm saying is that we have high hopes that we will very soon be able to ramp up this private sector loan pool where it wasn't really a great fit before. So I just wanted to put that in context since everybody is really focused on congress avenue and making sure that vision comes to reality and this is our way of leveraging private investment for that.

>> Morrison: That's great and I get that and I think that does

-- your comments

-- I'm still comfortable with my motion and your comments because I do know we'll be having some additional revenue coming in here. And just one thing can you clarify for me, this is a loan program, right? But is it a forgivable loan program?

[07:46:26]

>> It is not.

>> Morrison: So in fact the funds would eventually come that we loan out would eventually be coming back in.

>> Yes, it is a revolving loan program in that the principal and interest do go back to

the fund.

>> Morrison: Great. Okay. That's my motion, that we draw down the ending balance of the bre to zero, which would add a million dollars to the general fund.

>> Mayor Leffingwell: So just technically this should be a one million dollar item, an additional.

>> Morrison: Because we already did the 600,000.

>> Mayor Leffingwell: A couple of points

-- I'm actually going to support this. There's a couple points, first of all, just because it's not forgivable, that just means

-- that doesn't mean they are going to pay us back, it just means we won't forgive them if we don't. And the other thing you brought up is the renovations plan for congress avenue. That will be a great incentive for people to do it without the bre. And we do have funds in there to accommodate at least one more project. There are funds that are circulating back in as the two people who have taken advantage of it begin to repay their unforgivable loans. And we can address this at a different time if business picks up so I'm going to support that.

>> I just wanted to make one clarification that el seoul has already paid their loan back so there's only one loan outstanding.

>> Mayor Leffingwell: We won't forgive them either.

>> I wanted to make a couple of clarifying points. The 1.6 that's available that we are drawing down, we drew down 600 this morning, now another million?

>> Mayor Leffingwell: Right.

>> That's money that's already in the fund, not money that we prospectively are expecting.

>> That is correct.

[07:48:26]

>> The so the hundred thousand prospectively, does that include fee waivers from white lodging?

>> I'm not sure where that number comes from.

>> It does.

>> Martinez: I'll just point this out, that we may not get that \$100,000 a month as

well. We need to understand I don't think the white lodging issue is all entirely done. So I'll be supporting this. I just wanted to make sure that we're not drawing down money that really didn't exist today. The other question, rodney, you talked about -- or kevin actually, you talked about making changes to the program. Are those changes going to be talked about in the coming weeks or months or is that a proposed change if this budget is adopted?

>> I think we would be coming forward in the next few weeks. We need to vet those out. But there's been great interest in the historic areas, the historic buildings, and now with the consultants from portland who have launched the effort, really can't be just all government money going into this, it's got to leverage private investment, and I think everybody is in agreement that bringing in our top local businesses to this area and giving them low interest loans is the proper thing to revitalize the area.

>> Martinez: Sure, and i agree and I look forward to talking about potential other opportunities within this fund. I would like to put out there though that we also include in this conversation red river street and, you know, this ongoing conversation about what's going to happen with this major transition along red river, you know, because of the improvements to waller creek and how some folks are concerned about trying to maintain a semblance of a music environment in that area. I realize that's the market and the market will dictate that, but if there's something, some opportunity that can be created in some of these changes, I would hope we would have that conversation.

>> We could look at that. One thing to keep in mind is the revenue capture area so far as congress avenue and east sixth street. If we proposed aged the red river district we would expand the capture district as well.

[07:50:41]

>> Martinez: We caution we already have a waller creek [inaudible] that goes up and down, but it would be in the form of fee waivers and not

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>> the revenues are temporary use of right-of-way and license agreement, so those are predominantly the revenues captured.

>> Mayor Leffingwell: Councilmember martinez raises a good point and I trust we're

not counting our chickens before they hatch because they are not likely to hatch any time soon. I'm not supporting this so we can spend this money on something else, I'm supporting it because it is an actual reallocation of money that goes back into the general fund. Are we ready to vote? All in favor say aye. Aye. Opposed say no. I didn't see any indication

-- okay. That a vote of 6-0 with councilmember spelman off the dais. We didn't need to vote. All right. Next is councilmember tovo.

>> Tovo: Thank you. So I have quite a few amendments to make, but I'm going to start with

-- I'm going to follow my suggestion starting with budget reduction. And I would like to explain it and I would like to ask questions of staff, but I will say that this reduction will enable us to do a couple other things I think are really important that I'm going to talk about later, which are to allocate 192,000 plus for 2.5 youth librarian positions which would allow all of our libraries to have a youth librarian which they currently don't have. And also to fund one f.T.E. To continue the program specialist position at the job search lab at the george washington carver library. They are losing their grant funding. They have a very good job research lab. Thank you, councilmember martinez, for asking that question and without a staff position the functions of that job search lab would be compromised, I think.

[07:52:52]

>> Mayor Leffingwell: Councilmember tovo, excuse me. Our rule that we adopted we're going to do one proposal. Are you proposing to group these into one?

>> Tovo: I'm proposing a reduction that's going to allow us later to fund those positions.

>> Mayor Leffingwell: Okay.

>> Tovo: I just wanted that to kind of set the stage for the budget reductions I'm proposing which are those identified in our document of the ones to planning and development review, 1.32. Item 1.32. So I guess the first thing I would like to do is just say, you know, I have several staff position I'm proposing eliminating or delaying hiring of. Not because these aren't going to be really good positions to have at the city at some point, but just because we are in a difficult position of really trying to

make sure we're not increasing taxes unnecessarily and trying to fund some really critical needs in this community. So all the choices are hard ones, frankly, and so, again, I'm zeroing in on these positions and a few others not because they are not important but just because it seems like these are positions we might delay on for at least another year. Or at least reconsider at the midyear budget process. The first thing I would like to do is ask staff if they could address this. You know, we got -- we have this budgets document that offers one description of the positions. I asked a couple questions in the c and a that returned slightly more information. I sent out these proposed amendments on Friday and we got back a staff response that has a little bit different information about those positions. The administrative specialist position which is proposed at \$64,075, there's a little explaining under tab c-11 that says this is actual a revenue generating position. It's going to be performing ocr scanning in association with energy's new application fee and would generate a estimated \$120,000 in general fund revenue. There have been several prior discussions about this position including in written form and never once has that been brought up. So I guess I need to understand -- I need to understand what this position is doing in our -- in the response 125, it talks about this position working with the records analyst to help meet the records management requirements and participating in the planning development, implementation of technology to manage and scan documents and plans. On page 405, again, there's a description of it talks about supporting the records management program. So -- and nowhere in any of these discussions was it ever pointed out that this position is going to be generating \$120,000 in revenue. I wonder if you could help me what this position is doing where in our books that \$120,000 is captured. Thanks, Mr. Guernsey, I know that was a lot of questions.

[07:56:19]

>> Greg Guernsey, planning and development department. I think what you captured was correct. The ocr position, this administrative position would assist the department with scanning. We literally have thousands of different types of paper records within a department, and in order to lessen the impact of having paper on

our property, we have proposed this position to help scan a lot of the documents that would come into our office. It would help us automate, also work with our records management folks. But in addition, we have worked with austin energy, they have a need of scanning a certain type of document in, and we would assist using this position not only to scan those critical documents that we see that could help reduce paperwork within our office but also work with austin energy. It is outlined in here and we probably did not go into it as detailed information on the revenue side of this

-- the impact of this position. We would estimate it would generate approximately \$120,000 of revenue. The cost for this position is I believe about \$64,000, but i think what you said is accurate description of what is proposed both on the revenue inside and on the cost side.

>> Tovo: Could you help me understand where in any of the budget documents we've received before this weekend it was ever

-- I don't even know what the electrical service program application fee is. I don't think we've ever had a discussion about it. And again, we've

-- multiple times we asked for a description of what these positions were doing and it was never

-- it just never became part of the conversation that this is a revenue generating position.

>> Well, this is unwith of many different types of records that would be entered in by our office. We worked with austin energy because they physically do not have a staff person that was entering critical documents as they come into our office. As an application is submitted. So this would be something that would be charged I guess against the enterprise fund when they would bring in the document and be a soarings of revenue. There are site plan applications, there are probably subdivision applications, different types of building permit applications that may be involved with the scanning of this. It's probably our fault for not going into detail about the revenue item, but there are many different items that this individual would be assisting with scanning.

[07:59:05]

>> Tovo: But there are two positions contemplated; is that right? Do you happen to know where in our budgets documents it talks about that revenue coming into pdr from austin energy for this program, for this electrical service program application fee?

>> I'm looking at the page you are looking at and that particular revenue is not something that we chose to highlight. May we just offer as context we have thousands of positions in the city and many of those positions are back charged to other funds and, quite frankly, it would just be a much thicker document if we were going to try to document every position in the city's budget that's back charged to one fund or another so we tend to focus on the appropriations side of the business. This is a new position. It is an increase in funding for the planning and development department and we did not capture the revenue off set in the documentation. We tend to be more focused if it's actually, you know, revenue from on outside city source want to go make sure council is aware this is a position that will generate revenue from on outside city source but coming from one city fund to another it would greatly increase the complexity and length of our budget document if we were going to capture all of those. That might not be a satisfying answer.

>> Tovo: I appreciate it. I understand there

-- additional complexity would make them unwieldy. I think I've made my point, but I'll state once again there were two budget questions that asked specifically about this position, how much it was, what it does, you know, these are the kind of pieces of information we rely on when we're trying to make assessments of funding one thing versus another. Anyway, I was just surprised to see it was a revenue generating position. The division manager position, in our original budget document it talks about three positions responsible for answering incoming calls and providing live [indiscernible] to the department and it sounded like I believe what happened is one of those then became a division manager position and the two others became call positions. Can you tell us how many people will the division manager be supervising?

[08:01:32]

>> This position is actually doing oversight over generally our permit and review as

far as making analysis improvements in this area. There is not a specific organization chart I could provide you with number of people that would be I guess reporting directly to this division manager. At this time.

>> Tovo: We don't know how many direct reports?

>> Well, a lot of the positions that we're talking about that are in here don't honestly have an organizational chart that I've finalized yet on the reporting structure.

>> Tovo: And I thought I had heard there were some other shifts within the department with regard to division managers that there was some responsibility shifting at this point too, that there's a division manager who

-- and there were some other shifts about that. At least one of your division managers might have fewer direct reports. If accurate.

>> Recently I've filled a position which does not affect the proposed or current budget, but I have made an organizational change within my existing department with regards to reporting structure from one of the division managers, that's correct.

>> Tovo: But currently, currently the support services staff have been functioning without a division manager?

>> A lot of my support staff report to different managers throughout the department. There's not a single division manager where they all report to. Some report to division managers, some of them report to supervisors within the department.

>> Tovo: And I guess I want to talk about the permit review specialist. There are two positions contemplated. We did add some positions to your department midyear and there are many being added through this budget cycle. I've just identified four for delay. The permanent review specialist was another description that shifted a bit. The descriptions we had gotten prior to this weekend, again in the budget questions I asked and also in our official budget documents, talked about this as assisting with -- payment or inspections. The response we got over the weekend suggested that this person might actually be doing some reviewing. Unless I'm

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[08:04:10]

>> a permit specialist would look the an application as they come in to make sure they are complete. That they have information that all the signoffs applicable to that particular type of permit whether it be commercial or residential have been addressed. We've recently allowed the permit review specialist to assist taking and processing credit card transactions. So with a less number of permit review specialists their cape biological of capability of reviewing would be affected.

>> Tovo: Earlier we did allocate additional resources and sounds you with a great deal of effort were able to clear a lot of that backlog. This budget would add some positions in addition to at least one permit review specialist and that's one of the reasons it seemed like this position might be able to be delayed because we have just added resources in this area and you do have an ongoing study. When do you expect to get some feedback? We talked about the time frame on that consultant.

>> We actually are following up with the consultant within the next week or two that we have been working with and then the and then the r.F.P. Would go out later that would be looking at basically our entire development process looking for improvements and ways we can provide our services in a more efficient and I guess you would say a service that provides payment that is, you know, that meets our cost of service.

>> Tovo: Okay. And one last question I guess back to the administrative specialist position. How exactly

-- what are those

-- I guess I would like some more concrete information about how that will generate that money.

[08:06:23]

>> How that will generate revenue?

>> Tovo: Is that program currently not generating any revenue because they are not scanning documents?

>> Right now when these applications come in, there's a service that the general fund may be providing assistance in the past to the electric utility. So when that application comes in, I believe that in the past the document was scanned by pdr staff. But with the number of applications that are coming in, it's difficult for my staff

to actually keep up with the work loads they have. That's probably why we asked for the permit review specialist so that we would be able to off set some of that cost. We asked and I guess discussed with the electric utility about the possibility of scanning in the documents for their assistance and then it would actually be for our benefit as well because a portion of their time could be off set by scanning other documents the department needs to have entered in the records.

>> Tovo: So is this a firm commitment? What I'm trying to get at, do we have a firm commitment from austin energy they are going to transfer \$120,000 if this is created or is this just an estimated of the fees that may be realized.

>> It's an estimate based on the number of applications that have come in in the past.

>> Tovo: Okay. Well, I guess, colleagues, i really appreciate all of that information, mr. Guernsey, and the information you provided through the q and a process and I think these are good positions to consider. I would suggest we do so after the consultant has had time to look at the pdr department and the process and allow them then to come back and say these are really critical conditions. In my mind at this point, i think we can afford to delay a little further. Again, you know, as with all of the budget process, it's a balancing and we have, in my mind we have some -- some serious service gaps in this particular case, as I said, I'm going to propose we use this funding to fund the jobs specialist at the carver library and the youth librarian because those are just going to be missing services. These are enhancements, and important, but we do have service gaps elsewhere that we need to address. So thanks again. I appreciate all your work.

[08:08:49]

>> Mayor Leffingwell: Just to clarify, your motion is just to reduce four positions.

>> Tovo: Correct. I'm just previewing where i see that funding going.

>> Mayor Leffingwell: Don't do away, greg.

>> Tovo: Obviously what mr. Guernsey has described is important city functions.

>> Mayor Leffingwell: Remind me how many new pdr positions are in the budget now?

>> I think a total of 23.

>> Mayor Leffingwell:23. And this is reduction of four of those so there would still be 19 left after that?

>> Yes.

>> Mayor Leffingwell: So you've got a lot of people in process of beefing up the department. I'm just trying to analyze what the impact would be if councilmember tovo is suggesting maybe this is something done next year instead of this year. What would be the adverse impact on you if these positions aren't approved? We all know this is a priority for us is speeding up the permitting and review process.

>> The majority of the positions that we're adding that would review and also for inspections, the administrative position, particularly the marketing position was a position that would really help the department update all its different application forms.

>> Mayor Leffingwell: I heard you go through what your duties would be. Is this going to be a huge adverse impact? The end result, which is speeding up the process.

>> It will have not an immediate impact but it will have an impact on my department in the future. It will take us longer time to I guess you could say get up to speed with the amount of development coming in and getting communication out to all the different customers that we have and in speeding up the ability to automate. That will probably have the biggest impact of these particular proposals to reduce.

>> Mayor Leffingwell: I'm having a hard time translating all of that into yes, there is a huge impact, it's really going to hurt us.

[08:10:55]

>> There is an impact. It will be negative in the sense I won't be able to probably process some of the permitting as quickly from the scanning and the marketing representative positions, these are things that we would work with customers starting now and if that was delayed, i might not be able to revise certain applications or get consistency among applications or marketing within different areas of my department in as timely manner as I would like.

>> Mayor Leffingwell: Let me ask you another question that's kind of related, but one of the options that's been talked about is outsourcing a lot of work done by pdr or

some of the work done by pdr or giving folks the opportunity to pay for their own outsource as a way of smoothing out these gaps in the number of personnel you need to handle things on a timely basis. Is that

-- is that

-- evaluation of that still ongoing?

>> Yes. In fact, we took four of our over 100 applications and have a consultant look at that. The charge was higher than we anticipated to just improve four applications. We still had about another 140 more to go.

>> Mayor Leffingwell: I'm not talking about that. I'm talking about an applicant being able to directly outsource, pay the going rate and bring it to you.

>> We are working on that and one of the council resolutions you passed was looking at different ways to accelerate the process.

>> Mayor Leffingwell: Last I heard that wouldn't work because our code was much too complicated for anybody outside city hall to review it.

>> We're working on that too, mayor.

>> Mayor Leffingwell: City manager. Mr. Guernsey is being a little sub sided. The speed of processing plans and on some of those indications when the level of frustration was pretty high, I believe we were asked, Mr. Guernsey was asked simply to tell council what he needed to improve that process. As you know, strides have been made and there has been some improvement, but I think his request in regard to these and other positions are derivative of those early conversations and a request from council to have him tell you what you need. That certainly is not to disregard the interest that the council member is articulating. We certainly understand that and respect that, but in regard to the request he's made as part of his budget, it is derived from earlier conversation about what he thought he needed in order to more efficiently facilitate the review process. Is that not correct, Mr. Guernsey?
[08:14:04]

>> Yes.

>> Mayor Leffingwell: Mayor pro tem.

>> Cole: Mr. Guernsey, I'm especially interested in the marketing representative position. How does that directly relate to permit review?

>> As I mentioned, right now our applications are very dated. Most of our graphics are merely done by individual units so

-- within my department and there's not uniformity or consistency on the type of products that are presented to our customers. If our applications were more brought up to date and as we make them more compatible to amanda and so they would be more electronically friendly to submit it online or in person, this is one position that would help us greatly with that. I mentioned during the work session about pencils and magnets and things and I think that's getting the word out is important, but this position really kind of goes beyond that and providing that consistency on all the different types of material that we present online, in hand, that's really one of the major keys for this function in this department. We're a very graphic oriented department on our documents to get out and this is one position I just do not have in my budget.

>> Cole: I certainly appreciate councilmember tovo's items she wanted to bring with the youth librarian and job search lab at carver. I would like to know your views about eliminating the marketing representative and the division manager, then we don't have the employee that has a direct

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>> Mayor Leffingwell: Remember, we're not doing friendly amendments. Councilmember tovo.

>> Tovo: I would be interested in hearing from my colleagues will suggestions they could support if they can't support the elimination of the four. From what I've heard, I think you're going

-- I guess i would just add to my comments of earlier that I think if we aren't clear on how many people are going to be reporting to a division manager she it's not clear to me that we need one. And I think the marketing representative is another area that is a great want to have if we had unlimited resources and weren't making hard choices but this seems appropriate to make that. I would like to make me motion that we should take them up individually, the proposed elimination of the positions individually rather than altogether.

[08:16:56]

>> Mayor Leffingwell: So the motion is to have a separate vote on each one of those four positions. Go ahead, ms. Edwards.

>> Sue Edwards, assistant city manager. If I might offer a suggestion, if you are looking for a specific amount of money, if we could look at the different positions we have and see if there's one that we think or two that would equal the amount of money you are looking for but would be less important than the marketing position, I think we are having a little difficulty describing exactly what that position will do and it's extremely important for us moving forward. The people we had on the task force that worked with us gave us some very specific suggestions and recommendations about what we needed to do in that area, and in order for us to go online and really have all of the online applications and other things that we need, technically we really do need that individual to help us. So I would just offer that up as a suggestion.

>> Mayor Leffingwell: Well, let me just say that, you know, this is a little bit of misdirection from [inaudible] because six months ago we were yelling at you fix this propose. Go out and hire people, do whatever you need to do, fix this problem. Now reality time and the budget when we're taking a much harder look at it so i don't want to create that perception that there's been a change of heart. I think what this is is just a look at the actual

-- actual positions which councilmember tovo has brought up. And I am

-- I am not going to support the motion to eliminate all four, but if you want to consider four separately, certainly I think that would be in order. Councilmember morrison first and then martinez.

>> Morrison: Thank you and i appreciate being able to look at these one by one. I do want to say one thing. I appreciate the priorities councilmember tovo is mentioning here in terms of other things to spend money on. I just want to be real careful that we're going to look at all of those independently, you know, I brought forward a motion to find an extra million dollars in the general fund and I did not bring with that an assumption that I got to dictate what that million dollars was used for and so i just want to make it clear that there are a lot of different needs and priorities that we have on our list and i look forward to opening up as much funding, cutting back as much as possible and then carefully prioritizing and adding the things back.

[08:19:41]

>> Mayor Leffingwell: I'll just say again my vote is not going to be spread indicating predicated on spending

-- a justify final spending cut. Councilmember martinez.

>> Martinez: Thanks, mayor. The one comment, for me it's important, I appreciate staff listening to councilmember tovo and wanting to identify a certain amount of money because councilmember tovo, you know, indicated her support for the position she wanted to add back. But for me fundamentally voting up or down on a marketing director position is key, not just the dollar amount. If we just do dollar amounts, we're basically reclassifying employees ad hoc from the dais. Because we would just be taking a dollar amount and still allowing the marketing position to move forward after eliminating some other position that's not longer needed or not as critical. For me it's fundamental to the actual position, the title and the work that's performed as well, not just the dollar amount.

>> Mayor Leffingwell: And I'll say it's really getting into the realm of micromanaging whichever approach you take, trying to make these kinds of detailed personnel decisions. So are we ready? Is that your motion? And I will formally object so we can proceed with a vote on part a, b, c and d of your

-- if you refer to attachment c-11, which is page

-- and it's page 51, we can follow along. I'll just call those a, b, c and d. Those in favor of eliminating position a, the administrative specialist, say aye.

>> Morrison: Mare.

[08:21:41]

>> Mayor Leffingwell: Councilmember morrison.

>> Morrison: I just wanted to speak particularly to this one because I'm not going to support eliminating this one. I think it makes sense to get boots on the ground to start trying to make more efficient which we know is absolutely going to be a fundamental change in bringing technology to pdr so I think the fact it's going to be bringing revenue, I think this is a good one to think.

>> Mayor Leffingwell: Councilmember riley.

>> Riley: The reason on this 1.32 is only 215 is because this particular position would have been

-- would be a revenue generating position. If the cost is 64,000, but it would generate 120,000, so we would actually save more money by preserving that position. And did I do that accurately, ed?

>> Mayor Leffingwell: That's what it says.

>> Riley: I'm not going to be supporting elimination of that because I don't think we can afford that.

>> Tovo: I can either withdraw or or vote against it, but please understand when I put it forward we didn't have any information saying this was a revenue generating position and as I pointed out it came up this weekend. It doesn't make sense to

--

>> Mayor Leffingwell: This whole book came out this weekend.

>> Tovo: And I pointed out the \$120,000 wasn't in any of our previous books so I agree with colleagues it makes no sense to eliminate a position if it is indeed bringing in \$120,000. I wish we had more information about it but I'm going to take your word for it.

>> Mayor Leffingwell: Are you saying you want to withdraw that one? All right. So now we're talking about item b, which is a marketing representative. And so the proposal would be to eliminate the marketing representative a. Those in favor?

[08:23:43]

>> Aye.

>> Mayor Leffingwell: Opposed say no. Well, that passes on a vote of 5-0 with councilmember spelman off the dais. Pardon? Yeah, 6-0, correct. And now we're on to c which is the division manager. Any comments on that? In favor of eliminating that position say aye.

>> Aye.

>> Mayor Leffingwell: That passes on a vote of 6-0 with councilmember spelman off the dais. And d, permit review specialist. In favor of eliminating that position.

>> Aye.

>> Mayor Leffingwell: Opposed say no. No. WHAT IS YOUR

-- YOU ARE i? No? That fails on a vote of 3-3 with councilmember spelman off the dais. So it looks to me like the marketing rep and the division manager have been eliminated, and you can add those up. And it's a good time for a recap, mr. Van eenoo. Do you have a recap ready for us?

>> For the general fund we have a sure police of \$4,469,000.

>> Mayor Leffingwell: Does that include the latest item? You're fast.

>> That's including the one you just passed.

>> Mayor Leffingwell: Okay. Great. All right. Let's see. We are back to

-- I guess we're back to councilmember martinez.

>> Cole: Councilmember riley didn't go.

>> Mayor Leffingwell: Riley has not had one. It's councilmember riley's turn.

>> Riley: I would like to bring up item 1.22 which is additional funding for rehabilitate active services for the downtown community court. There was an unmet need identified in the amount of \$310,000, actually we're now down to \$155,000 that's needed and we've heard from stakeholders including the downtown austin community court advisory committee urging that there is a real need for that additional \$155,000. That would help serve a total average of 60 to 70 chronically homeless individuals annually by assisting them with substance abuse treatment and placing them this residential treatment and sober housing. This expenditure is in line with other efforts that we have been focusing on for a number of years now and as we've discussed previously, the continued prevalence of chronically homeless on our streets incursive significant costs both human and economic. Everyone who continues in that condition triggers the need for additional costs in the form of additional police time, court time, emergency room time and any other number of expenses. So I would suggest that we go ahead and add \$155,000 for additional rehabilitative services to meet that unmet need.

[08:27:15]

>> Mayor Leffingwell: Is there any objection to councilmember riley's proposal? Councilmember martinez.

>> Martinez: Just one question. Is this

-- is this line item of funding a contractual obligation or in-house service that we

provide? And the reason I ask could it conceivably be paid for through one time expenditures if it's just adding to existing rehabilitation services?

>> Councilmember, I do not have the answer to that, but i know we have staff on the community court in the building. They will probably be here quickly.

>> Martinez: I would be supportive of it knowing if we could move it to one time expenditures, that would be something I would consider later on.

>> Mayor Leffingwell: I think we have somebody here to answer it.

>> The additional 155 would be added to the substance abuse managed service organization contract so it is part of a contract.

>> Mayor Leffingwell: Ongoing?

>> Ongoing.

>> Martinez: What are the terms of that contract? Three year, five year?

>> That's renewed yearly, annually.

>> Martinez: Okay.

>> Mayor Leffingwell: Is there any objection? Hearing none, that will be incorporated as part of the budget, that item. And we're going in order so next is mayor pro tem.

>> Cole: Thank you, mayor. We have heard from our parks advocates and I'm so glad that they have organized themselves and talked to all of council and we have council initiated items and this is a very difficult thing to do to pick of the items that they have suggested, but I think the primary problem that we have with our parks now is maintenance. That we're just not able to keep them up and people are beginning to voice concerns about using them. And so we need to protect that investment. But I also want to set some expectations. I know that the reason our parks are also in rough shape is also because of the drought conditions. We are having a drought of record. So no budget amendment is going to change that, but in the future we need to take steps to prevent public safety risk at our parks and more performance measures in connection with our parks. So mayor, I'm going to make a motion that we adopt the million dollars for the general maintenance of the parks, item

--

[08:29:46]

>> Mayor Leffingwell: A motion by the mayor pro tem to adopt item 1.8. Is there any

objection to that? Hearing none, that part is adopted. [One moment, please, for change in captioners] budget. I would want to reduce that by my nine positions so that code compliance would add 10. It's not quite a 50% reduction and it's not an elimination of their entire request, but it is asking for a little more justification for -- we added 22 positions to this department just last year. We'd be jumping by 100% almost if we did 19 this year, plus we're transferring in seven from another area. So -- I'll move that we reduce budget expenditures to reflect ONLY ADDING 10 NEW FTEs IN Code compliance. As opposed to 19.

[08:32:31]

>> So let's eliminate

-- eliminate nine?

>> Yes.

>> Sharpen that math.

>> If we're doing at 50,000 perfect, it's 450,000.

>> All right. Is that number about right?

-- Van eenoo.

>> It is.

>> That's a change from what's on the sheet here.

>> I think if they there's different salaries depending upon what positions, so howl how

--

>> we'll let you work on that. Wink ballpark what it is.

>> Yeah, we have a rough idea. Very rough idea.

>> It should be more than that. If even nights positions, roughly 4 ooh

-- nine positions, roughly 450 would be the salary. And there's benefits on top of that. It would probably be more than \$50,000.

>> Mayor, I'm sorry.

>> Go ahead.

>> The only position in this motion that I want to maintain out of all the positions is the trainer position, because i believe there needs to be some improved training of our staff. So when staff comes back with their recommendation, please keep that

trainer position in there.

>> So your motion is to approve two-point 210 with nine

-- item 210 with nine including a training position. Is that correct?

>> Yes. All right, is there any objection? Council member morrison.

>> I'm look at c12. When we were look at 18, the title of that says eliminate 18-1 million 489,000. Is that the projected savings to the general fund, if we eliminated 18? And then there's another line, reducing rate increases for community and there's another figure. So I'm not

-- I don't understand how this all works.

[08:34:50]

>> Well, I think if you look at them

-- I'm glad you brought that up. 210 and 211 are both related to this item. 210 would be to

-- 1,489,000 to eliminate 18. That would be smaller to eliminate nine. This would be a savings to our clean community department, which is funded through the clean community fee. So you know, what we

--

>> that has zero effect

--

>> it has zero effect on the general fund. There is a proposed 85 cent increase in the clean community fee and the results of this would be to lower the required fee increase in the clean community fee. And is we would have to do the math on that as well.

>> Okay. So it doesn't

-- this wouldn't have an impact on the general fund. But would it have an impact on, like, having to buy equipment, which might be actually taking up some of our budget reserves, which could then open up some funding?

>> I'm sure some of this amount is for equipment. But that would be equipment funded out of the clean community fee and the code compliance department, not out of our general fund or the stabilization reserves.

>> Okay.

>> Mayor?

>> I just wanted to make one more comment. And that is that as staff goes back to look at this work, my own personal interest would be in seeing how we can minimize how we could

-- with the positions that are left, minimize the management level positions and maximize the number of boots on the ground.

>> Mayor?

>> Council member martinez?

>> That is exactly what I was about to say. If you flipped to tab c12, i didn't want us to vote on each and every position like we did on the four other positions, but 12 code compliance inspector, one is the training inspector i referred to. Then there's the code review analyst, materials control manager, assistant division manager. I would agree with council member morrison, that division

-- anything with manager behind it is what I'm looking at, not code compliance inspectors. Those are the folks that we need that go out into the field. I think we need to focus less on adding management positions and more on adding boots on the ground to address those concerns out in the community.

[08:37:13]

>> Okay, so I think we have somewhat of an understanding. This is zero impact on the general fund. But it is to approve item 2.10, eliminate nine of the 19 new PROPOSED FTEs

-- FTEs WITH One of the remaining ftes, ones that are still in the image, being -- in the budget, being a trainer. Is that correct? Is this any objection to that? Hearing none, that's incorporated. Council member tovo.

>> Just had a question about process. Are we assuming that staff might report back into us before our final adoption of the budget?

>> They're going to be working on exact numbers quick as they can.

>> Great.

>> And if I could interject here, since council member spelman is not here either, but I would just like to protest approval of item 1.17. Which is a one-time expense of 280. That's a high end number. As I understand it, worst-case scenario, the actual

funds expended will be dependent on what

-- what particular profile the city wants to adopt in this case. 1.17.

>> Mayor? Are you making that motion for council member

--

>> yes.

>> Spelman?

>> I'm making it myself.

>> Okay. .

>> But I just said he's not here and his international airport is on the list. But I'm

-- his name is on the list. But I'm making it.

>> Are we still doing the round robin?

>> Yes, and I missed one of my turns, and so has he, so I'm just catching up.

>> Great.

>> Is there any objection to that? So that's incorporated. And council member morrison is next.

>> I thought I might be. Because I was giving some thought, I know that there's going

-- there are more things to be funded than we're going to have the funds for. And so the order in which I do these is a bit challenging for me, because there a a lot of priorities that I have. And so what I want to do is make the motion that we adopt 1.7, which is the proposal for the pools. With the understanding that we might need to come back and cut back on some of these things. You know, I think that

-- you know, I echo mayor pro tem's comments about how wonderful it was that we have the parks folks got together and put together a coalition to identify the priorities. And I was very pleased to see aquatics on there as a priority. I think that number one, is clearly evident and even more so because of the drought. I don't know if people were

-- probably heard from some consit went's this year that there were a lot of pools that had to be shut down now and again and sent people home because of some maintenance problems that were going on. And that's just really not the way to run a world-class city. We need to have people

-- and this does add a couple of FTEs, THIS ONE MILLION DOLLARS Adds a couple to manage all of that. So that's my motion, that we adopt 1.7. And I'm hoping we're not going to have to go back on any of this, but it's one million dollars for pools.

[08:41:09]

>> So I'm going to call for a vote on that one, even though I'd like to support all the parks

-- the parks are very high priority for me, but I've kind of looked at the list there and decided in advance that I would support two of them. The other two being lesser priority, I'm not going to support. Forestry, I'll address that when we get to it, except to say that if another a critical need, particularly I think right now. That has also to do with health and safety. Any other comments? Council member metro?

>> I wonder if

-- council member metro?

>> One of the things

-- council member martinez?

>> Are we certainly that we can open the pools longer because of the availability of workforce, all the students are back in school. Things of that nature. And so I'm wondering if you'll

-- if we can have a conversation about what if we can't open the pools more. Are we putting good money after bad by doing this?

>> Tara hensley, the director of parks and recreation. The answer is it's a task. I'm not going to lie. It's hard every year. We bring students on from college

-- the college age, high school students we try and help with our

-- people come in for the paid pools. But the area I think that council member morrison mentioned the most is our pool mechanics and the average age 44 years of age on a ongoing basics. We had to close and shut down pools because of other

-- literally, issues related to water breaks, chemical imbalances and things and such.

So between keeping pools open longer, which I believe we can do some, yes. I

believe we can keep on some people. Part of that is looking at

-- and I'll be honest again there, is a pay situation. We have to be competitive and we loses some people to a few other places because they pay a little more. The other is the balance of the pool mechanics and keeping those pools up and going. Doesn't help us to have any lifeguards if we can't keep them open. And that's the crux of it right there.

[08:43:25]

>> Mayor?

>> Council member morrison.

>> I think I recall that in fact some of this million dollars is to, tom said, to raise the pay for the lifeguards so we'll be able to get the lifeguards there to be able to keep them.

>> That's correct. That pool mechanics and then of course increasing the hours at some of the pools to balance and submore equitable across the city. We're doing this internally as we speak to look at equity as far as the number of pools and how we keep them open. But there's always some room for improvement. And that's where we're working right now. But to be able to do that when we see the need is to have the money to be able to keep them open.

>> Right. And you know, you mentioned the neighborhood blogs this summer. This was a lot of talk because people were being sent home in the middle of the day because there was a chemical imbalance. 1:00 in the afternoon.

>> Yeah. That's a real problem. And you know, we're doing our -- we're doing some surveying and outreach to try and pull together an aquatics master plan, so we will have a future vision and know where we really need to be going. And I do want to just clarify for my perspective and I think you share this. There was some rumor on the street that the community outreach and the planning effort was all to just provide a rationale for shutting down the neighborhood pools, and that is absolutely

--

>> absolutely not true.

>>

-- The opposite of the intent.

>> We are hearing loud and clear and for years, the neighborhood high schools are just as important as any of the larger pools. So the bottom line is with the money, the additional money we are given, it's looking at salaries or the hourly rate to pay lifeguards to keep them on longer. And to hire more so that we can keep the pools open longer. And then for pool mechanics, to be able to get out there when we're

called, when you only have seven

-- we lost one to a death. We when you only have seven, they're running all over seven days a week, literally for 12 hours a day, basically, going from one pool to the next. And when you only have 7, one side or another has to wait. And so some pools were down two to three hours before we could get someone over there.

>> And then you also mentioned equity and I just wanted to highlight that, because I think that's such

-- that's a doubly key issue here, because among some of our demographics, swimming is just not so much part of their culture.

[08:45:35]

>> Right.

>> And swim ugis exercise and

-- swimming is exercise and a social event and it's a safety thing. So that people know how to swim and I think the council and this city took a good step in ensuring that we promote world class pool at bartholomew with the diving board and this is another way to continue on that.

>> Yes.

>> Council member tovo?

>> So I think I need to understand a little bit more about what our process is going to look like going forward. I want to support this so that it gets in our list of things we're going to contemplate. But boy, a million is a big huge chunk at this stage when we have so many other things on our list. And like the mayor, I would like to see us put some money into urban forestry. So

-- what do you envision, mayor, in terms of our process going forward? Will we have an easy opportunity to come back and adjust the funding here and there?

>> Obviously I think we ought to make every effort to contain the costs right now on an ongoing basis.

>> Absolutely.

>> But if it happened that we got to the end, and we had

-- you know, an imbalance in revenue and expenditures, we would have to

-- we'd have to revisit that. That would have to be reconciled. We're going to have to

balance that budget. But I think the reconciliation is going to be a lot easier if we have our eye on the ball item by item, scrutinizing them very carefully. And that's what I'm trying to do.

>> And that's certainly been what I'm trying to do as well. I'm comfortable with supporting this for now, but I will say that this is one of the areas where I would probably want to see it come down considerably if it means that we're not going to fund some of our other priorities later on.

>> Mayor?

>> Mayor pro tem.

>> Sarah, can you back up a second? I'm sorry. I just think that this is a tough one. And it would help us all if we could have on the table now your unmet needs numbers for the current proposal. Was that a million dollars? I thought it was

--

[08:47:52]

>> I'll tell you what we can do. We can give you what our unmet needs proposal was for pools. We have that. I'll need to pull it

-- I don't know

-- ed may have it or he can bring it up. It was close to a million dollars.

>> It was close.

>> It was very close.

>> And can we ask ed that same question? Maybe we just need to know for forestry and trails and maintenance, mayor, what the unmet needs number is.

>> We have that. We can make sure.

>> Okay.

>> Mayor?

>> Council member morsan?

>> I

-- morrison?

>> I certainly appreciate the points that we might be needing to scale back on these things. And we have staff to provide input if we have to scale back. There are some

-- some of the community folks that have been working on this initiative for the past

six months, might have some ideas, too, about if we get to a point of needing to stale some of these back. So if we get these on the table in the list, I'm completely open to, you know, taking a break and working on how to pull back. Also want to mention that on some of the other one that is we've already passed and the ones we might pass in the future, I see some ways to scale them back also. You know, some of the big ones. So I'm just uncomfortable first come-first serve, as though mec -- as a mechanism for deciding which ones we actually adopt. I'd like to see all of them. And then figure out how to scale them back. Before I make my decision.

>> One final comment would be that I want everybody -- don't want everybody to think we're in the position right now trying to spend every last penny of what's spendable in this budget before we get to our target property tax rate. We don't have to spend all this money. We could edeuce the property tax rate even more potentially. So I think that just calls for an additional reason for careful scrutiny of each item to try to evaluate the absolute need. Council member riley?

[08:49:58]

>> Just wanted to echo some of the concerns that have been expressed about these parks items. I certainly am in strong support of doing as much as we can to get the 4.75 funded. I do think we also need to be looking carefully at each one and seeing where there may be opportunities to scale back and in particular on the trails item. We have discussed at several points the fact that the public works is now taking on some responsibility for maintenance of certain trails and. Think before we go and give 1.25 to the parks and recreation department, it might be worth having a conversation with public works to see whether some additional -- and how they might be able to help meet some of the needs associated with this particular request.

>> So right now we're on pools.

>> Yes. In light of the discussion about all these items, I just wanted to add that to the mix.

>> So that's advanced notice to public works, start looking at this next item that council member riley mentioned.

>> That's right.

>> So now we're going to vote on the pools. That's one million dollars for pools. All in favor say aye? Opposed say no?

>> No.

>> That passed on a vote of 5-1. With council member spelman off the difficultas.

Next

-- dias. Next is council member raley.

>> You can always pass.

>> No, having teed that up. I think it might be helpful to get some input from mr. Lazareth on this item, because we have heard from staff that as public trails are integrated into the public transportation system, that it will be more cost effective and efficient for the public works department to assume responsibilities for trails designated as components of the transportation system, especially multi-use, all-weather surface trails such as the northern and southern wall net creek trails. So howard, I want to see if you can help us out. We heard the community concern about the state of our trails. We know they need some additional maintenance and upkeep. And wanted to figure out how we can address that need while still acknowledging the role of the public works department. If for instance, if we were to provide 1.25 million for trails, how could the public works share responsibilities with the parks department for making sure that that money gets spent where it needs to be spend in the most cost-effective way?

[08:52:34]

>> Howard lazareth, director of public works department. The company we provided last week. We had recommended that the incremental funding go into the parks budget. We also provided in that response the trails are going to be coming on loon over the next couple years

-- online over the next couple years, going 11 1/2 miles to 41 1/2 miles of trails that are hard surface. They'll primarily as a transportation asset. And that they provide through-put for people as opposed to internal circulation within a park or they're built on right-of-way that's not really part of a park facility. Because those are transportation assets, the determination is that we should pay for them as such and

they would come out of the transportation fund t. Dollars that are provided -- the dollars that are provided would be for them to upgrade the trails that they're responsible for that don't meet the requirements I just laid out. But those trails such as the buffet trail around lady bird lake, could also support transportation needs. So there would be an opportunity to work with them to help them on some of the maintenance, particularly those things that deal with structures, bridges, culverts, retain walls, where we have an in-house expertise and ability to do that and we would have an internal transfer of funds between hard and public works to provide that support.

>> Just following up. You said there would be internal agreement between parks and public works so that to the extent that they were can identified serving transportation purposes that public works could step in and provide services on those trails, and

-- and the tab could be paid for in part through this additional funding that we're talking about providing now.

>> That's correct.

>> So in fact, even those transportation trails would

-- that are benefit from

-- that benefit from the work that public works may do on those trails, that those would be served by the 1.25 million that we give to parks or however much we g -- pard.

[08:54:41]

>> Would we assist the areas that are pard's responsibility.

>> With that context, I'm prepared to go ahead and move approval of item 1.6, this is the greater austin parks proposal for trails. And that again is with the understanding that parks would work with public works in regard to those trails serving transportation functions. So we could server those trails in the most efficient and cost-effective way possible. The other context for this is that more and more austinites are using trails for transportation. We've had a lot of talk about public safety and our trails. At certain hours of the day. But the reality is that for most users of our trails, there are real serious issues, 24 hours a day, because they're not being

maintained well enough. So I fully supported the withdrawal of the funding to pay for the patrolling, 24 hours, which really was based on the evidence before us, was really only benefiting

-- if anyone, a very small number of trail users. This funding would actually benefit everyone, who uses our trails and would provide an enhanced level of safety and security on the trails across the city. So I'll move approval of that item. It is a 1.25 million-dollar item.

>> You're moving approval of the entire 1.25?

>> That's right.

>> Is there any comments? I'm going to call for a vote on this one. Again, it's something that would very much

-- I would very much like to see. And I might have been able to support a smaller amount based on the ability of public works

-- and I think they should maintaining these, but it's just a priority question and so I'm not going to be able to support it. Everyone in favor say aye.

[08:56:44]

>> Opposed no. I guess that as

-- 5-1 with council member spelman off the dias approved. Let's see. Next is mayor pro tem cole.

>> I think as kathy

-- council member tovo

--

>> did I skip you? I dro off the list entirely.

>> Good check.

>> It's your turn.

>> I do some some other budget reduction items but I'm getting a little concerned about not getting some of the expenditures in there. So I'm going to propose

-- what item is it? One of the expenditures, and make one adjustment to our sheet here. This will more or less be 1.27, provide congregate meals at the asian-american resource center. I'm going make the adjustment of the amount. And this

-- and just note that i will be eliminating 1.31, and changing 1.27 as follows. To

provide meals at the asian-american resource center and the dove springs recreation center in the amount of \$905,000

-- \$105,000 with the additional direction that staff should report back to council within an appropriate period of time, say the next month, if that's realistic, and you can provide feedback and we can adjust that as necessary. You probably all have received a note from members of narrow and others talking about the real

-- very compellingly about the need to start a senior congregate meals program at the asian-american resource center. At this point there are no meal site that is provide vegetarian options. And so this is

-- you know, there is a great need for a culturally appropriate senior meal site in the asian-american resource center has offered to all of us some very good information about why it would be so critical for the population who will be using that site. I will also call your attention to this report. I'm not sure that any of us have had a chance

-- I'll just speak for myself. I haven't had a chance to fully digest, but there's a very good section on food scarcity among seniors and what an important need that is. In working with staff and looking at the numbers for the center, and they've gotten down to very detailed levels of looking at what it would cost to start a congregate meal site there

-- congregate meal site there, they also provided the information that the dove springs recreation center, the area around

-- the dove springs recreation center, is also a high-need area and has very

-- you know, would be their next site.

[08:59:53]

>> Is that an item on here? Dove springs?

>> Dove springs is not. I just added

-- that's why i added it to 1.27. Basically I had about \$100,000 on here for starting a site at the asian-american resource center and enhancing our assisting meals by 30,000. I've just combined them and have asked staff to go forward and see what could be done. It's my understanding that 104,000 would be enough to start congregate meal sites at the ainiaage american resource center and the dove springs center. But they'll need to do that kind of detailed analysis and come back to us.

>> So subject to refinement, your motion is to approve item 1.27, and add congregate meals at dove springs in the amount of approximately \$34,000, is that right?

>> For a total of \$100

--

>> 104,000.

>> For a total of 104,000.

>> Okay. I'm going to object to that and call

-- and call for a vote. Discussion? Council member morrison?

>> I'm going to support this. I think with the asian-american resource center opening and our growing population with some very vulnerable folks living in the city, I think that it's an important demographic that we address some of the needs that are really start to show up.

>> Mayor.

>> Mayor pro tem.

>> I also appreciate the culture aspects of needing to provide congregate meals. And I've heard from people associated with the asian-american resource center and certainly know that the dove springs is a high-need area, so I'm going to support this.

>> Any other comes? In favor, say aye.

>> Opposed say no? No. That passes on a vote of 5-1. I voted no and council member spelman is off the dias. Now, council member cole?

>> Yes, I'm going to make a motion that we approve item 1.21 which is funding for the african-american men and boys harvest foundation. This is an organization that works to help african-american males, especially with workforce development and we know that that is the highest unemployed group in our city, in our nation. And so I think we should continue to support that effort.

[09:02:18]

>> Mayor pro tem moves to approve item 1.21. 11 phone 21. Any comment on that? I'll call for a vote. In favor say aye? Opposed say no. No. That passes 5-1 with myself voting no. And council member spelman off the dias. Council member martinez?

>> I was wondering if we can get an update. 99,168

-- \$999,168.

>> After our last million.

>> After that last action, yes.

>> I'm going try something here. I don't know if you'll allow my. One of these items, there's two items specifically related to one another. One of them has no budget impact. The other one does. So I'm going try to combine the two into and see how far i get. So this will be a motion to adopt 2.14 and 2.9. This is a hybrid version of one motion, to move school point alliance and capital idea out of social service contract ugend into egr, so basically shifting those existing dollars that are budgeted into egr. So

-- department and allow the competitive process to still continue, but to have that funding be through a different department. And then increasing the funding by 200,000 dollars.

>> Total? So council member martinez wants to approve item number 24.14

-- 2.14, with the additional expenditure of \$200,000. Adding \$200,000 to the current

-- what's currently in the budget for those two items combined. Is that correct?

[09:04:34]

>> The additional 200 would go to capital idea for workforce development and child care.

>> So increasing capital idea by \$200,000, leaving steel point alliance as is current. Council member morrison?

>> Just a clarification on the motion. 2.9 is to actually increase the funding to capital idea from austin energy. Is that your intent?

>> Is that

-- yeah, 2.9 and 2.14 combined.

>> Okay.

>> Yes.

>> That's a better way to say it. He was trying to get by with just being one item.

That's okay. I think we're down to that point now where we can begin to do things like that. And I'm going to call for a vote on that one, too. This is a combined item 2.9

and 2.14. Again, something I'd very much like to support. The question is, again, priorities and we're getting there very close. We're getting there quickly. All in favor say aye.

>> Opposed say no. I'm saying no. So that's 5-1 with myself voting no and council member spelman off the dius.

>> Mayor?

>> That brings us down to about 800,000.

>> It didn't do anything because that was funding out of austin energy. So we're still at 999,168.

>> Thank you. Still at a million. Okay. Council member morsan, you're next.

-- Morrison, you're next.

>> I'm getting a suggestion to pass, but I don't think that i will.

>> You want another suggestion? [Laughter]

>> to pass?

>> No, there's still plenty of needs left on the table here. And I think the motions that I'm going to make because I think probably nobody else would make it, but I hope there will be support for it, would be 2.

-- I'd like to make 2.1 and 2.3 as a

-- as one motion. Those were the item that is would support both our connected austin survey and increase the g-tops which are really

-- similar programs in order to help leverage the google fiber and the other fast internets we've got coming here. And to work on digital inclusion. The 50,000 is a one-time fee. We haven't done a technical assessment or survey in the city since I think three years ago. And when we did that one, we partnered with u.T. Which was great. But interestingly, you know, it's so old that we weren't even surveying the use of smart phones and how people are connected there. And so times have really changed since then. And then the \$25,000 increase would be an increase to g-tops, which is a fabulous return on our investments in terms of nonprofits and doing sort of technology resident programs

-- technology-related programs. So that's a \$75,000 motion.

[09:08:12]

>> So 75,000 dollars? 2.1 and

-- yeah, 50,000 for

--

>> right. And I had discuss

-- it's 50,000 for connected austin, which is a one-time, and 25,000, which is the ongoing addition to the ongoing program of g-tonight. And I had suggest

-- g-tops. And I had suggested that I do foresee that we might start having some increased revenue from ground he's because of these franchises coming in and i hope that that could

-- could in fact cover this increase.

>> That's 2.1 and 2.3.

>> That's correct.

>> And just to use the term leverage, google fiber, I want to make clear, my understanding is that leverage means doesn't have anything to do with google, google fiber installation or anything. It just potentially enables more people to use it.

>> Well, and these programs really are

-- it's about the fact that we are going to have new technologies in our town. Not only from google fiber but other franchises are talking about bringing in a similar product. And so just to

-- it leverages the fact that we have these exciting technology and more people will be able to use them in a more productive manner.

>> May I have a question.

>> Mayor pro tem.

>> Council member morrison, will you give a little bit more background about how you see these two items being able to help us return revenue to the city.

>> You heard me say

--

>> I definitely heard you say.

>> Just on a related note, when these new systems are coming in to town, they need places to put some of their big equipment. And there's a good possibility that some of our utility lands might be appropriate places to do that, in which case there may be some ground lease revenue coming to the city.

>> Thank you.

[09:10:14]

>> Okay. I will call for a vote on this one also. If there's no further comment. In favor say aye. Opposed say no. No. So again, that passes on a vote of 5-1 with myself voting no and council member spelman off the di

--

>> I voted. I'm sorry.

>> You have to show me something.

>> No!

>> That passes on a vote of 4-2, with council member spelman off the dias. Council member martinez and myself voting no. All right. Book to you, council member riley.

>> Mayor, I'd like to raise item 1.23 which relates to the south shore central subdistrict. We have talked various

-- several times about the need for additional planning in that area. We have an opportunity currently to do some work in connection with the sustainable places project under the department of housing and urban development. And so really I think I'd like to make two motions on this. And first relates to directing some existing funding. And maybe I could use some help from staff on this. I'm not sure if it would be planning staff, I might be kevin johns or someone else who's been involved with that project. Also I understand it, about \$50,000 may be available to be reimbursed from hud in connection with sustainable places project. And we just need council direction on that. So that would not actually be adding anything. That would just be directing use of

-- directing that the \$50,000 received from hud as reimbursement be applied toward this particular project. Is that correct, greg?

>> Council member, generally you are correct in the sense that cap cog, there will be \$50,000 coming back toton city for general revenue. But it cannot be directly applied to this project. So I think the statement that there be 200,000 that would be provided is an accurate amount. Most of the reimbursement will occur for work done this fiscal year. There is indeed 50,000 coming about a tock the city of austin, but it's just coming back to the jan fund.

[09:12:38]

>> So you're

-- the general fund.

>> So you're saying it could not be applied to this project?

>> If council allocates it, then in one sense you are because there's 50,000 that's unallocated back to the general fund.

>> We could allocate that 50,000. That would not be any additional cost. The benefit would be that we would provide some funding for planning on south

-- on south shore central. And there will not be a cost to that. Is that

--

>> there would not be a cost in the sense there's already 50,000 coming back to the general fund.

>> That's right. Okay. So that would be

-- I'd like to pry that direction. And I would like to go ahead and also move that we

-- that we allocate an additional \$150,000 as a one-time expense to this project. And the reason for that is that it is a

-- a very significant project that is currently ongoing with the university of texas.

There is a rare opportunity to make use of some incredible planning. That area has been the subject of multiple planning efforts over many years. And we have never managed to get any traction with that. And this is

-- this is a rare opportunity to address a long-standing need at a very reasonable cost. And so I think it fully warrants the council's support.

>> If I understand the motion, it's to approve item 1.23 in the amount of \$150,000 with additional direction to use excess cap cog funds that are being returned to finish out the

--

>> no, and I want to emphasize that 150,000 dollars is a one-time expense.

>> That's right.

>> Right.

>> Any comments on that? Council member morrison?

>> This isun I'm not going to be able to support because i know

-- this is one I'm not going to able to support because we won't fit all our priorities in here. It sounds very nice to have, but we have still, you know, head start, youth

employment, primetime, some mac residents programs, lots of other important programs. And so I just feel like this

-- I'd rather

-- if we're going to be able to get new other priorities in here, that they would be priorities that have a much more direct service to individuals.

[09:15:09]

>> Mayor?

>> I'll just say ditto.

>> Council member riley?

>> I had a question about that. I certainly understand the concern about fitting in

-- pitting this against programs like head start. Seems like one difference is this is a one-time need that would be a good candidate for funding through the budget stabilization reserve. Is that

-- an option before us?

>> It is certainly a one-time need. Our struggle is in the

-- in the actions we've taken up to this point, we've taken our stabilization reserves just to 12%. Now, I say that at the same time that you're making decisions up there as our general fund budget generally went down, the amount we need to hit 12% goes down. But now it's coming back up. So once the eband no is done, i can tell -- ebb and flow is done, I can tell you how much is left in the stabilization reserves.

It's a moving target, though. But what staff initially proposed through tab a that you've approved, that put us spot on 12%. And so really depends upon where we end after all these discussions if there's any more stabilization reserves that can be drawn down for one-time items and maintain that 12%.

>> I certainly understand the concerns that have been expressed. The first

-- if I could, I'd like to make a motion that we do direct the allocation of \$50,000 which would not have a net cost to the city and would allow us to get started on this project. And then I would further move

--

>> that would be cap cog funds?

>> That's right. And we'll be coming into the city that could be allocated to this

project. I would ask that we provide that staff direction to allocate that \$50,000 to the south shore project.

>> You're revising your motion to be only

-- it would still be item 1.23, but it would be just direction to use excess cap cog funds for this project and no general funds, is that right? Zero?

[09:17:17]

>> Yes, that's right.

>> Question.

>> Council member morrison.

>> So I'm

-- I don't know much about these cap cog funds, but i wonder what

-- what constraints there are and what other things they could be spent on if they weren't spent on this? Do we have that information?

>> Do we have planning staff who could help us with that?

>> Council member, as I said before, this is money that's coming back to the general fund. The way the grant is set up. So there's not a specific constraint per se. When that money comes back.

>> So there's no constraints. It could be spent on anything?

>> That's correct. This is a reimbursement for services that are rendered by my department through an egrso grant. That they worked with cap cog on. So there are services I provide, being refunded for the time spent on that project. And they would go back to the general fund.

>> So alternatively, we could just add them as a revenue add weak to the general fund?

>>

-- Add-back to the general fund?

>> The majority of that came in in fiscal year '13.

>> It's being what? Going to be in the ending balance or what exactly?

>> I'm say be

-- mained can help me out. As I understand this would come back to the general fund at the end of the year.

>> I'm not understanding. We've already been reimbursed by cap cog? Is that correct?

>> I do not have the details on that. I this is one we need to put ourselves and figure this out. I have emails saying this is linked to hud dollars, so there could be restrictions on them. So if there's any for us to gets some heads together on this and come back with definitive information, that would be preferable.

[09:19:21]

>> That would be helpful so we know what decision.

>> Council member riley could rephrase it to be if available, cap cog funds, if they can be used for that. I'm still not going to support it, but you could say it that way.

[Laughter]

>> I guess the point is being, they might be able to be used for other things, too, and it would just be nice to know

-- if they have to go back to a sustainable places kind of thing, that's one thing. If on the other hand they're just reimbursement and it's just adding to the ending balance, as a general fund, that means they could be used for anything. So I guess I'd prefer if we could just wait and understand.

>> I'm happy to do that. Sounds like it could be helpful to get some further clarification.

>> So with you withdrawing your motion?

>> I am withdrawing that.

>> Would you like to make another one?

>> Maybe he'll take two turns next time.

>> That doesn't count as a turn because he withdrew.

>> I glad to make another run. We can skip on down to

-- i noticed we've gone into item 2, other changes, apart from the general fund. And there is one that I was hoping to make with respect to austin energy. And that appears on here as item 2.5. And that is simply the increase energy solar program rebates. And this was subject of lengthy discussion at the

-- at our emerging technology and telecommunications committee. As you know, last year, we put together a local advisory committee which was composed of people

from across the spectrum of people involved in the solar industry. They reached a unanimous recommendation regarding

-- unanimous recommendation regarding our solar rebate program and this would bring our rebate program in line with the recommendations of that committee.

We've heard from staff that the costs of this would

-- this would not add anything to the general fund. It would be

-- it would entail a slight increase in the community benefit charge that Austin Energy customers pay and I think

-- pay and I believe the figure was 30 cents per month. And the rationale for this

-- for the average customer, that is. And so the rationale is that this spending is essential towards maintaining and nurturing our local solar industry and would be in the long term financial interest of both utility and the whole community. So for a number of reasons, discuss the length, I whether go ahead and move approval that have item. Item 2.5.

[09:22:01]

>> Amendment by council member Riley, \$3.1 million for additional solar rebates. Is there any discussion of that? I'm just going

-- I'm going to call for a vote on that one also, because I'm not going to support it. It adds to the electric utility bill, which is

-- you know, utility bills are just like taxes. They all add up to the affordability of our city. So I'm not going to support it. In favor say aye. Opposed say no. No. That passes on a vote of 5-1 with me voting no and Cowboy Spelman off the dais.

-- Council member Spelman off the dais. That brings us back to council member Tovo, I think.

>> Mayor, I'm

--

>> before you go ahead, I'm going to suggest that we take a 15-minute break, recess. This is

-- normally in a regular council meeting, we can kind of take breaks as we go along individually. But I think it's important that we all be on the dais for

-- you want to do us an update while we're gone?

>> If we could get one clarification before you recess. I believe the way you announced it was to vote approval for item 2.5. I believe 2.6 was the increasing the community benefit charge that would allow paying for the solar rebathe. I just need to confirm

-- rebates. I just need to confirm whether 2.6 was ought there or is that was also approved.

>> Council member riley, i thought you mentioned 2.5.

>> I did. But it makes a good point, that 2.6 is a companion to that piece and that would be a corresponding adjustment in the community benefit charge to provide -- to support item 2.5.

>> So would you like to make a new motion to approve 2.6?

>> So moved.

>> Any further discussion on that one? I'll call for a vote. In favor say aye. Opposed say no. No. So that passes on a vote of 5-1 with me voting no. Council member spelman off the dias. And let's take 15? If there's no objection, we're in recess for 15 minutes. In-race.

[09:51:28]

>>> Okay, we're out of recess. And I think we left off with council member tovo had just gained the floor.

>> Okay. I would like to propose 1.25. This is to create -- or to fund 2.5 new youth librarians and the libraries. This would fund the positions that are currently unstaffed at the hampton branch at oak lil library and the old quarry branch as well as the half-time position that's currently not funded at cepeda library.

>> Okay. Council member tovo, moves to amendment to add 2 1/2 new fte's youth librarians. Discussion on that?

>> Yes, mayor?

>> Council member morrison.

>> Thank you. We have a couple

-- three actually items on our list of youth librarians. We have this one. And then we also have

-- we also have 1.26 to create a bilingual youth librarian or outreach specialist information from 115. Those were both submitted by council member tovo and I had submitted something separate. It wasn't meant to be in addition to. But I think sort of a different approach of 1.5, four new youth librarians which is 307. And I wonder if staff can help us what you understand we've gotten ourselves into here. What the differences are between either doing 2.5, 1.5, does add up to four, or just the straight four that I had suggested earlier. Essentially the same

--

[09:53:30]

>> branda branch, director of libraries. The 2.5 youth librarians and the bilingual outreach specialist positions are different. The outreach

-- they don't have to be. They could be youth librarians, but we were proposing as a long-term plan to use paraprofessionals. So they don't cost quite as much. And that amount of money would buy three or would fund three paraprofessional bilingual outreach youth librarians. So they are paraprofessional specialists. So they could perform story times, biwang wall story times

-- bilingual story times times in the library and go now the community.

>> And this is under I guess

-- I'm a little kind the curve here. This is under the 2 1/2 new youth librarians?

>> No, I'm sorry. That's one point

-- the bilingual youth librarian or outreach suspicious. The library's long-term plan was to provide paraprofessional bilingual specialist.

>> And that 115 who count for one and a half?

>> It would be three paraprofessionals.

>> Wow, you can get three new employees for 115,000?

>> They're not as much as the youth librarians.

>> Am I saying that

-- where is

--

>> depending on if they're full-time or part-time.

>> Well, what level of service

-- because 115 wouldn't handle three full-time positions.

>> Not if they're youth librarians, no.

>> Not if they're anybody, I hope, if you're paying minimum wage.

>>

-- Minimum wage.

>> It depends on whether they're full time or part time. They could be part time, also.

[09:55:32]

>> What are we talking about here, then? For 115,000, what will we get?

>> Probably a youth program specialist. You'd probably get at least two.

>> So you'll get two.

>> Right.

>> Okay. And so it sounds

-- and then two and a half new youth librarians on top of that. So together, it would be 2010

-- 300 and some, which is about the same cost as

-- 118,000 for new youth librarians. If we're getting paraprofessionals but it costs the same, I guess I'm having a hard time getting the difference and maybe council member Tovo can help me.

>> Sure. With help from the library staff. So the 1.1.25 would create 2.5 new youth librarians and I think I remember the discussion was librarian B, youth services

--

>> librarian 2.

>> And so that would round out and make sure that every library in our city has either a youth librarian or a teen librarian.

>> Right.

>> And then in conversations, you know, we have heard from the community that they would like to see some additional bilingual youth librarians and I understand it's always a preference of the library or that you look to getting

-- to hiring bilingual staff for your librarian positions on a regular basis. The

-- I think we're all hearing from the community, that they would like to see some

additional bilingual youth librarians. The reason I've made it just a figure with kind of a lack of clarity of 1.26 is to really allow the library to determine whether to use that additional funding of that 115,000 for two outreach specialists or for one youth librarian, because the cost of the youth librarians is so high, just provide them with that flexibilities. I think the reasons they look similar is because you're doing four and I'm doing four and a half. But at a different level. Does that help? Does that answer the question?

[09:57:52]

>> Yes. Mayor, if I may. So my

-- I guess now my question is, is your motion on the table to do 1.25 and 1.26?

>> If the mayor will allow it.

>> Sure, sure.

>> I think that makes sense to consider it together.

>> Right. I agree.

>> All right. Motion to amend by council member tovo to approve 1.25 and 1.26. Is there a discussion 4 I will call for a vote on that. This is to add a total of four AND A HALF NEW FTEs. It looks like a cost of about 307,000. Again, this is something I would like to be able to support, but not under

-- not under the constraints that we have before us today. So all in favor of that say aye. Opposed say no. Council member martinez, just say aye or no. All right. So that passes on a vote of 5-1. With myself voting no and council member spell off the dias.

-- Council member spelman off the dias. And next is mayor pro tem.

>> Mayor, I want to deal with the library forestry item, but i also need to ask sarah to come

-- I mean, not the library. It's getting late. Parks forestry items. Can I ask sarah? Is she here? Oh, there you are.

>> Okay, so this is 1.5? 1.5. Sarah, I'm assuming you're a little surprised that parks has received so much attention from the entire council today.

[09:59:57]

>> I'm happy!

>> And very delighted about that. But let me say that we

-- i think we all know that we probably will not be able to fund the full amount that has been requested by ad vo case but we're going

-- advocates, but we're going to put it all on the table. I'm going to ask you tonight to work with that, to come up with some number between what your reasonable anticipated needs are over a two to three-year period.

>> Absolutely.

>> Win all of these categories. And also, to visit briefly with ad vo case about that also, because we're trying to get down to a lower number because of so many needs in other areas of the city. But at this time, mayor, I'm going to go ahead and put the 1.5 for forestry on the table with the understanding that sarah is going to bring back some revisions to us tomorrow. Can you do that?

>> Questions, I will.

-- Yes, I will. We're working on it now. We'll be working on a plan to bring back that we'll show a reduced amount on those areas and a phased approach.

>> Thank you. Pause pause [captioning will continue shortly]

[10:02:13]

>> Mayor Leffingwell: And in that event you at, at that point in time I may support reducedments on all this but right now I'm going to vote no. Councilmember tovo.

>> Tovo: I'm sorry, where are we in our number? Prior to taking action on this item we're roughly \$700,000 this the black. This would put us 800,000 in the red.

>> Tovo: Mayor pro tem, i wonder if

--

>> Mayor Leffingwell: Say again.

>> Tovo: I guess it makes me uncomfortable to have

-- have items, you know, to be well in excess of our surplus at this point and so I wonder if another option would be to have a place holder of a much smaller amount for urban forestry.

>> Mayor Leffingwell: Mayor pro tem could choose to amend her own motion to say \$500,000. For forestry. If she so chooses. There are no friendly amendments.

>> Cole: I will amend my motion to make a place holder for \$500,000 with the understanding we have asked staff to come back with a recommendation of a lower sum for all the parks items including trails and pools and general maintenance. Based on their absolute needs over a phased approach multi-year.

>> Mayor Leffingwell: Okay, motion by the mayor pro tem is now to approve item 1.5 with \$500,000 and additional direction to go back and look at potential reductions in 1.6 and 1.7 and 1.8. All right. In favor say aye.

>> Aye.

>> Mayor Leffingwell: Opposed say no. Okay. That passes on a vote of 6-0 with councilmember spelman off the dais. And let's see, whose turn is it? Councilmember martinez.

[10:04:31]

>> Martinez: And I know this is all moving parts so I don't know how long this motion if it passes will even stay in place, but I'm going to move that we reduce item 1.7 by \$145,000 and adopt item 1.18 to fully fund the latino arts residency program at the macc.

>> Mayor Leffingwell: So the reduction was to reduce 1.7 by how much?

>> Martinez:145,000.

>> Mayor Leffingwell: 145,000?

>> Martinez: Correct. We found that the 243 request is not an actual amount, it's to get to 243 would take 145,000 and that's why I'm making

--

>> Mayor Leffingwell: So you're

-- you're proposing an \$855,000 total allocation in 1.7 instead of a million?

>> Martinez: Yes. And it's to instead approve 1.8 in the full million dollar amount?

Excuse me. Say again

--

>>

>> Martinez:1.18 at 145.

>> Mayor Leffingwell:1.18. Okay. Any comments on that? I'll call for a vote on that.
All in favor say aye.

>> Aye.

>> Mayor Leffingwell: Opposed say no. No. That passes on a vote of
-- you voted aye?

>> Cole: I voted aye.

>> Mayor Leffingwell: A vote of 4-2 with councilmember riley and myself voting no.
And so what's

-- what's the quick update, mr. Van eenoo?

[10:06:40]

>> We're at 190,000 surplus.

>> Mayor Leffingwell:190? Okay. Next is councilmember morrison.

>> Morrison: Clearly there are some items on here that are high needs, you know,
keeping kids off the streets during the summertime and things like that and people in
their jobs. I would like to consider

-- where were we? 1.3, with our base wages

-- with our salary increases, we were doing 1.5 for everybody and then 750 for all
employees, which was done at a cost of 2.1 million to the general fund, I believe. And
I think that if we were to put that off for three months instead of instituting it in
october that there may be a nontrivial savings that could loosen up for some of these
other funds. Could you, ed, tell us how much that costs? I think it's about 500,000 or
how much that was

-- if my motion is going to be

--

>> Mayor Leffingwell: That would first be a motion to reconsider. Did you vote in
favor of this?

>> Morrison: I did.

>> Mayor Leffingwell: So reconsider and amend.

>> Morrison: Well, first i wanted to make sure I have the right order of magnitude in
mind for doing this.

>> You do. The option 3 that's listed in your book that shows \$2,122,000, if you were

to delay that three months it would save one quarter of that amount so a little over 500,000.

>> Morrison: Okay. Because I think that

-- i think that sara is going to bring us back ways to loosen up the parks and this is a way to add \$500,000 back. So my motion is going to be to reconsider the item that approved item number 1.3.

[10:08:56]

>> Mayor Leffingwell: Reconsider

-- reconsider item 1.3. All in favor of that say aye.

>> Aye.

>> Mayor Leffingwell: Opposed say no. That passes on a unanimous vote with councilmember spelman off.

>> Morrison: So yeah, and i want to do this because apparently we're running into walls that people aren't willing to consider. I'd be happy to hear our comments, but my concern is that if people aren't willing to consider everything holistically and then pull back, we need to find ways to pull back now so we can get some other priorities on the table.

>> Mayor Leffingwell: Councilmember martinez.

>> Martinez: At councilmember morrison's suggestion, there are some other things, but we can only bring one up each turn that we get. So that causes issues. There was a budget question from councilmember riley, we do have a substantial number OF FTEs IN THIS BUDGET. And councilmember riley asked a question and I wanted to ask ed if we did not hire any of THE NEW FTEs IN LIGHT OF A Resp h.R. It takes at 60 days to process and hire, would that create a savings and how much and response was 1.1, but that was outside of the conversation about the vacancy savings measures we took earlier. So my question to you, ed

-- it was 1.1. I think it's 159. Question 159.

>> Yes.

>> Martinez: It says approximately 1.1 million. If we were to add a hard date of january 1 for any new hires in this budget, would that 1.1 still be the same in light of previous actions today?

>> It's somewhat difficult question without knowing how the individual department directors are going to already have to manage to their higher vacancy savings numbers. Some may be thinking the way I'm going to hit that number is delay hiring some of these POSITIONS UNTIL JANUARY 1st, And not being in their shoes and knowing what decisions they would make, I feel a little bit unable to give you a complete answer off the cuff right now.

[10:11:19]

>> Mayor Leffingwell: I think this is introducing a level of complexity that is almost beyond our ability here to deal with. And another thing is we
-- we're setting ourselves up for next year. All of us are going to be here a year from now if we don't get run over by a bus, cap metro bus, and we're going to be dealing with

-- we're putting off the problem. This is not a structural change really.

>> Martinez: I think it's a fair question, mayor. If they can't hire people in 60 to 90 days anyway, if there is some savings that can be applied, it's real money and it's for this year. It's not delaying the inevitable. If we fund 100% of 365 days of next year's budget, we know we're not going to hire 365 new employees on october 1. If it takes 60 to 90 days and if there's something to add back into the budget to meet some of these priorities i think it's a fair question and I don't think it's too complex for us to try to handle.

>> Mayor Leffingwell: Well, you know, I do think it automatically adds in a bunch of new employees that we don't

-- that we're going to have to consider in next year's budget, plus what's needed for the oncoming year.

>> Morrison: Mayor?

>> Mayor Leffingwell: Councilmember morrison.

>> Morrison: I would like to withdraw my motion and

--

>> Mayor Leffingwell: We already voted on the reconsideration.

>> Morrison: Okay.

>> Cole: But this is discussion.

>> Mayor Leffingwell: We really don't have a motion on the table right now.

>> Morrison: Right. So I had a motion to reconsider and there's no motion on the table and i don't want to make a motion. Can I do that?

>> Mayor Leffingwell: Yeah, this motion is off. 1.3 is removed is my understanding of it right now.

>> Morrison: What do you mean removed?

>> Mayor Leffingwell: Yeah. So it's removed. 1.3 is removed. You can come back at a later time

--

>> Reporter:.

>> Morrison: Okay. I was going to make a motion to have 1.3 done with a small adjustment and in order to

-- and I've changed my mind about that. I think that we need to address some other things first. So I guess my motion, appropriate motion is to just redo 1.3 the way it was originally done with option 3. City attorney, can I do that?

[10:13:46]

>> Mayor Leffingwell: You can do that. You know, so if we don't

-- if we don't address a substitute, that automatically reinstates it?

>> [Inaudible]

>> Mayor Leffingwell: No, this is just the main

-- the main option. Option 3. That's correct. We voted to reconsider that. All right, that stays on the table. That stays on the table.

>> Morrison: It stays as is so we're back to where we were before he even opened my mouth.

>> Mayor Leffingwell: So we did burn up 10 minutes.

>> Morrison: So that's great and I just want to say I think that it's important

-- i understand the discomfort with going over, but we have asked the director of parks to come back to us with ways that we could put different values in for parks and I'd really rather be able to hear from her and other ideas of loosening up revenue before we start doing the trades on the fly. I think that would make a lot more sense.

>> Mayor Leffingwell: Okay, so you

-- you haven't made a motion for [indiscernible]. Is there one you want to make instead?

>> Morrison: I would like to make a motion for

-- it's 1.11, increasing funding for prime time after school, but rather than for \$500,000, which would allow

-- which would allow to

-- the program to come back to where it is or reinstate where it was, i would like to make it for 350,000 instead of 500. The 500-dollar figure

-- \$500,000 figure would also have allowed them to expand beyond where they were before the cuts were made.

>> Mayor Leffingwell: Okay, so that motion for 1.11 would be for \$350,000, and what does that do to our balance?

[10:16:10]

>> Currently negative 158,322.

>> Mayor Leffingwell: Okay, so I'm going to be against that and I'll call for a vote on it.

>> Morrison: And I would just like to comment that i fully expect the revised parks numbers and other things to get us more than 150, more than 500,000, I should say.

>> Mayor Leffingwell: Okay. All in favor of the motion on item 111 say aye.

>> Aye.

>> Mayor Leffingwell: Opposed say no. No. You said aye. That passes on a vote of 4-2 with councilmember riley and myself voting no. All right, that brings us to councilmember riley.

>> Riley: I want to ask about an item that we considered previously. Ed, we previously took \$250,000 in one-time housing dollars that were previously allocated and redirected that into the general fund. Is that right?

>> Yes, we did. That was in the staff recommended changes.

>> Riley: And I understand from staff that there's actually considerably more than that that remains unexpended in those funds that were allocated for the

-- for the year for housing. In fact, in the list that I've got in case there's \$1,830,000

that is currently unallocated to any particular program. Does that sound right? Betsy, do you want to answer that?

>> Yes, sir, betsy spencer, director of neighborhood housing community development. Can you give me that figure again that you are quoting.

>> Riley:1,830,000.

>> That is left?

>> Riley: That's right. And the document I have shows it under account 900 and the housing programs for f.Y.13 b.A.

[10:18:10]

>> So we're talking about the \$10 million from earlier in the year, correct? Okay. So the 250,000 that you saw, that you voted on earlier today was the difference of the tax credits. We had set aside 4.5 and we have committed

-- the finance corporation has committed 4.25. So that left the 25,050,000. If I break down the total 10 million, some of what you see

-- the numbers you're quoting has not been

-- they have been committed to projects, but they have not yet been encumbered in the financial system. So we actually have several projects left that we have made commitments to, but they've not been encumbered by contract in the financial system.

>> Riley: And so can you break down that number for me? Are you saying all but 250,000 is already committed to other projects?

>> Everything except the

-- there's still another 680,000 that we're going to use for permanent supportive housing. So it's all we have left.

>> Riley:680,000 for psh and the 250 and the remainder is already committed?

>> Yes, sir.

>> Riley: To other programs?

>> Yes, sir.

>> Riley: Help me understand

--

>> absolutely. I'll just go down the whole list if you would like. Capital studios needed

additional funding of \$1.5 million. The chicon project an additional \$1.256 million. The home repair program received \$1 million. We had a project 807 waller was 145,000. The oak creek village tax credit project, that was 2 million. Homestead apartments is 2.25 million. The psa to the 1115 waiver program, the health department just recently put out a request for applications. We have married up \$500,000 with that for short-term rentals. We set aside 100,000 for tenant relocations for issues like the wood ridge apartments. We're going to set aside \$100,000 for tenant relocation for you're for emergencies. Then \$300,000 committed for the loop project, the six acres that we have right next to the animal shelter.

[10:20:30]

>> Riley: That will also be an affordable housing project.

>> Absolutely, yes, sir.

>> Riley: So those funds

-- when you say those funds are committed, can you elaborate on what sort of commitments have been made to those involved in those projects? Is that just -- is that a commitment just on city papers or is there

--

>> we're bringing forward the one, two, three, four, five, six

-- the first six projects I listed have all been approved by the finance corporation board. The psh, the 1115 waiver program we're bringing forward at the end of this month for approval. The tenant relocation fund because it's under \$300,000, we've set that aside in the department. In conjunction with the code compliance department so that in the relocation program we have that set aside to see an emergency housing program and the leander loop program we've set aside in the department. We need to

-- we've had that tract of land for quite some time and we need to start the engineering and architect and the engagement to get that tract going. It's also on the hispanic quality of life commission initiative so it's a big priority for us.

>> Riley: Okay. Mayor, I'm still trying to identify funding for some other needs and in particular one item that I really would like to receive some funding is the community

health paramedic program through e.M.S. And that's a program that would be particularly well suited for receiving any available housing dollars since it provides -- it's an alternative model for providing health care that has been shown to dramatically reduce the number of calls that e.M.S. I've continued to look for the funds that could provide the support for that. As you know, that the -- the total package comes to just under \$600,000. Most of which would actually be one-time costs. About 330 would be one-time costs in the form of vehicle medical equipment and so on. So I'm going to keep looking for those funds. I have not found them yet. Based on the materials that I received from staff, it appeared there was potentially some funding available on housing, but it's not what I'm hearing from Betsy now, that appears not to be the case so I'm going to pass it this time and keep trying to find some funding to support that program.

[10:23:06]

>> Mayor Leffingwell: Councilmember Riley passes, and was that item -- just for future references -- 119?

>> Riley: Yes. Mayor, I will say that what you see on 1.19 is a scaled down version of what e.M.S. identified as their unmet need. That 119 we were getting it down to just one F.T.E. Plus the equipment in an effort to scale it back.

>> Mayor Leffingwell: All Travis County?

>> Riley: There already is one team, community health paramedic program. If we got to that point of just being able to fund one INSTEAD OF THREE FTEs WE would need to have a conversation with e.M.S. To see exactly how that might work.

>> Mayor Leffingwell: Okay. Councilmember Morrison.

>> Morrison: I think the community health paramedic program is terrific and it's exactly the kind of investment we should be making. What is -- do we have three right now? We have one team of three and the idea would be to try to double that, make two teams?

>> Riley: That's right.

>> Morrison: That's what's on your mind and e.M.S., And that would be a total of how much?

>> Riley: The amount identified in the budget questions was \$593,102.

>> Morrison: And I guess we don't know the answer having one does that make sense or do they have to work in teams?

>> Riley: Do we have anyone from e.M.S. Here?

>> Thank you, James, chief of staff. They work individually in a single vehicle and each community health paramedic and their vehicle with their equipment handles a caseload where they work with other social services in the community and do site visits and manage the individuals. So for every one person we add, they do not have to work in teams of two or three. For every one we add, we can add capacity and capability to the program.

[10:25:08]

>> Morrison: So it scales up or down.

>> It does. We currently have three, I believe.

>> Morrison: Great. And do you have

-- you probably answered this in the questions and if you did I apologize for asking again. Do we know how many individuals one paramedic can -- can manage?

>> We do. It's a fairly new program and I'd need to check back with Andy specifically, but I believe it's around 140 people that we're managing with three currently in the caseload and it decreases their need to call e.M.S. And for the emergency units to take them to the hospital and the workload in the hospital because those patients are managed outside the hospital.

>> Morrison: And then I guess the other thing is I think I recall in the answer there were some calculations about how much money we thought was being saved by providing this service and it was almost a wash in the end, if I recall properly.

>> Yes, ma'am, it slows down the growth. We have an increased number of calls and demand for e.M.S. Service each year so each year to maintain our current service level we need to add resources and the community health paramedic decreases that rate of addition that we need. So it does decrease the amount of calls that we're handling by the emergency side of the service but not at a point where we wouldn't need ambulances that we have on duty.

>> Morrison: Sure, sure. But also I think just from a more global perspective, in addition to saving e.M.S. Costs, they are also saving
-- being able to work with these individuals is saving emergency room costs and a.P.D. Costs and all sorts of things so it's well worth the investment.
>> That's exactly right. It really is helping to solve the person's problem and not just move them around. It's taking care of them the way they need to be taken care of.
[10:27:10]

>> Morrison: So councilmember riley, I would encourage you to
--
>> Riley: I appreciate the encouragement and mayor, if the door is still open I would be happy to move we approve one f.T.E. Annuli within necessary conviction, \$223,364. It would be the f.T.E.

--
>> it would be the 135,608 plus the 87,756, I believe.
>> Right.
>> Riley: Comes out to roughly \$223,000.
>> Mayor Leffingwell: All right. Motion by councilmember riley to amend and approve item 1.19 as published. And again great program. I'm going to have to object and call for a vote. It's just a matter of trying to prioritize a lot of really needed stuff. In favor of councilmember riley's motion say aye.

>> Aye.
>> Mayor Leffingwell: Opposed say no. That passes on a vote of 5-2 with councilmember martinez and myself voting no. 4-2, correct. Councilmember spelman off the dais. And how far are we in the red now? 381,000.

>> Mayor Leffingwell: How much? 381,000 in the red.

>> Mayor Leffingwell: 381. All right, next is councilmember tovo.

>> Tovo: Okay. It's a little tricky to know how to proceed now that we're over so I think I'll go back to some of the proposed reductions that were on my list. And I appreciate the feedback before and the comments from my colleagues about obviously each one of these needs to stand on its own and there is
-- and we are considering reductions separately from allocations. I'll just

contextualize that by saying there are several priorities that are still on my list of critical needs, but I feel like we should try to find some funding for and it's in that spirit that I'm proposing the following staff reductions. And as I said before with planning and development review not because

-- not because these departments aren't doing great work and wouldn't do even better work with additional staff, but just because the choices ahead of us are difficult ones. So I am going to propose reducing

-- sorry, I'm having trouble finding it on the list.

[10:30:13]

>> Mayor Leffingwell: Tell us what item you are looking at.

>> Tovo: I'll describe it and maybe somebody can help me find the number. I'm going to propose the hiring for fiscal year 2014 of the positions in the human resources, youth and family services initiative in the amount of \$84,623. Apparently that's part of 2.4 and I think it also captured

-- I think 2.4 also captures my proposal to delay hiring for the public information specialist for major special events and council offices, and again these are all, you know, good positions. I appreciate the work that both our pio office and the human resources youth and family services initiatives are doing. I think they are all doing great work and, again, these staff positions would enhance the work they are able to do, but I am trying to balance that against the needs, some of which I've mentioned before and I'm happy to articulate. Where I think we might

--

>> Mayor Leffingwell: If you could just tell us what you are proposing without the articulation so we can try to

--

>> Tovo: That's it. 2.4. Eliminating

-- eliminating the positions as follows: The \$84,623 for human resources and youth and family services initiative and as I said I think 2.4 also includes the \$59,818 which was a point 6 position for the public information specialist for major special events and council offices.

>> Mayor Leffingwell: That's all in 2.4?

>> Tovo: I need confirmation from our financial staff, but I believe that's how
-- 2.6 FTEs.

[10:32:16]

>> Yeah, it would delay the hiring from

-- I'm reading off what you submitted, delay hiring and limb 59,818 for the funding of the public information specialist for the major events and council offices. It would eliminate that position. The .6 is to delay the hiring research analyst, .6 f.T.E. In management services in the amount of 40,139. So that's with the point 6 position reduction would be he.

>> Tovo: Thanks for that clarification. Mr. Van eenoo, that's

-- i think I need to clarify that. That is total elimination of the positions in human resources, the public information specialist in pio, and the research analyst. That's all three combined into one line item.

>> Yes, but it's only .6 of the research and in list the way it was proposed.

>> Tovo: And the way

-- i proposed it that way because i think in one of the budget responses identify said it was just .6 of a position.

>> I believe it is a full-time position, but the position would have two duties. 6 of it would be related to this function. I'd have to look at the budget question, but I know there was two functions it was going to be doing, but it's a full-time position. If you want to eliminate all of the position the dollar amount would be higher. Clarification coming.

>> Ray bray, acting chief of staff. The .4 position would be for working on a project involving the star community rating system, which is the nation's first voluntary supporting framework for improving the livability and sustainability of communities. The other would be working on indicators relating to

-- the 60 plus related to imagine austin. This position would be working on two different projects.

[10:34:30]

>> Tovo: Thanks, but the total dollar amount associated with that one position is \$40,139.

>> That's correct.

>> Tovo: So the dollar amount doesn't change. I think the error was that in the notes I sent on to financial services, I said it was .6 f.T.E. And it's really just one f.T.E. But the dollar amount is correct.

>> Okay, then, I think we would want to change 2.4 or your attachment c to be three FTEs. That's what we would be eliminating is three, not 2.6.

>> Mayor Leffingwell: And what would be the dollar amount?

>> The dollar amount is correct.

>> Mayor Leffingwell: Okay.

>> Tovo: And I think these are all three are good candidates for a midyear budget amendment or if more funding becomes available through some of what we'll talk about later with regard to the convention center, then this would be good candidates for reconsideration. That's why I was careful to express it as delaying the hiring of them, not eliminating as a possibility.

>> Mayor Leffingwell: So this is a gain to the general fund of 184,580. Is that correct?

>> It's a gain to our support services fund.

>> Mayor Leffingwell: How does that impact the general fund?

>> That's kind of a discussion I had earlier, sort of depends when we're done with all these discussions if the support services fund has a surplus, that surplus could be recognized in the general fund but we won't know until all these discussions are done. There's other subpoena pore services items on the list.

>> Mayor Leffingwell: The reason I ask the question the way I did, I understood councilmember tovo's goal to be freeing up more funds to approve more items in the general fund and we can't do that at this point.

>> At this point I don't think we can, mayor, because 2.2 and 2.4 also pertain -- I'm sorry, 2.4 we're taking action on. 2.2 related to the auditor's office would require us having some funds available in support services fund. That funds need to be in balance as well.

[10:36:40]

>> Mayor Leffingwell: So the net to the general fund of this if it were passed would be zero? At this point in time?

>> Mayor?

>> Mayor Leffingwell: Yes, go ahead.

>> There could be some savings. Right now we're looking at a positive ending balance based upon all the actions council has taken so far and the support services fund of \$320,000. That would take that amount up to about half a million dollars, but there's still some actions to occur that may affect the support services fund. I'm sorry, the 320 I quoted, the \$320,000 takes into account if this item is passed. You would have a \$320,000 surplus in support services fund which could be used to lower the general fund's contribution to the support services fund. It just depends on any other actions you take that may require additional funding in the support services fund. I believe there's only one item left which is the 1.5 FTEs FOR THE CITY AUDITOR'S Budget. If we were to conclude that item, I could give you a definitive amount that is available in the support services fund.

>> Tovo: Thanks. Mayor, I appreciate you asking that question. I wonder if it would be appropriate to put this item on the table and consider it after we've brought clarity to the issue of the auditor because I did

-- I did really intend for these to off set some general fund items and so if I can do what councilmember riley did and switch gears and do something else, make a different proposal.

>> Mayor Leffingwell: Let's just say you are withdrawing that and bring it up later and introduce a new item.

>> Tovo: Thanks. So what I'm going to propose next is going to put us in the red more and I'm really reluctant to do that as we close down the end of the day for the reasons I said earlier, I think I'm certainly committed to keeping the tax rate as it is and will definitely support lowering all of these expenditures accordingly, but the item i would like to put out for a vote is to allocate \$575,000 to support head start funding for child inc. You may remember that this was a midyear budget amendment because of various things including the impacts of federal sequestration. We stepped in and provided that funding so that those working families could continue to hold down their jobs and have the child care available to them. Unfortunately they are in

the same position for next year, for next summer and so my professional is that we allocate their full amount with the understanding that we may need to adjust this later in the budget process.

[10:39:43]

>> Mayor Leffingwell: Okay.

>> Tovo: Thanks, 1.10.

>> Mayor Leffingwell: So amendment by councilmember tovo for item 1.10, 1.10 for \$575,000. Comments? Councilmember morrison. I'm going to call for a vote on this one too.

>> Morrison: I'm not surprised. We have a good discussion about this when we added it at the midyear and it's a situation where if these kids can't get their day care, the parents can't go to their jobs and things like that so it's really critical. When we did it as a one-time, you know, I knew that they were in sort of dire straits and I didn't expect it to be an ongoing thing, but I think that it makes sense to do it this year. And then by then they will be able to get into our social service contracting r.f.p. And that way we'll be able to have a more cohesive look at how it fits into the whole early childhood education concern that we have in the city. So I think it makes sense to get this into the mix.

>> Mayor Leffingwell: I think it's an important need. We can't fund every need so I'm going to call for a vote on that one and I'm not going to support it but in favor. In favor?

>> Aye.

>> Mayor Leffingwell: Opposed say no. Mayor pro tem, did you vote aye?

>> Cole: Yes.

>> Mayor Leffingwell: Passes on a vote of 4-2 with councilmember riley and myself voting no. All right. Mayor pro tem cole.

>> Cole: Yes, I'd like to ask the auditor, I want to deal with the f.T.E. Items that hopefully we can get straight the cuts that councilmember tovo were talking about and the auditor's office.

[10:41:58]

>> Good afternoon. Ken morey, city auditor.

>> Cole: Ken, you've asked for an additional 1.5 FTEs AND I UNDERSTAND ONE IS For an administrative specialist.

>> That's correct.

>> Cole: Can you tell us what additional services you are hoping these employees can provide?

>> The assistive specialist will be working with purchase orders, helping with some of the personnel issues and administration, answering the telephone. We currently are doing that through some temporary funds we've had available due to vacancies and we would like to make that a permanent position since we've been doing that for a couple of years now.

>> Cole: Is that the .5?

>> Yes. The auditor 2 position, as you know, I'll be making presentations in the a.F.C. We've had a lot of work to do and I think we have almost five years of audit topics we've been considering and obviously we can do one year at a time. And we've also had a lot of special projects that have been coming up and with all the changes that are going to be occurring in the next couple of years, I don't anticipate that reducing so, again, we're looking for an incremental increase of one individual. As you know from the very beginning I've never been someone who has been asking for a lot of people. I've done it one person at a time where I needed it. We've had a couple people added as a result of that.

>> Cole: Remind me of the dollar amount for the one additional person and then for the administrative specialist.

>> I'm sorry.

>> Cole: Can you first tell me what was the dollar amount for the additional auditor.

>> For the additional auditor is \$86,055 plus 1,100 for computer and items of that nature. For the part-time administrative specialist it's 28,242 for a part-time position.

>> Cole: Thank you, ken. Mayor, because we actually set the audit and finance committee sets the service plan for the auditor, I think it's appropriate that we recognize the good work that they've done thus far but also take responsibility as we make cuts in the department for making revisions to the audit plan and not

necessarily having to add an additional f.T.E. So I would like to make a motion that we only fund the part-time position and leave open the auditor position which would

-- should free up \$86,055 for the support service fund, is my understanding.

[10:44:32]

>> Mayor Leffingwell: Will somebody do the math on that?

>> Is the motion to keep just the half-time position?

>> Cole: Exactly.

>> I think you said there was a thousand dollars for computer so might be \$87,055. But the revised amount then would be to add a half-time f.T.E. To the auditor's office and the dollar amount would become \$28,242.

>> That's correct. The 1,100 was for the auditor.

>> Mayor Leffingwell: Motion by the mayor pro tem. This is item 2.2. In the amount of 28,242. And I'll call for a vote on that one. In favor say aye. Opposed say no. No. Councilmember riley, no? That fails on a vote of 3-3. With councilmember riley, martinez and myself voting no. [One moment, please, for change in captioners] ... They are part of 200 of the 1700 that we have so that each year we're going to replace those bottles on an annual replacement schedule. But when we can work with that on a one-time replace. This year and possibly work to move those back into the base budget next year, we are working really hard to stand that wildfire mitigation division up and making great strides. These two additional positions would help us with those gains.

[10:47:18]

>> Martinez: What is the current budget for the sbca replacement?

>> I'm sorry, I totally don't have that. I think it was 300,000.

>> I think that's about right. And then the two lieutenants are roughly in that same range as well.

>> So I've got the numbers here if you would like. It was 210,000 for the scba's and

the wild land division, the two lieutenants including some of the one time purchases was 361,137.

>> Martinez: If we back out the 1 time expenses and actually pay for those out of budget stabilization, could we figure it out where we could get the two It's done?

>> Then the one time costs of personnel and salary, salary and benefits is about 214,337. That's backing up the one time.

>> Martinez: So that would fit in in switching out the sca's we would just need the one time funding for equipment.

>> That's correct.

>> Martinez: Mayor, i would go ahead and make that proposal. I don't know how to do this, hair, other than make it contingent because as we've spent now, the budget stabilization reserve of 12 percent has gone upcomes are you rattily and I will roam prep that we shift it out of budget stabilization reserve and then take that savings from the scba's and the structural fire and put it into the wildfire mitigation program. Does that make sense?

>> Mayor Leffingwell: Not to me.

>> It did make sense to me. And if you need to take \$300,000 out of our operating budget and move to the deserves, this picture continues to evolve. Is all I'm saying.
[10:49:47]

>> Martinez: I will make that motion for know. It could change by the end of this discussion, but i would like to get that on the table and get those two lieutenants funded. I believe it is critically important even though it's raining outside today and that's a good thing, we still face a major wildfire risk in travis county and i think eliminating those two lieutenants, while i completely understand, it's short sighted with the long-term goals of really eliminating some wildfire dangers in western travis county.

>> You spoke of freeing up \$330,000? From the stabilization reserve. I thought we already had half a million. We're already half a million in the red, correct?

>> Mayor, if I could

--

>> Mayor Leffingwell: Go ahead.

>> Martinez: My motion is actually revenue neutral as to wherever we were before we started because it takes the currently budgeted scba money to fund the two lieutenants and pulls that one-time budget stabilization reserves to cover the cost of replacements of scbas and the two vehicles for the lieutenants. So on the general fund side, it doesn't do anything. It just takes 300,000 out of budget stabilization reserve that ed said was available.

>> Is that right?

>> That's correct.

>> As a result of this and what councilmember martinez is proposing he's correct. We are right now in our general fund is roughly a million dollars in the red right now from all the changes that have been made. So that would still need to be addressed obviously.

[10:51:47]

>> Yeah. Well, I've always

-- I've been a supporter of the wildlife mitigation division and the program, and I think we've got to continue to work on that. I'm justice us not convinced that we need two lieutenants to make it work. I think we can

-- that's one of these hardships we can endure and make the program work without. So I'm not going to be supporting that. Councilmember morrison?

>> Morrison: Do we plan on bringing them on next a year and this would move them up a year?

>> That's correct. They are part of phase 2, which would be the start of this fiscal year 14 budget year, but they were not included in the baseline and then we suggested those as some of our unmet needs, but they also were not included. I guess I want to mention that

-- I guess this is a question for staff. If we have that extra money in the stabilization, the 300,000 that you're talking about, it occurs to me that we have lots of things in our general fund that cost more than 300,000 that could be considered one-time funds. One time purchases that could actually be moved over to stabilization and then loosen up some of the general fund. And I wonder if you could confirm my understanding, ed, because to me if that's the case, that means that this 333,000 or

whatever you're talking about right now could actually go to help emile your rate that one million dollars we're over now.

>> That's correct. One example would be we have the breathing apparatus that councilmember martinez is talking about. We could move that breathing apparatus out of our operating budget into the critical one-time budget because we have that balance relative to the 12% and now the gap would be 700,000 instead after million.
[10:53:55]

>> Morrison: And I know we have some radios being covered that would normally be covered by the critical one time?

>> We have no shortfall of one time items in our operating budget.

>> Morrison: I guess that's point I want to make. So I'm not going to be able to support this motion because I think if we're going to loosen up that funding we need to look at more critical need. Being able to phase these things to be able to deal with all the balancing all the priorities is important.

>> Cole: Mayor, I also will not be able to support this motion. I support wildfire mitigation, but I do understand that we need a phased approach. Ed, I want to ask you when we're talking about the 300 some thousand that's left over from budget stabilization reserves, that is using the 12% number that you've talked about of our one-third of our contingency fund calculation.

>> Martinez: Mayor?

>> As some previous councilmembers have done, they've withdrawn their item and be able to take this turn.

>> You don't want to suffer like I do.

>> Martinez: I can read tea leaves very well. I will withdraw this item if I can continue.

>> Mayor Leffingwell: You may.

>> Martinez: Thank you. I believe we're getting towards the end of. This it's late in the day and we are close this 956 is the tab I've got, thereabouts. One of the things that we adopted previously and we've had a motion to reconsider it, I'm going to make a motion to reconsider the salaries for city employees. I'm not going to change anything other than my motion would be to keep the one and a half percent across

the board, but the 750 would not be applied until midyear, which would be april of 2014, taking the cost of that item from 2.1 million down to 1.1 million, therefore giving us a million dollars that would cover this existing gap that we're currently facing and put us into the positive, actually, to the tune of about \$50,000, \$150,000. So that would be my motion to reconsider, mayor, item 1.3.

[10:56:27]

>> Mayor Leffingwell: Motion to reconsider and amend 1.3 as councilmember martinez has outlined. And can you verify the numbers that councilmember martinez came up with? Doesn't that also give you a discontinuity in the wage structure for six months? It doesn't.

>> Martinez: It just means they get paid 750 less.

>> Mayor Leffingwell: Half of 750, okay.

>> So the numbers I'm passing out would show an option 4, which is the same one and a half percent pay increase going into effect OCTOBER 1st, BUT THIS Additional per employee amount of \$750 not going into effect until 6 months into the year, april first, essentially it's half the cost across the board. The general fund cost is half, the all funds cost is half. It doesn't change the concept when you look at it on a per pay period basis, there would be a flat amount that's added to people's pay per pay period. So save this money in fiscal year '14 and obviously that catches up to us a bit in fy '15, but it's essentially the same proposal that

--

>> Mayor Leffingwell: It essentially cuts the amount in half.

>> It does count the amount in half in fy 14.

>> Mayor Leffingwell: All right. Does everybody understand the motion? Let's see.

Obviously this is an improvement which I would like to support. But then

-- then I'm on the record of having to support something that I really don't support.

That's a quandary. But I'm going to vote in favor of reducing the deficit by a million dollars and go ahead and support this.

[10:58:35]

>> Martinez: Thank you, mayor. I was just saying thank you, I appreciate it.

>> Mayor Leffingwell: All right. Is there

-- there's no dissent, so we have a unanimous consent on that item.

>> Martinez: Thank you.

>> Mayor Leffingwell: Next is councilmember morrison. Back in the black. Let me just say if we can

-- if we can finish this up, council, it's getting kind of late, it's been a long day, staff is going to need an hour at least to reconcile all of this. If we can get it reconciled on tab c, we could potentially, it's something to consider, going into recess until 10:00 tomorrow morning and we would be ready with the final numbers to vote on item 1. So that's potentially what we could do. And you have the floor, councilmember morrison.

>> Morrison: I wonder if staff could speak to the item 1.28, which is replacing expiring grant funding for the job search lab at the carver library. I don't know if someone from the library could help me. This job search center that we have at the carver library, can you tell me what it is exactly? I presume that we have assistance and computer equipment and things like that?

>> Brenda branch, director of libraries. We had a

-- we have created a job information center, computer center, at the carver library with a btop grant. The funding ran out in april. So the funding in the amount of \$65,575 would fund a program specialist to carry on the leadership of that center.
[11:00:58]

>> Morrison: So we've already invested and have it all up and running and it would basically just have to be shut down.

>> Yes. We have computers and this person then works one on one with the people who come in and need help. They train them in computer skills, they help them with their resume. They help them get online and fill out applications and submit them.

>> Morrison: And do you have any sense for how active this center has been? Have we gotten a lot of good participation from folks that have come in.

>> We have about 100 people a month. And remember, this is very intense, one on

one training. And working side by side with people.

>> Morrison: Okay. So I would like to make that motion, 1.28, which is to add an f.T.E. To

-- to replace the grant funding for the job search center.

>> Mayor Leffingwell: So that's 65,000?

>> Morrison: That's correct. 65,575.

>> Mayor Leffingwell: Motion to amend by councilmember morrison. Any comment on that? Councilmember tovo.

>> Tovo: Yeah, I just want to say I'm going to support this. I think it's really important. I know this budget process has been a tremendous amount of work for staff in responding to our questions, but this is one of the real important points that did not emerge when I read through the budget, but did, as I mentioned earlier, when councilmember martinez asked a question, number 56. So I just want to say thank you again to the staff because I think this question and answer really helps us zero in on some important priorities like this one.

>> Mayor Leffingwell: I'll call for a vote on this one too. Those in favor of councilmember morrison's amendment say aye. Councilmember martinez and riley, do you support that? So that passes on a vote of five-one with myself voting no and councilmember spelman off the dais. Councilmember riley is up next.

[11:03:01]

>> Riley: Mayor, would you mind if we can get a total from ed where we are.

>> Mayor Leffingwell: Update?

>> Sure. The general fund at this point is all in basically balanced, \$39,000 in the black. But we do still have \$339,000 in our stabilization reserves that could be drawn down relative to our 12% goal. So we still have that flexibility. The support services fund also has a balance currently of about \$140,000 with item 2.4 still out there. And those would also result in savings to the general fund as we're starting to get closer.

>> Mayor Leffingwell: If something else comes along that needs to have money spent on it, nice to have that capacity. If we drew all that down we would have basically zero capacity. So councilmember?

>> Riley: I have a question for staff in regard to item 2.8, which relates to the local

food systems recommendations. And I see Kevin approaching. The figure that we have on that is 200,000. And that includes a number of items. As I understand it, the real pressing need that we have there is actually for the first of those items, which is for our full-time employee to serve as program manager for that program. As I understand it, we don't currently have a manager in program

-- in place for that program. So I wanted to see if there is any way to scale back that 200,000 to get down to just that program manager position around would that be a worthwhile position for there were no funding beyond just the funding for that position. Is there additional

-- is this really just a package deal or can we trim it down to something far less than the \$200,000?

[11:05:13]

>> Good question. Kevin Johns, director of economic development. You'll recall that council directed as a result of the sustainable food policy initiative to do an analysis of the food industry and the John Hockenjos study showed it was jobs that made the recommendations of the the major recommendation was to create a strategic plan with a lot of citizen involvement and with a lot of the organizations that we're doing food efforts so that we had a thoughtful process of how to grow the industry. And then we also identified two different objectives, one to create a 24

-- kind of a 24/7 public market, like a peeps market, and also a food hub. As the major initiatives. I think having a coordinator, the three departments that are involved in this are the parks department, sustainability office and EGRSO. I think that having a person to lead that none of us have tremendous expertise in developing farmers markets or in the food industry. So I think that it could stand somewhat alone by having that person at least have some consulting services to do the plan. So in looking at the 200,000 there's requested, the division of those dollars probably would be that the 60,000 and 20,000

-- at least the 60,000, which would be for EGRSO to do real estate analysis for the two locations, I think we could pass on that. I think that we could work with the private sector and find people that would be interested in doing that.

>> Riley: I gather we're now down to 39,000, that was the number that's left on the

table now? And it seems like that could probably be a stretch. Do you see any way of seeing the f.T.E. Position in place in an effective way with funding on that scale?

[11:07:32]

>> I believe that there's a half of the f.T.E.'S in place in the parks department. And that that was going to be contributed to the sustainability office so it's really a half-time position, I think that's correct. And so I'm not sure exactly what that cost is but it would draw down the cost fairly significant.

>> So if we've already got a .578 f.T.E. In place, then an additional 25 could make it workable. 2.8 the way it was proposed was proposed as a non-general fund change. That we would increase the funding to economic development department to fund these positions via an increase in austin energy's increase in transfer to the department.

>> Riley: I understand that was the recommendation and I had some anxiety about creating a program manager for the food program. And at the expense of austin energy. I'm not

-- I think we're trying to

-- we've been trying to move away from relying on austin energy to support programs that are not directly related. I understand there is real economic value in developing this program, but I'm not sure it makes that much sense to rely on austin energy for the funding of this particular position, for the program coordinator for the food program.

>> It was the program coordinator that was the recommendation. We didn't have a dog in the fight over where the money would come from. It was just that the council asked to look into and it was discovered that it was a very good area. We do have food deserts, multiple departments are trying to participate in it. Seems like this would be good to go forward. There's a half position available, but I'm not sure where the full-time position then the other half would come from or the consulting money.

[11:09:44]

>> Riley: Is there additional staff coming on?

>> My understanding is that the halftime f.T.E. That would be transferred over from pard would offset only by 20,000. The position that was identified for the office of sustainability was a program manager. It was thought to be a more senior position that would coordinate efforts across multiple city departments as well as private stakeholder groups. So it was thought to be a more senior level position, but the part time f.T.E. Would only offset part of that cost and the estimated cost for that full time position was 97.

>> Riley: At this point we do not have adequate funds identified to support that position. So I think we do need to move forward as soon as we can on that position. As y'all know that the local food issues have been of varying significant concern for this community for some time. We've heard multiple recommendations from the sustainable food policy board about getting that in place. We have urban farm code amendments coming our way that's going to generate a whole new discussion about the role of the food on our local economy. And so I think there is a very strong case to make to get a position in place. So if we were able to identify some additional funds, that would be high on my list as a need that would benefit from the use of those funds.

>> Councilmember, we could look at next year or look at other sources of funding for the real estate analysis of the market study if there was a position created, we could come up with the others are a request over a longer period of time.

>> Riley: So are you saying that there would be value in

-- one more time, could you give us the amount that is

-- that is currently

-- that we're currently at?

[11:11:48]

>> I can. This is where it gets a little

-- as the puzzle starts to come back together, is gets a little more complicated. Just looking at the general fund we have a 39,000-dollar surplus. But it's starting to feel like the changes to the support services fund maybe have come to a conclusion and

right now in our support services fund we have a 490,000-dollar surplus. So we can lower the amount of funds we have to transfer from our general fund to our support services fund to keep that fund whole. We can lower that amount at this point by \$490,000. Again, assuming that the support services fund is largely sitting still at this point. We could make that change, which would free up additional general fund dollars and maybe help with the remainder of our conversation. I believe there's only one item on the support services that hasn't been taken up yet. It's item 2.4 and it would actually lower support services cost even further. So with a little bit of direction there I could get more definitive about where we are with the general fund, but there's a lot of moving pieces.

>> Riley: I would like to move that we provide you that direction that is necessary in order to get a full-time employee position in place to serve as program manager for the sustainable food policy program. Rather, the sustainable food program as recommended by the sustainable food policy board.

>> Then we have a at the current time we have a surplus of \$529,835 and then while see what happens with this proposal you're offering. Rhyme rhyme the number that we landed on as the amount necessary to fund that position. I heard a few different numbers and that could be something we could leave to y'all to figure out since it does involve pairing this funding with an existing .5 f.T.E. And if we -- would you be able to figure that out based on direction from council?

[11:13:53]

>> Yes, I think we could figure it out quickly and now the 2.8 would no longer be austin energy, but a general fund cost.

>> Riley: I think I heard 97 from staff. I'm seeing a nod out there. So that would be my motion that we provide \$97,000 to get the program manager in place for the food program.

>> Mayor Leffingwell: So motion to amend by councilmember riley to approve, what is it, 2.8, item 2.8 in the amount of 97,000 for the 200,000.

>> Riley: That's right.

>> Mayor Leffingwell: If we do this this way, are we going to have everything buttoned up tonight so that you can come back tomorrow and give us a final

proposal? That we don't have to mess with anymore and just vote on?

>> Absolutely. We'll come back at 10:00 ready to go.

>> Mayor Leffingwell: And now based on approval of this motion, which I don't intend to support either, but based on this, passage of this, we would be in the black on the general fund? So we would be able to vote on the entire package tomorrow when we come back. Hopefully without much fanfare?

>> We do have the details of that whenever you're ready for them.

>> Mayor Leffingwell: I'm ready now.

>> Okay. Item 2.10, code compliance.

[11:15:54]

>> Mayor Leffingwell: Question by councilmember morrison.

>> Morrison: Thank you. I have two questions about this. One is I'm concerned about the assumption that this new f.T.E. Would have to be a program manager level f.T.E. You know that's one of the issues we've been looking at. See if they have some element of expertise to be able to coordinate things, but they won't be managing anyone as I understand it, is that correct?

>> That is true. So they would be working with a number of different city departments and with city community stakeholders. But no, they won't be managing staff.

>> So I guess my question would be more to the city manager or other folks, maybe even our hr, is it appropriate to be adding this as a program manager? I'm fully supportive of it. I want to make sure we do it right. I think it's a great position to fill. I think we should need to question that.

>> I don't know necessarily what when we use the term manager that it necessarily has to mean managing people. This person is managing a program that involves a fairly high level interaction across city departments and with other interested parties outside the organization. So I think in the broader definition of manager, meaning it doesn't necessarily have to include supervise of employees, that the title is appropriate.

>> Morrison: So to be at that level of sort of coordinating across departments, that's -- that would be that level in your mind, managerial.

[11:17:58]

>> Yes.

>> Morrison: Thank you for that. And the other question i have is one of the things this will be focusing on, not that we're going to fund it, is the idea of the public market. And I'm trying to remember, but I thought that the review and recommendations of the report that came back from the sustainable food policy board did not really support that as a priority. Can you

-- I want to make sure that we kick this off on the right foot and don't send our staff down a path that's not consistent with the board's recommendation. I see some whispering going on in the back. Hello, margaret.

>> Good evening, councilmembers, margaret shea with the economic development department. You're correct, the food policy board did not rank this that as one of their high priorities, however the recommendation is actually to explore feasibility, so it would be around bringing in experts that can look at vendor capacity. They are supportive of increasing customers for their farmers. So part of the public market component is looking at the feasibility around how we can assist those farmers in growing their customer base and being better connected to institutional buyers such as hospitals, day care centers, even the city.

>> Morrison: Right. So I guess I want to make sure that we don't head down that path until it's fully explored and that we won't spend a lot of time and money trying to push a square peg in a round hole, something like that?

>> Obviously we are in constant conversation with them around that. As we've said if we get the fundings we work with them to figure out how to have that conversation moving forward.

>> Morrison: But to be clear, this motion only covers the program manager, the f.T.E. And it's not going to be putting any money into the feasibility analysis of the public market that we don't even know if we want.

[11:20:11]

>> Riley: Mayor? If I may respond, that's exactly the intent. And in part that's based on a communication we received on september fifth from the vice-chair of the sustainable food policy board who emphasized the need for the staff position saying that that's really what's important at this point.

>> Morrison: Great. I fully intend to support it.

>> Mayor Leffingwell: Well, I'm not going to support this. Not that it's not a good thing, but it's probably the last thing on this long list of \$22 million that the city should be involved in at this point. I mean, so many really needy situations

-- and this is

-- I just don't think it fits the profile of what the city of austin should be doing.

Encouragement, yes, but i don't think funding it directly is appropriate and so I'm not going to support it. In favor say aye? Opposed say no. Passes on a vote of five-one with might self voting no and councilmember spelman off the dais. Are there any others? Councilmember martinez.

>> Martinez: I'm not one to give up so easily. Since we shifted some funding, ed, please correct me when I'm wrong. We have 420,835 left in the general fund.

>> We have 432,835.

>> Martinez: Even better, 432,835?

>> Yes, sir.

>> Martinez: And we have 330 in budget stabilization reserves?

>> We have \$400,000.

[11:22:12]

>> Martinez: So mayor, I'm going to go back and I'm going to go ahead and make this one last pitch. I'm going to ask chief kerr to come down and try again for the two lieutenants for wildfire mitigation. We have tons of unmet needs not being met, but we are in a record drought. We have demands that the chief cannot fulfill right now for public outreach, and for mitigating fuel out in very, very dangerous areas. So because we'll still be in the black even if we spend the 365,000 for the program, which is 214 for the two lieutenants and 146 for one-time expenses, which could be split from both general fund and budget stabilization reserve, lessening the impact on the general fund, I'm going to make a motion that we fund those two items with

those two funds respectively. The one-time expenditures of 146 coming from budget stabilization reserves, the 214 in ongoing structural expenses for the lieutenants coming from the 432 remaining in the general fund. And chief kerr, if you could just share with us some of the demands that the department is facing. And some of the unmet requests that were never fulfilled this last year because we agreed we were going to phase it in. We couldn't do it all at once. So you started the program this year, you did as much as you possibly could, but there were still so many unmet requests out there in the community. If you could share some of that with us.

>> That's correct. We really have probably worked even harder than we expected -- we made greater strides than we thought we would, but there's still a lot of unmet needs there and we've had lots of requests especially in the outreach side of it and in advising neighborhoods, things that they can do to be a fire safe or a fire adaptive community, a fire wise community. And how

-- just getting out into each neighborhood and getting out there and making sure that we're doing that outreach part of it. The other part is the fuel mitigation part of it. We have been able to mitigate 2,000 acres of fuel this year so far, but there are thousands and thousands of acres left that need to be done. These two positions, one would be a supervisor, these are supervisory level positions, one would be supervising and taking care of the community outreach side of it. And the other would be the fuel mitigation and they would be supervising those hand crews that are actually out there mitigating the fuel. And it is

-- even though you wouldn't think that we have a problem looking out the window today, the risk of wildfire is really all of our problems and it's more than just the fuel burning on a really dry day, and we know that we're going to have more drought to continue, but it's also about watershed property and our water, you know, and making sure that we're sustainable into the future. So it is really important and it is part of our phase 2 implementation.

[11:25:26]

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

>> Mayor Leffingwell: And just to be clear, it is 1.14?

>> Martinez: That's correct, mayor, 1.14 with the one-time expenses coming from

stabilization.

>> Mayor Leffingwell: As published?

>> Martinez: As published.

>> Mayor Leffingwell: 146 and 214. Councilmember Tovo.

>> Tovo: I have a couple of questions for chief occur. You talked about the plan b -- excuse me, phase b and when it was scheduled to start. Did I hear you say it was actually scheduled to start in fiscal year 14?

>> That's correct. It was originally scheduled to start in fy 14.

>> Tovo: So in effect what happened in this budget process we would be delaying what had been previously conceptualized as the plan.

>> That's correct. The other is going to be supervising what we call hand crews and actually going in and cutting out brush and taking down trees and removing some of the fuels in the

-- I think there's something like 40,000 acres not only within the city limits, but we've only been able to accomplish 2,000 acres this year.

>> Tovo: Appeared what does it look like for the staffing within the wildfire mitigation?

>> We have the assistant director that oversees the whole program then we have the battalion chief that is the supervisor of the uniforms, because under civil service law civilians can't supervise or direct uniformed members. And then we have the two captains.

[11:27:38]

>> Tovo: We've asked other departments

--

>> and let me apologize. I just got some additional information. It's a good thing that I have a great chief of staff. We also have a civilian burn boss and an environmentalist that we hired this last year as well.

>> Tovo: I want to talk first about the outreach supervisor. First of all, is the supervisor supervising people or supervising the efforts?

>> Probably a little bit of both. Not only sort of managing a program, but also supervising other folks in their efforts to do the community outreach.

>> Tovo: Can you give us a sense of how many people that person is supervising?

>> We really could depend

-- it could be as many as

-- way beyond the span of control, but we could use operations people so that person would be supervising some of the operations folks out there on the engine companies. They could also be supervising some of the folks out of our community outreach division which is a fairly small number, but they're mostly at the firefighter level. And could even possibly be supervising some civilians and maybe even taking community volunteers and running the program and working with them as well.

>> Tovo: Does that position also need to be a firefighter or does co that be a civilian.

>> It could be a firefighter, particularly if they were supervising and given direction to other sworn members.

>> Tovo: Is there a requirement that fire mitigation outreach be a firefighter or that can be a civilian?

>> I don't believe that we could say that it was required by civil service law, but it's certainly more effective when it is a sworn or uniformed member. Particularly when you're talking about the fire and the mitigation, the fuel mitigation and those type of things, the prevention and preparedness. It really is more effective when you're speaking with that knowledge.

[11:29:58]

>> Tovo: Then if you were adding two positions does it make sense

-- I assume since this is what you've proposed, that it makes sense to handle both and not to have both of them focus on wildfire

-- on actual fuel mitigation. Can you just speak to that for a moment about why

-- why the dual focus?

>> I'm sorry, I'm having a hard time hearing you.

>> Tovo: Sure. I'll pull it up a little closer. My question is really about

-- it sounds like the division is already doing both of those things, going out and working with community groups as well as actual burns and fuel mitigation. Do you feel like both areas need additional staffing?

>> They do. We can't meet with the requests and keep up with all of the requests

that have come in and particularly when there's thousands of acres left that have to have the fuel mitigated. And if we have another supervisor supervising hand crews we feel like we can accomplish even more as we go forward. And then the second part also being the community outreach, we haven't been able to keep up with those requests either.

>> Tovo: All right. Thank you.

>> Mayor Leffingwell: I'm going to go to a vote on this and not go back through what I said before, but the same reasoning and rationale applies. I won't be supporting it. In favor zeyi aye?

-- Say aye? Opposed say no. That fails on a vote of three-three with myself, councilmember morrison and mayor pro tem voting no.

>> Cole: Mayor?

>> Mayor Leffingwell: Mayor pro tem.

>> Cole: I would like to bring up the long center item. I have some questions simply for discussion purposes only. Praevia line, are you involved in the long center negotiation of the lease contract?

[11:32:10]

>> I have been in some meetings with them to discuss some of their financial issues. We are not currently in negotiations on the the contract or the lease agreement.

>> Mayor Leffingwell: Can you give us some why of the types of things that we could do that would not have a general fund impact? Are we discussing that with them or have we in the past? Most of the funding requests involves changes for a.P.D. Security patrol or traffic control.

>> Do you remember the requests for the patrol?

>> There wasn't a specific number. They're basically making payments for services when they have events.

>> Cole: Thank you, mayor.

>> Mayor Leffingwell: On the same subject, are you also discussing the parking revenue, how that's allocated and how the expenses for parking such as valet and other maintenance expenses?

>> They do offer valet service and they're collecting that revenue on their own

because they're providing it. But the parking revenue, the actual parking fees are tied to the venue and they're devoted to paying back the bonds is my understanding. So that's not available for reallocation.

>> Mayor Leffingwell: Is there some way that we can address the needs of the long center aside from the budget through this process you're going through now? That's what our hope was. Consequences, I think we've been told are that without some kind of relief they're going to be in the position of not being able to offer their small venue to a local artists for performances of all kinds. And that certainly would be a community loss if that happens. So we're hoping that we could work out some kind of relief plan in the process of these talks. And I guess I'd like to hear from -- I know mr. Snipes has been working on this. What we can expect out of this or if anything.

[11:34:53]

>> Mayor and city council, over the course of a number of conversations and meetings with the long center to talk about some collaborative efforts moving forward, elaine alluded to the co-habitation or the joint commercial kitchen with the long center. We've also had some conversations with mark tester and jamie grant over at long center to talk about some issues

-- some ways that we possibly can relieve some of the expenditure challenges that they're having at this point. We have not at this juncture finalized any details. Those details are ongoing. But I think the request that's before you today is specific to capital and not operational expenses.

>> Mayor Leffingwell: Well, I guess what I would like to see is what comes out of this discussions. And if we had some remaining capacity in the general fund budget we could address it as needed, on an as needed basis. That would be my preference at least. If you're somewhat optimistic about this.

>> I think two items that they specifically talked about is some relief related to parking. And we've looked at maybe increasing the parking rate minimally to try to accommodate that. But we'll have to talk to the financial team to see whether or not that can be achieved or not. They also have had some concerns about the policing that they currently paid on contract to try to see whether or not we can provide

some relief there. We'll give you an update when that's concluded.

>> The changes are on the o and m side and the capital side. I'm speaking in general they talked about both of those things. And the challenges, I say this based on just characterizing the conversations we've had with them, strike me as significant, if not severe. And I think they have some concerns about those that have historically supported the long center through donations, that appetite not being as great as it has been in the past, which makes our circumstances even more serious. The relationship between the city and the long center, the board, is a complicated one based upon an agreement as I understand it that in the course of defining any solution that would bring ease to their o and m side and the capital side, that agreement would have to be looked at and it's a fairly complicated. I can recall when I first came here they were also under some stress and I attempted to help and walked right in to the nature of the agreement that I am referring to. So while there's a willingness to help, we do need to with law, with legal take a look at that as we try to craft a pathway that we could bring back to council that might offer them some relief on both the o and m and capital side.

[11:38:02]

>> It's something we're going to have to address some some way down the road.

>> That's our asset over there on the other side of the lake.

>> Mayor Leffingwell: This probably isn't the right time to do it here today.

>> Cole: Mayor, I'm understanding you to say this is something the council may address in the future after we have some more discussions, is that correct this.

>> Mayor Leffingwell: I would certainly want to.

>> That's correct.

>> Mayor Leffingwell: Let's see, I missed a couple of turns here. I'm actually going to take one. And you actually submitted this item, councilmember cole

-- mayor pro tem cole. It's a small item for an anne and roy butler trail, art master plan. It's a one time expense for \$50,000 cost sharing, cost matching, and by the trail foundation. And council passed a resolution sponsored by the mayor pro tem that this would be added to this list that we're asking today. So here it is. And as I see it the need for this is that we're starting to get a lot of stuff proposed to be out on the

trail. There's a lot of public concern about how well organize and well-defined it is. We all know there was a lot of discussion about what kind of art is going to be appropriate for the boardwalk, which is coming online soon. I think now that we have the trail foundation willing to provide matching funds to do a comprehensive study, get something that has a lot of stakeholder input for the entirety of the trail would probably be something to consider. I'll offer that up. Councilmember martinez.

[11:40:03]

>> Martinez: I won't be able to support this item. I think in light of not even considering funding for wildfire mitigation, but a very basic public safety need, funding \$50,000 for what kind of art we're going to get on the trails is just so far off of my priority list that I can't believe we would even entertain it.

>> Cole: I would like to say I certainly support it. We're going a lot of work in a comprehensive matter on parks during this budget sitting here. And so I think that a plan for the trail starting there would be prudent. And I also want to again echo the fact that the trail foundation is going to match this funding 100%.

>> Mayor Leffingwell: Any other comments? In favor, say aye? Opposed say no. That fails on a vote of three-three with councilmember martinez, tovo and morrison voting no. So councilmember martinez?

>> Martinez: I have two more. They're minor. I'll just do one at a time if we still have others that

-- it's not on the list but something we've been talking to chief art acevedo and his staff today. There was something in the original budget for a civilian f.T.E. That is an lbgtq liaison, as we have in other areas of a.P.D. We have liaison civilian personnel to help interact with those communities where there is an opportunity to improve those relationships. That didn't make it into the final round of funding. Since it's a civilian f.T.E., It's only according to chief manly, \$71,000. And I want to consider funding that lbgtq liaison for the austin police department to get that department up and running to the tune of I think it's 71,000. Is that right, chief?

[11:42:19]

>> Mayor Leffingwell: Is anybody out there that can answer that question?

[Laughter] we know that's a significant part of our community and we've had issues over the years and I think it would be a position would help us build trust and further trust, not that it's not already there, but it is a community -- the only community that and it is a community that does not have a specifically ason.

>> Mayor Leffingwell: Can you confirm the number? 71,000 is the mid range for a person to come on board.

>> Mayor Leffingwell: Councilmember martinez is proposing that amount.

>> That's pay and benefits, yes, sir.

>> Cole: I have a question. Chief acevedo, can you tell us a little bit more about the reason you need an outreach coordinator for this particular community or are you having issues with hate crimes? I want to see more of a connection between the position and what you need in the department.

>> If you look around not just in austin, but around the country there have been very high profile incidents involving that community. Not only with crimes committed against that community, including here in austin, but also some real significant issues in other parts of the state here in texas with police departments and the way they've handled calls. So if you look at we have an asian community liaison, we have an hispanic community liaison, we have an african-american community liaison and that is a community that does not have their own specifically ason. And it is austin.

People

-- that is a very well-defined community and if they look at the fact that all the other communities that are defined in some of the legislature

-- some of the statutes that have been subjected throughout history to potential and real discrimination and being targeted for their sexual orientation, that it causes owe zoned a message to some folks of maybe why is everybody community that's a protected class have one and we don't? So we put it in our budget. I can't remember

-- I'm not sure was it this year? It was last year's budget where we put it

-- placed it in the budget last year.

[11:45:23]

>> Chief, you see a real need for public safety to have this position to address the needs of that community because of crime elements, right?

>> Crime and recommendation and liaison and ensuring that people realize they have their own voice and someone focused on the issues of that specific community. That's why we have a place in budget last year. I don't believe we did this year because there are just so many other positions that we've put in there, but it is a position that if the council and the mayor want to support it, we'd be supportive and we'd put it to good use.

>> Morrison: I want to comment that that would be a good idea because the experiences we've had, chief, we've worked together on these things when there has been a crime or an attack against somebody in the lbgt community, one of the issues that's always on the table is there's obviously a lot of concern in the community. And being able to have a trusted voice in a.P.D.

-- not that your voice isn't trusted, chief, but direct trusted voice in a.P.D. To work with the community on ensuring that real information is getting out there, essentially crisis management from a trusted position I think would be great.

>> It's a single point of contact that once we hire and identify that person and that community can come to that individual with whatever the concerns are and really be a liaison and keep both the community and the police department very well apprised of what's going on.

>> Mayor Leffingwell: Okay. Any objection to unanimous consent on this item? Hearing none, it's incorporated. So I guess we still have more? Councilmember tovo.

>> Tovo: I'd like to ask a question about about our budget question and response 160. And this is for health and human services

-- health and human services staff.

[11:47:28]

>> Mayor Leffingwell: Which item?

>> Tovo:1.29.

>> We have gotten a recommendation from the sustainable food policy board to

increase our outreach efforts and for snap enrollment. And in answer to councilmember riley's question on 160, we did get back some information about the existing enrollment efforts and the fact that grant funding will soon be unavailable for those positions. And if we don't allocate additional resources through the budget process those grant funded positions would end. And I wanted to invite our staff up to talk a little bit about that and where you see it in terms of departmental priority. I think probably all of us share the concern that there are such low rates of enrollment in snap in our area and there's such a high need and high number of families suffering from food insecurity issues. So I just wanted you to address whether you see this as an important need.

>> Carlos rivera, director of health and human services. Yes, it's absolutely -- there's a need on two levels. First of all, as you said there are a lot of folks out there that are drug struggling to -- struggling to make ends meet. Equally important is the fact that many individuals don't realize they have these resources available to them and it's our responsibility to get out there and really connect them with those resources.

>> Tovo: So our existing positions that are currently working with the community to get

-- could you talk about the four temporary positions that are described in 160? And the question was about the administrative associate positions that were focusing on outreach.

[11:49:30]

>> Councilmember, we currently have four temporary positions in the neighborhood centers that are currently funded by grants. That grant funding, that portion of the grant funding will end in december. And so the request has been to continue those positions in january through the end of the fiscal year. They're currently doing screening for clients who may be eligible for a variety of benefit programs that may be available to them to help increase those enrollment numbers.

>> Tovo: Part of their focus is in helping clients determine whether or not they would be eligible.

>> Absolutely.

>> Tovo: So the cost of funding all four is 158. I had put forward just the recommendation from the food policy board, which I think was actually aimed at increasing the double dollars program, but I had item 1.29 talked about 59. So that funds just a little over one half or a little over one temporary position. Do you think there's a benefit in having one or two of these staff members continuing? If we can't get the full 158?

>> We currently have the four because we have one at each strategic neighborhood center. So reducing that would reduce the locations we would be able to have those services at. Or reduce the hours if we were to spread those two positions across the different facilities.

>> Another issue that you should be aware of is that the benefit banks from the Texas Health Institute is no longer going to be offered to our community because it's changing hands. So that was another avenue that we were pursuing in order to have folks aware of their eligibility, but again since that resource isn't available to us, this -- it makes this request even that more important.

>> Morrison: So we talked about this probably a year or so again in health and human services. And we were talking about getting benefit bank terminals basically in our rec centers and our neighborhood centers and our high need centers. And and at the time you talked about the need for support and the computer terminals there. So can you bring us up to date. Did any of that happen in those positions were grants funded or that never happened?

[11:51:56]

>> It's no longer an option.

>> Morrison: So it did happen.

>> We were moved towards getting it implemented. We were just about there and then the benefit bank is no longer an option for us. We received an email from the Texas Health Institute that it is changing hands and that it might

-- I don't know whether it would be affordable or not, but at this point it's off the table and not an option for us. That additional information, until they have a sense of what they will be offering moving forward.

>> Morrison: I know that there are a lot of people that are concerned about this very

issue and that is under enrollment of eligible people. There are millions of dollars that the community leaves on the table. And so

-- I know other folks are working on it. I don't know if other folks actually implemented the benefit bank. So I want to make sure we're going this strangely and in a collaborative way. It certainly sounds like having the ability to do outreach at our neighborhood centers makes a lot of sense, but I just feel a little uncomfortable because I don't know what else is going on. And we've talked about this at c.A.N. A lot, but every entity is interested in this and I assume that others have moved forward on it.

>> We've been working with central health to get the benefit bank implemented. It was not implemented anywhere that central health or we were involved in. So it's not in our neighborhood centers. It's in the in our w.I.C. Offices. We were unable to complete it in the end.

>> I guess I'm certainly sympathetic and I think it makes sense to continue this. I guess it's more of a manual process at this point. But I

-- but it's something that really makes sense to be done in a collaborative way. And in a way that has some automation. In fact, central health was talking about actually putting together a system. So if we were to move forward I would

-- that would be fine, but I think we should think of this as at least temporary and get another plan in place because we've got to have a plan. This is not going to answer it.

[11:54:12]

>> Tovo: Mayor? It sounds like there are lots of moving parts here. I wonder if it makes sense to allocate an amount

-- i might need some help from our financial and legal staff. Could we allocate an amount and then ask that the discussion

-- that a more thorough discussion happen at public health and human services and that they return to us a recommendation about whether we should go forward? And continue the temporary staff positions or reallocate that money for that purpose in some other way? Is that allowable?

>> From a legal perspective you need to adopt your budget and then take action in

accordance with it if you choose

-- you can amend it for municipal purposes later on. But you do need to have something in the budget for adoption when the budget is adopted. Active tow I guess I was suggesting could we allocate \$158,000 for outreach and enrollment efforts and then have our public health and human services committee look at how -- how best

-- whether that makes sense to continue these positions or use that money in some other enrollment focused way or return to us the recommendation for \$50,000? And we can do something different. Is that doable?

>> Sounds like it fits within the lawful parameters. Are you going to set out f.T.E.'S

--

>> these are temporary staff currently, right? Would we need to specify

-- if one of the options for using that \$158,000 is to continue funding those four temporary staff does it need to be designated as an f.T.E.?

>> It does not, councilmember, I think you would be final indicating, appropriating \$158,000 to this program with the further direction that staff come back to the health and human services committee and I think that would be all we would need. If there's ever a desire to transition these geez into a permanent staff we would to you to make the action today to authorize the permanent positions.

[11:56:29]

>> Tovo: If the committee reviewed the situation that this wasn't an investment that made sense to continue at this point I assume they could return to us that recommendation and we would have \$158,000 extra in around this year. It doesn't need to be spent, in other words?

>> It would be \$158,000 of unexpended funds in the health and human services department's budget.

>> Tovo: Then I will make that motion.

>> Mayor Leffingwell: This is world cup 29 with the amount being \$158,000 instead of 150?

>> Tovo: Correct. Based on the staff's discussion that having that kind of geographic disperse al makes sense if that

-- if it looks like that

--

>> Mayor Leffingwell: I'll call for a vote on that one. In favor say aye? Opposed say no. No. I believe that passes five-one with

-- with me voting no and councilmember spelman off the dais. Councilmember morrison.

>> Morrison: Would it be okay if I asked a question and possibly made a motion. We have a resolution awhile ago that council passed about a program called the bridge child care voucher program that is funded by cdbg funds and basically it provides short-term emergency voucher support to families that are on the

-- near homelessness. And the request and the issue that came up that we addressed in our resolution was that there were limitations on the flexibility because it was a cdbg fund.

-- Funded program. And their request was to see if we could move the program over to the general fund. And I guess a question that I really should have asked before and I apologize, the question I have is do we have any programs in the

-- covered by the general fund that could be swapped out so that the bridge program could be moved to the general fund and then something else could be moved back under cdbg so it would be revenue neutral, but we might be able to accommodate the challenge that they're facing. And if you can't answer off the top of your head, I completely understand it.

[11:58:53]

>> Councilmember morrison, what I can tell you is when you supplant federal funds for a local fund program, if it's an existing program then the federal government does consider it supplanting and you cannot use the cdbg funds for an existing service. If you were to expand the service or alter the service or provide a new service, that could be considered

-- we had looked at that with the health department to see if there was a program we could do that, but the swap, as long as the program remains the same, then it's considered supplanting. You can't use the cdbg to fund a program that already exists.

>> Morrison: Great. I appreciate that explanation and your being able to answer it. Thank you.

>> Mayor Leffingwell: I'm assuming this is all that we have to be offered as amendments under tab c? No? Councilmember tovo and then councilmember riley. [One moment, please, for change in captioners] '.
[12:02:39]

>> Depending on what it is. Looking for ways to fund.

>> I'll leave that motion to my colleague if they choose to make that. I'll turn b to the question of the south shore central planning effort which is a one-time need that would be as much as \$200,000 although some portion of that could be covered by funds that could be received as reimbursement for work already done at the sustainable places project. And I understand it's \$19,000 worth of funding that has -- that would be the case. In the event

-- as I indicated before, this is a rare opportunity to work with regional partners and make use of some excellent planning work that has been on going. The waterfront planning advisory board has to have the resolution in July urging us to move forward with the planning effort to work with the partners to make use of the tools being developed so the long neglected area could receive the attention that it deserves. In light there's one-time funding available, I would like to restate my motion we would like to have that planning process in the amount of up to \$200,000 as needed based on the determination about what

-- what funds could be

-- could be available based on planning work that's already being done.

>> Mayor Leffingwell: Amendment by councilmember riley to approve item 1.23 for the published amount of \$200,000. I'll just say

-- I'll pose that for the same reasons I did the first time around. So if there's no more discussion, we'll vote on this item. All in favor, aye. Opposed? No?

[12:04:54]

>> No.

>> Mayor Leffingwell: How did you vote?

>> I said aye.

>> Mayor Leffingwell: That fails on the vote 3-3 with councilmember tovo, myself, and councilmember morrison voting no.

>> And I'm sure councilmember spelman had voted no had he been here. Mayor pro tem.

>> Cole: In the one-time expenditures we have remaining almost \$400,000, is that correct?

>> Mayor Leffingwell: Yes, it is.

>> Cole: Can you tell me if I made a motion to use the \$400,000 for the arch, there could be \$100,000 left for the arch in the general fund and free up approximately \$400,000 for the general fund?

>> I think we would just need direction to fund \$400,000 of the one-time money for the arch out of our critical one-time fund out of our general fund and we can make that happen.

>> Mayor Leffingwell: What item is that again?

>> That was item 1.9.

>> Mayor Leffingwell: 1.9.

>> Cole: I'm simply giving direction to you to use a portion of the one-time expenditures for
-- one-time expenditures for
--

>> Mayor Leffingwell: I'm looking for it here.

>> Cole: 1.9, renovations.

>> Mayor Leffingwell: Page 23? Page 23. The parks proposal.

>> Mayor Leffingwell: Am I on the right page here? Got it. 1.9. All right. So 1.9 was already approved and describe to me again the changes.

[12:07:08]

>> Cole: Making a change as financial staff suggested we could do to free up general fund dollars that approximately \$400,000 be used

-- a portion of that be used from critical one-time funding needs.

>> Mayor Leffingwell: That's right. And simply be the appropriations for the general fund by \$400,000 by the arch and doing increased appropriations from the one-time fund for \$400,000 by the arch.

>> Mayor Leffingwell: Any objection to that?

>> None.

>> Mayor Leffingwell: Okay.

>> Mayor Leffingwell: Councilmember martinez?

>> Martinez: Going to try one last item. Some of us are familiar with this, some of us are not. But the

-- the houston university is moving forward with a health and wellness center. They asked the city to partner. We actually tasked asking the city manager to identify how we can partner with them. I would like to make a motion to take \$250,000 to set aside with the city manager to negotiate and bring the expenditure item back at a later date as to whatever relationship we might be able to work out with houston on their community wellness center. So my motion would be for \$250,000 to encumber those funds for a future action by this council as the city manager brings it back in the conversations with houston utility.

>> Mayor Leffingwell: Couldn't we just do that by directing the city manager to come back and if the funds are available, to come back with that information at a later date? That would be much more comfortable than appropriating \$250,000 for that.

>> Martinez: It could come back with less. I just want to make sure there's a certain amount that shows our commitment to houston as opposed to an open-ended question.

[12:09:08]

>> Mayor Leffingwell: The direction would show that commitment in

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>> Martinez: I'm going to leave my motion on the table.

>> Mayor Leffingwell: Okay. I call for a vote on that one. Councilmember morrison.

>> Morrison: Thank you for bringing that up. I got a letter this morning from h.T. And I believe that was in part in a conversation by mayor pro tem that the idea

-- this is a great idea but to do a feasibility

-- an initial feasibility study is important. So I'm fully behind this idea. It could be great, great addition.

>> Cole: Mayor pro tem?

>> Mayor Leffingwell: Mayor pro tem?

>> Cole: I believe a feasibility study they have done initial work that it will be between \$200 and \$250,000.

>> Mayor Leffingwell: Any other comments? Those in favor say aye.

>> Aye.

>> Mayor Leffingwell: Opposed say no. Councilmember riley, did you vote aye? Councilmember tovo?

>> Tovo: I voted aye.

>> Mayor Leffingwell: 5-1, myself voting no and councilmember spelman off of the dais. Are we ready to wrap this up? Code compliance?

>> All right, mayor. This would apply to item 4.10 on page 25, co-compliance -- code compliance. The language would be to amend the budget of the co-compliance to decrease appropriation in the amount of \$835,000 and eliminate NINE OF THE FTEs ADDED IN THE Proposed budget resulting in the decision of nine positions and one training instructor. And then moving on the 2.11, you can just change that revenue reduction to the same amount and now would be a reduction of \$875,235. That will result in a reduction in the code compliance fee that we'll take up when we get to item three.

[12:11:55]

>> Mayor Leffingwell: So that's just reconciliation of the

--

>> yes. 210 and 211 are passed and that's the way the language will be brought back to you when you take your vote.

>> Cole: Mayor?

>> Mayor Leffingwell: Mayor pro tem.

>> Cole: I have a question of betsy. Is she still here? Betsy, I believe that you had an unmet service need for a psh evaluation, can you tell me what you were hoping that would do?

>> The purpose of the evaluation was to demonstrate cost avoidance or cost reduction. We requested \$150,000 to employ that. We have since worked with echo and the echo staff is working to retrieve that data from the different nonprofits in an effort to try to come up with that information in a different way. Cole: So it's not longer needed?

>> It won't a formal request like we discussed but lit be a follow up on the data.

>> Cole: Thank you.

>> Mayor Leffingwell: Anything else. Assuming that we now have wrapped up tab c, and finished our discussion and action on item number one, it would be appropriate if there's no objection to go to recess and give the staff time to work up the final numbers, to polish it off, finish it for us, go to recess to 10:00 tomorrow morning. Then after we finish, we'll have to go through the rest of day one tomorrow and if necessary, at whatever time we're finished, we can go to day two. So that will be the plan. Without objection, we're in recess until 10:00 a.M. Tomorrow.

Title: ATXN2

Channel: 6 - ATXN

Recorded On: 9/10/2013 6:00:00 AM

Original Air Date: 9/10/2013

Transcript Generated by SnapStream Enterprise TV Server

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[04:07:19]

>> Mayor Leffingwell: If I can have your attention. We're out of recess and we'll pick up where we left off. And to begin, I'm going to have budget officer mr. Manjillo do a recap and tell us exactly -- we finished with items a, b, and c on item one after a -- after this discussion, we should be able to vote on item one. That's the plan. I think there are a couple of cleanup items we need to do, but go ahead and see where we're at. >> Two sides to recap the work that was done yesterday, the first day of our budget reading. In the general fund which is what this site summarizes, the fiscal

'14 budget that was proposed to council, \$802.6 million of revenues. There was balance. The sum total of the numerous changes made yesterday was \$2.7 million reduction in revenue, that's largely a net difference between lower property tax rate and increased sales tax assumptions. That did lower the property tax rate from 51.14 as opposed to 51.29, the nominal rate. There was \$3 million in net expenditure reductions and you can see that lower in the general fund from the initial \$800.6 million down to \$799.9 million. A lot of the changes that we made were moving one-time items over to our critical one-time fund as a result of some of the revenue changes that gave us the flexibility to do that. The one-time fund has increased from \$10.6 million to \$14.8 million. That's more of a typical level of funding out of that fund. The budget stabilization reserves are right at the 12% level. And -- I should tell you that the support services fund is

[04:09:20]

exactly balanced. So there's a lot of enterprise funds. I didn't want to go through all of them, but I wanted to give you highlights. The net changes to the Austin water utility would have an impact of negative \$655,000 on the ending balance. Net of wage increases that would be effective April, lowering the benefits, employee benefits costs, \$655,000 to the negative. Also undoing sustainability fund, big part of why that fund went negative relative to where it started. And Austin resource recovery, a negative \$366,000 change and some of the same factors I mentioned already in regards to employee benefits if I want and pay. But we also reversed the change that we had proposed to the 311 center cost allocation. So that added a half a million dollar impact on ARR. Be uh the amounts are relatively small compared to the ending balances and the size of their budgets. Neither utility is rejecting a rate increase as a result of the changes. The water utility will be increasing the debt funding of some capital items, lowering the cash financing and drawing down the ending balance a bit. But both of the departments still meet all of the reserve requirements per the financial policies. There's a proposed increase in Austin Energy's community benefit charge as a result of funding for the solar program. And all of the other enterprise changes are net positive. 100,000 to \$200,000 to the positive as a result of the changes that were approved yesterday. Nothing significant

enough that we would want to revised our rate calculations and potentially lower the rates with the exception of the clean community fee which is utilized to fund our co-compliance department. We introduced nine and the

[04:11:31]

commercial rate would come down from \$13.70 to \$13.30. Just a quick recap of where we are starting today. >> Thank you. In light of that briefing, i would like to propose now that we use that \$354,000 -- if we can call it a surplus -- to reduce the property tax from 50.29, which is already been approved to 50.24. I believe that's the correct number for that amount. A five-cent reduction? >> That is correct. >> So we'll consider that a formal amendment proposal? Any objection to adopting that? Councilmember morrison? >> Morrison: Thank you, mayor. Having had some time to sleep on all of our great work and the work of staff yesterday, I am looking at the amount that's left. Thinking about one of the items that I ended up voting against and it was a 3-3 vote. I've reconsidered it and I'm talking about the wild fire mitigation division. I think that that's not just nice to have. It's something we're going to be doing. It's putting two boots top ground, two lieutenants, and so given there is this funding gap for the political -- the funding available for critical needs, i plan to -- this is funding -- if this motion doesn't pass, I plan to make a motion to fund wild fire mitigation. >> Mayor? >> Mayor Leffingwell: Councilmember martinez? >> Martinez: Likewise, as a council, staff, city manager, and citizens have done a

[04:13:32]

incredible job on this year's budget. A true reflection of the values of this council, the staff, and our citizens. Truly is reflective of that. It's at the nominal rate, it's not changing the tax rate. It's funding the core services except for this one. That's the wild fire mitigation that we all committed to two years ago to phase two in this year's budget. The funding is available. It will not increase the tax rate. So I believe we stick to the work that we're doing, maintain our basic core functions, and not raise the tax rate and use this additional surplus to fund that basic core need. So I

won't be supporting the motion. >> Mayor Leffingwell: Any other comments? >> Cole: Mayor? >> Mayor Leffingwell: Mayor pro tem? >> Cole: I heard from the fire department. I believe we did a good job yesterday of promoting affordability and giving to the nominal tax rate. I don't believe this particular change for the wild fire division and will change the nominal tax rate of the good work we did yesterday. >> Mayor Leffingwell: Councilmember tovo? >> Tovo: Yeah, I won't support the motion on the table. I voted yesterday for the wild fire mitigation funding and I'm prepared to vote for it again today. I think it's a critical need and as councilmember martinez said, we did commit to it and it's important for our community. >> Mayor Leffingwell: Obviously, we're not on this item now. Another item is on the table. But if it comes to that, I will just say that I won't support it, whether or not the amendment on the table passes right now for the reasons I stated yesterday and I'm not going to go all the way through it. I do believe wild fire mitigation is important. We made big strides, we'll continue to make more strides. I just don't believe the addition of two senior positions on the fire department is

[04:15:33]

critical to making that program work. >> Spelman: I agree, mayor. >> Mayor Leffingwell: I think they'll function just fine without those. >> Spelman: I agree. >> Mayor Leffingwell: Councilmember riley? >> Riley: Do we have staff available who could explain to us how the two lieutenant positions could contribute to our fire mitigation program? >> Mayor Leffingwell: Before we do that, we have another motion on the table. We're progressing to a discussion of a potential motion. So let's go ahead and vote on the amendment that I put on the table to -- which I think would be perhaps historic. I don't know if it's ever happened before, but I know it hadn't happened in about the last ten years, at least. I think that would be something to research but the austin city council actually reduce the property tax rate, I think we have an opportunity to make history here. I think it's important to show our commitment to affordability, our commitment to fiscal responsibility. So that's the reason I put this item on the table. It's an opportunity that rarely comes, who knows when it will come again? >> Spelman: Mayor? >> Mayor Leffingwell: Councilmember spelman? >> Spelman: It's not as historic as we might think, it's a good idea and I

support your motion. >> Mayor Leffingwell: Probably ten years. I think we've had increases -- i think we've had increases in my memory, at least. >> Martinez: Mayor? >> Mayor Leffingwell: Councilmember martinez. >> Martinez: Speaking on this motion, if you want to lower the tax rate, find something else to cut, we can lower it. To say this is our only opportunity, I don't think, is very accurate. There's going be other opportunities later this morning

[04:17:33]

as well >> Mayor Leffingwell: A point well taken. There's also an opportunity to take the funds from another program to support the two lieutenants in the fire department and still have the tax cut. >> Riley: I would like to join you in seeing history made on lowering taxes. But I am mindful of the public safety interest in fire mitigation and I've seen what's happened in other communities that have failed to take appropriate measures to guard against wild fires and so in light of those circumstances, we need to keep our options open. But I welcome the opportunity to lower the tax rate. >> Mayor Leffingwell: All in favor of lowering the property tax rate, say aye. Aye. Opposed, no? That fails on a vote of 5-2 with councilmember riley, martinez, tovo, morrison, and mayor pro tem cole all voting no. Councilmember morrison? >> Morrison: Thank you, mayor. I would now like to make that motion to add the two lieutenant positions to fire for the wild fire mitigation division. It's number 1.14 on our budget. >> Mayor Leffingwell: A motion to reconsider that? You were on the prevailing side of the original vote. >> Morrison: It did not pass. I voted no. >> Mayor Leffingwell: You were on no on the prevailing side. 146,800 one time. And 337 for the -- for the labor.

[04:19:33]

I wonder if I could just check with the staff to see if we have enough funding for that? >> If we were to fund the item as listed under page 23, number 1.14, we would be 7,300 in the red. So my recommendation to the council would be to reduce the ongoing amount for fiscal year '14 and the department would manage that savings in

some way they determine. >> Morrison: Yeah, okay, thank you. I'd like to make the motion. >> Mayor Leffingwell: Councilmember Riley. >> Riley: We did discuss this yesterday. But I would like to get the fire chief to remind us exactly how these two positions would contribute to our -- to our wild fire safety program. >> Good morning. I'm going to defer to chief of staff Harry Evans. He's been working very intimately with the wild fire division and probably could give you the better answer than I could. >> Austin Fire Department, chief of staff. Specific to the uses of those two lieutenants, they would be involved in two particular areas. One is the community outreach piece, the education of our community. And the other would be involved in the fuel mitigation piece. Now, let's critical here as far as the timing is our community wild fire protection time that the council wisely joined with the county on. That plan is going to be done probably the end of this month. And then we're at implementation. And that's the key time for the two lieutenants to be involved in it. How they would be used? Each one of the lieutenants would have a role with -- a sort of a program manager, talking about fuel mitigation specifically, we could have on duty crews out there working in the mitigation project. Hand crews, other folks, other crews doing that kind of work. Supervising it.

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From the outreach perspective, this lieutenant would be organizing those meetings, going to the meetings, acting as a facilitator. That's the main focus. Supervised by the perspective captains with the strategic part of the program. >> Chief, what would happen if we didn't have these two positions and we got this plan? How would that affect the implementation of the plan? >> Good question, sir. What happens now is the two captains would have other responsibilities and doing the additional duties. So what you have with the additional people, it works as a force multiplier and gets more work done. Like the chief said previously, we made a lot of good progress with wild fire. We moved things forward. This is a chance to add to that. Without them, does it harm the program, no. Do you get more work done with them? Absolutely. Adds more push to the project. >> I was reminded by chief McDonald is one of the things when we do the community outreach, it's really getting the community to do their part. And I don't know if y'all know, but I do have a saying in our

organization is do your part doesn't only mean that I have to do my part in the -- the firefighters do, but the community has to also. So when you do the community outreach and you're teaching neighborhoods and communities how to be fire adaptive and they, in turn, are doing some of that work, helping themselves. So because it's a multiplier as well. One neighbor teaches another neighbor. Another neighbor said -- the community says, oh, yeah, I heard about that. Like we said yesterday, we haven't been able to respond to all of the requests and becoming even more once this community

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wild fire protection plan is adopted. So there's no lack of work out there for us to do. >> Mayor Leffingwell: So are the lieutenants going to be responding directly to these requests? Are they going to organize people out there and is that their job or -- >> yes, sir. They'll be working under the direction of the captains setting strategic goals. They would be the people out there that you would see. You guys are familiar with lieutenant Josh. He's been in the media. Josh is promoted to captain. He has a different role within the wild fire provision. That's the kind of thing you're seeing. Somebody out there working with the public, educating them, so they could be more informed and do a better job with their wild fire. >> Mayor Leffingwell: That's very important. But it's true that it was not considered in the staff recommendation for the budget. It was considered to be an unmet need. And so obviously you had a plan for going forward without these two positions. >> That's correct. Understanding all of the challenges in the budget. It's critical to know we can work in all different ways. If it doesn't work this way, we'll have a contingency to go the other way. >> Spelman: Mayor? >> Mayor Leffingwell: Councilmember Spelman. >> Spelman: Two lieutenants in the program, one supervising on duty work crews and the other meeting with the public? Did I understand you correctly? >> Essentially it's true. Could be on duty work crews, off-duty folks in overtime. Could be seasonal crews. There's lots of opportunity dealing with the mitigation issue. The other part of it is the community outreach, the meetings, those kinds of things. You have it, sir. >> Spelman: Whether they're on duty or overtime, however you're bringing them in, these are firefighters that are going to be

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doing the cleaning up? >> Yes, sir. >> Spelman: Okay. The person meeting with the public, I can see an argument for 2 person supervising the work crews being a lieutenant. Why can't you have the lieutenant work with the public. Why can't you have the firefighter do it? >> I think it's critical, a certain body of knowledge with this information. You might have a situation where there's a firefighter that's exceptionally trained and has a lot of knowledge in the particular area. But generally speaking, that knowledge is commiserate with the time and organization and the opportunities. So the lieutenant gives us a lot stronger candidate when we're talking about who should be pushing this particular message out. That's important. You also see in a lot of our other community outreach model, we have the same kind of thing working where we have officers out there delivering that message. A lot more opportunities that go with it. >> Spelman: You should have somebody on wild fires, you should have specialized training on wild fires. If you pick the lieutenant out of the mix, there's a good chance people wouldn't know about wild fires, you would have to send them to a training program anyway, wouldn't you? >> That absolutely could be true. We're hand picking the individuals because of their knowledge and their experience in the -- in the wild fire or wild land management arena. One of the things that becomes important is you have an officer that's in charge of that and why it should be a lieutenant is there's an opportunity that he

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could be supervising other firefighters in some of the execution of the community outreach. And the opportunity in the other task. It's important to not put a firefighter trying to supervise his superiors. >> Spelman: His superiors. >> If it was just a firefighter, he was supervising a lieutenant, giving direction on a lieutenant on what they needed to do. That doesn't work in the chain of command. >> Spelman: I see. Thank you. >> Mayor Leffingwell: So I say obviously this is a program i support. I'm going to vote against it for the simple reason that -- yesterday, I lost count on

things I voted no on expenditure proposals, a lot of them were very good proposals in varying degrees, very, very good proposals. We have to get a grip on expenditure proposals at some point. These are changes that are going to affect us year after year after year. A lot of the things we've done to get to this point in time are things that we won't be able to take advantage of next year because we have added a lot of expenditures that are ongoing. I would like to be able to support this one like so many others, I'm going to vote no because of the general principle that we have to take every opportunity we have to reduce expenditures. All in favor, aye. Opposed, no. No. The passes on a vote of 5-2 with myself and councilmember spelman voting no. >> Cole: Mayor?

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>> Mayor Leffingwell: Mayor pro tem. >> Cole: I have a couple of areas to clear one parks. Is sara here? First, yesterday, the mak funding request included a van at a cost of \$14,000. The afterschool program as i understand it from talking to the people involved is going to be one or two times a week for approximately 12 to 15 kids. I asked if fleet services could cover the cost of that van. >> Sara from the parks and recreation. The amount charged from fleet services to the department -- we tried to look internally. If there's any vans available at the aftercool programs at the other sites and our senior programs that we're transporting and we didn't have any available vans. The only option was the rental of a van. I think if you can bring those numbers. Approximately, I think it's \$5,000. To rent those for a month. We don't have the money to do it. We'll have to rent it. >> Total of \$45,000 for one year to rent that van. >> You would need the van for a cost of \$45,000. >> If you're going to transport the youth from schools which is ha we do, we pick up the kids at various schools and take them to a recreation center. >> Cole: So this is not something we can do internally to be able to have the program? >> The problem is we could use the vans a couple of days a week. We'd have availability. We wouldn't have it for a full

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week. We'll have to rent a van for other times. Yesterday we gave direction for you to look at all of the parks funding we had allocated for trails, pool, and maintenance and to make recommendations to the body and understanding we expect the performance measures to be met because we allocated a significant amount of funding for our parks which we all have supported? >> Absolutely. And staff worked very hard yesterday evening to do a two-phased approach. Look at the amount of money juaned of the priorities we heard from a whole was the forestry. And when it came off of the forestry, we looked at the other three areas, the trails, the pool, the grounds maintenance and brought forestry up. That would afford us the opportunity to put boots on the ground and be able to buy the equipment and associated commodities and contractuals, including a contract for a contractual services for forestry to be able to address others in addition to the staff trying to deal with it. 1 million in the first year, 500,000 for year two. We took a year to bring that up. The aquatics program, I heard from council that they wanted to look at equalization of ours. We had an imbalance of the number of hours. To equalize the pools and add the two pool mechanics to reduce the amount of time that we were having a closure issue related to pools, added the two pool

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mechanics. And then look at being more competitive. We're losing a lot of the life guards. The biggest are the university of texas and they'll be able to pay a little more to give staff a 50 cent raise opportunity will make us more competitive. That will equate to \$151,000 in the first year. The second year would be at \$149,000. In maintenance, we took a little from there as well. That bumps up forestry. That puts boots on the ground, that's front line staff at the COST OF 12 FTUs DIVIDED TO FOUR Quadrants putting the staff out there dealing with schedule, pavilions, westward cleaning, being able to address parks once a day where we have heavy traffic and year two, 131,000. Trails, 185,000 based on having to adjust the others and being able to provide three more four-person teams. Right now, we had one team of staff, which is four people to address 191 miles of trail. Public works helps us with 11 miles that he'sing us. This will allow us to get out, the core central zone area here and be

able to address more of the trails in all of the other areas of the city. Now it's 365,000. I believe afs to take the money. Looking an the charge. Focussed on forestry. Being able to meet serious needs in year one and if council chooses to fund in year two, that's the money there with the associated costs. >> My understanding that yesterday the funding that we allocated leaving to your discretion to use in accordance with the performance measures and also to utilize the contract employees. Do you want to talk about contract employee s? >> Yes, and first we bump up

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that contractual commodity to \$200,000 so we'll be able to address the issue, for instance, in forestry, we may have 50 trees on our list to try to get to. With the current staffing we have so many times we're trying to call contractual service on the rotation list a company to come out with the trees that are down. Not only doing the trees but we're dealing with the right of way trees falling over in the right of way and public land trees that fall on private property. It will behoove us to track down to hire someone and we bump that up to \$200,000 in the first year. Commodities goes down to the aquatics program. We need to make sure we look at utilities and chemicals. We bumped that up in contractual services. Same thing for the maintenance, the parks and trails. You can't have people onboard or hire temp seasonals or part-time staff without providing some equipment. With contractual and commodities, we bump that up as well. >> In my notes, I recommended that you increase the forestry number to \$1 million. We have for the trails number, \$884,602,000 for the pools we have \$851,000, and for maintenance, we have \$869,000. >> Yes, ma'am. >> So, mayor, that will be my motion for the parks items for yesterday. >> Mayor Leffingwell: I would prefer just to give the parks director discretion here to mix these nunds as needed. But we did pass four different motions. So I think we'd have to have a motion to reconsider all four of these motions. We can do it all at once, i think.

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So your motion is to reconsider -- what is the item number? >> Item 1.5, 1.6, 1.7, 1.8. >> Five, six, seven, eight. So the motion is to reconsider those four item, five, six, seven, eight. Reallocate the ing. >> Cole: With the understanding that the parks division manager has the authority to reallocate as needs may be. >> Mayor Leffingwell: Would you include authorization for the FTDs ON ALL FOUR OF IF ITEMS? >> Cole: Yes. >> Mayor Leffingwell: So that's the motion to reconsider and the motion would be as you just outlined. Anyone understand? Is there any objection to that? One objection from councilmember morrison. >> Morrison: Not an objection. Just a comment. I appreciate staff's work in helping us through this. I'm pleased to hear you talk about -- this is the first year plan. You have plans for the second year if we do the appropriation next year, bring us to the \$4.7 million plan. I wanted to ask you if you could help us remember. I know you don't want to think about next year's budget. You get day off. When you think about next year's budget, if you can keep that in mind and front and center that we have looked at potentially a second year for this so we'll keep that in mind. >> I have a good feeling that my friends the gap won't make us -- >> thank you very much. >> I wanted to make sure this was the case. Voted on all four of the items? >> Mm-mmm.

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>> Mayor Leffingwell: Councilmember tovo. >> Tovo: I wanted to address 2.13. A motion I haven't brought forward but discussed -- related to the forestry issue. I don't plan to look at it as a motion. But I believe there's a lot of opportunity when we get that information back from the staff to supplement or forestry budget with some additional funding from the drainage utility fee because of the critical work that trees do in terms of storm water function. So we have -- I'm glad to see us put the money from the parks budget to the additional money for forestry. It's critical we support our green infrastructure. But it is -- it is my belief that is it an expense to support the maintenance through the utility fund. I think in the next couple of months we will be getting more information from staff to support that. We'll have the evidence we need to move forward on that. So because it relates to trees. I won't be moving forward with 2.13 in this but I will ask staff as soon as they have

that information available to bring it forward so we can enhance -- parts maintenance of our trees. >> Mayor Leffingwell: In the aggregate, these motions do not change any numbers. The totals remain the same. Is that correct? >> That's right. JUST THE FTEs OF WHAT COUNCIL Approved yesterday. >> Mayor Leffingwell: That's include in the number, the numbers don't change. >> That's correct. >> Mayor Leffingwell: Any objection, that's approved by unanimous consent. >> Thank you. >> Mayor Leffingwell: We're ready to vote on item one to approve an ordinance on the table as amended.

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Adopting the city's operating budget. Councilmember morrison. >> Morrison: I had a couple of other items that I wanted to address before we go to finalize this. Yesterday we talked about -- councilwoman tovo started -- she made a motion regarding one fte being added to hr for the youth initiative. We're adding funding to cover a vista volunteer. But also a hr specialist. I had concerns about doing that right now, adding the hr specialist. The volunteer is \$12,000. Can't get a better bang for your buck than that. But in terms of adding the specialist to be devoted to the youth and family services initiative, my concern is that we're getting ahead of the ball game. We had the youth summit last -- I think it was last march or april. We've recently gotten a report on that. And I think reviewing that report is going to help us actually figure out where we need to put our resources and rather not get ahead of the ball game on that. So, at the same time, we know that there's a terrific program called summer youth employment that actually are -- our current staff helps us manage. So I'm going to make a motion -- we do have the hr specialist funded. This is question 172 at 69-512. >> Mayor Leffingwell: Which item? >> Morrison: Part of item 1.32. Related to item 132, which is looking at changing -- removing

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an fte. And also the summer youth employment is related to items 112 and 134 if I have my numbers right. >> Mayor Leffingwell: So none of the items have been acted

on before? >> Morrison: That's correct. Oh, I have the number wrong. I'm getting a message that I got the number wrong. It's 2.4. >> Mayor Leffingwell: So give me the list again? >> Morrison: So eliminating the fte is 2.4. Increase in funding for summer use employment and that's 1-12 and -- and 1.34. Thank you. Those were for different amounts. I don't believe we acted on those. >> None of those have been acted on. >> Okay. >> This is the sort of merging of those but the motion would be to eliminate the. >> Riley: Restate the dollar amount? 69,000. >> Morrison: 69,512 for benefits and pay and 317 for mileage. One-time cost for pc and software. I would have to ask if that needs to be there for the rest of it here. >> Mayor Leffingwell: That would be an addition. >> Morrison: In terms of the savings. The question I have for staff is

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if we should include -- if we don't fund that position right now, should we also hold off on the one-time cost of pc and software. >> Pc -- mark washington. The pc is for the fulltime position. >> The total amount of the eliminating that position was \$69,512 for benefits, and then mileage and software. >> The total is \$279,879. >> Mayor Leffingwell: This is money to be removed from the main budget proposal? >> Lower the budget of the human resources department and create a positive ending balance in the support services fund. 72,000? Okay. >> Morrison: I guess -- >> Mayor Leffingwell: You had more to go? >> Morrison: The question is should I make that a dual motion to actually and at the same time move that \$72,000 to the summer youth employment program. That would be my -- it's a dual motion. >> Mayor Leffingwell: That's 1.34. I think you can do that. So this is revenue expenditure neutral. >> Morrison: It is. >> Mayor Leffingwell: Is it a one-time cost? That youth program? >> Riley: Y, I was reading it to be a recurring cost for the summer youth program. >> Mayor Leffingwell: Is that your intent? >> Yes.

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That would be for that summer. >> Morrison: Recover from the summer and I would like to see it recur. To make that adjustment, we see if we need to adjust our youth

investments, we may be looking at all of the youth investments this time around. I can certainly understand that. >> Mayor Leffingwell: What is it that you're proposing is? Ongoing or -- >> Morrison: Ongoing. >> Mayor Leffingwell: Okay. >> Morrison: Replacing an ongoing cost. >> Mayor Leffingwell: Any other questions? >> Cole: I have a question for you. >> Mayor Leffingwell: Mayor pro tem. >> Cole: This is that area, is that correct? Maybe for staff. >> Summer youth employment program is for youth payment for opportunities throughout the entire season, even working with the county, working within the city of Austin within our workforce, our other community organizations. So we haven't had any discussions about whether it employs the youth but we can have the conversations with the county. >> Cole: I think we do need to support our summer youth but we need to emphasize that we need to focus on our youth with high needs. >> Mayor Leffingwell: Any other comments? I don't know much about the relative merits of these two proposals but not going to object since it's expenditure neutral. Councilwoman Tovo? >> Tovo: I'm going to support it. It's worthwhile to invest in the youth of our community and make sure they have gainful employment over the summer and fits our goals including giving a positive activity to focus on. Keep them moving in the right

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direction. I wanted to point out, I appreciate councilmember Morrison brings this item forward. Yesterday we did talk about reducing a couple of other positions. But 2. -- Let's see? That item created two others as well. It's well on the council to try to reduce property taxes. That's another reduction to consider. I think all three of the positions are not critical. Youthful, valuable, but not mission critical. >> Mayor Leffingwell: We'll go ahead and deal with this one first. If you want to make another proposal? 2 is there any objection? If not, that's adopted by unanimous consent. Was there anything else? Before we go? Councilmember Riley? >> Riley: I did ask one question about an item that staff created in the offset and that pertains to Austin Energy's community charge. We approved a change in our budget in the solar rebate plan yesterday. This morning, a note in the press that according to Austin Energy chief financial officer Ann Little, should members approve the change, the bills would rise by \$1.11. I wanted to ask staff to clarify that. That wasn't the first

time we've seen something along those lines. DONE AUGUST 22nd, WE RECEIVED A Memo subject being \$3.5 million solar rebate increase. A chart on the first page and the dollar change were highlighted and emphasized was

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\$1.15. A couple of times your staff indicated that raising the solar budget by 2.1 million would trigger \$1.15 -- arise in about \$1.15 in the community benefit charge. Is that accurate? >> No, that's not quite accurate. >> Define accurate? >> Riley: What's the actual number that increase would cost? >> About 29 cents. >> Riley: 29 cents. Instead of \$1.15 or \$1.11. >> The other component is the energy efficcy programs. That's combined. >> Riley: The change attributable to the enhancement of the solar rebate budget is 29 cents in spite of what your department has represented repeatedly. >> Apologize for that confusion. >> Riley: I appreciate that. I wanted to make clear on the record that the change attributable to the adjustment is 29 cents even though the department has indicated otherwise on other occasions. >> Mayor Leffingwell: Point well taken. The 29 cents is based on an arch bill. 1,000 kilowatt hours. >> Mayor Leffingwell: So if you're 2,000 kilowatt per hour customer it would be more -- >> 58 cents. >> Mayor Leffingwell: Does this change have the potential for figuring an appeal. >> No, this is base in the rates.

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We go up and down. It can change with the budget cycle. >> Mayor Leffingwell: Are we ready to -- there's a motion and sengtd p second on the table to approve item number one? >> Spelman: I don't think there's a motion, is there? >> Mayor Leffingwell: Yeah, there was. There was a motion. >> Martinez: I would like to make one last proposal. >> Mayor Leffingwell: Councilmember martinez. >> Martinez: In 2.4, there are two positions that were being contemplated for reductions. One is a public information specialist at \$59,818. The research analyst at \$40,139, is that correct? >> You'll have to give me a moment to pull that up. But the easiest way with the initial proposal was for the total amount. 184580 and subtract out for the one

position that was cut. I can quickly get you to that number that way. I'll have to get backup materials. >> Mayor? >> Mayor Leffingwell: Councilmember tovo? >> Tovo: I was going to mention 2.0 also, the vista volunteer. Councilmember morrison -- councilmember morrison's motion included keeping. We have to subtract out both the initiatives. >> Mayor Leffingwell: We have the amounts now. The public information office would be 59,818. And we positioned in management services.

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Yes, sir. >> I would recommend leaving the savings and reduce the property tax rate. >> Mayor Leffingwell: So that's a total of how much? 109,957. >> Mayor Leffingwell: That's about .01 cents? Is that right? That would lower the rate to 50.28. >> Mayor Leffingwell: So could I ask -- is there anyone from p.O. That heard this might be a critical position? This was a position in the staff budget recommendation. >> Doug matthews, chief communications director. This is in the budget to address the anticipation of things that will be coming in the next 18 month ms. We have more special events that are coming on. We are existing special events that are getting larger. Last year, we had a temporary employee that helped specifically with the f-1 event. I think that's part of the reason the communications on f-1 went as well as they did. We realize you would support the implications around the special events. Got to have somebody focused on that year round. In addition to that, we should provide a certain amount of support to the council when it comes to communications and new relations, particularly with the new district council coming onboard. We felt that this position could help support the initiatives in terms of the elections. But also the support on the back and on the council office in

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terms of the communications i can speak with my own experience with working with the district setting that there is a demand there. And that demand is significant. I know we're not prepared to support that with the current staffing that we have. So those are the the two primary functions that we were able to fulfill the position. 1.

>> Good morning, mayor, council. This is a position that we're working really closely with pio. Between the police department and our resources and their resources. What are the areas we need critical help and going to put together training videos at the police department trying to get the people more critical incidents, taking the incidents. >> This is actually -- >> right. So I'm here to support the pio because between this position and the other position that we have put together -- we think we're going to be able to serve those needs a lot more efficiently from public safety and a training standpoint as well? >> Cole: Mayor I have questions. >> Mayor Leffingwell: Mayor pro tem? Stand by. >> Cole: The events are time sensitive. Can you explain what that is? >> I'm sorry? >> Cole: When you say it supports you on items that are time sensitive? >> By adding this position, it frees up some time to help out the police department in terms of helping to put out the training that we wanted to produce in hand for our monthly ongoing use of force training. We'll have some other things that we need to do a better job in is producing forced option training simulations.

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>> Cole: To a district system of council members. >> Well, you know, one of the other responsibilities that we have in our office is community engagement, and that's neighborhood level outreach and communications as well as support with media events. I believe that -- in fact, we've got one today at noon that we're hoping for broad support for -- helping provide support for council member morrison. There will be more of those events. There will be more needs to communicate specifically with the people that in those -- the -- within the council member districts and we want to be able to be set up to support thoughts activities. >> Cole: Thank you, mayor -- those activities. >> Cole: Thank you, mayor. >> Mayor leffingwell: And i think after hearing from you and from the chief, we have to remind everyone that we have already cut apd's budget by over a million dollars, and they're under -- they're obviously under a lot of constraints. They're going to have to be moving things around. This would just be one more -- one more position they would have to try to juggle in the face of that million dollar deficit that they're looking at from their original budget. So I'm going to object to this and call for a vote. I'm not going to be

able to support it. >> Tovo: Mayor? >> Mayor leffingwell: Council member spelman. >> Spelman: Although our actions of yesterday may have resulted in a \$1 million reduction of the police department, the total budget effect was almost \$11 million, so it means instead of an increase of \$11 million, the police department's budget will go up by \$10 million. That doesn't sound like a big budget cut to me. >> Mayor leffingwell: Council member tovo. >> Tovo: Mr. Matthews, did you -- >> I was just going to say for the purposes of clarification, this position specific to apd, specific to public safety, is really on the special events support side. The cross-departmental coordination we found is necessary as these events

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get larger, as the departments get larger and more departments are involved outside the department. I want to make sure there was clarification that's specific to where this fit in with the apd support. >> Mayor leffingwell: Council member tovo. >> Tovo: I appreciate that. It's not at all clear -- i mean, in looking over the budget question 100, which councilmember spelman asked, it never mentioned apd as an involved party in this -- in who would be supported by pio. I understand of course you work with departments across the city and I think you all do a fabulous job with the resources you have. It's also my understanding that most of the departments have their own pio staff including the police department. So how -- I'm sorry, I'm still -- I'm even more befuddled at this point about how -- how this would have any impact on apd at all. >> Well, if we take a step back on f1 as an example, we had the f1 organizers. We had transportation, apd, fire department, ems. We had multiple departments that were involved in that, but we had a single message that we needed to make sure that got out to our residents, and to our visitors, for that matter. We were also working with the airport, with the cvb and a number of other agencies. In the absence of someone that served that central coordinating role, you would have multiple agencies with multiple messages. You wouldn't have the coordinated kind of activity that you did around f1. And in terms of best practices I feel like that's where we need to be. Without somebody that's focused on that as a core function and responsibility, I don't know that we're going to be able to maintain that, particularly in the face of adding events, for instance, the x games coming up.

But also with the existing events getting larger and expanding as they are. >> Tovo: I take your point. I think it sounds like that is a need. I hope that as we go on as a council and really look at our special events and how we're managing them, that we

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might find our way to figuring out whether -- whether some of the revenue we're taking in from special events could indeed fund a position like that, which i think makes a lot of sense. I guess the other question i have for you, or maybe it's a comment. The four new council offices wouldn't come on until december/january of 2014 and '15, december 2014. And so I guess I would like to hear from you about why you see that as a critical need now, since, you know, there's a good. A of time between -- between now and then. >> Why -- I would give you two answers. One is we'd prefer for that person to be prepared when that happens. We don't want someone that's new to the organization that's finding their way at the same time that we're giving them such an important assignment as working with the council offices, to be honest with you. The other is a recent resolution we just had regarding voter i.D., I anticipate that the council is going to have some specific requests and needs around voter education as we move into that districted system. That's also something that's going to need support leading into that activity. So some of this is anticipating what we feel we're going to need leading into that, and then having somebody that's prepared to provide that level of support on the back end. Does that answer your question? >> Tovo: It does, yeah. I think there's a certain amount of sense to getting somebody on board as soon as possible. I guess I would say I think this is a good request to maybe consider at the midyear budget amendment when it's a little closer to when the need is, and at that point we may also -- well, at that point I would expect we would also have the information back about the convention center funding, and that may free up a little room in the general fund as well. Thanks for the information. >> Mayor Ieffingwell: Council member morrison. >> Morrison: Just to follow up on one point that council member tovo made, and maybe

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be a little more direct about it. The concern I have, and this is just one example, and that is that we have growing needs in our city government because of the growing number of special events, and we have a prime opportunity coming up to do a study to make sure that our special event fees are going to be covering the cost to the people of the city of Austin. And I would certainly look forward with the new ordinance that's coming through, I know staff is working really hard, and stakeholders, on the new ordinance, and I hope that that will -- I think that there's going to be a bit of a different structure. I hope that that will give way to a cost of service study so that we can bring our special event fees up to par, and then we will be able to know that the costs that we're incurring as a city can then be spent on positions such as this rather than charging the folks in the city for it. I will support the motion. >> Mayor Leffingwell: One final comment. Councilmember Spelman brought up the fact that the budget is increasing year after year but we've cut over a million dollars off the original proposal. If you look at the backup material on that particular item that cut a million dollars, we will see that there are going to be serious adverse effects to already, for example, the D.R. prosecuting, and other community-based programs across the city. That is the impact of that million dollars, so I'm just hesitant to impose an additional million dollars -- an additional dollar amount. So we will -- >> Spelman: Mayor? >> Mayor Leffingwell: Council member Spelman. >> Spelman: Ordinarily I'd just let it go, but it's an interesting question. How is cutting a million dollars in overtime to patrol the hike and bike trail having an effect on

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the D.R. program? >> Mayor Leffingwell: Because based on the backup material, I'm not making this up, this is written down in the backup material -- that they are still going to patrol -- they are still going to patrol -- excuse me, council member Martinez, did you have a comment? >> Martinez: No. >> Mayor Leffingwell: They are still going to patrol the trails. They don't have the money to do it, so they'll have to pull officers from other duties, and that was one of the areas where they suggested that those officers might be pulled from to man those positions. >> Spelman: And

we're going to be staffing those trail patrols in exactly the same levels that we have before, even though we're only encountering ten bicyclists an evening. >> Mayor leffingwell: I don't make the practical decisions. >> Spelman: Okay. Thank you, sir. >> Mayor leffingwell: Council member riley. >> Riley: Just to be clear, this item -- doug, just a question. Would this item have any impact on a program like the apd's dr program? >> I don't know that this position has a direct impact on that. I can say that there's a number of apd activities that we're helping to support, for instance, restore rundberg is something that we have resources assigned to, but i wouldn't make it a direct -- >> riley: Okay. >> Mayor leffingwell: And i wasn't saying it did, council member. I'm just saying it puts additional stress on an already -- already stretched situation. So I guess we'll call for the vote. All in favor of council member martinez' proposal, which is to cut approximately \$90,000 in a position and devote that \$90,000 to property tax reduction of 1/100 of a cent, bringing it from 50.29 to 50.28. Do you have a comment -- >> well, I think if you could take action on the

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item in terms of the dollar amount, I think before council's final vote we had talked about maybe having a ten-minute recess where we could prepare all of the backup materials of what you've agreed to so far and make sure we get the dollar amount dialed in. We also need to have a quick staff consultation in regards to what the lowering of the tax rate may -- it may have some impacts on our tifs and so we can make the necessary budget adjustments on the tif side if we need to. >> Mayor leffingwell: That's fine, but council member's motion was that money be devoted to property tax reduction. >> That would be great if we could just avoid the actual 1/100 of a penny until we do the math on it. It will be one of those two. >> Mayor leffingwell: Am i stating that accurately, council members? That's your motion? That whatever it is would be devoted to property tax reduction? Okay. In favor say aye. >> Aye. >> Mayor leffingwell: Opposed say no. It passes on a vote of 5-2 with myself and the mayor pro tem voting no. Council member morrison. Go ahead. >> Morrison: I do have one more thing I just wanted to mention as a possibility for consideration. Yesterday I made a motion, and I was not on the prevailing side so I don't plan to make the same motion again, under -- it was item -- under b, tab b, 1.5, and it was to

reverse the general fund contribution for economic development, which is an amount of \$1.28 million. And that was a motion that lost 3-3, and my good friend and colleague, council member spelman, is back on the dais now, and I thought it would be a reasonable thing to do to make an alternate motion at this point, having been so inspired by the mayor's suggestion that we could be a part of history and lower our property tax rate by having a \$350,000 surplus to

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lower it by. So I want to make a motion, which would be 1 point 4, to -- 1.4, to reverse the changes in the -- to reverse the general fund contribution, but rather than say reverse it by 1.2 million, completely zeroing it out, to decrease that transfer by \$250,000, which would, combined with council member martinez's motion just now that passed, would get us to that \$350,000 surplus and a tax cut in that amount. So that is -- that is my motion. >> Mayor leffingwell: So has this item been dealt with before? I think you mentioned that -- >> morrison: I made the motion before -- >> mayor leffingwell: And it failed. >> Morrison: In the amount of \$1.2 million. I'm changing the motion -- >> mayor leffingwell: And you were not on the prevailing side. >> Morrison: Right, but I'm making a different motion. Yes, it's under tab b, 1.5. >> Cole: Different in the amount. >> Morrison: It's different in the amount this time. >> Mayor leffingwell: I think we've already dealt with the item. I'll ask the city attorney for an opinion on that. Can we deal with the same item in a different amount? Is that considered a -- >> I think [inaudible], mayor. If it's a different amount than the actual proposal that was voted on, I believe that that's okay for us to take up again today. >> Mayor leffingwell: So it's an entirely new motion. It's not -- not 2.4. It's an entirely new motion. >> Correct. >> Mayor leffingwell: In that case, all right. Is there -- so this is to -- I guess I'd like to get some

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staff comment on that as well. I've got a question pending, council member. >> So the item that was initially proposed was to reverse the general fund contribution for

economic development up until the fiscal year -- including in the current budget austin energy as fully funded, our economic development department. Staff has proposed shifting \$3 million of those costs to the general fund in our budget proposal, and i believe this recommendation lower that amount to \$1.1 million and shift \$200,000 back to austin energy. >> Mayor leffingwell: This has the net effect of reducing funds to the economic development department. Is that correct? >> That's how it's made. The way staff brought it forward is it would reduce the general fund's contribution to the economic development department but economic austin energy's contribution. That's what the staff proposed and I want to hear councilman morrison. >> My proposal is to find \$250,000 decrease to the department. >> Kevin johns, director of economic development. I think just as a preface, that austin has been kind of the flagship of the american economy, and I think we're very proud that -- and i know you all are very proud that the economic development department is arguably the best in north america. Everything from winning the harvard ash award to the top public/private partnership in america to our partnership with toronto in music, our partnership with the parks department to get

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the smithsonian here to austin. I'm just looking at, you know, beginning -- instead of the upward trend eroding the economic development department. Programs that we've offered have been very, very well respected, they've been very intelligent. We haven't had a position added in five years. I think it's just important to look at the economic impact in terms of not only the downsizing that I think that we're talking about, but also the fact that our core budget is 7.5 million, and we're talking about eliminating existing filled staff of persons who are doing a fantastic job by any recognition around the country. Our programs are recognized. We're frugal. The things that we've talked about earlier, we're reducing, for example, the congress avenue business program. I can understand the need to make these kind of changes periodically, but I would like to say that beginning to reduce the staffing and these award-winning programs would have a negative effect on the city of austin overall, and I'd like to point out that on item 47, you can see the different programs, the community economic development programs. We coordinate all of the workforce

chamber contracts, the university contracts. I think that in summary, i

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understand your goal to be frugal and we want to do that too. We're -- with that whole initiative, but it wasn't the objective to make this transfer out of austin energy a purpose to reduce economic development at this critical juncture in the city. So I'd just like to conclude and say, I think that the economic development program is doing a fantastic job. The programs are award-winning. A diminishment of the existing filled staff or the existing programs that have all been approved by council, just -- I would recommend against that. >> Mayor leffingwell: So that includes the small business section. >> The award-winning -- include include es our sister cities program? >> Yes. >> Mayor leffingwell: And we have the potential at least -- I'm sure you vice president had a chance to actually go through it, of actually having to lay off people in your department? >> Mayor, if I might add to that -- >> mayor leffingwell: City manager. >> No, they have not, and I'm not going to attempt to repeat everything that kevin johns said, only suffice it to say that I couldn't agree with him more. I think he's absolutely correct, and I am concerned about the risk associated with, you know, having to make personnel decisions, put people on the street that are responsible for some stellar -- stellar programs, and I would remind everyone what they already know. We went through, you know, serious economic decline, and this was something that this council was very proud of. It was their commitment and our commitment to not putting a single person on the street. These are better times. These are growing times. We all feel the intensity of that pressure from an economic development standpoint, from a business standpoint. So I would tell you that this is no time to reduce staffing levels in the economic development department, in our opinion.

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>> Mayor leffingwell: Yeah, just to add to that, this is a department that actually generates revenue from the city. It's not merely providing services to the city, but it

generates additional taxes and other revenue to the city. >> Thank you, mayor. With our partners we're responsible for 8,000 direct jobs. Our focus has been on hard to employ. We on every single project bring you the net positive benefits of each one of the projects. I urge you not to cut the economic development system that's got us to be the flagship of america. I know that you are our top stakeholders and that you're proud of the work that we're doing. I just hope that you'll consider this. >> Mayor leffingwell: Well, I'm not going to support an amendment that will actually potentially cause the layoff of existing city employees. >> Tovo: Mayor? >> Mayor leffingwell: Council member tovo. >> I'd like to ask a few questions about that, if i could, of mr. Johns. It looks like in our budget WE'VE GOT SIX FTEs BEING Added to economic development. The proposal, as i understand it, is to reduce the overall budget. It wasn't specific to eliminating those positions or any existing positions. I take your point that you haven't added positions in a long time and I know we had that discussion in one of our budget work sessions, but I guess -- I guess I'd like to really narrow in on what -- why with that kind of budget reduction you would look to reducing existing staff first versus some of the other -- the other cost reductions you might consider. And I want to pause there for a minute while you're getting your thoughts together and say, I agree, i mean, your department is doing some fabulous work and I know that's one of the reasons why austin is doing so well financially. As you know, we've asked a lot of departments in this

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process to make -- to trim back their needs, but again, I need help understanding why if we're adding six positions, the focus immediately goes to, you know, we're going to have staff layoffs. That just doesn't -- that doesn't all add up, and maybe you can help me understand that -- >> I think -- again, kevin johns, director of economic development. The positions we're adding are -- five of those positions are self-funded. That is, that we're cannibalizing other resources in order to pay for those. We're asking for the ftes. We're not asking for any money from the city council. We've been very frugal, very economical. To use the existing resources that we have available. We are asking for one position, but that is a contract position, because the number of contracts that have been approved by the mayor and council now total \$4

billion worth of development, and we think on the front end we need to be very smart about monitoring those contracts, and we have one person in an outside contract management organization, but the work level on that is we want to be prudent. And so you asked about those six positions, a I wanted to just remind council, i know you say you've seen it, but when we add six positions, actually we're just converting with money we have identified as other than additional resources. The ftes. The one position we're asking for is very important, it's contract. >> Tovo: Mayor, may i clarify that. The one is a transfer into the program music specialist. You say that's not a new cost. We already pay npdr. It's transferring over. I see a coordinator for an estimated cost of 221,033. I thought those were two new positions.

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>> Excuse me. >> Are those new positions? The project coordinator and manager of redevelopment activity. >> Those are self-funded so we're not asking the city for any additional money. We're asking for the ftes because the increase -- the increased workload, we've got in austin, as you know, development portfolio of over \$9 billion worth of projects. So if you look at the plans that have been done for east riverside, the urban rail, the tod locations, the airport boulevard studies, all of those are on the ready to redevelop list. But we are not asking for additional money for those positions. >> Tovo: I guess the challenge in looking at our budget documents is that it's listed as an expenditure change in our list here, without being -- I mean, and I'm sure it's offset in some other document -- or on some other page, but it's just a little hard to keep track, arrow next to it like the program specialist. When it has a figure of 02 -- >> this is director rodney gonzales. You're exactly right and we rely on budget to point that out. There is an expense refund that we anticipate that will cover those positions and that's what kevin is talk about. So you're absolutely right, that line does show an expense item but there is another line that shows an expense refund. >> Tovo: Okay, thanks. And I guess, then, though, i would like to get back to the original question about -- about whether other -- if we reduce the budget by -- by this amount, what would be some other cost reduction strategies you could consider? Are there other cost reduction strategies you can consider other than staff layoffs?

>> Sue edwards, assistant city manager. If you would look on page -- it's item 47 on page 1, there are three buckets of money that you can see

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there, 1.5 million is for community and economic development programs. One is for workforce development programs, and the other is your operations and programming. And each one of those is something that we would have to cut. We could take our choices, but you would be cutting opportunity austin, the hispanic chamber, the capital city chamber, asian chamber, gay and lesbian chamber, and so on, if you looked at that first bucket. The second bucket is an opportunity, which would be your workforce programs, capital investing, skillpoint allowing, and then the third one is really the 8.2 million, which is only personnel. >> Tovo: I'm sorry, would you -- >> programs -- >> tovo: Would you mind saying that page number again? >> I can't understand you. >> Would you mind saying the budget page again? It is in our newest binder, right, the one we received yesterday? 47? 48? I just didn't catch the page number. >> We're checking with budget office. This is a response that we had provided -- >> tovo: I see. Is it no.47 or 48 in the budget question book? >> Evidently [inaudible] >> tovo: Thank you very much. I appreciate it. Thanks for that additional info. >> I'll pass this down. >> Mayor leffingwell: Just to respond to that a little bit, I believe yesterday we transferred the funding source for skillpoint alliance and capital idea to economic development, so that's an additional cost that will have to be borne. >> It was transferred from the health department, but there was -- it was a zero impact. >> Mayor leffingwell: Yeah, I know, but it's not zero impact to economic development. Right. >> Mayor? >> Mayor leffingwell: Mayor pro tem. >> Cole: I am not clear on whether or not this motion

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made a recommendation for specific cuts to specific positions in this department, because I'm hearing responses -- >> mayor leffingwell: It did not. >> Cole: -- Responses, rightfully so, that are saying that they would have to make cuts across

the board. >> There are three buckets that I mentioned, really, that we would either have to take most of the programs that we're doing now in terms of the budgeting and -- in terms of the chambers of commerce and a number of others that we would have to cut, or there is another bucket that really is skillpoint alliance and some of your workforce development. Or the third bucket would be personnel, and two other manages which are your music venue program and another one. I don't have that sheet in front of me. But those are the only things that we would be able to -- that was the buckets in total that we would have to take something out of one or all of them in order to meet the 1.2 million reduction. >> Mayor Ieffingwell: 250,000 reduction, I think. >> Spelman: Mayor? >> Mayor Ieffingwell: Council member Spelman. >> Spelman: I need help with the real basic math here. The Austin Energy fund is estimated at providing -- I'm looking at the budget overview for economic development, and the Austin Energy fund is estimated to provide \$10.8 million in requirements to end for 2013. That's going to be replaced by an economic development fund, which is going to be funded by several different -- different parties, for a total of \$12.8 million in requirements, 12-point -- rises to 9. I'm on the first page of economic development. Back up a couple pages there. That's it. 371 of volume 1.

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Okay. So that looks to me like that's a \$2 million increase in funding overestimated '13 for proposed '14. Do I follow correctly? >> Yes, I see where you're coming from. Let's see. You're looking at the economic development fund, the requirements of 12.8 million. What's the comparison number? >> Spelman: And the comparison number I think makes sense is the Austin Energy fund for an estimated '13, which is 10.8 million. >> Okay. What was that number again? >> Spelman: 10,000,827, 264. That's 2013 estimated and it's the next -- next row down, Austin Energy funneled. It's my understanding that the Austin Energy fund is no longer going to be your sources of funding. It's going to be the economic development fund, and those two are more or less equivalent. >> Yes. >> Spelman: Okay. So that means that the money that you would have available to you that is not economics incentive reserve, culture arts and so on and so on, your basic -- the general fund of add, would go up by \$2 million. >>

Mayor leffingwell: Yes, \$2 million. >> Yes, and we provided a list of those expenditure changes that council member tovo was referencing and those begin on 379. >> Here, I've seen the sheet you guys -- I haven't seen the sheet you handed to council member tovo yet but it looks also as if you get 47 full-time employees paid for out of the austin energy fund this year and the proposed year, that would be 53, looks like it will be being paid out of the economic development fund, which I think is the source of all our confusion over here. Looks like six ftes would be paid for out of what amounts to your general fund of moving from 10.8 to \$12.8 million. So looks like an increase of 2 million bucks and increase of six ftes, and nobody is talking about a

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\$1.2 million reduction. We're talking about a reduction -- instead of the \$2 million increase, a \$1.75 million increase, i think is what's on the table right now. >> And maybe it might help them to go to budget page 379. >> Spelman: Okay. >> And talk about the expenditure changes that you're referencing. >> Spelman: Happy to do it. So here are significant changes. I believe the proposal that council member morrison was -- well, I'm not sure if she actually made it yet, but she and I were -- was it 250, okay. Which is very close to the project coordinator and manager for redevelopment activities, which I was under the impression would be paid for out of the economic development fund and not out of some -- what did you call -- I forget the -- >> expense refund. >> Expense refund. So if we were to reduce the economic development fund by \$250,000 -- well, all right. So this could not go away. That's -- you couldn't get the expense refund to pay for something else? >> No, the expense refund, and it's listed on page 379. >> All right. >> A negative 250,000. That is a portion of the contract that we have with catellas as part of the mueller redevelopment. And that 250,000 comes to us to reimburse us for redevelopment project positions for the mueller project, and those positions that we're bringing on board will help relieve some of that burden, and so altogether in the mueller we do intend to have \$250,000 worth of staff for that project. We're now bringing that back into the department. >> Spelman: You're already doing mueller redevelopment now, are you not? >> Yes, we are. We're doing it with three positions, but we haven't

always tapped into this fund. And so what we wanted to do was for this year, was to

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begin charging the project for those positions. >> Spelman: Okay, so you've got this fund of 250,000 bucks. You could tap the three positions for the fund. >> Yes. >> Spelman: Okay, and if we were to say tap three positions for the fund and we're going to strip out 221,000 for the manager and project coordinator for redevelopment, that's something we could do. You'd advise us against it, I presume, but we could do that. >> Yes, that's why we proposed it as it is, because if we don't -- how can I explain it a different way. The 250,000, yes, we could currently bring on to reimburse us for those positions, but as Kevin had talked about and as we explained in the budget work session, there's currently a demand on the redevelopment side and that's why we're requesting these positions, is to meet that demand. And we see this as an opportunity to use money to come into the city to meet that demand. >> And those three people who would be paid for out of the Catellas reexpense fund would only be working on Mueller and wouldn't be able to do other redevelopment activity. >> They're currently assigned to Mueller, your project manager and you've got two other redevelopment positions that are assigned to Mueller Sphwroos and they're not currently doing anything else. >> Yes, and of course you've got the time for Kevin and then myself as well, because I oversee the redevelopment division and of course I spend time on Mueller, and then Kevin being the development director as well. >> Okay. >> So you've got a three fte equivalent reimbursement. >> Okay. Thank you. I'll keep reading. Thanks. >> Okay. >> Cole: Mayor? >> Mayor Leffingwell: Mayor pro tem. >> Cole: I think that we have been fortunate to experience a time of great economic prosperity, and I think that our economic development department has been a leader in that effort along with other stakeholders, including the chambers of commerce, and that includes also the minority chambers of commerce. And Kevin briefly spoke to

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the issue of employing people that are hard to employ, and that our economic development department has taken the lead in that. So as much emphasis as we have made on health & human services and helping people when they are in need, we need to also remember that those people need jobs, and the department that helps to develop jobs needs to be supported. So I will not be supporting this motion. >> Mayor leffingwell: Council member martinez. >> Martinez: Mayor, yesterday I believe I voted for this proposal when it was made. So I feel like it's important to make some comments. I voted on this yesterday in light of everything that we were facing trying to get back into this budget and meet some priorities. Now that we've done that and been able to reduce the property tax rate, I think this is a worthy -- these are worthy expenditures as well. This is workforce development, and I agree with mayor pro tem whrks we look at -- when we look at increasing funding for capital idea and youth programs, those are all things I supported over the last 24 hours, but we have to have the economic engine to pay for that on an ongoing basis, and part of that is our economic development program. So in light of not having something that I believe is a higher priority to defund this and refund, simply defunding this just to further reduce the tax rate is not something I can support right now. I'd like to keep the program going as it's proposed. So I won't be supporting the motion. >> Mayor? >> Mayor leffingwell: Council member morrison. >> Morrison: I appreciate the discussion we've had in li. In light of the comments I'm going to withdraw my motion. >> Mayor leffingwell: Council member morrison withdraws her motion. So ed, assuming that there are no more -- no more council initiated

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amendments, going, going -- [laughter] >> riley: I do feel like i need to make a comment, it's one of the larger items on our list that I raised in a council work session and that related to new police officers. I do think there's a problem we need to address. We've had some very good success over the past year or so with apd's efforts at law enforcement downtown, but that has entailed pulling officers from other parts of the city. And we remain in a position where we find it difficult to undertake community policing in any significant form. Even downtown with those additional officers, much less in those other areas around the city where we really

need some good strong community policing. So I think there is -- frankly, I don't know what the solution to that is. We hear that the apd just does not have enough uncommitted time to be able to engage in community policing, and even with the 47 officers we're talking about adding now, my sense is we well may not be in a place where apd feels they can do that. I appreciate council member spelman's points about our public safety budget in relies to the rest of the budget, and I hope there will be an ongoing conversation about our model for providing police protection, because the current model is not work working effectively, and if we -- we have had real success. I don't mean to diminish or undermine the efforts that have been ongoing and that have been keeping austin a safe city, and yet there is still an ongoing need to do more. And so I hope we can have an ongoing conversation about the model for deploying police officers and how we can continue to meet those law enforcement needs within the constraints of the existing budget. And I just want to acknowledge that there is -- there remains an unmet need there, and that -- and this really does need to be an

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ongoing conversation to see how we can meet our public safety needs more effectively. >> Mayor leffingwell: Thank you, council member. I'd just say I join you in that sentiment, and I do think we need to have that discussion ongoing. So.... Mr. Van eenoo, do we need a reconciliation or can we vote on this now? >> I think it would be preferable we could do a quick reconciliation and provide you with the handouts and then we can take action. >> Mayor leffingwell: How much time do you need? 15 minutes. >> Mayor leffingwell: Well, I know council member morrison has an obligation at 12:00 noon. And so do i, incidentally. So if we're going to take a break, let's take a break for an hour and 15 minutes and come back at 1:00. If we can do it before 12:00, -- >> cole: We're still not going to be done. >>> You know, we don't have -- we don't want too much time to pass and let people think of new things. [Laughter] >> I think my staff is in agreement with you and they're telling me now five minutes. >> Mayor leffingwell: Five minutes. [Laughter] we'll recess now for five minutes. [Laughter]

[05:49:23]

>> do you want to do that very quick? Thumbnail recap? >> Yes, mayor, I've handed out for you all a summary of all the various amendments that have been proposed and approved by council, either staff amendments or amendments proposed by council and approved. This captures all the changes that have been approved by council relative to the budget document that staff proposed, and I would highlight that when we come back to you we would be, for the tax rate, this is a tax rate of 02.27 cents per taxable valuable. I won't read through all the amendments but they're summarized in the materials before you. >> Mayor leffingwell: All right. Does anyone have any questions? >> [Inaudible] >> mayor leffingwell: You didn't catch -- 52.27. >> Okay. >> Mayor leffingwell: So we have a motion on the table with a second to approve item no.1 with numerous amendments as outlined in this handout, which we discussed at length. Council member morrison. >> Morrison: I guess I just want to mention that for the record, where it says sponsor on this spreadsheet may not really indicate who made the motion. That might have been a person that was involved in discussing it in public at one point, but just for the record. >> Mayor leffingwell: That is a good point. Can we get a recap from the clerk at some point later on in the day showing who actually made the motions on these amendments? We don't have to do that right now, I assume. >> Cole: No problem.

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>> Mayor leffingwell: Because I know -- I personally know of a couple that were not. I made one that was initiated by council member spelman, but he wasn't here, so I did it. Because I also supported it. So I think we're in a position now to act on item no.1 with the amendments that have been approved, and for this, according to state law the clerk has to call the role. This is to approve the item 1 as amended. >> Mayor leffingwell. >> Mayor leffingwell: Aye. >> Mayor pro tem cole? >> Cole: Aye. >> Council member martin? >> Martinez: Aye. >> Council member morrison. >> Morrison: Aye. >> Council member riley. >> Riley: Aye. >> Council member spelman. >> Spelman: Aye. >> Council member tovo. >> Tovo: Aye. >> Mayor leffingwell:

Passes on a vote of 7-0. Congratulations. Thank you all very much. >> Thank you. >> Mayor Leffingwell: I'm sure that all of us will at the appropriate time, when we -- see, we're only on item 1 of day 1. This is still monday, item 1. We'll have ample opportunity to make general comments about the entire budget at the appropriate time, but now I'd suggest that we go into recess until 1:00. Without objection we're in recess.

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>> Mayor Leffingwell: Okay. We're out of recess. So I think we're up to agenda item number 2. Which is to adopt a capital budget. Item 2 is an ordinance adopting the city's capital budget for fiscal year 2013 and 2014. Do you have anything you want to add before we put a motion on the table? >> Just one item, mayor, on page 57 under tab d of your binder. There's actually listed two items under the heading staff recommended capital budget changes. It should only be one item, the first item on your list, which to decrease the neighborhood housing and community development capital development budget by \$250,000 for housing programs. This is a companion item to what you approved in operating budget so this is just to keep our capital budget in sync with the decision you've already made. That is staff's only recommended change to the capital budget. The other item listed on this page is a council initiated item that came from an item from council resolution. >> Mayor Leffingwell: So we'll use the same procedure for amendments that we did on item 1, and so we'll get a motion on the table and then I'll ask you to present the staff

recommended amendments. Is there a motion and a second to adopt item number 2? Mayor pro tem so moves, seconded by councilmember morrison. Now I'll ask staff to present their recommended amendments. >> Staff's one recommended amendment to the capital budget is to decrease the budget by \$250,000 for housing programs. And again this puts us in sync with what occurred recently on the operating budget. >> Mayor Leffingwell: Is there a motion to adopt the staff recommended amendment? Mayor pro tem so moves. Councilmember morrison seconds. Any discussion? All those in favor, signify by saying aye? And that passes on a vote of seven to zero.

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So now we are ready to -- there was a council initiated amendment. Is that you, councilmember morrison? >> Morrison: It is. It's a resolution that the council passed endorsing in principle the hyde park plaza work that's been going on actually for several years, and along with property owners, it's at 43rd and duval, I think. Property owners, folks to turn that into a much more -- walkable, sustainable neighborhood center. And part of that would require some investment on the city's part in infrastructure. And I wonder if I could ask mr. Lazareth to come up and talk a little bit about it. What we have here is an estimate that the city's involvement for this year in terms of getting it going would be \$125,000. And I wonder if you could speak to that. And what it says here is directing staff to delay a transportation project in lieu of this. And I guess obviously we would be all concerned about exactly what that means on the ground. >> Mayor Leffingwell: And which transportation project? Go ahead. >> Howard lazarus, public works department. The hyde park project, as the councilmember said, has come from several years of meeting with neighborhood groups to turn that area into a walkable, more friendlier community center. The \$125,000 that council has recommended that we apply towards that project would be used to do -- to advance the design of the intersection so that we could get a better feel for what the costs will be as well as what the easements are going to need because there will be some drainage improvements necessary to affect the entire vision that the neighborhood has for that area. So because there will be some sort of real estate action required, we won't be able to move from

design of the construction this year. So internally in conversation we thought that 25% of what we thought the original estimate would be would be sufficient this

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year to move the project forward. The project would come out of the allocation within the 2012 bond that is designated for design of new projects. That money -- the two projects that were designated in there that we are going to advance are some preliminary engineering for congress avenue as well as some preliminary engineering for south lamar. The balance that's left over was intended to do neighborhood street reconstruction, rehabilitation design, so this project falls within what we have intended and invisioned those funds to be used for. >> Morrison: So this would then I guess, as i understand it, just be part of what you collectively do under that one section? Have you actually identified specific -- other specific projects for the neighborhood prospects? >> We have streets that we would include in future groupings of neighborhood street reconstruction, rehabilitation projects. And this would be one of those. >> Morrison: Okay. Great. So mayor, I move approval of -- I move that -- i should say it specifically, this other action that we would implement the hyde park improvements project to the tune of \$125,000 in our capital budget this year. >> Mayor Leffingwell: So let me ask you, you said this would result in a delay of transportation projects perhaps on south congress and south lamar? >> No, mayor, it would not. Those funds were specifically mentioned within the bond language as projects that were included in this allocation of funds for design of new projects. Both of those projects are going to move forward without being impeded. The balance of that five million dollars that was targeted for design of new projects was going to be applied towards projects such as neighborhood street reconstruction. So this is consistent with what the intent was. >> Mayor Leffingwell: So it is basically going from street improvements or

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reconstruction into planning for a plaza? >> No, it's for design. We can't use capital

dollars for planning. So it is for the preliminary engineering of an intersection which does involve duval and 43rd street. >> Mayor Leffingwell: I just want to make sure we're not delaying projects that would improve traffic congestion in order to go ahead with the design for an amenity like this. >> That is absolutely not the case. >> Mayor Leffingwell: It's not the case, okay. So there any other comments or questions? Councilmember spelman. >> Spelman: So it's not going to be -- the money has to come from someplace. There's something you're not going to do because you will be doing this. Can you give us a sense for what that is? What is going to be? >> We included funds in the last bond program for design of new projects. Typically design has been done as part of the larger street reconstruction allocation of funds, but what we've been missing in the past is the opportunity to have funds to advance capital projects that are either neighborhood concern or things that come up during the course of a bond program. So in addition to funding those two large projects i just talked about, the intent was to have some funding available to do design, preliminary engineering design of some smaller scale projects. This project is consistent with what intent. Because there's only so many dollars on the table, another neighborhood street which we may have been working on would have to be delayed or would have to be funded out of residual funds that exist after we do the construction work. >> Spelman: You have i presume a list of candidate small intersections for money like this. >> We do. Street reconstruction, rehabilitation is a primary means we have to improve pavements that are rated as f to satisfactory or better. So throughout the capital program as we do the design, the construction, we're always designing new streets based on their pavement assessment and priority as well. So this is in that list.

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It would be something that probably gets bumped ahead of other projects we might have otherwise done. But it's still a legitimate and qualifying project. >> Spelman: So it is a candidate on the list anyway. If it were not we could put it on the list. It would be comfortable there. And all we're doing is moving it up a few levels in priority. >> That's correct. >> Spelman: Okay. Thank you. >> Mayor Leffingwell: So nobody will have to endure potholes for a longer period of time because of this. >> No. Our

performance measures is that we respond to all pothole repairs within 48 hours 100% of the time. >> Mayor Leffingwell: All right. Is there any other comments? Is there any objection to a unanimous consent on this item? Hearing none, that amendment is adopted. Are there any other proposed amendments? If not we're ready to vote on item 2, approving the ordinance adopting the capital budget as amended. And to do that in accordance with state law the clerk will call the roll. >> Mayor Leffingwell? >> Aye. >> Mayor pro tem Cole? >> Aye. >> Councilmember Martinez? >> Aye. >> Councilmember Morrison? >> Aye. >> Councilmember Riley. >> Aye. >> Councilmember Spelman. >> Aye. >> Councilmember Tovo. >> Aye. >> Mayor Leffingwell: It passes on a vote of seven to zero. So we will take up item number 3, which is an ordinance authorizing fees, fines and other charges to be set or charged by the city for fiscal year 2013-2014. Is there a motion on item number 3? Mayor pro tem so moves. Seconded by councilmember Morrison. And now we'll have staff present their recommended amendments to item number 3. >> Yes, mayor. We've passed out a revised staff recommended fee schedule. This could replace what is under tab e of your binder. It's very, very similar to what your initial tab e was with just a minor change.

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And I will just go over these in general, and if staff is here, if council has any questions about any of the specifics, the amendments, the first one is an Austin Energy, it's an adjustment to their power supply adjustment. The second one would be revising the maximum charge from Austin Energy. The third amendment has to do with the green choice rates schedule. The fourth amendment is a variety of adjustments to parks fees for cemeteries. >> Mayor Leffingwell: What does this revised handout look like? I'm still looking for it. >> It looks very similar to what's currently in your tab e. >> Mayor Leffingwell: Thank you. I've got one. >> I had handed a stack -- I think they might have got stopped somewhere. >> Mayor Leffingwell: Okay. [Laughter] >> we'll start over. >> Cole: Another one is on its way. Number four is a various

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changes to park fees for cemeteries. Number 5 is two adjustments, resident and non-resident hourly rates for sicola park plaza. Number six is the adjustments that we had a council during one of the work sessions about bringing back a fee schedule for e.M.S. That would allow a range of fees for the medical supplies so they could be adjusted as market conditions dick taught. That's adjustment six and you can see the details in attachment e-1. Number seven is an inclusion of a new annual residential parking permit in the transportation department. Number eight is an amendment to the community benefit chain. This was initially listed as a council initiated change, but with council taking action to increase the solar rebate program under the operating budget -- >> Mayor Leffingwell: That was \$1.11, right? Just kidding. [Laughter] >> staff is now bringing back the -- 'stache is bringing back -- staff is bringing back the change to the charge. And the second page have you is the per kilowatt changes that are being recommended. And the final amendment, number nine is again the result of council's action on item 1 under the operating budget, which was to eliminate nine positions from the code compliance department resulting in a reduction in both the residential rate and the commercial rate. So with that, mayor, those are all of staff's recommended changes to the fee schedule and staff from all these departments are available to answer any questions that you have. >> Mayor Leffingwell: Any questions? Councilmember martinez. >> Martinez: Thanks, mayor. I'm having some computer issues. I'm trying to pull up some information. Ed, if we wanted to make any

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adjustments to any other fees in the schedule, now would be the opportunity to do that? >> That is correct. >> Mayor Leffingwell: Not exactly right now. This is the staff initiated. We'll get to those next. >> Martinez: Okay. >> Mayor Leffingwell: Any other comments on the staff initiated amendments. >> Morrison: If we wanted to have a discussion about the green choice fees and the way that's going to work, is that something we would talk about now with the staff recommended adjustments? >> Mayor Leffingwell: If you've got a problem with the staff recommended adjustments,

now would be the time. >> Morrison: Okay. And I believe this is where we can have the discussion that has come up. I spoke with staff about it, about for some of our current green choice customers, residential customers, the possibility of allowing them out of their commitment to join the new green choice commitment, is that foreseen or is that something we could talk about doing? >> We can certainly talk about doing that. My name is debbie kimberly, vice-president distributed energy services at austin energy. Currently the way the tariff operates, residential customer who signs up for an existing batch on green choice may cancel their subscription, but they are precluded from resubscribing until such time as the original contract lapses. So this would be particularly problematic for those customers that have signed up for batches five and six. Those customers don't sign a contract, per se, but that's a provision we sought to amend with the new green choice offering. It would be a different type of approach for commercial customers s that responsive to your question? >> It is. So as I understand it, the folks that signed up for batch five and six, how long -- they're the ones that are interested in this

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because they're paying something like five or six cents, is that correct? >> Batch five customers pay five and a half cents per kilowatt hour and their contract ends december 2022. There are actually two components to batch 6 and the longer term batch expires in december 2021 and that's at 5.7 cents a kilowatt hour. >> Morrison: Do you have an idea if we adopt the new green choice what a residential customer might be paying if they were to sign up initially? >> Under the new approach? >> Morrison: Right. >> The new approach, and anne can correct me if I'm wrong, would be a floating price that would be priced at a premium over the psa, one cent over the psa, so roughly 4.69 cents per kilowatt hour. >> Morrison: So do you -- there seems to be a certain amount of logic to allow certain residential customers, especially in batch five and six, they would either go up and not go back on potentially or stay on until 2020 at the higher rate. I understand that residential customers basically only make up 10% of our batch purchases, so -- >> in terms of sales that is correct. They can apprise 10% of our green choice total sales. More it seems like it -- >> Morrison: It seems like it might be nice to allow the batch five and six customers to sign up for

the new one. Do you see any problem with that? Could you comment on what you think that would -- how you think that would play out. >> We were thinking that behind the new approach to the new offering, which is not a batch-base offering now that austin energy will get to our 35% renewable goal four years ahead of schedule, it is something that from an administrative standpoint might be a bit easier to administer. And again, the distinction

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is these customers have not signed contracts that attach them to those subscriptions. So it seems to me that it would be a very modest cost, if you will, that might be incurred, especially relative to the entire customer base. >> Morrison: So could you make it so the customers could sign up. >> Mayor Leffingwell: May I offer this applies only to the rate schedule? I think it would be appropriate for you to make it as a council-initiated amendment after we deal with the staff recommended. What you're proposing doesn't have anything to do with the rate schedule, I'm assuming. >> Morrison: Actually, I guess I would like staff's help on that. I spoke with staff ahead of time. I thought it did. >> I'll let anne address that. >> Anne little, cfo for austin energy. Yes, there would need to be a change to the tariff and I think you have that in your hand. There would be one change that would say nonresidential. It would just change from all to nonresidential. >> Morrison: Right. Basically it makes it so only non-refusal can't redescribe. Would that be part of the rate schedule then? >> Yes. And that could be submitted as a change. There is one other correction. The system average is what debbie quote and it's 4.69. The residential on the secondary voltage level, so their green choice rate would be 4.71. >> Morrison: I'm glad you corrected that because I thought there was something wrong there. Just kidding. So mayor I would like to make a motion that this be amended as discussed so that residential customers could resubscribe. >> Mayor Leffingwell: Okay. So this is what I was trying to avoid. Now we get in to amending the staff recommendation on item number 3, I take it?

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>> Morrison: That's correct. >> Mayor Leffingwell: Is there any objection to that amendment? Hearing none, with that change to item number 3, that amendment to item number 3, is there any more discussion on the staff recommendations? Councilmember Riley. >> Riley: I fully support that change, but I do have a couple of other questions regarding the changes to our green choice program. There have been some talk about the changes in the new model that we're considering today and in particular we've heard the concern raised that under the current model customers are able to benefit from -- from renewable energy by locking themselves into a set rate and then it's the nature of renewable energy that you can predict how much that is going to cost going forward. And customers are able to benefit from that. And they know how much they're going to be paying. With this new model we lose that. Customers will no longer be able to hedge against rising costs. They will be subject to fluctuations in the power supply adjustment and so in a sense they're losing out on part of the benefit from renewable energy. And I understand the rationale for the change. And I can see some upsides to the change. I just wanted to ask do you foresee other opportunities, whether through the rebate program or through community solar or any further by any other means that customers may have opportunities to benefit from the cost advantages of renewable energies? >> That's a very good question. I would note that continuing what councilmember just stated, 90% of green choice sales are actually to our

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commercial customers. And given the desire to offer those customers an opportunity to have a fixed price over a longer term period of time, we offer the option for a three-year lock at a slightly higher premium to those customers that seem to be at least in it terms of energy sales, most interested in fixing out the price. And we also offer the option for smaller commercial customers to sign a contract that evidences a 12 month commitment to green choice so that they could pursue other awards, lead awards, e.P.A. Awards and the like. If a customer wants to do more to try to fix their price, as you pointed out, we do offer things such as the solar program and are in the early development stages of offering a community solar or a subscription-based

offering to our customers. Again, one of the down sides we've seen associated with the old batch approach was that you had customers, a residential customer, for example, that was at a higher price point on a batch that was in the market, it was in the money at the time they bought into that batch, then they wanted to get off the batch and were penalized. We saw this as being a cost effective happy medium that would meet the needs of our customers. >> Riley: With the new program as modified through the memo we just made an individual participating in the green choice program currently will have an option. They could either stick with the current program with a fixed price or they could choose to go with the new program, which may well be at a lower price, albeit one that would fluctuate in the future. >> In the case of the residential customer they could stay on green choice or they could choose to go off green choice in the future without penalty other than a brief waiting period.

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In the case of commercial customers those customers, just as they have before, if they are large enough, 1.2 kwh in sales, they could have the fixed price. >> Riley: They could offer additional opportunities in the future like a community solar program that would provide opportunities for customers to build in some long-term savings on their energy bills. Okay. Thanks, debbie. >> Mayor Leffingwell: Is there any objection? Did you have something, councilmember martinez? >> Martinez: I have a question after this item is done. >> Mayor Leffingwell: Go ahead. >> Martinez: I had a question related to a different item, mayor. >> Mayor Leffingwell: Okay. >> Martinez: Going back to item 2, the houses of worship rate, I wanted to make sure what the implementation date of that is. >> Implementation date on that will be november the 1st, 2013. >> Martinez: One of the requests when we made this, I guess, proposal to the house of worship is that the new rates went into effect october 1 of 2012 and that there are houses of worship that could have filed for permits in that time period where our intentions were clearly to maintain the house of worship rate even for new sanctuaries during that time period d we know if some folks will be caught up in that and be stuck at the higher rate as oppose to this new house of worship rate? >> We don't -- we only have the sanctuaries that were in the original rate residential

class flagged as sanctuaries. If there are others out there the tariff has been modified that we will allow them to have that cap on their rate. But they will have to notify

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us. We can't tell from the rate whether it's a sanctuary account or not. >> Martinez: There's a sanctuary that's filed on a building permit, they could come in after we adopted this and with get on the new schedule. >> That's correct. And another thing I think that rate may have changed slightly with the change in the community benefit charge, so I'll get that number and give it to ed banano in a just a moment because that has built into the other changes, so that cap will change. Thank you. >> Mayor Leffingwell: So we're still on the staff recommended changes, items 1 through nine with the change to item three. Is there any objection? Hearing none that's adopted by unanimous consent. >> Mayor Leffingwell: Are there any council-initiated amendments to the fee, fees and rates? Councilmember martinez. >> Martinez: Thank you, mayor. I'm trying to find the fee schedule in volume 2 for austin energy. What lied take to propose that once I find it is we currently have a reconnection fee of \$55 for same day reconnection service. And my proposal is going to be to eliminate that. Most of the folks that we're disconnecting utilities from are folks who are having a hard time paying for their bills. So we have a 25-dollar reconnection fee and then an additional \$55 for same day connection. And it just doesn't ryan up with our values as it relates to getting those folks f they're agreeing to a payment schedule and struggling to pay their bills why would we charge them another \$55 to

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reconnect it the same day where in foss mace kases we can reconnect it the same day regardless of that fee? I feel like we end up putting our customers in a vicious cycle. >> Mayor Leffingwell: Staff want to comment on that? >> While they're coming to comment, is this the first fee on the top of page 550? Same day service fee reinitiation, \$55? >> Martinez: That is it. Secondly I'd like to add to this motion that we eliminate disconnections on fridays since we have no one that the customers can

go see on saturday or sunday. I don't know if you all got this, but just this weekend we got back on monday, a single mother with six children got her utilities cut off late friday. She spent the whole weekend at a hotel, now she's \$800 behind having to go stay at a hotel and buy food over the weekend for six kids, and we cut her electricity off on friday afternoon and she had no one to connect. So I'd like for us to seriously - not seriously. I'll idol chatter like for us to consider not cutting utilities off on fridays unless we're going to staff an office on saturday that folks can go to, pay the 25-dollar reconnection fee, pay a portion of their bill to get their utilities turned back on.

>> Mayor Leffingwell: I think everybody understands the proposal. Any comment from staff on that financial impact and so forth? Any objection? Councilmember spelman. >> Spelman: I'm looking at the fee schedule on page 550. And it says here on the fee schedule that we have a customer call center available on saturday from 9:00 to 1:00, which seems to be inconsistent with councilmember martinez's experience. Is this an issue? Do we have a call center? Is there someplace for somebody to get reconnection on saturday?

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>> Anne little, cfo for a austin energy. I'm not real familiar with the call center operations, but we do have a call center open all the time. And I'm not sure exactly what the customer that you were talking to, when they call in and all the particulars, but there is a 55-dollar same day charge. And that must be what they were charged, regardless of when they call, if they want to be reconnected in the same day then they will be charged the \$55. >> Mayor Leffingwell: So you could reconnect them on sunday or saturday? >> As far as I know, I think that's correct. >> Mayor Leffingwell: I think councilmember martinez probably wants a definite. >> There's a certain time, but it's within the 24 hours. >> Martinez: We can call 31124 hours a day. That doesn't mean we can turn electricity back on. That's the case that I'm referring to this weekend that happened where her utilities were cut off on friday, she made incessant calls to the weekend, some to our office, and still couldn't get in touch with anyone about reconnection services until this monday. >> I'm sorry, I can't answer that then. I will have to get back with you. >> Mayor Leffingwell: Can anybody answer that? >> We could get somebody over here really quick that's got a more

detailed answer to that. We can do that right now. >> Mayor Leffingwell: Okay. >> Martinez: Mayor, i would submit if someone on would come down here and say it's possible to do this, we could still adopt my motion and it would have no effect if it's already being done. But I would like to ensure that this would ensure of what forward -- >> Mayor Leffingwell: I thought your proposal was no disconnects on fridays? >> Martinez: That's correct. >> Mayor Leffingwell: But if this is -- if they can get it reconnected within 24

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hours, it would make a difference in that friday is no different from any other day of the week. >> Martinez: I did qualify the motion and say unless we're going to provide services on saturday that could get them reconnected. >> Mayor Leffingwell: That would cover them if we're already providing that service. >> Martinez: Yes. >> Mr. Ruiz. >> I al.Geez for not having the specific answers for that, but austin energy's 55-dollar fee is for same day reconnection after they make a call to us. >> Mayor Leffingwell: But his part -- his proposal, part of it is to not have disconnects on fridays unless reconnect services are available on saturday and sunday. >> I understand. >> Martinez: And it is to eliminate the 55-dollar charge. >> Yes, same day. >> Mayor Leffingwell: Any financial impact that -- >> overall the financial impact to austin energy is, frankly, negligible in the scheme of the total budget, but it is an impact. >> Mayor Leffingwell: So with the understanding that if reconnect services are also available on saturdays and sundays, the friday restriction would not have any impact. Is there any objection to unanimously adopting councilmember martinez's proposed amendment. Two-part aimed. Amendment. Hearing none, it's adopted. >> Martinez: Thank you, mayor. >> Mayor Leffingwell: Any other proposed amendments. Councilmember riley. >> Riley: I do have a question for austin energy staff and I guess this would be mr. Ruiz or mr. Mercado. Mr. Ruiz, if you don't mind, the rates that we're looking at today are designed to

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continue the utility on its course of building reserves, and we're confident in that, but getting to this point has been a challenge and part of the challenge was getting through the rate case that got us there. I know that there were significant expenses and challenges associated with that rate case. And so one thing we have to work through is how to recover those expenses. And I want to ask you about one particular aspect of that and that is legal expenses associated with that rate case. Can you tell us how much -- what that comes to? >> Yes, I can get somebody up here to give us that specific answer. >> Mayor, councilmembers, thomas mercado, outside counsel. The total amount of legal and consulting fees that were incurred associated with the appeal of your june seventh, 2012 rate ordinance are approximately \$1.557 million. >> Riley: Can you tell me about that appeal? Were customers inside the city able to participate in that appeal? >> No, they weren't. Under the published regulatory act, the public utility commission has pocket over those rates that are not in the city of austin. >> Riley: So this is a legal proceeding with accompanying legal expenses that should benefit out of city customers. >> And in city customers were not allowed to participate and they would not be able to get any of the benefits that may have inured to them as a result of that proceeding. >> Riley: From a fairness standpoint it seems like it would be fair to be able to -- to impose those costs, to the extent that there were costs associated with the proceedings, since it was brought by customers outside the city and customers inside the city weren't able to participate, it seems like from a fairness standpoint it would be fair to impose those costs on the customers

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outside the city. Is that a legally defensible position? >> That is a legally defensible position. Historically rate case expenses are collected from all ratepayers over which the puc has jurisdiction. And in the appeal the commission did not have jurisdiction over in city ratepayers. >> Riley: Currently what we have before us, are we looking at imposing those costs on all austin energy customers or just those outside the city? >> Currently they would be collected from all ratepayers both in and outside the city. >> Riley: What I hear you saying is that we could legally do an amendment that would shift those costs so that they are borne by those outside the city rather than those

inside the city. >> There is no legal prohibition, correct. >> Riley: So they would be legally permitted to do that. >> Correct. >> Riley: Mayor, given all that context, I would like to move that we modify the charges, austin energy charges reflected in the schedules before us to provide that we recover the legal expenses associated with the rate case from out of city customers. >> Mayor Leffingwell: Proposed amendment by councilmember riley. And so I have a question for you. This will -- what makes this different for me is that this was not a case settled by the p.U.C. It was a negotiated settlement. And it seems to me that a negotiation in good faith would have included this as part of the negotiations. So to come back after a negotiated settlement and say oh, by the way, we want to tack this on, that may be legal, but it doesn't seem to be bargaining in good faith. I have a problem with that and I think that will be the perception inside and

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outside the city that -- i don't want to say it's unethical because I don't believe that, but -- I don't believe it's dealing in good faith. So I'm not going to be able to support it. Any other comments? Councilmember morrison. >> I guess I want to say that I will support it. I appreciate the comments from thomas, and I think that it's important that we keep in mind the fairness for all the ratepayers and that is really what directs me to be supporting this motion. >> Mayor Leffingwell: We haven't discussed amounts. What would be the cost impact of doing it the way councilmember riley proposed? >> That would depend upon the amortization period or the period over which you would collect these fees. A one-year amortization period would result in a \$1.14 per month charge for a residential. If you did it over two years that would be 57 cents per month. Again on a 1,000 kwh residential customer. Those figures are slightly different than what you may have seen previously because after slight change in the number from 1.5 million to 1 point survive million. >> Mayor Leffingwell: Even though that's average utility wide, it's probably not outside for out of of city customers. >> It's a typical benchmark that's used, but in truth i believe that outside residential customers consume on average approximately 1640 kwh per month, somewhat more. >> Mayor Leffingwell: So it would be about two dollars a month for one year. >> Not quite, but yes. >> Mayor Leffingwell:

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About. It's not a lot of money, but it smells like bad faith negotiations to me. Mayor pro tem? >> Thomas, we have an agreement which both sides have agreed to. And this we have the ability to do unilaterally, correct? >> You do have the authority to charge these expenses to out of city customers, yes. >> Cole: Are there other things that the other side has authority to do unilaterally that would affect the relationship with us, but not unravel the agreement? >> Under the law any time you take action that affects rates, it could be appealed to the public utility commission if they get the requisite number of signatures. So if you were to impose this charge legally speaking an appeal is possible. Whether one occurs as a result of this or not is speculation. >> >> Cole: But your position is that our action is legally defensible. >> Your action is certainly legally defensible. >> Cole: I also will be supporting this motion in the interest of our in city ratepayers. >> Mayor Leffingwell: Councilmember Spelman. >> Spelman: Thomas, is there any historical precedent for this practice? Has it ever been done before? >> As I mentioned, rate case expenses are typically,, almost exclusively charged only to those ratepayers over which the p.U.C. Has jurisdiction. There hasn't been a municipally owned utility case before the commission since 1991 and so you would have to go back that far to see if there were instances where the utility tried to impose expenses only out of city customers. I'm not aware of any incidents where that occurred. >> Spelman: Holding aside municipally held utilities. They're very rare. However the practice of increasing a surcharge or increasing the bill to pay for rate case expenses is common, is it not? >> Correct. >> Spelman: Thank you. >> Riley: He pointed out that we could set an amortization period and i didn't speak to that in the

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original motion, but I would like to is say that we set a period of two years. So to mitigate the impact on out of city customers. >> Mayor Leffingwell: Understand. Any other comments? Those in favor of the amendment say aye? Opposed say no. That

passes on a vote of six to one. I voted no on that. Any other proposed amendments from councilmembers? So now we'll vote on the item, and by law we're required to do a roll call vote. Clerk will call the roll. This is on the item number 3 as amended. >> Mayor Leffingwell? >> Aye. >> Mayor pro tem cole? >> Aye. >> Councilmember martinez? >> Aye. >> Councilmember morrison? >> Aye. >> Councilmember riley? >> Aye. >> Councilmember spelman? >> Aye. >> Councilmember tovo? >> Aye. >> Mayor Leffingwell: It passes on a vote of seven to zero. Now, we can take items four through six on consent if no councilmember has pulled any of these items for discussion. These are establishing classifications and positions in a classified service of e.M.S., Police and fire departments. Councilmember martinez moves approval of items 4, 5 and 6. Seconded by councilmember riley. Are there any staff recommended amendments? >> No, sir, as long as you have the yellow sheet ordinances for numbers four and six, we should be fine. >> Mayor Leffingwell: Any council initiated -- councilmember martinez has a question. >> Martinez: Just want to clarify that the two

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lieutenants for wildfire mitigation is part of this ordinance adopting the classified position? >> They are in there, yes. >> Martinez: Thank you. >> Mayor Leffingwell: All those in favor of the motion? Opposed say no? It passes on a vote of seven to zero. Now we'll take up items 7, 8 and 9. Is there a motion on item 7, 8 and 9? Councilmember morrison moves approval, seconded by the mayor pro tem. Are there any proposed amendments? Hearing none, all those in favor say aye? Oppose said no. Items 7, 8 and 9 pass on a vote of seven to zero. Item number 10, which is -- this vote is in addition to and separate from a vote to adopt the budget, and this is a vote to set the tax rate. Motion must be made in the form shown below according to the texas code. >> Spelman: Mayor? >> Mayor Leffingwell: Councilmember spelman. >> Spelman: We're not changing the property tax rate. Is any action necessary? We're decreasing it? My apologies. >> Mayor Leffingwell: So just confirming that we're voiding on a property tax rate of 50.27. >> That's right. >> Mayor, this is the vote to ratify the tax rate. >> Mayor Leffingwell: We'll take a separate vote on the tax rate after the budget is adopted. So is there a motion to ratify the property tax

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reflected in the 2013-2014 budget adopted today? Mayor pro tem so moves. Is there a second? Seconded by councilmember spelman. Discussion? We have a motion on the table. All those in favor, signify by saying aye say aye? Opposed say no. Item 10 passes on a vote of seven to zero. Now we'll go to the vote to adopt the property tax rate. That is item number 11, to approve an ordinance adopting and leveeing a property or ad valorem tax rate for the city of austin for fy 2013-2014, be a short statement by the law department regarding the exhibits to the ordinance and then we'll make a motion that uses language required by state law. >> Thank you, mayor. First I want to let you know that it's my understanding from the budget that the rate you will be adopting is 7.27 cents per valuation, which is effectively a 3.9% increase in the tax rate. That's over the effective rate. And then the other thing that I wanted to make you aware of is that the exhibits to the tax ordinance like last year have exhibits relating to the historic tax exemption. And one of those is the exhibit where you're approving the properties that are in need of tax relieve, to you're making that finding that they are in need of tax relief to encourage the preservation. And pursuant to the direction of council at the last tax hearing we've included the one gentlemen on I think it's line -- I'm going to say 255 who had -- whose paperwork apparently has not made it in, but was

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otherwise eligible according to the review from our historic tax office. So I wanted to let you know that that person is in here and that that's one of the findings that you will be making when you adopt the tax ordinance. >> Mayor Leffingwell: So the numbers are -- the tax rate will be 50.27, and that's a 3.9 increase over the effective rate. >> Yes, sir. >> Mayor Leffingwell: So this is the language required by state law. It's a little bit misleading. I will state that -- it's actually for all those who might be listening, it's 3.9% increase in the tax, but the language required by state law is a little bit different, but I want everybody to understand exactly what we mean when

we read this language. And the motion should be i move that the property tax rate be increased by the adoption of a tax rate of 50.2 cents per 100-dollar valuation, which is effectively a 3.9 percent increase in the tax rate. Which is -- 27, did I say 29? 50.27. I think I said 27, but i don't remember. All in favor -- wait, this has to be a roll call vote. Did somebody make that motion? So moved by the mayor pro tem. Second by councilmember riley. Is there any discussion? Clerk, call the roll. We have a motion and a second. Property tax rate be increased by the adoption of a 50.27 cents per 100-dollar valuation. >> Mayor leffingwell? >> Aye. >> Mayor pro tem cole? >> Aye. >> Councilmember martinez. >> Aye. >> Councilmember morrison. >> Aye. >> Councilmember riley. >> Aye. >> Councilmember spelman. >> Aye. >> Councilmember tovo. >> Aye.

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>> Mayor Leffingwell: So i believe we still have the mueller and the -- I'll go back to my agenda. These were set for a time certain of 10:15 yesterday. So we can go into that. The vote on the tax rate was 7-0. Okay. So ou objection we'll recess the city council meeting to conduct the board of directors meeting of the austin housing finance corporation, and following adjournment of the ahfc board the council will reconvene. Okay. >> Good afternoon, board of directors. Betsy spencer, treasurer of the austin housing finance corporation. I offer two items on consent for you today. One of the meetings -- the minutes from the meetings of the last meeting -- minutes of the meetings -- minutes from last meeting. And the second item is the budget, the annual budget for the austin housing finance corporation. And I'm available for questions. >> Mayor Leffingwell: Mayor pro tem cole moves approval. Seconded by councilmember spelman. Any discussion? All those in favor, signify by saying aye? Oppose said no. It passes on a vote of seven to zero. Without objection this meeting of the ahfc board is adjourned. And I'll call to order a meeting of the mueller local government corporation. And take us through that. [One moment, please, for change in captioners]

[08:00:02]

>> Mayor Leffingwell: There being no more items on the agenda for today the meeting stands adjourned at 2:00 p.m.

[08:03:05]

>> Mayor Leffingwell: Councilman Martinez. >> Martinez: I've gone to you individually. But I publicly thank you, city council, your staff, and your staff, arguably, one of the most difficult members to deal with this budget cycle. I realize that. What I said to you this morning, I truly meant -- we were so far off on August 1 of this year when the budget was presented in terms of where each side, where council lies, community lies, budget staff, and city managerwise. But it was a lot of hard work by all of those individuals including the citizens, the local union that represents the city employees. Countless community members and had it not been for everyone trying really hard in the last month or so to figure this thing out, I dare say I never would have predicted we would be here today with funding so many values that we did in this budget and reducing the tax rate. So my hat's off to you. I thank you, I apologize for some of the stuff that happened in the with budget cycle. But you listened, you helped us. You worked with us. And that means a lot to me and to the citizens. >> Mayor Leffingwell: Anyone else. I'll say likewise. I think staff did a great job. I think the amount of input from the public and all stakeholders has been unrivalled in my experience and my time on council coming up on nine years including my service as a councilmember. I've never seen this level of scrutiny put to the budget. I'm very proud of the staff for the work they've done. But I'm proud of the councilmembers for coming together and addressing this budget in a way that enables us to not only not increase the tax rate, which is where we were about 26 hours ago, but we actually reduced the tax rate

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year-over-year, granted, only by .02 of a penny, that's a significant milestone. That being said. I don't like everything in the budget. I doubt any one of us likes

everything in the budget. I'm especially disappointed in the reduction in apd's budget. That's something I didn't want to see, a reduction in public safety. We've seen that. There may be a way to address that in the coming weeks and months. There are also -- I don't think I have to tell anybody here i voted against a lot of proposed amendments that increased expenditures because I think we could have potentially done better. That being said, I think we did very well and again I appreciate the cooperation of all members of the council and my hat is off to the staff. Sometimes I wonder how you do it, how you keep up the space. I know you worked all this weekend and probably a few weekends before that. So I think it's a good day for the city of austin. And once again, thanks to everybody.

[08:30:45]