

City Council Budget Work Session Transcript – 05/08/2014

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City of austin meet city council meeting will begin momentarily. Austin city council meeting will begin momentarily. .

[03:32:37]

>> Good morning, I am austin mayor, lee leffingwell, the order is present. We will call to order the city budget work session meeting on may 8, 2014. The time is 9:32 p.M. We are meeting in the board commissions room, austin city hall, 301 second street, austin, texas.

-- I assume we will pass out this order to everybody. There is no items on the agenda. It is just going department to department and ending with enterprise departments and allow for questions and answers. One slight change, when you get this, we are going to

-- austin fire is going to go first instead of austin police because they are here and the police are not, so. [Laughter] we will make best use of the time.

>> [Indiscernible - no mic]

>> Mayor Leffingwell: No speaking from the gallery, ma'am. [Laughter] so I will turn it over to the city manager to make a couple of introductory marks and go to q and a but I will have to leave at 10:00 o'clock for a press conference but I will be back. City manager.

>> Mayor Leffingwell: Thank you.

>> Ott: , Thank you as you know this is our next meeting, a kickoff meeting where we presented our five year economic outlook and forecast. I think you know as previous years, this occasion is designed to give you an opportunity to engage directly with the various departments that make up our budget. We sent you a lot of information in advance of today to get you ready for your q and a and discussion amongst yourselves. I want to especially know in light of some of the conversations that the council has had that what this also is, is an opportunity for you to get your perspective, your perspective, your sense of priorities on the table. This conversation, your perspectives, us getting a sense of your priorities, all of those things go toward helping us shape a

-- a budget recommendation. We hope ultimately that is responsible to what we hear and community values as you articulate them in the course of the conversation you are going to have today. So I wanted to especially make that point in light of some of the recent comments that I have heard from the council. So with that, mayor, we are prepared to go. You see staff at the table. All of the other representative staff in regard to the list of departments here are available out here in this room, in the atrium or the bull pen, so we are ready to go today.

[03:35:37]

>> Mayor Leffingwell: Okay. We will begin with the austin fire department and the floor is open for questions or comments. Council member morrison.

>> Morrison: My comment is more general. I have a few questions we didn't have time for and comments, sort of general comments. I wonder if we can take a moment before we jump into the fire department to talk about a couple of those things.

>> Mayor Leffingwell: Yeah, go ahead.

>> Great. The first thing is, I appreciate the never ending effort to make our budget preface more transparent and efficient. This year, we are jumping right into the questions and we did get here in the report that y'all provided on the 24th of april an overview of each of the departments and what the drivers behind any increases are and things like that. One thing that's a little bit different, and maybe you've already addressed this in the memos we have gotten from city manager is we don't have any sense of any critical unmet needs, which has been something that we have discussed sort of up front from the department's perspective in previous years, and so I am wondering, you know, if the budget as proposed as it comes out and we might be doing juggling, obviously, is there a way, or do you have any a sense of the process of what the tradeoff will have been and what we the problem would be to get addressed.

>> Mayor Leffingwell: I think as we go through these departments, it would be a very appropriate question to ask, as opposed to getting a generalized briefing, just ask the question: Can you identify any critical and unmet needs that aren't included in the budget.

[03:37:42]

>> Ott: I think that is a way to accomplish it. I agree with it. We are very purposeful of the budget and the austere nature that we gave to the departments, not to develop that typical unmet needs list because we understood early on that we were not -- we didn't feel that we were going to be in a position to actually fund any of those given the goals we have set out from the outset with no tax increase and so on and a closer look at the vacancies and to reduce those as well. The mayor's points are well taken. As the departments before you, you can all ask. I know they all know the answers in that regard.

>> Morrison: Great. Two other points I wanted to make. One arises from the very in factive presentation we had from staff last time on the economic outlook on the forecast, and on slide number 47 that our finance people presented to us with the property tax assumptions and obviously this is a slide with the projected tax rate. This is a slide that a lot of people pay attention to. One of the things that sort of come up in conversations that I have had that has a little bit of confusion, and that -- and I wonder if we can talk a little bit about it

-- and that is, that the rollback rate of .5010 is lower than our existing rate of 5027.

>> Right.

>> Morrison: Which means that without an election, we would have to cut our tax rate, and I -- as I understand it, because that's the rollback rate, could you help us understand what goes into the

rollback rate one more time, ed? I know you do this every year to help us understand why the rollback rate is actually lower than our existing tax rate?

>> Sure, and, you know, the detailed calculation is more complex than the version I will get. But the simplified version of the rollback calculation is it's designed to give a jurisdiction roughly 8% more for operations and maintenance than you had in the previous year off of properties that are taxed in both years. So basically off of your existing property tax base, the amount of revenue you generated if ny14 would be 8% higher in fy15, and that's part of operation and maintenance and of course the debt piece is a whole separate occasion. In this instance where you have property values growing by 8.4%, getting that 8% increase actually requires tax rate deduction. That's by state law. That's the maximum right the jurisdiction can assassination says, a rollback rate.

[03:40:41]

>> Morrison: Great, because I assume the projection y'all are taking forward is less than this year's, that's great and we really need to measure it again, the rollback rate, which is even less than this year. But you brought it in a little bit less than that.

>> A little bit less than that. And another way to measure that is the effective rate. We put the effective rate on there, it is not state to define tax rate calculations and designed to give you the same amount of money so you have the same amount of money in fy15 and you did in fy14 for operation and maintenance for properties taxed in both years. New construction is additional revenue you can still get but the effective calculation is another comparison that kind of the
-- just the

--

>> Morrison: A level playing field kind of thing.

>> The no tax bill increase in aggregate is the effect rate which is 4715 for the next fiscal year.

>> Morrison: And as the mayor pointed out, the projection is above the projected rate of like 5 something% above the effective rate. Is that

--

>> it sounds about right. We can calculate it but I think it was 5-point something%.

>> Morrison: And these are the important numbers because obviously I am sure lots of us have heard the sticker shock people are getting with their appraisals which are through the roof for some people, and so it's important to look at what that is. The last point I wanted to make

-- and this is just something I have been looking at myself and has been in my office that I wanted to share with my colleagues, because I think that last year we had some really good discussions, for instance, working on the vacancy rates, and I know that the city manager had this year come through and last year did and trying to address them. One of the sort of general issues that came up during the budget hearings sort of late in the game last time around was some concerns that were brought forward about growth and management level positions in the city, and that was raised as a concern of one thing that's sort of driving some of our increases, that maybe we should take a look at, and there was testimony that was given with lots and lots of numbers, and I was able to get a copy of that testimony with some of the background. It was kaitlin brown who did it, with some of the bang ground comments she added to explain how she came up with her explanations, and I asked the city manager if

I could hear their perspective on those numbers and all, and I appreciate that. I did get a memo. I don't think it was a general memo necessarily to the whole council.

[03:43:33]

>> [Indiscernible - no mic]

>> Morrison: Okay. It was march 4 and I received it directly to me from anthony snipes, and so I think it's worthwhile that we sort of delve into this a little bit. This year I certainly want to take a look at it, because once I got a response from city management, you know, some

-- there were some disagreements on how calculations were done and all of that, but I can say that what came out of it was, for instance, that civilian management

-- this is all over the past four years, and it was stated in

-- so basically from '09 to '13. Civilian management has increased depending on your perspective anywhere from 5 point something to 13%. The number of officer or deputy officer positions is anywhere from

-- the new ones, is anywhere from 11 to 20, depending. The number of new vice presidents at austin energy has risen from 5 to 9. The number of new assistant directors is either 6 or 7, and the number of division managers has gone up maybe 34%. So, anyways, to me, this is

-- this is one way that we can look at, you know, what is going on and when people is about, you know, it looks like our budget is increasing faster than our ability to pay for it, and people are asking how is growth not paying for itself, I think that is a fair conversation to have, to understand a little more deeply from the city manager's perspective of the need for that kind of growth, and so I just wanted to raise that as an issue to my colleagues to let you know that I am thinking about that. I know that council member spelman had submitted several questions about giving some members

-- and this allows us to go a little deeper. So if the city manager would like to respond right now, that's fine, but I did want to make sure other folks

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[03:45:54]

>> Ott: Well, I don't think that

-- because it was just a question you brought up in the course of our one on one meeting, I think we did just respond directly to you, so I don't think the other members have the benefit of that march 4 response to council member morrison. I just speaking so I am asking you all to have the same information, I am asking staff to pass it to you, because it was very responsive the comments that were made last year during the budget hearing, shared some light on what the reality is in our organization. I also believe it talked about how we compare

-- did it talk about how we compare with others?

>> Morrison: No, but if you have that and want to add that, that will be great.

>> Ott: That as well, but it certainly was responsive to the comments that were made during the public hearing so we can get that to you.

>> Morrison: And if I could ask that the original paper that I gave you to respond to, because it is a 1, 2,

3, 4, 5, 6 kind of thing.

>> Yes.

>> Morrison: That will be great.

>> Ott: All right.

>> Morrison: Thank you.

>> Mayor Leffingwell: Council member martinez.

>> Martinez: Along the same lines, when I look at along the same forecast I am trying to determine where in your personnel summary are those employees that are being referred to? I don't see our law department and I don't see pmo, and you list that we have 12,708 city employees. I would like a little more detailed breakdown, as you have all other departments with current f.T.E.S, forecasted f.T.E.S moving forward, because cmo and law are not in that personnel summary.

>> We can absolutely get that to you very quickly.

>> Martinez: But can you explain why we don't put cmo and law in this personnel summary?

>> It's really just kind of a long-standing approach, as we are trying to fit 40 departments into a day and a half financial forecast work session. We tend to try to focus on the ones that council typically has the most questions and discussion about. The public safety information, austin energy, water, there hasn't been as much information in ctm, city council, mayor, city clerk, law, and not only in this forecast, we haven't highlighted them in previous forecasts but we are certainly happy to do that if that is the direction of council.

[03:48:14]

>> Martinez: Yes if there are any other departments like not ctm that aren't listed. This is a summary of every city employee so I would like to look at a personal summary of every city employee.

>> Yes, lane is pointing it out it is there in aggregate but breaking out by department, we have that and can get it for you very quickly.

>> Martinez: All of those that aren't specifically listed are

--

>> aggregated.

>> Martinez: They are internal services funds.

>> Yes.

>> Martinez: Can you get a breakdown of that?

>> Absolutely.

>> Spelman: Mayor.

>> Mayor Leffingwell: Council member spelman.

>> Spelman: I was expecting to deal with this a little bit later but council member martinez has appropriately brought it up now. We have an increase in total requirements for the general fund. I haven't looked closely at the enterprise funds in this particular respect, but we have a \$40.6 million increase in the general fund requirements. Is that

-- am I reading that properly.

>> Yes.

>> Spelman: From about 800 to \$840 billion, and I am counting the direct expenses which are attributed

in the forecast on the department by department basis to add up to about \$23 million, and that leaves \$17 million for, what I am guessing must be indirect expenses, which is charges back to support services, management services, financial services, building services, the other stuff that council member martinez was talking about. Is this an appropriate way of thinking about where the money is going?

>> [Indiscernible - no mic]

>> Spelman: Okay. If that's the case.

>> Yes.

>> Spelman: It's fair

-- I am going about it the fair way. I don't want to be in the rough here. If we are talking that \$17 million is increased for charges for indirect expenses

-- my apologies for using direct and indirect. I come from a nonprofit world and that's how we think about it. If there is a better word to use to describe saying that I can continue to do that, so I am still in the fair way, it looks to me about 14% increase in charges from general fund to support services, 14% more, that's \$17.2 million increase. Is 14% increase over total expenses over last year from the general fund. I want to know whether or not that is going to be reflected in charges to all of our enterprise funds, all of our other departments and if we can get an explanation for why, if the direct expenses are only going up by 3, 4, 5% on the department by department basis, why the indirect expenses are going up 3 times as much.

[03:51:02]

>> And -- and we can certainly provide you more of a break-out on that. I can tell you at the time of forecast, this is

-- this is probably a good chip shot away to play with your analogy. It is a good chip shot away from hitting the green. It is a forecast and the time of the forecast we ask departments to conservatively assume 10% increase in the internal and support costs. At this early point in the game, we don't quite know exactly where we will land. We haven't sat down with the fleet and police and fire department and gone through detailed analysis of the equipment needs so we aren't sure if the final answer is 10% increase or 8 or 6. We generally take conservative posture on increase for health costs and we take 10% usually but we have gone more to 3-5 increase because we have had good experience claims but we do the same thing in ctm and support. We are going through governance process right now so it's not just looking at staffing when you talk about sctm costs, it may be flat and we may see significant increase in the cost allocation because we are seeing some expensive piece of equipment or the switches and thing that is make the internet work. We upgrade those and that gets allocated out to the cost to departments. When we are still going through it governance process and fleet review process at this early stage, we just say we don't think it will be 10% but to be conservative let's assume a 10% increase, but we can have a breakout in terms of the fund summary. I have seen that and I am not sure about the exact numbers you are looking at. We can provide you more details, but part of the answer is we have not completed all of that work yet, and until we stand before you with a budget, we will be able to say exactly what the increases are for each individual department.

>> Spelman: I unhistorically there has not been as much interest in internal expenses as there has been in direct expenditures but if internal services is expected to go up something like 10% and direct

requirements are only going up to something like 5% or less, which is what it seems to be, I would suspect the history will reverse itself and we will spend more time talking about internal services.

[03:53:20]

>> Yes, and I think the way

-- given our history and the process the way it's laid out, we really are not going to be able to have that discussion with council until we deliver the budget and we can certainly take this input and then when we deliver the budget to council make sure we are giving you a much more comprehensive view on what's happening in the support departments and how it's affecting the direct departments.

>> Spelman: That would be extremely helpful. Thank you.

>> I think we are ready for a presentation.

>> No presentation.

>> Or questions and answers for the fire department.

>> Mayor pro tem.

>> Council member martinez.

>> Martinez: Good to see you again, chief kerr and I were up early this morning doing build a booth. But I wanted to ask kind of

-- we talked about this this morning before we started doing fill the booth. I want to ask what we are projecting moving forward through this decent degree process, should local 975 intervene. We get into a contracted legal battle with them. Do we have any sense in overtime costs in the 5-year forecast

-- you state in here we are at about 100 vacancies now and that number, you mentions, grows every day when retirees sign out. Are we projecting significant increases in overtime over the next few years with that potential lawsuit

-- or that

-- yes, the lawsuit with doj hanging out there?

>> Well, in fact, I confirmed our number of vacancies right now, and it is at 76 that we know of, and that -- those numbers kind of ebb and flow, but generally, they are about 3 per month so that we, you know, sort of forecast that 100 is sort of

-- that we will forecast that we will be at by fiscal year

-- next fiscal year. Yes, we do have some concerns about, you know, the cost of overtime. Particularly if we end up in a protracted legal battle and the vacancies will continue to accumulate and the only way to backfill is through the use of overtime, so that the additional 6 million that we have added for the overtime is conservative estimate. We are hopeful that maybe we can bring all of this back together and come to an agreement with the department of justice.

[03:55:53]

>> Martinez: So one of the things that I would like a little more detail on as we go through this budget process is of the projected 100 vacancies, what do you project in vacancy savings versus what we are going to project in overtime expenditures? And then on the lawsuit cost of the doj case, does that come out of law department, or does that come out of fire?

>> Well, some of the legal fees have come out of the fire department budget and that's another area where we've had some concern, is the funding for those legal fees. Fees p.

>> Martinez: So what are we projecting in legal fees for a case like this?

>> I think in earlier cases, our legal fees

-- let me see if I can get some help.

>> Martinez: You can come and help, dr. Paulson. I want to get a sense and it's not as intense as it could get once we get into the legal battle so it could significantly increase over the next couple of years. Good morning, ms. Paul.

>> I am renalle paul, assistant director. Right now we are looking at roughly 200,000 and as we go forward we will look at issues what kind of consultants and additional assistance we will need with that process, so it sort of depends on which direction it might go in the cost of the next coming year.

>> Martinez: So we don't have any really estimates on what we have done so far but it will be at least \$200,000 if not substantially more?

>> That's probably a decent estimate at this point in time. There are other types of resources we will need to implement the consent decree by the result of our legal resources is kind of in that ballpark.

[03:58:01]

>> Martinez: Thank you.

>> Cole: Council member tovo.

>> Tovo: A quick follow up. I am not clear whether that's built into your budget forecast for next year?

>> It is not.

>> Tovo: Okay. And the 200,000 that has been spent this year, that was for resources beyond our regular legal staff?

>> The 200,000 is what we have paid year to date on legal fees in regard to the consent decree.

>> Tovo: I see. But those were not

-- those were to outside attorneys and consultants?

>> That's correct.

>> Tovo: I see. Thank you.

>> Cole: Council member spelman.

>> Spelman: Chief, we are

-- two questions. First, as soon as we have the authority from the department of justice to start hiring people off of a list and funding an academy will want to do. Are we projecting any academy

-- when we do hire people and put them through the academy, are there other additional expenses associated with that other than just hiring them?

>> Yes, they are and those are in the budget.

>> Spelman: Those are in the budget. How many academies are we projecting in this budget?

>> I believe we projected for two academies. I am kind of looking at it, but I think that's correct. I think two.

>> Spelman: So shortly after the fiscal year begins, we will be able to hiring people off of the list we've already got or some form of the list we've already got. We will have to start hiring people and go through academies

-- or at least start academies?

>> We are hopeful that will be the case.

>> Spelman: I am hopeful of that, too.

>> Thank you.

>> Spelman: Second question. The reason we have a city wide policy of four person staffing on all trucks but we were

-- and although this policy has been in place for several years, we were not able to reach the policy for several years because we didn't have enough firefighters. Now we are in a position we have so many vacancies we are really back to where we were a few years ago, then although we had a policy of four staffing per truck we didn't have the firefighters to do it and we did not have four people on each truck. Is it more appropriate

-- I don't know the answer to this question so I am asking you. Is it more appropriate at this point for us to pay additional overtime to ensure we get four people on each truck, or is it more appropriate for us to back off to where we were three or four years ago when we just didn't have enough firefighters and let some of the lighter trucks have three people on them?

[04:00:31]

>> It was more appropriate for us to maintain the four persons on each truck and pay the additional added time that we need to maintain that, and to sort of give an example and there are a number of studies that are gained with additional truck and I can provide that to you and just quickly, we have a metric that we need of 86% of the time we maintain and control the fire to the room of origin and that happens because we are able to put the amount of people that we put on the scene that are necessary to maintain that. The example will be there is a strip mall and the fire started in the middle of the strip mall in one of those stores and because we control the fire to the room of origin or the area of origin, all of those other businesses that are in that 57600

>> Spelman: So on a general basis, it would be safe to say that we are more effective now because we got four-person staffing on every truck, and if we drop back to three-person staffing on some trucks, we would be less effective. We would not be as good as confining fires to the room of origin as we currently are?

>> Kerr: That's correct. And then there's also the law or the regulation that it's two in and two out, so before you send two people in, you have to have two people outside prepared to follow them in.

[04:02:39]

>> Spelman: Thank you.

>> Cole: Councilman Morrison?

>> Morrison: Could you remind us, please, where we are in the establishment of our wildfire division, and are there increases or are we fully up to speed

>> Kerr: We are fully staffed on the wildfire division, as we had promised that we would be in our original proposal. We are still working on some of the equipment, and we are still working on some of the training in bringing some of our folks up to qualified areas, so that we can assume a larger and larger

role in the mitigation of and in also of the control of the prescribed fire.

>> Morrison: I understand. I've been talking to some folks that there's important community outreach going on in terms of identifying shelter places and gathering places in the event of fire.

>> Kerr: Part of it

-- some of it

-- part of it is the public education part and teaching people how to live in these adaptive communities, and that wildfire is everybody's problem. Training people and educating them, they have to learn to help themselves. We all know that no matter how big a department is, we can't be on every corner at every home, so we have a good part of our outreach is in the education world of it.

>> Cole: And this is one of the things that I brought up last time, and the fact that with the development of our new code, one of the things that really needs to

-- it needs to take into account is resilience to potential disasters and things like that. And I had asked if you all were planning or had been inviting to be at the table. And I was wondering if

-- how that's going, and especially as it gets morin to the nitty-gritty, do you foresee being able to have conversations with pdr and the folks that are developing the new code?

[04:04:43]

>> Kerr: Yes, we've been involved in it. Primarily has been from our prevention site and also jim lanardis who is the wildfire division manager there. And I do think that it's important that we work together to build sustainability and resilliency, and the only way we're going to be able to do that is, again, if everybody's doing their part

>> cole: Right, right. And there were some interesting news report this week about what other cities are doing in terms of really having to adapt and we're in a pliem position that

-- prime position that we we happen to be doing our new code, so it's an opportunity

>> kerr: It's a really great opportunity for us to build a more adaptive community.

>> Cole: And last question. I'm game. Do you have some critically-e met needs that you'd like to mention to us.

>> Kerr: We do. Ed's like, oh, do you really? We have temporary positions that we've had for a number of years, and we'd really like to get those positions converted to permanent, and those are all in the civilian world, and there are approximately 10 of them. We've been using them in a temporary position, and we could not do without them.

>> Cole: What kind of functions do they

--

>> kerr: Most of those are in the

-- like in the administrative side, pay roll, human resources, a couple of those are in what we call our building services. You know, we have 45 fire stations, and so we have a small crew that does minor repairs and responds to issues that

-- at any one of our facilities. And then the need for five new civilian ftes that we believe will be necessary for the implementation and facilitation of the consent decree, and then the need for two new battalions. We

-- as the city grows and the chain of command grows, and so we're trying to add battalion chiefs that are

managing those stations. And that sort of goes along with the next, which is new fire stations and the staffing that would be needed to go with those stations.

[04:06:53]

>> Cole: Okay. That's a little

-- that's a lot to absorb just with that, but I guess we'll be able to follow up with questions.

>> Kerr: Yeah, and we can

-- we have not

-- we actually have a meeting planned with the city manager and the deputy city manager to talk about growth and development in stations and their placement, and we have been doing some analysis, and so we're prepared to start to talk about where they need to be and, you know, what year and how we start to bring them online and plan that out. So it's not an immediate, you know

--

>> cole: Okay. That's good. And do we have

-- did we foresee any new fire stations in our bond package that went forward

>> kerr: We did. We had asked for more than one, and we got one. That's the one down in south austin, onion creek

>> cole: Great

>> kerr: And that's scheduled for completion in the '16 fiscal year, and you look at the budget projections, we asked for part of the funding for that. And also the money to buy the equipment, you know, that goes in the station. And then in the next year is the staffing.

>> Cole: Okay. So then we would see a jump in staffing in that year to support that

>> kerr: That's right.

>> Cole: Thank you.

>> A quick follow-up to councilman morrison's question. How many did you request in the bond package that did not make it

>> kerr: We asked four, and we got one.

>> Questions, colleagues? Councilman riley.

>> Riley: Would you be able to provide detailed numbers to provide that to us?

>> Kerr: Yes.

>> Riley: I appreciate that. Going back to the wildfire issues, we have been in conversation for some time now about wildfire detection technology. And I know that travis county, city of west lake hills have been involved in those conversations, and we have been looking at a pilot for some system that would have some cost associated with it in terms of both equipment and personnel. Can you tell me how that is addressed in the proposed budget? In the budget before us, is that addressed?

[04:09:08]

>> Councilman riley, wildfire department. It's very late in coming online, but I will tell you this. That we'll be meeting with the purchasing office tomorrow. We pretty much have

-- the interlocal agreement drafted between us, the county and the city of west lake, so that's in

progress. The funding hasn't been identified in this budget, because I wouldn't have a number for you. Yes, sir, we planned on doing it this year as well.

>> Riley: Great.

>> So that's really our desire, not in and out here. We're close. It's not moving as quickly as I would like it to, but we're moving. And that's good.

>> Then going back to the issues related to the hiring and staff ing, do we have a cost estimate for the two academies that we have budgeted for for the coming year?

>> Kerr: I would have that, but I don't have it right at my fingertips. Ranelle may have it? Dr. Paulson. No. Okay. We will get it to you

>> riley: If we find ourselves in a position where we're not going to be able to proceed with hiring due to litigation, would we be able to use those

-- that funding that we have planned on spending on the academy, would that be available for use for overtime

>> kerr: That was our intent.

>> Riley: Okay. Thanks.

>> I wanted to follow up on the two new battalions. Currently what is the span of control for a battalion chief in a battalion in terms of stations? How many stations are

--

>> kerr: I think it's about 7 to 1.

>> Martinez: So we would add two additional battalions and one fire station.

>> Kerr: That's correct

>> martinez: And that would take it down to...

[04:11:10]

>> Kerr: It would take it down to 5 to 1

>> martinez: And that's the optimal span of control?

>> Kerr: Right.

>> Martinez: Is there any out west with the wildfire issues and the mitigation issues

>> kerr: Yes. One of those would be out west, that's correct.

>> Martinez: And I'm sure you don't have this detailed level of information, but as councilmember riley asked as a budget question, if you could give us the estimated cost for adding those two new battalions with related ftes, equipment, things of that. You're going to need a new chief's car, two new chief's cars and new positions, so if you could just write that down for us.

>> Kerr: Okay. We will do that

>> martinez: Thank you.

>> Cole: Councilmember spelman?

>> Spelman: The instructions we have were to identify unfunded initiatives, look for ways to fund those within existing resources. So having a sense with that number is going to be really helpful to us, but the presumption is going to be you're going to find reexisting resources in your budget to be able to fund those, and ranelle is saying I don't think so.

>> Kerr: That's why they're not on the list, because there's no way we could fund those critical needs

without additional funds

>> spelman: Okay. So you're maxed out with what you've got. You can't

-- although using critical needs, there is nothing in the budget which you would be willing to give up in order to pay for these things, and so if you're going to get these things, it's going to have to be new money?

>> Kerr: Right. And there's really not much. If you look at our overall budget, there really isn't

-- we run a lean budget in the fire department. I really don't even have sometimes money for new programs. So there's nothing we could give up that would, you know, not be essential, you know, to what we're doing.

>> Spelman: Everything you're doing is as essential as the critical unmet needs?

>> Kerr: Yeah

>> spelman: At some point

-- we may be in a position to

-- this is going to be true for the fire department and true for every other department, we may or may not be able to meet some of those unmet needs. But at some point we're going to need some sense of priorities and justification of why this is a higher priority than something else.

[04:13:26]

>> Kerr: We will put that together for you.

>> Spelman: I understand that's what's going to happen over the next few months.

>> Cole: Okay. Thank you. I believe that's the end of our questions.

>> Kerr: Thank you.

>> Cole: Is ems here or

-- who's up next? I have on my list that austin police

--

>> cole: Colleagues, police is here. Are there any questions of police? I bet there are. Is councilman spelman ready? [Laughter].

>> Morning.

>> Spelman: Morning, chief. How are you? This is a rit wall. We've done it for years. We'll do it again.

One of the things interesting we've only got information broken out by direct expenses and by department for direct expenses, we're talking a total of \$23 million increased among all of our general fund departments. Most of that is in the police department. Okay. So in other another way of putting this is the direct expense increase vision of this budget for the police department is greater than direct expense increase for all other general funds departments added together. The other thing I need to point out, and I just

-- I found this to be interesting. Is in each of the descriptions for why we need more for the library, what we're going to be doing in municipal court and so on, there's usually two or three things pulled out.

We're going to need such and such for the library, more materials and so on. And you dwies are doing the same

-- guys are doing the same thing. A million and a half for the old new officer, the ones we're hiring this year and are going to be carrying over, there will still be new officers for next year. Another \$4 million

for salaries, retirement and step by. And that leaves \$3.6 million which you don't have a description for. I'm sure you'll have a fine description for us when we actually see more details in the budget. But I feel compelled to spell out the miscellaneous in the police department is larger than the total increase for any other general fund department. So everything the police department, including chief acevedo, is larger than life, and the police department's budget

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[04:16:39]

>> acevedo: I don't know how to take that

>> spelman: With a grain of salt. You're greening, which is exactly what I was hoping you're going to do. I'm guessing that 1500 police officers is the amount that would keep us at a ratio of 2.0 sworn police officers per thousand resident population; is that right

>> acevedo: I think if you look at that, it would probably add up to two-point per thousand, but probably from our per perspective, not what we have the justification for. In a perfect world, we'd like to add about 126 positions this year, and we have the workload to actually put them to work effectively and efficiently.

>> Spelman: Okay. Tell me why. Why?

>> Acevedo: Well, first of all, we can start with the

-- we still have not addressed the shortage that was identified by the police exhibitioner's form staffing last year. Start mitigating the shortage by them and the staffing shortage. When you look at our workload, it continues to increase. I mean, around the city, it seems like every year we keep adding more hotels, more special events. When you look at the headlines about our economy, more people are moving here than anywhere else in the country. Our airport arrivals are up every year we break a record. Well, those arrivals come with the workload for the police department in terms of what they're here for, they're here for conventions, they're here for partying, they're here for everything great that austin offers, and so, you know, I can give you the breakdown for what we would want to do with those positions for the 126, and I'd be happy to provide you with that, but the workload continues to increase. And quite frankly, our public is very demanding when it comes to public safety. They want results. Our property crime continues to be a challenge, and there's

-- and the lack of staffing is a big part of that. It's hard to do proactive community police and proactive disruption of the property crime issue, which is the number one

-- this, I think disrupt ter, the no.1 thing you can do to prevent property crimes from occurring from a police department standpoint is really interview from patrol. And when you're going from call to call, 15% uncommitted time, which as you know, councilmember, ideally that should be closer to 30, if not a little higher, we can't disrupt those crimes. And the second piece of that, even when we do capture them, for some reason in our criminal justice system here in travis county, property crime is something that doesn't put you in prison. A lot of times, quite frankly, they get probation. And so we tie people into large numbers of property crime, and then they end up getting probation, a slap on the wrist, well they go right back to committing the offenses. So, again, the no.1 thing we can try to do to impact the no.1 challenge from the public's standpoint, which is property crime, which is to have more resources, black and whites out in the neighborhoods, cruising the neighborhoods, keeping an eye out for suspicious

activity and preventing them in the first place. That would be the ideal world

[04:20:01]

>> spelman: I agree, if a crime was never committed in the first place, it's going to be cheaper for all of us and certainly better for potential victims. We can have a conversation, we've had several conversations on the best means of prevention. Right now my primary concern is that there be a justification for any increase, whether it's 126 or 49 or 57 or whatever the number turns out to be, that we have a justification based on the sort of factors that you're talking about, calls for service workload, special events, tourists who might put special needs. I imagine tourists are more likely to call 9-1-1 than nontourists are. If we have more tourists, I imagine we're going to get more calls and more and more police activity as a result of increase in people who don't know their way around, don't know places not to go, don't know things not to do and so on. I think it will be important to have a justification for all that stuff, whatever number we end up with, rather than relying on that ratio of 2.0 per thousand. Acevedo: For 20 of the officers, we're going to add one officer per evening sheet to really impact that uncommitted time, to hopefully be able to do more proactive patrol. Quite frankly, the violent crimes happen in

-- probably more economic depressed parts of the city. Well, you know that our primary focus is to save lives, above all else, and to protect people's life and limb. Well, the consequence of that is that some of the more parts of the city potentially have more challenges with property crime. Because you don't go burglarize a person that may not have that much to be victimized with in the first place. And so that puts a challenge on us. We're hoping that with the 28 positions that we'll add, one each evening shift, it will help with the uncommitted time, hopefully put to use some of those bodies to not be responding to calls, but actually put them dealing with interview, patrol, and the hot spots. 18 of them would go to each night shift, and ki just go down the

-- I can just go down the list. Property crime, we'd like to use 10 officers, one corporal, one sergeant, to continue to address the property crime issue. Being quite frank with you, we're going to start keeping track of when people do get those slaps on the wrist, because I think part of our job is to educate the community as to the level of accountability, so they can make informed decisions as to whether or not they want to participate more in the criminal justice process. I can continue going down that list.

[04:22:40]

>> Spelman: Well, I don't think

-- I'm not sure any of us have the band width to right down all of the things you're going to tell us. It's good to know you've got it, it's good to know that you're thinking in terms of justifications for this. And I think the most important thing for this hearing right now is just to see

-- make sure that we're on

-- on the same page with respect to what we're expecting of you. I'm not sure I'm expecting it at this point, but what I'd really like to see is what it is you seem to be prepared to give me, which is a justification for whatever number we end up with and how those resources will be used to make the city of austin a safer place for those of us who live here and visit here

>> acevedo: I'll be happy to give you for 59 or all the way to 126.

>> Spelman: You'll have to talk about how far you can go. We're asking for 59.

>> Spelman: We had some conversation about the fire chief a few moments ago. Now we know what else you want. I'm happy to hear there's no

--

>> acevedo: No helicopters

>> spelman: That's a real good thing. [Laughter]

>> spelman: One other thing I should mention now which is going to come up over the next few months is I'm concerned, as brook was concerned, as you're concerned about the amount of uncommitted triem that patrol

-- time that patrol officers have and the more time available in working with the community to prevent crimes, the better all we're going to be. When we're only talking about 15 or 20% rather than 30 or 40%, there's tremendous limitations as to what it is a patrol officer can do. One way dealing with that is to add more patrol officers. Another way of dealing with that, we'll have conversations over the next few months, is using those patrol officers more efficiently, and particular monitoring their activities in resmons to calls, in response to special events and so on, so that they don't spend so much time out of service and they're actually able to get back into service and have that uncommitted time which might be available for other purposes. So we'll have more to talk about that.

[04:24:46]

>> You were asking about kind of the reconciliation between a \$12.4 million increase in their budget and what's highlighted in their report.

>> Spelman: Yeah.

>> Van eenoo: We always are trying to find the reconcile to the benny. We do

-- penny. We do have additional detail, just the insurance cost increase is 10%, kind of blanket assumption of departments, police department, that's \$2 million. Fuel and maintenance cost, they have a large vehicular fleet, we're projecting a \$600,000 increase there. Again, that's just a blanket 10% assumption. Jail contract, \$200,000, and I think another \$280,000 for nonvehicle-related maintenance needs. Again, it's a department with a lot of equipment and supplies and computer software and things that need to be maintained. So there are always a lot more details that we're happy to provide you, but that's kind of the flavor. We were trying to, you know, focus the attention of this report on the highlights, more so than trying to reconcile to the penny, but we can reconcile all day long, too.

>> Spelman: I understand that. And we're going to be reconciling to the penny over the next few months. My point was not that you were trying to hide anything at all, but if you're trying to highlight the two or three most interesting things with each budget, after you went to the first two or three interesting things of the police budget, it is so much bigger, there is a lot left

>> van eenoo: And interesting is a subjective matter, too. If we don't get it quite right, we're happy to provide additional detail

>> spelman: You got it quite right. We're just talking about a large budget, that was my point.

>> I wanted to follow up with you, chief acevedo, you made sure there's a balancing act between property crimes and more violence crimes that your department encounters consistently. I'm wonder

field goal you can make any suggestions that we need to think about in the budget process for maybe cameras or other vehicles or instruments that we could use to help with the property crimes? Because I am hearing about that.

[04:26:57]

>> Acevedo: We'd be happy to. And some of the things that we do is educating the public. One of the things you can do as a homeowner is to harden your own home, lock your doors, not leave things out. You know, I had a neighbor leave a \$20,000 ring in her -- well, in her car, and needless to say it was gone the next day when they broke the window. So that's something we do a lot, educating the public. You know, if you leave it out, they're going to come. And so it's kind of like when you

-- if you feed

-- pigeons know where to go eat, criminals know where to go steal. So don't leave anything for them to come and take, and that helps. A lot of property crimes are crimes of opportunity. When the cops are there, the opportunity is diminished. But when the cops aren't there, lock your garage door, having good lighting. I've got central lights all over my house, so if somebody's out there, it lights it up at night. We do a lot of educational pieces. One of the things I'll double-check on to make that easier for people to find on our website so anybody can come to look at suggestions. I'll look at that, too, as well

>> cole: In the past, we had some discussions about different councilmembers about using more retired officers or nonsworn officers. What have you recommended

>> acevedo: The reserve program?

>> Cole: The reserve program

>> acevedo: I think that came up last month. The challenge is

-- it was so limited this time around as to what incidents

-- what events they can be used for, it would cost more to get a program going than we'd get in return.

I'm hopeful that next time around that we will actually establish a more robust reserve program that will make it worth the investment. We work a lot with volunteers, we've got senior

-- we've got citizens on volunteer programs where they actually are on patrol in some of our

neighborhoods, and so citizens also come and volunteer with us. But the reserve program is something I'd be very supportive up, something that I'd like to expand, but as it

-- as our authority right now is so limited that it would be more

-- it would not be cost-effective to launch it for three events. I think it's three events.

[04:29:11]

>> Five

>> acevedo: Or five events. And it's so limited that the cost of having that program would probably be cost prohibitive at this time. But we are looking at that the next time around to hopefully have a real robust, much more broad reserve program

>> cole: Councilmember martinez

>>

>> martinez: I'll follow up with where you finished off, chief. I'd like as we go through the budget process, get some more details for the ramp up cost for the reserve program and why you think it wouldn't be revenue neutral or positive for the department. I assume it's a cost in training and establishing the program, but then I assume it would be a lower cost to pay the reserve officer than it would a sworn personnel, you wouldn't pay necessarily insurance or retirement benefits, things of that nature snmpleght is that

-- is that correct

>> acevedo: We'd have to look at the civil service coming into play. There are a lot of things unanswered that complicate it because it weumed be city employees

-- it would be city employees. If they're paid, the civil service apply, and I'm not sure

>> chief, is it necessarily the case, having been a reserved police officer myself, is it necessary the case that reserved police officers are paid?

>> Acevedo: No, they don't. But in this case, a lot of places are paid. I would love to do a complete voluntary program. The question is, it's limited into who we can bring to the table. I think it has to be retired apd under the contract? To answer your question, succinctly, for those areas that we can use reserves, we would not have to pay them as much. I think part of what the chief is talking about, though, is our current officers come with equipment and those sorts of things, so we would need to take a look at that, you know, the cumulative cost of the actual program. But to answer your question specifically, no, we wouldn't have to pay them the same amount.

[04:31:14]

>> Acevedo: And because those five are just special events, councilmember, one of the things we're doing now is working with the apa to come up with ab off-duty reduced rate to use for these special events, and also trying to use members of other agencies in travis county to work some of the

-- I would say

-- fixed posts at a lower rate that will eventually, I think, save money all the way around. We're working on that, and we should have something in the next couple months.

>> Glad to hear all that. I know those conversations have been taking place. But following along with what councilman spelman brought up, I also want to take a look at issues like time dedicated through the imagine straition process and how many effective boots on the ground hours we're losing out because of that process. And what type of efficiencies do you-all recommend us putting in place so that the officer that brings the detainee in can process that as quickly as possible, as opposed to being there for two and three hours at a time.

>> Acevedo: And we actually have a program where we actually

-- a couple things are happening. On the heavy nights, we're actually booking at karas to and we're taking loads of prisoners at a time and we're also using overtime initiative there to have an officer there to keep the efficiency of getting the people back out. We're working on a proposal that hopefully we'll be able to share with y'all in the next few weeks. We believe that when you see it, you'll see

-- there's a cost to establish it, but

-- what year is it, five or six, from that point forward, we will see some real dollar savings that add up very quickly. But most importantly, the efficiency pieces will be immediate. We're going to have

-- our proposal will include [inaudible] vans where if the officer is closer to the substation when they make an arrest, they'll go there. The van will pick them up, transport them to the imagine straition center where they'll be magistrated.

[04:33:22]

>> We visited in houston and we think we can actually do something similar where we can have an area where people

-- or pi can sleep it off, so there's a lot of things in the works that hopefully you will see in the next few weeks that I think you'll find of great benefit both fiscally, but more importantly operationally and efficientwise

>> so when you magistrate, that person can get out on a personal bond?

>> We don't magistrate there. We process them there, then they get still magistrated at the jail

>> I see

>> acevedo: If we have a magistration center, then they won't even go to the jail.

>> Martinez: Appreciate that explanation. The last point I wanted to bring up to see if we're going to talk about this in the budget process, two days ago we were

-- I don't know if everyone else got the memo, we were dropped off a memo from cheer partners, who is doing the consulting auditorium chores, and one of their recommendations is to create a traffic management division under the police department to

-- instead of having police officers, you know, running intersections, have true traffic managers that can create better traffic flow patterns and have less wait time. Is that something that's going to be coming forward in this year's budget?

>> Acevedo: I ty don't think that

-- I don't think we'll have time in this year's budget. That's something we accept conceptually, you're talking about traffic cops, if you can use nonsworn city personnel to control intersections, because a part of that is we have to look at the code in terms of being able to control traffic on actual streets. So

-- but that

-- that

-- if that were to come to fruition, I don't think it would be in time for this year's budget

[04:35:22]

>> martinez: Okay. Thank you.

>> Acevedo: But that is something that has is being discussed

>> cole: Councilman riley?

>> Riley: I'm glad to hear that you expect within the next couple months to have something to report on the staffing and issues that we're talking about, about the possibility of using reserve officers. It wasn't last month that we had requested that information, it was this month. For the may first council meeting. I asked a question. My question was, when can we

-- when do we expect this type of staffing model to be available, and the answer I got was that this is

-- that the department is currently evaluating the cost-effectiveness of this provision for various reasons,

period.

>> Acevedo: On the reserve plan?

>> Riley: Yes. So this is the first time I've heard any time of a time frame. I'm glad to hear within the next couple months you expect to see some resolution on that. Did I hear that correct?

>> Acevedo: We work for you and that's what you've all asked for

>> Riley: I was asking you when we would be able to get that and I wasn't able to get an answer on that

>> Acevedo: We'll work with that on the next few weeks

>> Riley: And the hope would be we would get that in time to make any necessary adjustments for this budget year

>> yeah, we should have an analysis on time.

>> Riley: What I would like to do is undertake the same sort of analysis that you referred to about looking at with respect to magistration, looking as to how this program could evolve in such a way that it would make sense over time. I know the association has indicated some willingness. Obviously this was something that they agreed to, and, of course, the contract negotiations, when I asked about making additional progress on alternative staffing, in particular for events, the answer I got for association, the answer was you haven't done anything with the authority we gave you in the contract, so why should we even talk about anything further. And that is something that we discussed months ago, and I really would like to get some sense of a road map on where we're going on that so that maybe there's a way that the program could scale, if it proves to be effective, that could scale. In the meantime, I know that there are some issues associated

-- some concerns, legitimate concerns associated with pulling officers off of their regular beats where they're really needed to fight crime and making them stand there at barricades for special events and throughout long events. We have had

-- as you know, we have gotten complaints from the public about the interactions with the public in that sort of setting. And this has been over long periods of time that people have repeatedly report that they cannot get good information from

-- at those barricade situations about detours. The last e-mail we got on this said somebody asked six

-- they were trying to make their way around a particular

-- the barricades for a particular event, they asked six different officers and got six different answers, all of which were inaccurate. And so

-- and that is consistent with my own experience and the experiences that I've heard from others. And I wonder if, in the meantime

-- obviously one potential benefit to having a division that is focused on traffic management or special events, have an alternative staffing model, is that you could actually work hard on interacting with the public and making sure you're providing good, reliable information about how maneuver around events. That's something that you could do with a special division that you might

-- that might be a little more difficult to do when you're pulling officers in off of their regular beats.

[04:39:22]

>> Acevedo: May I address that a second? We have a special events unit that is supposed to be providing information during the briefing for all of these special events. And when that's occurring, I

urge the public to let us know right away, because they are our eyes and ears. We cannot take corrective

-- and we've got 1800 sworn police officers, 1740 sworn police officers,

-- the public's our eyes and ears. The expectation we have, when you work that barricade, you're there to provide a service. That service includes providing information on how to get around a detour. In those instances where that is not occurring, the sooner we can get that information, the sooner we can take corrective action. Because I assure you our folks respond to corrective action very well, but we need the information sooner rather than later so we can take

-- our expectation, and we've made it very clear over the years, is that they be out of the cars, at the barricade, being accessible, being visible, and most importantly being helpful, letting people know the information they need. So we'll double-back and make sure we are providing the appropriate briefing through special events, councilmember, and probably make sure that they're including maps and things of that nature for every closure, to answer those questions, including buses. Where do I find this bus, you know, it's on congress, bus whatever, route whatever, making sure that we have all that information. It should be happening. And when it's not, please let us know so we can correct it

>> riley: I always appreciate having officers there, and I've always found them to be very frnd lid and

-- friendly and helpful, and I've witnessed very positive interactions with the public, just cordial interactions, but in terms of having good reliable information about how to get around, that's really another story and that seems more of a systemic issue than an issue with any particular officer. I question whether we have adequate systems in place to identify good detour information and distribute that information to all of the officers who are charged with staffing those barricades

[04:41:25]

>> acevedo: Well, we'll circle back. Thank you.

>> Councilmember morrison?

>> Morrison: Thank you. I'm going to talk about councilmember martinez' question. I wasn't quite clear from your comments, though, as to whether or not you determined whether legally it's going to be feasible to put nonsworn officers, nonsworn positions as traffic managers? Have you determined that one way or the other?

>> We'd ask that question of city legal, and quite frankly, legislature is in session coming up, so this is a perfect time to have that discussion so we can see what we have to do, depending on the answer from a legislative standpoint and a statutory standpoint

>> morrison: So it's not feasible now

>> acevedo: I'm not certain. I haven't gotten that answer back. Anything's possible, if there's a will, we can get there

>> morrison: I got

-- I didn't get the feeling talking with the tour partner folks that that was even an issue, so I'm glad to know that that's still an issue that's on the table. And is it possible

-- I think it would be really interesting for us to be able to get a sense of how many hours your officers are spending managing traffic for special events and other issues. I imagine there are other times that they manage traffic, but this where we would be able to replace them. So do you keep

-- is that information available in your time-keeping system of how much time folks are spending when they're assigned to traffic management?

>> Acevedo: We can't

-- we can't currently capture that, but we can circle back and see if there's a way to capture it. Our timekeeping is still

-- a lot of it's paper-based, in the city, so it's

-- this can be challenging.

>> And I guess what the chief's saying, too, we'll have to know more from a micro level. A lot of times when those officers are assigned to the event, what you have, they're on duty for the event, but you may not necessarily have where they're assigned, if they're assigned to a barricade or some other function. It would take another level of capturing information to determine who's being assigned, how much time they're on a barricade, for example.

[04:43:52]

>> Morrison: So I -- because I think it would be interesting, at least to get some order of magnitude estimates or something like that, because I'm curious

-- obviously if we open up their time, they can be on the street and doing patrolling and other duties. So I'm curious about how we would be able to do this new division in a revenue-neutral way. For one thing, we would hope that we'd be able to figure out the cost of the traffic management and do a one-for-one charging and fees to the event, but that's not always possible because there's some things that are broader and all that kind of stuff. So I'm curious about the order of magnitude, because, for instance, if we found out that the equivalent of 59 officers were managing traffic in our city in a year, that might -- and we were going to replace that with nonsworn officers, that might make us want to take a look at that 59 new officer number. So any

-- anything that you can do to help us get a sense for how much

-- how many hours, how many positions this is really going to open up, I think would be helpful in our

--

>> acevedo: One word of caution

>> morrison: That was extreme. I know it's not 59 officers

>> acevedo: No, I just want you to think, just get your mind around it. The difference between having a nonsworn person at a barricade, some of our events are alcohol driven, it's not family events. It is adult events with a lot of challenges, and these officers at barricades aren't there just to keep a car out, they're the first officers on a scene when a fight breaks out or

-- so we just have to be really thoughtful about the time of events we use them for. There's a difference between using them for a 5k run on a sunday morning and a south by southwest with

-- you can understand the point I'm trying to make

>> morrison: Sure

>> acevedo: So I completely support the concept, but we've just got to be real careful we understand what type of events we use them for. There's a difference between a bike race or a walk

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[04:46:03]

>> morrison: I don't know about those bike races. Just kidding.

>> Acevedo: I'm a cyclist, so I'll stand up for the cycling committee I know. One other comment I wanted to make is I think it's a good direction to go in. Obviously there's a lot more information. I would assume that if we created such a division, that there would be a strong leads or allocation of resources from the transportation department to work with the traffic management folks?

>> Acevedo: Yes

>> morrison: And then just two other questions have come up. One, you mentioned you're going to be coming up with a proposal that we'll be hearing about soon about a magistration center?

>> Acevedo: We hope so mores

--

>> morrison: Are you saying a new physical location?

>> Acevedo: We have an identification identified. It's a current city fa facility that would require some reconfiguration and buildout cost. We've been putting a lot of thought in this and we're hopeful it will make sense to everybody

>> morrison: I appreciate you're thinking and getting to work on that. And then last time, one of the thing that's comes up in increasing efficiencies, is the concept of cite and release. Do you do that

>> acevedo: We still do that. And we'll continue to do that. It's

-- but it has to be somebody that lives in travis county. I mean, there's some requirements that you have to meet. And so we're continuing to do that, and I continue to support that. Something I was used to in my old state, which I can barely remember that state any more, I've been here so long. I'm a texan now, but we're very supportive of that. It doesn't make sense to tie up a police officer booking somebody for an offense where they or going to go in one door and out the other. Part of the magistra tirk rkon center, we get charged on a cite and release as a booking.

>> Morrison: That's interesting. What type of events are we able to use cite and release on

[04:48:08]

>> acevedo: The lower levels of marijuana position, things of that nature. We have to know where you are, so

--

>> morrison: Okay. Great. Thank you. Councilmem ber tovo?

>> Tovo: You've answered some questions and I think you're going to get us some information about what you regard as the cost of ramping up the reserve program, but I hope you'll also

-- I hope that analysis will also include some of the cost of using officers so we can really weigh that. But I'll just say that, you know, the special events ordinance that was passed in 2008 talked about using other officers from other areas, and I don't believe that's really happened to any great extent here. The reserves program, I think, offers a lot of good options for the city to consider and I would just

-- I would just

-- I appreciate that you're going to get us some more information. I would say it really should be a high priority

>> acevedo: It is

>> tovo: Because we sat through the budget last year and talked about the cost of special events putting on the police department and others. I hear a lot from constituents concerns about pulling district representatives out of their neighborhoods for events, and I really think we need a new direction as far as that goes. So I hope it's something that you are able to move forward with pretty quickly.

>> Acevedo: We'll have some information for you.

>> Tovo: Great. And while I'm talking about special events, I'll just mention that we did do a resolution, councilmember morrison and spelman and I did a resolution last fall asking for a comprehensive analysis of costs relating to events, a lot of which are police costs. I believe that was scheduled to be returned to us last fall. I understand we asked for a lot of information, and so it's understandable that it has taken a little longer, but I would really like to have an estimate of when we're going to get that energies. We did get some preliminary information in response to some questions I asked a few council meetings ago, so we have some of those costs, I think, now, but it really

-- I think as we go into this next budget, I think it would behoove us to have that analysis. So I hope we'll hear from the city manager what that timeline is for returning that. There are certain groups I go to that ask me regularly, when is that analysis going to be done, and I don't have an answer for them, and I sure would

-- not only would I like the information, I'd like to be able to provide that information to them about when the report's going to be completed. With regard to the magistration center, first of all, I want to thank you. I know you've attended some of the meetings related to the sobriety center, and I know several representatives from the police department went to houston a couple weeks ago. I just want to thank you publicly for your commitment to exploring that option and we'll look forward to hearing more about what your thoughts are on that. And then lastly, councilmember spelman pointed out that there is about a \$3.6 million miscellaneous category, and I wonder if you

-- if it wasn't apparent in councilmember spelman

-- I can't remember if you asked for this, but I would like to see how that breaks down, so I wonder if we can add that in as a formal budget question, the \$3.6 million of celled costs that's not identified th this paragraph.

[04:51:38]

>> Van eenoo: That was the thing I was rattling through. We're happy to give it to you in writing, the increase in insurance, the jail increase tooth tooth thank you. I'd like to have that.

>> Acevedo: Our overtime dollars have been reduced by several million in the last few years, and each dollar goes less, because the cost of benefits and pay goes up every year, so

--

>> tovo: I see. So your overtime costs

-- your projected overtime costs for next year are level with this year, and that's why they're not reflected in that increase?

>> Acevedo: It is.

>> Tovo: Okay.

>> Acevedo: And like I said, it's a challenge. The cost per hour, what you get per person per hour goes

down. The 7 million that's left doesn't go as far, because of pay scales and benefits and things of that nature.

>> Tovo: Got it. Thank you. Oh, one last question. In term of the analysis that staff are doing with regard to special events, I assume that your department's been very involved in that. Will you be providing that where

-- in addition to cost hours? I'm wondering if some of the information that councilmember morrison asked for might be in the works in terms of providing that special events analysis?

>> Acevedo: We seem to get a lot of questions about cost of special events. I know we've prepared things in the past. A & c was asking questions last month when you and the council men were there, so we'll be able to get that. We can catch that stuff

>> tovo: I think we do have some preliminary numbers in terms of costs. I guess I wondered if that's also going to be translated into a breakdown of hours and kind of assignments or focal points

>> acevedo: Sure. We should be able to do that in terms of the function they're performing, we can break that down.

>> Tovo: Good. Thank you.

>> Mayor leffingwell: Question about, I've learned a little bit recently about some innovative ways to both enforce and make sure you have better conviction rate on dwi cases. There are special units, I think woodland, texas, one of those areas, and even out here in lake way, where they're able to have a mobile unit that gets those tasks done in a matter of minutes. And what surprised me, I didn't know this before, but maybe one of the reasons it's so hard to get a dwi conviction is that there's a time lapse between the time that the person was actually driving a vehicle and you're able to get a sample. The more time that is, the more difficult it becomes to prove that the person was under the influence at the time he or she was driving. So it was pretty interesting way, technology-oriented system, instead of going to a judge and getting a warrant, that kind of thing, that would actually take a picture and send it back, text or e-mail to a judge and get it right back, you know, just in minutes. And I know that's one of your major concerns. That's one of the things we're not so proud of in this city, and I appreciate the efforts and the outreach that you have done, especially most recently, to call attention to this problem. Maybe that's something that would be a good budgetary investment to set up a unit or units like that to

-- because I really do think that the certainty of paying a penalty if you commit this type of act is the biggest deter rent that we can offer, and I think it's a serious problem. Hopefully we'll look into that.

Councilmember martinez

[04:55:29]

>> martinez: Thank you, mayor. Chief, I want to go back real briefly and ask you to follow up in a q and a, make it a budget question so everybody will get the response. But when we go back to cite and release, what I'd like to know exactly what the law allows under cite and release, and then what exactly our policy is. Is it in line with the law or is it more conservative approach? Because one of the comments that you made that I'm kind of uncertain about is you said we have to know who you are. So in a situation where it's a potential cite and release case f you can't positively identify this person, do you detain them and run them through a magistration process

>> acevedo: You're talking about the elephant in the room, some people can't get ids and driver's

license because of their immigration status. If you're alone, it's a little more difficult, but we've had [inaudible] we can actually run people's fingerprints in the field. We're pretty generous. If you separate people, hey, what's his real name. And where we can

-- you know, to somewhat satisfaction, we still cite them even if they don't have id, and we still accept the [speaking spanish] here in austin and I think we're one of the few cities that does that. So it's pretty liberal in terms of how to establish id.

>>

>> morrison: Can you also provide us a two or three-year snapshot of cite and release

>> acevedo: Absolutely

>> cole: I'd like to follow up on that, mayor

>> mayor leffingwell: Mayo pro tem

>> cole: It's my understanding that that statute says you can cite somebody for failure to identify if it's a lawful arrest. What would be a lawful arrest?

[04:57:29]

>> Acevedo: Well, if we stop you for a traffic violation, whether it's ahead light out or inspection sticker and you refuse to identify yourself, it's like the jogger, everything thinks she violated the law, this jogger we had by ut, she refused to tell us who she was, verbally identify herself. That's failure to identify your several. So if you're stopped and the officer

-- for a lawful reason that is a citeable offense, and you refuse to say who you are, you don't have to necessarily have id, especially as a pedestrian, if you refuse to say who you are, we have no choice, we have to take you to jail. What releases you from that lawful arrest, i.E., The ticket you're going to get, is your promise to appear in court. That is basically your or, you're being released on your own recognizance, and that's a legal document that if you fail to go to court as promised, then an arrest warrant is issue and we go try to find you or if we stop you some other time and it's active, you go to jail. But failure to id is I didn't necessarily have id. Failure to id is I refuse to tell you who I am, and the officer had legal cause or legal reason to have a right to have that information, a lawful right to have that information. Councilmem ber riley?

>> Riley: Chief, about a month from now, we'll have be having the ribbon cutting on lady bird lake. Has the department looked at operations of the board walk and consider if there will be any impacts on the staffing needs of the department

>> acevedo: That's a great question. We're going to use existing resources initially to assess it to see what kind of impact it has. But we're pretty confident we'll be able to do it with existing resources. The other piece that we talked about during the discussion about the trails is actually working with -- with our partners in the city in the use of technology, i.E., Cameras and stuff, so we can monitor that board walk at night from the real time crime center. So we are having discussions, internally and externally with our city partners to determine the best and most cost-efficient way to keep people safe on the boardwalk.

[04:59:54]

>> Riley: What are the expected hours of the boardwalk
>> acevedo: I believe it's going to be open 24 hours a day
>> riley: For bicycles and pedestrians
>> acevedo: My understanding open for everyone.
>> Riley: Would you expect there to be signage at each end informing users of the boardwalk regarding restrictions on nighttime use
>> acevedo: We will have signage, yes, sir. At either end where it ends?
>> Riley: Right. Yes. And that would inform people they need to get off the trail
-- pedestrians need to get off the trail as soon as they leave the boardwalk at night, and that gash well, I guess at night everyone would need to immediately get back up to the street level when they get off the boardwalk during nighttime hours
>> acevedo: Yes. And I heard a helicopter patrol. We will use the helicopter for for
--
>> equipped with a laser beam.
>> Acevedo: My hearing's better than my wife thinks it is.
>> Mayor leffingwell: Okay. Thank you, chief.
>> Acevedo: Thank y'all. [Inaudible]. [Laughter].
>> Mayor leffingwell: Ems is next.
>> Morning.
>> Mayor leffingwell: Morning. So the door is open for questions about the ems budget. Okay. Chief, thank you. Nice seeing you. Councilmember morrison.

[05:02:02]

>> Morrison: Well, I can at least take a moment to highlight as I understand it funding two new community paramedics, is that correct?
>> That's correct. We're very excited about that. As a matter of fact, we have added a new aspect of service. We are now responding to mental health crises as well. With eve partnered with m cot, and mcot, in fact, is putting some of their mobile teams in some of our stations so they can speed up their responses to mental health need, and we're providing specialized training that our medics that are the community health medics, and eventually to the rest of the workforce as well mores thors that's really a good
--
>> morrison: That's really a good progress.
>> We've seen about 200 regular patients with that staff. That number is growing. We're pretty much capped at those numbers with that staff. We're anticipating that we'll probably need two more community health medics in the future, on top of the others we just got
>> morrison: So are
-- I'm wondering if there's been any way to capture sort of cost benefits of these great programs
-- of this great program. Are there some measurements in place that are going to help us get our hands around that? And with the healthcare district, with the 1115 waiver program, I know there's some very

[05:04:39]

>> ... And we are going to be doing a study with them, so if you will talk with them about that.

>> We will do a study with the university of texas, and what they are going to do is go in and look at the existing system they developed to this point and investigate all of the collaborative connections and hope to find ways to take that even to the next level. We want to further integrate with all of the community health systems, and more with the hospitals, too. We

-- our work with the hospitals has been relatively limited to what we do with the ed connection, but our question is, are there other connections that we should be exploring, for example, when patients are released from surgery or something? Are there things the ems can do through the community health medic program to help having them go through the emergency department later. We are looking for all kinds of things and are excited for the whole program.

>> Morrison: It is excited for the whole community and to say to bring the cost savings to the forefront

-- I am not sure when the reports will be done are really going to help the council and other community folks understand why it would make sense to expand it even further. Do you have a timeline as to when we might start getting the data?

>> I am working on the drafts already. So probably within the next 3-4 weeks we can produce some of our numbers so you can look at those and it will have dollar value to it.

>> Morrison: One thing to think about, with the 1115 waiver program, if we get

-- meet the performance measures, then we

-- some funding is returned, more funding than you put into it

-- it's a complicated thing, so that provides an opportunity for growing the program, also.

>> Correct.

>> Mayor Leffingwell: That reminds of something we want to mention with the opening last week of the new emergency psychiatric feature at the

-- at brackenridge hospital. It seems to me that would have some impact on your operations. It seems to me it would be a positive impact, in that maybe you won't have to try to pick and choose where to go and how to allocate these services. You will have a central triaging place to bring everybody. How is that going to work?

[05:06:57]

>> Yes, the way we are currently operating is the first effort we made is to try to treat the patient in place. A lot of times the best place to treat them is right in their own homes so we try to get the resources to them as quickly as we can so we can manage them where they are. We do have situations where we don't have a choice except to transport. In those cases, we have been limited as to where we can take the patient to get the care that they need. This gives us a whole new avenue to begin to treat these patients and get them the care they really need.

>> Mayor Leffingwell: Do you envision down the road some interface with the new medical school, teaching hospital, perhaps some kind of training exchanges or something like that?

>> Absolutely. One of the things a medical school brings is huge resources that we otherwise would never be able to get in communities, and that is something that I've got some experience with in

working with medical schools and integrating the emergency services into some other training programs. Medical schools typically have very good simulation labs. They are very useful for us. They also have the biomedical labs we can use as well. We are looking forward to that and that was in fact something I was going to ask dr. Homestead when he does his research for us, to include in his research.

>> Mayor Leffingwell: Council member riley.

>> Riley: I am very glad to hear about all of the progress being made, both on mental health issues and the community healthcare med program, I am pleased to see further progress on those fronts. I want to ask if you feel there are particularly unmet needs that really have a high priority that really deserve the council's attention?

>> Council member, I have been concerned about the rate and volume and workload our medics have something to handle day to day. We have a couple of areas in our community that are growing leap metes and bounds and one of them is in the southern area, from oltorf to beyond. We are adding a demand unit there to try to alleviate some of the workload but we still have the north central area, around the area of koenig and that region, where the crews there are exceeding the levels we would like them to be working on. Our unit of measure for that is called the unit hour utilization ratio. So if a medic is working at a ratio that is very high, a person can't work 100% of the time. They need some down time to relax and take a break, rest their minds. As you know, paramedics

-- paramedic work is very brain intensive and thinking all of the time and a living puzzle we are dealing with, and so it's exhausting. I think we need to start to plan how we are going to add the additional units that we need in those areas so that we can maintain a safe working environment for our medics.

[05:09:53]

>> Riley: Would you be able to provide some numbers as to how much additional resources it would take to get us to the levels to meet the appropriate metrics for those standards?

>> Yes, sir. To do the downtown central demand unit, that's an additional 6 f.T.E.S and it's 526,000, is what it comes to. I was doing some math in the back of the room. I thought you might ask.

>> Riley: And that would help us address the needs in the area that you mentioned?

>> Yes, sir.

>> Riley: Okay. Thanks.

>> Mayor Leffingwell: Council member martinez.

>> Martinez: Thanks for that information, ernie, because we are going down to a 42 hour workweek, do you see any kind of revenue neutral opportunities to provide some relief, in terms of changing the shift schedule so that you are not on, you know, a 24-hour, 100%

--

>> the 42-hour workweek is something we'd really like to have. Unfortunately, that would cost us money. We would have to add f.T.E.S to make that. In our basic calculations, it shows we are going to have to increase our staff

-- the number escapes me right at the moment

-- but we would have to increase the staff to cover all of our current shifts.

>> Martinez: So this is just for the commanders that is being implemented this year?

>> Yes, we had commanders and we had sufficient to make the move now so we moved forward with

that.

>> Martinez: What kind of shift schedule will your commanders be on.

>> Currently a 42 hour workweek, 46 hours and 3 days the next week and that at a term produces 42 hours.

>> And they are what shifts. 12 hour shifts.

>> So their salary structure is not changed but they went to a nonexempt status?

>> That's correct. We changed their status to nonexempt so now they are eligible to receive overtime, which I think is fair for them, because when we call them in to work an extra shift, they can't leave. They don't have an option.

>> Martinez: Wasn't there a lawsuit over the same issue?

[05:11:55]

>> Yes, they had questions and wanted to clarify and challenge, in fact, the classification that the city was using. We were classifying them as exempt, and basically the -- as it came out, the court ruled that the city did apply the law correctly so they were classified correctly. However, because of the practice and the way that we were using them, it would be better if we used them as nonexempt staff.

>> Martinez: So what is the financial impact to your department by switching all of the commanders from come to nonexempt and 42 to 48 carry lang assistant director for ems and it's \$341,000 for 2015 that covers the overall cost for things like late call holdover if commanders have to stay longer than their shift or coming in for staff meetings on nonshift time, and so that covers those costs.

>> Martinez: Thank you, mayor.

>> Mayor Leffingwell: Okay. Thank you very much. Council member morrison.

>> Morrison: I know you mentioned one thing, but do you have a top three list critical on unmet needs?

>> Yes, I do. I also mentioned the central demand unit that we need. We are approaching an annexation and we have a county unit in that area right now

--

>> Morrison: Ta what unit?

>> A county ambulance is covering that area. The county already informed us when the annexation moves through, they will have to move the county unit to some other location they prefer. So we will have to add an ambulance to that. That will be an important need for us. Also, we asked for 24 hours of ce previously, and that's overtime money so that we can complete continuing education training for our personnel. We got part of that

-- part of our total request. We still lack 24 hours of overtime, which is about 441,000, so that we can continue to training for our medics that we do every quarter.

[05:14:03]

>> Morrison: Let me go back to the annexation. It sounds like we aren't going to have any choice in the matter of that extra cost.

>> Well, I think we just need to be very clear that we don't have a choice because I think in the past, we

have allowed county units to stay and actually cover the ems coverage that is required by the annexation and in this case we aren't going to be able to do that.

>> Morrison: So would it be the cost of the

--

>> that would be 24-hour ambulance and it requires 12 f.T.E.S and that's 690,000, and that would cover the last quarter of '15 to get it started.

>> Morrison: I guess I am confused as to why that wasn't included, if it's going to happen and we don't -- am I understanding correctly, that it is going to happen, that we are under sort of requirements to do it, but it's not included? There is something not making sense to me here.

>> From a financial forecast discussion, it was not included in the forecast. Again, this is, you know, kind of not the finish line. This is more like the start line, and so we are aware of that topic. We felt it was something that needed to have a lot of discussion still, at least one perspective on the issue of annexation related to ems is they served the county so the county geographic area doesn't change, their service area doesn't change, their workload and the number of patients and customers they have doesn't change as a result of annexations but it does shift pieces of the puzzle around. Thought it was a little bit different than a park situation where we annex an area and we take on additional park acreage and additional facilities, it is additional service area for them, so we are absolutely aware of the issue and knows there needs to be discussion on that topic still.

>> Morrison: Great. I get your point and that's hey, the service is already there so let's make sure we have the discussion that allows us to do it most efficiently.

[05:16:15]

>> Mayor Leffingwell: Okay anything else.

>> Spelman: If I could mayor. The 12 f.T.E.S are not on the budget but one thing on our schedule is to go back to the county and negotiate the interlocal agreement with the county of what they paid for on what we paid for. Is that how it works?

>> We have the opportunity to do that every year, yes, and what they've already informed us is when the city annexes this particular area, that they want to relocate their current ambulance to a different unmet need area, so that will be moved. That's happened to us twice already. We had the area in the harris glenn area, where they had an unmet need issue in manor and east of the county and we needed to move the units. When we moved them, we staffed them with overtime. It was very expensive for us. We were not prepared for that.

>> Spelman: The service area

-- for example, harris glenn, that was an example

-- is relatively broad. There are presumptive ambulance for a large section of eastern section of the county. Even if we are annexing the harris glenn area itself it is a relatively small portion of that area of that unit, right?

>> In that area, yes.

>> Spelman: So they are asking the area be moved out of the harris glenn across the boundary into the unincorporated area so they can claim it being a county unit rather than city unit?

>> Well, in this case it moved all the way out to manor. In the case we are talking about now, it would

probably move across the city, so quite a distance.

>> Spelman: Actually, then council member morrison's point is accurate. If we wanted to maintain the current levels of service with the recently annexed areas, would we have to pick up a whole new unit or not?

>> A new unit and the staff and equipment for it.

>> Spelman: It sounds like something

-- something bears a budgetary item there somehow. I don't know how it needs to be reflected, whether it is a full unit, whether we are sharing costs of it, whether we are renegotiating with the county but it certainly is something that needs to be in the budget somehow.

[05:18:18]

>> Yes.

>> Spelman: Okay.

>> Mayor Leffingwell: Okay. Thank you, ernie.

>> Thank you.

>> Mayor Leffingwell: Animal services is next.

>> Mayor.

>> Mayor Leffingwell: Council member tovo.

>> Tovo: I want a sense of the overall plan today. Are we going to break and do the rest of the departments in the afternoon? And what time do you predict we will be breaking.

>> Mayor Leffingwell: Well, I thought we would be planning a natural break point between departments, but somewhere right around noon, break for an hour.

>> Tovo: Thanks.

>> Martinez: Then we will come back, mayor, and continue on?

>> Mayor Leffingwell: Yes. We are scheduled through 4:00 o'clock, I believe.

>> Martinez: Mayor.

>> Mayor Leffingwell: Council member martinez.

>> Mayor Leffingwell: Council member martinez.

>> Martinez: Thanks mayor. Abigail

-- I am not sure how you will respond to this but I have my own theory. Your budget going up half a million for this coming fiscal year but a majority of that, a strong majority of that is for drugs and medical supplies at the shelter. Is that related to the amount of intakes we are having and trying to maintain the 90% live outcomes because we are treating so many more animals and trying to turn them over and get fostered out and adopted out.

>> Abigail smith, animal services officer, chief. That's right we are treating more and more animals as we go to 92 to 94% outcomes, that a reflection of greater number of animals that frankly we are seeing more coming in injured, and we are seeing a lot of triage have to happen but we are treating pretty much animal that comes through the shelter, and that's what you are see there.

>> Martinez: If we are going up by 300,000, what is the current budget for drugs and medical supplies? You can just turn it into

-- let me turn it into a budget question. Secondly, you and I discussed this other building outside of your

current footprint and annex. Is that right?

[05:20:27]

>> What I am interested in is adding capacity to the existing shelter at la van der loop and that would be a two phase project. The first one would be additional 40 kennels used for quarantine and it would allow using existing quarantine into public phasing kennels and the second phase will be additional ideally 60 kennel on the la van der loop footprint again.

>> Martinez: Is that coming through this year's budget request or unmet need?

>> Those are cip requests. We requested them last year and we can see in the future that we need them more in the future than today. This is a future request.

>> Martinez: We are asking the departments what is your highest unmet need, would that be in that category or something else?

>> There are two things. Obviously the kennel is unmet need today, we are down 79 kennels for dogs, so that's

-- it's a lot to manage and it actually poses a health and safety risk to the staff, to the animals and certainly to our visitors so we really need to get that addressed. The second one is going to be people. We have been operating with average of 20 temporary employees for going into three years now, and it's just

-- it's not sustainable and in my opinion it's not appropriate for our staff, so our request is going to be for 12

-- for conversion of temps to permanent for 1 employees.

>> Martinez: So it sounds like we have a lot of unmet needs on the cip side and general operating side, but I appreciate the work you and your staff has done to maintain no kill with all of these constraints put on you. One of the things that is in the works and about to at least have some movement on and that is this whole lamar beach area where current

-- the old telac exists, where we as a council chose to move the animal shelter but the mayor made a motion in that to maintain an adoption shelter on that site. I know we are about to go through master planning process for the entire lamar beach. Once that's done

-- and I believe austin pets alive lease is up next may?

[05:22:42]

>> A year from now, yes.

>> Martinez: Okay. So what do we have in terms

-- what do we have in place in terms of funding to build and operate that adoption shelter? What is the projected costs for that? And where is it coming from?

>> Well, I can answer part of that. The projected cost to build

-- so the square

-- the footprint is about 5,000 square feet. It is the commitment made by council to keep the satellite adoption center there and it is the exact same footprint as the data point center which doesn't house animals appropriately so to keep davenport as satellite we will place it with approximately the same

square footprint. For that the estimated cost to build that facility will be 2.5 million. Where it's coming from is a really great question.

>> So that's the projected cost, but we have no revenue stream identified for the construction?

>> We don't, and nor do we for the site prep that is going to happen. As you know, it's a flood plain and the master plan will tell us what that property is going to look like but getting it in a place where we can build on is a whole different story, including removal of the old facility that's sitting on it now.

>> Martinez: Do we have an estimated cost for demolition?

>> I do not.

>> Martinez: Do you have estimation of the operation of the new shelter once it's built?

>> No, not technically because we don't know exactly what it will look like. I envision it as about 20 kennels so we can have dog adoptions happen there but there will be other activity, educational for the people around nearby and the youth activity. Right now I am focusing our head above water on van der loop and if the first phase is \$2 million, we have funding for half already but we need funding for second half and we need to look at phase two of the la van der loop project is the next step because the infrastructure is already there and then phase three would be the adoption center, the satellite on lamar beach.

[05:24:54]

>> Martinez: Well, I don't know if this will be any constellation that the struggles you are going through but I want you to know that you and your staff are looked at as the premier animal shelter around the country. I spent an hour on the phone yesterday with a council member from colton, california and he and the city manager called on the conference call and they literally had a multipede of questions of how we did this and how we implemented no kill, how the shelter is operating. I answered their questions as best I could but I certainly offered, you know, to put them in contact with you as wellment we still frequently get calls from different cities not only in texas but around the country wanting to know how are we so successful at what we are doing at the animal shelter so I think it's a tremendous compliment to you and your staff. We appreciate it.

>> Thank you.

>> Cole: Any further questions? Council member morrison.

>> Morrison: I just wanted to mention, there are increased costs obviously, but the one wonderful thing happened reecently is they are receiving a grant from matty's fund. 1 million is that right? 1.7 million actually so if we could match that, we would have phase one of our kennel.

>> Morrison: That's right. I wanted to point that out because yes, it does cost money

-- we all have to acknowledge that to be able to to achieve the value and goal we have in the city, but it is bringing in other funds, too, so I think we need to just keep that in mind. Thank you.

>> Thank you. Any further questions.

>> I do have the answer for the existing medical supplies and drugs is \$609,000. Part of the issue isn't just that it's going up by \$300,000. It's really the \$600,000 has been too low and they have been needing to rob peter to pay paul to pay for medical supplies and now that we have been in the no kill scenario for a while and we have an idea of how much it's costing for those and so we can true up the budget so we don't have to take away from temps, but I think it's not only an increase in cost but getting the

budget right.

[05:27:05]

>> Cole: Council member martinez.

>> Martinez: I appreciate that explanation. That leads me back to your response about full-time equivalence. If there were a critical number that you could add to improve efficiencies and operations, what numbers are we talking about in terms of employees that you need right now?

>> The number I am putting forward is 12. That would be 7 in animal care. 4 in customer service, and one for the behavior program, and to be honest, that's not adding any capacity necessarily. It's just converting temps to permanent employees so that we can be the best employer that we can be.

>> Martinez: Right now we have temps that are pulling 30 hours a week?

>> They are full-time and they have been that way over a year.

>> Martinez: Wow. Okay. Thank you.

>> Cole: Council member riley, I think was next.

>> Riley: Just one other question about the satellite adoption facilities. I know we talked about telac site, that site as being the location for what is really an adoption facility but we also talked in the past about store front operations, e

-- store front operations either permanent or temporary and they always made long-term plans for the department. Can you briefly address where we are on that?

>> Well it certainly is part of the long-term strategy, certainly in cooperation with the county and other municipalities within the county that don't have any kind of sheltering capacity. Everyone needs to grow as the population grows and so does our animal population and so we are going to need to look at the big picture. Our focus really has been on short term. Minus 79 kennels today

-- so I am looking at a way to solve the problem the quickest, really, and so I think the other problem is the budget to run a satellite like that, not to mention the budget to find the space and retrofit it. So if we have any resources, in my opinion, the best strategy would be to put it on a kennel on site at van der loop.

[05:29:12]

>> Riley: Okay, thanks s.

>> Cole: Council member morrison.

>> Morrison: When you talk about changing 12 temporary to permanent, did I get that right, what is the annual cost for that? I apologize if you said that before.

>> I did not say it before. It would be about 600,000. 600,000. But does that include

-- so it's \$600,000 to pay full-time employees

-- 12 full-time employees. How much are we paying them as

-- I am looking at the delta. How much are we paying them as temporary employees?

>> I think you can take the 6 and make it 4.

>> Morrison: Okay. Thank you. So really the net difference in your operating expenses would be 200,000?

>> Yes. That said, we do run our operations somewhere between 20-22 temporary employees so we could certainly look at offsetting but I am robbing peter to pay paul to pay the temps I have got now, so the true delta, I don't know that it would be that much, in terms of savings, because I need to put that money back into the program that I am not spending it in because I have to pay temporary employees.

>> Morrison: So you are not wanting to make a permanent

-- a recommendation that peter be permanently robbed?

>> Right.

>> Morrison: Okay. [Laughter].

>> I would like to give peter a job.

>> Great.

>> Morrison: Thank you.

>> Mayor.

>> Mayor Leffingwell: Council member spelman.

>> Spelman: Briefly, did we get an estimate on the kennels, I am not sure I heard that.

>> The cip coming in about 2 million and the second one at two and a half.

>> Spelman: Total 79 kennels would be another 2 and a half million?

>> It would be 90 kennels total.

>> Spelman: 90 kennels total for about four and a half million dollars.

>> Yes, such a deal and keep in mind we are running facilities at the town lake center, so when that facility goes away, it is only going to net us 40 kennels, which still keeps me 30 kennels down today.

[05:31:15]

>> Spelman: Okay. So I lost

-- I lost the thread here some place. Looking for 79 more kennels. What is the status of the number you are just quoting me a second ago, 2 million for one, 2 and a half million for the other?

>> That would be 40 kennels for one and somewhere between 50-60 kennels for the other one and that's a total

-- let's s kennels.

>> Spelman: 90 kennels a and you will lose 60 at town lake, and they currently, are they being built or on the cip?

>> Correct.

>> But they aren't funded yet?

>> Correct.

>> Spelman: Okay, thanks.

>> Mayor Leffingwell: Any more questions? Thank you. I think we can get in health and human services before lunch break. Some of the same cast of characters for this department. Questions? Council member morrison.

>> Morrison: I wouldn't call these guys "characters." [Laughter].

>> I take it as a compliment.

>> Morrison: At least not in public. So one thing I was wondering if we can explain, because we do have increases in revenue from grants from 1115 waiver programs. Aren't those

-- I think some of them are happening this year and how will we see those playing through the budget?
>> Kimberly Maddox chief administration officer, the \$1,115 are actually in its own fund, actually fund 1115, so they aren't in the fund 1,000 and they are not in our other grant funded. They are actually in their own fund. And so they flow through that. Also the program expenses for those programs also flow through that section of the document where we can talk explicitly about what is happening with that program.

[05:33:40]

>> Morrison: I think that would be helpful to get that in there, just because

-- to make sure that information is available to folks. Make sure am also sort of thinking as we go through a transition in our government next year, that will just help raise awareness and transparency for new folks getting used to the budget. Now, one piece of that is that as funds start flowing back into that, a chunk of that has to go back to pay the bucket where we follow the money to seed the funds in the first place. We owe some money.

>> You don't have to but that is the plan.

>> Morrison: That is the plan, okay. And I know one of the things we discussed at last public health

-- I can't recall if it was during the meeting or off line, that in terms of being able to grow the programs and ensure real success with the programs, one of the things you all were thinking about, and I think you had raised it with finance and that was to maybe slow down the payback

-- I mean, still intending to pay back that fund to the reserve or wherever we took it, but possibly slow down the payment schedule. Is that correct? And how is that looking?

>> We are certainly going to do what we need to in work with the health department to manage the cash flow of that program to make sure the ins and outs are working. I think we are still monitoring that and the payback may need to be slowed down to, you know, to keep the inflow of funds from the federal government consistent with outflow of expenditures. So we are keeping up with that. It is something I am concerned about.

>> Morrison: One thing I think we need to keep in the back of our minds in figuring that all out is the flow back from the federal government depends on success of the program, so I think that's sort of some of how we can balance the payback, if it needs to be slowed down to increase the chance of success. It sort of minimizes risk overall. So I appreciate you thinking about that. And then I think we got some numbers

-- I just want to get those numbers out there for my colleagues that overall, over 5 years, we expect \$18 million to flow to us because of the programs, 11 of which needs to be paid back. Are those numbers right? . Well, I think they are but if I am wrong

[05:36:09]

>> I would have to check that, but I can give you a refresh on the final figures.

>> Morrison: Why don't we make that a budget question so everybody can get the numbers for sure but I think it's something we should highlight and celebrate. It's a significant amount of funds to be flowing to social services contracts in the city. Generally we have 60 million a year so it's increasingly 20%.

Roughly speaking, that's a good thing. I appreciate your work on that.

>> Mayor Leffingwell: Council member riley.

>> Riley: I am very excited about the 1115 funds, too. I am glad we are making use of the opportunities that we have. I am a little concerned about one other aspect of our human services funding, and that discussed some issues about that in a meeting I had recently with some early childhood advocates. We talked in past years about

-- about the needs with respect to early childhood and how there had been some cuts in the past and we managed to add some to the budget. The concern I am hearing now is that the amount of the -- that we are working with and the current contracting process really is not nearly as adequate to meet the need that's out there. I just wanted to ask about whether you see any opportunities to expand on the amount of the funding that we are currently talking about for distribution in the course of the contracting process and whether there are any other

-- well, would be the department identifies any significant unmet needs that you see?

>> Carlos rivera director of health and human services. There will be opportunities to extend the level of contracting. Of course when we bring the contracts back to city council, that will be a very good opportunity to discuss that.

[05:38:13]

>> Riley: Okay. So we still have some opportunities in the current round?

>> Yes.

>> Riley: Do you

-- at this point do you

-- has the department identified any items that it considers significant unmet needs?

>> Overall?

>> Riley: Yes.

>> Yes, we

-- you know, we haven't had new sanitariums added to our group since 2004. Yet, the city continues to grow from an economic standpoint, so we'd like to see

-- add some more sanitariums in order to keep one the workload. We have the x games. We have coda. We have sxsw being ever successful every year. We have acl. Again, we are still managing that with the same number of sanitariums which makes it very difficult and drives up our overtime costs. In addition to that, our chronic disease unit is at risk right now, given the federal government has canceled or cut the committee transformation grant, which was providing \$1.1 million a year over 5 years, so we are in the second year of that contract. So we stand to lose most of our chronic disease management and prevention team. That would be pretty disastrous, given most of the disease

-- most of that in travis county can be avoided because they are caused from tobacco for the most part and that's where the underlying share of our work has been focused. We also have a need for more social workers, as the halloween flood and some of our work with code has shown, we need social workers in order to help find alternative placements for our folks that are displaced from their homes, and also just to help them get their basic needs met. That has been a very big challenge to the department over the course of the year. I'd like to thank stephanie haden and commend her on her

ability to marshall the troops and get the community partnered on that but it has been a huge challenge for us and the last I would like to mention is just substance

-- the availability of substance abuse dollars. Right now we are in conversations with the county. The county is looking to approve the ability to work with women who have children that are working on substance abuse issues. We are hoping to be in an issue to contribute to that effort. We know a lot of those women end up in our shelter, and folks that are receiving treatment have a much better chance of being successful when they return to their home community, and also we'd like to assist community core with some of their substance abuse programming, too.

[05:41:01]

>> Mayor Leffingwell: Council member tovo.

>> Tovo: I have a couple of kind of specific questions that we may need to do through the budget process, but last year we added some money during the budget hearings for child inc. Because they were facing a significant shortfall which meant a lot of people they worked with couldn't have summer childcare. I wondered

-- and then also we added some much, I believe last summer, for a senior to assist meals on wheels with the shortfall they were experiencing. I wondered if those needs

-- if you happen to know if those needs have been embedded in this year's budget or if ...

>> (Indiscernible).

>> Tovo: Again, I can submit that as a budget question. I was wondering to the extent if we made those changes last year, if they would have been automatically filled it in?

>> Stephanie haden, assistant director of health and human services. With the 517 that was

-- those dollars were added to the child inc. Social service contract and they continue to provide those services, and, you know, basically, with the increase, they were able to address those gaps. And I think you had a second part.

>> Tovo: I see. So those just

-- I couldn't remember the mechanism that we used. So those were just added into the contract and they will be

-- that contract continues through this fiscal period?

>> Yes. Yes.

>> Tovo: And then the other one I asked about may have been

-- may have worked the same way. It was, I believe, \$75,000 for meals on wheels, to help them meet their shortfall. We were in a position of losing senior meals, I think, by july of last year.

>> So it was the meals on wheels program that's at the south austin neighborhood center, and we were able to adjust that contract and provide some funding and in part actually did some other things so we will probably want to compile that information together and get it back to you to get the specifics from the pars area as well.

[05:43:17]

>> Tovo: Yes, I would like to know whether they began the process for next year for budget, for funding

level last year or did it come back to the original numbers it started out, if that makes sense.

>> Yes.

>> Tovo: Because we didn't enhance the budget. Did it start at the enhanced budget or start at the lower of the amount, since we enhanced?

>> Yes, we will get you that information.

>> We have to review that.

>> Tovo: I believe the senior meals program we approved for the dove springs center and the recreation center were actually part of the allocation. Is that correct?

>> That's correct.

>> Tovo: Okay. Thank you. I believe that's all, but I will just thank you for all of the really important work you do in our community.

>> Thank you.

>> Spelman: Mayor.

>> Mayor Leffingwell: Council member spelman.

>> Spelman: You mentioned four critical priorities. I wonder if I can, just get a sense for a scale, a rough cut sense of each of those and how much they would cost.

>> We would like to add 8 sanitariums. The cost of that is \$1 million. But the cost would be offset by hopefully the fee request that we put into city council. Substance abuse would be \$500,000, 250 for the county court, and 250 for community court. 406,000 for social workers, again, to have a team that would be ready to address the emergency needs of our community, and our chronic disease management team, we are talking about five staff members at the cost of \$450,000.

>> Spelman: So we are talking something like \$2.4 million for the whole package. That's the kind of much we are talking about?

>> Yes.

>> Spelman: Thank you, sir.

>> Mayor Leffingwell: Okay. Obviously this is a matter of interest to council members, the list of unmet needs. I kind of agree with mr. Van hino that we have too many needs that are already in there and we will have to look from my perspective of what we will cut. But since this is of interest, the staff will prepare a list of unmet needs for each department. I will ask them to do it over their lunch hour, but they can't do that.

[05:45:31]

[Laughter] but they will have that information in writing for you, along with the costs of those items the first part of next week, so if that happens you any, maybe it will help us get through our lengthy agenda today. With that, I think this is probably a good chance

-- a good time to go into recess for and one hour

-- is one hour sufficient? We are in recess until approximately a quarter of 1:00. [Austin city council is in lunch recess].

[06:58:53]

>> We're out of recess and we'll begin with public library. So does anyone have questions to start us off with the library? Council member riley.

>> Riley: Welcome. I see the library is forecasting an increase of 4.14% in the operating budget which will fund base cost drivers, then .1 in materials. I have a question from people that enjoy the branch libraries, there's a sense that a while ago when we had to go around budget cuts, branch libraries got cut back, and in particular, I think I've heard that we went from the number of days a week that the libraries were open were reduced, and now there's an impression that we never got back to where we were, and so I get questions about when are we going to be able to go back to having the old hours at the branch libraries. Can you just get us, jr. Sense of where we are on that?

>> Going to branch director of libraries. We did, for budget reasons, we closed every branch one day a week. Either thursday or friday, and we paired branches so that in that area, at least one branch would be open on that day. We also closed central hours. We closed an hour in the morning and an hour in the evening. And our intent all along has been to reopen the central hours to go back to our regular schedule when we opened the new central library, and at the same time then to go back to the hours the branch is. That would be 2016, we're going to open a central library november of 2012, so that budget year would be the year that we had intended to ask for the additional hours back.

[07:01:25]

>> I see. So that is the plan, that as of 2016, we expect to be able to return. And what is the thinking on why the adjustment to the hours in the branch libraries would be connected with adjustment in the hours on the central branch?

>> That was just

-- that was just

--

>> there's no inherent operating reason why

--

>> it's not connected in any way.

>> Let me ask it this way. Does the department have

-- we don't need to go into detail about each department, but is that considered an unmet need or are there things you just the to highlight with respect to your unmet needs list?

>> Yeah. I did not come prepared with a list because I have nowhere in the library's budget that I could cut to accommodate this. But we do, obviously, just like every department, have unmet needs. That would not be on this year's list. There are things that are really critical that would come before that. We have three very critical technology needs. One is to add the additional rfid security systems at the 11 remaining branches that don't have them. The second would be to replace our failed printing system. We are now manually collecting money for printing and it's a laborious for task. The third is to increase the band width to accommodate google fiber and be more customer service for our customers.

>> And do you have cost estimates? You will be providing cost estimates?

>> I can get those for you. I didn't bring anything with me.

>> The last one, you mentioned about adapting to google fiber. Is that something that, if unaddressed, would limit our ability to make use of google fiber?

>> That's correct.

>> Can you elaborate on that? Would we be able to use google fiber at all without those adjustments?

[07:03:28]

>> I don't believe so.

>> Can you explain what that is, exactly what adjustment is needed in order for us to be able to make use of google fiber at the branch libraries?

>> I can let you know that, yeah.

>> Okay. Thanks.

>> Mayor Leffingwell: Council member tovo.

>> Did you ask for the estimate for fooling fiber? What was the estimate?

>> I didn't bring any of those figures.

>> Tovo: Is that what you just requested? I had a request I wondered if you could fold into the q and a, as a follow-up to the questions we just heard. I wonder if you could provide us with a number for what it would cost to open all the branch libraries that additional time prior to 2016.

>> Now, that I do have.

>> Tovo: Great.

>> That I was 13 positions, 703,346

--

>> Tovo: I'm sorry

--

>> 13 ftes, then \$703,346.

>> Tovo: Thank you can you describe the security system that's not in 11 branches but is in others?

>> It's rfid. You have rfid tags on all your materials, books, dvds, cds, you have a security system if someone doesn't check it out and tries to get out the door with it, the security system will go off. Then part of that system is self-check machines. And so instead of very labor intensive staff intervention to check materials out, customers can go to the self-check machines and check out a whole stack of books all at once. The same thing with checking in, instead of every single book, you put in a stack of books and it checks them all back in.

>> Tovo: Is it the self-check we're missing?

>> We're missing everything. In some branches, we have the outdated equipment. Not all branches, we have the outdated equipment that doesn't use the rfid tags. It's not as cost effective, not as efficient. But right now we're in a dual system because we're upgrading and adding the rfid, which is the current acknowledged system to use, and have we have some outdated technology and some turn the technology, and so some of the books, they're all tagged with

-- they're tagged with one or the other. So it's not very effective or efficient to have dual systems working.

[07:06:03]

>> Tovo: I see.

>> Our plan was originally to open the central library and we were going to phase in
-- you've probably heard me talk about this for the last several years, every year we were going to phase in three branches so by the time we opened up the new central library, we would have every branch on the same system as the central library was. We didn't get it for several years. This year we got three. So we have now five that are on the rfid system. Because when we opened twin oaks and north village we added that system because it's the current system to use.

>> Tovo: I see. So the new libraries opened with it.

>> Right.

>> Tovo: So last year we added some positions. Are those remaining? Should we assume that unless it's called out in some future document, that those positions are going to remain?

>> Oh, yes. I mean, are you talking about the youth services

--

>> Tovo: I was talking specifically about the youth services positions, but also there was a job
-- I've forgotten the name, job librarian or something like that over at the carver library.

>> Yes. Those positions are in our budget.

>> Tovo: Great. Okay. I think that was it. Thank you.

>> Thanks.

>> Mayor Leffingwell: Other questions on council member spelman?

>> Spelman: It sounds like the rfid security system will lead

-- I know we're going to need more information in the rfid security systems.

>> I'm happy to provide that too.

>> Spelman: I'm happy to believe it's going to be cost effective. There will be a pay back period that will be relatively short. More specific information on that would be real helpful.

>> I can get that to you too.

>> Spelman: I assume you'll get further information on the failed printing systems and value of increasing band width.

>> Yes, I'm happy to get that to you.

>> Spelman: You mentioned when council member riley asked for your primary needs or critical priorities, you did not mention increases in branch hours. I wonder why not.

>> I didn't expect to get very much this year. I mean, I don't expect to get

-- I mean, because there's not a lot of extra money.

[07:08:09]

>> Spelman: Yeah, I understand.

>> So I prioritized.

>> Spelman: Sure.

>> And if you recall, the reason that we cut the hours was to add some staff that we needed in security and custodial.

>> Spelman: I remember. Yes.

>> So there's still other needs that are more critical to us, and so I'd like to get those things met. We probably won't even get those this year because of no additional but.

>> Spelman: Sure.

>> It has always been our plan to do it this way, by the time we opened

-- not that they're connected in any way.

>> Spelman: It didn't make sense for to be on a more efficient system especially when we've got some of the branches on it right now. The reason I asked is partly to verify that was a lower priority than the first three you did call out. As I think council member tovo is alluding to, whenever there's a cut back in any city government the reduction in library hours is usually the poster child for the cut back. Everybody knows the libraries are closed on thursdays, or whatever day it's closing or closing earlier than usual. And it's never been clear to me quite what all those ramifications are of that. Are there people who just don't go to the library as often, don't spend as much time in the library, check out as many materials, or do they alter their materials so they're there on Mondays and not Tuesdays when it's closed.

>> The citizens have did want.

-- Our citizens have adapted. I'm not saying they're happy with it but they have adapted. I do hear from the citizens they would like the branches reopened. I don't hear it overwhelmingly, but I do hear it. But they have adapted.

>> Spelman: Okay.

>> And so our stats are fairly stable.

>> Spelman: So roughly the same number of people are coming to the library as

--

>> I think there's a few less, but it's not a dramatic difference.

>> Spelman: Okay. And if we were to, by extension, if we were to reopen some of those library, you wouldn't see a dramatic increase in the number of people coming in or a dramatic increase in materials checked out.

[07:10:18]

>> I don't know, it would be hard to predict that.

>> Spelman: Would be. Yeah. It's hard to know what would have happened over the last few years, if the libraries had been open, maybe we would have seen a bigger increase. It sounds like in this budget year that's probably not one thing we're going to be able to cross, but as to the top three priorities, do you have a rough sense for what kind of numbers we're talking about?

>> Google is 430,000.

>> Spelman: Well, thank you.

>> She just gave it to me.

>> Spelman: Thank you, ma'am.

>> Yeah. I can get you the rest.

>> Spelman: Okay. We're talking about a sum of those is going to be less than the \$700,000 it would cost to open up all the branches back to 2006 levels.

>> No, some will be more. If you added those things together

-- I hate to give you an estimate in number, but I think it would be more than the 730. I can guarantee you it would be more.

>> Spelman: It's going to be pretty expensive, sounds like. It's a short run capital cost but it's going to be

returning benefits over a long period, I'm guessing.

>> One thing I can add while they're looking up numbers is both the r first of allid system and google fiber, their technology needs to be submitted but government process, they're in the process of being vetted through that process, along with dozens of other technology requests from departments. Depending upon funding, this is really when we start looking at that pot of critical one-time money for one-time kind of capital investments like this, we'll be looking at the available funds in our critical one-time pot of money and measuring that up against all the technology needs and this vetting process we've gone through with the government's process. That's why I made sure everybody knew those two initiatives had been submitted through that process and are being looked at.

>> Spelman: Those would be more or less consistent with a five-year note, something like that. That would be a five-year payment. Who would pay for that on five-year co's or something like that, ko's or something like that?

[07:12:20]

>> We'd just cash it. Yes, sir.

>> Spelman: But it would be a one time only thing, of course.

>> Yes.

>> Spelman: Thank you.

>> Follow-up on that, nobody really knows when fiber network is going to be online. Do we know -- we assume it'll probably be in the next fiscal year but we don't know that for sure. I don't have a feel for what this money is for, this 430,000. Is that something that's lost when you move to the -- you have to reduplicate that again in the new library?

>> It's not just google fiber. That's an important piece of it, but our band width is inadequate right now. Our system is very slow.

>> Mayor Leffingwell: But what I'm talking about, you're getting ready to move the library to the facility. Does it make sense to make all these expensive upgrades? In other words, why not wait until the new library is open and do it at one time?

>> This affects the branches. The history center will be moving into the john henry foch building. So they need it. It affects everybody now.

>> Mayor Leffingwell: So do you have a breakdown on that, how much for central and how much for branches?

>> I don't think I have that now but I can get that for you.

>> Mayor Leffingwell: Is it like half and half or

--

>> I just don't have it, I'm sorry.

>> Mayor Leffingwell: Okay. We'll get that information.

>> Yeah. I will get that information.

>> Mayor Leffingwell: You may not have heard yet, but you're going to come back next week with all of your unmet needs and the costs associated with those.

>> Okay.

>> Mayor Leffingwell: All right.

>> Okay. Council member martinez.

>> Morrison: Thank you. I wonder if I could just add maybe a broader question because we have several city facilities that are on the community connections list that we'll be getting through google fiber and I'm wondering if those facilities also feel like they need an upgrade to really be able to make use of the fiber connection and whether or not they've considered that, whether or not they're in the mix, in having been submitted for an upgrade. Because I'm with you, mayor, I didn't realize that there were going to be those things. And then the

-- not only do we not know when it's actually going to be in place, but hopefully pretty soon, but for some of them it's going to take longer than others, some of the branches longer than others because they won't be building up the whole city all at once. So there could be maybe some phased approach to bringing things up to speed. On the other hand, I would like to encourage us to consider having things in place when it's going to be connected because it's a time-limited amount of time, it's a limited amount of time that it is a free connection. So I would hate for the connection to be there and we sit around for a couple years, not really being able to use it because we don't have enough band width or whatever. So I think this is not just a library thing, although the libraries are by far the largest recipients among city facilities and I'm excited about that because that's one of the ways we are able to ensure the connection sites are spread across the city. But I think maybe we can have some further conversations about all this.

[07:15:29]

>> Mayor Leffingwell: You know, a little more in depth planning is called for in this instance because council member martinez is right. They're not all going to come online at once. It's going to go fiber hood by fiber hood, depending where the individual library is located. It might take place over several years, actually.

>> Morrison: Right. But I want to stress the increase in the band width is not just for fooling. Not just for google. We have slow service everybody.

>> Mayor Leffingwell: I want to stress that too. You're going to have lots of options. Mayor pro tem.

>> I had a couple quick questions on your key measures. You said the internet sessions per capital was decreasing. Can you

--

>> I'm sorry, what is it you're referring to?

>> Cole: I was looking at your austin public library key measures.

>> Could you reference a page, please?

>> Cole: I'm looking at a preview

--

>> Mayor Leffingwell: The 1995 budget.

>> Cole: No, it was actually a '76 budget. I'm really interested in how you measure performance and whether we're doing better with serving the public. And internet services, I know, are of high use in our high needs areas. Can you tell me how that is going now or whether we need to think about that in the budget process?

>> I'm sorry, I'm not sure I'm totally following your question.

>> Cole: I know that in a lot of our high needs branch libraries, we have large use of internet services.

>> Right.

>> Cole: And I want to make sure that we're providing that need. Was that any part of your unmet needs analysis, or will it be any part of your unmet needs analysis?

>> If you're asking should we add more internet computers? Is that what you're asking?

>> Cole: Computers, services, systems, I know some of the librarians actually assist with. With.

[07:17:39]

>> There is an enormous need out there for internet. We can't meet it all. There's no way we can meet all the demands. In some locations, in almost every location we have maxed out our usage of space so we have as many computers as we can accommodate. Now, with that said, we are looking at changing -- transforming some of our -- our branches in high-need areas, and doing trade-offs, after we communicate with the community and get their input. We ask them, you know, what are your priorities in service needs. And in some of the branches, especially in low income areas, they're indicating to us that their top priority is job searching and internet. And so we are in the process of doing a pilot right now at one of our branches where we're reducing the shelving space to accommodate more computers. We've hired a temporary to work with the community for job needs and computer skills, and it's being very, very, very well received by the community. We'd like to replicate that in more branches, but it takes funding. We're having to absorb that funding ourselves.

>> Cole: Well, that's something I'd like to see as part of your unmet needs, to the extent you are able to determine that because I hear about that and I see that whenever I pop into a branch library.

>> Uh-huh.

>> Mayor Leffingwell: Quick follow-up? Council member Spelman.

>> Spelman: I think what mayor pro tem Cole was referring to was one of your standard measures, internet sessions per capita. Is that what you were looking at? We're forecasting a substantial increase this year. I wonder if that's actually been borne out by your experience over the course of the year or are more people actually using the internet this year than last year?

>> Yeah. Those numbers are increasing.

[07:19:41]

>> And the reason you see that slight decrease is just due to the population growth. All of our per-capita measures, you might see them increasing and decreasing and the rate of population is growing faster than the actual measure.

>> Spelman: Especially if you're dealing with a shortage of computers and time that people can spend on the computers. If you're maxed out on computer usage but populations tend to increase, sessions per capita are going to have to go down by definition. You need to add more computers for that to come up.

>> Right.

>> Mayor Leffingwell: Other questions on the library? Thank you very much. We'll go on to parks & rec. Council member Martinez is council member Morrison is ready with a question.

>> Morrison: We just have a few

-- before we get to that, let me ask you a couple of specific questions. They're sort of scattered and just to get some ideas out to be discussed. One is, this is something discussed last year but we didn't find the funds for it but I want to bring it up again because I think we've had more

-- an increased focus on working with the school district and sharing facilities. And that is our pools that have heating capabilities so that the school district could actually use them if we kept them open during the winter for their swim teams. And apparently the school district participated in upgrading two of them. Was that back

-- when was that?

>> This was, I would like to say, bs, before sarah, and it was in approximately 2000

-- where's kimberly?

[07:21:45]

>> That was b.C., Wasn't it?

>> Yes. It was around 2007, I think, or 2008.

>> Morrison: Not too many years ago. We operated the swimming pools with their financial help, but we soon closed them down and didn't keep them open for the winter which feels wrong for me. But such as it was, apparently that was a decision that was made.

>> Budgetarily.

>> We in June will have Bartholomew on board, there's no way to have them open in the winter but that would be another possibility if Reagan was interested, Reagan High was interested. I had a brief conversation with one school board trustee and there was definitely interest in doing this, so I don't know if there's interests from the

-- from my colleagues on the council, assuming we could find the money, but I wonder

-- I think you might be able to tell us what amount of money we'd be talking about to keep them open, I think like during the year for five days

--

>> if we were to look at the three pools, balconies, Bartholomew, Dick Nickels, including staffing, we still have to have lifeguards and pay our bills for the heating costs, you're looking at about

-- a little over \$400,000, closer to five if you add in the staffing cost to keep them open and to be able to staff them appropriately with lifeguarding.

>> Morrison: So maybe I could just ask you to make that a budget question to get those numbers down. I wonder if I could also ask you to reach out AISD folks. Maybe they don't have a need for them but it's my understanding that

-- I know funny money. It's my understanding that there

-- that the idea of an auditorium and a swim center did not make it into their bond package, so it wasn't even on the ballot.

[07:23:57]

>> Okay. We'll follow back up with them.

>> Morrison: Yeah. And maybe he could get a sense for their interest how strong, how much of a priority

this would be if we could get that going. Great. I'd appreciate that. So second, last year we heard loud and clear from a broad coalition in the community about the need to put more funding into parks. And I believe they were asking for five million dollars. And we did a really good job of finding most of that, but if I remember correctly, there was a sense of, we wish we could do it, let's maybe finish it out next year.

Do you have

-- remember what those promises were that we

--

>> first and foremost, let me say and it's important, mayor pro tem cole made a point at the dais to say to us, if we're going to give you this money, I want to see what difference it makes. And at some point I'd like to share that with you, it's made a huge difference in our ability to reduce our amount, being able to deal with the tree canopy from 91 years to every 46 years by adding nine staff. It has increased our ability to do

-- I know that seems

--

>> that's amazing.

>> That's good. It's increased our ability to plant more trees to help reduce our carbon footprint. It's increased our ability to increase the amount of trail maintenance. And I have those percentages, but I can give that to you at another time. So it made a huge difference, and it's been much appreciated. The difference was 1.5, and it was basically adding additional staff into those areas, the forestry department, aquatics has made a difference, we're able to equalize hours at our pools. I will say this, we are struggling in hiring lifeguards. I want to be real honest with you, when you have the pools that we have, and we have

-- literally, our communications networks all over tv, they've helped us. Sheldon green was just announcing it the other day as he was showing the new west end field pool and we still need guard. I know this is televised and maybe we can get more guards from this.

[07:26:13]

>> A few people are watching.

>> I hope they're watching. It's just to complete that, but what we have has made a huge difference and we'll continue to look for efficiencies and effectiveness in what we currently have.

>> Morrison: I appreciate that and maybe this could be a formal budget question too because it sounds like you have some real numbers behind that.

>> I do.

>> Morrison: If you could tell us what we got for our money as mayor pro tem had mentioned last year in a budget question. That would be great.

>> Let me follow up on that, if I can, with you. Sarah a, I would like to see that in each particular category. I think we gave you a total of 3.8 but each category we made, how many being and how much difference it makes.

>> I'll be happy to.

>> Morrison: And can you remind us what we had wanted to do or what was being asked for as a priority that we didn't

-- weren't able to

--

>> it was really

-- the amount that was recommended by that group of citizens and neighborhood associations associated back to those areas. It was just at that time the council was able to get the 3.5 million, which was a huge help to us, and it was really the remainder of that was increasing again more forestry adding more for park and trail a minute. That's what it was. There was no extra other tulle, it was just, what can you do with that, and I was able to do quite a bit with what you were able to give me.

>> Morrison: Great. Then I wanted to talk a little bit about parkland dedication fees. We have so many new doors coming online in terms of residential units, so I assume that our revenue for parkland dedication fees is probably going to be increasing, or has over the past couple of years.

>> It is, and it is projected to. Right now, currently it's \$600 per door, basically, residential. And it does give us some money to be able to do

-- not maintenance, we cannot use parkland dedication money for maintenance. We can use it for acquisition, we can use it for new development, and that's what we do mostly is working with neighborhood associations for new features in parks. And then for some acquisition, we'll match it with other dollars through acquisition to try to by parkland in strategic areas. But that's where it currently is. What we have now and we're working on is a proposal that will go before the parks & recreation board in June of this year to look at, based on the urban parks groups and looking at parkland dedication money and the possibility of increasing it, there will be a recommendation to go through the parks board and then we'll begin a public input stakeholders process to make sure that any recommendations are thoroughly vetted out with not only the neighborhood and the stakeholders as a whole, but also the business community, so that we

-- before we bring it to council, that it's been fully vetted.

[07:29:09]

>> Morrison: I appreciate that because I think it was set at 600 and maybe 22000. Maybe Greg knows, you might remember that. When was it set? 2007? 2006?

>> Later.

>> Morrison: It was before June of 2008, I can tell you that.

>> Okay. Because it was unfortunate that we didn't have any automatic sort of keeping up with the cost of living or anything like that in the parkland dedication ordinance. And is that actually a fee or is it in the code?

>> It's in the code. It's in the code, then it's a fee that's been assessed

--

>> Morrison: I mean it's in the code so it's a code change as opposed to

--

>> it would be a code change, if we were going to increase it or decrease it, it would be a change in the code.

>> Morrison: Right. That makes it a little more cumbersome. I'm glad to here you're having this discussion. We really need to think about keeping that in line because cost of parkland acquisition is

going up, to serve all these new people moving here.

>> It is. Just as a reminder, if you recall, there were several points of this work from the urban park stakeholders group, it was not only to look at that, but also, you know, automate and put on a website so people can access areas to show what current money is there, then potential for growth or potentially developments that are underway that would then be able to show there would be some parkland dedication money generated from that area, and we've completed most of that and have shared on several occasions with the parks & recreation board the great progress that's been made there.

>> Morrison: Uh-huh. Then last point, and it sort of falls up on council member martinez, mentioning the tour partner recommendations that I think were discussed publicly this week.

>> Yes.

>> Morrison: And I think they've been trying to get around to all the council offices. One of the recommendations has to do with asking you all

-- or asking all of us to look at the maintenance fee for auditorium shore that's being looked at for charging for events. And

--

[07:31:23]

>> yes. We had a meeting the other night, and they have a handful of recommendations now that they wanted to vet with the community stakeholders, and then they'll be completing their writing of their full report for council in the first part of october. And it does talk about the look

-- look at the maintenance fee and how that can be used for parks & recreation, and it also recommends the rental fee itself. They're looking at the cost of the rental of the park for specifically parks that are -- for high visibility, for big events, and that dollar, they're looking at that and the potential of that going back to the department to help deter some costs and perhaps positions, which would be a different way of funding it. But there's no final recommendation, and so those are the things that they're looking at.

>> Morrison: So when somebody, say, it is to use auditorium shores, t a per-ticket maintenance fee.

>> It's a dollar a ticket per day. That money goes back to parks & recreation for the purposes of parks basically to use for

-- we end up buying equipment with it, we end up hiring seasonal temp staff. We're looking to find a turf manager position for auditorium shores. It goes for replacement of things we need to do, resodding, we seeding, and we use that. It goes into the general fund, then the maintenance fee is used, if there are other things we need to do, above and beyond holding that group accountable, we go back in to do those things to try to get it ready. As you know, those events are back-to-back to back, and in many cases we're scrambling to make sure we have it ready for another opportunity.

>> Morrison: I guess I just wanted to put on the table my perspective, and that is that especially say for auditorium shores, we're going to be investing a lot of money, and frankly our expectations for maintenance and the standards for that park were pretty low.

>> Yes.

>> Morrison: I mean because we just didn't have the resources. I think we need to raise our expectations and I think our fees need to reflect that, you know, in terms of the maintenance and the ticket fee. So

that's my two cents for when you're thinking about what recommendation you want to come, but we are investing our money in that, and I believe that we ought to raise our expectations and we need to find a way to pay for that.

[07:33:48]

>> Mayor Leffingwell: Okay. I've got something else I want to lay on the table. I'm not necessarily making a proposal right now, but my understanding is, in the 2012 bond election, you had about \$6.7 million for parkland acquisition. I don't know how much of that is allocated as of now, but I would suggest there is a park that has been in progress now for over ten years, and that is a proposed park along onion creek. So what I want to know is, can that parkland acquisition money be used to acquire land in the 25-year philip along onion creek, essentially killing two birds with one stone, acquiring the park, which is the main purpose, but in addition, alleviating the problems here in the 25-year philip, which we've been working on for a long time? It seems like a natural fit, but I would like to explore that more.

>> Okay.

>> Mayor Leffingwell: And in addition to that, you just gave me another idea.

>> Oh, man! I hope it was a good one.

>> Mayor Leffingwell: We have a parkland dedication fee, and perhaps some of that money could be diverted as well for

-- and there may be

-- I'm recalling there may be restrictions on where that money can be spent. So

--

>> we'll look at that as well. Absolutely.

>> Mayor Leffingwell: Yeah. So those are two things to be thinking about.

>> Absolutely.

>> Mayor Leffingwell: Council member martinez.

>> Martinez: Thanks, mayor. I really appreciate that suggestion, mayor. In fact, the resolution we're proposing next week opens it up to all of those available options, outside of a fee increase or a tax increase, and so that would certainly be one of those options that we would want the city manager to consider and prepare if that's something that we can do coming back to council in preparation for this year's budget decisions. And in relation to that, it's kind of similar, along similar lines, there are a couple of

-- couple things in the works that I wanted to ask, if we are planning on allocating parkland dedication fees to. One is the holly shores master plan that is at some point coming back to council. I'm not sure what the timeline is on that. And that is \$97 million in parks improvements. So under our normal bond rotation, it could take quite some time.

[07:36:21]

>> Yes.

>> Martinez: So I wanted to see if there were any other options other than general obligation bond.

Then we've been in some long, protracted obligations with folks over at oomloff in giving them a long-

term license agreement or whatever we're calling it, I don't want to use the wrong terminology, for them to maintain and take over oomloff and make necessary repairs and improvements. What are the plans for specifically those two park assets?

>> Both of those, for those projects, absolutely, we're looking at those

-- any parkland dedication fees that are generated in that proximity that could go towards that quite frankly, it isn't a very significant amount of money at one time, but we're

-- we'll have to look at multiple sources of funding, particularly for holly shores, to get that even completed. And then oomloff, it's a combination of looking at some parkland dedication fees, then as a city owner of that property, we will most likely request dollars in the next bond program to help bring that facility up to speed.

>> Mayor Leffingwell: Council member tovo.

>> Tovo: You talked about pools and I have a similar question to the one we raised with the libraries. I know you hear concerns from citizens about having pools open longer periods of time, and I understand there's a lifeguard challenge as well. But it's my understanding, too, though, that there's some kind of planning effort going on right now with regard to the aquatics.

>> Well, the assessment, yes, the pool or aquatics assessment plan.

>> Tovo: So does that include

-- that particular issue, does it

-- does the aquatics assessment include thinking about how we might achieve longer nissans.

>> I'm going to let kimberly answer that question. She has a better handle.

[07:38:24]

>> Tovo: Okay. Thank you.

>> Kimberly, assistant director of parks & recreation. The aquatic association is looking at multiple areas, it's looking at the engineering and structural stability of all of our pools. It's looking at the operations of our pools, and actually there's a large, large community engagement component where we're asking citizens about the operations of pools and what their desires are as far as hours of operations, programming, year-round versus seasonal, those types of questions. And then the third part of it -- and there's also a historical component when we're taking a look at the structural and engineering part of it, we're taking a look historically what's the significance of that particular swimming pool, what would be the pro pros and cons of that swimming pool being repaired versus replaced, those sort of things. Then there's planning for the future. There's certain areas of the city that currently are underserved. So it's all of those things combined that will get a final report with some recommendations about how to best invest in the entire aquatic system. And by that I mean, you know, what percentage of our money should go into replacement or repair, what percentage of our money should we be looking at for operations, what will that mean as far as the placement of pools, and if we are looking at have something that's sustainable and operating, does that mean we can continue to sustain operating 50 aquatic facilities, or is there a better model out there that still serves the citizens in a way that they can easily have transportation to and from those locations. Because one of the things that we're hearing is how wonderful having neighborhood pools are because they're so accessible to the neighbors. But if that's not a sustainable model, what would be a sustainable model that would still provide access and

still provide the operational hours and all of the needs that the community desires. So to answer your question, I think that assessment will be looking at all of those things, and it'll come in one large package, and we're expecting to receive that sometime in June.

[07:40:35]

-- And it will be the item that will help us plan for the future. It will help us not mold our budget, request for the future, allocate dollars that have been given to us, and what we'll receive in the future, what we may ask for, how our request will look based on that strategic plan.

>> Tovo: Thank you. I appreciate you clarifying the different elements of that plan. I know we've talked a lot about the structure and facilities and maintenance, so I appreciate you clarifying that the operations are also something that you're soliciting public feedback on. What are some ways that the public can continue to provide feedback on that? Is the feedback period still open?

>> I

-- honestly, I am not sure, because we had on you are final large town hall meeting where we were able to engage about 5700 individuals. And we had collected all of the data, and right now I know my team is gathering what that input was. I would believe that there's still an opportunity to go online on the website and still be able to provide feedback while we're gathering that, but I would have to look into that and be able to give you a solid answer later today.

>> Tovo: Okay. Thank you. I appreciate that. I know you will be guided by the public feedback, so I imagine that will be very interesting, I'll just say as a personal aside, I sure hope we can figure out a way to sustain our neighborhood pools. I think they're really important, people really enjoy them and make use of them, so thank you.

>> Following up on that point, right now is there a reason to expect we may be facing any pool closures for the coming year?

>> Budgetarily?

>> Right.

>> We're not anticipating that. I will say once again, we need lifeguards. You know, we were fortunate enough to get money to keep the hours up and equalize the hours. We have beat the bushes, and we really need to look at every way possible to get help to hire guards. We've raised our pay, we're competitive, we're overcompetitive and we're trying to keep

-- I think everyone is struggling, quite frankly, it's not just us. So any help you all can give us to get the word out, we want to keep our pools open and we don't want to work people to death. We want to be able to have a safe environment.

[07:43:00]

>> Mayor Leffingwell: Is that it, you're working the lifeguards too hard?

>> Well, the problem is, when you end up not having enough guards, they pull shifts

-- we don't want to do that.

>> I think I said this before. I'm stunned by that because when I was a kid, if you could get a job as a lifeguard

--

>> it was the best job in the world.

>> Mayor Leffingwell: You were study.

>> They are still looking, mayor, if you

-- (laughter.)

>> I know I got a question the other night about the shipe pool. There's no reason to think it'll be closed this year.

>> Not at all.

>> Going back to park recreation fees, we talked about stepping up the transparency of the way we managed those fees so that anyone would be able to go online and see what fees are becoming available and generally what area they would be spent in and over what time frame and where that's been. Can you just update us on our efforts to make that

--

>> we are there. It's either completed or in the very final stages of being electronically available and clicking on the website for being able to click on parkland dedication fees. Now, to keep up with it, you know, you have to know and anticipate it. We're working close with our friends and greg shortening but -- greg shop, but i think we're there.

>> I'm happy to report that information has been on our website probably now for a good two months.

>> Great.

>> And when you go there, you're able to find out how much parkland dedication monies there are by each planning area, as well as be able to see the details of projects that are in the queue for those respective

--

>> and over what time frame those funds are expected to be spent?

>> We have them in categories of areas

-- I'm sorry

-- in priority areas. We have

-- over to the side you'll see priority areas of recommended spending.

[07:45:03]

>> Okay. And where would someone find that web page?

>> It's not parks department's website.

>> It's a website, and I'll be able to find it. Great. I wanted to ask about

-- council member morrison was asking about auditorium shores. Of course we got a lot of input about the value of these areas and need for additional? A. Yes I know that's been an ongoing effort.

We've talked about identifying a new park in the southeast area off burleson road that could meet that need. Could you tell us where that stands?

>> Actually, we're going to move forward with the purchase of that property. It'll go before the parks & go into an existing park and try to cram an off lease area has problems and is troublesome. We're finding the best thing to do is look at land that has not been used and has better use as a dog off leash area to make people more happy and satisfied.

>> So we can expect to see a report back on that?

>> Within the next month.

>> Okay. Council member Morrison asked about Holly Shores. I have one more question about that. There was some community interest in a community garden on the west end of the Holly Shores area. The questions that they were we got were related to whether that particular piece could move forward in advance of the rest of the plan.

[07:47:04]

>> I believe this is correct, we can, and another thing, we're trying to move forward with some semblance of the food forest. I'll let Cora

-- I may be wrong on that but I think we were

-- we wanted to move forward on some things that weren't really necessarily tied and held our hands in relationship to the Holly Shores plan, and that we knew we had citizen buy-in.

>> From the master planning standpoint, council may remember that you asked that we go back and visit with members of the community to talk about various aspects of the idea of coming forward with alternative recommendations. One of those recommendations is about that community garden. At this point, we're not receiving support for it to be maintained in the master plan. However, if council wishes to, you know, consider that separate from that process, of course. But

--

>> the last thing I would want to do is disrupt the planning process and cause any further issues for it, but if there is a way that could easily be separated out from the rest of the plan so it could move forward, if there is community buy-in for that idea, I think that would certainly be welcome by some folks. But, again, if there is a community preference to consider out of context of the whole plan, I would want to hear those interests as well. So if you could just continue exploring that.

>> Okay. We'll do that. We'll do that.

>> Let us know if you see any options. And lastly, I want to ask a question that I plan to

-- relates to some questions I plan to ask of the water utility, and it relates to

-- it does relate to some park issues. We have

-- for many years now we've been in the process of expanding or reclaimed water system, and we have managed to serve some park areas. And there is interest in getting to others as well. I know the one that has been brought to my attention is getting water to Pease Park, which would help in maintaining trees and other vegetation in the park, as well as potentially saving some money. What I wanted to ask you about, as we look at that, mostly costs we're concerned with, or financial impacts on the water utility, but I just wanted to know, do you see any impacts to

-- financial impacts to the parks that we ought to consider as we're having those discussions?

[07:49:29]

>> There is a financial impact to that from a reclaimed water

-- particularly in running those lines. As you know, we experienced that when we were doing reclaimed water at the Hancock Golf Course. We were able to work it out with our friends in water, and I anticipate

we'd be able to do that again, and they funded us the opportunity to do that. And then when they were -- we worked with them on mitigation dollars where they needed to stage or do something. So the answer is, there's an impact, but we've been really successful in working with Greg and his team to figure out ways to mitigate that cost that we would have to incur to be able to make it work. Because important that we try to go to as much reclaimed water as possible. And it is costly for us, but we're exploring every opportunity we can.

>> Do you see benefits to the park over the long-term, if we got those in place?

>> Yes. Absolutely. Especially with the tree canopy and things we have there.

>> So there would be some financial benefits to the parks from a long-term standpoint.

>> Long-term, yes, because of the benefits of the trees, and particularly any kind of turf. But particularly the trees and the environmental issues there, in saving those trees.

>> Right. Okay. Thanks.

>> Mayor Leffingwell: Council member Spelman.

>> Spelman: You've got the best majority of what's written out here at least as being what you were projecting for your spending for the next year, is just the usual personnel cost drivers.

>> That's correct.

>> Spelman: But you also have \$460,000 for utilities and maintenance supplied with our newly acquired parkland, trails, things like that.

>> And commodities, basically

--

>> Spelman: It's a fairly substantial acquisition, 21,000 square feet, 66 acres of parks, 13 half miles of trail, 60,000 square feet of expanded parking lots, so there's a lot of stuff going on.

>> Yes.

>> Spelman: I'm guessing there's going to be at least some people required to help to maintain this as well.

>> That's correct.

[07:51:30]

>> Spelman: And since you're not asking for more people to maintain these areas, presumably they're going to be drawn from other parks and we're going to be spreading our operations and maintenance people a little bit more thinly. Is that accurate?

>> Yes, sir. We are

-- but we are looking at contractals in areas we don't need to hire full-time. We're trying to really -- and I have to say we're doing a good job of looking at efficiency drive time, those kinds of things between one park and the next. Yes, we will need some funds and it could mean some positions but we are looking at contractual labor as well where it's more efficient, more effective, and less costly to the city, and we're looking at how we better manage our money in relationship to drive times and efficiencies as to where we're handling one park that's next to another park but another crew is doing it. What we've found is that we actually found some efficiencies there that will help reduce some costs for us.

>> Spelman: Okay. Would it be too much of a stretch to say that those efficient

-- well, tell me about those efficiencies relative to the increase in need for labor in these new acquisitions. Are we going to be able to maintain all of our parks at the current level, or could we expect reasonably to see some reduction in maintenance because we've got new acquisitions?

>> I'll say this. Anytime we add acres, trails, or facility footprints, there needs to be an associated contractual amount to maintain it or staffing. And that's where we're working to try to make sure that it's not always a staff person with all the benefits and everything else included, that we look at other ways to do it. And sometimes to look at a partnership, a business, or a neighborhood association who takes over those roles. So while we will need some funds, what we're working on is a better approach to that and not always going back to the general fund.

>> Spelman: I appreciate you not going back to the general fund every time we get an acquisition. Let me offer another possibility and see what you think of it. Under parkland dedication, parkland dedication fees are now only used for acquisition of new property. Historically, city of Austin is good at acquiring the property. It's not so good at funding the maintenance of the property once we've acquired it. Would it be possible

-- I don't know if this is a legal possibility or whether this is practical difficulty, but I can imagine using parkland dedication fees for partly acquisition of new property, then partly putting into a fund or foundation or endowment or something which we could draw down for maintenance purposes.

[07:54:01]

>> I would love that I think it is a legal question in the way the ordinance is written at this current time and how we're not able to use those dollars for maintenance purposes.

>> Spelman: Yeah.

>> Bud I'd certainly love to have

-- that would be very beneficial to us, if you buy land or trail, access trail, easement or things, that you have the ability to maintain it to the standard that it needs to be maintained.

>> Spelman: And you're not doing us nefarious by getting us ability to require land and

--

>> not taking care of it. That's correct.

>> Spelman: So from your point of view, that would be a good thing. We'd have to walk through the legal aspects of this to see whether or not that's consistent with the statutory authority which we have, as well as our own current ordinances.

>> Exactly.

>> Spelman: Okay. I look forward to having further conversations.

>> I will make sure we work with legal on that.

>> Spelman: Good. Last question. Somebody has to ask you this question, so I think since I'm the last guy to ask questions, it's up to me to do this besides lifeguards, what are your critical priorities that are not reflected in the current budget?

>> Safety officer of the.

>> Spelman: Okay.

>> I think several of you were sitting on the audit and finance committee when we were hit with that serious issue related to safety, for not only patrons but for our staff. And of course, you know, some

other things related to park issues and trees and things that you
-- council member morrison had already mentioned. The only other thing we really feel is important is looking at how we continue to add rangers who help in our parks with the sa and first and I had, helping with things they cannot get to when it's in their purview. They just can't
-- dog off leash, someone smoking in the park, parking on parkland, these are things park rangers can address more easily than calling a police officer.

[07:56:05]

>> Spelman: As we were discussing earlier today, these are things which, from even outside of parkland areas, we don't really need officers to handle. There are lots of opportunities for civilians to handle to say calls and deal with those issues as well.

>> Ours don't carry guns or write I can't say the, they're just in the parks for first eyes, first aid, first contact.

>> Spelman: So a safety officer and more rangers could be added to the list.

>> That, and of course what council member morrison mentioned from last year. But like I said, we're -- there's always going to be needs for us. And we're just trying to figure out new ways of covering our -- we're doing a good job of public and private partnerships. You know me, we have a great staff. We're going to come up with new ideas how we can create better sustainability for parks & rec racing, but we need some help, yes.

>> Spelman: Well, january 6th, a really studly guy named leffingwell will be available for being a lifeguard so he will be able to reduce your needs in that respect at least a little bit.

>> All right. Well, we'll be counting on that.

>> Mayor Leffingwell: Okay. Very good.

>> I just want to make one comment, and it follows up on the aquatics assessment and master plan. The resolution, it sort of came out of a time when there was a suggestion of closing neighborhood pools.

>> Yes.

>> Morrison: I hear the thought about how do we become sustainable. I heard a lot of concerns when the idea of consolidating pools was raised with the assessment. Just wanted to highlight that our resolution, I think it was council member martinez with me said specifically we want to hear a recommendation that allows us to keep our neighborhood pools open and free.

>> Not to chose

--

>> Morrison: Because we know those hold enormous value for quality of life in this city.

>> This is where we're going to really have to put on our creative hat to look at other opportunities for partnerships with the business community and other things. I've done that in other cities where you get sponsors for pools.

[07:58:11]

>> Morrison: All right. Thank you.

>> Mayor Leffingwell: Council member riley.

>> Riley: Just one thing, I've been looking on the web page trying to find

-- I don't see it.

>> We'll get it to you.

>> Riley: There's a long list of things that people might be interested in in that page. There's no mention of parkland dedication. If you could just try to add a link, in addition to sending me a link, if you could add a link to that

-- to the page that you referred me to so that someone that goes that page can easily find parkland dedication fee information.

>> We'll make sure we take care of that.

>> Mayor Leffingwell: Mr. Martin mr. Martin ez. We're going around here.

>> Martinez: She mentioned something at the end that parked a comment I wanted to make. I fully appreciate that financially we are stretched as thin as we can, and we may have to get creative and do some things like naming rights but I just want to throw my comment out there that I don't want to overcommercialize our pool system, but there are creative ways where we could do some naming rights through foundations, maybe family names that, you know, want to help keep those pool hours, you know, at a consistent level without having to charge the kids in those areas, so I just want us to think about it in a broader context. You know, I don't have anything against mcdonald's, but I don't want mcdonald's on a swimming pool, no matter how much they're willing to pay.

>> No, no, I understand. We'll do everything we can to be as creative, but careful. 28.

[08:00:33]

>> Cole:28? So just like I wanted to know from parks, I would like to know from you how that has decreased customer time or backlog with project.

>> And mayor pro tem, what I'll probably do is get back to all of you with the numbers so I can be more accurate, but certainly I know like commercial plan review time has dropped tremendously from what it was and I think we're averaging 35, 36 details. Our goal is 28, but there seemed to be a lot of projects going up and I know as you leave this building the number of cranes that you see seems to be -- keep on rising. My permits are still up, inspections have been going up. So we're doing our best to maintain and keep on going. But I'll get you though numbers about what our times are with respect to last year.

>> Cole: Okay, just consider that a formal budget request with respect to the 28 additional hires and how productive we've been with that. And also, what additional staff have you requested? Or have you requested any additional staff for planning and development review?

>> There's

--

>> Cole: I thought they did.

>> There is one position that is identified. Right now I am currently reorganizing partners since mr. Stoles has retired and mr. Barber, assistant director and building official has retired. So reorganizing part of my department. Part of that is to take one f.T.E. And to have that over most of my administrative function. It's an existing f.T.E. And that one function will be over i.T. And I'm redistributing other functions. But I'm not asking for any ADDITIONAL FTEs.

[08:02:40]

>> Cole: Thank you, mayor.

>> Mayor Leffingwell: Councilmember tovo.

>> Tovo: Thank you, mr. Against i. I had a question about that position. Where is it transferring from?

>> It would be from code. Code compliance department. Currently funded.

>> Tovo: What is that position currently doing in code compliance?

>> Sue edwards, assistant city manager. That's a position we are using and have been using for a year to look at things in planning and development review, that position is sitting in the city manager's offices right now. And she is moving over to planning and development review this week. So she has been working with reorganization. She's looked at the r.F.P.

-- Worked with the r.F.P. That's going out to look at reorganization and so she has been working for about a year now with planning and development review.

>> Tovo: So it's a position in code that currently is under the city manager's office?

>> Just officed there. Still in code. Just officed there.

>> Tovo: And would be moving over to planning

-- you said it's moving over, that position is moving over to planning and development review and budget adjustment?

>> Yes.

>> Tovo: Is that typical? I thought that required

--

>> it's an existing f.T.E. So we can move an existing f.T.E. To a different department as a loan. We do that often.

>> Tovo: I see. So that position would move over to planning and development review next week as a loan and it would either be ratified or not in the budget process.

>> Yes.

>> Tovo: Is this the position contemplated last year?

>> Yes it is.

>> Tovo: So I guess I would submit as a budget question, I would like clarification when that position is responsible for. I know we had a discussion about it last year and I'll have to go back through my notes on that because ultimately I believe we didn't I proof it. Approve it.

[08:04:52]

>> Not to make things more complicated than they are, but one of the assistant director positions has -- from planning and development review has gone over to code.

>> Tovo: I saw that. That was actually going to be my next question. Can you explain what that position was?

>> Yeah, in 2009 when we created the planning and development review department, done burkner, assistant director with code compliance, came over to my office and assisted with the creation of our department. The intent was also to make sure that there was a close relationship between code

compliance because they were new department and rapidly expanding and it's really important for that department and my department to work close because he brings me work in the form of people getting permits and trying to close things out to make it more convenient for customers. If you think back to events that have occurred whether we're talking about illegal carports, in setbacks or the recent flood events, he's been really instrumental in really getting our two departments together. We've worked together also IN DOING SOPs FOR PEOPLE To basically fix homes that the buildings damage commission have found have been in a dilapidated state. As he moves back over to code, we're still going to probably work with him probably just as close as we have in the past because there are relationships that have been maintained and coordination that needs to be maintained in the future.

>> Tovo: So that's a position currently within pdr d? Q. That's a position that's funded by code and has been since 2009.

>> Tovo: Why is that position moving back then?

>> Well

--

>> Tovo: I appreciate you describing how it's worked, but what would be the advantage of moving that person back to code?

[08:06:54]

>> As I said, I'm reorganizing my department. Having the position that I'm adding and putting all my functions together for administrative purposes the budgeting, i.T., H.R., Which is my chief administrative officer would do, I'm taking the remaining functions and distributing those across the other three assistant directors. Having that, there was sufficient staffing amount and I believe the transition has occurred between code and my office where we could release that position to go back to code. I think basically the mission has been accomplished, I think, and the relationship between my department and code.

>> Tovo: Okay. Thank you. So do you need some more

-- there were a couple questions I would like answered through the budget process if you could flesh out with the responsibility of the new position would be and you've spoken about the reorganization, if we could get a little more information about the reorganization. Thank you.

>> Mayor Leffingwell: Councilmember riley.

>> Riley: Greg, I want to ask about where we are with improvements in the permitting process. The permitting process has been a subject of a lot of discussion over the past year or two and there have been a lot of complaints and we did get the backlogs reduced significantly in both commercial and residential, but

-- but there

-- we all know that some improvements remain to be done with respect to the process. We had a stakeholder group that was convened help us identify potential improvements and try to implement changes, gradual changes along the way. Can you give us an update on where that stands and where you see

-- how to horizon lo to you?

>> Yeah. We have made quite a few improvements. Technological improvements since with your help

I've been able to actually have about half the time when you call my office you actually talk to a live person now. That I could not say, I mean you went into different phone trees and voice mail and they are customer service people that would direct other people that would help them more specifically if they could not answer that question themselves. We can do some functions totally on line now where we have a building permit that has been issued and there are trade permits like electrical, plumbing, mechanical, and that trade person has an escrow account. They can actually go on line, not come to my office, but go on line, issue themselves that permit, pay it out of their escrow account and not even walk in my door. Frees up parking spaces and air quality and they can do it 24 hours a day. Yes, we are actually very close, which I know Victoria Lee before me and I have been working towards getting credit card payments. And hopefully we think in June we'll go into a testing phase and in July we'll probably go under a pilot to actually have credit -- to accept credit card payments for the first time. On line.

[08:10:16]

>> Riley: And that's for all fees charged by the department?

>> Well, we actually are accepting credit cards, we did probably about a year ago put in credit card payments within our permit center so you can pay by check or by credit card now, which is something we didn't have last year. We've already implemented that.

>> Riley: At the permit centers.

>> At the permit centers.

>> Riley: The idea now is to do it on line.

>> The idea is in the long run we would go totally to credit card. It would provide more flexibility for our customers, make our accounting much easier, and actually I could probably repurpose some staff to really address some in account that deals with credit card accounts rather than keep escrow accounts and making sure those are there. Our customers have more liquidity and freedom to use their money in a manner that serves them best. One of the most exciting things is happening right now. As we speak, I have staff over at the airport that are going through electronic plan review, and we have four vendors that have submitted and my department as well as CTM and others are going through and looking at those packages and see if we can adopt that. You know, you've seen pictures of my department and these gigantic rolls of paper. I look forward to the day when somebody is going to be able to submit something electronically, it would appear in my staffs' office without having big rolls of paper to cart around or dropping them on their foot and having injuries, that that day is coming. So we are very close on that and we'll be probably bringing back a package to you in the future about taking and selecting that vendor and moving forward.

>> Riley: Any idea of the time frame on that?

>> Probably only a few months I would think at the most. We've got to go back and certainly let the contract before we can bring that back to you. So that's really exciting. It saves me storage, it frees up office space in the long run. We've also added scanning capability. Some of the positions that I mentioned we're trying to build basically a data warehouse. So as we get applications in and as we approve them, we're trying to scan more and more of them in anticipation of going electronic plan review and taking care of the documents that we're already getting in right now.

[08:12:43]

>> Riley: I know in addition to the benefits for your end, I know there would also be benefits from the customer standpoint. I've heard from engineers and others that they've wished they didn't have to print out these huge rolls of paper and they felt that was kind of archaic.

>> It's a tremendous cost for both their offices and my offices.

>> Riley: What about the stakeholder process? We had a stakeholder group that was working, that was suggesting potential improvements and they were meeting and what I understood was a fairly regular basis. Can you

-- where does that stand now?

>> There's an R.F.P. That's going to look at our process. I understand that he have with received bids from the vendors for that process. I don't know the particulars of it. I know it has just occurred and so you'll probably see that as well in the coming months as we bring that forward. And this is a process that we went to our stakeholders about a year ago. We talked about different improvements that may occur, that they would like to see. We took that to heart. Sue was very helpful along with Myron when he was higher and really helped me get that process through and that is going to look at making improvements and how I can do things more efficiently, how we can interact with customers in a more nature more efficient but it's not looking at our process, looking at our building, how we are organized to make those efficiency work for everyone's benefit.

>> Riley: So that would entail bringing in a third party to take a careful look at your department.

>> That's exactly right.

>> Riley: And make

--

>> I don't know the number of respondents.

>> Riley: You received a number of respondents.

>> And we're looking at them right now.

>> Riley: And where is the funding for that coming from.

>> We already had that budgeted.

[08:14:45]

>> For this current year. And when do we expect the results of that work?

>> We'll probably be bringing it to council within

-- don't quote me, but I think within a month.

>> Riley: To award the contract.

>> For the contract.

>> Riley: Any idea how long that consultant's work might take?

>> We don't know yet.

>> I'll try to give you an estimate and get back to all of you with a response.

>> Riley: The reason I ask, I assume recommendations along those lines would likely involve some kind of price tag and I wonder if we need to prepare for that as we look ahead to next year's budget and be

ready to respond to the recommendations, whatever recommendations emerge from that report.

>> Exactly. And I think part of this also is we're trying to time this with code next. So they each can inform each other of how we move forward. Because just simply making a nice code, I can administer it in a way that is efficient and works for everyone, would make both of those tasks really work together and really make a good product.

>> Riley: And in the meantime, the reason I was asking about the stakeholder effort is back when we had that process, I found it helpful when I encountered someone who is unhappy about the process and they had a lot of suggestions, then I could refer them to that process and they could provide input to that working group. A week or two ago I went down and spoke to a south austin business association breakfast. Heard a lot of very constructive input about the fate of the development and review process from people who feel like there's some improvements

-- the process could still stand some improvements. At this points I'm not sure what to direct them to. Do you have suggestions as to how people could offer any input about improvements to the process?

[08:16:46]

>> Well, two ways. When we actually bring the consultant on board, we would be interested in talking to the stakeholders and I would reach out to the stakeholder groups that I'm aware of. If there's something really that somebody wants to talk to me, they can call me up. I mean I've made a couple a little improvements along the way that made a big difference. Just on our quick turn-around I talked to you about two years ago or maybe it's three years ago where I had a citizen call up and was complaining we only did turn-around two days a week, now we do it four, but at the time it was monday, wednesday. He said why can't you do it tuesday, thursday, then all those monday holidays or presidents day or labor day when we were closed, they would have an additional day and when they get more hours in they could submit quick turn-around. We did that about two months later and that was the result of somebody who was calling our office. Now quick turn-around are four days a week because that was partly the staff that you had earlier so we can process more people.

>> Councilmember, I think to answer your question specifically, when the consultant comes on board to look at process improvement, they will be talking to both that group that we put together and to the public at large to get input. And in addition to that, opticos has been in the community and they not only are looking at code, but they get lots of input about planning and development and review process so they have shared those with us also and that's been very helpful. Both this consultant that we're going to have looking at process improvement will be working with opticos as we move forward so that we have something sha medals that melds together and the code is not going to be ready until 2017. But we -- we will be adopting that or adapting that as we move forward.

[08:18:50]

>> Riley: And we expect the consultant contract to be awarded next month?

>> Either next month or the

-- we're trying to do it before you leave for vacation.

>> Riley: So I hope it's not

-- that it's sometime before the end of next month. That really would be great. For some time now, the development review process is the number one concern I've heard from small business owners in austin, that that

-- if we could do one thing to support the small local businesses in austin, it would be to improve the development and review process. I think the whole process shares that goal of doing what we can to support our small businesses and I appreciate all the attention you are giving to this and I hope you will be bringing forward whatever you can at the earliest opportunities.

>> I think opticos is looking at small business with the code because part of the concern that small business has is that the code really is written to the larger community, the larger commercial development or the larger residential development. So they are looking at that also.

>> Riley: Thanks for all your work on that.

>> Mayor Leffingwell: Councilmember morrison.

>> Morrison: Thanks. Just to follow up on that, one of the things in terms of helping small businesses that's been suggested that we really haven't been able to do would be just citywide to get a small business liaison, local business ombudsman and all that, and one thing I would like your thoughts about and my colleagues too and that is given that we have so much more revenue from the fees that we're taking in with development fees, would it make sense, would it be useful to use some of those to create a f.T.E. In your development review process specifically dedicated to small business folks? You know, we looked for ways to really make sure that we can have hands on and give those folks what they need to remain healthy, and I don't know if you think there would be a demand for that, a use for it, would it be feasible within your department and so I'd love your thoughts on the matter.

[08:21:05]

>> Councilmember, I think we can certainly take a look at that. I want to work with Kevin John's group and we do collaborate on different projects, but that's something we could take a look at and further my partnership with the economic development department. We do support small business all the time and they really probably one of our bigger customers in our development assistance center because the larger companies or the larger businesses that come in they actually have the wherewithal to hire the engineers and architects for those larger projects. But for someone whether they are running a food truck or they are simply running a small business, they are very good at maybe selling shoes or selling food, they are probably not so good at coming in and trying to figure out development process to put in a three compartment sink and running appropriate sewer lines in men's and women's bathrooms and when that's required. So yes, I agree. I've already reached out to that small business alliance and talked to Rebecca about different ways that we could help with small business. It is something that really runs austin and I believe that and I'll look at that along with Kevin Johns.

>> Morrison: It was probably a couple years ago we did a resolution, I believe it was this side of the dais that sponsored it, but it was adopted unanimously and it was to really ask the city how we can step up and respond to I think they called it manifesto. It might not have been specifically in there concentrated on development review, but I think that's one thing to think about and one thing to think about in terms of increased revenue that we saw it there now too. To understand how that would be would be great. So let's talk about code next. So for the past three or four months the comprehensive plan and

transportation committee has had indepth discussions on our agenda about code next, and I think they've been really very productive and hopefully, greg, your staff have been keeping you up to date on some of those discussions. And I wanted to bring that up today because, number one, some of the things we're talking about will cost more money and I wanted to lay those out on the table now. And number two, I think it really points to the fact that it mate make sense for us to think about having a full council briefing at a work session or during a meeting on the status of code next and where we are because I know a lot of people, we're all getting contacted, and I feel like we're doing good work in terms of really trying to be productive about how do we keep this on track and adjustments that we need to make. So I just wanted to run through a couple of things that we're talking about that would cost more money. One of the issues that came up was that in the process flow for code next, one of the blocks that's supposed to happen they had tagged for this fall was for the council to make a decision on the alternative approach. Which approach to the new code are we going to take. And there was a real concern about why is it that this council would be making this decision in the fall when we're just going to have a new council seated in the

-- in the spring. So there was a push from the community to actually push that decision point off by six months or something like that. And I think the discussion that we had at our committee meeting was, hey, the bottom line is the new council can undo anything we do, so the reality is that there is an opportunity for the new council to take

-- take a stand, a different stand and shift the conversation. So what we talked about doing was actually adding a new block and go ahead and stay on the same schedule so that we can potentially continue forward, but add a block in the process flow for once the council is seated to explicitly go to them and ask them to reaffirm or to adjust the alternative that this council had chosen because that's the reality that they can and that would bring another level of comfort that we're not going to just try and push something through that the new council might not like. But that, in fact, is going to cost money and we have to realize that any decision that the new council makes that's different could potentially cost money, so I wanted to ask you, I think it's important that we take

-- consider that as something, and I don't know how the process, if we can find out how much you would put into the budget to actually adopt that new process or if you already have or not sure where we stand, but I think that

-- that would be important. And do you have a comment on that, greg?

[08:26:08]

>> I think we probably would need to look at it to really get that number right. It probably would end up going into our c.I.P. Fund. Right now as it stands it's an unfunded item and we would have to come back and I'll try to get you that amount what we think it would be.

>> Morrison: Okay. And then another one that we discussed is there are lots of potentially contentious topics that we're going to be talking about in code next, and one of the things we talked about is let's just get all the topics on the table. Come to an agreement on what those hot topics are and try and address and head out. So what staff has offered as an option there would be they are gathering those hot topics and then for each one of them to plan, I think you call them code talks, is that right? Have a public discussion and see if we can't get on the table instead of all this background noise where people

are concerned about the topics. And so there would be a certain
-- I think the staff has already planning and feels like they can fund a couple more this fiscal year, but to add
-- to do the full spectrum into the next year might take some money so we would need to know about that also. There are two more. One is the tool envision tomorrow that's being used for modeling various scenarios. I notice there was a group from the citizen group and advisory group as well as lots of folks here hearing from to enhance the modeling that's done in the c.A.G. So it can address some of the things in the code or are envisioning and I know that's a potential increase in cost. The last one is a little more shall I say touchy feely and there's been some tense discussions, there's some people that are not happy with the way things are going, and one of the things that we got on the table was that in some ways there is just sort of a lack of trust among some of the parties and one of the thoughts we had on trying to improve that was the consultants really do serve as sort of a respected objective party at the table. Their scope of work doesn't include very much in the way of actually being here in austin on the ground. So I think it makes sense for us to consider some adjustments in that regard. So I realize for people that haven't been on the conversation, some of this might sound sort of scattered and I would like to see if there's an interest in getting sort of a briefing and bringing george and george for the whole council so this could all be put into context.

[08:29:06]

>> Councilmember, I believe it's the second week in June that Opticos is coming before the council to give you an update.
>> Morrison: And I hope they will be able to address these things where we might be asking council.
>> We'll make sure that they do.
>> Morrison: Excellent. And I think that is the end of my comments and questions about pdr. Thank you.
>> Mayor Leffingwell: Okay. Anything else? Thank you. And now we go to the municipal court. And we have one and a half hours and ten departments to go.
>> Tovo: What's our plan B going to be?
>> Mayor Leffingwell: Beats me. Testify to have I assume we're going to be scheduling another session to go through the rest of the departments.
>> Mayor Leffingwell: I don't assume that at all. Councilmember Riley.
>> Tovo: Before I turn over the floor, I think the process we're going through is useful so I hope we will figure out a time to go through the rest of the departments we don't get to today.
>> Mayor Leffingwell: I'm sure there will be something figured out.
>> Riley: Welcome. Glad to have you here. The community court has come up once earlier today and I wanted to ask about the needs at community court. Do you have a list of things you need help with at the community court?
>> Specifically community court?
>> Riley: Yes.
>> Because of the lack of permanent housing and the people we're putting through are achievement services with our rehabilitative dollars we're looking at adding more transitional housing options and making them longer term so that we can work longer with those individuals and get them into whatever

permanent housing opportunities there are that already exist. So the [inaudible] would be in dollars for transitional housing.

[08:31:32]

>> Riley: How many dollars?

>> So I'm assuming that you are referring to what health and human services proposed.

>> Riley: That's right.

>> And that's what those dollars would be used for in connection with the people that we're putting through substance abuse effort.

>> Riley: It would be a cooperative effort between health and human services and community court. What's the amount?

>> He's proposing \$250,000.

>> Riley: And what would we get for that?

>> So currently through the sancil contract we pay \$900 a month for an individual at a cap of three months. So we're want to go expand the limit or have no limit to how long we can keep them in transitional housing so that, like I said earlier, we can then work with them longer to connect them to permanent housing.

>> Riley: Do we find three months is really not enough time to get the results we need?

>> Yes, because of the lack of permanent housing in this community.

>> Riley: I see. So if we had longer than three months, we would have more time to find a permanent home.

>> That would be the goal, yes.

>> Riley: We're not necessarily talking about expanding the number of units, we're talking about

--

>> expanding the length of time somebody can stay in transitional housing.

>> Riley: I see, and that would mean

-- would it actually increase the number of individuals we could serve or would it just

-- I suppose it would

-- it might do that but more importantly it would make our services more effective.

>> It would give the staff flexibility, yes.

>> Riley: Right now it seems like there's a risk of having someone there who doesn't have an opportunity to recover or get into a stable correction and then they are right back out on the street and we have the whole revolving door problem.

>> Exactly.

>> Riley: Whereas if we had a longer time frame than three months, we could do a lot to change that. To get away from the revolving door that we've been trying to deal with ever since we started the community court.

[08:33:38]

>> Correct.

>> Riley: Got it.

>> The other thing that would help is if we could get more permanent supportive housing with low barrier, and that means mostly criminal background, allows people with criminal backgrounds to live in. It would be faster too because we could get them through faster if we had more.

>> Riley: Just for the record, judge, could I ask you to introduce yourself?

>> Michael coughlin, judge at downtown.

>> Riley: But in terms of the budget request for community court, that really is just the 250,000? Or is that within health and human services?

>> That's within health and human services. For us our critical priority is going to be to shift the funding that we're using to contract with the substance abuse service organization, to managing of contracts ourselves, doing direct social service contracting and taking the fee we're paying the organization and hiring a full-time contract specialist out of our court that can manage the contracts themselves.

>> Riley: I see. And what's the price tag on that?

>> So we are paying the managed service organization 13% of \$620,000, which is around \$74,000. And we would like to use that to hire a full-time contract specialist.

>> Riley: Does that require more than \$74,000?

>> No.

>> Riley: So that's a change you could make

--

>> it would be a repurpose.

>> Riley: And that's built into the current proposed budget and something you expect to be doing in the coming year?

>> Yes.

>> Riley: Great. To the highest priority budget item that we could do that would help the community court serve its mission would be the \$250,000 to extend the length of time for transitional housing and then ten our efforts to find more long-term housing for permanent supportive housing.

[08:35:41]

>> Yes.

>> Riley: Okay. Thanks very much.

>> Thank you.

>> Mayor Leffingwell: Any more questions? Councilmember spelman.

>> Spelman: That would be

-- how about for the rest of the court.

>> Municipal court operations didn't submit any, however, on behalf of the judiciary we asked for an additional 20 hours per week of substitute judges time for administrative related duties. There's a lot of paperwork involved in a court in addition to the trials and the appearance dockets they have, and the presiding judge sherri stoutman, I'm rebecca director, is here, she can address that a little more she but we have some time sensitive materials that need to get done and sometimes it takes the judges a while to get to it given their other duties. So some extra substitute judges may allow us to bring them in and get those

-- that paperwork done a little bit quicker.

>> Spelman: Judges are just like cops, they put paperwork off.

>> I'm telling you. And that's my whole world, so

-- [laughter]

>> sad but true.

>> Spelman: Judge, would you like to continue with that?

>> We do have a river of paperwork and we have very dedicated judges. As you know, we have dockets morning, noon and night, but we have a great deal of correspondence and we are finding it difficult to keep up with all the warrants that we have to review, correspondence we have to review. And in addition to this, very soon hopefully we're going to designate one of our judges to work as a juvenile justice judge with a pilot program, there's a task force, and that will take one of our judges for a period of hours each week out of the rotation. And we don't have any budget to cover that. It's a great program and we do want to be able to provide that service to the community.

[08:37:51]

>> Spelman: Of course, that's also

-- is there a juvenile docket right now?

>> We do have a juvenile docket at court and then there's a pilot program which is separate and away from court.

>> Spelman: And that would be in addition to your responsibilities as more cases, more kids.

>> That's correct.

>> Spelman: So 20 hours you think will cover both the administrative increase and also the additional work required by the juvenile docket?

>> I believe it will. If,

>> Spelman: Okay. What's the cost of that, do we know?

>> I do. 61,000 a year.

>> Spelman: Okay. Thank you.

>> Mayor Leffingwell: More questions? Thank you very much. Austin energy. Questions for austin energy. Or about austin energy. Either one.

>> About the forecast?

>> Mayor Leffingwell: I'll give you a couple seconds here. Councilmember martinez.

>> Martinez: Thanks, mayor. I'll go ahead and start it off. First of all, it looks like the rate increase created some stability on the revenue side for the utility. But where I still see volatility, if you will, is in customer complaints and responses from customers on issues like billing and service and disconnect and reconnect. When I look at your customer care line item, it's relatively flat five years out where you only increase it by nine employees and I'm just wondering is that commensurate with improving customer care? Is that the kind of pace trying to improve customer care? Is it a qualitative or quantitative issue because it doesn't seem to have

-- from our office's perspective waned any over the last year or two.

[08:40:18]

>> I think it's primarily a qualitative issue. We have a great system, as you know we've installed the or cal cc and b system which is a monumental task and now we're still in the implementation phase and will be for several years as it was projected and that has today far less problems than we started out with and

-- but we continue to have and always have had a number of customer issues. And so my focus as head of austin energy has been to focus in this arena. In fact, we are adding

-- we've taken

-- when you look at that area, you have a billing system and we bill for all the other departments at the city that need billing as well. We also have a contract call center we man 311. So a lot of these numbers are all contained in there, but as we've looked forward on looking at ways to improve, it's really difficult because we installed new rates, we installed a lot of new things that our employees need to learn. So I think, councilmember, it really is a matter of qualitative because we really need to train our employees and they need to be smarter about the systems we've installed and how they work. It's been a real challenge, but I believe we're getting better. I realize when the door is open or the media locally that there's problems, then sometimes that creates more problems, frankly, but I think that we're turning a corner on it, but we still have work to do. And it's a high priority for us.

>> Martinez: And I appreciate that and I understand we typically don't hear from happy customers. That's the nature of the business we're in. You and me both.

>> Well, frankly I do hear from happy ones. There are happy ones out there. Yes, there are. Particularly after a storm we have a few happy ones.

[08:42:23]

>> Martinez: When I look at your five-year spending plan for capital improvements, you project that to be \$1.3 billion. But can you remind me, didn't we restructure that plan to try to alleviate some of the financial responsibilities moving forward so that we could stabilize on the revenue side?

>> Well, we made a commitment to borrow more for long-term investments and to raise our leverage, but what we have not done is gone into any situation where we're going to do a large borrowing, for example. For example, if we did any power plant acquisition this the past we've used a significant amount of cash whereas we might not do that if we were on that decision today. So that was your directive out of the rates work that we did, but we just haven't run into a large capital program to do it. I will say, though, that we use a commercial paper program, you know you are familiar with that, so when we refund that we do a lot of our capital is done with the commercial paper program. I expect those numbers to change in the direction council gave us but it's going to take a while.

>> Martinez: In that 1.3 billion over the next five years, is that in anticipation of combined cycle gas plant or is that just based on what we find out there on the market whether it's solar or wind?

>> It's based right now on the sand hill number that has been put in there and has been in there for a period of time, but we realize council has appointed a generation task force and our own staff is looking at it. 57600 know,.

[08:49:45]

>> So that we have -- that we have a balanced reserve portfolio, which was the design
>> Spelman: I understand. Remember we spent a lot of time on that.
>> Yes, sir. A couple of years ago. We are showing the dummy's version. We are showing an ending balance for current year of about \$250 million. And that's going to ratchet it up over the next five fiscal years, that is net of transfers out to the long-term reserves that you are talking about here.
[Multiple voices]
>> that includes the transfer out. So the operating
-- this is for the operating fund.
>> Right.
>> The fund summary is. So out of the operating fund, we take those transfers and move them to the reserves.
>> Spelman: So when I see ends of fiscal year '19 of \$351.9 million, that's just the capital working capital, and we will
-- we will already have removed 30, 40, \$50 million and put it in the long-term reserves.
>> That's correct.
>> Spelman: As you're forecasting it here, by the time we get five years out, at what point
-- how closely our reserve fund be to where you believe they need to be able to cover us in the case of contingencies.
>> I think by 2020 we'll be very close to that. That's our goal right now. If we can continue to build those reserves up faster, maybe through
-- through extreme weather or anything else that might produce revenue for us, we will immediately deposit those into the reserve fund. So we're hoping we will build it up even quicker than that, but 2020 is about our target.
>> Spelman: Okay. What
-- what
-- remind me roughly what kind of numbers are we talking about?
>> For all of the reserves, total.
>> Spelman: All of the reserves added together, what's your target over by 2020, where would you like it to be.
>> About \$450 million.
>> Spelman: We will also however need to increase our working capital by a 100 million-dollars why, if
-- why do we need this? This much money in cash?

[08:51:54]

>> The \$124 million?
>> The 351.9.
>> The 351 is not cash. There's only about 100 million of that that's cash.
>> Spelman: Okay.
>> The rest is accounts receivable, minus accounts payable plus inventory, so they are non-cash items that are built into that number. And we try

-- our target for working capital is around 100 million. Because we need that specially during the summer months, we can easily use \$50 million in two or three days.

>> Spelman: We are probably increasing our working capital slightly, but the bulk of that increase over the next few years is just a natural outgrowth of accounts receivable, payable, going to increase until the scale of the operation gets bigger.

>> That's correct.

>> Spelman: Gotcha. That's all I got, thanks.

>> Morrison: Earlier I had mentioned that there were some comments at our budget hearing last year about growth in management level at the city. And they had made particular points. It was asked

-- I asked staff if they could please go back and give us their perspective on all of that. One of the particular points that they made was that

-- that

-- that in addition to five vice presidents, austin energy was looking to fill an additional four vice presidential slots and staff came back and said yes, in fact, four new vice president positions at austin

-- at austin energy would cause 750,000 and I gather that's

-- that's what was going on. Can you help us understand? Last year were there five vice presidents and now there are nine vice president slots and did we really need to spend \$750,000 to

-- to do that?

>> Well, I will get

-- I've asked staff to prepare a report. I have

-- I have seen that, those comments and

-- anthony snipes and I were just talking about it. I saw the memorandum that went out. So we'll evaluate that. Let me just generally say that

-- that since I've been here, in fall of 2010, we have strived to lean our management down. That doesn't necessarily mean adding more vice presidents. But what we've had is also some succession issues and we still do. We have some very serious succession issues. So as an example when al lane hart was our cfo, sitting behind me, I think.

[08:54:34]

>> Morrison: I see her. [Multiple voices]

>> she indicated she was going to move on, we didn't notice [indiscernible] that she was going to move on. We created a vice president position, which anne little fulfilled and then when elaine left, we put anne in that senior v.P. Position. And real probably go through that cycle again. And in order to attract candidates to fill the eventual positions we have to create these vice president roles which are necessary in the utility. That being said, overall, we are growing by probably 20,000 customers since I've been here. I don't know if that's true, but we are growing fast. And we are serving the same level of customers with the same amount of people. I've heard the comments about, well, there isn't as many craft people working and everything else. I

-- I dispute that. I think there's some real

-- in our organization it gets really confusing between we don't just have line personnel and management. We have a whole bunch of people in between, some of them cross both lines. As you

recall, egrso ftes are no longer in our budget directly. They have their own department. All of that said I would like to get a report out and address those issues if you don't mind.

>> Morrison: I would love to hear that because that does feel rather stark to put on the table, you had five, now you have nine, it's going to cost us 750,000. So if there's some context to get to that, that would be helpful.

>> You bet. Will do it.

>> Riley: Larry, I have a few questions. Mainly about the solar program. You know there have been a lot of discussion about changes in our solar program this year. And in the

-- in

-- towards the end of last year, the last calendar year. One subject that got a lot of discussion was the treatment of the credit that cola customers would have, I guess that's

-- those were

-- we talked about a change to the policy whereby those are credits instead of being swept away would actually be rolled forward from year to year and this budget when we expected it to approve it changed so that those would roll forward. I just wanted to confirm that we are moving ahead with that change so we won't be sweeping those credit

--

[08:56:48]

>> yes.

>> Riley: Is that correct?

>> But be clear that we're going to keep those credits and conceivable 10 years down the road, that customer leaves, what utilities have done is they've looked at those credits as that's the question then what do you do with those credits at the very, very end.

>> Riley: Okay. We'll all be gone by then, so

-- [laughter].

>> But, you know, it's

-- the value of solar program that we operate is the only one in the country like it so far rather than net metering, so I would expect that we would have some bugs.

>> Riley: Right. That really leads to my next question. We did make some adjustments to the value of solar rate toward the end of last year and it caught some people off guard. I wanted to ask at this point is there any basis for expecting similar changes this year?

>> My expectation is that we will be doing the analysis. And when we do the analysis, the energy market in texas is really driving it. The natural gas prices in particular. They haven't gone down since we ahead that adjustment. Since we made that adjustment. But the assumptions that go into it, of course, are -- are the ones that make the number higher, certain people really like that, so they want to look at those numbers that tweak that. Then at the same time we're trying to be very unbiased and trying to look at this from perspectives. So when I say perspectives, we have a perspective of a customer-owned solar system and a perspective of a customer who doesn't and then different perspectives. An ae's perspective as a power supply decision we're making, we're buying this energy to supplement our wholesale power supply. So when we take those all into account, my expectation is that it's not going to

be a

-- to be a big movement on that, but we will see it go down potentially, we can see it go up potentially.

>> Riley: I note there have been some computations about the way value of solar rate works in tandem with a short tiered rate structure that we have. That really led to many of the concerns that we've heard, even from members of the electric utility commission. They have questioned the way that that plays out. Something that we haven't given very careful thought to before. Are those conversations still ongoing? Is that still an issue on the table?

[08:59:09]

>> It is internally. Debbie kimberly, who is our vice president who operates the consumer services area, consumer energy solutions, we've had a lot of discussions about ways to change it. I will just say that one of the options that we're looking at is a specific rate for residential customers that have solar systems installed. So that we are not designing addendums to how their rates work, if you will, to fit with the value of solar. That perhaps we design our rates specifically for those that have distributed energy systems in their homes. So that we can

-- we can escape some of those issues. So I guess what we're

-- what I'm saying is we're learning that, too, as we go. And we're being very flexible. We don't have answers for lots of customers sometimes. They want

-- you know, they want us to do frankly some pretty unreasonable things with those credits and those other things that are out there, but we're working through all of that and my expectation is that we'll be bringing something courageous probably every budget cyc deal with the growing industry with distributed energy.

>> Riley: So for the purposes of this budget, do you anticipate there will be decisions to make along those lines at the time we approve this budget? Is that what we're talking about, just the next few months.

>> I don't know that we will be ready for this fiscal year, but we certainly would be ready for the next fiscal year, if you are going to propose something like that. It's going to take some careful work to do that.

>> Riley: Okay. How about solar leasing? I know there have been some discussion about that new solar leasing program. Is that in the works for this coming

--

>> there's some legal working done on that and there's also some internal working done on that. It's

-- it's

-- I will just say that we're studying it very carefully and we don't have anything proposed for this budget cycle coming forward. But we are

-- we are looking at how it works and how it may work. We

-- you may know we are using it for

-- not for profit organizations that do not have the tax benefits. We've been using that for them

-- for them. That's something of my initiative. We were challenged with that working in california, that was a way to solve legal issues, solve policy issues that are elected to make sure that we didn't

-- there are problems out there with it. But it's also

-- I think some of those companies that fix those problems. So we are looking at it.

[09:01:42]

>> Riley: But you don't expect to have it worked out for the coming budget year.

>> Not for this budget year.

>> Riley: How about community solar?

>> We have an rfp out right now. I imagine that we will be making a decision on this at the beginning of the budget year and during the course of the year we do have numbers for solar. We are doing an rfp right now for an amount of a solar project that would be local.

>> Okay. Good. Then last question relates to the

-- to the green choice program. We adopted, we approved a significant change to the whole structure of the green choice program last year and that had something of an experiment to it. We weren't sure exactly how it would go. Just wanted to ask at this point do you have any sense of how that's working out? Do you have

-- do you feel like we have enough of a track record on that to make any judgments about how well that new rate structure is working in comparison to the old rate structure?

>> Well, I know we're enrolling a lot of customers. I don't know the number. We could bring that back to you at a later. We can report back to you on that.

>> I think, you know, we're watching it to make

-- to make sure that it does work. We know that initially we had a little bit of push back on it from some folks. But ultimately, we

-- our goal is to continue to have it to be one of the leading programs in the country. And we are heavily subscribed by it to be 100% renewable by lots of customers. So

-- but some of the logic has changed, you know, because a lot of folks got into batches and they were kind of hedging their power costs with it.

>> Riley: Right.

>> So the ability not to hedge anymore has kind of I don't know

-- how to say it, kind of ruined the fun, if you will.

>> Right.

>> And so but now it's really straightforward and it's simple.

>> Riley: And we did allow people who are locked into those old batches to opt out and into the new price structure under the new green choice program, as I recall.

[09:03:48]

>> No. There is

-- you know, we had contractual issues and legal obligations by folks to do it and it got really difficult to try to say let's play

-- let's start over, let's start a new game. We basically had to continue the obligations that we have under contract, but when those contracts are up, those customers can

-- can switch to that. But there are some nuances to it. We can get that detail, too.

>> Riley: I would be very interested in that. We did get a lot of input. As I recall there was a [indiscernible] adopted budget last year. Just in light of the all of the concerns there were about that and all of the nuances as to how this would play out, I think at some point before we get to -- the final approval of the budget, I think it would be very helpful to get a report looking back on the past year to see how it's worked out and how customers have been affected, what judgments we can make about how that you restructure a comparison study. If you could provide us, treat that as a written question and provide any kind of status report on the green choice program, that would be very helpful as we

-- as we make our decisions on this budget.

>> Okay.

>> Councilmember tovo?

>> Tovo: Just a couple of questions. I stepped out so I may have missed part of the discussion. I thought that I had seen in the energy newsletter or maybe even in the utility bills a discussion about existing green choice customers being able to opt into a different plan. Am I

-- [multiple voices]

>> we need to get you a report. Different customers have different situations. Some are within a time period of their contract ending, they were able to switch. Some were, some weren't.

>> Tovo: Okay.

>> We had to work all of that out. I'll get that to you. It is detailed.

>> Tovo: There are options for certain people because I see that reflected in your very recent newsletter.

>> Right.

>> Tovo: Could you address, I don't think I see it in here, could you address the cap funding and where we are in terms of our wait list, if there is a wait list? How many are receiving funding. If you want to do that as a written question that would be fine.

[09:05:55]

>> I think we will probably have to do that, because there's a lot of statistics I don't want to throw them off the top of my head because they are changing every day. I will say that we have a pretty solid in it. We have budgeted a lot of money. So as we look into this next year, we have an increase to how much to the community benefits fund? We have about \$1.60 per month in the average electric customer increase and it has to do, some of it has to do with funding the community benefits and also some of our transmission and other issues that are in there. But we will get a report back

--

>> Tovo: That would be great. I know that we got a report relatively recently at the austin subcommittee energy meeting. But it would go good to get a snapshot in terms of where we are in the funding, need.

>> We are planning to report to this council committee in austin energy, we are planning on having that as a.

>> Tovo: Great.

>> That will be on there.

>> Tovo: Super, thanks.

>> You bet.

>> Cole: Thank you. Next we have austin water.

>> Good afternoon, greg lazaro, austin water.

>> Greg, I will start off, yours is one of the departments under careful analysis because of the drought and the water shortage from that and also the water conservation increase. And so we're predicting water sales, it's my understanding in the report, to remain constant or even decrease; is that correct?

>> Yes. The drought and its impact on the utility, the water utility is the main focus I think of this forecasting in upcoming budget session and we actually are forecasting significant declines in revenues throughout the forecast period. We have revised our forecast and are now assuming that one day per week watering usage is the new norm and that's our assumption moving forward through the five-year forecast, with significantly

-- we've significantly reduced our forecasted water sales through the period and is driving increased rates, particularly for 2015.

[09:08:26]

>> Cole: Greg, tell me why treatment plant 4 is scheduled to come online in october? Is that correct?

>> Well, it should be before october we would expect by the end of summer plant 4 wo be in production.

>> Cole: What is the impact of the decreased water usage on the water that will be available from water treatment plant 4?

>> Well, the highland lakes storage levels have been falling. There's less water in the highland lakes because of the drought and we are anticipating that to continue

-- that continuing at least through the summer. Likely, probably that

-- that the highland lakes will hit a low of 600,000-acre feet sometime this summer. But that

-- but that

-- but we would still start plant 4. Plant 4 has deep water intakes that would allow it to operate up until the lakes are essentially dry.

>> Cole: Okay.

>> Cole: You have a great need in staffing, 2012, 2013, has that changed?

>> Yes, that has changed. You might recall from the last forecasting budget session, the utility had gone a long period of time without adding staff and we had developed a five-year forecast plan last year that had us adding staff throughout the next five years, but because of the

-- of the drop in revenues associated with the drought and our water use, we have deferred adding any staff for 2015. We're not anticipating adding any staff in 2015. As a matter of fact we will probably come in a lower fte count. Our requirements for 2015 at the forecast period are less than our requirements this year and through the budget process we'll be looking to reduce those

-- those additionally, so I would expect a requirement

-- requirements for the utility to come in less next year and this year including absorbing all increases that are

-- that are coming to the utility from

-- from cost of living of

-- of various general fund increases that will absorb all of that and make requirements less, including no staffing.

[09:10:46]

>> Cole: Can you tell me, I appreciate your outline of changes in the staffing needs of the past few years and the forecast. Can you tell me why your annual debt service payments are projected to increase by 20 million? Do you want to handle that?

>> Yeah. A lot of that is just scheduled debt service payments on existing debt. We have some increases planned over the next few years or the next year as well and then we are planning to

-- to issue debt, basically in June of this year. That will have an impact on next year as well.

>> Cole: Is it a major project that

--

>> no. It's a refunding of our commercial paper issuances from the past.

>> Cole: Routine.

>> Yes, routine.

>> Cole: Thank you, mayor.

>> Mayor Leffingwell: I have a couple of questions. Some of this is going to be rehash that you have heard before. But since you were on the subject of gap. Do we pay

-- do we cover the debt service on prop 2 land acquisition still? Or did we ever?

>> For the prop 2, if I understand what you are asking

-- [multiple voices] water quality protection.

>> Mayor Leffingwell: Yes.

>> That's 65 million-dollar bond issue, we covered the debt service on that. It's approximately \$5 million per year.

>> Mayor Leffingwell: 5 million. That really has

-- I've assuming absolutely fog to do with the water utility's operations?

>> Well, it was

-- obviously voter approved bonds, water quality protection lands were designed to

-- to improve water quality in the Barton Springs area. We've had a water treatment plant located on Lady Bird Lake.

>> Mayor Leffingwell: Did have, we haven't had for several years. So the short answer has nothing to do with the water utility. Because we don't use any Edwards' aquifer water, either directly or indirectly.

[09:12:54]

>> Not currently, but I think we would still consider Lady Bird Lake a part of our water portfolio and it may be used in the future. Currently \$5 million of your debt service for what should be in my opinion at least a general fund obligation. You don't have to editorial comment on that, because I've got others. The gist is, what I'm going to be going through here is all of the expenses that have been put in the water utility that really have nothing to do with operations, they were just a place to get them funded without having to cover them in the general fund and thus affecting property taxes. And I know that I

don't have all, I just got a few, you may have more information than I do, with the sustainability fund, which as far as I can tell has absolutely nothing to do with the operations of the water utility. 4.8 million per year.

>> One percent of the revenues.

>> Mayor Leffingwell: Correct. To be green choice, which was not your choice, but basically the city council's choice, to be a green choice customer you pay 4.5 million extra per year; is that correct?

>> That's correct.

>> Mayor Leffingwell: And I'm not talking about the merits of any of these programs, I'm just talking about their appropriateness of them being funded by the water utility. The water conservation division which is a combination of the property lands in the bcp, 2.7 million, has nothing whatsoever to do with the water utility, again. So if you add up just those three, I'm not talking, this doesn't include the -- the prop 2. Debt service. You just gave me that was 5 million. That's \$17 million. In next year's budget. That is over and above what should

-- what should really

-- if you are a business, you wouldn't be paying any of this money. This is money that all should by rights should be funded out of the general fund. And in addition to that, \$39 million in direct transfer. So if you add all of those up, and this may not be all, but I get \$56 million. So if you had \$56 million, back in your budget, for next year, would you need to have a rate increase?

[09:15:35]

[One moment please for change in captioners] no, that would certainly go a long way to helping us. I think there's some nuances to our rate increase in terms of maintaining our debt coverage levels. And -- and

--

>> Mayor Leffingwell: What is your anticipated shortfall? For next year?

>> It's about

-- on the water side it's about \$42 million.

>> Mayor Leffingwell: So that's less than the 56 million by my reckoning.

>> Yes, mayor. But I think that

--

>> Mayor Leffingwell: So you would still need a rate increase for some reason, I don't know about.

>> Well, we would have to look at the debt coverage. The way the debt coverage is calculated. [One moment please for change in captioners] than the standard

-- what is it? 8.3 percent standard transfer? There is a lot more than that. And I specifically remember that I was on the city's environmental board

-- wildlands, for example, which is one of my favorite programs. I would not want to see anything happen to that program, but it used to be in the parks department

-- excuse me, and sitting on the environmental board, which kind of had some purview over the wildlands division at that point. It wasn't called the wildlands division, but we were all wondering why in the world would they make it part of the water utility? That doesn't make any sense. The answer was, that's where the money is. Put it over in the water utilities and you won't have to spend that money.

That's where we have been doing for years with our energy company and our water utility and now when you see we are in a situation where times are a little bit tough, now we have got to raise rates. It's basically the same as all of

-- for all of our citizens as raising taxes, because they all use water. They all use electricity. In fact, it also affects people who are our customers your customers who live outside the city. And so I think we ought to embark on the course of trying to correct this. I certainly wouldn't expect it to be corrected in one budget cycle but we ought to have it in mind and we ought to start making some changes. Anybody else? Council member riley.

[09:19:20]

>> Riley: The wildlife division, you have heard some concerns, partly from the folks within the fire department, talking about how the roles and responsibilities of the water utility staff in relation to fire related issues within

-- within the wildlands area, could you just

-- and I know we've gotten a memo on that. Can you just confirm

-- the question is: Are there water utility staff who are engaged in fire fighting or fire management duties in the wildland areas?

>> Well, as part of our wildland, we do prescribed burns and we have a partnership we have worked out with the fire department. I work routinely with chief harry evans and fire chief herself, and we think we have the best model for doing prescribed burns that constitutes the ecological goals of prescribed burns but does it in a way that is absolutely the most professional and safe. That model is we do have some staff that plan prescribed burns, prepared the terrains for prescribed burns, they know the land and walk it every day and know the ecology goals and they prepare for the prescribed burn. We work with the fire department per our agreement that they provide all fire protection services

-- they are there for prescribed burn. They have dozens of firefighters. We pay them overtime. They are what is called the holding force. They help us manage any escapes of the prescribed burn. Those kind of operations. We feel it's the best practice approach to managing prescribed burns. We don't respond to fires on the wildlands, if there is a fire that pops up, we don't have a fire department that responds to that. That's the fire department that does those. We don't see ourselves as firefighters.

>> Riley: Picking up on the mayor's points about the water utility

-- water utility's involvement in matters that are really not strictly related to providing water to austin customers, do you see any room for the fire department taking on more responsibility

-- taking on responsibilities that are currently handled by water utility staff retrospect to prescribed burns or any other functions in the wildland area?

[09:21:37]

>> I would answer a couple of ways. One, no, not particularly the fire department, but I think it is, given where we are with droughts and reviews, appropriate for us to be evaluating how we may think differently about funding areas like the wildlands. I think that there is opportunities to examine that and I would expect working with the city manager and the mayor and council we would be able to explore

those this budget session. I don't think transferring it over to fire is necessarily

--

>> Riley: It does seem like prescribed burns might be an opportunity for additional involvement of the fire department.

>> But we do involve the fire department in every prescribed burn. They are involved in staffing the prescribed burn, reviewing the prescribed burn. We have a very deep collaborative partnership with them.

>> Riley: Does the water utility have fire fighting equipment?

>> We have a tanker truck where we take it out on a prescribed burn. Again, we are not firefighters. We are not responding to fires.

>> Riley: But you have to maintain a tanker truck for dealing with prescribed burns in the wildland areas.

>> Yes.

>> Riley: That asks a question, isn't there a role for shifting some roles over to the fire department, in line with the mayor's community r comments about

-- about the mayor's comments about aligning it and refocusing it strictly to water? I know we won't get that resolved here but I appreciate your willingness to at least take another look at the wildland

-- at the way we manage wildlands and to consider whether there might be some opportunities to at least rethink the funding of that through the water utility. And that

-- and I would like to see some additional consideration about the division of responsibilities between water utility and the fire department with respect to prescribed burns and everything else related to

fires in those areas. I have a couple of questions about other matters. First one I was asked about

-- our parks director about, related to reclaimed water services. I know when I asked a question before about getting reclaimed water service to employees rpeas park that wasn't in the plan. And I think we have reclaimed water service or have plans to get more water service close to duncan park which is probably close to these and I just want to find out what

-- I didn't see the reclaimed water program addressed by the staffing

-- I didn't see it addressed in the capital budget budget materials we have. Can you tell us how we are going to make adjustments like high priority areas like pease park.

[09:24:42]

>> I don't know, I would have to look about reclaimed water to serve that park. I couldn't tell you off the top of my head. I can get you that information. We do have reclaimed water as part of our budgeting.

We are budgeting, as part our of our capital program about \$35 million of cip over the 5-year cip for reclaimed water. We are looking at appropriate opportunities to accelerate reclaimed projects that

maybe play a larger role in our drought response. Counselor, I couldn't tell you how it relates to pease. I -- to peas park. I have to look at that.

>> Riley: It is expected to reach peas park eventually and since there has been a lot of interest in peas park lately, particularly with the trees and vegetation, is there a way to accelerate that? Especially since other areas have had that, anderson, duncan is in the process, others, and it raises some community expectations about peas, so if you could give that another look, I really would appreciate it. I get just lastly with respect to

-- I guess

-- I do have one other question. I know that there been

-- well, we will have opportunities to talk about fees on

-- well, I will go ahead and is now. There has been discussion about the drought charge, and that comes in the context of long-standing discussions about shifting the business model of the water utility to try to recover more of the fixed costs as a standard part of customer bills as opposed to placing such a heavy burden on the variable cost. Can you just briefly tell us where we are on that and what progress we expect to make this year with respect to shifting the business model and whether you would anticipate that that would entail customers taking on more of those fixed costs and shifting it from more towards fixed costs and away from variable costs.

[09:26:59]

>> I will start and probably want david to join in but the city manager recognized that the drought is changing our business model, our news patterns are changing fundamentally. We are also at risk for additional restrictions if the lakes continue to fall. If the lakes continue to fall this summer and beyond. So he's directed the staff to reconvene the joint financial subcommittee that gave advisory input a couple of years ago. We have done that. Council reaffirmed that here recently with their own resolution asking the staff to work closely with members of the joint financial subcommittee and others. We are looking at the whole range of items you described, council member. Updating our business model, continuing our evolution towards less volatility in our water revenues particularly, as well as what additional steps we would need to take to shore up the utility's finances, we would enter additional drought restrictions, stage three and stage four, and we are working across all of those matters of what we have been kind of envisioning is a whole package of not only a rate package and business model adaptation but also a drought system that, as we would fall into a stage three or stage four, these drought rates would kick in, and then as we would lift out of those in the future, those droughts surcharges will go ahead. Other utilities have been doing that across the nation and in texas. We are not fully baked on that option yet. We are still working through those and we need to continue to get input from the community as well as work closely with the city manager on those options but I would expect it as part of the budget discussion.

>> Riley: One last level of complexity to add to it. That relates to the more recent discussions about a plan b. As we continue on with this drought and with

-- even though it is raining a little bit today, it is not going to fill lake travis.

[09:29:06]

[Laughter] we got a briefing from you last fall where you acknowledged that there was some basis for concern about

-- about a risk that we would be

-- we would not see significant relief from the drought in the near-term future, and so just

-- and that we had some responsibility to do some careful planning to make sure we are ready for

whatever the future may bring, especially over the next few years. And so we passed resolution to look

and convened a working group to look at that. I know they are hard at work. As we think about the budget for the coming year, it seems like we need to be ready to respond to whatever solutions which arrive at. Or we at least need to have some sense of what the kind of cost might be associated with getting solutions in place since

-- for instance, if we really don't see any significant relief to the drought, we need to move forward with securing some alternative water supplies. Whatever the solution is, it will have a price tag and schemes like now is the time that we need to start giving some thought on how to address that. That's a little different than from just dealing with the standard business model. That is really a problem in and of itself so I wanted to raise that to you and see if you have any suggestions on how we can think through that in relation to the budget for the coming year.

>> Well, it is a complex question. I will provide some input on that, but first I would say certainly our biggest unmet need is were in the highland lakes. That's

-- that is what we have. [Laughter]. And we are working at several levels. You mentioned the new task force that council put together. They had their kickoff meeting this week, a four-hour kickoff session we had and a lot of miles to go there. We are working on a lot of fronts. One, we are taking all steps that are necessary, regulatory, legal, and other to protect the water that is in the colorado system now, emergency orders and all of those kinds of things. We have been investing a lot of money, legal fees and the like but things we can handle within our current budget. We are looking at other strategies. We are looking at ways

-- this is a way the task force and others will be providing input on, but strategies to enhance the colorado river system, for example. We have been working closely with austin energy and others about how we might use decker lake as a form of a, call it a poor man's off channel reservoir. We think there is a lot of opportunity in decker lake to potentially play a role. It may require capital investment but we don't have it fully factored out. We are also looking at reclaimed water as a strategy for us, including how reclaimed water can ultimately be used to supplement and be part of the portable water system. We haven't don't that before, but certainly if the drought continues, it is an option available in a lot of different forms, and that would be fairly capital intensive.

[09:32:34]

>> Riley: And I know there are all kinds of possibilities out there. I didn't mean to get into exactly what those possibilities are. I just wanted to get a sense of how we can think about the budget implications. We need to be ready

-- I assume we need to be ready for some budgetary impact associated with any of the options you are mentioning. Is there a change we should have in mind? Is there a particular time in the future that we would be ready to have that conversation? Do you see a mechanism that would be available in the middle of the year that we would make some adjustment to address the capital needs? How are we going to pay for that whenever we figure out what the solution is?

>> I think a few thoughts

-- there is a lot of options there. One, any time the council can do a budget amendment and

--

>> no problem.

>> Yeah, no problem, but I don't want

-- [laughter]

-- to guess on what we need for those things and try to budget for things we haven't even approved or talked about. I mean certain solutions in the end, you know, may not make sense. The other thing, even in a reduced state, we are still planning a

-- we still have \$8 million of capital planned for the five-year forecast, still anywhere from 150 to \$175 million a year. That's still based on the rates. 8 billion

-- and you can repurpose those capital dollars

-- to give you an example, we have been budgeting 20-30 million a year for water main replacement. If a water supply issue came up that had more purpose, you can redirect 69 of capital in that if you need to do that without changing the rate structure. We may borrow from the state. The state has been implementing new funding mechanisms through their

-- both their existing systems as well as their new constitutionally approved state water

-- what they call their swift fund. That would be options for us. Again, we would have to probably look at the rates for that, but it would be a way to soften that. I think there is a lot of ways we would respond to that.

[09:34:43]

>> Mayor Leffingwell: Council member spelman.

>> Spelman: Thank you, mayor.

>> First, let me ask you for your own numbers, mayor. [Cell phone ringing]

>> Spelman: If it's for me, I am not here. [Laughter].

>> Mayor Leffingwell: Runaway cell phone here.

>> It is ruining your image with that song. [Laughter]. I think you need to turn out to turn that thing off? [Laughter].

>> Spelman: Whoever it was, thank them for us. [Laughter]. A couple of financial issues, which I just want to flush out a little bit, one them is our debt coverage ratio is not as high as it ought to be relative to what the companies are looking for. The other one is we don't have enough cash on hand to follow the financial policy of having 60 working days capital in the bank. Is that accurate?

>> Yes. I will elaborate a little bit. The council's financial policies calls for the utility to have a minimum of 1.50 debt coverage and as we have been going through bond ratings

-- as a matter of fact, we have bond ratings this week, they clearly communicate that that 1.50 is inadequate to maintain our current rating and that should be strengthening into the future and we have been putting out forecasts indicating that would start to strengthen. Right now, this year, with our revenue losses, our debt service for this year has fallen to 1.3 1. And so we

-- we need to correct that. Also, on the cash balance sides, quite frankly right now, our water operating fund is in the negative. We don't

-- it's like 10 million below. Now, we have a pool cash arrangement and the wastewater utility as well as our reservoir reserve fund on the water side we created but it is fairly small. Obviously we can't stay in negative declining cash balances. I mean, that just is a train wreck in the end. So we need to pull ourselves out of that.

[09:37:17]

>> Spelman: Agree. I just want to get a sense for what we are forecasting. The 60 days cash reserve, can I get sense for that by taking total expenditures and dividing by 6. That's about 60 days expenditure with nothing?

>> Basically the (indiscernible) cash is compared against the operating costs of the utility so if you look at, I believe, total operating costs of our

-- what you have is program requirements and other requirements and then use that calculation.

>> Spelman: As I mentioned earlier, we just have the water utility, the ws version, so we've got a very small

-- the beginning balance total available funds, total expenditures, ending balance that's all we've got. Roberts got it there.

>> It would be part of our expenditures as operating. It is about around \$280 million. Our cash balance currently to meet that 60 days would be about \$35 million or so.

>> Spelman: Right now as greg mentioned the balance in that fund is

--

>> it's negative.

>> Spelman: First at what point are we forecasting it is going to turn positive? At what point do we forecast we will actually hit our mark of 60 days working capital?

>> The forecast that we had proposed in 2015 will meet the 60 days of cash requirements.

>> Okay. So if the forecast is accurate, that's something I will get to in a second. That will bring in enough none that we will actually by the end of the fiscal year be able to hit our financial policy on not having 60 days capital?

>> That's correct.

>> Spelman: Okay. What is it going to do with our debt coverage ratio, do you think?

[09:39:18]

>> At the end of 2015, we would be at about 153.

>> Spelman: Okay.

>> And 1.5 is a minimal level. What are they asking for, 1572?

>> They haven't specified high end, other than we should be strengthening over the forecast period. We are

-- I think the forecast ends around 160. 160?

>> Yes.

>> Spelman: So we are forecasting a fairly substantial jump because it's such a whole amount

-- we would get out of the hold to some extent and then a slow increase after that. And from your point of view, you have had conversations with these guys the last few days, that that would be sufficient for them?

>> I believe so. We had two rating meetings yesterday and one on friday. And we have been discussing this forecast. We talked with them about the council resolution that passed last council meeting that

committed working with the utility company to strengthen its finances but we haven't gotten the ratings yet so we don't know but they seem to understand we are in a drought. They understand how that's affecting us and they understand that we have a plan at all sorts of levels and we are working the plan, including financial side of that, so I would say

-- that was my opinion. I would say yes.

>> Spelman: Remind me, is there another debt service I should be paying attention to other than the debt coverage ratio.

>> That's the key one. That and the debt coverage ratio are two key ones to look at. They have other metrics and we probably score pretty well on that. We have a diverse economy, a diverse growing economy, a diverse service area and even though we have a drought, we have long term agreement with Icra, we are clean on epa issues right now, so that would be a basket of other issues they would be looking at. Some of our things are strong, it is liquidity and coverage that are kneading strengthening.

[09:41:28]

>> Spelman: Our fundamentals are good, but we are going through a bad patch.

>> Yes, and other texas cities are experiencing this. You are not alone.

>> Spelman: And some of the operating agencies works on regional basis so they are looking at us and the other water utilities in the other areas and we all have the exact same problems in other areas. Whoever you are talking to, I am sure has heard that before.

>> Yes.

>> Spelman: So by the end of this fiscal year you are forecasting we will be extent sively out of the woods and your rate increases will combine to at least a lessening of the drought over the future, although you are holding

-- you are assuming stage two all the way through?

>> When you say this fiscal year, I assume you mean like '15 fiscal year have.

>> Spelman: Yes, so the end of '15 if we raise the rates as you are suggesting and we are selling as much water expecting to sell, we would be largely out of the woods with regards to the expectation of the bond rating guys?

>> Yes, but to be clear, the reason the rates are up so high is because we have substantially lowered our assumption on water shales. We are assuming stage one water use has been

--

>> Spelman: Stage two.

>> Stage two is the norm. Now, that

-- those water sales would fall dramatically if we move to stage three and stage four. That's why we would recommend crafting of drought rates to anticipate those stages. Then if we enter them, we have that figured out and you can show the soup to nut solution for that. I mean, it's

-- it's substantial. Stage four which in essence is no outdoor watering would be an aggregate approaching \$100 million a year in just water utility revenue losses so these are not minor issues to wrestle down, like 40, 50, 60% revenue losses.

>> Spelman: This is 40-50% of the water sales were for irrigation in the first place. We were expecting 24 amended and call for increase in the fund balance of \$6 million and we thought more or less we would

be able to make \$6 million this year, but your estimate is actually a loss of \$15 million so our sales are down so much that went the increase in rates from last year, we are talking about a 20 million-dollar difference here? Is that accurate?

[09:44:00]

>> And that includes us reducing our budget significantly more than we had anticipated so even with all of those steps, we are still going to see that falling, the revenues

-- the balance going down considerably.

>> Spelman: So it is more like 35 million-dollar because you reduced your expenditures by about 15 million bucks, too.

>> Yes, we believe

-- not including stage three, that we will lose between 30-40 million this year on the utilities. In fact, most of that on the water side. But we are seeing some revenue loss from the wastewater side. We had very low wastewater averages which is driving some loss and that's coming off of a 27 million-dollar loss from the last fiscal year.

>> Spelman: Okay, so we are losing somewhere between 30 and \$40 million this year which we didn't anticipate for whatever reason this time last year. What is evident that we actually bottomed out and we are actually not continuing to descend in terms of water use?

>> That's a good question and it is a question we are working through now with our joint financial subcommittee. We are kind of in uncharted territory. It is really kind of hard to say. We've got about and a half years of one day a week of watering and we got \$40 billion worth of water sales this year but we are seeing

-- the first part of this year, we are probably 39 billion-gallon of sales and it may creep back up to 40, but that's what we are talking about, what is the floor. The hard part would be we are stage four which is 115-acre or 30-gallons or thereabouts but it is really hard to tell. And that's the challenge, is how conservative should we be? Without going to one day a week watering is extremely conservative and driving a 15% gross rate increase, but, I mean, you can make a case to be more conservative but then it would be 20 or 25% rate increase. I think we made a good call. The other thing, we are still subject to rain, and we have been seeing that bad combinations, rains over austin, which curtail all outdoor water demand but no refill of the lakes, no rains over the lakes and so it's the worse

-- like somebody was saying

-- like today is a good example. The rains are tracking to the east and they are not tracking over the lakes, and so it's

-- it's a tough

-- we are in a tough spot.

[09:46:49]

>> Spelman: The perfect storm.

>> No, no, historically, the utility operate

-- we knew we would lose money in wet years. We have a wet year and we will lose a lot of money. But

then we make it up in dry years. We don't work that anymore. We lose money in wet years and we lose money like mad in dry years. So that's why we have to change this model. It's just unsustainable for us. I know it drives the citizens nuts. We are conserving, why are you punishing us. It is not punishing. We have fixed cost, we provide fire protection and we have to fix leaks and keep water from overflowing and so there is a critical mass you have to fund.

>> Spelman: As you pointed out to us on many occasions you were extremely capital intensive and so you have debt coverage. You have to pay your debt service regardless if it rains or doesn't rain so you need to be sure of the revenue you are getting and it is the one thing you aren't sure of now because we don't know where the floor is?

>> Correct.

>> Spelman: I guess the reason I am asking all of this is to get a sense of how certain you feel about the forecast and the impression I am getting, although this is absolutely the best forecast you can come up with, do you still feel uncertain of what is going to happen the next few years as far as rainfall and sales and what it's going to look like. Is that accurate?

>> We, you will have this issue of stage three and stage four until the lakes recover materially. You will have that issue. Stage three could be as early as late summer depending on rainfall pattern. It may never happen. It may happen. Right at today we stand at 720,000-acre feet of storage. Stage 3 will kick in about 600,000-acre feet. Lcra's forecast is if we stay on the dry line, we would hit that about late July to early August would be stage 3 and stage 4 is probably, you know, well into the next fiscal year. Hopefully never. And then the other part is for stage two, one day per week of our everyday normal, how our forecast is for that. I think we are close. I don't see that varying a lot. It might be that we are at 40 billion-gallons, it might be 39 billion, but we can handle a certain variance there. What is killing us are these 5, 6, 7, 8 billion-gallon busts. I think if we get it down to where we are in a little tighter range we have the ability to manage some revenue loss but not profound revenue loss so if we can stabilize the system at core level we will be able to manage through some of these things.

[09:49:32]

>> Spelman: Sure and that's something we haven't seen because it happened so seriously and people responded so quickly. I understand you are talking about a drought fee

-- what we are talking about a drought fee, I think it is a perfectly reasonable way to frame that. You were talking earlier about something we would be considering as part of the budget, so we would be opting a drought fee if one were necessary, I presume it will be, on

-- at the same time we are adopting the rest of the budget or is it something that we would adopt as we move into stage three?

>> I think I probably would have to work on that. Our initial stance was we probably would blend it all together as the budget, but I need to consult with the manager on some options there. In part, you still have to have public hearings and all of that stuff. You still have to program your billing system, which there is

-- it is like having a baby. It takes a little time. [Laughter].

>> Spelman: You can change the diapers. [Laughter].

>> That's why we thought maybe we would cap it with a budget, but

--

>> Spelman: So there is no particular reason why the day we get to stage three we have to have the drought fee in place. If it takes another month or two to have that ready, is that

--

>> we may take more revenue loss which means we mr. Have to stay in stage three for longer to accommodate that. But, jump in, david.

>> Spelman: Last question and I will switch gears slightly. The kind of profound revenue loss, the reductions of your ability to pay for the operation are measured tens of millions and this year was somewhere between 30-40 million. So if we want to have an appreciable effect on your operation by removing sustainability fund or taking you off green choice or something like that, that might have the effect of 10-15, \$20 million, it is substantial money but not nearly sufficient to solve your problem. You will still deal with rate increases and uncertainty going forward. Is that a fair statement?

[09:51:56]

>> Yes.

>> Spelman: I am not putting you in a position to say yes or no. I didn't want to put you in that position. But I wanted to get a sense for scale and the other things for the last 30 or 40 years the water utility has asked to pay for has bulked up but not by itself, even if we were to remove the burden tomorrow, it won't be sufficient to solve your problem.

>> It is probably a whole basket we need to work through on this and a combination of solutions.

>> Spelman: Thanks. Mayor I have a question for you.

>> Mayor Leffingwell: For me, okay.

>> Spelman: I understand what you were saying about the sustainability fund, the green choice and all the other things that the water utility has been asked to pay for for the last

-- for many years. If we want to get into an argument about why

-- or a discussion

-- it can enter into an argument but I think it would probably day a discussion, as to why it is that the water utility was saddled with those expenses over the last um teen years, I think we would have a good reason for it. U at least there might have been a good reason at one time. It may have dissipated. I am sympathetic to the idea of reducing some of this burden but worried if we try to reduce some of the burden all we are doing is transferring it from the water utility to the general fund and we have very limited capacities to increase revenues in the general fund. I wonder if you have a sense of the scale we are talking about?

>> Mayor Leffingwell: Well, as I said, I wasn't expecting anything to happen overnight. I wasn't expecting to fix this problem in this budget cycle but I think in the long term, I think we ought to be moving towards what I call "truth in budgeting," you know, putting expenses in the proper silo and not trying to hid them, basically, as what I said should be a general fund expense, hide that in the water utility budget. So it's just a truth in budgeting issue for me. I realize it's moving things around and not really affecting the bottom line very much, but that's what it is.

[09:54:05]

>> Spelman: I think the list of things you were talking about added up to something like \$20 million. I don't remember the exact figure. Was it 22 million?

>> Mayor Leffingwell: Let's see. I've got 17 plus the normal transfer.

>> Spelman: Plus the transfer. Okay.

>> Morrison: (Indiscernible).

>> Mayor Leffingwell: Total was 56 million.

>> Spelman: I remember the 56.

>> Mayor Leffingwell: And I would never want to move all of that out of there. For example, I do believe that, particularly it is rational to expect a dividend to the owners of this utility, a reasonable dividend. It is feignly these other things I am wore

-- it is mainly these other things I am worried about building up. As I said, I think it will take some forensic activity to dig it out.

>> Spelman: This would be chipping away over a rather large ediface over a long period of time?

>> Mayor Leffingwell: Yes, but, for example, you could opt out of green choice, 4 and a half million dollars and that wouldn't cost anybody anything. That wouldn't be shifting money. That would just be an extra expense that you are incurring. I think all of those need to be looked at.

>> Spelman: I don't know if the ball is in your court or putting it on the table and let us pick it up.

>> Mayor Leffingwell: I am putting it on the table for consideration and a more thoughtful discussion over a long period of time.

>> Spelman: I look forward to that discussion.

>> Mayor Leffingwell: We will have a cup of coffee perhaps and I wanted to, you know, after roughly 30 minutes of gloom and doom, I am going to try to insert a little bit of a reality check and make sure people don't walk away from this discussion today believing the city of austin is responsible for lake travis going down, because we are not. The city of austin has had one of the strongest water conservation programs in the entire country in place since 2007, and we will continue to do that in the future. The reason lake travis is down and lake buchanan is down, those are our two storage lakes. The reason they are down is because the way the watershed, lcra has managed the watershed over the last few years. In 2011, which was one of the hottest and driest years on record, approximately 450,000-acre feet was sent downstream out of the storage lakes for agricultural uses, which are interruptible contracts as opposed to ours which is a firm contract for which is even more firm because we've already paid for it in advance. In fact, we have paid for up to 325,000-acre feet a year for 50 years and paid \$100 million for that in 1999, so we have a pretty strong claim on that water, but that water was sent downstream in 2011 and we never recovered because we haven't gotten out of the drought. But if they had not happened, if that decision had not been made, we would not be sitting here talking gloom and doom right now, because those lakes would be approximately half full, which is a pretty good position to be in, so now, since 2011, that downstream flow has been curtailed. That's why you have seen lake travis stop dropping like this and start dropping like this, but the city of austin, just to put it in context, remember I said, what do we use now, about 160,000, 170,000-acre feet per year right now?

[09:57:53]

>> Actually last year with all of the conservation, it was 142.

>> Mayor Leffingwell: Yes, but it has been a little bit higher.

>> It has been higher.

>> Mayor Leffingwell: I was trying to be generous there. So let's say 150 just for

-- so that means 3 times the water that we used that year was sent downstream. So, again, with proper

-- with good conservation practices, proper management of the watershed, I think that the future isn't quite so gloomy. I think it can be managed. I know that in my lifetime, I have seen those storage lakes be lowered twice than they ever got in this drought cycle than they are right now, and I have seen them fill up fast. In the '50s, lake travis

-- that's the record low level, lake travis, and when the rain came it filled up virtually overnight, virtually overnight. And I would point out further, that the worse condition for our lakes to be in is full. Because they are not only storage lakes. They are flood control lakes. And when those lakes are full, we don't have any flood control. So the ideal is something, I guess they call it "normal," somewhere between half and 3/4 or something like that full. That's where we want to be. So I just wanted to put that on the table. One more quick thing: Reclaimed water. A good thing. I am all for it. We have a good, strong program. We will continue to build on that program in the future. But it is not a panacea, because in times of severe drought, like we are in right now, when we don't put water back into the colorado, which we do from our wastewater system, then to maintain the proper flows for environmental purposes downstream in the estuaries and so forth, that water has to come out of lake travis. So we aren't taking it out of lake travis, but they have to do it to maintain the flow. What we do with our wastewater in times of severe drought is to help maintain the flow so it doesn't have to come out of lake travis. I just wanted to put that on the table for discussion purposes.

[10:00:19]

>> Riley: Mayor.

>> Mayor Leffingwell: Council member riley.

>> Riley: Following up on the last point. We had a speaker at a council meeting recently state that we are currently using about 5% of the capacity that we have on reclaimed water. Can you speak to that? Is that accurate?

>> I don't know the particulars. I think maybe what you are referring to is if you look at the amount of water we use through our direct reclaimed relative to our total, that flow returns to the river, that is about 5-7%.

>> Riley: So we are about

-- about

-- of all of the water that comes through our system, about 5-7% is currently being used as

-- put through the reclaimed water system and distributed?

>> Yes.

>> Riley: So even if we were to dramatically expand our claim water program

-- reclaimed water program, it would still be going into the lakes? I mean, it still gets into

-- it still gets put back into the river?

>> Yes, but then the point is well taken, too, that the reclaimed current flows do provide downstream

bay and estuary environments and the more you curtail that during times of extremely low flow, like we are in, that can result in additional releases from the highland lakes. I don't want to argue against reclaimed

-- I think particularly reclaims used to support potable in the long run is important but from a drought strategy, one way we are familiar with is stage four and it's a harsh tool. In the end, you can curtail outdoor watering. You can just say you aren't going to water anymore outdoors and save all of that money or that water. Just, you know, you don't have to do reclaim to

-- to

-- to do that. To me, reclaim plays a broader role for managing our trigger. The reclaimed is more important from a trigger-management strategy with lcra as opposed to a full drought response strategy. It's a part of that, and we need a little more update to that. One of the things I want to work towards is a more adopted community accepted decision model for when we do reclaimed, because we hear constantly, you aren't doing enough reclaimed, and reclaimed, reclaimed, reclaimed, reclaimed. And reclaimed is very capital extensive. It is not a solution for every need and we don't have a lot of capital dollars. I have been dropping our capital program every year nor the last 7 years and -- for the last 7 years and it is tighter and harder to make decisions and that's one thing I want to work for internally and with council and the community is what is the best reclaimed allocation decisions, because like you were saying, we only have a certain number of dollars to invest and if we overinvest in reclaimed to say we should have saved some for this other strategy, then that wouldn't be good for us, either. I am hoping for some of the task force underway that they will get at some of those things. But, you know, we don't have to do projects. We just want to do the right mix of projects to get us through this.

[10:03:49]

>> Mayor Leffingwell: Isn't reclaimed water just about as expensive as treated water? I mean, we subsidize reclaimed water right now. That's another cost that we bear.

>> Yes, I think one of the things that is going to happen, we expand reclaimed

-- very few cities in the nation have been investing in reclaimed the last 5-10 years as we have been. We put in over 100 million probably in the past 8 or 9 years, and pretty soon you will see the same phenomenon you are seeing on the political side. My peak water demand going up on the water system but it is the reclaimed system. Well, we need more tanks, bigger pumps. You are going to -- you are going to implicate that. That's why, again, it should be kind of a little more thoughtful, I think. Please, I am not against reclaimed and

--

>> Mayor Leffingwell: I am not, either. I said that at the beginning.

>> I was the president of texas water reuse for two years. [Laughter] so ...

>> Mayor Leffingwell: One more factoid that I wanted to bring to the floor here. I think the going price for water

-- we are not paying for that because we already paid in advance for our water from the lcra but the going price I think is around \$150 per acre foot.

>> Yes.

>> And ag use is \$6.60 per acre foot, and so if there is water leftover but it has been used for far more than that in the recent past. Council member morrison. We need to have a discussion since we are past 4:00 o'clock and we have many items left. I don't think we are going to be able to complete today.

>> Morrison: I do have a short amount on water, just to let you know.

>> Mayor Leffingwell: Yes, you go ahead with that and we will see where it goes

-- if there is a lot more questions, we might want to bring you back.

[10:05:52]

>> I like that, and the musical tones of the phone.

>> Mayor Leffingwell: It occurs to me we are going to have to have another meeting, but go ahead council member morrison.

>> Morrison: I appreciate that and I appreciate your comments about the water and what is about the water and and what is being allocated and what it's fair. So I appreciate the work with the joint financial committee and I think it's great and we have a lot of experts to be working with you. So did I understand correctly that you are looking at scenarios where you will be

-- the different stagings in drought would trigger different sort of billing scenarios? Is that what you aring looing at? Yes, just for stage three and stage four. We are considering stage two the everyday norm now, and that's how we are setting up our everyday rates but then stage three and stage four would be these drought strategies.

>> Morrison: Right. So does that mean

-- so the

-- the one concern

-- I think that's great. The one concern I have about it is that last year, we were

-- we sort of just worked based on low

-- we missed the mark on how much water people were using under stage two and so it's not clear that there is ever going to necessarily be a stable amount of water used in one given stage. And so stage two water use couldn't even go down even more because I think people have just become

-- it is a cultural shift that is happening. So I almost wonder if the

-- if it ever makes sense to look at a trigger of how much water you are selling as opposed to stage you are in. Because you could have

-- like how far into this year was it before you realized that the water use was significantly less than what had been projected? Because it's really that that wants to deliver your shift

--

[10:07:54]

>> I think your point is well taken. Instead of tying it to lake level and a stage, maybe you tie the response more to a variance in your consumption.

>> Morrison: That would have caught this year. And I don't know

-- there might be unintended consequences there, like maybe that explicit

-- much more likely to discourage conservation, you know, because then word will go out, like, oh, no,

don't stop using water or we will raise the rates. Complicated. I put it on the table for you to think about, but I think that talking about changing the business model and all of that, I think the cultural shift, that will be something that comes along the whole norm and the point that we have so much fixed cost, and that is to some degree with austin energy, when we were purchasing water, we are purchasing a service. We are not purchasing a commodity. When I am paying my water bill, I am paying for the privilege of being able to turn on the water and have water when I want it. As opposed to

--

>> exactly right.

>> Morrison: As opposed to paying the water bill is for a certain amount of water. That has to be a slow change but it is essentially what we are looking at.

>> You put it in good words.

>> Mayor Leffingwell: I will make a suggestion here, and that is that we right now just go ahead and postpone the rest of the items from austin resource recovery on down until a potential future meeting. I think it's too much to cover today, and go ahead and try to finish water utility today, as long as we have a quorum, we can keep plowing along here. Hopefully it wouldn't be past 5:00 o'clock but we will try to finish this item, if that's okay with everybody, and then we will have another meeting to pick up these others. Okay.

[10:09:56]

>> Riley: Mayor.

>> Mayor Leffingwell: Council member martinez.

>> Martinez: Thanks. I appreciate the conversation we are having. I think there is a lot of good points being made. One of the other things that we also hear, greg, is the amount of water we lose through leakage. Millions of gallons a day. Can you remind us what those numbers look like as an estimate, maybe?

>> Yes. We

-- when you pump water through the distribution system you have leaks and breaks. Some are big and small. Ways you lose water. Some is even theft related. In total, we estimate about 10% of our water is lost through those various mechanisms. About 2% of that is called parent losses. What that means is the water is used for a legitimate purpose but maybe it is underregistered on a meter or something to that effect and maybe 8% is lost through all of these other means. Small leaks, breaks, drips, all of that in total. Now, we work every year to get that number down. We have been

-- if you

-- it's on a rating scale. It is called infrastructure leak index. We return it to the state every year. We are very high performing on that front, relative to a system our side, we are high performing, but we still have a ways to go. Those numbers changed slowly. There is a lot to, like replacing water mains and, you know, it's a slow process. We have a goal. We try to keep our infrastructure leak index under three which is a high performing number and have it long term in decline. That was part of the task force recommendation's in '06 and '07 and we achieved some of those reductions and continue to go in the future. But, yes, it is a portion of where the water goes.

>> Martinez: And there is a method to my madness, why I am asking this, because a 10% loss of volume

per day, what will that cost us in capital improvements to take it down to 0 or 1% like some of us would like for us to do? And the reason I am putting this out there, is because I think the reality is, it would on the impact our rates more significantly and only impact our dates more significantly. I say we should have leaky water system

-- I think because we have 10% leaks per day, we should focus on the leaks so we can preserve the 10%, but the cost

-- the other side of that reality is, what does the cost look like and what would be the impact to raise.

[10:12:42]

>> It would be hundreds of millions of dollars. Right now we have very strong leak response. Most priority leaks are prepared the same day. So there is not a lot more. We do leak detection every day on the system. The long-term solution is try to replace more water mains and that's very expensive. It costs \$300 to replace one foot of water main. When you have 4,000-miles, that

-- to try to replace those kind of volumes would be hundreds of millions of dollars, maybe millions of dollars. We have ramped up water main replacement, but to ramp it up even more would be very capital intensive and quite honestly, council member, I think this is what you are saying. You couldn't get down to 0, it is impossible number to get down to. If you gave me a billion dollars and said get down to 0, I couldn't do.

>> Martinez: Because the earth shifts and different factors.

>> Yes, and little drips. It's just the way

-- it is impossible.

>> Martinez: Is there a industry standard for a utility of our size? If so, what is the industry standard?

>> We are meeting

-- we are exceeding that standard. It is the infrastructure leak index and we are exceeding that standard and that has been audited by the city auditor. It is turned into the state every year. We have state dedicated to calculating that. We will be happy to brief you on more details if you want.

>> Martinez: If you can send me that information. I don't necessarily need a briefing but I would love to see it as well. Thank you.

>> Mayor Leffingwell: Council member tovo.

>> Tovo: I will make my questions quick and then probably submit some more through the budget process. Do you have a sense of how the increase collection of water and wastewater hook-up fees has impacted the next year projected revenue?

>> The new fee structure

-- talking about capital recovery fee structure

-- the new capital recovery fee structure the council approved went into effect january 1st, so it will take several years for the fee structure to take place because it applies to land platted after january 1st.

[10:14:51]

>> Tovo: So a lot of what was before were granted before.

>> Yes, just because it decreased development

-- but are seeing increases in capital recovery fees. Do we have 15 million this year?

>> Over the five years it grows 15 million from around 10 or so and we would hope that it has

-- that the full program and all of the plats would come in, it would be after July 1st. In a few years, all of them would be

-- it could be as much as 30 or \$40 million that we would expect from capital recovery fees.

>> It would take a few years for that to grab ahold.

>> Tovo: And I will make my next set of questions kind of quick. When will we hear the financial

-- our first update from our our with the financial group that are working on that

-- I forget what it's called.

>> Joint finance subcommittee. Right now they are envisioning two more meetings and they will be putting together some recommendations back to utility and we will be working with the budget with the manager and utilities.

>> Tovo: I want to hear more ability them. I heard ideas were raised last night about maybe putting the davis plan on pause and some other

-- it sounds like that group is thinking creatively about what options the water utility might have and so I look forward to hearing some of those, whether or not they are supported by the utility, I hope we will hear them and just get a benefit of what they are suggesting and looking at. And I will try to formulate some more specific questions through our q and a process, but I would like some follow-up questions with points the mayor raised with an understanding. I would like to hear a historical rationale for supporting the water quality land program through the water utility. It would seem to me there is a close relationship between maintaining water quality and the mission of austin water utility, at least in improving bodies of water for their potential. So I would like to hear more about that and then specific about the wildlands, it is my understanding of the crossover of staff in terms of water quality protection lands protection in the wildlands division so it's probably while the wildlands is in the water utility as well because it's in the same staff, so those are some of the kinds of questions that would be kind of interesting. I believe we had a discussion earlier last year, it was probably an hour and a half ago that council member riley talked about the fire department and it seemed like they will need to provide information about equipment needs and I heard concerns from the public that we are

-- our budget might include new equipment for the fire department and new equipment for the wildlands division prescribed burden of proofs and I thought we got to the bottom

-- prescribed burns and I thought we got to the bottom of that but we didn't. It does seem we need the staff who are on the water

-- within the water utility's budget are providing a very different function and we would not

-- we would not want that to be managed entirely by the fire department. We continue to

-- I would think we have an interest in continuing to have scientists and folks with that kind of background who are really sensitive to ecological concerns and land management practices and in fact helped develop the land management plan that the council passed involved in the prescribed burns. And those are more comments than questions. But I will have questions because we have costs shifting the programs, then I want to understand, well, why they are within the water utility, what their scope is, and really what the resolution would be, what

-- because you certainly don't want to see those programs go away. Lastly, my question really is to the mayor. Every department, as I understand it, was required by a council resolution to use green energy,

to use green choice.

[10:19:20]

>> Mayor Leffingwell: Correct.

>> Tovo: And so I wonder, are you suggesting that we reconsider that for all of our departments?

Because it certainly is a

-- does impose an additional burden on the parks department and others but it

-- it clearly meets our value turn our values that the council has adopted and it would have a financial impact on austin energy.

>> Mayor Leffingwell: Are you asking the question? When you get through, let me know.

>> Tovo: Sure. When I finish talking, that's a good sign I am done asking the question.

>> Mayor Leffingwell: Not always.

>> Tovo: Usually it is. And that's a question, are you suggesting we consider letting all of the departments opt in or opt out?

>> Mayor Leffingwell: I don't k if I am suggesting that right now. As I said when I started my diatribe, I was going through a list of things that the water utility spent money on that didn't have anything to do with the water utility operations. I will point out in the case of green choice, the water utility uses more energy than the rest of the city departments combined, so it's particularly impactful to them. It takes a lot of energy to move water around through 4,000-miles of pipes, water ways 62.4 pounds per cubic feet. That's a lot of cubic feet. A lot of weight to move through a lot of distance. It's a high user and it has a big impact. I think in a time of crisis, at least temporarily, it might be worthy of consideration for the water utility. I wanted to

-- I think the rationale for the water utility being involved for water quality protection lands historically had to do with the fact that indirectly the water utility did use edwards aquifer water, the water that comings out of barton springs and flows into lady bird lake, that inflow was upstream from the green water treatment plant but since the decommissioning of the green water treatment plant, that is no longer the case. So we no longer directly or indirectly use water from the edwards aquifer. So as we are concerned about water quality, it is community value, it has nothing to do with the operations of the water utility now. Council member

-- do you have

--

[10:21:50]

>> Tovo: At the moment, but I think we need to continue to consider multiple options and keep our options open, and I certainly think that, you know, again, working on water quality is

--

>> Mayor Leffingwell: Anything is certainly possible. And you've got to be prepared to change the way you operate with changing situations. But

-- and I was going to ask this question before you brought that up and as I remember during the 2007 negotiations with the lcra, when it was the last contract we had with the so called bed in banks issue,

that a big part of that had to do with

-- at the time we were pondering whether we should extend our contract agreements with the Icra or maybe look elsewhere. A lot of folks were trying to sell the water utility water from carizzo aquifer out to the east and the staff at that time was telling us, no, you can't

-- you can't really practically mix groundwater and surface water. The chemistry is too different. You've got to

-- I don't know how true that is but I will tell you, that was the argument made by staff at the time. Before you can use the groundwater, you have to do extensive treatment to make it compatible, put it in the same pipes as surface water. Is that substantially true?

>> That still remains the case. There is problems with groundwater and that's a primary one, is it's

-- to mix with our water

-- particularly our history, because we have been a lime softening plant for many years and our pipes are coated with lime residual, which is good but it can be highly disruptive when you enter water with different phs and chemicals.

>> Mayor Leffingwell: So you may turn up red water or green water or some strange color. So I think that's a useful piece of information to keep in mind. And my memory may not be exactly correct but part of the 2007 negotiations is we agreed to negotiate strictly with Icra building on top of the 325,000 50 year

-- acre per foot contract, and another amount

-- I don't remember exactly, over 200,000-acre feet, that we could call upon from the Icra and they would be obligated to provide for us but it wouldn't necessarily be colorado basin water. Is that

-- is that bearing any semblance of

--

[10:24:33]

>> yes, there is some language that the two agencies could work collaboratively to develop additional water supplies beyond the 325. Although it is not a requirement, nor does it preclude austin from seeking its own water supplies. There are language provisions that say if austin goes out and procures additional supplies, it would still apply to the trigger.

>> Mayor Leffingwell: Yes, of course, yes. That's way above the trigger at that point. I think it's 203,000 you have to trigger. But I think the point that I understood at that time was the Icra would be

-- if we ask them for it, they would be required to provide us that water, whatever the market price was, but we could still call on them to provide that water. Maybe it's a legal question you want to

--

>> yes, I think we need to look at that.

>> Mayor Leffingwell: And we do have an executive session as the city attorney just pointed out. We are going to cover these issues in there.

>> Riley: Mayor.

>> Mayor Leffingwell: Council member riley.

>> Riley: One last question coming back to the question about wild

-- the wildland issue. I understand that just this week, the public safety commission recommended that

the austin fire department have operational control of all prescribed burns. Would that have a financial impact on the water utility if we were to follow the

-- that recommendation from the public safety commission?

>> I am

-- can you say

--

>> Riley: My understanding is the public safety commission

-- the public safety commission's recommendation is that the austin fire department have operational control over all prescribed burns, around I gather currently the water utility has some degree of operational control over those burns on

-- on of involved land areas. Is that correct?

[10:26:39]

>> Yes, yes. We have

-- like I described earlier, we have a collaborative agreement with the two agencies provide the various functions for each prescribed burn. We do plan the prescribed burns, the austin water utility does plan for prescribed burns. We prepare the land for the burn, we clear the land, we do fire breaks. We pulverize vegetation. If you are asking if firefighters could do that instead of us, as long as we don't have to pay for it

--

>> Riley: And I was asking

-- we can look more carefully

--

>> we pay austin fire over time for our prescribed burns. If the commission is saying we should no longer do that, I certainly would be open do not paying them for that, if that's what they meant by that.

>> Riley: I guess we will have to take

-- [laughter]

>> Riley: I don't believe that's what they were recommending. [Laughter] it certainly wasn't what I asked. The recommendation, then, I

--

>> the fire department, like they have a civilian burn boss working in their new division, you know where that civilian burn boss came from. It came from austin water. Austin water has been the leader in prescribed burns for 10 or 15 years. I, in no way

-- well, I don't want to

--

>> Riley: It is not a matter of who

-- this is a recommendation from our

-- it was a unanimous recommendation from the public safety commission this week. It is the recommendation of the austin public safety commission that the austin fire department have the operational control of all prescribed fire operations within the boundaries of the city of austin. And I am not asking you a question about

-- well, I am just asking. If the fire department would have operational control of prescribed burns. Would that
-- do you see that having a bubble tear impact on the water utility?

[10:28:40]

>> I probably need to sit down with the fire department and understand what that meant before I could answer that question. Directly.

>> Riley: Okay. There is more to

-- the resolution is

-- refers to events that have occurred in other places when prescribed burns got

-- got out of control. Apparently a recent fire in colorado. There was a prescribed burn that got out of control in colorado. It raised concerns about making sure that we have properly trained fire personnel controlling prescribed burns, which seems like a reasonable and legitimate concern.

>> I mean, I can comment on that colorado burn, if you want. I know about the colorado burn.

>> Riley: I don't know that this is the place to get into that detail. It is just a question about whether something that should factor in our evaluation for the budget for the water utility?

>> I would just need to counsel

-- we can confer with city manager, deputy city manager, mike mcdonald, fire chief, assistant fire chief, myself. Lily conrad. We believe we have the best, safest, most professional approach to prescribed burns, that is a collaboration between austin water, professionals in planning prescribed burns in ecological purposes. One of the risks of prescribed burns is not paying attention to the mop-up operations. Often when firefighters directly are called to prescribed burns, they are called back to their stations to do what firefighters do. Who is going to do the mop up. Who is going to monitor and walk those lands? This is 40,000-acres spread out over 3 or 4 counties now, travis county, williamson county, hays county. Our staff, the people that know that land. I think that a model that says only austin fire does it or a motto that says only austin water does it, that the best is the combination of those two agencies working together. I think that's what we have now. I mean, we continue to work with you and the council on those things, the manager, but I

-- I

-- enough said.

[10:30:44]

[One moment, please, for change in captioners]

>> they don't have any idea along those lines. And the other thing I have to tell you that I would want to make sure of as well, a lot of times when it becomes just a fire department issue, they've got certain provisions, again, that, you know, maybe we can work around them, maybe not in terms of only firefighters being able to do certain functions. And so, you know

-- and so the way we're doing it now, I think is efficient. There are certain

-- civilian personnel can do part of what needs to be done there, and then when it comes down to the actual burn, then, yes, we absolutely agree that the fire department should be there, but there's just

more involved in that operation than just the actual burn.

>> Mayor? Council member Spelman?

>> Spelman: I have one last comment hopefully on this issue. Mike Leavy was for it. And have Mike and I had several conversations to discuss, I would have to think long and hard before I supported anything Mike Leavy was for. Council member Morrison?

>> Morrison: It sounds like the public safety commission might not have understood the full issue that's really on the table and all of that, so it might

-- I don't know if it would be appropriate sometime for you-all to educate them on that, but it sounds like they're missing some of the pieces.

[10:32:57]

>> That's correct. Because the burn is the last stage.

>> Morrison: Right.

>> But everything else, the assessment of the land, you know, which was one of the reasons

-- I was around when it was relocated also, certainly as the mayor was saying, the enterprise portion of it, but also being able to work with the water utility and the expertise that was involved in assessing the lands was very important as well.

>> Morrison: Well, and this isn't the first time since I've been on council that this idea has been thrown out there. It seems to be a regular thing, so getting some documentation of it and then you can just say, hey, here's the memo next time it comes up next year.

>> I'll put it in writing.

>> What memo was that?

>> Morrison: The memo will be written on why we take this approach on managing the burns.

>> Mayor Leffingwell: Okay. Got you. Any other questions? So council, we will schedule another

-- I'm just going to propose a three-hour meeting that

-- the departments that we have left, although there's a number of them, they should go a lot quicker, so we will

-- we'll schedule a meeting sometime in the next couple of weeks to cover these departments.

>> Mayor, at the beginning of the meeting several of us brought up the idea that we may want to consider the service departments as well, and I'm not sure in two weeks whether we'll have enough information on the support services departments to have a productive conversation. Could you shed some light on that.

>> Van Eenoo: I think we can get you something pretty quickly on the support service departments. I know there was a question earlier about staffing increase, and I think we circulated that. As you can see, there's only, I think, 18 or 17 new positions being proposed next year, and 16 related to the new council office, so really just one out of all of our other support services departments combined, just one new position. I don't think it will take us too long to give you some context of what's going on in our internal service functions.

[10:35:00]

>> Spelman: Fair enough. Counselor, you're the only one of us that has a regular job, if you can tell us when you can't do it.

>> Mayor leffingwell: I think the rest of us can probably cope.

>> Fortunately my regular job is taking a short hiatus as I graduate a bunch of students, so within the next couple weeks will be just fine.

>> Mayor leffingwell: Okay. Well, in that case, we'll stand adjourned at 4:35 p.M. [City of austin budget work session in adjournment]