

## City Council Work Session Transcript – 03/18/2014

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>> Mayor Leffingwell: Good morning, I'm austin mayor, quorum is present. I'm going to call this work session to order on tuesday, march 18, 2014. We're meeting in 301 west second street in austin, texas. Our agenda today -- I have to leave at 10:45, so nation mayors for meals on wheels I have to go to, it's a nationwide thing. Obviously we all support meals on wheels. So I would like to call up the items in section c first and say a couple of words about that. First of all, items c-2 through c-5 concern spending some of the unexpected \$14.2 million budget surplus. I have to say I consider calling up these items for action on the work session I think is inappropriate for a number of reasons. First of all, I think it seriously impacts transparency. There's not been enough -- there's not been enough time potentially to address all of the items in the work session and not give people, other people a chance to weigh in on this. I think it's basically unfair, inequitable. Because if we choose to spend the \$14.2 million surplus, which I do not support, by the way, I think at the very least all of the other items left over from the last budget cycle and other considerations such as using the surplus to potentially keep the tax rate down and/or mitigate the impact on our utility rates, perhaps we could rebate some of that money to lessen the increase and water utilities and we know that our austin energy and water utilities have lost money for the last several

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years, especially austin energy, I believe, for the last five years. So all of these things ought to be on the table for the first time. So I think transparency is an issue. Equity is an issue. I think the appropriateness of dealing with this in a work session is problematic to say the very least. So what I would suggest is that we postpone indefinitely, hopefully until the next budget cycle but at the very least until after the city manager's budget forecast, items c-2 through c-5. I personally would prefer to postpone item c-1 until a regular council meeting. I have read the resolution and I think it's well written and actually is an improvement over our current policy. But addressing items c-2 through c-5, if there's a motion to postpone those items indefinitely, I will readily second that motion. >> Martinez: Mayor? >> Mayor Leffingwell: Councilmember martinez. >> Martinez: I want to speak to the one directly related to an item

from council I was directly responsible with, that is item c-2. Ultimately, I'm happy to withdraw it all together. We directed staff to enter into the conversations with the austin technology council so we could create a road map of our partnership moving forward. That item was passed a few weeks ago unanimously. Yet to be a conversation had between the city and atc. So I don't know how this item comes up with a fiscal impact in a mid year budget adjustment when we haven't even had one meeting with atc. Our impetus behind the resolution gave no direction to come back from mid year budget amendment. It simply said, prepare this working plan with atc. And if there is a budget impact, bring it through the normal budget process. There was nothing in the resolution that spoke to a mid year budget adjustment. So I'm concerned and confused as to how something could come up with a price tag in the mid year

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budget adjustment when we haven't even discussed the partnership moving forward with atc. So with that being said, I agree with you specifically to this item and I'll move to withdraw the item completely. >> Mayor Leffingwell: So that's item c-2? >> Martinez: Yes. >> Mayor Leffingwell: So councilmember morrison? >> Morrison: I would like to speak to that item specifically because I agree with you, councilmember martinez. I think we have a lot of opportunity to enhance our partnership with atc. One of the things that we have to keep in mind is that we also have an item, a resolution to ask staff to look at the poe terrible of expanding the scope of the austin chamber and also I have been in conversation and I suspect some of you -- some others may have been in conversation with the austin independent business alliance about enhancing their scope and some ideas that they had. So my concern about having this on here now is that I think there's a lot that we can do to help -- to help support small local businesses here and the organizations that we have here and I look forward to having that conversation. Some of it might be reallocation of funds in economic development as opposed to new funds. So I support withdrawing this item now and have -- having that fuller conversation specifically around those organizations. >> Mayor Leffingwell: Well, lemt me say first, as to how they got on the agenda, I asked that same question, because I wasn't at the last work session. And the answer that I got was city staff review furnished me a copy of the transcript and it was voted on by the council to bring all of the items back on this agenda. That's how it got there. How unfortunate or how unintended it might be, it was a 5-1 vote with councilmember spelman voting no. So if there's no exception we can deal with c-2, councilmember

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martinez wants to withdraw that item. Is there any objection? Hearing none, item c-2 is withdrawn. >> Tovo: Mayor. >> Mayor Leffingwell: I would also like to entertain a motion to postpone items 1 -- excuse me, c-2, c-3 -- excuse me -- c-3, 4, and 5. >> Tovo: Mayor? >> Mayor Leffingwell: Councilmember tovo? >> Tovo: Mayor, c-4 is an item we did -- we did vote on it in an open session in the council meeting. We voted on the resolution and passed it to ask the city staff to go and look for funding for an item that is noted for a necessary upgrade that we need to make to one of our parks facilities. We asked the staff to go and identify any possible sources of funding, including looking at the surplus funding as one

possibility. But you'll notice that the staff have brought forward a proposal to use our bond funding. Now, these are citizen bonds that were approved, they were approved by the voters specifically for facility improvements within our parks department. And I believe this is a perfectly appropriate expenditure of that fund. So I think it's a very different circumstance then talking about using our surplus funding. Again, we have voter approved bonds to be spent on facilities improvements within the parks department, \$21 million, I believe, \$21.5 million for facility upgrades. This will not, as I understand, displace any projects that have been contemplated for upgrade or renovation this year. It is a necessary upgrade at one of our parks facilities. We have an obligation. One of the things we do with the tax dollars is provide services and resources throughout the community. I will not support a motion to postpone consideration of this. This is very similar to the kind of things that have appeared on our agenda for the 2 1/2 years I've been here. We notice a need. We ask the staff to identify

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funding. They've identified an appropriate funding source that does not tap into our surplus funding, and I think it's an item very properly before this council today. Again, we have a resolution at an open council session two weeks ago. We had a discussion again about it at the work session. This is the final action, the third discussion, at least the third discussion, not the first. >> Mayor Leffingwell: Well, I still think transparency is an issue for me. I would like to see this item discussed in context and have an opportunity for public input and for council input to look at the entire bond authorization to see if this is the most appropriate use of that money. So I think it's appropriate to really take a step back and postpone action on that. That might well be the course of action that's eventually taken. But I think that we should consider all of these items in the full context of all other unmet needs. Cole: I have a question for staff. >> Mayor Leffingwell: Mayor pro tem. Cole: We heard staff recommend the item c-3 be used with bond funds. So I'm wondering if staff would characterize it as a budget amendment or not. >> It would be a budget amendment. Prop 14 is including \$27.7 million for par. That's prop 14. And a chunk of the money was for facility renovations. And so, you know, I think staff in the parks department was in the process of looking at all of the -- you know, potential facility renovations they could do with the portion of the bond funds that were set aside for that and prioritizing that list. I mean what this action would do would be to essentially putting the renovations at the arc for the commercial kitchen up to the top of the priority list which is surely council's discretion to give us this direction. This item is a budget amendment, though, it's taking some of the

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unappropriated funds for the bond program and appropriating them to the capital improvement program for the commercial kitchen. To date, about \$9.25 million of the \$77.7 million have been appropriated. So there's still \$60 million some, \$68 million that have not been appropriated. It would take \$600,000 of that pot and allocate it to the arc kitchen. Cole: When we talk about the \$45.8 million additional surplus funds we have we're contemplating these particular items being spent some, we're not contemplating using the surplus funding for this item? >> Not for this item. Staff's proposal is to use the voter-approved bonds to fund the kitchen and appropriate use of those funds. It would also be

appropriate use of our stabilization reserves of the \$14.2 million surplus. But the item before you would be to appropriate funds from the bond program for the kitchen. Cole: Okay. >> Mayor Leffingwell: I still see the value in considering all of the other potential uses of that facility and renovation money in context and considering this as one of the possible -- you know, I very well in principle I support spending money for this -- for this particular item. But, again, I think rushing it through in a process like this is basically unfair to all of the other potential requests it might be offered in the future. >> Mayor? >> Mayor Leffingwell: Councilmember spelman? >> Spelman: On c-4 and c-5, I would like to have a better sense of voting on c-4 and c-5, whatever priorities this might be displacing in the parks bonds budget. I would like to point out the differences between \$600,000 and \$47,000, that's \$47,000 that would be every year for the next 20 years. That's going to add up more to \$600,000. We have to pay the interest on

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the note. The other point is this is the only one of the proposals that has a direct effect on tax rate because we would have to increase the debt service portion of our property tax rate in order to be sure to pay the debt service. That's the increment. Is that accurate, ed? >> I -- I don't know that it is accurate because I think that the \$600,000 then is spent on the kitchen facility, it's going to be spent on some other facility. This is a matter of prioritization on how we spend out on the bond program and what the tax rate is. >> Spelman: The residual between what we've spent on the park bonds and what we're ultimately going to spend on the park bonds. Presuming we're going to spend all of them at some point. >> Presuming we'll spend \$600,000. We're not saying we're going to do it as a result of this. >> Nevertheless, though, we need to increase the tax rate for every -- every time we issue a bond. Kwl we're authorized or not. The tax rate goes up to cover the debt service, isn't it? >> The tax rate is set by the debt service that we need to fund our debt. If the debt service requirements are higher, the tax rates will be higher in any given year. >> Spelman: Okay, thanks. >> Tovo: Mayor? >> Mayor Leffingwell: Councilmember tovo? >> Tovo: Just to follow up, the question was before the voters in 2012. They approved the expenditure of that \$70 million plus for parks. So that question has been settled in the public in terms of people providing input about that whether it's an appropriate expenditure. The question about validation is a valid one. It would be helpful to know what

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the other projects are. You said some of the facilities improvement money has been allocated. Could you give us a sense of whether some of the other projects that have been funded and I would just remind my colleagues we had a -- we've discussed the senior meals program. We had several discussions. We've had in depth discussions at this point about the aarc in this particular need. I would be interested to know if we had thorough discussions about the other money for which bond funds have been allocated. >> Maybe restate the question. >> Tovo: I think I heard you say -- I have an e-mail I can refer to. Some of that facilities money has already been allocated for this year. You've identified some projects to receive the funding within the facilities and renovation money for this year. Could you tell us what some of the projects are? >> I would like to ask -- we have park staff here. Vip staff. We have

appropriated to date, \$9.25 million from prop 14. I think they could -- >> Tovo: Not necessarily within the facilities. >> Good morning. Cip program manager. The facilities renovation appropriations are not just for buildings, they're for a broad range of improvements on park plan. That could include play escapes, athletic facilities. Sports courts, pools, projects, trails, and so forth. So numerous projects have been -- had funds encumbered from the dollars that had been appropriated to date through last october. Speaking specifically to building projects, a handful

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that I could speak to specifically. Hvac and elevator work throughout the department at the bakery as a single facility. Store front ada improvements at a number of facilities, givens rec center, rosewood and others. And some current work that's in the process that's at the austin nature and science center, some exterior drainage work around a building there. Those are some projects that have been funded to date from the appropriations of 2012. >> Thanks, we had a playground funding. I think we affirmed some funding for a playground creation or playground renovation, maybe on the last agenda or the one before it. I don't even believe they got pulled from the consent agenda. So in terms of public dialogue and discussion about some of the priorities and how we spend our bond funding, I would say to some -- to a large extent, we rely on our staff's recommendations on how that funding should be spent. Is that the case? I don't remember public dialogue about a lot of the other things that you mentioned. Say the drainage at the austin nature and science center. >> That's correct, councilmember. We look at a rolling needs assessment. Priorities can change over the course of time from year-to-year. A building system, hvac or pool mechanical system that's intact and have high level of integrity can fail in the given year and it rises to the comp. So it's a common occurrence prior toization occurs and then like the play escapes program you indicated, we had an item before council this week to extend authority to a purchasing agreement where we on an annual basis and working through a list we determine where the most urgent need is and identify the projects that make the purchases accordingly. >> Thank you. A lot of that is just to recap the staff recommendations on how to spend that money. It comes to us for approval and again I would just submit that this is a need that was not contemplated at the time of the bond? Program because the facility

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hasn't been constructed because it wasn't clear that there would be a need there. That's something that would require addressing. So, again, I feel strongly that this fits well within the goals and missions of what we've promised the voters in terms of using that funding for facility upgrades. As I mentioned, and one other time it came through council the first time as a resolution, we talked about it from the work session, I pulled it from the consent agenda before the thursday vote and we had an opportunity to talk a little bit about the potential impacts on revenues in the next few years until this is completed as well as the fact that competing implementation of a program that we voted to support, which is the senior congress regait meals program at the center. >> Spelman: I have a follow-up. >> Mayor Leffingwell: Councilmember, spelman. >> Spelman: Sir, I forgot your name, my apologies. >> Marty stump. >> Spelman: Mr. Stump, help me -- you're a representative from a large group of people from a large

department. I'm asking you because you're here. What's the timing of the decision making for working through a bond program? This happens in the budget cycle? Over the course of the year? How does that work? >> Various programs through the bond program, it's a five-year program, and we are highly coordinated with the other departments through the capital planning office and working closely with the budget office in terms of the amount that's appropriated on an annual basis. The encumbrances that occur in a subsequent year happen at a rate depending upon the negotiations of those contracts when we have purchasing agreements approved to make those expenditures. >> Spelman: Right. >> Different programs have a different level of priority in terms of what our prioritization is. If we know pretty well what order we'll be placing playgrounds, pools. The aquatic session right now

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that informs future decisions about pool projects. Some of the projects, we know it's specific what we'll be spending it on. Others are what happens in the course of the year working with the facilities staff, folks in the field that can tell us what facilities are needed. >> So in the year, we're going to find you or your comrades and other departments will come back and say we need to spend \$4 million on this bond program? >> Precisely. >> Spelman: Do we make a decision in the budget cycle as to how much we're going to be -- how many increments or what the total amounts you're going to be authorized to bring before us on an annual basis would be? >> The total amount that we would bring to council on an annual basis is not fixed. It can fluctuate, for example, throughout the course of the five-year bond cycle. You can see the expenditures increase over the course of the year, reaching a peak at year three and four. What I would say in the first couple of years of the bond cycle, the expenditures are going to be relatively low as we ramp up, get through the design phase of the projects. When we get to the construction phase, the expenditures can be seen to be higher in the subsequent years >> Spelman: So we're going to incur greater expenses in years three and four of the bond cycle rather than one and two. Entering year three? >> Year two. >> Spelman: Year two. So we're not at the highest spending anyway. >> Right. >> Spelman: You don't have a fixed budget. You can spend \$10 million of your bonds this year. That's not something -- certainly not something we talk about in the bonds -- in the budget cycle. >> That's correct. We have a spending plan that sets off the goals, the expectations throughout the course of the year right now. The parks department is on a spending rate of \$30 million per year according to the spending plan, though, under the 2012 bond program, we're looking at I think \$19.25 million have been appropriated to date in the 2012 program. That reflects sort of that ramping up. >> Spelman: That spending plan is part of the capital budget. We do actually pass a capital budget every year as part of our

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operating budget as well, right? >> Mm-hmm. >> Spelman: So we're going to see -- actually rather than just spending the plans for the bonds, we're going to receive something bigger which is the capital plan for part. >> Correct. >> Spelman: We didn't have a chance to look over all of the priorities that you and staff have selected for the next year? >> Correct, yeah. >> Spelman: As part of the capital program? >> That is correct. We build our capital program, we list it program by program and project by project. >>

Spelman: Over the course of the year, the actual items come up, we have to spend \$4 million for the item now. >> Yes. >> Spelman: Got you. Thank you. Cole: A followup question. >> Mayor Leffingwell: Mayor pro tem. Cole: Can you explain the unmet needs process we'll see after april 24 how this item will fit into that annual snis -- analysis? >> I can respond to that. The unmet service demands we've done in the past are generally related to operating requirements so a need for additional officers, firefighters, additional parks and rec staff to do maintenance or cemetery work, those unmet service demands are always related to operating needs. The prioritization of the bond funds and capital projects in general, bond funds or not bond funds goes to a review process with the planning commission. They ultimately recommend a list of capital projects to the city council and city manager. That gets captured in our five-year plan. So just in terms of terminology a little bit, and just to be, you know, for some clarity sake, when we talk about council adopting a capital budget as part of the annual budget process, you're adopting appropriations for that year. So when we talk about as part of the 2014 budget, you approved \$9.25 million of appropriations from the 2012 bond program for part activities. That's different from the spending plan in the capital world because they're multiyear.

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So they might have had appropriations from previous years that might have been expended yet. And they may have, I think marty was saying a spending plan of \$19 million even though your appropriations for fiscal year '14 are only at \$9.25 million because you had some of the prior year funds that council had already -- that they already appropriated. So there's really two components. The longer-term perfective that's capture in the five-year spending plan. And, you know, in terms of the overallf bond program and what we think the funds will be expended and then there's the annual appropriations amount. So when we come forward to council at '15 with the annual appropriations, it will be funding recommendations related to specific projects or programs. So, I think the other terminology thing is in the capital world, there's things that are like named projects so we may come forward, for example, and say we need additional funding for this specific library project, or we may do it in a programatic way and say \$800,000 for sidewalk improvements. We need to do it throughout the city. Our public works department might do \$7 million, \$8 million of sidewalk work. In the case of par, they might request funds for just general trail work. As we go through the year, they'll figure out which trails need the most need and where they're going to spend those dollars. So there's this -- there's this project-specific, name project type thing and then more programatic work that's done. Then you start to think about where does the kitchen fit in to all of this. I mean, essentially if council so chooses to allocate some of our bond dollars to this kitchen, that would mean somewhere down the line, there would be potentially less trail work done or the sports fields needs. We say because council is part of the budget adoption would have the ain't po say, well, we

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took \$600,000 out of the bond programs to do the kitchen. As we're here discussing the 2015 budget, we with an't to take some of our reserves or general fund dollars or some other source of appropriate funds and allocate to park cip. So I don't think I have anything else to add to that. I hope I didn't confuse

anyone. >> Mayor Leffingwell: It really is a matter of priority. Excuse me. It will be a matter of priorities and you'll come forward with a capital budget that's prioritized as to what we need to do this year or what we need to do most. We're not going to spend all of that \$ 7 million in one or two years, even. But we'll have a list of prioritized list that comes forward in the budget. I think that's the proper way to handle this item. If it comes out on top and -- in the next budget cycle, it could be approved as part of the capital budget for the next fiscal year. >> Martinez: Mayor? >> Mayor Leffingwell: Councilmember martinez. >> Martinez: I do appreciate the explanation. You might have felt like you talked yourself into a knot there, but you didn't. It really is helpful. I want to ask -- I want to try to tie a bow on the end of this thing. What I'm not hearing, what was brought up earlier is the attack on the tax rate. We have a capital adoption each year. The reason we have a spending plan each year is so we can try to fit those expenditures within our debt service. And it doesn't necessarily mean that we are going to have to raise the tax rate to cover that debt service. Because debt falls off every year and debt increases every year so to speak as we appropriate these items. So this specific action would not affect the property tax rate in this current year or the next year as long as it fits within that spending plan that we've already planned out for five years or the capital budget that we planned out for five years. >> I think that's a fair assessment. I would just remind everyone that when we brought the 2012

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program forward to the voters, a commitment of the financial staff, based on our analysis and the protections for future a.v. Growth is we would do this bond program, \$307 million at the time without any impact to the tax rate, we had the capacity in our tax rate at the time .07 to cover the debt service on all of it spread over five years without an increase to the tax rate and we still feel that's the case. The debt portion of the tax rate. >> Mayor Leffingwell: Councilmember morrison. >> Morrison: I appreciate this discussion. I think it's very interesting. And I think a couple of the things about the prioritization process, I've never seen within the budgeting process a list of these are the projects that park plans to spend their capital on this year. Is that actually included in the budget? Or is that -- >> it is. It gets down to that named projects versus nonname projects. You go to volume two of the budget document, there will be a tab for the capital budget. In there, you can see for all of our departments, asking council to appropriate additional funds to the central library. You'll see it in there. If you're asking to allocate additional funds to the board walk project, you'll see it in there. And you'll see things of a more general nature that we need additional funds for street maintenance, for sidewalk replacements and maintenance. For trails work. So that is all in there at that level, the specificity. You wouldn't see most likely you wouldn't see if we were have done that as part of the 2014 budget, a line item for \$600,000 for an arc kitchen. That would be part of the program called facility renovations or maintenance or something of that nature. >> Morrison: So, does this \$600,000 fit within something in our current budget that says facility renovation?

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Because I there is something in volume two with the capital budget and it's -- it would be one part of it. Are we adjusting anything between different categories of capital spending for pard? >> Not in terms of



the budget. The budget was \$9.25 million of appropriations. We're not proposing to take any of the appropriations from the work that was planned. What we're proposing to do is take some of the \$68 million in funds that have yet to be appropriated. Appropriate them to this project. That will then -- the reimbursement resolution is that we will then come back in august and say as part of our debt sale, we want to issue debt to pay for a whole variety of things, including the work that was done on this kitchen and and then the debt service will commence from there. I would like to add that the original facility itself is paid out of voter approved bonds, 2006 bonds. >> Morrison: Right. >> And had we known in a year or so ago that there was going to be a desire to add a commercial kitchen to the project, we certainly would have been looking to just complete the project within the bond funds and issued debt to do it at the time. So it just seems like it was an appropriate use of bond funds given that history. And given the nature of the project. >> Morrison: And can -- maybe you can help me with this. Can you give us a little history on why it wasn't designed with the kitchen in the first place? Or was it designed and value engineered out? >> You are correct that the commercial kitchen was not designed into the facility. I don't believe it was part of the program at that time. When the project was initiated, it was not a parks and recreation facility I think intended ultimately. So there was some staff and the folks programming the building today were likely not part of the initial conversations about functionality of the building. I think the intent of the kitchen would be that it was more of catering-type kitchen, warming preprepared foods and serving within the cafeteria.

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I think since the completion of the building, there's been a desire for more food prep, the type of kitchen that would be able to provide more fresh foods being prepared and cooked on site and served. So that triggers anything from additional refrigeration, hvac, ventilation, fire code, and those sorts of upgrades that would facilitate that more robust kitchen in that facility. >> Morrison: And do our other resource -- cultural resource centers have commercial kitchens? I guess the mac would be a question? >> I'm not sure across the board. I imagine that we have a couple that do, but many that don't. >> Morrison: I'm talking about like the mac and the equivalence, they do? Yeah. >> Tovo: If I could jump in. >> Mayor Leffingwell: Tovo? >> Tovo: Thanks. That question was asked. We were given a list of the ones that do and that was part of the standard building programs for park's building facility. Councilmember martinez asked and she said it did. >> Morrison: Great, appreciate that. The other point this discussion is making for me and it touches on a discussion we have, I believe, at our last work session when we were talking about how we get council priorities into the guts of the proposal -- of the proposed budget, for instance. And there was some discussion about staff doing a lot of work to identify unmet needs and which ones should be priorities from their perspective. And then the question arose as to well how does council get back to the process without doing budget amendments or shifting something to get it into the dna of the -- of the budget as opposed to having to adjust things for that? So for me, considering this is fully -- the expenditure of these funds was fully embraced by the voters and I also believe that fundamentally, we have a sub standard facility as a

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cultural facility and that is an equity issue in this town that is very compelling to me given the process that we use for the rolling process that we use for identifying the priorities, I think, is fully reasonable and appropriate to actually take action and approve this and I would certainly be happy to second the motion should one be made by the sponsor. >> Mayor Leffingwell: Let me just say again that I spoke a little bit about the priorities. The normal way to handle this would be in the process of dealing with the next year's capital budget considering all of the various priorities that might be in there. And, again, I would like to see all of the potential projects lined up against each other to see -- I mean, I would like to find a way to vote for this particular project at that time, considered in context. But there's also the precedent of making changes to the budget, amendments to the budget in mid year which is something we should be very reluctant to do. This sets a precedent for doing that too. So we have a limitation on the number of times we can do this and we know that we have the surplus that doesn't have anything to do with this particular item, I know. But if there is a precedent of going through amending the budget in mid year which is a bad precedent to set. >> Martinez: Mayor? >> Tovo: Mayor? >> Mayor Leffingwell: Councilmember martinez? >> Martinez: I agree we need to have a robust conversation when we adopt the budget. But ed, I thought I heard you say that when we adopt the capital improvements projects plan in the budget cycle, it's generally vague so it's not project-specific. So we wouldn't even say things like a commercial kitchen at the asian resource center. It would fall under the category of "facilities improvements at

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pard." Is that correct? >> It could. >> Mayor Leffingwell: Well -- >> well, in terms of what we -- of what we put in the document and what council actually authorizes, it would be a dollar amount for facility improvements. Now, when we present the budget to council in the power point presentations and our discussions, we asked our departments to be more specific on what they're planning on spending but now we're getting to the spending plan discussion. So -- >> Martinez: Right, but as you have on this thursday's agenda, item 40 is an appropriation of \$4 million for play escapes that is through that capital spending plan and it's now coming to council and now it's built with specificity on an rca for this council to adopt. So next year, if we wait until next year on the commercial kitchen, it wouldn't be specific in the capital improvement plan as adopted by the budget necessarily. It could. I understand that, mayor, that one council could make that specific request -- councilmember could, but normally it would not in that process. Sometime in the year when the expenditure is made, the rca would appear on the specificity of the agenda for the expenditure of a commercial kitchen. >> Yeah, for a contract to be approved. >> Martinez: Thank you. Cole: Mayor? >> Mayor Leffingwell: Mayor pro tem. Cole: We have presented in c-1, financial policy ads. I want to be clear about the fact that this item is not applicable to bad financial policies that has been set forth. >> The existing financial policy related to budget amendment is specific to the general fund and proposed new policy would be specific to the general fund. Cole: Well that particular policy that we have before us requires that we not have a mid-year budget unless new revenue resulting from the initiative and that funding is

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to address extraordinary circumstances, that there are no significant costs, cost increases are fully offset. Now, I don't think that this item meets that threshold. But it's my understanding that this item meets the threshold for what we normally do with bond funds, that's correct? >> Certainly, we would certainly anticipate we continue to have budget amendments to appropriating bond dollars as project needs arise. I think it's a matter of discussing as to whether or not we're going to be using general fund dollars for this project, whether it would rise to the new level of this policy we're proposing. There's certainly some room for interpretation there. Cole: But what -- >> councilmember, this new policy comes up when there are priorities like this for the budget office to look for firsts in the departments or other revenue sources, appropriate source, that could be used to fund the need. That's, in fact, what we've done in this case. We identified 2012 bond funds that are appropriate for this use and have not been previously programmed based on a priority list. So it does comply with the new policy asking us to go look for additional funding sources that are appropriate to the use. Cole: Well, I'll just say that we got here because we had made these budget amendments and overall, I agree with the mayor that it needs to be done in a comprehensive fashion. And, ed, you said you were going to make a presentation to us in april, 24, was that correct? >> Yes. >> Cole: So I think for clarity, for us to know what we have available in all of our funds, even though that will be the presentation about general funds and we can also look at that time with unmet needs, is that correct? For the parks department? Or I understood you to say to councilmember morrison that we had that information already available but I had not seen it. >> Mayor, if I may?

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>> Mayor Leffingwell: City manager? >> One of the things that we keep talking about with respect to the subsequent consideration of these matters at the time of the budget forecast, I guess I want to focus on the budget forecast. And just emphasize. I suspect what you already know that it is a forecast, right? And so -- and so those numbers are forecasted numbers. And so I think even then, there needs to be some caution about making decisions based upon what numbers look like at that time. It is a forecast. And as you know, as we continue the budget development prosesz, you know, we get more and more information and we refine our numbers along the way until such time that we're ready to formulate a budget recommendation to council. It's just a caution about the nature of the conversation I'm hearing with respect to forecast -- it's a forecast in april that we are going to provide the council with as we do every year. >> Cole: I simply think that we have -- have some confusion about whether this is necessarily bond funds or part of the budget surplus or a part of the surplus or is bond funds. Made clear it's part of the bond funds but we're considering it now in connection with items connected with the surplus. So I was wondering if the sponsor of this item would entertain us considering this item after we have the budget forecast, realizing that it's only a forecast. But that that will give some information about the overall needs of the parks department and then we can bring it back late april, early may. >> Tovo: I appreciate the suggestion and the creative thought behind it. >> Mayor Leffingwell: Is that a motion, mayor pro tem? >> Tovo: She was asking me a question. >> Mayor Leffingwell: And I asked her a question. I just want to clarify. >> Cole: I have not made a motion yet.

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>> Mayor Leffingwell: Go ahead. >> Tovo: So mayor, I would like to move approval of this item and like to make a few additional comments and I have a question for ed. You know, I think there has been a great deal of confusion in our discussions and it's complicated and I understand why and I've been confused myself. But you know in some of the e-mails we're getting are conflating the item. But this is not -- as you rightly said, we're not talking about funding -- spending surplus funds for this. And really, what we're doing is not different from what we do on a lot of thursdays, which is to make -- to extend money that's been allocated in one category or another. And so as I look at things like authority, as councilmember martinez mentioned to put \$4 million in to play escapes or 39 which is possibly also coming from bond funds to purchase wood fiber for use in play escapes. Those are all allocations of -- is that right, mr. Stump? Is that also using bond funds? >> That is correct. >> Tovo: If we asked staff to identify the various uses of bond funds on thursday's agenda, I think we would find our work sessions on tuesday if we're trying to line up the priorities and compare them to one or the other are going to be very complicated and very -- certainly we would have a very thorough discussion about prior toization. But we need to rely to a large extent on the staff and other needs in the community extending the bond funds. Again, I move approval of those items. I think we have had some significant discussion of them. More than 39 and 40. I would ask if we're going to table decisions about expenditure of bond funds, my guess is it will capture a lot of things on thursday's agenda, next thursday's agenda, last

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thursday's agenda, I would say if there are particular pieces of information that we need, then it's appropriate to postpone. But the staff have constructed a good estimate, I believe, of what is needed. We know that time -- we know that this is as councilmember morrison said, really a matter of equity. The other cultural facilities have this. I spoke yesterday -- I talked about this in one of the work sessions earlier, I'll mention it again, it was, as I understand, part of the design of the original facility, but was cost engineered out. I wasn't present in the discussion. I'm going on the best information I have. But I talked with somebody who was part of the committee yesterday who remembered it, a point of discussion with the project manager. They had to cut costs. That was one that was cut. I think director hensley said in the last work session, it was cut from the commercial kitchen which is a standard down to a catering kitchen to a warming kitchen. It's a significant step back from the original design plan, again, as I understand it. I'm working off of the best information I have several years later. So it is going to expand the kind of program they can do. It will allow them to implement a program we voted on. And I believe it will enhance their ability to bring revenues into that facility because it will expand the number of caterers they can have come and help with events in that facility. So I think in the end, it will have a revenue impact in terms of making sure that that continues to be a very viable venue for private groups and other organizations that want to rent it. Cole: Mayor? >> Mayor Leffingwell: So mayor -- so councilmember tovo moves to approve items c-4 and c-5. Is that second by councilmember morrison? Mayor pro tem the? >> Cole: I have a substitute motion to consider c-5 after we have the budget forecast in april when we come forward and it gives us time to take some of the information that's been presented to councilmember tovo about the estimates that have changed and also ask questions about leveraging opportunities for this item with the private

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individuals that have pledged to help with the asian american resources. >> Mayor Leffingwell: Would you rephrase your substitute motion? >> Cole: My substitute motion is to postpone item c-4 until after the budget forecast. >> Mayor Leffingwell: C-4 and c-5? Cole: Yes. >> Mayor Leffingwell: Motion to postpone until after the presentation of budget forecast and second by councilmember spelman. Again, I'm going to support this. Right now, as I said, it's priorities, it's precedent. I don't know at this point how this affects the timing of much-needed other repairs. We know we have a lot of other major facilities, particular accruals that require extensive -- I would hate to see those postponed, for example, if that's the case. I just want to see the whole thing in context and be able to consider all of the options before we make this decision. I don't see the urgency. So I will support the substitute motion. >> Riley: Mayor? >> Mayor Leffingwell: Councilmember riley. >> Riley: A couple of questions for staff. This would be for martyr or the budget staff. The amount that we're talking about, \$600,000, did I hear you say that that is within the amount that we had expected to spend on parks facilities this year? On capital expenses? >> It's well within that. But we're not taking any funds away from funds that are already programmed and planned to be spent this year. This will be appropriating additional money. So they would have additional funds to spend this year as a result. >> Riley: Increasing the facilities budget. >> That's right. >> Riley: Help me understand the relation between that budget decision and the budget forecast that we are -- that we expect on april 24, typically when we hear the budget forecast, we think principally in terms of the general fund and operations and that's why we hear about how tax revenues are going and what the

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outlook is and that's a -- it's less clear to me how that would -- how that discussion would apply to our consideration of bond items. >> If you recall last year, we added a capital budget to our forecast where we showed you the status of each of the bond programs, how much appropriation had existed. How much had been spent to date, and what the future spending plan was. And we will have a capital budget session p section in our forecast again. As well as the debt projections. >> Riley: At that point, we survey all of the capital needs for the parks facilities and go through a prioritization process to talk about what should be -- what should come first? >> The forecast is as and probably always in the future will be unless council directs us otherwise would be a higher level than that. I was talking to director hensley before this meeting and I'm sure the parks department could come up with \$50 million, \$60 million, \$70 million of desired improvements and our intent would never bring that entire list of every possibility and take you through a week's long prioritization process. What with we do in the forecast is say we have \$68 million yet to be appropriated and here's kind of our plan for the next five years for how those moneys would be appropriated and really with the focus on the upcoming year, the major projects that we see getting under way in the -- in the upcoming year. So specific trails that we think we'll be working on in the upcoming year. And other facilities, you know, potentially for doing an arc kitchen. We highlight one of the projects we anticipate happening in 2015 would be the kitchen, given, obviously, the attention to that. If this isn't approved today, it will be discussed as part of the forecast whether or

not we're forecasting the kitchen in '15 or some future year. But it never has been a list of

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every potential possible need and a process of working through council of what the prioritization should be. That's been like a staff process to do all of that work and come forward to council with a recommended list of projects. And as I mentioned, a process that also goes through a capital planning commission process of looking at the five-year plan and looking at needed capital projects across all of our city departments and looking for how those projects align with the imagine austin comp plan. That turns into a recommendation which then of course heavily influences the direction that our capital budget goes in. >> Riley: So given that history of how we have addressed capital items in the past, can you help me understand how we would be in a better position to make this particular decision on april 24 than we are now? >> Well, not necessarily in a better position. That's why I was emphasizing that it's a forecast. It's -- we're going to talk about the things that he said. You all recall what it is. We have an economic forecast. We take a look at, you know, revenues and expenditures, at least up to that point. We will take about the capital side in terms of what's been done, what they're doing, what they anticipate doing. But after the forecast, the rest of the budget development process is informed. We are, by a number of things. We're informed by your reaction to what you hear when we make the forecast. We're informed by your reaction to the various departments that come forward in the course of that process subsequent to the forecast. We are informed, so notwithstanding what is said at the forecast and others and other things that occur subsequently. What you hear at the forecast -- we may based on the information we received along the way, we may change something along the way in terms of forming our recommendation, you know, for the next budget. Are you in a better position? I don't think that's necessarily the case.

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>> Riley: I guess I have to ask -- ask the maker and seconder of the motion what -- what is the reasoning? We've heard from staff that we're not going to be in any better position as of april 24 to make this decision? So why would we -- help me understand the rationale for the motion? >> Cole: A couple of different reasons. First, even though staff maintain we're not in a better position, I don't share that. Because I believe if we have the forecast, the capital budget forecast, even at a high level, we know some of the priority information and we can help determine whether we're going to spend \$700,000 on this particular item. I fully believe that after hearing that, we will, but we need that information. Second, I have generally understand that this is a facility that has been talked about being leveraged with outside community stakeholders. And I know that that is going on now and I think we'll be in a better position to know how that has progressed. And, third, there's been additional staff analysis in terms of where we started at a catering kitchen to a commercial kitchen that has not been presented or I haven't personally visited with staff on those items to determine if this can come in at a lower dollar amount. So I think giving us additional time to look at this would benefit us. >> Tovo: Mayor? >> Mayor Leffingwell: I agree. I agree. Councilman tovo? >> Tovo: I have a couple of questions for the city manager. But I want to call my colleagues' attention to the q&a, 2013-2014, staff described some of the challenges they found

implementing the commercial kitchen, implementing the congress regait meals and the commercial kitchen and talked about the estimate, which I believe is also some information they provided in the backup as well. I wanted to ask I guess maybe the city manager -- well, let me ask this question first of ed. But kind of capture what our discussion has been like today.

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Typically when we get the capital funding, capital spending plan, it would have big categories of things in our budget. But something like 4, for example, to spend \$4 million on the various play equipment. That would not have been a line item? >> No, and I do need to provide a little clarity in terms of the items you're referencing. It's in terms of the language. We would have appropriated in 2014 or in a prior year, we would have appropriated funds and council would have approved the appropriation of funds for things of that nature. This item is a specific contract. Council, you gave us the authority to spend these moneys. Now we want to come back and spend them on this specific purpose. No different here. If council approves the appropriation today, the contract to do the work has to come back to the council to be approved. >> Tovo: Thanks for the clarification. But on a high level, we get the funding plan in terms of priorities including play escapes and swimming pools. >> You're not going see the forecast. >> Tovo: You're going to provide us with general information about some of the high-level needs and as you said possibly the kitchen would rise to the level now because we had a lot of discussion about. But typically we wouldn't have a discussion about whether we want to put funding to upgrading the playgrounds, that's a staff decision and we approve it. >> It's programs or high-profile things such as the kitchen. We're not going to get to the specifics of how much mulch we're planning on buying in the next five years. >> Tovo: I hate to keep calling on that one. I'd hate to see those items. I would hate to see 39 and 40 postponed as well until after the budget forekames. It calls into mind, where do we stop. When the staff brings us forward items that are spending our bond funds, we discuss them if they raise questions and typically not otherwise. Now, I would like to talk briefly about items 30 and 31, which are the certificate of obligation in the amount of \$9.6 million to purchase the golf course. Was that something that was approved in our 2014 budget?

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>> No, that was not approve in the budget. >> Tovo: But that's something that the council is contemplating this week that is outside of the typical budget process. It would be in essence a mid year budget amendment, is that right, city manager? >> It is. >> Tovo: Okay. And I assume that the staff brought it forward at this time, that it's something that you recommend moving forward with at this time and not after the projections that we're going to receive in april? >> That's correct. There's some background. Burlt, you want to come forward and talk about it? >> Tovo: But I guess my point here is -- and I had an opportunity to visit with staff and I understand why it's on the agenda now and not later, but my point here is that we do make decisions mid year to spend money that wasn't initly contemplated in the annual budget. It's important for the public to know that that sometimes there are needs that arise or opportunities that arise that have to be add dressed outside of the regular budget cycle. And sometimes we do that with bond funds. A lot of times we do that with bond funds. >> That's

correct. That's the last work session I was present at, I acknowledged that. The phrase I often use is on any given thursday we do that. I was characterizing something a little different than that, the notion of a set period typically mid year where the budget is opened up for purposes of reshaping it in the context of as in this case, expending surplus dollars. And I think I characterized that as not a best practice a couple of weeks ago. But I certainly at the same time acknowledge that there are times when the course of the fiscal year where unanticipated things occur. And the council decides to take actions to deal with that. >> Tovo: Right, and sometimes I think you'd that discussed in our last work session, councilmembers initiating those. But this was, in fact, initiated by management. >> I know there was some

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interest expressed by councilmembers that originally, at least from my perspective, started us to -- you know, to looking at this particular opportunity. But why don't you talk more about that part about how we focused on this golf course. >> Sure, I'm the assistant city manager. Councilmember, I think in this particular case, it's also an opportunity. We have an opportunity with the -- with the golf course that we believe is -- would be great for the inventory in terms of the golf course in general, the enterprise. But the opportunity in the sense that we have a seller who's very interested in working and partnering with the city and preserving the course and the location for future golf purposes and other uses. We talk quite a bit about how we believe that this is going to be important to the golf enterprise because of the play, that we believe it's there. We're park deficient in this particular area. We believe it's got a huge amount of trails and it's a -- it's a tremendous -- we believe, overall just a tremendous opportunity that - - to look at the purpose. That's the reason. There was an interest from council and so we simply are looking at trying to take advantage of the opportunity. >> Tovo: Thank you for that additional information. I agree that it's especially because it's a real estate transaction, it's something that needs to be considered more immediately. But it's just an example of the things that we -- that we typically -- that typically come across our agenda that often need -- require a mid year budget amendment and it's -- I would say it's not unlike the item before us today where we're considering the expenditure of bond funds.

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>> Spelman: Mayor? >> Mayor Leffingwell: Councilmember spelman. >> Spelman: I would like to follow up. Councilmember tovo identified and the city manager agreed this is a mid year budget amendment. This is new that we weren't talking about in the annual budget cycle. I would like to apply the test of c-1 to see how well it works. Under c-1, we haven't considered yet, I don't think we'll pass today or say no to today, it was on the table, we're discussing, I think councilmember riley came up with a lot of the words to this. Wants to see whether or not it fits the golf course. To improve financial planning in controls, exhibit a. Budget amendments should be infrequent and limited to cases where, one, funding is required to address extraordinary circumstances. Including natural disasters, public health emergencies, critical needs. Is this an extraordinary circumstance? Is the availability of the golf course or the ability of this council to purchase this golf course an extraordinary circumstance? >> Well, I -- I don't



know if I'm the one to answer that. I certainly don't want to -- >> Spelman: You might be. >> I want to clarify that the issue of the golf course is an issue that the funding that's there to issue certificate of obligation debt to fund it. I was looking it up. In general, the city wants to use voter-approved debt for things but there may be circumstances that arise, some opportunities that arise, that we can't wait until the next bond cycle to do that. So it does provide for provisions where we would issue C.O.s TO MEET CERTAIN NEEDS. >> Spelman: Sure. >> The policy that we're bringing forward here on item c-1 is specific to the general fund. It would be under the financial policies that pertain only to the general fund, not co's, not bod program dollars, not enterprise funds. There's reasons for why it's limited to the general fund that we can get into. I want to make that clear

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applying this policy to the item WHERE WE'RE TALKING ABOUT C.O.s Would do with what the staff intent was. This would be for the general fund appropriations. >> Spelman: I understand this is outside of the scope of staff's intent. But it seems to me we're talking about things that are qualitatively similar, whether it's operating money or capital money, we're still talking about the expenditure of funds that's outside of the scope of the original budget. The budget is a deal we all made with ourselves as to how we're going to be spending money over the scope of the year and when ever we make an amendment to that deal, we make in the budget cycle, then it seems to me that there ought to be a higher standard associated with making a new deal than with the old deal in the first place. And I want to see whether or not this language would apply as well as to the council making mid year budget amendments, whether it might apply equally well to the staff making budget amendments. And whether in addition to operating budget amendments, it might apply equally well to capital budget amendments? And I want seems to me that the scope of this c-1 might be broadened and maybe we need to massage the words a little bit so it could apply more broadly. But one value for having this discussion seems to me is forced to talk about the kind of mid year amendments we can see from staff, what mid year amendments the staff can expect to see from the city council and making a deal with ourselves as to what standard we might want to hold ourselves to before we brake into our annual covenant and make changes to it. So we can continue on with this expectation that some changes in wording might be appropriate to fit this case. But it does seem to me that there is some -- some part of this case that fits this criteria. Is funding required to address and extraordinary circumstance? Is the availability of this golf

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course an extraordinary circumstance that would -- that we could not have foreseen when we made our annual budget? >> Mayor Leffingwell: Can I interject a quick comment? First of all, the urgency with regard to the golf course has though do with the fact that the property is on the market now. The alternative is that it would not remain a golf course if we don't take advantage of the opportunity. Instead, it would be a large subdivision over the recharge zone. That's what makes it an extraordinary circumstance. >> Spelman: I understand. My apologies to use socratic mathic. It's natural for a professor to use that method to get something out rather than to lecture. What the mayor said is accurate in this case. No way for us to have understood that the golf course would be on the market in the beginning of

the budget year. We didn't go to the budget. All of a sudden, it's a golf course on the market, a great opportunity. If we don't take advantage, the golf course will turn into something else that we don't want it to turn into. It makes sense for us to make an amendment because it is -- whether it is an emergency-like natural disaster or public health emergency, it's an emergency in the sense that if we don't do this good thing now, we won't have a chance to do this again. And that suggests to me that maybe some softening of the language in c-1 would be appropriate if we wanted c-1 to apply not just to the council, but also to the staff. This is the deal we're all making with one another as to when we're going to be breaking to our annual budget, beyond our annual budget cycle and making amendments to it. >> Mayor Leffingwell: You have an argument? >> From the staff, from my

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standpoint, it would be ludicrous for me to bring a recommendation to you one off that frankly wasn't consistent with the policy as it was written, wouldn't make sense for me to do that. >> Spelman: I understand that. >> I think I know what the answer would be. >> Spelman: I appreciate what you're saying. Although it suggests that this didn't necessarily apply to capital programs. Only for operating budgets for the general fund. But I -- >> I think the intent was what I heard councilmember riley talk about it a couple of work sessions ago, I think his intent was including this type of circumstance, is that right? >> Riley: That's correct. Mayor, may i? >> Mayor Leffingwell: If you don't mind, councilmember spelman. >> Spelman: I want the floor back but -- >> Riley: Sure. Sure. I want to thank councilmember spelman for bringing the policy to the table. The whole point is to guide our discussions on the issues like this. I'm sorry we didn't take it up in the regular order of the agenda because it would be useful for our decisions on the subsequent items. I think the policy works very well on both the golf -- on the golf course item. Not necessarily item -- I don't see it being that good a fit under paragraph 1, because to me, it's -- the fact that the golf course is on the market is not in the same category as a natural disaster or a public health emergency. But I would note that the next two paragraphs are applicable, the second is they are significant costs or risks associated with delaying funding until the next budget cycle. The risk is that the golf course will develop into something we don't want to see over the aquifer. And the third paragraph is the cost increases are fully offset by new revenue resulting from the initiative. In this case, we do expect that there would be some offset of the costs as a result of the revenue that the golf course would generate. So I think that the -- even if we did apply this policy to the decision about the golf course, it would work very well and would justify our doing a budget amendment to support the purchase of the golf course. >> Spelman: I agree completely. It seems to me maybe some slight changes in the wording, c-1 could be broadened to -- maybe

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it would not. Reading this to be binding city council. This binds the staff as much as the council. That was your intent in writing this up. It seems to me that they would probably -- I would benefit from an opportunity to consider this -- to consider this amt in the context of the golf course, changing the wording slightly which I think the golf course needs to fit. It's the sort of thing that we ought to do in the middle of a budget year, would fit this general financial policy. And I think reconsidering this --

reconstructing the financial policy is not just to the operating budget, but also the capital budget would be appropriate as well. That seems to be what I was hearing from you. I would benefit from some time to think about the right way to word that financial policy and I would like us to have a chance to consider this again after we've had that opportunity. >> Mayor Leffingwell: Yeah, that makes sense. We'll take up item c-1 next and you can make a motion to that effect. I will take that item up. But right now we have a motion -- substitute motion on the table with regard to items c-4 and c-5. And I'll just say all those in favor of the substitute motion say aye. Aye. >> No. >> Mayor Leffingwell: And opposed, no. That fails on a vote of 3-4 with councilmembers riley, martinez, tovo, and morrison voting no. So now we'll vote on the main motion which is to approve item c-4 and c-5 in favor -- councilmember spelman? >> Spelman: Not quite ready to take a vote yet. One piece of information I might be able to get. Mr. Stump is no longer at the foed william. If I could get you back up, I would like to ask you a question. On item c-2, since withdrawn and item c-3, I know what we would be giving up by adopting those items. This would be money that would

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be going into our reserve in the remainder of the year eligible for all things to use for reserves and would be used in the next year, I understand that. C-4, c-5, I'm not sure what we're giving up. As I understand it, we have a pod of money that's available under the general rubrick of renovation of current facilities. Is that the title of that? >> That's correct. Facility renovation. >> Spelman: Facility renovation. We have money. Some money has been appropriated in the annual budget for facility renovation. In addition to that general appropriation, you have a spending plan for basically how much money you're going to spend on exactly which specific projects under that general area over the course of the year, is that right? >> That's correct. >> Spelman: Okay, now there's two ways this could work. As I understand it, you were suggesting this would be an increase. This would be tacked on to the end of that item. So in addition to all of the other things you're going to be spending money on, you would be spending money on this item too. That's as I understand it. And, emd, I believe the additional appropriation would basically be accelerated up from what would have otherwise been appropriated the next year or the year following. >> Going to get additional funds this year to do this project, it won't take away from any projects they're planning to do this year. But this does increase the \$77.7 million to \$78.3 million. The \$77.7 million of prop 14 will still be \$77.7 million. >> The money that we would otherwise be spent next year will not be spent next year, it will be spent this year on this project? >> Director of parks and recreation. That's exactly right. >> Spelman: Okay. What -- to what level of detail have you forecasted this year's projects? You know how you're going to spend the money this year to the level of kitchens and recreation

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centers? >> That list is what we have money for. We move things up if we have serious issues related to needs, a pool filter system or things we have to deal with immediately. At the end of the day, it's a -- it moves. It's very fluid because of the based on needs and the facilities that you're dealing with. Pools -- >> Spelman: Right? >> Basketball courts. Tennis courts. And ball fields. That's the area where we work

with the budget office to say if we're going to take it from somewhere, this is the most area we do it and from that area? >> Spelman: So you have a list of -- so I have something concrete to work with. About how big is that? Renovation of current facilities item? >> It falls to many categories, but, for example, there will be 40 playgrounds that are on our needs list level one, level two priority similar number of pool sports courts, we've got some -- some assessments for resurfacing sport court, replacement of fencing around the sport court. The infrastructure and improvement. The list is quite extensive and when the time comes to make the expenditures, when we do so, those aren't mapped for the date and the month. >> Spelman: You have a list of stuff you want to spend some money on. The list is longer than -- well, once you put a pencil to it and figure out how much it's going to put a fence around it and resurface the surface and so on, you'll pick and choose the same thing. >> Every year we have to balance this. We have other issues that pop up, like I said, with the pool or the surfacing of a court area that gets damage because of weather-related issues. So it's a very fluid issue.

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The point here for us is just to be very clear in that if we spend the \$600,000 for the kitchen, which we very much believe it needs to be brought up to speed. It was not able to be completed the way it needed to be because of value engineering through -- because we're limited on dollars. This is a matter of choice now too, spending this money does mean somewhere along the way, there will be something we won't be able to do. But, again, that's the extent of it. >> Spelman: Okay. If you can't answer the hypothetical, then say so. But I'm going to have to ask a hypothetical. Had we known in the beginning of budget year last year or somewhere early in the budget cycle that this -- that the difference between warming kitchen and commercial kitchen would be relevant in some policy or programmatic way, that would have been on your table as one of the many things that you wanted to fix in your area, one of the many renovations you would have on your table. Is there a way of identifying where that kitchen would have fallen on your list of renovations? 57600

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>> spelman: But it's risen up, partly because we're talking about it, partly because the community is talking about it and it's something you would have considered anyway whether we're calling it to your attention or not. >> We would have certainly raised this issue and our efforts to keep bert and the city manager apprised of the situations, that it was not conducive to be able to serve the needs of the community. That's what we were hearing and we were hearing it more and more and more. >> Spelman: So let me see if I can put a bow on it, in council member martinez's words. If I were asking the question, what are we giving up by spending \$47,000 this year and the next 20 years on this kitchen, or \$6,000, same thing, then what you're saying is we're giving up some other stuff. Some surfaces won't be surfaced, fences won't be put in but that's the sort of decision that you make on an annual basis anyway. >> Sometimes weekly. >> Spelman: This is the sort of decision you make on a weekly, a daily, an hourly basis anyway. It's part of your job to do that. >> Exactly. >> Spelman: And there's no way of identifying exactly which of those fences won't get put in and which of the basketball courts won't get resurfaced? >> No, but I can assure you we'll continue to do what we always do which is fixing and

repairing things by every mechanism possible and that may mean that we continue to bring forward that we have issues. But at this point this was one that that gained momentum and it's something that, you know, we don't have the actual fund money able to do it so there were recommendations for alternative solutions. But we will continue to do everything we can to take things as they come and as they come as priorities and try to deal with them the most fiscally responsibly way we can. >> Spelman: Had this been, this whole item and discussion, been phrased in a slightly different form I think we may not be using quite so many words. Had the discussion, for example, been, sara, please

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take a real close look at this kitchen and see whether you can fit it into your priorities because we think it's very important, you might very well have said what I think I heard you telling me, we've heard from the community, we understand the kitchen is not up to snuff and we can fit it in. But it has gotten stuck amongst a discussion of using reserve funds for a different purpose than reserves, and breaking into our midyear operating budget, and that's not really, it seems to me, what you're telling me, this is not really what we're doing with this particular item. We're not breaking into the midyear operating budget. We're in some way breaking into the capital budget but not in a way that you don't break into that capital budget on an hourly or at least weekly basis anyway. >> Or at least we work very closely with the budget office to see -- mike trimble and his group, when we see an issue arise we raise the red flag and we work with the city manager's office in ways to make it work. We're able to solve the problem, and again, this is strictly a matter of how we can address something as a priority that has risen to the top, making very clear about what we're taking -- where we're taking it from and what could be down the road where we may be looking at what we can and can't do. That's simply it. It's that simple for us is there is money there. If council approves it and we're able to spend those dollars, we will reprioritize what we do and how we do it and then we'll refund it. >> Mayor leffingwell: So, but the fact is this is not being considered in that context. This is being considered in the context of a budget amendment, and council member riley is right, we should have taken up c-1 first, but as c-1 is written right now, if it were passed this would not meet the criteria outlined in c-1 for a budget amendment. So what we're talking about is not the routine prioritization you do as a normal course -- in the normal course of events. What we're talking about here is the precedent for making a budget amendment to do something that doesn't

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meet anybody's criteria, what's in c-1 or what's contemplated to be in c-1. So I'm not going to be able to support the main motion, even though I would be able to support it in the context of the regular budget process. >> Council member riley. >> Riley: One last question about why this can't be handled as part of the regular budget process. We approved a certain amount to be spent on parks capital budget for this year, and this particular project would be within that amount. So the parks department had stepped up and brought this up -- if they had, that would not entail an amendment, is that right? >> If there are funds that council has already appropriated to projects and pard has not encumbered those for expenses that have already been incurred, they could allocate existing appropriations to meet this need. We would still have to come back to council to get the contract authority to move forward. >> Riley:

Sure, which is what happens on every agenda that we have. The parks department brings forward items that are consistent with the capital budget we've already approved, and what I'm not clear on is why this couldn't be just another routine item like all the others that we approve on a weekly basis. Why -- why is this being framed a budget amendment if the other items that are comparable to it are not treated as budget amendments? >> Well, I'll give an answer and then I'd like to defer to pard because they would have some information that I wouldn't. But I believe the answer would be that all the funds that have been -- that were appropriated by council as part of the fy '14 budget process and previous budget processes, I think mardy said they're planning to spend about \$19.25 million this year, that all that work is planned to happen this year, and if we don't amend the budget, some of that work will not happen and all that work was happening this year because it was deemed to be a priority. >> We have already encumbered all the funds

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that have already been approved? >> Yes. >> I think what we identified in the budget is, you know, we have the highest priority, those items we were going to complete, projects to complete this year with the appropriated. All of those f have not been encumbered to purchase agreements and so forth. Just to be clear, under the facility renovation program, there is 600,000 and some additional that have not been encumbered to contracts that would be available today through the normal process of just deferring, delaying those projects that would have been done this year to next year. The proposal that he has put on the table is to be able to move ahead with those projects, even though we haven't encumbered -- done those final contracts, in order to move forward as plan, we would move up the additional 600,000 from next year's appropriation so that the kitchen could be done as well as all of those projects that are in this year's work plan, spending plan. >> Mayor leffingwell: So you wouldn't have to change the plan. You would have to reprioritize as a result of this and that's why this is a budget amendment and it's why it doesn't meet the criteria that we're talking about implementing, and so that's why I can't support it. So all in favor of the motion say aye. >> Aye. >> Mayor leffingwell: Opposed say no. >> No. >> Mayor leffingwell: No. Council member spelman? >> Spelman: I was just talking with city manager ought about exactly this question. Ott, would you feel comfortable telling me what you started to tell me? >> I was listening to him talk about the 600 thousand remaining that is unencumbered --

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\$600,000 that is unencumbered but you have specific plans for, and I was thinking about the question that you asked earlier, something along the lines of could you tell me what we would not be doing if we used -- you didn't say it this way but in this case those dollars, and I suspect he can answer that question. However, the amendment he's talking about is for additional appropriation, so you don't have to do that. And the reason we can talk about additional appropriation is because within that prop we have additional capacity that would only be appropriated in subsequent years. There's a distinction there. So if you had asked your question a different way, if you ask it now, I suspect he can answer in the context of what remains for this current fiscal year that has not been encumbered. That remainder is associated with specific plans that they had. That is not the nature of the recommendation. The nature

of the recommendation is for additional appropriation to accomplish the kitchen. That's correct, right? >> Spelman: Okay. So I'm getting the opposite answer to the one I thought I got. So let me be sure I'm on with this and then you can take the vote again if you wouldn't mind, mayor. That way I'll be able to know which way I'm voting. If thmp something -- if you did not encumber \$600,000 worth of funds and we're now encome blink 600 -- 600,000 of funds, or you didn't have a plan yet or you had a plan that you could reasonably believe we can shift it out and put this off for next year and not do it this yes. That seems like it's not a budget amendment, it's a change in plans. But what we're doing here is adding \$600,000 worth of capacity -- >> appropriation. >> Spelman: It's an appropriation of 600,000 this year that would have otherwise been appropriated next why are or some other subsequent year.

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We're adding on to the list. It qualifies as a budget amendment, we're adding on to the budget. And if that's the case, therefore we're not giving anything up except for this year. What we're giving up is the flexibility -- what we're going to be able to do next year and we are, in fact, modifying the budget. It seems to me if it is a budget amendment, as I understand it now to be, then I'm going to have to vote no so you can count me as a no vote, mayor. >> Mayor leffingwell: So let's have a show of hands. All in favor raise their right hand. Opposed raise their right hand. That fails on a vote of 3-4 with council member riley, myself, council member spelman and mayor pro tem cole voting no. Council member riley. >> Riley: I appreciate council member spelman's discussion just now. If this were a matter of simply taking \$600,000 from the funds that have are less than been approved for the capital budget and simply choosing to spend that on this item I would fully support that, because I agree with council member spelman, that would not be a budget amendment. That would just be simply another routine matter we're bringing forward. And I believe this is a very worthy project and I personally would fully support that happening, but I also agree that if it is a budget amendment, then it should be considered in light of the policy that's on the table, that I hope we will approve, if not today, then at some point soon, and when I applied that policy to the decision before us, then I have difficulty justifying this particular expenditure -- this particular budget amendment at this time. >> Morrison: Mayor? >> Mayor leffingwell: That's well said. Council member morrison -- vote has been taken. >> Morrison: I know but this is a request of the city manager to please consider bringing forward as a request for council action an item for us to -- that would allow us to use this year's capital appropriation for the kitchen.

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>> Mayor leffingwell: Council member martinez? >> Martinez: I think she's referring to staff just told us they have 600,000 funds that are unencumbered but anticipated, so we could shift those anticipated projects to early next year's budget cycle and encumber those funds for the kitchen this budget cycle. >> Morrison: Thank you. >> Martinez: The only thing I want to close with is we keep going back to c 1 and how we're going to revisit that and/or adopt some version of it today. I want us to be mindful of there is a lot of subjectivity in the language of this policy. When I look at what we just voted on and then I read no.2, significant costs associated with what is significant, and what does that mean to each individual. We know that by delaying the construction of the commercial kitchen, there are costs, additional costs

associated with it. We also know that we risk -- we don't just risk, we actually lose the opportunity that was already put in last year's budget for meal program. So for me I would certainly make the argument it does apply under paragraph 2 within the policy because of the subjectivity of the language. And I just want us to know that that's what's going to happen with this policy in place. We're going to end up debating the semantics of the subjectivity in the language as opposed to the projects themselves. >> Mayor Leffingwell: First of all, let me say that I disagree with that, if we can call it direction. I think we ought to consider this in the context of next year's budget and we won't have this argument about the specific language or subjectivity of c-1 at that time. So council member Spelman? >> Spelman: Actually two things, mayor. First after what you said, if we were to do this in not the context of a budget amendment, just a change in priority, I want to know what it is we're going to be doing because we're spending 600,000 on the kitchen. It could very well be I'm happy with not doing those things and putting them off

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till next year. I could be happy spending them on those things but not the kitchen. I need to know what we're trading off and I think that's the fundamental issue. With respect to council member Martinez' concern, I agree completely, these -- what are extraordinary terms, significant cost, each of us have to figure out for ourselves. We're changing the debate from we have 14 million bucks, let's spend it, to this is going to be a significant cost to us if we don't spend this money on this item right now. It's elevating the debate and the standard, even if the standard still has fuzziness or flexibility in it, it's the right question to ask and it's the right kind of debate to have, rather than the debate we would have been having in the absence of this policy. So I think it does improve things. >> Cole: Mayor? >> Mayor Leffingwell: Okay. Mayor pro tem. >> Cole: I want to say that I think Kevin's discussion about this item in the context of the financial policy is a step in the right direction, and I would support bringing it forward at some time later by staff and not in the confusion of a budget surplus discussion, and I would like for that to happen after we hear staff information about that, and we would receive that email from the parks department that council member Spelman has requested about what we are foregoing before that item is brought forth. >> Mayor Leffingwell: Okay. So now we'll go to item c-1. And we have one speaker. It's Bill Oakley. >> Okie. >> Mayor Leffingwell: Okie. My apologies. >> Thank you, mayor and council members. I am Bill Okie, the author of the [austinaffordability.com](http://austinaffordability.com) blog, and I must tell you that this issue of possibly spending the budget surplus has generated more hits to my blog and probably more letters to the city council

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than any other issue since we started. And so what I would like to start with today is giving my heart felt thanks to Mayor Lee Leffingwell for his leadership on this. He used some of the very same words that I've already got on my blog and in my notes that I was going to address today. We need desperately in this community to send a strong signal to the taxpayers that fiscal responsibility and affordability are number one primary issues. I studied carefully item c-1. I think it is a step in the right direction and I'll be contacting Nancy Williams to see if I can make an appointment with you, mayor, to go over some of my



suggestions for improving c-1. I think there should be an entire matrix of issues that can be -- that have to be considered before you spend a budget surplus. And I also support what you said about the checks and balances that could be put into that resolution or that ordinance to make it more aligned with a process during the annual budget cycle where there are citizens reviews, citizen feedback, comparison of other priorities and at least one public hearing. I also support both of the sections in c-1 that deal with public safety and deal with natural disasters, but the other item that talks about the risk and the cost is, in my opinion, a little bit too vague at this point. It is a step in the right direction, but I think it could be improved, and then I also think you need the other section that talks about improving the public inclusion process as the mayor mentioned. The theme of my remarks today is go the extra mile for the taxpayers, and the mayor has already waived the flag to do that, and council

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member tovo's office went the extra mile to take her item out of the budget surplus and find alternate funding for it, and so she deserves a taxpayers' award as far as I'm concerned, and I think all of you are moving in the right direction. I appreciate your vote so far today. I appreciate the cooperation that I've received from all of you, and it makes me think that I need to probably tone down some of the rhetoric on my blog because it looks like we may all be on the same page. So let's -- let's keep that slogan in mind, go the extra mile for the taxpayers, and I look forward to meeting with some of you to help make that happen. Thank you very much and have a great day. >> Mayor leffingwell: Thank you, mr. Okie. >> Tovo: Mayor? >> Mayor leffingwell: Council member tovo. >> Tovo: Mr. Okie, I really appreciate your comments. I'm going to have to give my taxpayer award, to mr. [Inaudible] and his staff because they are the brains behind figuring out what was the most appropriate funding stream for that item had it been appropriated. So thank you to him and the others. >> Mayor leffingwell: I believe there was some discussion on the part of council member spelman about -- >> cole: Language. Potent potent ial revisions or maybe a postponement to refine those revisions. >> Spelman: I'm persuaded that a postponement would do us all some good but I'm encouraged by the item as well. I'd like to postpone action on this until the 24th of april. Postpo postpo ned till april 24th by council member spelman, secked by council member martinez. >> Spelman: The 24th is our thursday meeting which means we could discuss it on the 22nd of april. That would be consistent with budget can,. >> Mayor leffingwell: That's an excellent plan. I support that. >> Tovo: Do we have other speakers signed up? >> Mayor leffingwell: No. >> Mayor, I think in terms of the calendar, the 24th is

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a budget work session scheduled for council. It's not a regular council meeting, so I'm not sure there will be a tuesday work session unless you call for one. >> Mayor leffingwell: When is the next council meeting? >> Next council meeting, and then april 10. >> Mayor leffingwell: Council member spelman, do you want to ta another look -- >> spelman: April 10. April 10. Council member martinez? >> Martinez: I just wanted to ask ed, I don't know how to lighten this because I don't want to put more work on you, but I want us to at least take a brief look back at some of our midyear budget adjustment items so that we have a policy that doesn't preclude us from opportunities that may arise, such as open space

acquisition, or a piece of real estate that is in a prime location that we might want to add, you know, into our park system or other city departments. I just want to -- I agree that this is a step in the right direction and I'm to be supportive of a policy moving forward, but I want us to go back and look, if we can, at some of the midyear decisions that we made, that this policy would be applied to moving forward and ensure that we have the language in there that's necessary to conduct business as a council and so that staff can make these recommendations to us in the midyear budget adjustment. >> We'll be glad to do that, council member. I think what I'm also hearing is this was intended to be for operating budget primarily, and you'd like it expanded to include capital items. So we may need to move it to a different section of our policy, just to remind council, we typically bring policy changes to the council in the budget development process, but that doesn't preclude us from bringing them to council when we're directed to or as other needs arise, so we can do that early in the year and then incorporate them into the budget adoption. >> Mayor leffingwell: Council member morrison? >> Morrison: Thank you. I appreciate this discussion, and if you do some of that work of looking at the amendments and all to get a feel, I think it might

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be interesting to keep an eye out to see if there are different standards used for amendment to the capital budget versus the operating budget, because, you know, if we're looking at an adjustment that's really based on it's completely pragmatic to move one capital project to the next year and to move -- you know, to move -- there really might be different standards that are used and that staff is comfortable with to take a look at. >> There are, and we did look at a number of other cities' financial policies on budget amendments in drafting this, and in general the language is very -- very broad to give the elected officials the wherewithal -- the ability to do -- accomplish what they want to do if there's a positive vote. >> Morrison: Right, well, but also what I'm thinking and what I'm hearing about the issue of the priority -- the list that makes it into the capital plan for pard, that it really is very fluid and maybe more -- and adjustments to it may be more fluid and flexible than using general fund money, for instance. So if you could just keep an eye out to guide us on that, that would be great. >> Mayor leffingwell: So that's the direction, explicit, flexible. [Laughter] mayor pro tem? >> Cole: I would just like to say that not having any comment about how bond funds are used, I think trigger our discussion about priorities of those bond funds and prioritization and then whether it was the general fund or the capital fund. And so I think that we need to spell that out just as clearly as we spelled out reserves will not be used. >> Mayor leffingwell: Very good. Those in favor of the motion postponed till april 10, say aye. >> Aye. >> Mayor leffingwell: Aye. Opposed say no. Passes on a vote of 7-0. And that brings us to item c-3. We did have one speaker. I think he left, bill okie. I would -- I would strongly

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suggest in view of the fact that we have now postponed c-1, that we also postpone c-3. Council member riley? >> Riley: I think I can be supportive of that, but I know that we do have staff here who could speak to the issues at stake with regard to item c-3, and if we do have time I think it would be worthwhile to get some input as to why this might -- why there is a significant risk associated with delay before we go

ahead and postpone this along with the other items. >> Mayor leffingwell: We can do that. I will not be here for the discussion or vote after an extensive discussion. So we can get that started. Is there somebody here that's ready to speak to that? >> Riley: I see a couple of planning staff. >> Mayor leffingwell: And let me just say I'm going to go ahead and leave right now instead of in the middle of the discussion, but I will support a postponement, and let me say, I would not had I been here support approval of c-3 at this point. >> Riley: Alan and jim, thanks for coming up. The item c-3 is the south central small area plan, and you've heard discussion we've had about -- and you've seen the financial policy, and the concern we have with many budget amendments in general is they should be extraordinary and they should be -- there should be a fairly high bar and in particular before we approve any item there should be, among other things -- well, there are limited circumstances where we would approve them, and one of those situations is where there is significant costs or risks associated with delaying funding. And my sense is that there is some confusion about why there would be any

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significant risk associated with delaying a planning item because it seems like one of those long-term items that we've been talking about for decades, so why could there be any particular urgency to moving forward with a planning item at this time. Afternoon I thought it might be helpful so that we can have a more informed discussion leading up to decisions that will likely be made next month, if you could provide any context as to how there might be any risk associated with delaying funding for this planning process. >> Okay. Very good. First off, I'd remind the council -- I'll allen holt at planning and development review department. And the council last august instructed staff to complete a plan for this area by the end of this year. And the staff is working to do that, and we're in the throes of exactly doing that. Next monday night we'll hold our third public talk. In april we'll hold our second public walk. We're ork to hold organizing to hold workshops at the end of april. We've been successful, we took to heart the council's recommendations that we seek partnerships in funds. We've been successful and I'm pleased to say in receiving three grants this year, we failed in a couple others, to support this. We've been working with universities pro bono relationships and -- in other relationships in order to do this. Right now we have engaged the public vigorously in this, met with representatives from anc last night, every other meeting with the waterfront advisory board, meeting with their appointed stakeholder outreach committee, meeting with key property owners, the largest property owners down there. And so there's tremendous momentum to actually accomplish this task as best

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as possible by the end of this year, which the council asked us to do. It's no news that every -- seems every week we pick up the paper and we find out some other need that we're -- or pressing issue that we're trying to incorporate in this. We're fortunate that we've been through the grants, the partnerships, and the pro bono services that we've been leveraging tremendous resources. We're pleased with that, but having funds available now as we proposed last year when we introduced this item would simply enable us to produce a much more implementable plan and vigorous and useful plan by the end of this year. >> Riley: So why couldn't that wait till the regular budget cycle in the fall? >>

Well, money is appropriated in the -- monies appropriated in the budget cycle in the fall would come to late to get through the procurement process, and accomplish work by this year. And so we're working to deliver the project by the end of this year as instructed. >> Riley: And is there any risk associated with not getting that plan done by the end of this year? >> Well, as I mentioned, there's tremendous momentum and involvement with property owners' commissions and city staff, commissions and city staff at this point, and the -- and I think others have looked and seen that this area in particular we're seeing redevelopment proposals coming forward and we can't predict what other potential projects may move forward in

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the next year, that we might not be as prepared for as we otherwise would be. >> Riley: And so to the extent that development plans continue to come forward and proceed with the development regulations in place today, what impact would that have on -- on the long-term goals that we've been talking about for many years now? >> Well, the -- and as we've laid this out and we've been able to study this through the grants that we've obtained over the last couple of years and grants we've been able to leverage in relationships with the university of texas and so forth, that we've already done enough study to know that the existing regulations in and of themselves are not going to necessarily guarantee that the goals that the community has articulated since the 1985 town lake corridor study in terms of access to the waterfront connectivity, affordable housing, the best possible green infrastructure for water quality and so forth will necessarily be realized in a coherent systematic way. >> Riley: And so the risk is that we would miss out on the opportunity to achieve the goals that were identified as early as the 1985 corridor study? >> I think it's safe to say that that's what we've been hearing from the consultants and the studies that we've done so far, and this has been laid out to the public in various public talks over the last couple of months. >> Riley: Okay. Jim, did you have anything to add to that? >> No. >> Riley: Okay. , Well, I understand and I'm glad to hear discussions will continue in april. So if we were to act positively in april at least we could keep the process moving forward at that point, and I agree that my own sense is that the goals

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we've been talking about for many years are important enough that there is a significant risk associated with development proposals that may foreclose the opportunity to achieve those goals that we've had for many decades, and what we are talking about is permanent effects on one of the most important parts of our urban landscape, effects that would be there for generations to come. And that is a very significant risk to me. So I will be interested in a continued conversation about this next month, but I will not oppose a motion to postpone it, given that we are postponing the decision on the financial policy until april 10. >> Cole: Council member riley has moved to postpone item -- I mean, to withdraw item c-3 for now, and without objection that item is withdrawn. Okay, council, we have a number of items that have been pulled. Next up is item 6 which has been pulled by council member spelman and morrison. >> Morrison: I'm sorry the mayor isn't here. We have -- but we have postponed this item. This is the item that looks at the possibility of adopting an exemption -- an increase in our exemption for over 65 and

disabled. So it is currently \$51,000. That 51,000 was set in 1986. Obviously if there was any intention to keep up with that, as the price of property went up, it would be a lot more than \$51,000 now. Staff has done a tremendous job in helping us understand

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the impacts to our budget should we increase it -- increase the exemption in some variable amount that we can look at and also the -- I think also putting it in the context of the trends of an increasingly elderly population that more and more people would be -- this exemption would be available to more and more people. From my perspective there are obviously a lot of things to weigh and there are comments to be made that staff has articulated about, you know, this would help lots of folks that might not need help dealing with affordability. It also might impact renters in a negative way. So there are a lot of things to play off, but in the end I do believe that I hope that we're able to increase it somewhat because there is a large population of elderly and disabled folks that are struggling with a burden of increasing taxes, and I was especially interested in getting folks' thoughts and ideas about -- in this discussion about if there is going to be support for increasing it, I am supporting increasing it. I'm not sure by how much, and what folks are thinking about what that value would be. I would like to -- it's sort of hard to just, you know, pick a number that's going to work, so that's why I think it would be great for us to work through it. I do know that the county does have over 65 exemptions set at 70,000, I believe. Is that correct, mr. Van ino? Yes, I'm getting nods. So that's one number I was starting to look at and I'll throw that out there and I look forward to getting -- >> cole: Council member martinez? >> Martinez: Council member morrison, I appreciate starting the conversation. I too was look at some numbers and then when I was talking to my staff they brought up some really good

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points that I thought we haven't fully discussed and that maybe is worthy of a conversation at health & human services, since you and council member riley serve on that. So one staff member made a point, and I thought it was a very fair point. I was looking at 60,000 just because it's a -- you know, a one and a half million hit, probably can be found in next year's budget, and then looking at the five-year estimated cost, you know, it's not insignificant. It rises to 7.6 million. And so one of my staff members said, you know, on an annualized basis at 65,000, you save an over 65 and disabled individual \$45.24 a year. What would the impact of increasing funding to an organization like meals on wheels by \$1.5 million, adding those free meals to the elderly and disabled -- what would the financial impact be to those individuals and how much would they save in food in one year if they were on that program, receiving that assistance? I don't know the answer to that question, but I -- I would intuitively guess it's significantly higher than \$45 a year that would be saved. So I think the point that my aide was making was is there a better way of using these funds to directly impact those folks that we're talking about that are most in need and have a bigger financial impact to their bottom line as opposed to just looking at a homestead exemption increased amount that saves them, you know, 45, 50 bucks a year. I think that's, you know, where I'm struggling as to what is the best answer and what is making the most direct impact on their bottom line financially, and I'm willing to have that conversation and invite others to join in with us, but

I'm just not at this

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point certain, you know, which direction to go, because as a council, I think every year we struggle with these difficult decisions of how much to allocate for social service programming and public safety and all these other priorities that we have, and I think that's kind of what we're going to get into with a homestead exemption conversation, is is that the most appropriate -- not most appropriate, but is that the biggest bang for the investment -- bang for the investment we'd be making in a homestead exemption. So I thought it was a fair point, something that caused me to take pause and think about for a moment. So I'll just throw that out there. I think council member spelman sees the line of thinking I'm laying out there so I'd like to hear your comments. >> Cole: I'll say that we have been discussing the homestead exemption and I'm generally supportive of that, especially in the context of the overall affordability for the entire city, and we're only now looking at disabled and over 65 years of age, and I believe that's all that the county does. And the decision to focus on that group I support as the highest need, but council member spelman had asked some interesting questions and I'm going to call on you next, council member spelman, about, you know, how that plays out between actually homeowners and apartment dwellers and the most needy. So I do think we need to have a broader discussion and I'm glad that we're having it now. So council member spelman? >> Spelman: I'm glad we're having it at 11:00 without the mayor being here. I am really happy to hear council member martinez's discussion of this because I think that's exactly the right way to think about it. If we're putting \$45 of value into the hands of everybody who owns or is buying a house and is over the age of 65, we're going to be putting \$45 in the hands of a bunch of people who realistically don't need \$45, and if we -- we are also going to be taking

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money out of the hands of people who do not own houses but are renting apartments and for whom realistically our property taxes will have to go up to cover that \$45 grant to people over 65 who do own houses, and a lot of people who are over 65 who are renting will be paying money to people who are over 65 and are in much better financial circumstances than they are, effectively. But if we were to frame this in the terms of how do we help those people who are over 65 and most need it, things like meals on wheels rise to the top of our list almost automatically and seem to me that's exactly the right way to think about, what is the most efficient way of helping the people who most needed help. And I think that's -- I was just nodding my head because I thought it was the right way to think about it and I agree with you. Will you on thursday be recommending that we postpone further action on this item until your subcommittee has had a chance to look at it? >> Cole: Council member martinez. >> Martinez: I'm certainly open to that, council member spelman. I think for staff's part, obviously they need us to give them some direction fairly quickly so that they can incorporate that into their budget process. If there's not an appetite from the majority of this council to move forward with a specific number, I think postponement and continued conversation through the budget process is warranted. >> Spelman: Given that we have an alternative means of helping people over 65 who need it most, seems to me that not

taking action on this item at least until we've had a chance to talk about that, maybe postponing action until next we're would be appropriate. >> Martinez: And do we know if the mayor's committee on aging has made any recommendations as it relates to this policy decision? It seems like it would be an appropriate citizen group to run this by and get some thoughts from. >> Cole: Council member morrison? >> Morrison: That's a good question, council member martinez, and I thought that

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that -- that was one of their initial -- one of their initial sort of general recommendations. I could be wrong, but I can it was. That's a good -- but I think it was. That's a good thing. And in terms of numbers and -- I appreciate the point that you bring up, and I think it deserves discussion. It raises a question for me that I think that should be part of the discussion, that why ever do a tax exemption on your property taxes? Because it is going to affect people differently. And so I think it's more psychological -- [chuckle] -- it's a more philosophical question we ought to grapple with also. So my question for ed would be, what did you want to say? [Laughter] and also -- and also timing, timing, constraints for you all. >> Well, first, the resolution that called for staff to do this work, one of the findings was that the task force on aging report noted or cited continuing increases in property taxes as one of the challenges to the goal of many seniors to stay in their homes as they age. So that was one of the findings from that -- from that group. In terms of the timing, in order for these exemptions amount to be included on the appraisal district's notices, it's the end of this month. And it would be the same next year. So if we're talking about going through a longer process now of having discussions with the health & human services committee, we would -- we would be suggesting to council that sometime prior to march 30 of 2015 we would come up with a -- an approved exemption amount just so we can get the notices done correctly through the appraisal districts, williamson and travis county. >> Mayor pro tem? >> Cole: Council member martinez. >> Martinez: And I just want to be clear and put this out there because I know someone is going to take this issue up and say that, you know, everyone needs tax relief, and I don't disagree with that. And I don't think that's what we're debating here. We're not debating on whether or not folks would like to see tax relief. We all would.

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What we're talking about is what is the highest priority for our limited resources that we have, and I appreciate your comments, council member morrison, that it is a philosophical decision in some ways. You know, but inevitably there are those in our community that would say just because I can afford that \$45 a year doesn't mean I wouldn't like to see that \$45 given back to me. And I get those points. I think we're in a much deeper discussion as to the impact of those -- that \$45, or whatever that magical number is in the end, and how we best utilize it. So I wanted to make sure that I put out there the notion that I'm not -- I'm not sitting here thinking that folks would not like to see tax relief. I get it. Everyone would. The difficult decision we have is we have a limited amount of resources and we're trying to do the best that we can with it, and in some cases it's probably not appropriate that we do a broad across the board homestead exemption as opposed to supporting programs that have a bigger impact. >> Cole: I'd also like to add that when we do a tax exemption, we impact our budget

forevermore versus if we make an allocation to a specific social service agency, the amount of that is considered every year. So as we look at these unrealized revenue, we have the '15 estimate but we also have a five-year total estimate, which starts to get us into significant dollars. But I agree with you that I think the public would appreciate a citywide property tax relief and we have a broader discussion to continue to have on the issue. >> Morrison: A couple things. One, actually if we wanted to raise the exemption, a future council could always decrease the exemption, so it's not really a commitment forever. >> Cole: It's so much harder. [Laughter] it's much more difficult.

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>> Morrison: And in some ways -- so I understand that does mean it's more of a commitment and that's sort of maybe perhaps on the negative side. On the positive side of making a longer commitment we are getting a systemic commitment to help affordability with that tool if we actually do it. So that is also a benefit too. With regard to do we want -- do we want to mention with regard to a citywide exemption, the homestead exemption for all property owners, the real discussion has come down to -- well, I should say has come as far as among this council, as I understand it, the fact that we support a change to the state law that would allow us to make a fixed exemption citywide for all property owners. Right now state law only allows us to do a percentage, which means that your -- the more money your house is worth, the bigger your exemption is, which brings into play for me -- it accentuates the point that council member martinez is making with regard to are we giving help to people where we didn't really need to be targeting that help. So we have adopted a resolution that added to our legislative agenda at the state level to support, I think it was representative rodriguez who brought forward an item that did not pass last session that would have allowed the municipalities to put into place a fixed amount exemption for property owners, which would -- as far as I would understand, it would be much more targeted toward people that own lower cost houses, which is where I'm interested in helping to target. Obviously people whose houses get real expensive also are in need, but as

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you -- you know, for looking at the issue of where do you target your resources, that's why I support having a fixed one. And then I guess I just want to make one other point, and I feel like on the council we're always having to realize we have lots of different kinds of tools, and sometimes -- and sometimes we want to adopt, you know, tools for one reason or another, and they -- they don't always accomplish all of our goals. So I'd like to sort of grapple with this question for the next two days, I'll toss and turn, and maybe we can discuss it some more on thursday. >> Cole: I agree with that, and I wanted you to know that when I said the homestead exemption for the over 65 and the elderly was a bigger commitment because -- and it was also a bigger commitment to our budget, I meant that in a positive light, because we have made an even bigger statement when we do that in terms of affordability than if we just pick one organization and give them the additional funding. But I'm assuming that your committee will look at all the potential organizations that could do that and think about that in the context of all the organizations that help the disabled and help the elderly, because I think we'll be faced with that. >> Morrison: Yeah, and if I may, I guess what I'd like to suggest is that we have this discussion



again on thursday. I want to reach out to some folks and understand sort of the broader picture and get some input, and may still suggest that we move forward with this item in a small way or a large way and it might get approved or it might not or maybe I won't support that. Just need some more thought. Yeah. >> Cole: Okay. Item no.28 was pulled by council member spelman. >> Spelman: Thank you, mayor pro tem. I have just a couple questions of our park staff.

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One of the recurring tropes of our discussion of parks is that we are really good at acquiring new land and we aren't good at giving them the money to take care of it. I'm also aware when we acquire new land we acquire -- we have money to take care of it. I'm looking at the five tracks associated with this purchase, and the southern tract on the south side of old san antonio road makes really good sense to me. It's on both sides of onion creek -- or one side. It connects the old san antonio greenbelt to the old san antonio park, or at least it comes close to connecting those two. I can easily understand why that would be a good increase to our greenbelt system. What I don't understand is what the value is for additionally getting those four lots north of old san antonio road. I wonder if you could describe it for me. >> Certainly, ricardo soliz with the parks department. Councilman, a couple things. One, we're working with one buyer for the whole -- the property to the south and the property to the north. And you're correct, that the southern piece is resident po for that connection of the -- for the connection of the onion piece greenbelt for us. So we would have connectivity there. The property to the north, one of the -- one of the benefits that we gain there is that we'll have like 13 to 14 acres that would be up up -- upland that we could talk about some facilities outside of the floodplain. A second reason is old san antonio road is being upgraded, and the -- there will be a new bridge connection there over onion creek. The county is -- we're talking to the county right now actively to leave the old crossing there that would provide us pedestrian

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connection to the property to the north and to the other side of the greenbelt. >> Spelman: So I'm not sure I understand the bearing of those northern four tracts on that last part about the bridge. >> The bridge that -- currently, the low-water crossing that goes over onion creek, old san antonio will be upgraded, so the bridge -- there will be a new bridge that will go over onion creek, and I can -- I have a draft here that I could show. >> Spelman: And there it is. There you go. >> Okay. Old san antonio road will be upgraded, and it does this. >> Spelman: Right. >> So the bridge now will span a very large area and go over these properties. The current low water -- low-water crossing here will be left in place and will be given to the parks department, so we could -- we could have connectivity, pedestrian connectivity to this land as well as the greenbelt. So we would be connecting this upland property with our system. The other advantage is, like I stated, was this would

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give us an opportunity to put facilities outside of the floodplain and so whether it's a structure or

restrooms or anything like that, that that portion would allow us that flexibility. >> Spelman: Is there a particular need for additional facilities, I wonder if you would describe the need for facilities in that section of south austin. >> Well, we are seeing a tremendous growth along the i-35 corridor and south here with estancia being one of the large planned unit developments. So we're anticipating a whole lot of need in the future in this area. So we're -- we're, you know, hopeful that this will provide some facilities in the future for us. >> Spelman: So the neighborhood park for estancia? >> That's correct. >> Spelman: Thank you. >> Cole: Next we have item 53, which I am a sponsor of along with council member spelman. Council member spelman, you wanted to point out some things? >> I wanted to make a very brief comment on 53. You can make it instead if you like. >> Cole: No, go ahead. >> I'll make the comment I think you would have made as well. What we're asking for here is in part a study by human resources on the extent to which there are disparities in pay between men and women who work for the city of austin. We do not have the computer system to support the best study that could be done. There are probably more accurate studies that have been done in other places in other industries than we can reasonably support here, but at some point we're going to have that information technology system available to support a more accurate answer and a more fine-grained answer to this

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question. In the short run we do what we can do, and all we're asking for in this resolution is for human resources to give the best it can do with current information, to give us a sense for where we stand, whether we're at 83 cents on the dollar or 95 cents on the dollar in terms of pay for women versus pay for men or whether we have any disparity at all, to the extent that we can identify it. We'll do a better job of identifying it in the next go around, just do what we can with what we've got. >> Cole: Yes, and I'd like to say this is based on work we've done in peer cities, boston, massachusetts, and that bringing this to light just for the city is a starting point, because the issue is broader than what happens in the city of austin. But my hope is that as we begin this work in the city of austin it will be something that we can use to apply to the larger community. >> Mayor pro tem? >> Cole: Council member martinez. >> Martinez: First of all, I want to thank you two for bringing this item. I'm 100% supportive of it. We approached hrr, my office did several months ago. They probably told you they can't do the most comprehensive study and there are other issues with implementing a equal pay protection provision. So we left it at that. My emphasis was the citizens adopted civil service for civilian employees, and that to me is probably the best tool available to us as a council. When you look at police, fire and ems, they are on a pay scale equal -- doesn't have anything to do with gender, it has to do with where you are on the pay scale, and everybody gets paid the exact same amount per hour regardless of your gender. I think that's an opportunity for us on our civilian side. As we implement the civil service rules, one of the rules that we can implement as a council is equality in pay for all of our civilian employees. And so that's one of the areas where I'm going to be focused on in the next year,

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because we will be having the initial rules for implementation of civil service coming to us in the very near future, and I know that some of our civilian employees are paying very close attention to that and

very concerned about some of those rules. So I just wanted to put that out there. I wanted to thank you guys for doing this. I think legislation is going to occur again this session regarding this issue. Don't be know that it will be signed by the governor, but we can do it at the local level. We have tools available to us, and as you cited, other peer cities have taken this proactively upon themselves, and so I'll be fully supportive of this item and look forward to working with you guys on it. >> Cole: Thank you, councilman martinez. Equity is a major issue facing the country and we have put in a resolution to make that a priority in our legislative agenda. Is there any further comment? Without objection -- oh. >> Morrison: I have one, and this is just a small thing. I notice -- I fully support this too than a I appreciate you bringing it forward and for staff to do what they can to help inform us. I wanted to -- two things caught my eye. One here and something similar in a resolution no.49 brought by council member martinez and spelman. In the be it further resolved in 53, it's just a language thing, you all mentioned that we're looking at qualifications based on performance, et cetera, rather than gender, race, ethnicity or other protected class. I imagine that means other protected class as we see it here in the city of austin, and that includes sexual orientation. And when I looked at item no.49, there is a listing of -- in the fourth be it resolved that, you know, we are -- city of austin is committed to the public safety, health and quality of life for all residents regardless of, and the language lists out what I think was meant to be the

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protected classes that we have and it doesn't quite -- I think it might miss one, at least, and so I wondered if you could just take a look at that, council member. >> Martinez: Absolutely. I appreciate you pointing that out. I'll gladly do that. >> Morrison: Thank you. >> Cole: If there's no further comments, this meeting of the austin city council work session is adjourned.