

City Council Budget Work Session Transcript – 09/03/2014

Title: ATXN2

Channel: 6 - ATXN

Recorded On: 9/3/2014 6:00:00 AM

Original Air Date: 9/3/2014

Transcript Generated by SnapStream Enterprise TV Server

=====

[03:38:29]

Good morning; I'm Austin Mayor Lee Leffingwell. A quorum is present, so I'll call this Austin City Council Budget Work Session to order on Wednesday, September 3rd, 2014. We're meeting at the Town Lake Center – 721 Barton Springs Rd, Austin, Texas. The time is 9:35 a.m.

First item on the agenda is to conduct a public hearing and receive public comment on the City of Austin FY14-15 Proposed Budget. We will close public comment on the proposed budget at the end of this meeting. We're scheduled to adopt the budget on September 8th, 2014, and if we do not adopt the budget on September 8th, we'll continue to September 9th and September 10th, if needed.

So with that we'll go ahead and go to our speakers. First speaker is Erin Foster – Erin Foster. Next speaker is Francis – oh, okay. You have three minutes.

Good morning; how are y'all? I feel like I'm playing musical chairs – okay, where's the city council today and how do I park? And I'm sure you do, too. My name is Erin Foster – I'm with the TAR group, which is Travis Austin Recovery group. I've been before you several times. I wanted to again commend you on what you've done for the Halloween 2013 flood survivors. The only way to get these people out of harm's way is by buying the homes out. You're very close to your goal; this last item on this agenda that Councilmember Martinez has put up is for funding the last of those homes. I realize they're in the hundred-year flood plain for Onion Creek and the 25-year flood plain for Williamson Creek. I do want to note that the hundred-year flood plain - because I understand there's some concern about setting a precedence – but in this 100-year flood plain in particular, out of all flood plains that are in the 100-year flood plain in the City of Austin, these are the ones that have flooded four times. So, I guess you could say there's 100-year flood plain and then there's really high risk 100-year flood plain. So I would call these very high risk 100-year flood plain. So I want to encourage you to please fund that last \$78 million dollars in whatever way you see works the best for the City. And I also want to support councilmember cole's citywide flood prevention, protection and preparedness. Item 2.8 on the amendment. Thank you all for what you've done so far and I'd really like to close this chapter on these unfortunate survivors, get them moved out to safety, and with your help we can do that. Thank you. >> Mayor Leffingwell: Francis mcintyre. >> Good morning, I'm francis mcintyre with the austin league of women voters and speaking today for funding for the austin-travis county health and human services department. The league supports public health and strong public health policy as sound strategies for preventing disease, pro

meting health and driving down health care costs. We support all of the budget requests of the health and human services department because they address these overall goals. These requests include, one, increase had the number of sane tearians, the number has not kept pace with the explosive growth in the last five years. Preventing food-borne illness is a corner stone of public health and our local food industry would not be as vibrant without it. Number 2, partnering with the county's parent and recovery program, a comprehensive residential substance abuse treatment program for women, to enable them to keep their children. Number 3 action expanding social work support for homeless persons or those displaced due to the halloween flood. Lack of safe and stable housing makes [inaudible] treatment plans difficult if not impossible for people with chronic disease.

[03:40:29]

Number 4, neighborhood based assistance for eligible persons to take advantage of supplemental nutritional assistance program, the snap program. And to incentivize local farmers. A health I diet may be out of reach for many because of cost or because no one sells in their neighborhood. Number 5, please replace the funding for the chronic disease program. The community transformation grant, ctg, awarded to austin from the cdc ended on AUGUST 31st. These grants enabled our community to design and implement programs that makes healthy living easier and more affordable wherever people work and live. Austin was supposed to receive \$1.1 million for five years but congress cut that and only after three years so the money dried up last week. Cuts like these under mine the progress. Minority population many of whom are uninsured and disproportionately affected by chronic disease. Uncompensated care costs exceed \$1 billion in travis county acute care hospital. Without community investment in prevention and public health programs, we'll never be able to contain the rate of growth in private and public health care costs. [Buzzer sounding] may I finish one sentence? >> Mayor Leffingwell: Finish your sentence. >> Austin's sustained and adequate support of the health department is needed now more than ever. Thank you. >> Mayor Leffingwell: Thank you. David king. >> Good morning. Mayor, mayor pro tem, councilmembers. My name is david king and I

[03:42:30]

live in the zilker neighborhood. As far as I can tell from that budget, it doesn't appear to reflect the reality austin has extreme income inequity. I've said 20% of the highest earning families in austin earn 50% of the income. At the same time the incomes for low and middle income families are falling. Property taxes going up, rent and cost for services going up while incomes are flat. We must help them and this is what I ask for you to do is please make sure that the services that utilities and water and wastewater should be based on family's ability to pay to that as you earn a higher income, you pay more. And let's keep this policy in place until we get this income inequity straightened out. Eliminate the unfilled vacancies in the city budget. That could -- use that money to fund property tax homestead exemption. Help provide the travis central appraisal district with more money to help night unfair equity appeals. It's not illegal but it's wrong and immoral in my opinion what they are doing. In sense of fairness, you all can address fairness. I know you can't change that problem with the equity appeals, but you can bring a sense of fairness to the situation. And I ask you to stop giving these companies, these

commercial property owners incentives, variances, p.U.D., Entitlements, waivers, density bonuses and let them turn right around and take that same property to the appraisal district and reduce the value, the appraised value. We give them taxes on the front end and come and reduce their property taxes on the back end. We pay going and coming. From a sense of fairness I hope that you will stop doing that until we get this unfair property tax situation straightened out. To give you a few amd, circuit of the america's --

[03:44:31]

[buzzer sounding] -- the owner of austin -- austin american-statesman, they are all doing this. The hyatt, which you just approved a p.U.D. Amendment for, is now suing to reduce the value of that same property that now increased in value because of the p.U.D. Entitlement. And I ask that you ensure schwab gets no funding for any kind of infrastructure costs associated with their move to austin. And require google and at&t to pay for the extra staff required to process the permits for the implementation of that infrastructure. They should pay for that because that's going to their bottom line. And then I ask that you please stop giving fee waivers to these companies that use our parkland. Speaking of parkland, what is our strategy on parkland? Is our goal to keep -- just to turn parkland into revenue generating entities? And what is the goal. I ask you what is the goal. I don't see that goal in our budget. Thank you. [Buzzer sounding] >> Mayor Leffingwell: Mr. King. Mr. King, you are aware that the council cannot institute a general homestead exemption in this year's budget. We can't do it by state law. That would have to be in PLACE BEFORE JULY 1st, Which has already passed obviously. >> Thank you. Well, I hope you get to it as soon as you can. Thank you. >> Mayor Leffingwell: Councilmember martinez. >> Martinez: Mr. King, your points are well taken and I certainly don't degree with folks seeking incentives or entitlements and then turning around and trying to protest their valuation. One of the things we ask staff and I'm not sure if the attorney can weigh in, there's a constitutional right as relates to property taxes and ability to protest those taxes. It's my understanding that we would face some limitations at a local level from trying to preclude folks from protesting property taxes because it's a state constitutional right

[03:46:32]

whether it's a single-family residence or a commercial property. So my suggestion and emphasis would be, let's fund organizations like the east austin conservancy to help single-family homeowners who don't necessarily know how or have the time to protest their property taxes as well to create that equity you are looking for because I think we're precluded from asking commercial properties from protesting the tax [inaudible]. >> I understand. That's a great point. All I'm asking is you not grant them incentives. I'm saying bring a sense of fairness to the situation until that problem gets solved. Thank you very much. >> Mayor Leffingwell: Councilmember tovo. >> Tovo: I'll just say I'm looking forward to staff returning -- as you know we passed a resolution in june on that very issue of requiring commercial properties that are interested in incentives to make a commitment not to protest their property tax valuation and the staff should be returning to us with a policy sometime soon. And if that option is not available to us, I hope that the staff will be creative [inaudible] to [inaudible] it's my understanding cities like waco have claw-

back provisions they've executed for companies that have received city incentives and go forward and protest their commercial property tax valuation. There are avenues available to effect that same end and I look forward to staff returning with those policy recommendations. At their earliest opportunity. And ours. >> Mayor Leffingwell: Martha cotera. >> Good morning, councilmembers. In a little bit I hope that frank rodriguez will come and give our final report for the hispanic quality of life request. But I'm buying insurance this morning in the event that a couple of my items

[03:48:34]

through an oversight, although they were voted on, did not get on the final chart. First of all I'd like to say that we totally and wholeheartedly support the buyout of the flooding -- flood area and that I for ONE SINCE THE '70s HAVE Warned the preferred growth corridor that was selected would, in fact, create devastations on the creek beds like it did in walnut creek. So consider that, as I was telling councilmember riley, reclamation and not hold it against the community saying this is what we're giving you. Now this is what the city is claiming back in property they should not have built on. Other items that I need to mention in case they do not get in the quality of live report is that a priority for the hispanic community is the acquisition of lot 64 so that views of the entrance to the macc will not be impaired and for the overall quality of the rainy street district. And that would include possibly a cost of \$100,076,000. And this is from one city account to the another and as I talk to architects this is a cheap investment in an already multi-million dollar investment in macc. And it does have the support of many people. It does not sometimes not supportive well not, but that's tunnel project, but that's their problem. Now, another issue that may not get in the agenda and I want to promote it is the appointment of hispanic library services coordinator for the entire library

[03:50:35]

district. We are taxpayers and let me tell you we have to have private lending libraries because there is no hispanic collection, there is no hispanic library services oversight. When I need a book that I happen to have lost in my own library, I have to go around town to pick up, borrow copies from friends and that is not consistent with the amount of money that I pay into the city as a taxpayer. We are also very interested in making sure -- and this is not a budget item, but we're -- we're letting you know that we do not approve of any waivers granted for any overhangs or anything that will impair the view of the macc from lot 64. [Buzzer sounding] thank you so much. >> Mayor Leffingwell: Thank you. Juanetta cooper. >> Good morning, y'all. I'm here on behalf of texas legal service center to ask you to amend the energy efficiency budget by \$6 million, 3 million of which to be dedicated to low and moderate income families. In addition we -- I'm asking you to request a review of the energy efficiency budget after the fiscal year 2014 books have closed. Last year austin energy sought and obtained a 38% increase in residential energy efficiency rates. Part of that increase was to pay for a past loss. Using the -- using the same procedure austin energy utilize to do set last year's rates, austin energy is estimating that the fiscal year energy efficiency revenue rates will produce \$3.6 million more than the energy efficiency budget costs. In other words, last year's rate increase was successful. Not only is it paying for

[03:52:35]

this year's energy efficiency budget, but it's paying for last year's costs. So now what are we to do with the rate increase that was -- that was increased to pay for last year's costs? Should it go away? In other words, a rate decrease. Or should it be used to increase the budget? Texas legal services center is not advocating to decrease the rate during a budget year, but we are asking you to take that money and increase the current fiscal year turn 2014 budget for 2015 instead of decreasing it which is what austin energy is asking you to do. So the gap between what austin energy is asking you to do and what the revenues are available is \$6 million. We're also asking for the 3 million of that 6 million to be dedicated to low and moderate income folks. Last week you all passed a resolution requesting that more programs be available, so we need that money. So please make 3 million of it to be available. The \$6 million is a conservative estimate. That's why I'm asking you to do a true-up next year after the books have closed because I've actually in my calculations provided for a \$2.5 million cushion. Because not only do we have a down size to 6 million that's really 6.7, but there's also a surplus of about 1.8. And what surplus means is after you take this year's revenues, pay off last year's real costs, losses in 2013, we've got some pocket change of about 1.7. So I've left a cushion in there so it's a conservative request to increase the budget upwards. Thank you so very much. >> Mayor Leffingwell: Councilmember tovo. >> Tovo: I'd like to be sure I understand and get somebody from austin energy's comments.

[03:54:35]

Thanks for providing your written testimony. If I understand the points in your discussion and in the -- there should be an extra \$3.6 million in revenue from 2014? >> If you turn the page, the first page over shows this is request I made to austin energy and this is austin energy's response based on what the 2014 energy efficiency budget year should look like. And that negative number at the right that's like a medical test is negative, that's good, a negative number on the right means that that's a surplus. >> Tovo: So we have a -- this came from austin energy? >> Yes, ma'am. >> Tovo: We have an overrecovery of \$3.6 million and you are saying this year's budget shows a 3 million-dollar. >> The proposed budget. >> Tovo: Thank you. Miss kimberly, you got here just in time. I'm not sure the appropriate official from austin energy but if you could address the points miss cooper raised. >> We have received commentary from several people with concerns about -- about the decrease in funding for energy efficiency. >> First of all, let me say that the budget is increasing on a year to year basis to the tune of about \$4 million. Secondly, we are already overrecovered on a portion of the community benefit charge, and to increase our budget yet more at this point in time I believe would risk overrecovering yet more from our customers. One of the things that we have always done consistently since I think the last year or two is to

[03:56:37]

allow for a rollover or a carry-forward and properly so of capped funding. And my staff is currently looking at a number of things that will help facilitate the weatherization process and allow us to spend money for rapidly. Right now we have a system in place where we're not able to spend the amount of

money we get through the cap collection on weatherization. We've undertaken -- with neighborhood housing -- undertaking processes and procedures. I can tell you right now estimates from my staff there will be roughly \$900,000 in funding this year based on our projections that won't be spent at the end of this year, that we would then roll forward. We would amend the budget and roll forward into the next year. But if you increase the budget yet more, my concern is that we won't be able to spend that. And that is from a fiscal standpoint something that's a bit risky. It would be better to go through the cost of service study that we plan to do in 2016 and adjust budgets at that point in time with the exception of the cap budget which we would automatically roll forward. No one if you want us to add anything. >> Tovo: If I understood ms. Cooper, we have overrecovered that 3.6 million. So where is it going? >> I need to look at her numbers sense I just walked into the room. >> Tovo: I'm trying to figure out why that's not going into the energy efficiency program. >> All of her numbers are estimates and there's a lot of uncertainty in all of those estimates. Even for the end this next month in 2014, during the heat, that's when these -- when we utilize these budgets most. So it's real difficult to firm up those estimates. So it's much better, as debbie said, to wait until

[03:58:37]

we know what those numbers are and we can firm them up during the next cost of service which will be during the next budget process. >> Mayor Leffingwell: Councilmember martinez. >> Martinez: So we kind of went through a similar scenario at capital metro when we started budgeting \$3 million a year for sidewalks and we couldn't spend that -- those funds down. It was one million one year, 1.8. And staff kept telling us we can't increase that because we can't spend at the current rate. We challenged that and said look differently, partner with is city. 3 million a year is a pittance for sidewalk connectivity and partner rights. That would be my suggestion to austin energy is don't do it the way you've been doing it. If you can't spend all of the funds that's allocated, look at avenues. The private sector, partnering with other energy efficient programs. I just feel like that is such a high priority to come to us and say he you don't want us to increase the budget because we can't spend it all. It could be true after further questions, but at this point I think we have to try everything we possibly can including reaching out to the private sector to manage energy efficiency programs as opposed to keeping it in house. >> That's what we've done. We have a very small contractor pool that is willing to perform the tier 2 weatherizations for us, councilmember martinez. We have five. That's not sustainable. We need to look at ways to modify our programs. We need to look at ways we can direct homes that are not structurally sound, that cannot be weatherized, over to neighborhood housing before they ever come through austin energy. If you look at this as a giant upside down funnel, we have 43,000 cap customers, roughly 50% if you look at

[04:00:38]

demographics own their homes. Of those we look at those customers that use 2500 kwh per month or more for four months and that's significant looking at the high energy users. By the time you narrow this all the way down and exclude a significant number of homes that cannot be weatherized because they are structurally unsound, because if you were to weatherize on home that has leaks and water seeping

in under the concrete, you will create a health problem for that customer. So we are completely revamping our processes so that, frankly, we can weatherize more homes as cost effectively as possible and reach more customers, and that includes expanding the number of contractors and looking at modified reimbursement scales for those contractors who say we're not making any money off of this so why should we do this. So we are taking that holistic look and I absolutely agree we need to look at things through a different. [One moment, please, for change in captioners] >> I would like to be able to come back and ideally at a ccea meeting and talk about

[04:02:39]

how we've revamped the program. We are meeting with community advocates. In fact, we have a meeting set up with ms. Cooper in the next week or so to talk about some of these things. I'll be honest with you, we need to look at issues such as the provision of h vac systems and refrigerators to our customers, stoves and dishwashers, because any time you do something mechanical on a home it requires multiple revisits to that home, and there really shouldn't be 160 day process to weatherize a home because of all of the inspections and the multiple touch points that need to occur. So I would like to be able to secretary visit that and visit it in collaboration with the discount steering committee that has been engaged on related issues so that we can come up with a collective approach that makes better use of the funds that we collect from our customers and gets them back out to our customers as quickly as possible with the best savings potential possible. >> Tovo: Okay. Thank you. >> And I do appreciate the offer of help. >> Mayor Leffingwell: Councilmember spelman. >> Spelman: Ms. Kimberly, you started with 43,000 cap customers and a smaller number of them use a lot of energy. A smaller number still have structurally sound homes and therefore it makes sense to weatherize and so on. I understand you probably don't have the numbers in your back pocket, but I best raised on your description of the process you've been going through there is an internal memo or you've done some work to show how that 43,000 dwindles to a smaller number. The point you were making is there are not that many houses out there on cap customers that are weather eyesable. It's not that we can't find them. We found them, but don't have them out there. Also for those

[04:04:40]

customers, I mean, just to get into the weeds a bit more, it was either 2500 kwh a month for four months or 1600 kwh for six months. They also need to go through a series of classes. We do an inhome visit. They need to go through a series of classes. Some customers don't want to go through the series of classes so they self-select out of the process. So the my response to you is yes, when we look at the numbers it's about 300 homes a year. It's roughly that amount, maybe slightly more than that amount this year, but I would like to be able to get to a point where where you have neighborhood and housing engaged earlier. You're able to use affordable housing bonds to remedy those structures so that by the time they come to austin energy those homes are ready to be weatherized. And I believe that is the most appropriate use of our citizens contributions? >> Spelman: I'm almost certain were we to call ms. Cooper back to the podium and ask questions she would have a response to it, but let's short-circuit it. If you have an internal mel mow that has this 43,000 and we end up with three hundred houses a year, I

would like to see it. I'm sure privately with miss cooper if she has a response we might be able to make this instead of a broad side we need more, we don't need more, to here maybe a technical change to the program that might improve the sufficiency and which might -- >> I'd be happy to do that. I believe we have a good working relationship with ms. Cooper. Happy to sit down. We have a meeting scheduled within the next week. >> Thank you,. >> Spelman: Thank you, ma'am. Can we expect to see further information on this? >> I'd be happy to get something out to you. >> Thank you. >> Before you leave I want to make a suggestion. I remember a couple, three years ago I got called on the carpet. A lot of these funds were furnished by the state and they were complaining because we

[04:06:41]

weren't spending the money fast enough. So we had to go back into austin energy and sort of revamp the bureaucracy and that's what it was, just took a long time to go through all the austin energy policies and procedures with regard to this. We got that fixed. So I don't know what's happened now, but apparently it looks like the bureaucracy has crept back in. So I would strongly suggest that we take another look and maybe take a look at what we did last time to fix it. >> One of the things that changed, mr. Mayor, was some of these measures that do require inspections add significantly to the time so there is only so much you can push through the pipeline with five contractors on board. So there is more than one way to skin that cat, and it includes things like window units where you don't need to do an inspection. So we are all over that. I hate bureaucracy. Trust me, you've got our support on trying to fix that. >> All right, good. Councilmember morrison. >> Morrison: Just to follow up on your comment, mayor, I remember we went into a lot of detail in your public health and human services committee talking about and being very clear about how the energy efficiency program would be integrated with the home repair program for neighborhood housing. And so I'm a little confused about -- we've had years to do that. Apparently we never fixed it or maybe we fixed it once and it's gone. It's rolled back and not been fixed, but I think that absolutely has to be a high priority. And I do have one question. You said the numbers funnel down to 300 a year. It seems to me it's probably relatively finite number of houses overall and if we had an infinite amount of resources we could do them all this year. Maybe when you get to the numbers you could help us understand where you get that 300 because

[04:08:42]

I imagine there are some thousands that will qualify. >> What we do is we tend to focus on the highest energy users, those are most at need that meet the cap criteria and they're high energy users. Are there others that aren't high energy users? Undoubt lid they are. But that 43,000 that starts the top of the funnel, takes into account all cap customers and then it narrows down through the narrowing funnel of high energy users getting out to the neediest first. >> Morrison: But I'm confused how there are 300 this year and then three hundred more next year? Aren't there the three hundred that are in need also this year? >> We have, but there are some customers that select out of the process. They don't want to go to the classes, so we require that they go to the classes. And you do have people that thankfully move. You have a fair amount of churn, if you will and people living in housing stock. So there is -- trying to get to all of those homes this year, it would be very difficult and very costly. And we're looking at our austin

energy programs from the standpoint of the overall portfolio and getting to that 800-megawatt goal as quickly as possible. As you know with a lot of these customers some of them aren't using that much energy. So if you go in and spend a dollar on each one of those homes -- >> no, I understand. I'm just trying to figure out why it is 300 new ones will pop up next year. And maybe -- >> because they dropped out of the process before because they are new to the home that they are living in. Because they've experienced higher energy consumption than they did in the year prior. >> So you're saying that really only 300 homes in this town qualify and are interested in the program this year. >> That's what we've seen this year. And I'd be happy to draw it out on paper for you and I'll provide a follow-up memo so you can see that.

[04:10:42]

I will as well go to liberty, if you don't mind, of talking about the things we're talking about improving with our next fiscal year's program. >> That would be great. And also go into some detail of what is the existing interaction. >> Exactly, we'll do. >> Morrison: Thank you. >> Mayor Leffingwell: Councilmember tovo. >> Tovo: I have one quick follow-up question. When you started with the numbers you said there are 43,000 cap customers, about half of whom own their own homes. >> What we applied was just the general statistics for those that are in single-family homes within the city of austin. So if you just look at our service territory, say roughly 50% of them would live in a single-family home. So you narrow it down from the 43,000 homes to roughly 22,000 hit or miss and we narrow it further based on energy usage and so on and so forth. >> For the cap customers living in rental homes, those homes are not eligible for the low income weatherization. >> We have the rebate program. We have also talked about doing things for four-plexes and duplexes. That is not fully baked yet. We're working on that. So typically what we see, it's a bit more difficult when you have a landlord-tenant relationship so you need to convince the owner of that home to go through the weatherization process, but you've got the tenant that actually is the one that goes through the classes and the like. >> Tovo: Right. I'm glad to hear that you're looking into that because as we see with the multi-family energy efficiency program, those in the end, if the rents don't increase and we're tracking that, but if the rents don't increase, then you do have a user of a resident who then benefits from those improvements with the result of lower bills. But it seems to me that we're missing out on those renters who are living in -- who are

[04:12:45]

renting homes that might otherwise qualify and they're cap customers and they meet qualifications and need lower bills, but none of our programs are capturing that segment of the market. And what we're trying to to -- >> what we're trying to do is play catch up as fast as we can to move that money back out to our customer. The fewest barriers to be able to do that right now are the customers there in homes right now as opposed to dealing with the disconnect in terms of the incentives and the landlord-tenant relationship. I'm happy to touch on that. >> Tovo: You found a way to do that in the multi-family program. And I continue to have concerns about an interest in making sure that's not in the end raising those rents. >> We continue to monitor that. >> I would just echo the comments you heard from my colleagues that if we are trying to play catch-up that makes it even higher priority to get that money

moving and not -- not sitting in austin energy's accounts, but really out there working for people to lower their bills. >> That's what we want to do. >> Thank you. >> Thank you. >> Mayor Leffingwell: Katherine stork. >> Good morning, I'm Katherine Stork, the executive director of the Austin's tenants' council and I'm here to talk concerning neighborhood housing and community development's budget, specifically our funding. The program I'm talking about is the program that goes out and tries to assist tenants in getting health and safety repairs completed on their homes. There was a slight cutback in community development block grant funds this year and the program is made up of the community development block grant funds and also the neighborhood housing and community development fund. And so that program is going to, as it's proposed in the budget,

[04:14:46]

decrease by # thousand \$782. And the program has not had an increase in years. And so to take a cut on top of that will make us reduce services at a time where you know housing is at a premium, tenants are being squeezed and it's very hard to get a landlord to make repairs right now because they figure they can just get another tenant. So I'm requesting that you fund it at its current level. Thank you, if you have any questions. >> Morrison: What is the total funding that you're getting this year? >> Currently I'm getting 288729. The proposed is 281947. >> Morrison: Thank you very much. >> Thank you. >> Mayor Leffingwell: Bill bunch. >> Good morning, mayor, members of council, Bill Bunch with Save Our Springs Alliance. I wanted to speak primarily to the water utilities proposed rate schedule for this year's budget. Obviously we have to raise enough revenue for our utility to operate, for us to service our debt. And maintain our bond rating. But how we allocate the proportionate rates is revenues is extremely important and the rate structure on the water utility puts the vast majority of the increases on the backs of those who can least afford it and those who are doing what we want them to do, which is use a limited amount of water. While only very slightly increasing and sometimes not increasing at all the rates on the larger volume water users. Just for example, the standard monthly meter

[04:16:49]

size for the residential meter, 5-eighths inch going up over six percent. The larger meter categories, basic monthly phi are not going up at all. Some are actually going down. It. So we have that. And then our per thousand gallon volumetric rates for residential, 0 to 2,000 gallons you're jumping from 1.84 to 2.93. So over 30% increase on those using the least amount of water. The next tier, 2,000 gallons to 6,000 gallons, you're going from 3.39 per thousand to 4.49 per thousand. Again, a 30% increase on those folks using the small amount of water. Jumping up to the top two tiers, a thousand gallons-- 11,000 to 20,000, you're only going 9.95 to \$11. So about a dollar, but the percentage increase is a fraction. The highest rate from 12.84 to 13.93. Those kind of increases are not near enough to send the signal that, hey, folks, you're using too much water. And we have to send that signal. If you're a wealthy homeowner, and it gets to equity, which is incredibly important in our community right now given out badly lower income folks are suffering, but if you're a wealthy homeowner and you're paying 200 bucks a month on your water bill and now you're only paying 220 bucks a month are you going to change your behavior? Probably not. If you had to pay 440 bucks a month you might wake up and pay attention and

talk to your service that does all your watering for

[04:18:50]

you on how they change it. Those rates need to double. Those upper tier rates need to double. And the lower tier rates need to come down. >> Mayor Leffingwell: Thank you, mr. Bunch. Cyrus reid. >> Let me say that austin energy is the leading utility in the state for reaching energy efficiency goals. Let's be clear on that. They've done a great job overall on reducing energy demand through a variety of programs, including low income weatherization. I want to say in the budget, the proposed budget for the customer energy solutions conservation, rebates, incentives, does represent a 2.37 million decrease. And if you consider that some of that money is coming from the cap program, so about 1.5 million, it's actually a larger decrease in terms of the total amount of money that is available for energy efficiency rebates both for commercial and residential customers and industrial customers. Let me be clear. I spoke briefly thursday about the fact that the sierra club would support a slight increase. I put out the figure of three million and that would be getting basically to the amount of money we spent last year. And if I were to say how much did you spend in each program that's your decision, not mine, but in the original taskforce on the generation plan we talked about making sure we got to the ara levels for the low income weatherization program. The ara levels if you take the total amount of money spent over that period, corresponds to about 3.8 million in a

[04:21:02]

year. I totally understand, but there are some homes that are weather eyesable yet. I think maybe the answer is to put more money into the neighborhood community budget so there's more money to fix those homes so they can be weatherized. That budget I believe is just a small amount. I think it's about \$600,000, but you should check that because I don't know that department as well as I know austin energy's budget. There is also money in budget that can be used for weatherization in terms of water savings. You should really look at holistically what's out there, where to increase those pots of money so we can get more homes weatherized. The other program that I think would be important is a program focused on duplexes. When I was a student back in the day I lived in a duplex and a lot of people live in the duplex that tend to be lower low or moderate income and that's a program that we don't offer. So quads and duplexes would be another program. If you were to start a pilot project and put a million dollars into something like that, that would be a good use of funds. And then the final use I would really focus on thermal storage, sort of more commercial, large buildings because you could get a big peak reduction if you were to offer some incentives for those larger kind of new buildings that are coming -- that are being built through austin that do the same thing we're doing downtown with the chilling station but on building levels. Those would be my comments and I'm looking forward to working with austin energy. >> Next speaker is [indiscernible]. I would note that no speakers are against the budget. [Laughter] >> that's good. So mayor, city councilmembers, good morning. My name is regina [indiscernible] and I'm a long time resident of east austin and ceo of people's community clinic. I'm here today to support efforts to increase year-round swimming programs in austin. As a parent and grandparent I've made

[04:23:02]

sure that my daughters and grandson all had swimming lessons. My now 36-year-old daughter was on the johnston high school swim team and worked summers as a city lifeguard. My 32-year-old daughter competes in the special olympics at austin park. My five-year-old grandson is learning to swim at patterson park and loves bartholomew. At people's community clinic we provide information every summer to our patient's parents about drowning prevention and we try to offer information about free and low cost swimming lessons in the summer as well, and that's not always easy to find. As a community I felt for a long time that we missed an important opportunity by not having a year-round swimming program so that all young austinites, most especially those of color whose parents may be uncomfortable in and around the water learn to swim. This is a safety issue as well as a health and welfare issue. Our city prides itself on its recreational water resources. We have lake lady bird, barton springs, deep eddy and all our neighborhood pools. I spend a lot of my time on the water, although not in the water, but unfortunately many of our young people never really get to experience these. They also get -- don't get the opportunity to have summer lifeguard jobs that we find increasingly difficult as a community to fill or the lifelong benefit of swimming that physical activity can provide. I'd like to share something out of my faith tradition, something that may come as a surprise. According to teachings of talmud, a jewish text, jewish parents are required to teach their children three things. The first is tora or ethics. The second is a trade, a way to make a livelihood. And the third is to swim. The first two seem pretty straightforward, right? But why the third? As in all things jewish, there are

[04:25:04]

interpretations, but one interpretation is that teaching a child to swim is a metaphor for teaching the child to be independent, to live independent in their lives. Learning to swim may be a metaphor for gaining independence because at some point you have to let go, kind of like riding a bike. I don't think they had bikes back then, so maybe they would have had that as the third thing. By teaching them to swim we're empowering them to enjoy their city's natural resources, to learn water safety and possibly gain valuable work experience as austin lifeguards. Which is something I think we really forget how important it is to have the summer jobs as well as to master an activity that would promote health and wellness throughout their lives. So thank you for efforts to improve swimming opportunities. >>

Morrison: If we get year-round pools operating year-round in partnership with the school district to actually get kids certified to be lifeguards it's a win-win all around. And I wanted you to know that I spoke with the superintendent and the vice-president of the board this week and they're very enthusiastic about finding a way to partner to make that happen. >> Edward reyes. >> So I'm here for a few reasons. First and foremost I want to show our support from the flood area for

[04:27:05]

the recommendations from the hispanic quality of life here. And so you guys have been submitted a budget that I think is the bare minimum, but it's definitely necessary to get what's requested. You also --

I also want to support the 78 million that you're seeking to help and continue to buyout the homes in our community that are flooded. It's something we go home to everyday and so we see this everyday. This is not something we can forget. This is still an ongoing issue and a problem. While some of austin has -- has moved on, we can't. So there's people in our community that can't move on until this is taken care of and there's families that are -- there are in a continual battle of trying to get their lives back together because they were so devastated, even those who bought new hit or miss and they were rushed into homes they didn't get to properly get them inspected and things like that. So we're having to do a full circle of resources. And so we really need this support. Now, I understand there are other flood zones in austin and at what point do we prioritize the areas that are being the most devastated? Do we approach and do we successfully partner with the community to bring a real relief because our community is going to continue to suffer and we would have a bigger problem on our hands if we flooded again. So at this point we need to make the moves and the necessary buyouts that are only fair. The options need to be there for the people. The other thing real quick is I wasn't

[04:29:05]

sure -- martinez, you have something on here that was for a 21st century community learning center grant program. Is that to offset the aid right now because of the budget that was the funding that stopped from the state. Was that to offset that? >> Martinez: Yeah, we've been working with some of the school board members to try to incorporate wherever we could if we had the funds available to offset some of the effects of, one, the budget shortfall at aid, and the t.E.A. Funding that was cut this past june for after school programming, which was -- affected about 8,000 students in our area. So yes, we're trying to incorporate in our budget wherever we can some relief where at all possible. >> So the recommendation is going to be a request for fund, like 5 million, over 5 million. So here you have one, right? 1.5. So the thing about it is our community is feeling this also. >> Mayor Leffingwell: Mr. Reyes, your time has expired. Stephanie thomas. Stephanie thomas. Paul robbins. Paul robbins. Jose uriegas. Come on up. You have three minutes. >> My name is stephanie thomas, I got stuck at the back. >> Mayor Leffingwell: Sorry. Go ahead, stephanie. >> A little obstacle course to get here. My name is stephanie thomas, I'm a member of adapt of texas and I would like to thank you for the opportunity to testify on budget today. I would like to speak in support of the

[04:31:05]

\$10.2 million for public works has allotted for sidewalks. There are many places in this town that still need sidewalk improvements or sidewalks at all and while we have come a long way we're really actually way behind where we were supposed to be. Back in 90's there was a 12-year plan, a long time ago. Still working on it there. So I just really want to support that. In the area of parks, accessibility again, a long time coming. We've been working on this since 1990, but we still have a long way to go. And although there are many areas in terms of repairs and new construction that need work, one area that I would like to call to your attention and perhaps -- I don't know if you put riders on your budget in the city, but the contractors that contract with the city have an obligation through the parks or whatever to make their venues and their services accessible. And that is still often not bothered with. So

I really wish that you could strengthen that part of it. In the area of housing, adapt is very, very strong supporter of the austin tenants' council and all of their programs and none of them should be cut. We are their neighbor and we have many people every single day, tens and dozens of people that come looking for their offices, looking for help. And in this tight market for renting and for housing, their services are extremely critical and I don't think you have a program where you get a better bang for your buck than from them. I very much support their work. And in addition, a no cost way that you could help low income people with housing, no cost at all in the budget, that should be very positive, would be if you did support the non-discrimination based on source of income, that would allow many low income people greater opportunities to find housing. So we really support that.

[04:33:08]

I also wanted to mention in the utilities thing, and I may be the heretic in the room, but people that live in what's considered substandard housing, and I think at least part of my house is probably substandard, I have space heaters, it's very old peer and beam house and you can fill in a chair the floors bend and stuff when you roll through a room it creates. It not a fancy place. And many people are like me and many people even lower income than me live in houses like to that and they have needs to. To say we're only going to help people whose houses are good enough to be helped is the wrong attitude. That is the wrong way to go. Very low income people who live in those standards can't come up to standard and wasting a lot of money on that not doing what is exactly needed is a waste. Thank you very much. >> Mayor Leffingwell: Paul robbins. >> Council, I'm here to speak about next year's budget as it relates to a low income weatherization program run by austin energy. During the obama administration part of the stimulus program was created to install free air conditioners, however, air conditioner giveaways have been continued after federal funding ended. When you add this to the major cost of repairs that many of these homes require the cost can be quite high. According to utility data on 32 homes that I'm distributing that have recently received major appliances, the average cost of a home is \$7,400. Of these homes, one of

[04:35:09]

these homes cost almost \$12,000. Average savings is about \$175 a year in electricity. This is essentially a 42 year pay back on items that typically have a life of 13 to 15 years. You may wonder how a low income home can be able to afford such a high electricity bill to begin with? Apparently many are not up to date on their balance. Many of them are also subsidized by the cap program. And council, I cannot justify this to ratepayers. Nor can I justify it to low income people. 7,400 will provide five homes with basic weatherization to keep those people from freezing to death. This part of the free weatherization program needs to be phased out in next year's budget. It is throwing money at a problem. I also have concerns about the proposal that is wanting to double the free weatherization budget for the next year. You'll basically be doubling their budget in one year and I don't know that you're going to have quality control suffer if that -- I'm concerned that quality control will suffer if that happens. Again, it's throwing money at a problem. There are several strategies that could better serve low income customers, including requiring a mandatory minimum energy standard for all rental units. We do not need a

year long taskforce to figure out how to do this. >> Thank you. Councilmember riley. >> Riley: Is ms. Kimberly still here?

[04:37:10]

>> Mayor Leffingwell: She is. >> Riley: I just wanted to follow up on a point that mr. Robbins raised with respect to the hvac replacement program. I understand from his comments that was that was really begun during the arra -- as a result of the arra funding and is continuing and there are some questions raised as a result of the very long pay back periods we're seeing. Are we continuing that program? Yes, we are, and mr. Robbins is correct. A unique audit, and please remind me what the acronym stands for, is conducted on those homes and those that qualify for the process that was in place during the stimulus funding received hvac replacements. They are very, very costly. We looked at all of the statistics that he quoted, were provided to him through a pir, and that information is publicly available, but yes, it is a very costly program. And in fact, some of the homes that received those hvac units use more energy after the hvac is replaced than they did before the hvac. >> Riley: So I guess the question is why then are we continuing with this very expensive program? >> Absolutely on point, councilmember riley. I would suggest that in an effort to enhance our ability to weatherize more homes with measures that address the adequacy of the building envelope, we eliminate refrigerator replacement. Refrigerators are already very efficient. And hvac replacement. And one of the options that my staff has looked at is using window units, which are much less costly, few hundred dollars, in those homes

[04:39:11]

for customers that are medically vulnerable. And this is an issue that I've discussed with mr. Robbins in the past. I believe you need to reach more homes, improve the building envelope and eliminate those high cost measures which make a program that is already costly even more costly. That is one of the recommendations that you see in the memo that we send out along with the description. >> Riley: So what would it take to effect those changes? >> That doesn't require your approval. It's how we design our programs. It's something that was continued post era in the hopes that it would get to deeper savings. But from what we've seen the average customer that goes through those measures saves roughly 100 kwh a month. And mr. Robbins is correct, some of those customers are in arrears. So it becomes even a more vexing problem. >> So do you expect those changes to the program will be occurring in the coming fiscal year? >> We have asked, we've worked with the customer care folks and stated that anyone that is already in the pipeline, who has already gone through the training programs, the education programs these fiscal year, if if their home qualifies for this year's guidelines they could be eligible, but effective october 1 with the new fiscal year we would not provide those measures. And we felt it was important not to change horses mid stream. That that would be disingenuous with our customers, but effective october 1 when all of the other program changes take effect that that change would take effect. And again, I believe it is in the interest of making the best use of the monies that we collect through the cdc. >> So the bottom line is that mr. Robbins' points are well taken and we are responding to those points in the coming fiscal year. >> Absolutely. >> Riley: Thanks. >> Mayor Leffingwell: Councilmember spelman. >> Spelman: Ms. Kimberly, mr. Robbins was saying there was a 42

year pay

[04:41:11]

back period. If it's numbers like that obviously it's too high. Do you have a pay back period that you use or is it the right metric that you use to identify what's the right level of weatherization for a house? >> In the case of weatherization programs, again given the energy consumption on the part of those programs, they generally don't pass the total resource cost test. They are programs that are undertaken for social purposes. Pure and simple, because you have a needy population. It is part of the energy efficiency program, but honestly you're not going to see a good pay back by providing an hvac unit to a customer. >> Spelman: I understand. We agree on the hvac and on these cases, it seems like. But for window units, for swapping in windows with a higher r factor, things like that. >> With a window unit -- you're making me reach into my back pocket again, but I will say a window unit is in the range of 300 to # hundred dollars for a window unit last time I checked at home depot. So that is going to have a much shorter pay back than obviously the \$7,400 per home with \$174 in savings. >> Spelman: I just wondered if there was a three year, five-year, eight year pay back period that you use as a rule of thumb to say here's the right level, beyond which it doesn't make any sense to spend any more money on this house. >> Typically what we would like to do is to get back to, with all due respect to mr. Reid, to get back to the prearra spend levels of roughly \$1,800, 1200 to \$1,800 per home and allow us to reach more homes than we're reaching right now and shorten the process. That would be helpful. We don't have a rough pay back target for weatherized home. If you do the simple

[04:43:12]

math just on the hvac unit alone you will be looking at roughly five years on that. >> Spelman: Somewhere along the line of -- I imagine you walk into a house and you can say improve the insulation, swap out the windows. There's varying levels of intensity you can do in any house. >> The biggest bang for your buck will come will you through, as you say, insulation, it will come through duct ceiling to ensure that you're not conditioning attic space. It will come through solar screens. All of those sorts of things. The only little tweak that I would add is electric heat strips. Very, very costly. And their heat pump replacement does yield very positive economics. >> Spelman: So general rule of thumb, we'll go back where the pay back period is five years. We have this portfolio relatively cheap and effective things that we know how to do. Let's do all those things until we hit around \$1,400 per house and that's where we stop because then we're starting to get into hvac systems and appliances because we know in advance are more costly. >> Very costly and require inspections. And to martinez's point, you can greatly expand the number of contractors that you can utilize to undertake those measures as opposed to those that require you mechanical expertise. >> Spelman: So we can get through 600 rather than 300 per year because of the contractors. >> It's my personal goal. >> Spelman: Thank you. >> Cole: I have a quick follow-up. How does the change that you're intending to make october 1st in connection with mr. Robbins' recommendation affect the delinquency issue. >> There are really two separate issues, mayor pro tem, councilmembers have noted -- I think there was a plan to speak to the whole issue of arear acknowledges at

[04:45:13]

a ccea meeting forthcoming. And that is a separate process, that customer care is undertaking, working in conjunction with stakeholders to address means by which we can better manage area acknowledges. Areas. >> Tovo: Mayor, if I may backtrack a little bit. Last week's council meeting we set up a low income consumer advisory tax force and among their charges is to look at this very issue of appliance rebate. I guess I would strongly urge the first issue they address is the issue of appliances prior to changing the policy. We are convening that group I hope very quickly to look at how we really have the most robust energy efficiency programs that serves needs across the economic spectrum to that we really are making sure that we're reaching out especially to low and low, moderate income ratepayers with our programs, with our energy efficiency programs. That's again part of our charge, specifically part of their charge to look at the appliance rebate program in part because of Mr. Robbins comments and feedback over the last several months. I would ask that be among the first items of discussion and that that happened prior to a change in policy. >> So points that I would note there. We're trying to balance multiple needs. How can we weatherize as many homes as possible, as quickly as possible. And when you use those measures it increases the cost and it greatly expands the period of time to weatherize a home. And it restricts the number of contractors that are willing to engage in that program. When you eliminate those measures, just those two measures, you're looking at being able to weatherize more homes with a greater number of contractors.

[04:47:13]

And frankly even looking at window units for a small subset of the population you will see savings associated with that and we will be able to point to hard and fast data that speaks to the issue of the energy consumption for homes that receive a window unit or nothing at all. So that helps inform the discussion as well. And I don't have a problem with if we have to modify the program in the middle of the year, but I think it would be helpful to get actual raw data from those homes that go through the full weatherization process just as they did before prearr to see what the savings are so that we can compare the two. I look forward to that community engagement as soon as possible and I do know the discount committees have engaged in some of these discussions. We have a sitting committee that have community advocate, social service agencies that are involved in that. So my preference would be to start at the start of the fiscal year and if we have to change course article of the what the committee makes a recommendation to council on, then I think that's a reasonable proposition. As I said, anybody that's in the process right now will have their homes weatherized at this point next fiscal year this is eligible for an hvac unit. There's a lag time issue. Or a refrigerator, they will get it based on this year's budget assumption. >> Tovo: Did the discount steering committee actually review the data and evidence and they looked at the appliances and -- >> I don't know if they've gotten into that level of analysis, councilmember Tovo, but I'm working actively with JJ and her staff to make sure we stay in sync on that. You will have de facto an overlap that occurs from this fiscal year into next fiscal year because of those homes that are in the process that will receive the appliances because I felt it was again disingenuous to discontinue it

[04:49:13]

immediately when those customers already had that expectation. >> Tovo: I appreciate that. I do think whatever group makes a recommendation about this and did this discount steering committee make a recommendation to eliminate the rebate? >> I don't have the details in front of me. Tv the group that we set up for do the issues do that first. The discount steering committee had been looking at it. >> I know we had discussions in that forum as to the level of gale, I don't know. I've not been there, but it's certainly the sort of thing that we can bring back to them as well. >> Tovo: I would say the group we set up to do energy efficiency a more separate. But I want to clarify that the discount steering committee did not talk about the he will nation of rebate. >> I would have defer to my colleagues at austin energy to see exactly what they recommended. >> Tovo: I think the group we just set up for the purpose of looking at energy efficiency programs comprehensive with particular emphasis on how we can best serve all of our ratepayers across the economic spectrum are the right ones to evaluate the data and really look at how much -- >> happy to do so. >> Tovo: How much energy efficiency savings we're realizing. >> I want to do that, but I also want to spend down the money we have collected as quickly as possible and as efficiently as possible. So I think there will be sort of an overlap period, but look forward to coming back to you to speak to the committee's recommendations. >> Tovo: I wonder if you could address that in a memo that you're providing you us. >> It's because of the provision of those appliances, so imagine an older home that needs a complete change out of its hvac unit and all of the associated infrastructure. Not all contractors are qualified to do that. They're not certified to do that.

[04:51:14]

And the same thing goes with we work with arca in terms of refrigerator replacement. So that adds multiple touch to points. It also requires a mechanical inspection. It requires coordination with cmd and it requires that the customer be there during those multiple visits, which especially for a family living with limited means becomes very, very difficult. If you illustrate the need for those mechanical inspections and you rely on austin energy inspection staff to validate that the digits are sealed properly and the insulation is done correctly, you greatly reduce the amount of time required to complete the the job and move on to the next. So not all of the contractors -- we have five, and frankly one of them dropped out. We're down to four contractors that are doing that right now. >> I appreciate that. You and I and mr. Robbins and shannon on my staff, I appreciate that this is a very complicated issue and it does require a lot of time on the part of the property owner, but it was also my understanding that part of why that was included within energy efficiency is because of a very inefficient hvac system can be a lot of energy lost, which doesn't good for the utility and isn't good in terms of increasing -- or decreasing our reliance on other forms of energy and our need to build power plants and the like. But it's also a great way of reducing its ratepayer bills. There was a reason for including those within. So I -- I believe it needs more discussion. >> Okay. >> Tovo: Thank you. >> Mayor Leffingwell: Jose uriegas. >> Thank you, council I'm jose with the mexican-american resource center and I'm here in support of the

[04:53:14]

hispanic quality of life report. Even though I don't agree with the amount of money that they're requesting, I do support their recommendations. I'd like to take a moment just to address some of the issues that I think need to be brought before the council in regards to hispanic quality of life and the spoke community as a whole. We represent approximately 40% of the population base here in austin. We all know and all of you, especially you council people, know that this community is based on growth. We talk about here is growth. Growth means increase in equity position by individuals, companies or whoever. We talk about equity and how this -- how this country functions. We invest and we grow and we become part of the community. In our community I will give you a very, very sad scenario, but it's the reality of what we have to deal with. If you could imagine what we always consider is an economic pie and you take that pie in your mind and you divide it and cut a slice of it of 40% of that buy, that's what our community represents of the pie. Now, if you take that same pie and you take the sharpest knife you can find and make a slice through it, that one little cut is what represents our economic position in this community. We own as a community

[04:55:15]

less than one-fourth of one percent of the assets of this community. So I bring to you perhaps the most serious issue that has confronted this council and has been confronting this council for many, many years. There hasn't been any kind of a recognizable effort by this community to address that issue. I hear all the problems that are being brought before you. And it's all economics. We as mexican-americans very left out of that economic participation. Therefore you're dealing with poor education, poor health, higher cost of everything in your community because we don't have the assets or the tools required to participate in this economic process. I see how you're very creative about bringing in circuit of the americas. [Buzzer sounds] thank you very much. >> Mayor Leffingwell: Jill ramirez. Jill ramirez. >> Good morning. My name is jill ramirez car in addition dough and I serve as director of community programs for the latino health care forum, reducing health care disparities in vulnerable populations. Here to urge you to support the african-american quality of life. Mexican-americans have the highest disparity in having health insurance. All the recommendations from the hispanic quality of life latino

[04:57:17]

commission focuses on preventive and management of chronic disease. Supporting funding for the affordable care act and other preventive programs through the city health department will decrease the probability that latinos will develop from chronic disease. Having insurance will allow people to work closely with their healthcare providers in home in maintaining good health. Many latinos don't have insurance and they typically wait until it's too late when it's usually too expensive too. An ounce of prevention goes a long ways. Thank you. >> Mayor Leffingwell: Cynthia valadez. >> Good morning. My name is cynthia valadez and I'm here representing lulac, district 7. We're the oldest, largest civil rights organization in the united states. Our fundamental philosophy is to achieve equity and quality at all levels and to eliminate existing disparities that impact our quality of life. For the past few months the latino quality of life commission has been gathering community input that would be incorporated into

its recommendations for the city of austin budget. For this year lulac district 7 supports emphatically the 2014-2015 budget recommendations with the proviso that if additional monies become available these would be earmarked for closing equity gaps within our community of color and of poverty. Specifically support the expanding funding -- expanded funding requests for the 20-year-old sari project, whose founder recently passed, an integral component of their activities includes a targeted youth mentoring program

[04:59:18]

that provides at-risk youth in our lowest scs neighborhoods. The opportunity to use art as an outlet for the energy and creative juices by doing printing and digital heart and allowing them to market their art. Currently the 78741 and 78744 zip codes are the numbers -- where the highest numbers of youth delinquency exist. Regarding the health budget, allow a competent outreach and enrollment program, targeting our latino community of poverty and working poor to help close that health, list parity gap under the aca. There has been no funding spent by the city on expanding educational and information programming to our latino community so that they can understand and enroll in the affordable care act. We're hoping that you will fund such a project under your health budget and that it be ready and poised to go by the november 14th open window. Next open window for enroll: [One moment, please, for change in captioners]

[05:01:47]

>> Cole: Colin clark. >> All right. May I begin? Good morning, council. Colin clark and I'm here today as a parent of a travis elementary student. Travis heights is a proud member of austin interfaith and you will hear later from leaders on austin interfaith. I'm here to ask for austin interfaith first budget priority, an additional 2.2 million for the prime time after school program in place at travis heights and mostly title 1 schools like travis heights across austin, elementary schools and middle schools. As federal funding has begun to dwindle down at the local level and [inaudible] shipping over \$100 million a year out of austin to the state, it does fall on us to provide some of these critical services at our schools where majority of children are living in poverty. So we ask that you increase that funding in this budget and as the [inaudible] make sure this stays in there until the state or the feds can come back to fund this type of thing. Sometimes with budget matters it feels like you are fighting over crumbs and in the scheme of the bigger budget but I also think this council put your last stamp of community values. This will be your last budget all working together and one of our values is our children and education. And when that funding is falling through you can step it and make it better. Obviously with budget questions where is the money going to come from, and I would propose that with austin police department asking for a 20% budget increase, 19.5% increase, we

[05:03:49]

might be better served by helping kids stay in after school programs during the week, that in the long term should probably reduce crime. And if we value education more than incarceration, I think you can

find some funds to keep this program going and help our students at our schools where the majority of kids are living in poverty. You'll hear later from the leaders of austin interfaith about their other budget priorities but I hope you will consider this one. [Applause] >> Mayor Leffingwell: Councilmember tovo. >> Tovo: Mr. Clark, thanks for being here and the others who have come down to talk about prime time. Help me understand this request a little better, though. I was just trying to find my list of recommended funding programs to be funded through the health and human services rfa. Is the request from austin interfaith that funding be identified within this budget cycle or that additional funding be added to the contract for consideration of after school? >> Can I turn that over to someone from austin interfaith? >> Tovo: Absolutely. Sorry. >> Councilmember tovo, thank you. I would say both. Right now as the recommendation is coming from the health and human resources committee do not include the funding for the prime time after school care. That's for next year. So that's a critical, you know, long-range issue that we have for now. But this would definitely be for now, the 21st century, because those are due to expire at the end of -- at the end of -- they have expired. So a lot of schools are going to be without after school programs. If we don't get funding. >> Tovo: And so have those -- and I guess what I'm trying to line up is the

[05:05:50]

request from austin interfaith to fund prime time after school with the request that some members of the school district -- of aisd school district community have requested to support 21st century after school programs. >> Yes, we aligned the aisd to provide as much service as we can. >> Tovo: But these are two separate requests. Am I right in thinking that? And I don't have the amounts in front of me -- >> we have our budget priorities and I'm sure there will be overlap in terms of what they are asking and this would be part of that. So what our prime time after school is additional 2.2 million from current level to expand programming in the number of schools to improve academic opportunities for students. I mean right now it would be great if -- if we could get the funding and keep it as it is. I don't know that the 1.4 million is going to take care of that or not. >> Tovo: Okay. Thank you. I appreciate the additional information, and just to clarify I think the resolution that the council passed, which is identified in our book here as e-5 for the \$1.4 million for 21st is the one that's included this the aisd communities and this is a separate request for after school funding. We have a lot of needs for after school funding. >> Yes, we have the critical now and have to look for next year. >> Tovo: I appreciate your advocacy. I think it's very important we identify additional funds within this year's budget for after school. But we'll have to talk about where and how. >> Cole: Mayor, I have a followup. >> Mayor Leffingwell: Mayor pro tem cole. >> Cole: I just want to make sure we're all clear in the budget requests we have and what process we went through. We have an item, councilmember tovo pointed out, b-5 for the 21st century community program and that's different from the funding that you are

[05:07:50]

requesting for the 2 million. Correct? >> That is -- councilmember martinez, why don't you talk about the history of that and then we can chime in. >> Did this go through the health and human services services committee? >> No. >> Mayor Leffingwell: Councilmember martinez. >> Martinez: Let me help

try to clear this up. The 21st century community center grant program was discontinued in June of this year leaving about 8,000 students in our area without after school programming. So we unanimously adopted the resolution leading up to budget to try to find a way to offset those impacts. The prime time program is through the health and human services r.f.p. Process which we had our first view of that yesterday, and quite frankly there is much work to be done. And you've not heard the end of that. We are not as a committee at all happy with yesterday's outcome. We are resetting for September 16th and my intention was that the baseline would be established as had been in previous years and that we would add to that, and I think that's the committee's understanding as well. But again, the prime time after school program is through the r.f.p. Process. They are funded through the end of this year, I believe, or maybe March of next year. And then this council is set to make those final decisions in another month or two, whenever the subcommittee is done making their final recommendations to council. So they are two totally separate requests. One prime time is through THE R.F.P. PROCESS, 21st Century is through the budget process. >> Prime time has been with the city for as long as capital idea -- >> Mayor Leffingwell: Thank you, ma'am. >> That was our budget priority then. >> Mayor Leffingwell: Councilmember Morrison. >> Morrison: And just to make sure we get the full conversation, we've also been discussing, we've heard from some board members and superintendents ideas of where the city could participate in supporting

[05:09:52]

their work, and that was a charge that we all -- I suspect we all got. And on it it included as possibilities the family resource centers, parent support specialists, communities in school, also mentioned the 21st century grant, and then a radio system. So we've got lots of things on the table. >> Mayor Leffingwell: Mayor pro tem. >> Cole: That's why we're on the topic. We have some resources here. I also have in front of me the request that we received from AISD and it includes the 21st century grant that is already the subject of Councilmember Martinez's resolution and on his item identified for the budget. Now, I'm trying to make sure we're all clear as a body because I don't serve on the health and human services committee, the funding for something like the parents support specialists, would that ultimately have been -- will be included later as part of your recommendations or has not or -- because I thought communities in schools is on this list and I thought it was. >> Mayor Leffingwell: Councilmember Morrison. >> Morrison: I was going to add -- I'd be glad to chime in on that. I don't believe that there was an application from AISD in the r.f.p. Process for the parent support specialist. There was for communities in schools. I'm not sure what the request amount was for and I suspect this is an increase above and beyond what they are currently funded at. >> Cole: So if we were to grant any of the amount to the request for communities to schools, that would be going outside of your process for your other contract. Is that correct? >> Morrison: That's correct, although I just

[05:11:53]

real briefly, turn it over, there is foreseen the possibility of looking at some things that have come up for funding in the interim since the whole process started. So we do have that flexibility legally. [Inaudible] turn it over to the chair. >> Mayor Leffingwell: Councilmember Martinez. >> Martinez: The short answer

is yes. If you did it through the budget process and added that funding it would be outside the r.F.P. Process. Under the communities and schools request, what was recommended by staff and what that actually funds. That's the conversations that we need to have leading up to this final recommendation. There could be enough funding for the parent support specialists in their request, but we would have to look at -- and that's what we just started yesterday. We need to look at what is the baseline request from communities and schools, what is staff's recommendations and what does it cover and leave uncovered. Then that would be a part of the conversation that we have in the budget. >> Cole: Okay. >> Mayor Leffingwell: Councilmember spelman. And I would respectfully suggest that we go ahead and go through the public comment, we have a specific agenda item this afternoon to discuss these requests among ourselves. Councilmember spelman. >> Spelman: At that time I would ask the [inaudible] to give us a blow by blow on what it is they recommend we do with respect to the aid request. You guys have gone through a list, thought about it and have a recommendation for us. >> Mayor Leffingwell: Councilmember. >> Martinez: Just to be clear, we were just given the spread sheets yesterday and in fact they were incorrect spread sheets during the meeting that was given to us and the public so we don't have the exact final recommendations in our hands yet.

[05:13:53]

Staff is working on that. As soon as we get it you will have it. >> Spelman: Will we have it by monday? >> Martinez: We just said we needed correct data asap because yesterday we thought that was the final recommendations and it caused a lot of confusion and concern special. >> Spelman: I feel your pain. >> Cole: I would ask we have by this afternoon what was recommended to the health and human services. >> Mayor Leffingwell: Okay. Councilmember morrison. >> Morrison: It's my understanding that staff did provide to all our offices the recommendations that we got yesterday, but since everybody is here maybe they could get some copies for everybody. And I do just want to add one piece of information that I think we need to keep in mind as we're thinking about within the rfa process or outside, the amount of money total for the rfa social service contracts the fixed. It's the same I believe as it was three years ago and there's no probably to increase it this year. The only difference is a year and a half ago or a year ago we added \$500,000 for head start, and that money has carried over. So just keep in mind this amount of money has not grown at all so the possibility of thinking outside with other money I think needs to be on the table. >> Mayor Leffingwell: Jennifer McFail. >> I'm jennifer McFail with adapt of texas. And I wanted to be on record again supporting the public

[05:15:53]

works budget for sidewalks. Also want to be on record in support of restoring the current funding levels for the austin tenants council program. They do a very vital service to the disability community. So many people on a daily basis come into our office confusing us with them. And if it's an easy solution that we can solve, we solve it for people. But the most complex issues we send them to the tenants council because they are better equipped, they are knowledgeable and very reliable. They've helped me as an individual when I've had problems that were very -- very acute. And they deserve funding. But also the last part of my testimony I want to devote my time to discussing the parks and recreation department

and the lack of accessibility throughout the park system for people with disabilities. There was a lot of talk from fractured community groups about the park system, and one of the few things that they agreed on with us in concert is that the park system is not accessible. There was some confusion on what it takes to make the park system accessible. Specifically to festival beach. Festival beach and fiesta gardens do not need additional sidewalks. What they need is access to the trails and the park system itself. There are accessible parks in that area and I would hate to see you guys redirect money from an essential project like burnet road sidewalks to be able to pay for sidewalks at festival beach and fiesta gardens. That doesn't need sidewalks. So when people were talking about accessibility, they meant probably the trails. That's where some of the most significant violations of the americans with disabilities act exists. On butler trail, the crown jewel of our trail system,

[05:17:54]

and you'll be asked to vote on the urban trails master plan on the 25th of september, and that's for new construction of trails. It's not for existing trails. So it doesn't cover butler park. Or butler trail, I'm sorry. But what we need is a self-evaluation from the parks department so that they can evaluate and inventory all the problems that exist throughout the entire park system. And what they need to do is once they've done that self-evaluation come up with the transition plan, which means they have to have a budget to address those a.D.A. Violations. I painfully, I had to sue the parks department last year, last summer to try to get them to the table to start discussing how they would address accessibility issues throughout the park system. To this day they haven't really come up with a plan. We need you, many of you are going and not going to be -- [buzzer sounding] -- here next year for the budget. We need you as part of your legacy to put this in place, put a plan in place that's funded. >> Mayor Leffingwell: Thank you, jennifer. >> Thank you. I want to settle that lawsuit. I want to get moving on this issue. [Applause] >> Mayor Leffingwell: Next speaker is maria smith. Maria smith. And donating time is charlotte garza. Marie in a smith here? And where is charlotte garza? Just wait. Okay. Gotcha. So you have an additional three minutes. >> And I also have a little thumb drive very quickly. >> Mayor Leffingwell: You have a what? >> A power point. Is there a clicker?

[05:19:59]

Hi, my name is marla smith. I'm the chair of harlandale proposed budget considering funding for a new park at 401 west saint john. It called for a one-time critical expenditure of \$110,000 for initial park readiness and master planning and \$12,525 in annual maintenance of this site. We are here today to ask that you honor this amendment that would so greatly serve the residents of high land in district 4. Our neighborhood spend hundreds of volunteer hours over the last year in discussions with city parks department and university hills optimists negotiating the future of 401 west saint john. Our neighborhood has voted two times in the past year for relocations of this sports program to other fields. Nevertheless, at the urging of you councilmembers, high land agreed to a compromise in which the optimists would keep 93% of their programming on site condensed into one large 1.3-acre multi-use field. Hence we are also seeking an additional \$237,750 for initial park development to create this sports field for the optimists. This figure is the baseline estimate given by pard to create this field. Until the

sports field that the park board recommended and you approved is created at 401 west st. John's, we will be unable to put any park amenities on site. Due to the multiple fields, optimists use currently for their continuing programs, the only way to phase in amenities using neighborhood acquired grants is for the program to halt until funding for this new field becomes available. In order for the optimists to continue playing and for

[05:22:01]

our children to have a park without having to wait until 2020, we need this council to take responsibility. We are not a wealthy neighborhood but we are not looking for a handout. Residents of our neighborhood and sure recording areas are ready and willing to write grants, roll up our sleeves and plant trees and put in the hard work we know it will take to build a park. We cannot do that until the city stands by the compromise they've pushed for and creates a field that the optimists need. This has to happen before anything else can be done to create a park. And we're very concerned that a future council when considering funding may not prioritize these sports fields as this council has done. Our zip code 78752 that of high land and st. John's neighborhood does not have one single park amenity during school hours for over 1200 kids age zero to five. Our district 4 has the highest population of children age zero to nine. We have a median income of only 36,000 per year and 30% of residents fall below the poverty line. We are geographically the smallest of the districts yet the densest. Sadly, our district also ranks lower than all the others in park acres. High land and all of north central austin has been identified as park deficient by the pard gap analysis. Most areas of town have 5% green space while we have less than 1%. The urban austin parks work group report identified north central austin to be in critical need for new parks and said it should be the primary area for initial park infill. Development and testy is going to skyrocket in our neighborhood. Within highland's borders are the crestview and highland transit development, the airport redevelopment, the new

[05:24:01]

highland acc and the proposed urban light rail. All of these require infrastructure and according to imagine austin that means parks. Residents do not need a dirt patch at 401 west st. John's, they need a playground and splash pad where children can play, pavilions and picnic tables where families can gather for cookouts and birthday parties and trails where our older residents can take walks. We have over 400 signatures in support of a park at 401 west st. John's. This is a significant and immediate need that cannot wait until the 2018 bond or later. We've read about other neighborhood's desires for lights for volleyball courts and pools heated in winter. We're not saying these are unwarranted, but in creating a family friendly city, underrepresented children and families in the urban core need to be remembered when making budget decisions too. As we stated we are not a wealthy neighborhood, but we are hard workers. We want the opportunity to secure grants and begin working as partners to develop this site into a park. Highland neighborhood has secured a donation of service hours from a vendor for master planning. We have found a firm that's willing to do the master plan for approximately one-third of the estimated \$100,000 price tag. Essentially saving the city \$65,000. Based upon that donation, we are asking for a total of \$282,750, critical one time expenditures for master planning, initial park readiness

and park development. Riotize for creating the 1.3-acre sports league field as well as \$12,525 from the general fund for annual maintenance of this site. You ask that we make a compromise and we did so. Our children shouldn't have to wait on this park until they are grown because of that. You have asked the densest and one of the poorest areas in austin to take on

[05:26:01]

additional responsibilities -- [buzzer sounding] -- like density and traffic. Thank you so much. Looking for a chance to serve our area. >> Mayor Leffingwell: Thank you. Expect. Councilmember spelman. Councilmember tovo. >> Tovo: I feel like I need to turn it back to you. >> Spelman: I pushed the button but you spoke first. >> Tovo: Thank you for your testimony. This has been a long-term need in this area and I do think it's important that we move forward with some kind of action on this. I would like to ask our staff not now but later this afternoon if you could help us look over these numbers and see, I'm particularly interested in knowing whether we have parkland dedication moneys in this area that could be used for this project. I think it is important. And I also just have to question that 35,000 or 100,000, how much master planning really needs to go on on this site. It's a 4-acre tract. There's a pretty clear sense what has to happen to make it usable for the optimists and for the public and I would like to see us figure out if we can do less planning and more actual work and whether we have some of those funds available within the parkland dedication. Again, those are questions for our staff that maybe we can get to this afternoon. But I do appreciate it. All of the work from the neighborhood and the optimists. That was a real success. When I sponsored that resolution with councilmember morrison and councilmember martinez we didn't know what the end result would be and I think it's a very successful result and you do need a park so getting there is important. >> Mayor Leffingwell: You are asking for a reallocation of existing budgeted funds, correct? >> Tovo: I'm asking to have this discussion this afternoon and to ask our staff whether we have any parkland funds available that would help fund this. I see some of my colleagues nodding. We don't or --

[05:28:02]

>> Mayor Leffingwell: Annie horton. Councilmember spelman. >> Spelman: I have a question. You and your neighborhood have done a lot of work in [inaudible]. You are obviously very committed to having a park. One of the opportunities available [inaudible]. >> Yes, we have looked into it. >> Spelman: Is that something do anything more with or -- >> we have looked into that. We've come up with a list of 17 different foundations that we would be eligible for grants. The problem is this sports field is going to stand in the way of doing anything beyond that. The sports field is \$240,000 and we don't think it's appropriate for our neighborhood to have to raise the funds for a league field that -- I mean we compromised in keeping on the site as it was special .>> Spelman: I UNDERSTAND [Inaudible]. But it might be a possibility if something cooperatively could be done to get that done [inaudible]. Is there a possibility you could partner [inaudible] who are living in neighborhoods [inaudible]. >> The fields? >> Spelman: Yes. >> I don't think so. Because our children, we were not able to find children in our neighborhood that actually played at the sports field. That was part of the problem in keeping the field there the children are coming from all over and outside of austin, not from our neighborhood at all. >>

Spelman: Is there a way that given we need to deal first before [inaudible] if there is a way that optimists club or [inaudible] help with the park in exchange with your help with the field. >> That would be a great deal to look into.

[05:30:02]

The optimists have repeatedly said we do not have any funding, the volunteers. Their program has been declining for the last 10 years so they didn't even have the volunteers to upkeep and maintain the site. They are lacking in funds and volunteers to make that happen. >> Spelman: They are lacking in funds and volunteers [inaudible]. >> Right now they still have use of the majority of the property so there isn't an incentive for them to go ahead and do a lot of work to coalesce into one major multi use field that would be used for all of their sports. >> Spelman: In the meantime, the parks department [inaudible] in order to get the field first and that's a big [inaudible]. >> As it is, you know, their fields were we'll be right BACK IN THE '70s AND There's been improvements since then, but some documents say every fence is in need of repair or replacement. After this amendment was passed to make these changes, the city had to go in and replace lights on one of their fields. So there's still until this field comes through, there's still going to be maintenance that has to happen for this site to even remain functioning at all because it's in such a poor state. >> Spelman: Thank you, ma'am. >> Mayor Leffingwell: Councilmember morrison. >> Morrison: I want to thank you for coming down because we do have, and I guess it's under b-12, some information from staff already about the possibility of funding for this. But it didn't -- and it comes up with a total of 110 for one-time costs and that includes 100,000 for the planning and 12,000 for on going maintenance and doesn't envision the big chunk of change for repairing the field. I just want to throw that out and I know you have huge challenges but I also know it was a couple years ago that your department went through and looked at all the support we're giving for

[05:32:02]

little league and kids playing around the city and we just -- we just extended one agreement with one organization for a baseball field used for the next 25 or 65 years or something like that. So I think that it would be helpful to think about it in those overall terms about how we are supporting it all around, supporting little league all around town in a negligible way. But that would be added to this discussion here that's already been looked at. And just to follow up on councilmember tovo's comments and I appreciate all the comments you made, staff had looked at park and dedication fees and determined this was not going to be an allowable use. >> Mayor Leffingwell: Councilmember tovo. >> Tovo: Yeah, thank you for pointing that out. I guess I would like in our afternoon discussion once we're finished with our public testimony to know a little more about that. I still would like to know what the parkland dedication fees are that would be applicable and whether it would just be a matter of -- I'd like to know - - I'd like to understand better what the language is that we've adopted as council as what would be the method of -- do we have the option in essence, do we have the option of waiving a requirement to allow those parkland dedication fees to be used not for the planning but for the actual work. In essence we are acquiring this tract in some ways because it hasn't been opened for public use for open public use for many YEARS, SINCE THE '70s, It's been really leased out to one user for all that time and so it is -- the

actions we're contemplating would open it up to be a public park in addition to the other uses, and so I wonder if that doesn't fit the spirit of the parkland dedication but not the letter of the law. It would just be helpful to

[05:34:04]

know what fees would feed into that area and whether just explore the language of the parkland dedication. >> Mayor Leffingwell: Annie horton. Next speaker will be dooly doolittle. -- Dorothy. >> Good afternoon. My name is annie horton with onion creek plantation watch program and member of abiding love lutheran church who is a member of austin interfaith and I live on dixie drive in onion creek plantation. And this the affected area by the halloween flood. I'm on the tard board and on the education committee with the long-term recovery of the flood. We had a conversation yesterday in mayor pro tem cole's office and concerning the prevention and preparedness for disasters of the nature that the onion creek halloween flood was. I wanted to let you know that in may we presented this booklet on -- which we spent many months preparing, flood recovery in action, moving toward a safe and healthy future. In that we had described various safety, prevention

[05:36:07]

and training for any neighborhood in -- at risk. And at the stakeholder meetings in july, we were -- we were told that a lot of those things have been put in place. There was a list made with our help through the southeast contact team and that was passed on to the austin neighborhood council which presented it to council. And then the emergency operations control took over from there. And we've been told that the flood gauges have been replaced or repaired and I think three additional gauges were put in place. And then we also talked about having staff gauges that will work when electronics fail. So also last week we were very happy to see the corps of engineer come through with 11.9 million to help with their responsibility for the flood buyout, which is the specific thing that we're -- that I'm representing is the continuation of the flood buy out. And on the austin interfaith priorities for the budget, that is one -- that is our largest item, to find that 78 million to -- [buzzer sounding] -- to continue. The buyout process. Thank you very much. >> Mayor Leffingwell: Dorothy doolittle. >> Thank you very much. I am dorothy doolittle and I'm a member of austin interfaith and also a member

[05:38:07]

of st. David's episcopal church who is a member of austin interfaith. I just want to just quickly reiterate some of the budget items that we have been discussed and some additional. We have enjoyed working with the council and we look forward to working with the council farther on some of those items. First of all, the prime time after school program, we request \$2.2 million from the current level to expand the programs and improve the academic opportunities for students. As far as the summer youth employment program, we would -- are asking for an additional \$1 million from the current funding to increase opportunities for the at-risk youth. In capital idea, we would like to request \$350,000, and this would allow 50 more austin adults to prepare for living wage jobs. Austin group of the elderly, which is

a.G.E., We would like to ask request 7500 for adult day care center to give more seniors a place for -- a safe place to go while caregivers are working. In the parks and -- department, we are requesting \$30 million from the current budget level to upgrade the parks and pools and restrooms and water fountains and possibly on site youth mentor program. For the library, we would like to request \$4 million increase from the current funding to add \$1 million for bilingual literacy outreach and 3 million for

[05:40:10]

children, librarians, staff, emphasizing the east of i-35. In the housing department, we are requesting \$10 million for the affordable and emergency housing construction, strengthen the code, and to improve safety and also for affordable housing in austin. For austin energy and utilities, \$4 million for low-income weatherization to help low-income residents conserve energy and for lower costs and help austin energy reduce bad debt. And then for health department, we would like to request \$250,000 -- [buzzer sounding] -- and I thank you very much and if you would like to have -- if you have not received this, we would like to give this to you. >> Mayor Leffingwell: Just give it to councilmember spelman if you want to and he will pass it around. Next speaker is aralia garza cortez. >> Good morning, council members, mayor and the mayor pro tem. I'm with austin interfaith and our lady of guadalupe catholic church. You've heard our budget priorities for our organization. We are-consist of 40 institutions from throughout the city made out of schools, labor unions, churches, community groups, lots of people. So this agenda has been vetted through our communities, through our neighborhoods and we think -- it sounds audacious, but we've been ignoring the needs of the poor and the needs of poor children for a long time and the result of that is the inequality that we have right now as well as the

[05:42:11]

very high child poverty rate of children zero to five. I mean, we are about to hit the number one mark once more for probably the highest poverty rate for children in that area. It's not something for us to be proud of. [Inaudible]. I am here to talk about, you know, I am very happy that all of you have worked very, very hard and we thank you and we applaud you for all your efforts, but it's not enough because we have a child crisis and a poverty crisis in our community that needs to be addressed by the city budget. And so the city budget that we're looking at is a human development budget that addresses the needs of so many of the people in our community. So how can we begin to reduce the child poverty crisis and how does this budget reflective. We are hoping that you will come to your senses. I know, you know, we get so tied up in all this budget stuff, but I want to quote to you from the chilean poet noble prize winner. Many of the things we need can wait. The child cannot. Now is the time his bones are being formed, his blood is being made and senses are being developed. To him we cannot say tomorrow. His name is today. Please reconsider the fact that what we spend on early childhood for children is so little that according to the united way endorsed by mayors and the judge as well as kurt watson and larry gonzalez, that for every dollar we invest in k-12 overall, the city as a whole is only investing 13.7 cents. For its very youngest children. Now, that is a shame. We can do better than this. We need to do better than this. I mean we are an educated

[05:44:13]

community, and there's no other place that I know that can do this through the public good -- [buzzer sounding] -- apart from the schools than through our libraries. For years we have neglected our communities. >> Mayor Leffingwell: Thank you, ma'am. >> This I we're asking for this money. Thank you very much. >> Mayor Leffingwell: Next speaker the latrice cook. Latrice cook. >> Good morning mayor and council. Before my time starts, I would just like to say I appreciate this opportunity and I appreciate the work that each and every one of you all do. So I just wanted to get that out of the way. Don't let that go against my time. I'm latrice cook, executive founder or minorities fore quality in employment, education, liberty and justice. Our request for the work of our nonprofit that is fully focused on the needs of those who have gone to prison and their families. We are unique because our services are specifically tailored and focused on this population sole and their children and families by providing educational classes that are mandated, community service hours, educational assistance, child support assistance, and we even talk to the families of sex offenders to help them identify needed resources. Seniors who have felonies are doubly discriminated against as well because they are not wanted as an employee due to their age and coupled with those scarlet letter f, felon. We have partnered with aarp, c-step program and have been for about eight years. We have a senior program that works within our office that helps those persons and they are actually paid by aarp but place and we are a

[05:46:14]

host agency and have been for eight years. I want you all to take this as people have been saying about the different issues that are important. This is definitely an important in a crisis issue. We have many people that are returning back into our community that have the -- have the unfortunate thing of having a scarlet f for being a felon. And I had an opportunity yesterday to have someone come into my office and his mother is employed at dps and he is 34 years old. And after visiting with the mother, he will be off parole in october and I personally put this young man who has struggled with meth in my car after I walked over to austin integral care and asked them if they had a program, if they could take him in for treatment. And I put him in my car and for fours hours went to different areas of austin to try to get this young man assistance. I did this personally because the mother was just -- just exhausted because of the challenges she had received in trying to help her grown son. And she left him at my office and we began the process of trying to help him. And even up until this morning trying to ensure that he gets into the treatment facility, even though it's a seven to ten-day stay, but that will get us more time to work to get him permanent housing because he is felon and his mother cannot allow him to live here. [Buzzer sounding] in close, employment is important but it is not the full answer to successful reintegration. Prison is an expensive place to send people to live so our investment in our returning neighbors cannot be meager if they are -- if we are serious about reducing -- >> Mayor Leffingwell: Thank you.

[05:48:15]

Gina hinojosa is next. And anthony marquandt will follow gina. >> Thank you, mayor, mayor pro tem and council. My name is gina hinojosa and I'm the at large board of trustees member. I know it's hard for me

to speak in three minutes. I promise I'm not back there fermenting unrest, I am here because aid is in trouble. Our students, our school students are in trouble. We have within the last four years cut \$75 million from our budget because of draconian cuts by the state. Because we are a property rich school district we have to send this year \$175 million back to the state and that amount grows every year. We are sitting on a \$20 million structural deficit. When I first thought of the idea to try to get to partner with the city for this money, I went to councilmember morrison and I said we need, like, [inaudible] from the city. She didn't fall out of her chair but said that would be a lot so we've come back a proposal and I'm sorry I haven't had a chance to meet with all of you. I think some dental emergencies got in the way of some of our scheduled meetings. But what we're trying to do now is piece together a plan that will help us get through the next few years with -- with looming cuts. And so we have a program -- we have services that our social services that we're asking the city to consider funding because of our robin hood status, we have to

[05:50:16]

charge the taxpayer twice as much to pay for these services as the city would have to so it's really not a good deal for our taxpayers for us to provide these services when the city can, but these are much needed services for our students and families. We're talking about family resource centers which have -- which have had amazing success at some of our schools. Webb reagan are some examples. We're talking parent support specialists to like the PTAs AND THEIR SCHOOLS Where low-income schools parents are working several jobs and don't have the time to engage in that same way. Councilmember martinez, thank you so much for your work on the 21st century after school programming bringing that -- I learned that through one of your press conferences and we desperately need that funding. Councilmember cole, I want to thank you for -- for speaking up on behalf of our parent support specialists at a hearing last week. Those are needed services for our families. And so we are going to have to make more cuts and those cuts are going to necessarily -- [buzzer sounding] -- be to kids and families unless we get help. Thank you very much. >> Mayor Leffingwell: Councilmember morrison. >> Morrison: Gina, before you go, I wonder just to help put it in context, you said over the past four years you've cut 75 million from your budget. And that is the total budget that got cut from? >> What is the total? Our budget, it's over the last four years. So I don't know, it's changed every year. But -- >> Morrison: Is it about this the \$800 million range? >> Yes. >> Morrison: That just gives us a firm context. >> Mayor Leffingwell: Mayor pro tem. >> Cole: Gina, you've presented us with an ask of almost 5.5 million. >> Yes. >> Cole: And we also have

[05:52:18]

the 21st century learning program that is part of that 5.5 million. Can you help us to -- assuming that we're not able to do all of this, could you help us prioritize these for the district? >> I can't prioritize, but what I can tell you is a little bit about what you had asked me in our meeting, what's the most beloved. The parent support specialists. We've had families and mr. Reyes was here earlier who has come to us and said we need our parent support specialists back. We've had to cut them in the last three years because of lack of funding and they are not able to have the same impact on our school pluses

campuses. That one is very important. The after school programming, it's essential and now with this talk of loss of potential prime time, that -- that adds to it. It very scary. >> Cole: Let me ask you this. You've also explained the parent support specialists were for the schools that receive title 1 federal funds? >> Yes. >> I guess I just want to -- and it's for 72 campuses. What if we did fewer of those campuses, is this more of an equitable number? >> So the question is -- >> Cole: This is a citywide. >> This is citywide, yes. >> Cole: And these are title 1? >> Yes. >> Cole: And what does that mean? >> So that is where over -- I don't remember the -- I think it's 80 some percent of our kids are economically disadvantaged. I can get that exact information. >> Mayor Leffingwell: Councilmember tovo. >> Tovo: I have a couple quick questions for you.

[05:54:20]

On those sheets that you and the other representatives from the school district presented, it talks about the family resource centers and the estimated impact is 4,632 students and the dollar amount is 500,000. >> Yes. >> Tovo: Do you know whether the 200,000 from the county and the city is included within that number? We passed a resolution in june to identify \$100,000 from the city of funding for the resource center and it's my understanding the county passed a similar resolution for 100,000. Is this 500 in addition to that too or is the -- if you don't know the answer, maybe we could get to the bottom of it at some point today. I have my staff who has been trying to track it down but then here you are. >> Yes, I'm happy to answer that question. The original -- the amount that you've already approved is not included in this 500. So this is in addition to that. >> Tovo: The 100 from the county and 100 from the city? >> Correct. >> Tovo: It's my understanding of the 100 that our council supported 55,000 has already -- is hopefully enroute to aids so that they could open up that resource center for the start of the school year, but we still have a gap there [inaudible]. >> Yes. >> Tovo: The after school programming, the number -- so in june or april, as you know, we also passed a resolution related to 21st century after school programming. That number is a little different from the number here. >> I don't know why that is. I have the -- the list of all -- everything that's funded by that, if someone could use it, I only have one list, but I'm not sure what the difference is. >> Tovo: That might be

[05:56:21]

helpful, but just to follow up on that earlier resolution, the resolution talks about 2617 local students losing services. So have those students lost service this fall? >> Yes. That grant expired. >> Tovo: But if the city were able to identify funds would be able to be served this year with after school programs. >> Yes. >> Tovo: And you have provided me with a copy of the schools served by this and I would be glad to -- well, I'll just read theme, east side, travis, martin mendez, pierce, webb, almostry schools allison, bearing ton, blanton, govalle, paris heart, palm springs, perez, pickle, rodriguez, brown, [inaudible]. And those are the schools so at all of those schools those students are lost their after school programming. >> Yes. >> Tovo: Thank you very much for being here. >> Thank you. >> Mayor Leffingwell: Councilmember martinez. >> Martinez: I just think the resolution and where we are today there may have been some nonaids schools that somehow got into this because del valle was impacted and manor and pflugerville. When we did the resolution, our figures came out to 1.4, but we certainly like your

number better. >> Thank you for the clarification. >> Mayor Leffingwell: Anthony marquandt. Is anthony here? >> Mayor, he had to leave for an appointment but I will -- >> Mayor Leffingwell: Councilmember martinez. >> Martinez: Tony had to leave for a meeting that he had previously scheduled so I told him I would request that he be able to speak to us later when we take up questions or concerns.

[05:58:22]

>> Mayor Leffingwell: Next speaker is adam con. He's our last speaker and after this we will close the public comment period. Congratulations. You are the only speaker signed up against the budget. >> I am aware of that and I guess it's 11:58 so good morning. My name is adam con. I am coming up to speak against the proposed budget. Austin faces an affordability crisis because this lame duck city council regulates too much, spends too much and taxes too much. That's why we passed 10-1 this the first place. Instead I encourage this council to adopt zero based budgeting. Zero based budgeting would require city departments to justify every penny they spend. Rather than treating current spending as sacrosanct they would start from scratch. This epitomizes why it is so essential. Special -- the hard working taxpayers who pay for them are too busy working. Zero based budgeting would give hard working taxpayers a seat at the table. Conventional thinking won't solve austin's affordability crisis and I encourage the council to adopt zero based budgeting. >> Mayor Leffingwell: Thank you. That concludes the public comment part of the budget hearing required by state law. Is there a motion to close the public comment portion of the hearing? >> So moved. >> Mayor Leffingwell: Mayor pro tem cole so moves. Councilmember spelman seconds. All in favor say aye. >> Aye. >> Mayor Leffingwell: Opposed say no. The public comment part of the budget hearing is closed on a vote of 7-0. We'll vote to adopt the

[06:00:22]

budget for f.Y.14-15 on MONDAY, SEPTEMBER 8th, 2014. If we do not adopt the final budget on september 8, we'll continue the process on september 9th and/or september 10th if necessary. Meetings will be in the same room, town lake center, 721 barton springs road, austin and will commence at 9:30 a.M. Monday september 28, tuesday september 29, 2014, and WEDNESDAY, SEPTEMBER 10th, 2014. Without objection, the council will now go into closed session to take up one item pursuant to section 551.072 of the government code. The city council will discuss the following item: Item 4, real property acquisition of approximately 75.1 acres located at the intersection of bull creek road and 45th street. Without objection, we are now in closed session.

[06:04:17]

[City council is in executive session].

[06:08:59]

. [City council is in executive session].

[06:16:27]

[City council is in executive session].

[06:51:10]

>> >> >> >> >> >> >> >> >> >> >> [city council in executive session].

[06:54:31]

Coalesse, coalesce. [. [City council in executive session].

[07:49:46]

>> Mayor Leffingwell: We're out of closed session. Out of closed session. In closed session we took up and discussed the property issue related to item 4. So we'll now take up item 2 to conduct the second and last of two public hearings to receive comments on the proposed maximum tax rate of 48.09 cents per 100-dollar valuation for f.Y. 2014-2015. And we have several speakers signed up. First is david king.
>> Thank you mayor, mayor pro tem, councilmembers. My name is david king and I live in the zilker neighborhood. And the -- the ad valorem tax is obviously a function of the budget and debt but it should also be the function of the taxpayers' ability to pay the taxes. That should be a component to pay. If we are not able to afford the taxes -- and I realize the rate is not going to go up, it's going to stay the same or as I understand, but nevertheless the budget is going to cause low and middle income families to pay more out of pocket for that same service level. So they are still going to pay more. And with property taxes going up, they are still going to see more of a burden on their ability to pay. So what I would suggest is that we, you know, understand that the low and middle income families are experiencing a perfect storm. Their incomes as I said earlier are flat or falling and at the same time all their expenses are going up so that gap is getting wider and wider. And so I hope that we really understand that and that we make these decisions on the budget and the taxes that reflects that reality. So one of the things that we could do to help keep the expenses down is to

[07:51:47]

eliminate 50% of the unfilled vacancies. As I understand we have a large number of vacancies consistently in our city budget. And that money is roughly \$60 million. And that money is intended to fill -- be filled with people who are providing services to our citizens. So with that many unfilled vacancies, our service levels are being affected negatively. If we're not going to fill them, then let's cut them back and let's use half of that money, \$30 million, to reduce our budget. And provide more funding to tcad. Every dollar we give them I believe will get a multiplying effect back. More able to get market value appraisals for commercial properties. So I hope you will fund them to the level they need so they can do a good job in collecting our taxes. And then I would ask that, you know, remind you or let you know the real values for texas austin lost over \$760 million in property tax revenue between 2008 and 2013. If we

can get that gap closed, that could help with our budget and keep our taxes for our low and middle income families down. We should implement a new parkland fee on all commercial projects, h.U.D., density and economic development deals to help fund our parks. And we should ask those 20% who have benefited most from austin's prosperity to give back to the community. We should have a community fundraising effort. The austin had about \$25 billion in income in 2012. If they earned half of that, that means the top 20% of the families earned \$12 billion. If we ask them to give one tenth of one percent back, that would be \$12 million that would help our parks and fund the services that we so badly need. Thank you. >> Mayor Leffingwell: Paul robbins. Paul robbins.

[07:53:48]

Adam con. Adam con. Those are all the speakers that we have. Is there a motion to close this second and final public hearing on the city's proposed maximum property tax rate? Councilmember martinez moves to close the final public hearing on the city's proposed maximum tax rate. Is there a second? Seconded by councilmember morrison. The final hearing on this -- the final public hearing on the proposed maximum tax rate is closed. Council will vote to adopt the actual property tax rate for f.Y.2014-2015 on MONDAY, SEPTEMBER 8th, 2014, here in the assembly room, town lake center, 721 barton springs road. After council adopts -- after council adopts the final budget. That meeting will be at 9:30 a.M. If the final budget is not ADOPTED ON SEPTEMBER 8th, The process will continue to september 9th and september 10th if necessary. That brings us to item number 3. Discussion on the f.Y. 2014-2015 budget. Just to start -- do you have a brief presentation or -- >> I do, sir. >> Mayor Leffingwell: Okay. Go ahead. >> Good afternoon, mayor, mayor pro tem, members of council. Ed vanino. Council's final opportunity to discuss a variety of budget priorities that haven't yet been addressed in the recommended budget many of which we heard today during public testimony.

[07:55:48]

Staff has prepared for council a budget adoption binder and I kind of just wanted to give you a short presentation on what's included in the binder, the information that's in this fairly thick binder that we've provided to you. We've really broken it into three tabs. The first tab being a summary of staff amendments to the recommended budget. These would be amendments that we will formally bring forward to council for consideration on SEPTEMBER 8th. These will be amendments that will become part of staff's recommended budget for council consideration next week. At this time they are all related to austin energy. A slight increase in their power supply adjustment which would increase their revenue by \$516,670 and a decrease in revenues related to change in regulatory charge. This would get them in compliance and also affect the calculation for the houses of worship rate. The details of all those changes are included in the tab a of your binders. Tab b then is a collection of all the various items from council, funding initiatives that have come up over the course of the fiscal year. There's 30 distinct items in that list totaling just shy of \$110 million and we broke out out by one time costs, general fund costs, other operating fund costs and then capital items being the largest piece of that \$96.3 million. That document was initially published on august 7th and one of the challenges that we face when we're trying to get out as much information to council as early as possible is that there's inevitably changes. So

we sent out an update to that document on AUGUST 29th. It been going around to all the different council offices to make sure you received the updates and the updates have properly been put into binders in correct order. I think we're all on the

[07:57:49]

same page there. There have been a few updates since august 29th even so I highlight those here. We do not have backup information for these items yet, but we have included them on your summary sheet. One of those items was more the jazz fest. At the august 28th council meeting council asked us to try to identify funding alternatives in support of the jazz festival and funding related to the early warning system. Finally I wanted to make sure there's clarification on item 1.9. This item pertains to the living wage, tab b-9 of your budget binder. You will look under that tab and there's one of the scenarios we've run for council would be an \$11.39 living wage. That would have a cost of \$2,000,069. It has a slightly lower amount so you are seeing two dollar amounts for that scenario. The correct amount would be the 2,000,069 and that's been captured on the summary. >> The final document, tab c, are funding alternatives if staff would bring forward for council consideration as you are looking for ways to fund some of these priorities. The first would be looking at budget stabilization reserves, a pot of fund we use to fund things of a one time nature. In our proposed budget staff is recommending the use of a little more than \$29 million of those funds for a variety of capital replacement items and we have provided you with a list of what all those items are. So one of the handouts we provided to you this morning details what the \$29 million stabilization reserve is being recommended for usage -- staff's recommended the budget are for.

[07:59:51]

The reserves shall not be drawn down by more than one-third. The proposed budget includes \$29 million. The third amount of that one-third drawdown would be \$32.3 million so there's \$3.3 million of funding that we could tap into to fund things of a one-time nature while still being in compliance with that council policy about the use of the reserves. [One moment, please, for change in captioners] >>... Tax collection, this is simply the assumptions that we make in the budget process about what percent of our actual tax levy will we collect. It has been coming in strong for several years, we feel very comfortable that -- that we could increase that collection assumption and generate an additional \$2.4 million of property tax revenue. And still have a conservative estimate for you. The next couple of items have to do with council may remember that staff recommended a number of changes to our cost sharing models. It was a total of \$10.9 million of costs that we were proposing to shift from our enterprise operations to the general fund. One of those being the sustainability fund. This is something that staff

[08:01:52]

recommended to council last year to begin transitions or enterprise departments away from the sustainability fund and transitioning those programs into the general fund, also council chose not to do

that. So this would again be that option to -- what staff -- what staff is -- has proposed in the budget is to stop those contributions from the enterprise department from the sustainability fund, take all of those programs and move them to the general fund as a \$4.8 million hit to the general fund and a \$4.8 million savings to the water utility. So it is something to consider and -- in terms of looking for ways to -- to pay for things. Of course that particular item would have a significant impact on the water utilities ending balance of \$4.8 million ending balance and, you know, I would like to also make clear that this was a recommendation of the joint subcommittee that's been working with the water utility on their rates. One of their recommendations was to eliminate the water utility's transfer to the sustainability fund. So this option would be going against that recommendation and again with -- with -- would impact the water utility's cash ending balance. The next item would be to reinstate Austin Energy's reimbursement to the police department for homeland security defense services. That would be \$403,764. Again, that's something that the -- that the utility has been paying in the past years and in this budget staff has proposed to eliminate that payment and to have that fund be funded directly out of the general fund. And then the final item would be to eliminate fee waivers for city sponsored events, that's just shy of a million dollars a year of additional revenue that could come into the general fund to help offset the cost of those events. In total, \$3.3 million of one-time costs, 9.6, \$9.7 million of ongoing options. And then finally, some of the biggest ticket items in the -- in the list of council funding priorities were related to capital

[08:03:54]

items and particularly things like the floodplain buyouts at \$78 million and new kennel at the animal shelter. Staff's recommendation would be to have council look at certificates of obligation specifically when issuing debt to fund those items for \$94.6 million. So that concludes our presentation, that's just a reader's digest version of the binder that we've presented to you. And then staff from all of our departments are here to help answer any questions you have and to help facilitate the discussion. >> Mayor. >> So let me just ask you a couple of quick questions here. What I'm getting is what could be interpreted as in excess of \$3.3 million. It could be drawn down from the stabilization reserve and still meet council policy. Plus \$1.1 million in additional revenue based on the latest -- the latest appraisal values. And did I understand \$2.4 million -- the \$2.4 million, where did that come from? That came from assessing our sums for our collection rate. >> Mayor Leffingwell: Collection rate, yes. >> I think that's a pretty safe bet. >> So that adds up to a total of \$6.8 million? >> Yes, sir. >> If all of that were to -- were to be used for property tax rate reduction, do you have an idea or roughly where that would put us? >> I can do that for you real quick. ABOUT 6/10thS OF A PENNY. >> ABOUT 6/10thS OF A Penny. So -- so we don't -- let's see, that would come off of 48.06, right? 48.09. 48.09.

[08:05:55]

So that would be 47.49. >> IF MY 6/10thS OF A Penny is about right. >> Mayor Leffingwell: So along with the revised appraisal rates, that had to affect the effective tax rate, which was ... Let me see if I've got that somewhere. The effective tax rate was 46.06. So what is it now? >> The effective tax rate is really being driven by the certified tax roll. So it changed to 46.06. That's the final. >> Change it downward,

right? >> Yeah, but the 46.06 is already the amount. >> That's including that revision. >> Okay. >> So -- so -- if we used all of the money available for property tax rate reduction, we would still be LOOKS TO ME LIKE 1/3rd Cents over the effective rate. >> I think that's right. I just wanted to get that straight in my head. >> Martinez: I wanted to say on the property tax revenue projections, the budget was built at 5% sales tax, is that correct. >> Yes, sir. >> Martinez: So this is property tax revenue. >> Yes, sir. >> You are not adjusting the sales tax projection of 5%? >> No. We're projecting, when we put the budget together we projected we would end the current fiscal year at 7.2%, then 5% growth from there next year. 7.64% as of our last sales tax payment. We are tracking very closely with 7.2, continue to recommend 5% next year based what we have heard from our

[08:07:57]

economist john hockenyos. >> I guess that I am extra surprised we project property tax will increase historically when we know that we're headed for a year of very strong conversations to legislation affecting the property tax code as to potential protesting property tax valuations next year in terms of commercial and residential, so what -- what percentage were you projecting it in this budget as an increase over previous years and what are you raising it to now at the end of this budget process? >> I think at the proposed tax rate of 48.09, and this comparison is relative to what we're estimating we're going to end the year, so that's -- that's based on the most recent information. 20.2 million of additional revenues is what was included in the proposed budget. The first of those tax -- of those property tax revenue items is just a matter that the certified tax roll came in higher than the number we estimated in -- when we gave the proposed budget to COUNCIL ON JULY 31st. So that 1.1 million is the result of certification, taking into account property values and property value loss through the appeals process, that's all been done. That's worked its way through the process and the result was a little bit more revenue at the rate of 48.09. The second line item is maybe akin to our sales tax assumption. We're making an assumption on sales tax about what's our sales tax revenue growth going to be next year. We're making an assumption in that second line item based upon our recent history about property tax collections. You never collect 100% of your tax levy. But the evidence is that we've been collecting more than what we've been assuming. So we are trying to true up that assumption in order to, you know, create a funding pool for some of council's priorities. >> Mayor Leffingwell: Additional priority that I just suggested was property tax rate reduction.

[08:09:59]

Councilmember morrison? >> Morrison: Well, first question maybe I spaced out and didn't hear it, when you are looking at this property tax rate reduction, did you add in the -- the one-time funding, the 3.3 to the ongoing funding to do property tax reduction or did you just calculate it based on the ongoing? >> I was doing it based upon the mayor's calculation of 6 point something million. >> Mayor Leffingwell: 6.8. It was included the \$3.3 million out of the stabilization reserve so bring it down to exactly one-third, included the \$2.4 million increase due to expected improved collection rate and included \$1.1 million resulting from the revised appraisal. Adding up to 6.8 million. >> Morrison: I got that. So the question that I have is the -- the realism, the staff perspective on -- on reducing our property tax rate based on

one-time funding. Could you speak to that? Please? We don't -- >> we have [multiple voices] >> within the last year, the prior year that staff perspective would be using one-time funds to lower the tax rate is not our preference. I would not in our mind be a sustainable option because once those one-time funds are gone, the tax rate is going to have to eventually go up. >> Morrison: I know that there was a call like when we had a surplus before, the question is do we spend it on certain things. Do we save it or do we use it to reduce the tax rate? And the -- that's the same kind of thing that we did not use it to reduce the tax rate. >> Surplus funds, our reserve funds should really be used for one-time purposes. And, you know, tax rate decreases is not really a one-time thing.

[08:11:59]

>> Gotcha. >> Morrison: Another question that I have is I appreciate you scrubbing to look for funding. Because I know there's a lot of very -- very -- well a lot of issues on the table that -- that have been brought to us for community needs to be served. But one of the ones, the reinstate austin energy's reimbursement of the austin police department for homeland defense services, that's one of the things that we discussed sort of more generally at one of our work sessions recently, that there were some -- some of those changes and this wasn't the only one. We also, I remember, watershed protection used to fund the fire department for hazard mitigation and maybe some others that were sort of like that in terms of enterprise funds, not the water utility, because I know the water utility obviously is in a specific situation. But I wondered if there were special concerns about rolling those back, too. Why didn't they get added into the possibility or did you just try to get some number up to 9.6 and then you quit? >> Some of those were, have already been reflected in the budget process. Some of those suggestions. >> Morrison: Right, but I'm talking specifically about, well, for instance, hazard mitigation being paid for -- it used to be that watershed contributed funds to the fire department and now the -- that's been rolled back and the fire department is having to do that. >> If you go under that -- that tab c near the end of the binder under subtab 2, so c 2, you will see a table and the table is something that we shared with you in one of our -- I think in our budget overview presentations. You can see all of the \$10.9 million of savings to the general fund and the enterprise departments that used to pay for those costs. The ones that we highlighted

[08:13:59]

there, the staff for a variety of reasons would recommend -- maybe I should stop to say, you know, staff proposed all of these changes for a specific reason. We think that the changes we're proposing are sound and really should be made. I guess the ones that we were highlighting in gray on this table we felt were particularly problematic to -- to undo. We tried to provide some of our rationale there. But in regards to watershed, they are right at -- they have a reserve policy of -- of 30 days and they are right at that reserve policy of 30 days. So if we were to reverse that change, they would be below council's reserve policy or they would have to increase their rates. Similarly in the resource recovery department, director geddert earlier in this budget proceeding talked about how they are projecting they are not going to meet their council established reserve level and there's reasons for that and trying to mitigate rate increases. But undoing those things would push them even further below their reserve

requirement. And so there's a number then that we have felt, you know, if we were -- if council's desire was to -- to look at some of these changes that staff is recommending in our budget, was looking to undo some of those to free up funding for other priorities, we are trying to -- trying to prioritize them for you to some degree, I think. >> Morrison: Thank you, that's very helpful. >> Then I guess that I would like to ask how we're going to proceed, I had sort of general comments that I wanted to share with my colleagues. Then in addition there are some other items that I would like to be able to have us consider. Next week. And I think it would be helpful for there was a time, I want to make sure we share time. If everyone could throw out if there are other items to make sure any questions get answered but also make sure that we can get clear with staff, the help that we might need to add more

[08:16:04]

consideration. >> Mayor Leffingwell: Well, I guess this is kind of an open forum type of thing. I would like to say one more word about the tax rate. I appreciate your comment. You don't think it's sustainable to use excess money that we've identified to lower the property tax rate. But people can -- it is their money. The people who paid the property tax, this is their money. So if it's not in the budget, I think a reasonable thing to do is return the money to the people of Austin. I really think we have to consider this strongly. There's been a -- a strong ground swell for property tax reduction in several different forums, homestead exemption, so forth. We have seen Travis County set the bar. They actually had an effective tax rate reduction this year, just about a week ago. We're still, even if we used all of the excess money, we would still be above the effective rate by 1.33 cents. So I think the reason I'm saying this is I think it's a viable consideration. You may not like it as a -- as a financial policy, but I think the -- the rights of the taxpayer kind of outweigh that recommendation, in my view. Councilmember Martinez? >> Martinez: I certainly appreciate the conversations about what we do with budget stabilization reserve, but I think under that logic if you think that we could use the budget stabilization reserve, which is one-time funds to lower the effective -- to lower the tax rate, why wouldn't we put all 31, \$32 million towards a homestead exemption? >> Mayor Leffingwell: Because we have a policy to maintain one third of -- the one-third amount in the stabilization fund. I'm not hooked up on that. I would be, my second choice would be to maintain that 3

[08:18:06]

point million dollar surplus in the policy amount, in the stabilization reserve, just because we have a little bit more money in our reserves, doesn't mean that we're obligated to spending. >> As you are advocating that we spend it on lowering the tax rate. >> Mayor Leffingwell: I said that is my first preference. My second would be to leave it there. >> Martinez: The other point that I wanted to make about budget stabilization reserve. This year we went through the process and we were told that we really weren't going to be presented with unmet needs. So we kind of had to ask staff as they came up, what's your unmet need? But here we are with a \$29 million expenditure in budget stabilization reserve that this council really had no input in whatsoever in terms of priorities. And while I don't know that -- that this is not needed in terms of equipment, but when I see \$17 million of that 29 for replacement of fleet vehicles, and multi-millions of dollars in replacement of, you know, police department, fire, e.M.S.

Vehicles, I just think that it is still a council prerogative and a policy decision to determine if we're going to spend budget stabilization reserve, how that money is -- is not just spent, but built into the budget to be spent. So that to me is a concern, but it's here, it's before us. And so -- so I certainly would like to at least start with budget stabilization reserve and the highest ticket item being the \$17 million request for fleet services throughout the city. Because it seems like we would build a budget at fleet that contemplated a turnover of vehicles and not just wait for a one-time windfall of excess sales tax and then come forward with this enormous hundreds of vehicles request. So I'm just trying to figure out what do we build in, in terms of anticipated replacement costs and then how does that match up with the request that's in the one-time expenditure

[08:20:08]

requests for this year. >> Mayor Leffingwell: City manager? >> Councilmember, I will agree with you that certainly the council in terms of the use of budget stabilization reserve funds that enjoy some prerogative to decide ultimately how those are spent and how they are used. I don't think that's been taken away from you. You are at a point now where you get to make the final decisions, but what's recommended in the budget in regard to the utilization of these funds are based upon the various businesses, the benefit -- that are going to benefit from how they are being proposed to be spent. But again, council still enjoys a prerogative to make changes, if you wish. So just as much as, you know, I mean we have a responsibility to formulate, you know, a recommendation in terms of the next fiscal plan. That's what this is, that's inclusive of the utilization of these funds. >> Martinez: I acknowledge that, I acknowledge that we have the right to change this from policy perspective and I acknowledge the right that you have to request this of council as your needs are -- are not being met or -- are, you know, have to be funded for ongoing years. The gap is, the gap lies between those two and that is what are your needs, how do you justify and then how does it get built into the budget. The way it's been presented to us today is here's \$29 million in expenditure, we are saying as staff this is what we really need. You have the right to take it away if you want. I don't want to take it away. I want to justify it and I want to understand how we go about justifying it because when I look at a department-like fleet, I would assume that there's an inherent projection of replace. Of vehicles on an ongoing basis. I would assume that that would be built into the general fund request of those departments and this seems like an anomaly or an

[08:22:08]

outlier that 246 vehicles are being requested in one given year as a one-time expenditure. >> I would just submit what we're talking about this fund or any aspect of general fund requests, they are not arbitrary, you know. So there's -- there's a reason and there's a rationale behind why city staff makes the request that they make in regard to the budget, the budget that's being proposed today. So they are not arbitrary. We are talking about stabilization fund, we are talking about any department relative to the general fund or any enterprise operation, rationale. Business rationale for why they prepare their budgets the way that they do. >> Martinez: I think that's what I am asking. What is the business rationale for a department-like fleet to not anticipate building in 246 replacement vehicles within their

normal budget requests as opposed to a one-time expenditure. >> This -- this pot of money, this budget stabilization reserve in the city of austin and, you know, different cities are structured in different ways, they handle things like this type of equipment in different ways. But in the city of austin question of relied upon this budget stabilization reserve and this policy that council has approved of drawing it down by no more than one third in -- in any given year as -- as being really the primary funding source for this type of equipment. And it does ebb and flow. You know, kind of the standard process, staying focused on fleet is, you know, vehicles will hit some time frame where they are up for review, they are up for consideration for replacement. But that doesn't mean that they automatically get replaced because they're up for consideration. The fleet department will do a review of those vehicles and assessment of those vehicles and make that recommendation as to whether or not they really are at a point where the most economical thing to do would be to replace them, the cost of keeping them in the fleet is really starting to not warrant. It would be cheaper for us to get a replacement vehicle. We are not always able to

[08:24:10]

accommodate every replacement request from the fleet because the amount of money that's available in our stabilization reserves does tend to ebb and flow and fluctuate. We will sit down with the police department and talk about it, talk about what are all of the other needs in the city. Sometimes that list of replacement gets scaled about. 17.9 million is a higher amount than we have done in past years. A, because we have more funds to do replacements this year and, b, because during some of those lean years in 2009, 2010, 2011, we were pushing back that replacements, that fire truck can go one more year than used to, police cruiser one more year than maybe would be ideal. I think we're at a point now really where the fleet is struggling, the fleet needs to be improved and -- in certain areas and so that's where that number came from. We can certainly give you the complete list of what those 246 vehicles are and I know your office has asked for justifications for all of these item and we have that justification. And so this came late yesterday. Compiled a list for you on short term. The actual list for justifications with all of these items will be getting posted later this week through our council budget question process. We do have fleet staff here if you want to talk more about their review process, which vehicles need to be replaced, can be extended for another year or two. >> I don't think it's really -- not just about justification. I think it's just about the public conversation leading up to adoption of this budget, which in my opinion it has been completely left out. As it relates to \$29 million expenditure. Again, I don't believe that it's not a -- a request that you all would make if you didn't need it. I just think there's a gap in the conversation at the council level as to how that \$29 million expenditure is built up. Based on just your short response, it makes sense. That we've been in an economic downturn in 2007, 8 and 9, we may have deferred

[08:26:11]

replacement and purchases. We just haven't been shown what the needs were that went unmet, the needs with this abnormally large request in any given year. >> Cole: I want to follow up on that line of questioning because I certainly appreciate what the councilmember martinez is asking, but I want to ask

kind of the opposite of that. Not just what this is made up of but what was left off. I know e.M.S. Had a demand unit that was not included, my understanding, on this that you recommended. How did something like that get left off that's being contemplated by several of the employees. >> I believe the demand unit came through that unmet service demands process. Again that was a process that early on we said that the focus of this budget from a staff perspective was going to be on keeping the tax rate down and utility rates down and so we chose to forego the unmet service demands process than been mentioned. Council asked to see that list at departmental unmet needs. I believe the demand unit was on that list of unmet service demands, but it did not get incorporated into staff's recommended budget. Again the focus was really on what could we do to keep our tax rate as low as possible this year. Hit been approved, though, the funding for -- had it been approved the funding for the actual ambulance unit would have been on this list, staffing in the operating budget but the actual ambulance to the tune of a couple \$100,000 would have been on the one time critical list. [Indiscernible] that's how we would have paid for it. The vehicles for the 59 new police officers, the police officers is something that is part of staff's proposed budget. In our operating budget but the equipment that -- to get those officers on the street comes out of this critical

[08:28:14]

one-time fund. >> Go ahead. >> Go ahead. >> Just I guess I just want to address this issue of not, you know, council not having the opportunity to delve into the details as was characterized earlier. But once we deliver our budget recommendations, there are subsequent meetings that we have. There's a long list of departments that, you know, make presentations and that's -- that's frankly really the opportunity to dig down into the details to understand the rationale and the business reasons associated with why jerry, for example, in fleet has made the recommendation that he has and the request for vehicle -- and the request for vehicle replacement and all of those kind of things. Support services for example was requested and listed as an area that was going to be talked about here. But ultimately council decided not to undertake that conversation. You know, weeks ago when that was on your agenda during your budget work session. So it is that period of time after we deliver our budget recommendation and those scheduled meetings where departments are made available to present and be at your pleasure for your q&a I it's the time, if you are so inclined to get into that kind of detail. We're always at your service in that regard once we deliver your budget recommendation, prepare to spend the amount of time, whatever it is that you choose to spends drilling down to whatever level you choose to drill down to. So I don't see that there's a gap in the process where -- in the sense that that opportunity isn't available to this council. I think it is. And it still is. >> I understand. And that's part of the reason we have it before us today and we have time before we finally adopt the budget to do that. It's just that when we don't have the specifics now and we're faced with the crunch of the property tax rate versus knowing some of the

[08:30:14]

unmet needs that we heard about and also knowing items from council that have been brought to us, and then we see this item and this much -- this much of a hit, it's just surprising. At this stage of the game. >> Mayor Leffingwell: You know some of these potential, a couple of these potential funding

options are just shifting money around. I mean if we reinstate the water utility's contribution to the sustainability fund how does that affect the water utility's budget? That's going to increase the rates there. So it's really just a shift in funding and austin energy it's much smaller amount, 400,000. Reinstate their reimbursement, that comes out of austin energy's budget. Looking at this, it's hard to judge what the downstream effects of exercising these options would be. Councilmember tovo. >> Tovo: To get back to the demand unit, do you -- you indicated that the price, the cost of the ambulance itself could be funded at a one-time critical fund. What about the \$77,743 for contractals and commodities, I couldn't remember -- are those able to be funded out of one-time critical. >> Typically we would fund the ambulance unit the largest piece of that out of our critical one-time funds. We have e.M.S. Folks here. I'm not sure what you are looking at and what the rest of the contractals would be. But it's a one-time equipment purchase, stretchers, ambulance, heart rate monitor, looking at our one-time fund to pay for that. >> I'm looking at the unmet service demands, it breaks down the \$853,000 into three

[08:32:16]

categories, salaries and benefits at 453,000 some odd dollars. Then 77,743 for contractual and commodities and 321,796 for one-time capital items. I guess what I was wondering is whether 390,000ish dollars could be funded out of one-time critical funds or just 321,000? I wasn't sure what the contractals and commodities were exactly and whether those would be eligible for funding out of one-time critical. >> And I wouldn't know the answer to that. But we could get back to you. I just would need to know the details of what that is. I don't have that in front of me. >> Thanks. Then with regard to the fee waivers the city sponsored, city code sponsored event fee waivers, I notice there's a breakdown on our tab on c 3. Just to be very clear, this includes only those events where the city has passed a resolution to be a co-sponsor and absorb -- absorb those -- at absorb -- absorb the costs if there are costs or forego the revenue if there would otherwise be revenue. >> That's right. >> So these do not include. We had some information come back to us from various departments involved in special events. And right now, it appears that the fees we charge don't actually cover in all cases the costs. So one way to adjust that would be if these events -- when we think we are recovering costs from other event, it appears based on my analysis of the numbers that our fees are not set at such a rate to recover our costs, even if they haven't gotten a fee waiver or are not a co-sponsor.

[08:34:16]

This number that you are presenting us here under the fee waivers does not begin to address that issue. These are just the -- these are just the events where we said we're going to be a sponsor and forego that revenue. >> That's right. >> Tovo: Okay. The other situation is of concern to me and my staff and I have been looking at it and working on a possible resolution to come forward to council with. But I want to get clear on if we brought forward a resolution adjusting the fees for special events after the budget, what would be required? A budget amendment? Or do we -- or do we approve a range of fees in our budget that allow for some expansion after we've adopted the budget. >> For some fees we do approve a range. I don't think for the fees that you're talking about. So I think if there was a desire to increase those fees and the cost of service analysis to justify it, we would come back to council with an ordinance

to amend the fee schedule. You will adopt a fee schedule as parts of the budget proceedings. We would need to amend that ordinance if it occurs during the year. >> Tovo: Okay. That's a relatively simple matter. It's just a matter of putting it on the agenda. I think that should be a private if we believe we are -- a priority if we believe we are recovering the cost for certain event, we should make sure that we are charging the correct amounts and doing so. >> Cole: Are you asking for potential items from staff to be a account to accomplish that. >> We are talking with staff about what it would take to accomplish that, in terms of whether they have the information they need now to provide that justification or whether it would be necessary to initiate further action to get that cost analysis. I think they may have the information that they need at this point. >> Cole: Okay. We have just kind of been in

[08:36:18]

a dialogue, councilmember martinez suggested that we start by -- if I'm correct, councilmember martinez, by looking at the one-time budget stabilization reserve items proposed by council. Was I correct in that. >> I just wanted to make those comments that I had made. If there's other questions from councilmembers that's fine. Those were just my concerns that I laid out. I did want to request that tony [indiscernible] from e.M.S. Come up. He had been signed up earlier but had to leave. He had sent us an email specifically about one-time expenditures. If you don't mind I would like to ask tony to come up. You sent us a flurry of emails thunderstorms about some shifts that have happened and you wanted to make us aware of them and some of the priorities of the association, can you briefly walk us through those. >> Thank you, councilmember martinez. [Indiscernible]. I'm tony [indiscernible] president of the austin travis county e.M.S. Association. I have been following our budget from the I guess the outside perspective. When we see kind of how a budget progresses and we're left with addressing unmet needs. That's what I've kind of been left to speak about. At audit and finance during the ems presentation of the budget, councilmember spelman and morrison did notice that there was a unit for annexation of the entire station that was identified as something that was an unmet need and they appropriately I think pointed out why is this an unmet need if this is something that is within our annexation, there's been actuary data that supports that. I think it is something that should be part of the main budget. I had been watching to the extent that I could and we discovered that is just disappeared entirely.

[08:38:19]

So we have no -- in this current budget -- aside from anything you all decide to look at afterwards, there is nothing in this budget that has additional paramedics, resources, stations. So these things come at a price. The call volume continues to exponentially grow, the austin paramedics continue to work harder and harder without resources that keep up with the new [indiscernible]. So what we see is what may be seen as a cost savings initially is actually overtime expenditures and also open records request with information on our on-the-job injuries, level of separations I think we are fairly high for the city for a department in both of those categories, they both do come with monetary I think cost as well that hasn't been determined yet. But I think that's an interesting part of the conversation. I did send council, also, overtime budget. Expenditures, it's from 2011 to 2013 it will show what is reflected as actual costs of doing business. Since we are 48 hour employees or whatever pay scale, there's built-in overtime.

What is interesting about this, though, if you look at the difference between the budget and the regular overtime and the overage expenses, you will track, you know, 1.1, 2.1, 1.4 mill over a three year period, \$4.6 million. Essentially more than it costs to approve a 42 hour work week, which in my opinion was also the high estimate that was given when we asked the question of what would it take to reduce the hours for the paramedics. If we're not going to move forward providing the resources for our paramedics they are going to continue to work very high, with a very high utilization hour which means that they'll be doing a lot more with less given that we have a population that we're not keeping us with the resources for. Without those resources I think it's very reasonable to be looking at the work week hours.

[08:40:19]

The additional I think the estimate that mayor pro tem cole asked for was I believe 4.3 or so. So that -- I don't think that allowed for the people that I've already made that conversion with the district commanders and so that might change that estimate a little bit. But also it's the implementation doesn't take place immediately. Logistically you can't just deploy that work week. Because what we're talking about is bringing on additional personnel to make up for the lack of resources to help maintain that workload at a reasonable level. So one of the things that's interesting regarding the choices of deployment is with our district command system. So we have the district commanders who have been moved to a 42 hour work week on 12 hour shifts. This is -- for whatever reason this occurred what we're realizing is that the deployment model, how we choose to deploy this based on the schedule leaves us with lacking coverage at certain hours. So we have fewer commanders on at night, more on during the day, but we lack that support network that we do ordinarily use. The commanders are used to back us up on critical calls, cardiac arrests, difficult patient scenarios. So we had longer response times. We have the lack of support of a second medic. So those are all very real things and I can't help but think that with the fleet I saw 003 on the street, actually this morning seemed like yesterday, that unit I think is 11 years old. I think it was actually palet act, been repainted, hundreds -- the patriot act, hundreds of thousands of miles, I'm assuming it's reserve. But anything that council can focus on and really look at for our paramedics would be very much appreciated. We are struggling and we have very little support.

>> Martinez: Ed, I wanted to ask on the demand unit.

[08:42:21]

You alluded to if that were a part of the budget a portion of that could be covered through budget stabilization reserve and then the remaining paramedic charge would be in the general operating fund. Can you give us those numbers again? >> I am looking at the unmet need. 453,651 for salaries, obviously in the general fund budget. 77,700 for contractals and commodities. Those are all the things that would be recurring operating costs, fuel, medical supplies, things like that. Then 321,796 was the one-time capital items, essentially the ambulance and the stuff that goes inside of it. >> Thank you. >> That would come out of those one-time funds. >> Cole: While we have tony here, also, you know, we talked a little bit about the 42 hour work week and what -- what pressures that's putting on the paramedics, I asked this budget question to give any relief with that, I think it's about 4.2 million. I want to verify that

with ed. Is that correct. >> That is a number that was included in that budget response. We do have staff from e.M.S. If there's further questions about it. But that would be the full amount if we were able to get it all done in one year. >> Tony, if we were to try to prioritize the emails that you sent this morning [laughter] and the items that you talked to us about in our offices, what would you say would be the primary priority of [indiscernible] >> I think on behalf the community and the paramedics we have to be looking at adding additional resources. You can look at the budget presentation and general presentation and see that

[08:44:22]

we've had exponential call volume and increased obligation to cover special events. So I think that ambulance stations given the one that was supposed to be annexed would be absolutely ideal and appropriate. Short of that, the demand unit absolutely an essential and then the prevention program was something that I have spoken about before. That shows a really great return back to the community that's running exclusively on overtime and that's merely the cost to convert two uniform positions into that critical area of mainly focusing on pediatric [indiscernible] and disability. This is followed by special events staffing which I think is something that you all will be addressing maybe by different means and then so the 42 hour work week would be the one. I did say demand unit prevention program and the 42 hour work week. If I'm getting carried away, maybe education. But again that depends on maintaining our national standards to maintain our registry. >> Cole: Thank you, mayor. >> Tovo: Mayor? >> Mayor Leffingwell: You can sit down. Councilmember tovo? >> Tovo: I just wanted to point out, maybe other of my colleagues also met with representatives from the austin travis county e.M.S. Advisory board. They also presented us with a letter with some priorities. And the demand unit also appears on their list. Their list is 24 hours of continuing education training for each medic, addition of a 12 hour seven day a week demand unit and then they differ with the association with regard to the [indiscernible] computer aided dispatch enhancement. But they do see to agree on the demand unit. It would be helpful to be

[08:46:24]

reminded from our staff what they regarded as the highest priority. Was it training over the demand unit? >> [Indiscernible] >> chief of staff for the e.M.S. Department. Our number one priority is the additional 24 hours of continuing education for our field and communications medics. We want to make sure that [indiscernible] medicine changes, our prehospital, providers that we have in the field are prepared to best take care of our community. Our number 2 priority was the demand unit. To add that demand unit to the mix and not only improve response time but decrease the workload because call volume is increasing. And our no.3 priority is the optima like software to help us in better deployment utilization of the resources that we have. I feel like we need to mention as well or comment on the annexation, it's my understanding the annexation takes place in december 15th. And the discussion that we've had with staff is if that is funded as of october, we started hiring at that point, we likely could have that unit on for the annexation and if not we've had conversations with travis county, our partners that we work with the cover travis county, they are open to our -- to their existing units staying in place until we get that unit the people hired in that units online. We have been working on other plans to

cover that --to cover that annexation area on 360 and lost creek. >> Morrison: One follow-up. We talked about this in this -- in some committee meeting, I thought one of the questions that I asked about the training, I was a little surprised that you saw training as a higher

[08:48:25]

priority than the demand unit. And I had asked the question about the training and in fact you are adhering to the standards now in training. It just that you would like to be able to shift from a computer based training to in person training, is that right. >> Well, we do a mix. In person training obviously we have to pay overtime and bring the people in, the medics in, or overtime to backfill them. We currently do a lot of online training on the front end, preparatory work, bring individuals in, minimize the -- the talking time and they spend as much time as possible in a lab practicing and working on those new skills and then we follow-up on line and make sure that we have good retention. We really do as much as we can online. But e.M.S. -- And prehospital medicine is so much about being able to -- to master certain types of skills and procedures and especially those things that you don't encounter very often doing procedures on infants and children and things. The lab environment in that face time with our medical director, talking about specific cases and lessons learned and things that you can't get unless you are in our training center, in there with our medical director and training staff and that's certainly why we prioritize that so high. We want to provide the best care we can to our citizens. >> Morrison: Thank you, thank you for the clarification on the annexation that there's a plan in place, we just [indiscernible]. Okay. >> Mayor Leffingwell: Councilmember morrison. >> Morrison: I have a few questions still on the budget that I would like to be able to ask if that's all right. One is one of the issues that's been raised and I think it's on email to all councilmembers, is that there's -- with our health insurance benefits this year, there's actually going to be sort of two tiers whereby if the -- if the

[08:50:27]

employee is willing to provide health information to -- to something, then they don't have to pay a \$12 surcharge on their benefits. And so some health information in terms of blood tests or doctor's reports. I know that there were concerns being raised by privacy and all of that, I wonder if there's anybody here that might be able to help us understand what's happening with that. Or maybe I could ask a second question while somebody -- >> that would probably be good. >> Okay. Mark is on his way over? >> Yes, he is. >> It's about you had -- it about the costs for our health insurance. We've done really well as a city, as I understand it, in terms of the increases are generally not as high as you might find in the industry. And I know that you were estimating 8% in the forecast generally turns out to be 6%, do you know off the top of your head what the increase was in our health insurance? >> We ended at 8%. One of the things that we were amount too do in this budget -- we are able to do in this budget like past budgets we were able to keep the employee's premium, we didn't pass that increase on to the employees I guess. So the employees didn't receive a premium increase, but the city's contribution is going up. >> Morrison: Okay. So this takes us back around to my first question. I understand there's a \$12 cost to the employee if they don't provide certain health information. Could you -- I'm real unclear about all of that. Could you share with us? >> Mark washington, human resources director. In this year's proposed budget

we are trying to increase the utilization of our wellness program and

[08:52:27]

have employees participate in the annual health assessment or the exam in which we offer onsite, because we have seen that the utilization of the exam helps to mitigate the increased costs in health insurance. And so we have increased our participation from 2009 from almost zero percent to 30%. That's how we -- how we had a chance to manage the increase in costs. So this year -- we proposed, we've looked at other programs that have done the same to -- to incentivize employees to participate. By having a premium differential. Because the data shows that -- that employees who are engaged in their wellness -- in their consumerism of their wellness program have lower costs than employees that are not engaged. There is a premium differential of \$12.50 per pay period for those employees who don't participate in the wellness program. In getting an assessment. In order to offset that, we have offered them the option of 1, if you participate in what the city offers we will not charge the premium differential or if you go to our own personal physician since the city's plan allows an employee to get a covered exam annually. We will accept the results from their own personal physician if there's concerns about utilizing the city's program. >> If they go to their own physician, does the physician just sort of report there was an assessment done or did they actually send the data? The employee will self report the result of the biometric data that the physician provides, their body weight, their blood cholesterol level, it goes not to us to but united

[08:54:29]

health care, the third party administrator and they receive the results of that assessment. >> Is that something new where basically an employee is required to provide personal health information? To -- to our health insurance company? >> They are not required. It's -- >> well, that or they just pay their extra \$12. >> The premium differential is new. Right now it's voluntary to participate in the wellness program, still voluntary the premium differential is to incentivize participation. >> Morrison: Will the employees see a \$12 increase if they don't or is it just that if you do participate you will see a \$12 decrease? >> You will receive a \$12.50 increase per pay period if you do not. If you do participate, you will also receive up to -- up to four hours administrative leave or a -- a cash amount. In participating. So there's an incentive to participate, and there's a premium differential for not participating. >> Morrison: It's a great wellness program. I think it's wonderful and the [indiscernible] program is terrific. It's just that this takes us into, I feel like we need to think about what's happening. It takes us into a new realm of sort of employer I don't know what to say. Employer -- it's a cost to the employee if they're not willing to share something that is private. That's how I see it. What would -- what would our insurance premium, how would it change things if we didn't do that? If it was -- if we just kept it the same? >> Right. So so just a couple of things to clarify. I want to ensure you

[08:56:30]

understand. We are not receiving the data. The data goes to a third party administrator. If we were not

implementing a wellness program, we looked at the data since 2009 and the increases, the five-year period prior to 2009 was a double digit increase. So had we not began our aggressive implementation and awareness of wellness program, we would not have been able to offset some of the health insurance increases like ed mentioned previously with no cost increase to the employee. The city would have realized double digit increases. >> Morrison: Just to be clear, I asked you that question last year or the year before because I was sort of asking how much do we spend on our wellness programs and how much is our return on it basically by decreased increases. To health insurance. And the answer that I got was that, yeah, we didn't see the same increases in health insurance premiums that others did and certainly the wellness program probably had something to do with that, but we could in no way say that it was all about that. So I just want to be clear. We need to be consistent and know that our wellness program has a good effect, but we have not done the study to actually identify exactly why. What effect. >> Well, I want to be clear. It is not the sole reason why, a lot of other factors, plan design changes, economy, et cetera, it is one of the leading differences in terms of the things that we have done in terms of managing our health care costs and there are other employers who are using the consumer model that have, you know, 80, 90% of their employees participating in the program, that's what we're attempting to do. >> Morrison: Called the consumer model. >> A consumer driven model where employees become more aware of their own health conditions and its effect

[08:58:31]

on adding costs to the employee. >> Morrison: Do we have the answer? What if we didn't implement of this plan of having the \$12 premium if you didn't do the wellness assessment, what effect would that have on employee premiums, on costs to the city? >> I would need to come back with a -- for the immediate year, I don't think we'll see a significant difference in our premiums. But in terms of years out, future costs, if we don't increase the participation in the wellness program, I think that's when we'll start seeing the impact of the chronic diseases and illnesses. >> Well, because I would think that there would be other ways to increase voluntarily the -- the involvement in the wellness program. By increasing the [indiscernible] as opposed to implementing a -- a [indiscernible] whatever the word for that is. Have you considered boosting the incentives instead of going about it this way? [One moment please for change in captioners]

[09:03:21]

or during their annual physical they can get the information. And then what they do is they go on to [inaudible] and answer about 40 or 50 questions and at the end of that they get a health score card that really is designed to help employees, you know, and to show employees where they are with their health. What we do is united health care provides us with aggregate data. So we get reporting information on an aggregate basis. What we will good into look at is more out come based programs. One key programs like diabetes program. What we're trying to do is target the wellness programs to really focus on our employees' health concerns and issues. >> Mayor Leffingwell: Do you then contact the employee that may have a bad score card? >> We do not. >> Mayor Leffingwell: Does united health? >> We do not. We don't receive any individual information. All of it is on an aggregate basis. If we roll

out a cardiovascular program we would begin to advertise that. Just to let employees know it's there. >> Mayor Leffingwell: So if you have a high incidence of cholesterol, for example, you would make available some kind of program for reduction? >> Yes. >> Mayor Leffingwell: Very uneasy with this.

Councilmember martinez. >> Martinez: Following along the mayor's question, ms. Haywood, if you had aggregate data that hypertension was an issue with city of austin employees, is it broken down by age, employee type in terms of job classification or just aggregate 12,000 employees, united health care sees a hypertension issue at the city. You initiate a program and do a followup 12 months later? >> That's correct. >> Martinez: Is this voluntary requirement of an individual to enroll and provide that, is this a

[09:05:23]

circumvents of hipaa regulations that you can't ask that because of hipaa laws? >> It is not a violation. That's the reason we only receive the aggregate data because we're always very concerned that we're not dipping into employees' information and all that information remains confidential. Let's say we wanted to look at someone on an individual basis, united health care will not provide that information to us. >> Martinez: And I think there's merit obviously to wellness program. We have a premier wellness program at the fire department that seems to be doing ex screamly well, but the concerns the immediate question is what exactly is that information, who gets it, what's attached to it and what are you going to do it so I share some of those concerns and hope that we can maybe drill down into this a little more. I'd like to see if you have any, I'd like to see some data from united health care where this program is instituted in other municipalities and if it's created a benefit or if it's just created a determine premium that employees are having to pay because of the lack of trust in a program like this. I'd hate to see 10,000 employees being charged \$12 a pay period just because they don't trust the program. I'm wondering if we built up that trust because we've heard from city employees as well concerns about this. >> We have too at the benefits office since we released the information, but once we have a discussion with the employee, it seems to alleviate concerns about what we're doing with the information. With the calls I've taken from employees, once we explain the fact that it is based on aggregate information, you know, it seems to be okay with that. And they are given to june 30, 2015 because we wanted to make sure they had enough time to two to the health assessment or to a

[09:07:25]

[inaudible] >> Mayor Leffingwell: Do you not think that \$25 a month is a little steep? I mean that's higher than all the city's raise in fee increases put together. That's saying something. >> We came up with the \$25 a month just like mark had indicated based on bench mark information. >> Mayor Leffingwell: Okay. Councilmember morrison. Councilmember spelman. >> Spelman: Based on your bench mark information, what percentage of employees will comply with the request [inaudible]. >> We're thinking between 80 and 80% will participate in the health assessment. Right now we're sitting at about 30%. >> Spelman: Do you have any evidence right now [inaudible] as to what benefits [inaudible]. >> We can provide that information. We can get you additional information in regards to the wellness program and the benefits. >> Spelman: I understand that. The primary benefit -- [inaudible]. >> Well, we have over the last couple of years began to look at those engaged in the wellness program versus those not

engaged and it's saving between 348 and \$368 a year. >> Spelman: [Inaudible]. >> That's correct. >> Spelman: [Inaudible]. >> Well, surprisingly enough not always.

[09:09:25]

The information we're showing is that our engaged employees really do still have the same prevalence of diseases. So I mean they are still suffering with diabetes. The thing about the wellness program being engaged in it, they are managing their health so they are getting their annual physicals, their prescriptions filled. >> Spelman: You can be sure they are going to see a doctor [inaudible]. >> That's right. >> Mayor Leffingwell: Councilmember martinez. >> Martinez: One last point. I appreciate the line of questioning. And I think there's a fine point in that the savings to the employee participation is simply not having to make those co-payments. What I'm not hearing is a reduction in overall cost of health care benefits because when you just reduce the co-payments for the individual, the larger savings is actually for the health care provider who is paying the larger portion of that. This is a tremendous benefit to the insurance company, united health care, that's not being realized by our city workforce because it's only a co-payment that they don't have to pay if they are healthy and don't have to attend medical appointments. >> We're a self-insured plan so the money savings is really to the city. When we're looking at the fact that a -- >> Martinez: But it's not passed on to the individual. Are we reducing premiums if we see this savings? >> This year is an example since we're not passing any rate increase to employees. >> Martinez: But it's not a reduction, it's just flatten though costs are going on. >> Even though costs are not going up employees are not seeing an increase. >> Martinez: Back to my previous question, if it was a circumvents of hipaa. I have one employee nodding yes and you are saying no. >> [Inaudible] >> Mayor Leffingwell: Come

[09:11:25]

on up. Introduce yourself. >> [Inaudible] it does not prohibit that. >> Martinez: Right, but you wouldn't receive that if the employee doesn't voluntarily give you that information. >> That's correct. >> Martinez: And united health care doesn't have the authority to ask for that information either. >> [Inaudible]. >> Mayor Leffingwell: Councilmember morrison. >> Morrison: I think our wellness program is stellar and you guys do a great job, I just am uncomfortable with going the penalty route as opposed to the incentive route. And I guess I would be interested to know if other -- sounds like other cities or organizations are going this route but I just wonder if there aren't other steps we could take in the incentive world of doing it. So I'll just leave it at that. But I guess there's one question and that is, is this going to be finalized as a decision with our adoption of the budget? >> That was our hope. [Laughter] that was our hope. And councilmember, and I appreciate your recognition of our program performance, and not only have we recognized the value, but we have been recognized throughout the country for the kind of things that we're doing with our wellness program to save the local [inaudible] and even here locally from the austin business journal one of the healthiest employers. So it is looked to as a model from other employers. >> Morrison: Well, you see, and we're at 30%

[09:13:26]

involvement. Maybe we could find a way to step it up. I did want to throw out another general thing for discussion, if I may. >> Mayor Leffingwell: Is it a different subject? Because I would like to ask what is the cost of this item in the budget. If it were to be removed from the budget, what would be the cost? >> Well, I think I want to clarify that there's nothing in this budget where council is taking on action on plan design issues. The council's action in this budget would be to approve the city contributions to the employee benefits fund increasing by 8%. It's a dollar contribution. Of course, the amount of that dollar contribution depends upon the plan design, but the plan design itself is not approved by the approval of the budget document. In regard to the cost, I think these folks may need to get with their actuary to determine if that one piece was changed, how much does that actuarially affect the plan, the needs of the employee benefits fund and what that transfer would need to be. Off the cuff, I don't think it will be much of any of a change because it's not going to be a huge cost driver. >> Mayor Leffingwell: That's what I wanted to ask, if Mr. Washington were to not make this change for whatever reason, not being approved in the budget or whatever, I'm assuming from what you say there would be no budget impact, no adjustment. >> That is my guess. But it's an actuarial science to this. >> Morrison: To follow up, is this something, plan design that is within the purview of the council, I presume, and -- and how would we continue [inaudible] >> Mayor Leffingwell: I don't know. Let the city manager answer that. If there's no cost impact, I don't know how we make the

[09:15:27]

decision. If there were a cost impact, there would be an easy answer, I think. Councilmember Spelman. >> Spelman: Ed, help me with this. If we're assuming we're going to get 85% compliance now [inaudible]. >> That would be target goal. >> Spelman: [Inaudible] that would bring in something like [inaudible] which would then be used to defray costs of [inaudible]. It seems to me there would be [inaudible] that money we talked about [inaudible] budget which is actually -- is that about right? >> I'd have to check the number itself. >> Spelman: [Inaudible]. >> Right. But yes, it would be a loss of revenue potentially and what Ed is talking about the impact of the behavior, what the assumption is in terms of what more utilization employees would have without knowing their -- their health, their condition. >> Spelman: That one I'm prepared to believe it would be very hard to predict. There would be more claims and therefore higher costs to us. The one thing we can be sure is 50% of the people [inaudible]. >> And we would -- it would be helpful for us to follow back up with the actuary and budget office because there's some other assumptions about claims

[09:17:27]

reserves that we have built into the budget and the reserves itself may be sufficient to cover that reduction so that's something we would need to look at. Councilmember Morrison, I believe you are able to change the subject now. >> Morrison: Excellent. So the staff -- in the staff proposed budget this is a across the board raise for all employees, if I remember correctly. Last year when we were looking at an increase we did something a little bit different instead of across the board, we took the recommended 3% and we cut it in half and gave a across the board 1.5%, and then we took \$750 and --

which was 1.5% for the -- for the median wage employee and we gave everybody a fixed \$750 so that it was disproportionate and the lower fee waived, the higher the percent increase. And so I thought it would be interesting and I have submitted a question to staff and I think they are still working on some scenarios of what about if we were to do something disproportionate again this year because I think it's worth considering. So I'm looking forward to those -- to those -- to that information. But I also wanted to throw out one more thing and that is one more idea and as I understand it, maybe the county did it this way this year, and that is that they gave their across the board increase to -- to employees up to a certain salary level. And after that I don't know if they decreased it or what exactly, but they actually changed the range and maybe

[09:19:29]

didn't get increases or something like that. But I just thought it would be interesting to see if there's an appetite if anyone is interested in pursuing this and we'll have more information next week. Ed, did you want to add -- >> the response was posted last night to that budget question. >> Morrison: Can you imagine, I haven't read it yet. So I would love to hear people's thoughts about that. >> Spelman: If I could follow up, ed, you posted a specific response to a specific question and some dollar figure [inaudible] 3.5%. What did you post? >> The question was exactly what councilmember morrison said, this is what we did last year, but with something similar look like this year. And so last year there was a percentage across the board percentage piece and the discussion was if there was another 1.5% to be provided, but the equivalent of 1.5 to be provided as a flat dollar amount of the we did the same thing this year. We said last year the equivalent of 1.5% base wage increase was given as a flat dollar amount. So we ran that scenario this year since we have a scenario that looked at 2% across the board and the extra 1.5% being done on a flat dollar amount and that flat dollar amount came out to \$811 per employee. >> Spelman: This year would be like 800 plus 1.5%? 800 plus 2%. >> We just took 1.5% away from the 3.5% staff proposed. >> Spelman: Now it would be almost exactly the same as [inaudible]. >> Well, for a -- you know, for a specific employee. There's a tipping point where employees that make more get less than 3.5% and those that make less would get more, but in the aggregate the same as 3.5%

[09:21:30]

for everybody. >> Spelman: Thank you. >> Morrison: Ed, what was the -- did you use the median wage at the tipping point? Do you recall in the calculation? And what was that? >> We didn't use the median weight. We peeled off 1.5% from the 3.5%. There's a dollar amount associated with that and divided by the number of employees and came up with \$800. I think the tipping point is around \$52,000. I don't think that's in the response but I believe that's about where the tipping point was. If,. >> And to answer, at least respond to your earlier point of reference about the county, I do think that's on the table, a small across the board and then limited up to some level in the organization. But the county in prior years, particularly last year, was very aggressive in their pay increase, quite more than the city was. And I think it was a 3% last year if not more, plus they did market increases as well. And some of the upper levels, the management levels of the organization. So this year and part of their response they did not

have to be as aggressive in salary increase and market adjustments. So that is a difference. They almost doubled the increase provided to their workforce. >> Morrison: And then another concern I've heard thrown out there is if we do this too often, we'll end up getting a compression of salary. I wonder if you could speak about that phenomenon. >> Well, there are a couple things that happen when the flat rate is used which results in higher increases to lower paid positions and

[09:23:37]

organizations if we're not careful in keeping up with the market in terms of more professional positions like i.T. Or scientists, engineers, it will result in us getting further behind the market. If we realize a lesser degree of increase by offering a flat amount. The other issue in terms of compression, we -- we talked about this last year and remedy by saying we'll move the entire range by whatever the flat amount is, and to some degree that alleviates it, but if the flat amount continues to be given at some point there won't be a lot of differential between the supervisor and the people that they are supervising and in terms of promotional opportunities there might not be incentive to promote from a crew member to a crew leader, whatever the [inaudible] is in that organization. Because the differential does not separate. >> Morrison: Do you think if we do that this year, for instance, with the scenario that ed mentioned that we're getting into dangerous territory in compression? >> Well, what we do know is 41% of our jobs are still behind market. It will help some that are lower pay that are behind market, but it will hurt the others that are above that threshold ed talked about and it will come further behind. >> Morrison: And one more question on this, ed, do you have for somebody making our minimum wage of \$11 an hour, the scenario that's in the answer what percent increase are they getting? >> Well, we did put in a couple scenarios so an employee currently making \$30,000 would get a -- it would equate to a 4.7%

[09:25:40]

increase as opposed to 3.5% increase. Whereas an employee making \$70,000 would get 3.1% as opposed to 3.4%. We didn't do the \$11 an hour but I have those too. >> Morrison: Thanks. I have other questions and comments but I'm going to stop talking now. >> Spelman: And start talking again in a few minutes. Who is next? >> Martinez: Are we staying on this subject or switching? >> Spelman: If you have something to say, it's a perfect time to talk about it. >> Martinez: I wanted to, ed, ask about items b 22 and b 23 in the summary of council initiated amendments. We initially started looking at this at one time budget stabilization expenditures since it is capital improvement to our animal shelter for new adoption shelters and quarantine shelter space. And my understanding that my staff spoke with you and that you all recommended that it be funned through funded through capital improvement projects and understanding why that the recommendation. >> As opposed to -- it's a capital project. Is the issue -- and our recommendation and how we fund that capital project would be to look at issuing debt. The animal shelter was recently completed, you know, using that as a mechanism and I think we had sized bigger and added more kennels and quarantine facility. So I think to some degree in light of the fact the facility just opened and it was debt financed and it was

[09:27:41]

pretty much at capacity from the day it opened and really probably needs to be bigger that debt financing expansion made a lot of sense. And so, you know, we would recommend that if council wanted to go in that direction, we would fund it through the issuance of certificates of obligation, a 20 years debt, you know, and the debt service on that wouldn't start in 2015, it would have an impact in 2015 in terms of our debt tax rate that's need to do fund all of our general obligation deaths. >> Martinez: You said it would be a .002 impact for the debt service. Basically 85 cents for a median family home. Is that 85 cents per month or year? >> That would be per year. Pretty minimal impact. >> Martinez: And so would we just put a reimbursement resolution on for monday and that would trigger this moving forward? >> There would be -- when we get to the portion of the agenda monday where we're approving the capital budget, that would be the time we would have to amend the capital budget for this project and also adjust the resolution. >> Martinez: So if the council were to make amendments to the one-time budget stabilization reserve, why would you not recommend that we use debt revenue source if we were to create some savings? >> We wouldn't recommend against it. When we're look at the source, about \$3 million in there, we are going to be getting that response in regard to justification to the other \$29 million. I think all the other items are critical to the operations of our department as well. But if council were to back off on some of those things our budge he will stabilization reserves critical one time funds would be an appropriate use for that. >> Martinez: But would either have an effect in terms of being able to move forward at a more rapid time frame? >> There would be no different. >> Martinez: -- Be done at

[09:29:42]

the same time? Abigail was in here earlier. I wanted you to briefly explain. I certainly think this is a priority for us based on several years of tremendous success of getting to where we are with 90% live outcome, but for council sake to understand the priority, I wanted you to help us and walk through a little of the news you are facing right now and why this is not necessarily expansion of increasing capacity, it's trying to keep up with what you are currently dealing with in terms of [inaudible]. >> Abigail smith, chief animal services officer. Ed mentioned we sort of built the animal center too small but not knowing that several years after it was designed and construction had begun that we would pass the no kill mandate, which changed everything. All of a sudden you are saving 90% or more of the animals coming into the shelter and prior to no kill we -- eight or nine years ago we were at 50%. That's 10,000 animals that need to be sheltered and cared for and treated. What we're finding with no kill is a, you need to shelter many more animals this year than you had to before. B, when you run out of space, you can't just euthanize your way out of it and so you need more space just to keep up with that no kill rate. And c, animals, that top percentage between 70 and 95, 100% take a lot more resources. Exponentially more resources to get out the door alive. They are taking veterinary care and extra training and that equates to time. Our flow slows down. And in order to keep up with all of those things, you need to have enough space to give the animals the time they need to get out the door. Right now our length of stay is an average of 15 days.

[09:31:42]

It's -- it's commendable. So we're doing the best that we can with what we have. But in the face of youth liesing 60 kennels over at town lake, not a permanent solution, that's 60 dogs we've had over there the last two and a half years. That's not a permanent solution. On top of that we're short 50 to 80 kennels every day for large dogs. And that's today. And so -- in the face of growing population and in the face of losing those 60 kennels at town lake, we have got to add capacity or we're not going to be able to keep up. >> Martinez: So this is obviously one item that I will be supporting trying to figure out the best way to provide that funding and if it means doing it through capital improvement projects, I'll ask council if they can support it. >> Cole: Councilmember riley. >> Riley: I agree with that. [Inaudible] >> Cole: Councilmember morrison. >> Morrison: So I wanted to talk a little about a product we heard from are reginaand I had submitted questions to get information that I want to be able to consider on monday. And that is a couple of things. One, you heard her mention the idea of winter hours and I want to go back and remind folks that right now we have two pools that have had the capability to do heating for several years, and there's a question -- question number 65 I think it is if you want to get the information, [inaudible] and balcones, and we went into partnership with the school district a few years ago and those of us put up the funds to be able to heat the pools so

[09:33:43]

the schools would be able to have swim teams and things like that and then we decided we cut back. So it was frankly a little -- it's untort nature we didn't have a well defined agreement with the school district before they went forward and invested their money. They are very interested in being able to have their kids using the pools during the winter months. And in addition to those two, bartholomew also has the capability to -- for heating. And so the idea of being able to run these pools during the wintertime so that we can have kids, you know, say from reagan coming in and getting certified as lifeguards or being able to have swim lesson or be on a team, be on a swim team, is something that I think would be a terrific thing for the city of austin to be able to partner with aisd. And they have provided -- staff provided two different scenarios. One is to have them open five hours a day. The other four hours a day and I don't have them in front of me right now. And I think it is -- that would be the shorter number of hours would be an ongoing cost about \$600,000. And the one-time cost would be \$35,000. The other little piece in all of this is that bartholomew -- all these pools are going to be run by propane, but bartholomew, which is more expensive than natural gas, bartholomew was actually built so if it was connected to natural gas it would be able to run on natural gas and it would be a lot cheaper to run. And I think that the -- it cost about \$100,000 to hook

[09:35:45]

it up to natural gas when the east 51st street project is being done, which is proposed for this year. We got bond money for that. That's going to be a really terrific project. And I think there's about -- the numbers are in there also. There's about a three or four-year payback period for that so it's a worthy investment. So that's a \$100,000 cost. And so those are both things that I think it really makes sense to put on the table. As I said, it's a terrific way to partner and support aisd and I know that everybody is

interested in looking for opportunities to do that, and you heard regina today talk about you need to teach your children [inaudible]. And I want to talk about two other aquatics things. One is -- and this is question 67 and 75. Both address the master plan, the aquatics master plan, and there was some confusing questioning and discussion about it at our -- at our work session last time around when I was asking are we in a position to finish the work on the master plan. The master plan is mainly the assessment of our pool facilities has been done, but we haven't actually figured out what we want our future to look like. Because the bottom line is we have some very old tools and it's going to cost, I think they assessed like \$70 million if we want to fix them all. So there are some that maybe it's not worth fixing, if there's one very close so they are going to have to do those kinds of discussions in the community to come up with -- and a funding plan of how over the next 30 years we're going to be able our aquatics

[09:37:46]

facilities functioning. We donned have the funding in place and I'm not going to call sara up to talk about it because it's too distressing for her. If you'll look at question number 119, you will see seven pools that have been identified as they won't last another five years. The chance of them making this another five years is very unlikely. That includes the oldest one is shipe and that was basically being duct taped together this year. And so I think that we need to look carefully at possibly identifying some one-time funds, a big chunk of one-time funds to actual address some of those critical needs so we can limp through the next five years, as well as the funding to finish the master plan so we can get a funding plan and where we want our pools to be, where new pools will have to be and how we're going to keep our old pools up. So to refresh, the winter hours in the bartholomew [inaudible] are both addressing questions, I think they are 65 and 66. And then the critical pool needs are addressed in question number 119 and the master plan is discussed in 67 and in 75. So I want folks to know that that is among the kinds of -- that is a group of things that I really hope that we'll be able to discuss on monday. >> Mayor Leffingwell: Councilmember spelman. >> Spelman: Followup to councilmember morrison's suggestions. It seems to me a reasonable procedure would be to have all of the requests [inaudible] and would be appropriate for [inaudible] the next version [inaudible].

[09:39:47]

>> I think it would be very helpful if we could get some direction from council here at this meeting about additional items that you would like us to be prepared to facilitate on monday. So we've got 30 items here totaling \$109.9 million and if there's additional items, because we heard a lot from the public and there's a lot of things being discussed, you know, but it's going to greatly facilitate our ability to keep track and facilitate your meeting on monday if we have a comprehensive list of things. >> Spelman: And would you add any additional items [inaudible]? >> That would probably be helpful. Part of what staff would do is trying to figure out what bucket they would go into. >> Mayor Leffingwell: Mayor pro tem. >> Cole: An item that I'm interested in is adding to the potential list is parent support specialist that we heard aisd talk about. Their estimated amount for that is 2.5 million but it is also estimated to impact 46,960 children, which I think is the largest number of all the items that they requested. So I would like

for us to be able to discuss that. >> Mayor Leffingwell: You know, I'm kind of tripping about taking on AISD's expenses they've had to cut. If you are a taxpayer, that comes -- it all comes out of your pocket. You pay in one bill, AISD and the city of Austin. So it looks to me like what we're doing is shifting that expense out of AISD and on to the city of Austin's budget. So that makes us look bad, but at the same time it doesn't help the taxpayers at all. >> Cole: Well, it helps the taxpayers in the sense that AISD has to deal with a complicated recapture position. So for every dollar that they put in, the taxpayer

[09:41:47]

actually loses, I believe, 60 cents of that. So if we pay for it, if we look at ourselves as a city and all the taxpayers as a whole, then certain expenses that we can pick up for them that are related, yes, the children, but also related to health and human services, then we actually save the taxpayers money especially as long as it's critical to the city's needs. >> Mayor Leffingwell: I remember a couple years ago we had a look and I was sort of pushing the idea where we could partner with AISD in a legal way to -- and it was always -- at that time what we were always talking about was a tradeoff. They had something that we could use and we had something that they could use and we managed to have sort of an equal value on that kind of shift. For example, I think we used some of their warehousing space in exchange for something we did for them, providing something for them. But as far as direct cash supplements, I'm really leery of that. Councilman Cole, I'm simply proposing it as an item we should discuss especially since the district has brought it to us directly. They brought us almost \$5.5 million and this is, you know, less than half of that. And this was the item that they identified as one of the most critical one and the other one has actually been the 21st century expiring grant fund that Councilmember Martinez has brought forward. And so I just think we should discuss it in light of the difficulty they are having with recapture. And if there's something that they have at their disposal to offer to us, I would certainly be amenable as some type of partnership. >> Mayor Leffingwell: I basically wanted to make my views known because the subject is going to come up and I keep waiting to hear some kind of discussion about how we're going to reduce expenditures instead

[09:43:47]

of, you know, adding to what is already \$110 million in potential requests. >> Cole: Mayor, I agree with you and especially if we're going to keep with reducing the tax rate as a fundamental objective of the council, we will have to do that and I recognize that. >> Mayor Leffingwell: Councilmember Tovo. Or who is next? Councilmember Spelman. >> Spelman: Thank you. Mayor pro tem, you have I think the same [inaudible] rest of us have seen from AISD. And I understand the value of the after school programming, I understand the value of the parent support specialist, but [inaudible] I have no intention whatever of spending \$5.5 million on things that used to be AISD's responsibility but some of these things [inaudible] I don't want to artificially constrain our conversation on Monday now. >> Cole: I support that. >> Spelman: Thank you. >> Mayor Leffingwell: And just for planning purposes, we're scheduled till I believe it is 4:30 today. >> Cole: Mayor, I have to go and I know Councilmember Martinez has to. >> Mayor Leffingwell: Looks like he's already gone. From what I can see. Just to let everybody know what the plan of the day is. Councilmember Tovo. >> Tovo: Yeah, I appreciate Mayor pro tem Cole and Councilmember

spelman's discussion about addressing all of these issues together. I do think it's very high priority for me would be to address the after school programming issue. We do as a city invest in after school programs so that is in line with some of the other investments we've made and those are programs that have gone away for those kids who would have otherwise participated in them and I think there's

[09:45:50]

enormous value in supporting them and we might also consider if we needed to, looking at what the partial year costs would be and then reconsidering it again at midyear if that's necessary. I would also like to point out the family resource centers, there are two threatened with closure and we still have yet to come up with the additional 43,000 so at a bare minimum we need to come up with 43,000. That will keep those family resource centers open for the year and that's not reflected on that. This figure is to absorb the cost of several other family resource centers, which really we need to be mindful of the two that are in jeopardy. I would be interested to know and I can submit these as questions or we can continue the dialogue with staff. The emergency radio system, after reading about it, I wondered if our staff had any idea about homeland security grants that might be available to meet that kind of need. I'm sure aisd has explored those possibilities, but that seemed like there might be some other funding opportunities out there. That were worth considering. I want to just make a general comment. Then I have a few other items that I just wanted to give my colleagues a heads up would be -- that I would be considering. But in terms of the summary of council initiated amendments, I want to point out that there are some council initiated amendments that are not included on this list because they've already been accounted for and absorbed into the budget. At least one of those jumped out at me and I think one of my colleagues asked a question about it last time and that's the south shore plan for \$200,000. I'm assuming these are council initiated amendments that the staff or manager

[09:47:51]

didn't feel should be incorporated in the budget. Is that right? >> That list is -- to my to my knowledge, that list is every item from council, the process passed by council via resolution. The south shore plan was I believe withdrawn and initially launched and then -- and that item with was withdrawn. As far as I know it was not ever approved or not approved by council. That's why it's not in the -- >> Tovo: I thought it began as a resolution at some point. >> Mayor Leffingwell: Yeah, it was. Councilmember Riley. >> Riley: I believe that's right, but it was last year. >> Mayor Leffingwell: It was last year. >> Riley: I think we approved looking at it and including it in the budget last year, but then when it came time to do the budget process, we decided -- council chose not to fund it. It was on the table. It was on a list like this last year. We decided not to fund it then. This year work has proceeded and staff is now presenting it as something that they've -- some funding they need to continue their work. But it's not -- the impetus is not [inaudible] it's just the staff worked ongoing. >> Tovo: We had an opportunity to talk about it last time and I think it's a matter of interpretation whether it began as a council initiated item or not. But I also do want to point out there are some on here and I'll just speak about my own. The adjustments to the delivery of public tree care. I don't plan to propose that as an amendment and really I went back and looked at the resolution. He was looking for alternative funding mechanisms so that we could, one, take

some of the burden of public tree care away from the parks department, and two, see if we could

[09:49:54]

recognize and realize some efficiencies in terms of our care of public trees that would in the end potentially save money and also enhance our care of public trees. So we do have a really substantial report in our binder here and I'm very grateful for it and all the staff work that went into compiling that, I think it's really a great plan for going forward. But I just wanted to let my colleagues know I will not be proposing that we allocate additional money for that in this year's budget. That was kind of an attempt at finding some creative funding opportunities in last year's budget. Some other things that are -- that I will be looking for carefully at in the next week and I just wanted to give staff a heads up, these are already contained within the list. The snap funding, though there are some discrepancies between the item -- some of the dollars I've got from members of our sustainable food commission and the numbers here so I want to drill down on exactly what those numbers would look like the higher the outreach specialists, I think that has enormous value to our community because it allows -- if we can get more people registered for snap, we are drawing down federal dollars that are currently not circulating in this community and addressing a really critical issue of food security for members of our community. So that is of great import to me. Councilmember spelman, I believe, was the one who addressed the issue of library hours. And I would like to get some information from staff about how that breaks down. I know we've talked about it and it may be in our budget questions how that would break down for smaller increments of library hours, if that's something that my colleagues are interested in exploring as well. So I think that captures some of what we -- some of what's before us. That I regard as priorities.

[09:51:57]

The after school programs and snap and library open hours in addition to some of the things that you all have already mentioned. >> Mayor Leffingwell: Councilmember spelman. >> Spelman: Both increase in library hours to pre-recession levels and part way increase to more or less half the difference between [inaudible] budget questions. >> Tovo: I couldn't remember -- I think the full amount was 750 and then the intervals are somewhat less than that. >> Spelman: It's less than half of that. It was about 280, I think, 280, 300. >> Tovo: Thank you. >> Mayor Leffingwell: Councilmember morrison. >> Morrison: I want to throw out a couple of other things I don't think we've discussed yet and one is, you know, we receive money from franchises and it's now through the state that cable companies use our public right-of-way. It came just awhile ago and so that the funding that we can get can only be used for capital expenditures which makes us relatively capital rich when it comes to that. It has to be spent on equipment used for peg channels, public education appear and government channels, and so we have peg channels, so do the county, acc and the school district. And last year, I think it was last year or the year before, in order to look for ways to help out the school districts, we actually gave them 250 -- we passed on \$250,000 in peg funding that they were able to use. They had submitted a request this year also to the tune of like a million dollars. I'm not sure exactly what it was, but they had a list of items. So the interesting -- and what's budgeted doesn't

[09:53:57]

include any funding for the school district. And because there is -- there, you know, they called it a challenge, I called it a community emergency going on with their financing, I thought it would make sense to look at possibly passing on some peg funding for this them year. And if you look at the funds in the budget, I forget exactly where it is and I see ron is here, as I understand it, we have going into that fund this year, we have \$1.9 million coming in for the franchise. We are also transferring 450,000 into that fund from the general fund and that is to cover the operations of channel austin. Because we can no longer use the franchise money, so we set that up awhile ago. The requirement for the fund are \$1.7 million, approximately. I've got all these memorized. Which leaves us 630, something like that thousand dollars in an ending balance there. Talked to -- ron, maybe you want to talk about the plans for that ending balance because I was thinking we might want to split that ending balance and use that as opportunity to provide funds to aids. Thank you for showing up and can you talk a little about the reserve here? >> Certainly. The reserve fund, what we're projecting a surplus of \$624,000 in next fiscal year and we are want to go build up a reserve for a plan for any kind of long-term capital project. But certainly these funds are reserve capital and the

[09:55:57]

access channels, the public, the education, the government channels, city funds certainly can be used to fund capital equipment for them. So we are building up a surplus. We want to, you know, build a reserve for any mid or long-term capital projects. We are discussing some ideas now but there's not been anything finalized so we really would like to build up the reserve. We worked with the telecommunications commission on guidelines for allocating these peg funds and one of the guidelines that we're looking at is to accrue an annual \$500,000 reserve going forward beginning this year. >> Morrison: And do you know where that 500,000 -- how that figure was settled on? >> Well, we looked at the -- we looked at the, you know, the projected revenues and it was -- we felt that was a sufficient amount to kind of build up the reserve. There was not any kind of science, any science to it, but thought that was a hardy amount to use. >> Morrison: So I'm probably going to propose that we maybe just to start the conversation maybe cut that in half and shift half of it to aids, and not that it necessarily has to be precedent setting, but understanding that there are special circumstances going on. And also when I think about building a reserve, it makes sense, obviously, as [inaudible] plan, but on the other hand we have just invested a lot of money into our capital improvements around city hall and all that for the television stations. And secondly, 500,000 is -- that's basically building, saving 25 or 30% of one

[09:57:58]

year's revenue each year, which sounds like a lot. So I just throw that out there and I don't know if our financial staff have any comments on any of that in terms of -- of course it's great to build reserves. I'm thinking this might be a time to cut it back a little bit. >> Mayor Leffingwell: So I'd like to hear can we legally give aids money? >> Yes, we can, but don't take my word for it. >> [Inaudible] >> Mayor Leffingwell: Are you going to have to -- are you going to have a municipal purpose for that? >> Morrison:

Mayor, we've done this before and the peg funds are special funds. I wonder if you could speak to that. >> Yes, there was a previous one-time expenditure by the city to aisd, it was \$250,000 for the purchase of failing production equipment for them to operate their channel. And just a reminder, these channels are the city of austin channels and we grant the use of the channels through interlocal agreement with aisd and the austin community college and travis county. So we did -- >> Mayor Leffingwell: So the money would only be for aisd's t.V. Channel. >> Yes, it's restricted for that purpose and it would be interlocal agreement. >> Mayor Leffingwell: Which is really ours. Okay. There's a thread there at least. Councilmember tovo. >> Tovo: And just what does peg stand for? >> Peg, I'm sorry, peg is public, educational and government access. >> Tovo: So that would not -- an appropriate use would not be to use those funds for the gator radio. It has to be just for the public access channels. Okay. Thank you. >> Morrison: And so just to follow up on that, talking with rondella about the possibility of taking

[09:59:59]

away some of her money, I also wanted to talk about some of the recommendations that came out of the community technology and telecommunication commission. And that was they actually had two recommendations. One was to add a f.T.E. Of a program specialist to the tune of \$67,000 to work on digital inclusion. Could you talk about that and what's going on in your office right now? >> So the digital inclusion efforts in our office have increased and scope and traditionally it was the focus on technology opportunities program. The matching grant. And with the google fiber connections program and the council resolutions directing city manager to develop a strategic digital inclusion strategic plan which we are scheduled to bring back to council october 23, there's been an increase this scope and workload and there's one f.T.E. In my office that focuses on [inaudible] and myself and we just -- we need to increase our capacity to implement the strategic plan. >> Morrison: Yeah, and I appreciate the work that you've done and I think we all need to keep in mind -- I mean our [inaudible] program has been an incredible program for helping lift people up and bring everybody into the digital world. And putting together a strategic plan is really going to help to improve people's access. You know, we talk about the expanding gap between the haves and have nots and part of that is about having the resources and knowing how to use the resources in the digital world. And I think the fact that we have google fiber and acc and everybody coming in and really ramping it up in terms of internet access here in town, it's a great

[10:02:00]

opportunity and it seems I it is a good investment so I'm going to be proposing that. >> Morrison: I have one other thing that's a little bit different, if I could just go ahead and throw this out. And that is that one of the things that is on our list, I forget whose name is actually on it. I know it was unanimous support and that was for increasing the funding for the gay and lesbian chamber of commerce. And one of the things I wanted to talk about when I had talked to the chair of the commerce, he had stressed how -- how involved and how much expansion in the world of tourism the chamber could be involved in. And so it's -- I wanted to see about -- I wanted to understand if there had been conversations with accb about expanding their funding for aglcc and also just to understand better about their budget. Because just like our cultural arts funding this year is going up because the hot pack went up, accb's funding

increasing over 14% so they are getting an increase in over \$1 million. Like how do we know what that's going to be spent on. Is it possible to have those conversations to see if we couldn't get some of the funding for the aglcc to be covered by accb. And here we have several staff to help us out. >> I believe that the chamber is under -- their funding would be considered under the cultural aspect of that.

[10:04:00]

Am I not correct, ed? Would go into that bucket. >> That would be -- I would think that would be right, yes. >> So I think that's the reason why it comes out of economic growth and development. It would funnel under that portion of the hotel occupancy tax and by state law we'll be 15% of the tax can be utilized for cultural -- >> Morrison: But no, actually it wouldn't be under the cultural, it would be under promoting tourism, explicitly promoting tourism. Kevin, you probably saw that, their proposal that they brought to us, they focused quite a bit on -- I know accb does some work in that arena in terms of the gay and lesbian tourist market, but there were some suggestions that we could ramp it up some. >> That's correct. There was a series of discussions after council's suggestion that the gayen lesbian chamber and pop landers and our staff meet and there was discussions about what they could fund that was in the tourism arena. Anthoid some suggestions and they didn't come to an agreement, I would say. There were some common areas but they were for certain kinds of conventions and that they would try and promote certain neighborhoods where there was a large gay and lesbian population, but they didn't come to an agreement. So if it was directly related to tourism, the accb would be interested or could be interested in [inaudible]. All of the other chamber of commerce contracts that we manage have been stripped of all tourism activity. It's creating job, creating small business, we're doing different types of performance measures. >> Morrison: Help us

[10:06:01]

understand how we can understand what the additional funds that are going to accb will be used for. >> Yes, we have the same measures that are in the asian chamber, the black chamber and the hispanic chamber -- >> Morrison: I said accb. The visitors -- the convention and visitors bureau. The funding that's going to them this year is going from 9.8 to \$11.2 million. How do we understand what that extra funding is going to be used for? >> I'm going to turn that over to that department. >> Morrison: Okay. >> I do know that the budget -- I don't have the breakdown in front of me, but that number about 350,000 of it is going to be utilized for increased convention commitment we've made that is correct the bureau has made for our business. I think about a quarter million dollars, going off memory, being utilized for increase in the rent. Increase in -- about 120,000 for increased health insurance. Other things. One of the other parts of the increases is increase to [inaudible]. One of the things the bureau had to do several years ago when the marriott broke ground was increase staff to help that get ramped up. Even though they haven't gotten any hotel occupancy tax, the bureau ramped that up and have been success fell in being ready to open in february. >> Morrison: It by ordinance the way we separate out the hotel tax that comes in. >> Yes. >> Morrison: And do we have -- are they a nonprofit? I guess I don't understand the relationship. >> They are a not for property and they have a board which by contract I'm on the executive committee

[10:08:02]

of and contract that they get 1.45 cents of the tax. Which represents probably carrying connect 57600

[10:13:58]

>> we'll be out of there pretty quick. >> Riley: There are a few matters that I would like to talk about on monday. Rather than go through all of those today, I think what I would suggest -- well, what I think I will do is go ahead and provide a written list of matters that I would like to have on the table for discussion. It doesn't really track the council initiated amendments that we have before us, council members have pointed out, those were -- a number of those were different circumstances, and there are other matters that have come up, things like adult programming for the library, or additional funding for the music office, that we have met with constituents about that would be work a few moments on monday to talk about those things that we have an interest in, so I will provide a short list to staff in the next few days so we can have those teed up for discussion on monday. >> I was not trying to imply that there wouldn't be any discussion, there will be discussion as needed, as there always is on a proposed amendment. >> Riley: Right, in the meantime, there are two small things I would like to ask about today, if I could, they should both be pretty quick. One, in the water utility, we had a discussion yesterday about austin youth river watch, and, the council passed an item about that previously, that appears at d25, we passed an item back in the last month. And it's the amount doctor the the -- the figure is \$76,000, previously provided through the water utility. I understand that we have been trying to get nonutility costs out of the utility, this is a little different, it was a water utility that initiated the creation of austin youth river watch, it's an organization

[10:16:01]

whose mission, within the scope of the work of the water utility, and so, I just wanted to raise a question for funding, for continuing the funding event. I might add, it's funding significantly leveraged through private sector support, for the work of austin youth river watch, and we're talking about \$78 million for flood plain, for the drainage fee, I don't know whether the drainage fee or other mechanisms -- within the water utility could provide the \$76,000 requested for austin youth river watch, could staff shed any light on that n does that really need to be a general fund expense, or is there a way to continue funding that? >> I believe we characterized that, actually, as an other fund expense. We broke it out as general fund one time, and other funds. The 76,000 fell into the other, but, the water utility and drainage fund would be options. >> Riley: So, we can talk about that on monday. Another smaller item, one that several speakers raised today, the council, apparently, has seen the budget drop by \$678,000, three speakers emphasized the importance of restoring that, what would it take to be able to secure the \$6,782 needed to restore the budget of the council? Would that be one more general fund item on the table? >> I believe that would be a general fund item, I think, was that the one that had been funded through cbg? >> Riley: I think so. >> That would be a general fund expense. >> Riley: I will put that on my

[10:18:01]

list of things that we have to talk about on monday. >> Let me just say, with regard to having the water utility fund additional things, you know, I've worked pretty hard over the last year to try to move things that aren't related -- don't have anything to do with the mission of the water utility out of the water utility, and I'm not going to be supportive of adding some things back in just because, "that's where the money is." So, I just -- in fact, I don't think we've done enough yet. We've made good progress, and I don't want to fall back on that. There no more comments? >> Tovo: To add to the chaos of the afternoon, another need that's been identified is the uma sculpture gardens, I forgot to indicate that one in my list of things I'm considering. And also, we have received -- not recently, but have in the past received some information about the senior meals programs and the relationship between transportation in those programs. And I seem not to have made it to my meeting, amazingly, the stacks and stacks of things I managed to leave behind the note that talks about what the costs are for transportation, the program at the asian american resource center now has transportation, but, with the new budget, they will have to use that for meals instead. So, that's something I'm exploring a little bit more with our staff about what those costs look like. It's my understanding they have a van, but they don't -- come this fall, they will -- the dawning of the new fiscal year,

[10:20:01]

they will no longer have the ability to pay the driver. I see miss wright and henceley here, maybe they could weigh in on whether my understanding is accurate. >> This is in regards to the transportation for the -- >> tovo: Correct. >> You're absolutely correct. We basically ate the cost last year to provide that service, so while we have the money to do the program on-site, we don't have the money for the transportation part of it. >> It's my understanding, though, the cost of the transportation came out of what we had originally allocated for the meals, because it started so late, there was excess funding. I may be wrong. I guess, I'm interested in knowing, it seems like it took a while to hire the driver. Now that you have the driver, if the funding goes away . . . >> You're absolutely correct. When we hire van drivers, we have to do background checks, and then, depending on the size of the van, there's a commercial driver's license required for some of them. It's not an easy thing to hire someone for, most people want a full-time job, or at least part-time. It took us a while. We ate the cost of doing that this year because we wanted to provide that service. It's growing, we know it's going to be something that needs to be continued, but, in our budget currently, we do not have the money to continue that operation without eating the cost, taking away from another program, service, function. >> Currently, that program is running right now with transportation -- >> that's correct. >> For people who want to use the center, and they always -- also participate in other programs. >> Correct. >> Tovo: It took some time to hire the driver, I think there was one that didn't work out,

[10:22:01]

but, now you have one, but they would no longer be employed as of october 1. >> We would not be able to sustain this ongoing for a long period of time. >> Tovo: Do most of our senior meals programs

provide transportation? >> Yes. >> Tovo: The difference here is the other ones are supported by some federal grants that make possible that transportation? >> Yes. >> Tovo: Because this isn't drawing from the immediate area -- >> right. >> Tovo: That's why it's ineligible. >> Correct, it's just not in their service area. >> Tovo: Am I remembering correctly it's a \$30,000 expense, this that range? >> It's about \$35,000, yes. >> Tovo: Okay, thank you. >> Okay, without objection, we stand adjourned at 4:25 p.M.