

City Council Special Called Meeting Budget Work Session

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[9:19:26 AM]

>> Mayor Adler: We have a quorum. It is 9:20. I'm going to call to order our work session. Today is June 10th, 2015. We are in the boards and commissions room, city hall. 301 west second street. We'll go ahead and start. Ed, do you want to tee us up?

>> Sure, mayor. This is our sixth and the last financial forecast work session at least that we have scheduled. We have had a lot of discussions so far about what the city is forecasting for the fy 2016 budget. This is a schedule to be I believe lasting until 3:00 P.M., so we have roughly six hours on the agenda to try to get through the remainder of our departmental fact sheets that we've prepared for you. If you look at your cjc forecast binders or your fact sheets and go to the internal services fund tab, where we left off was that the fleet services department. So the way we've been doing this is to kind of see if there's questions related to the fleet services department. And we put together these fact sheets to maybe help stimulate your conversation. Following fleet services we could go to support services fund, which is a compilation of a variety of departments, and then we'll get into the enterprise operations. We way of introductions I think we'll turn it back over to you, mayor, to see if council has any questions for the fleet services department. And and staff from that department are here.

>> Mayor Adler: There we are. We are at the fleet page. Does anybody have any questions about any of the items that are shown there?

[9:21:27 AM]

>> Casar: Mr. Mayor, I may, but can you help direct us a little bit back to the --

>> Mayor Adler: The fleet page. We had the general fund, we were just really getting into. We had the ctm and the wireless deal. We were just beginning to go through. So this is the forecast fact sheets. And we're about just a few pages in. This one actually had some of the least amount of changes for us in part because the ones that were the big changes initially were the same three that we have for all the departments. Relative amount with respect to the new employees and the programmatic expenses. The big thing was a significant decrease in general fund charges because of the fuel that had gone down.

>> And council, these fact sheets are primarily focused on the operating side of the budget. Our capital equipment costs related to running the fleet department. There will be some vehicle replacements. We've heard some questions from council in the past about what vehicles are being replaced and what are the criteria. And so those aren't highlighted here. I mean, that's work that's still undergoing. This is a forecast, not a budget. So we are still in the process of reviewing all of our departments' requests and

needs for vehicle replacements, but -- that's why those types of things aren't on here yet. There surely will be vehicle replacements included in the budget, but at this time we're still working through those details.

>> And if there are vehicle replacements, are they covered as part of that reserve that we had, the \$22 million that was available from unspent?

[9:23:29 AM]

>> I think we were projecting \$26 million of potential draw-down of that budget stabilization reserves and that absolutely would be one of the primary pots of money that the enterprise departments would use their own resources to meet their vehicle replacement needs. >>

>> Mayor Adler: Is there a corresponding forecast sheet with respect to that stabilization fund use?

>> There's not P at this early stage in the process really all we're doing is looking at our revenue projections, our expenditure projections and projecting how much will be available. And parallel to these projections we have staff from our departments submitting vehicle replacement requests that are being reviewed by the fleet department. We have departments submitting I.T. Technology requests that are being reviewed through the I.T. Governance process so there is not currently a list of here's what staff is recommending for use of those funds, but that will come out as part of our budget proposal.

>> Mayor Adler: And that comes out the last day of July.

>> That comes out July 30th.

>> Mayor Adler: Troxclair.

>> Troxclair: Of the four positions being added, I understand that two of the positions are to handle the change and the inspection and registration process because that -- due to a change in state law those processes are now being combined. So are those -- are those temporary employees that would be intended to get us through that transition?

>> Jerry Kyle, fleet officer. Those would have to be permanent employees unless the state or Travis county in some way changes the process. What that's created is a situation where obviously we did not have to retrade vehicles each year. Our tags are exempt and once we put the tag on the vehicle it was good for the life of the vehicle.

[9:25:34 AM]

The same process that you would have to go through to register your personal vehicle. We're having to do about 4700 of them per year right now.

>> Troxclair: So the inspection we did, was the city exempt from inspections?

>> No. We did the inspection, but we didn't have to reregister the plates. The inspection, we had the inspection stickers in our shop. We did them as part of a preventive maintenance service and the vehicle went on. Now we have to actually have somebody go to the Travis county DMV office and pick up that blue registration sticker, and those have to be specifically tracked to the vehicle that they're assigned for. The inspection stickers before were generic. You just filled it out. They weren't tracked to each individual vehicle, until they were filled out and put on the vehicle.

>> Troxclair: Okay. I wonder if that was an issue that was brought up by the city or by tml during the passage of that legislation because the legislation is intended to make it more seamless in order to allow people to do inspection and registration together instead of separately. I wonder if that was something that was discussed?

>> That was not brought to my attention during that process. I don't know, you know, why and we weren't aware of it until all of a sudden it passed. It caught us by surprise.

>> My second question is the -- I see the services anticipate savings \$5.6 million in the fuel program as a

result of the price drops in gaps. Where are those -- I guess I don't see that. Is that something that would normally be in the fact sheet? Oh yes, thank you very much. And that money --

>> On this one it shows up as a reduction in revenue because it's an internal service department that charges departments for that fuel.

[9:27:37 AM]

On the department side it shows up as an expenditure savings. On the fleet department side it shows up as a reduction in their revenue and it shows up as a reduction in what they charge departments for that fuel.

>> Troxclair: Okay. Thanks.

>> Mayor Adler: Ms. Pool and then Ms. Kitchen.

>> Pool: The inspection and registration are two different procedures and I know for residential -- for non-fleet those have been paired. Our fleet services procedures -- are fleet services procedures different than what I might have with my own car? Do I have to get the title and reregister my vehicle or am I just combining my inspection with the registration?

>> Previously there were two separate actions and we do not have to redo the registration each year. Now since they've been paired we actually have to reregister each city vehicle each year. Even though the tag is an exempt tag we don't have to pay for it, but we have to still pick up that tag with the appropriate Numbers on it that match that vehicle and get it married up with that vehicle each year.

>> Was that done in order -- do you know what the intent of that was?

>> I believe the legislature -- I'm supposing here that the legislature did that to make it easier on the consumer so they didn't have to go through a dual process. Now when you go in and have your personal vehicle inspected that's reported electronically to the DMV for purposes of registration. Previously you had to show that -- you had to get an inspection sticker and show that inspection report to be able to register your vehicle.

>> I understand that part of it for personal vehicles, but what I was curious about is why commercial vehicles, fleet vehicles now have to go through what sounds like a fairly intense process.

[9:29:37 AM]

>> The legislature just didn't take the time to consider when they were passing this bill how it was going to affect public sector fleets. It should have been a consideration because it really is not logical the way they've got it set up now.

>> Thanks.

>> Kitchen: I'm asking about this process also. The reason being first off is it four new positions plus the temp converted?

>> Two of those positions are specifically related to that vehicle registration. There are two others related to other needs, a contract compliance specialist senior, which is we're having to add in response to the next citywide audit that was done with contract compliance and they've added additional requirements for contract management. And the third one is a vehicle support specialist that's just related to the growth of the fleet. The fleet has over the last 12 to 15 years, has grown about 30%. And during that same period of time the staff available to handle that has dropped by 15 positions.

>> Kitchen: Did I hear you that it's two new positions handling the vehicle registration process?

>> Yes, ma'am.

>> Kitchen: Okay. I'm so sorry, tell me again what the other two are?

>> The third one is a contract compliance specialist to deal with the new contract compliance requirements that came out of the contract audit. And the fourth one is a vehicle support specialist to

just -- this works in our vehicle support services section where we up fit vehicles, commission and decommission vehicles as they come in and out of the fleet. And just because the growth of the fleet and the growth of the pass-through there we have to add an additional position to do that.

[9:31:42 AM]

>> Kitchen: Okay. And so I'd just be curious, we don't have to go through this right now and I'll submit some questions, I'd be curious if there's some way that this new vehicle registration process can be done without requiring two new fte's. Are they going to be solely focused on that?

>> We are actually working with Travis county to try to come up with a process that will eliminate a lot of the work flow that has to take place right now to do that. But right now I've got to have a staff member go and pick up 4700 registrations every year from the Travis county office.

>> Kitchen: So you and Travis county are working on potentially a streamlined system.

>> We are trying to figure that out, yes, ma'am.

>> Kitchen: If you are able to figure that out are you going to need the two new positions?

>> It depends on what kind of details, what kind of procedure we can work out. It's -- that's something I couldn't answer until we find out how it's going to play out.

>> Kitchen: What's your timeline? Do you have a timeline for figuring that out with the m? In other words, is this something that we'll know by the time of the budget process?

>> Based on the progress we've made so far I doubt it seriously, but Jennifer walls, my deputy, is the one who has been helping work with that. We don't anticipate having it worked out by the time the budget passed.

>> Kitchen: Okay. We'll follow up. I'll follow up with questions. Thank you.

>> Casar: So this is less of a question and more of a comment for when the capital expenditures for new vehicles get brought back. We've had some citizens come and speak to us I think on two separate occasions about lighter trucks or smaller vehicles for some, for some functions and my knowledge is that SUV's tend to be more expensive.

[9:34:00 AM]

I think it would be helpful for the public to understand when purchasing SUV's what the reasoning behind that is compared to lighter trucks or smaller vehicles. And I'm sure that there's thought and reasoning put into why we would purchase larger vehicles for certain uses. So if y'all could make sure that's part of whatever document you send us when you bring back that report on drawing down the fund for vehicles for the fleet. We don't need that discussion now because we haven't worked out how many SUV's versus light trucks versus other cars we'd be purchasing. Just when we get there that would be helpful. The next is the support services fund. This is a compilation of a lot of departments. It's similar to the general fund in the sense that it's a single fund but it's multiple departments. So in the support for services fund all those departments you think of as being kind of like more internal functions like human resources, financial services, the city clerk, city auditor, all of those departments are in the support services fund and they get funded through an allocation model to the other funds, the actual revenue-generating funds such as Austin energy and the general fund and Austin water utility, et cetera. So we have staff from the various support services here ready to respond to any questions that you may have. What we're trying to do on this fact sheet is highlight what would be significant dollar changes. I think you can see the majority of that is associated with the citywide type cost drivers, either projected health insurance increases or wage increases or market studies or the cost of supporting cjm, technology department, accrued payroll.

[9:36:13 AM]

Those are the biggest chunk of the \$6.6 million. I would want to make sure everybody saw it on the second page. There is a significant issue pertaining to the discussion that happened earlier in the year about staffing levels for the council offices. We received the direction to -- at least for the remainder of this year find funds within our existing budgets to fund up to one additional fte per council office and three additional fte's for the mayor's office, but that was just for the remainder of this fiscal year. So there's still an outstanding issue about what do we do with that for fiscal year 16.

>> And we changed up some of the other procedures with respect to the committees that we have and we're seeing now how that ripple effect works. I would anticipate as we get closer to the budget process and can work -- hear from the transition committee and others, that's going to be a longer conversation for us to have with respect to how internally do we want the council to be working over the next fiscal year, taking a look at the committees and support and staffing issues. Yes.

>> I think you answered this before, but let me just verify. The wage increase and the citywide market study we talked about before, that this was -- when we say citywide market study, that's the estimated amount that we need to increase to meet the results of the citywide market study.

>> And particularly that's for -- that piece of it, the market study is for April implementation, so half a year funding for that. But that cost and the percent increase for civilians is into the cost for civilians of 2.7 million for this fund.

[9:38:20 AM]

>> So that's the same across all of these.

>> Yes, ma'am.

>> Kitchen: I assume the health insurance increases is considered the same estimates. It's a flat 13% across all of these. No different assumptions by department then.

>> No different assumptions in regards to premiums or plan designs, it's all the same, 13% increase.

>> Kitchen: So then the transfers to the ctm, can you help us understand that? This indicates this is an increase, right?

>> 1.8-million-dollar increase collectively for the transfer. The ctm is the bulk of that, about a 1.4-million-dollar increase. So support services is a fund for all those support functions with the exception of ctm. Ctm in this city has been set up as its own fund. And so much in the same way that the support services costs are allocated out to different departments so that everybody pays their fair share of these support functions, ctm costs are likewise allocated out to all the different departments that ctm provides technology support for. A lot of those departments are support services department so that \$1.8 million is the allocation of ctm's increase to the support services fund. So you will see that transfer to ctm in all the different departments as well.

>> Kitchen: I'm trying to understand what the assumptions are.

>> Sure.

>> Kitchen: What's the reason for the increase?

>> Diane [indiscernible], budget office. The ctm allocation is based on the number of factors, primarily it's done based on the number of PC's the department has and it's also done on the number of fte's ha a department would have.

[9:40:32 AM]

[Low mic]. The majority of the increase for support services is a reshuffling of the deck for the cost of ctm? So last year we find that the number of PC's were not accurately represented so we tried t hat up

and it resulted in support services having a greater percentage of the PC count than it had previously so that resulted in the allocation being larger. So have you looked at other departments that received part of this allocation, you would also see that their costs are going down. So it's not always directly proportionate to how the ctm is increasing. It's always -- it's also a function of what is the service level that a department is getting?

>> I'm sure there's another place that I can look to see if there's an overall increase in ctm.

>> Ctm fact sheet.

>> Okay.

>> Which is two pages in front of this sheet.

>> Kitchen: Okay. I'm just trying to understand where the -- what's driving any increase in ctm. So what you're telling me is you can't tell from looking at each department. Some of that may be reallocation rather than an increase in -- is that right?

>> Yes, ma'am, that's exactly right. So if you look at the ctm --

>> Kitchen: Do you know for support services whether there's an increase in the need or if it's part of a reallocation?

>> There's no specific increase, just to support services. It all has to do with the allocation plan.

>> Kitchen: So the 1.4 ctm increase is more for support services is a matter of this approach to reallocating. It's not an increase in requirements for ctm services.

>> That's correct.

[9:42:34 AM]

>> Tovo: So one increase that I note that I don't believe we've discussed is the 131,000 increase in communications and Pio for covering the council committee structure. So can you help me understand how it is that the increase in -- that's noted on page 54 of the financial forecast.

>> I think it's on fact sheets too as the additional atx end cost to cover new council committees and the fact sheet that shows up as 0.1 million, but it's having additional staff, whether it be contractual staff or temporary staff or overtime cost, just the additional cost it will take to cover those meetings. I believe also in there there's costs associated with streaming. We want to stream this live on the internet, there's a cost associated with streaming, so it also includes that. And I also believe there was an increase in our kazi contract for covering those meetings lived, but I'd have to confirm that last part. That might have been associated with the council meetings. But those are the three factors that I know that were affecting channel 6, atxn, public information office associated with the new council committee structure and increasing council meetings.

>> Ed, if I can, Doug Matthews, chief communications director. Actually, the largest component of that is the closed captioning. We've seen that number go -- you all at the last meeting, it may be 40, \$50,000 a year and we're tracking now at about \$10,000 a month. And that's closed captioning for all of the committees, for meetings like this, plus the work sessions and the council meetings that we normally budget for.

>> Tovo: So do you think actually based on the costs that you're outlining I'm wondering if 131 actually captures it.

[9:44:38 AM]

>> I believe it does because it's about an 83,000-dollar increase for the closed captioning. And then we had an additional marginal increase for temporary staffing to be able to cover the meetings. And then another marginal increase for the increased number of meetings that, as ed mentioned, that we make available on the streaming.

>> Tovo: Okay, thanks.

>> Mayor Adler: If we're able to maintain having most city council meetings ending much earlier than they were before, is there a cost savings associated with that? Ms. Houston?

>> Houston: I have a question about impact of council staff. Is there an estimated cost if we continue this for the next fiscal year? The additional council.

>> There was, and I'm racking my brain because I know we put out memorandums. Let me ask somebody to confirm, but my memory was that it was in the neighborhood of -- it was over a million dollars, I believe, to continue those 13 additional staff positions for the full year, but I will send somebody an email upstairs because I don't have that memo with me but I know we did that analysis when council was having the discussion earlier in the year.

>> Houston: Thanks.

>> Casar: My question then is what is the difference between the question that councilmember Houston serious just asked that related in a cost of over a million and what you projected in the fact sheet here on support services that says the full year of funding for those 16 positions at point --

>> Those are two different issues. In going to 10-1 we went from seven council offices to 11. So four new council offices, four staff per council office was a total of 16 additional staff.

[9:46:41 AM]

In the current year budget those 16 additional staff are only funded from January to the end of the next fiscal year. That's another 400,000. Councilmember Houston's question was about the question of adding an additional 13 over and above that.

>> Casar: Understood, thank you.

>> Mayor Adler: Okay. Ms. Gallo and then Ms. Troxclair.

>> Gallo: There has been some conversation about the desire to televise the boards and commissions meetings. Is that addressed at all in the budget?

>> If they're not currently -- to the extent that there are some that are currently televised, it's addressed in the budget. But to the extent we have to televise more, no, it's not. This is a forecast, not a budget. We're not assuming that that will happen in this forecast.

>> Gallo: So if we wanted to get an idea of what the expense would be to do that, is this the appropriate time to ask you to come up with those Numbers?

>> Yes. We will get that done.

>> Gallo: Thank you.

>> Is there any parameters on that? Is it to cover all of them?

>> I think the concern is that there's a lot of initial work that happens in the boards and commissions meetings. It's not -- the minutes are not readily available on the website. And so it just seems like the -- in our goal of transparency and helping the public be able to be a part of the dialogue and understand what's going on, that's a big component that's missing. And so I would just be curious what the costs would be if we add that into the televised components so the public would have easy access to see those meetings.

>> And if I can, we actually did -- we did an estimate on that about -- I want to say about a year ago and we shared it with audit and finance. So we can probably pull those Numbers and you can have something to look at. Right now we do televise about two-thirds of the boards and commissions.

[9:48:41 AM]

So we did an estimate on the remaining boards. We actually polled the boards to ask if they wanted to be televised and then we put all of that together and put a proposal together for audit and finance. So

we can pull that so that you all can take a look at it.

>> Gallo: So did you only provide the Numbers for the untelevised ones that wanted to be televised or were the Numbers for all of them?

>> It was for the ones that responded and said yes, we'd like to be televised.

>> So I would like to see Numbers I guess added to that for the rest of them.

>> And would your -- because you mentioned -- just seeking a little clarification, you mentioned having minutes for those, which implies that then you would have closed captioning.

>> Gallo: Because they are not televised they're minutes that are supposed to be produced and prohibit is when people, at least what I hear is when people look for the minutes on the website it's very difficult to find those. And some are done fairly promptly, some lag behind. So it seems like watching the boards and commissions meetings would address the public's ability to see those meetings without having to find the minutes, which are really summaries anyway. So I'm not quite sure how to answer the closed captioning. I think if we -- depending on what we have the budget for if we can at least get them televised, that's a large step in the direction of making them more available to the public.

>> Okay. We'll distribute that analysis so you can have a look.

>> Mayor Adler: Ms. Kitchen.

>> Kitchen: I assume that -- we've had some changes obviously in the boards and commissions, so if you'll update the analysis, I assume. We've also added some taskforce. So I'd like to see the costs for all of those.

>> Mayor Adler: And I think too as you go through the transition, this system works that we're moving to to the degree that we actually have minutes that work well.

[9:50:46 AM]

And we need to get to the place where we have those minutes uniformly handled and uniformly posted timely so that people in the community can follow them. And I think that as we're looking at different ways, televising everything is one way, to actually making sure we have the minutes system sufficient to be able to let somebody read the record and understand where they -- what happened I think would also be helpful. As we're looking at what the options are to keep the community current. And is the transition committee looking at are that or is the engagement group.

>> The engagement should be looking at that.

>> Mayor Adler: I would suggest maybe one thing to look at is as the engagement committee meetings for the budget process is maybe what the requirements are that we want to have set up as part of a system so that funding for that, if it's desired, could be incorporated into this budget as well.

>> Gallo: That sounds great. Doug, will you help me remember that? Thank you.

>> Kitchen: Could you help us remember what the timeline is for the -- I think it's starting soon, the community engagement taskforce? Do any of us need to appoint more or is that all done? I'm sorry, I'm not understanding.

>> We currently have two outstanding appointments that we've been working with council offices on, and I believe that we have one additional from the mayor's office and then we're ready to go.

>> Kitchen: Okay. But there's enough of a quorum to go ahead and proceed, I assume.

>> Gallo: We're not going to start this --

>> Pool: We're not going to start this particular taskforce until all the people are appointed because the work requires their buy-in from the beginning. And I had a meeting with the facilitator last week and talked about this and it struck me because of the nature of the work being done that it would be a good idea to have everybody starting at the very beginning at the same time.

[9:52:47 AM]

>> Kitchen: Okay.

>> Mayor Adler: Okay. Ms. Troxclair.

>> Troxclair: So under the budget for the ctm expenses, can you tell me what -- it looks like 1.1 million is going to in-vehicle video devices. I'm just curious what that is.

>> You're looking in the body of the forecast report, page 55 additional storage primarily for in-vehicle video devices about cost \$1.1 million.

>> Yes.

>> That will be associated with the police department's dmat system, what does that stand for -- digital media system. It's the cameras that are in the police department's vehicles and there is retention requirements associated with that and every year we need new storage capacity to retain the video pursuant with law.

>> Troxclair: Okay, thanks. And then the 2.7 million that will be needed to continue the Amanda system permitting system upgrade, I guess in light of the reforms that are being done in response to the Zucker report, is that something that's still in line or in the -- in line with the reforms that we're trying to make when it comes to permitting?

>> I'm not -- not familiar exactly when with what the Zucker report calls for. I don't believe our planning department or ctm are here because we had both talked about those departments previously, but we can certainly reply to that through a budget question, are the Amanda upgrade costs in alignment with what the Zucker report calls for or is the Zucker report above and beyond that, we could certainly answer that question for you.

>> Troxclair: Okay.

>> Mayor Adler: Ms. Gallo? I'm sorry. I thought you were done.

>> Troxclair: I guess I have -- and I may have gotten off track now going into the forecast. I just saw ctm and so I went to look for the corresponding ctm, but then I had questions about public works.

[9:54:50 AM]

Is this the time for public works or no? No.

>> I just asked somebody to go check and see if Greg Guernsey is here. If he is we'll try to get a response to that right now at least about the Amanda and the Zucker report.

>> Troxclair: Is there going to be another opportunity to talk about public works?

>> Yes. Depending on how long the questions go on the remaining of the departments, but they're on the agenda for today.

>> Mayor Adler: Ms. Gallo?

>> Gallo: So I guess my question is just understanding the format of how the budget will be presented to us. It's a bit confusing to me when we have items under a department, like ctm that are specifically and entirely for a different department. And I would say councilmember troxclair's question about the storage or whoever's question that was, if that is an item that specifically and entirely for the police department, why is that not part of the police department budget?

>> Well, it's a technology requirement and we have a centralized corporate technology model here. So even these systems that may be specific to a specific department that technology experts reside within ctm so they're the department that are responsible for implementing those new systems, maintaining them, expanding them. So that's why it's in their budget. Now, through the cost allocation system we're not sharing the cost of the digital vehicular video with all of our departments. Those costs get directly allocated to the police department. Amanda is a system that serves more than just planning, though. It's a corporate system. So again, it's a system that's administered by ctm on behalf of all the departments that utilize it. And that's why the costs show in their department even though they themselves don't

utilize it, they are the response responsible for implementing it, expanding it, maintaining it.

[9:56:57 AM]

>> Gallo: So if we wanted to see the department costs at some point, would this 1.1 million be allocated to that department even though it's -- I'm just trying to understand how you get a sense on what it costs to run the department?

>> They are scattered in the budget, but they're also collected in the budget and I'll try to explain that seem lig discongruent statement. The total cost associated with the Amanda upgrade is 2.7 million that. Becomes ctm's cost of doing business. You can see the total cost of what we're spending on the Amanda upgrade, but that gets spread out to the documents that benefit and utilize the Amanda system. A lot of those will get utilized to the planning and building department. It's a level of granularity that won't come out in the budget document because we present the budget document in terms of programs and activities as opposed to line items, but Diane will have a cost allocation model that says this cost center needs to be allocated out to these departments based upon these factors and a piece of that will land in planning and building. If we were to drill down to planning and building further you would see here's planning and building's share of the ctm's cost, but that share of the ctm cost would include A.M., ctm's cost associated with wage increases, health insurance, all the things that are driving ctm's costs up are going to be in this number that gets allocated to planning and building. So it is a bit complicated, but when you -- by doing it this way you can see the actual full cost of the Amanda system, but when you look at the planning and building department's budget, that is the full cost of running them. That is their direct cost, also their fair share of any technology needs, it's their fair share of human resources needs or human corporate services get reflected in the dollar amount you see for the planning and building department.

[9:58:58 AM]

>> Gallo: What I'm hearing then is although we're looking at part of it as ctm when we're looking at the budgets in the departments, their allocated share will show up in their budget. Am I understanding that directly?

>> And we do have Greg here. Maybe he can talk about the Amanda upgrade being proposed for planning and building relative to what the Zucker report called for, if you can. Their

>> Right now, if you recall, the resolution that was passed by council would ask for the response back within 60 days or by June 30. We're actually still coordinating, Rodney Gonzalez and the service department and my department, planning and zoning are working on that response to get that back, we're working with ctm staff, it staff, development services department are working through things necessary to implement the Zucker report. I don't have a direct answer right now but I probably will within about two weeks at the most. We'll come back with you at that time and provide a full layo ut. That is being considered by ctm right now. Those discussions had actually occurred before the council resolution was approved, there was a meeting with my staff and myself and Stephen Elkins and ctm to discuss this matter before the -- final Zucker report was even released.

>> Mayor Adler: And the expectation, is that council is going to be getting that report at the end of June?

>> That's correct.

>> Mayor Adler: Ms. Pool.

>> Pool: Regarding storage -- and you're talking about data storage. Is that right? We've had some conversations in the public safety committee about body cameras for APD and I know there's a significant data storage element to that. And I know that we're not going to -- I don't believe we're going

to be taking that up this fiscal year but it would be -- I'm sure you've got a distant early warning on that one, to put a dollar figure to what that would cost throughout, the acquisition implementation and then the tail of it following on, the data storage requirements that that would bring to the city.

[10:01:15 AM]

Thanks.

>> Mayor Adler: Okay. Mr. Zimmerman and then Ms. Troxclair.

>> Zimmerman: So one of the issues when you're talking storage, the price of that storage varies dramatically, depending on its reliability and its seed. So, for instance, if you want something that's 99% available, that's not so expensive but if it's 99.999%, the price goes up. They call those the 9s, 3 9s, 5 9s, 6 9s. Where are those decisions made? What has to be the reliability? You're talking potentially minute 1 terabytes of storage. So when you put that reliability factor on to it, is that decision made in the ctm department or . . .

>> It would be. Certainly they would be our experts in that area when bringing forward the recommendation for what they feel is the best fit for their reliability.

>> Zimmerman: I guess conceivably there should be in the rfp that eventually goes out, a lot of work needs to be done, it would probably be in that rfp, wouldn't it, when you're talking about a body camera system? They would put those kind of requirements?

>> That would make sense, yeah.

>> Zimmerman: In that document. That would have a lot to do with the pricing estimates that would come back. I do agree with councilmember pool. We had anticipated that the body camera expenses would be in next year's fiscal budget. There's just not enough time to get it done this year. But next year we would expect it to happen.

>> Mayor Adler: Okay. Ms. Troxclair?

>> Troxclair: I don't know where Mr. Guernsey went, but I was just going to say thank you for him working on that. You don't need to get him. It sounds like the recommendations aren't ready yet but at some point it would be good to know what kind of updates we're expecting for \$2.7 million to be spent on the Amanda system.

[10:03:21 AM]

>> Mayor Adler: I think the report we'll get in June will tell us that. It will give us time deadlines, metrics for changed stuff and we'll outline how the long-term plan gets us where we need to go. Ed?

>> I did get a response back to councilmember Houston's question. \$1.1 million is the fiscal year 2006 cost of the 13 additional council positions.

>> Mayor Adler: Okay. Thank you very much on support services. Thank you. That gets us then to the atd mobility fund. Ed?

>> So I will say right off the bat that atd stands for the Austin transportation department. They have a number of funds they're responsible for. The mobility fund and the parking management fund. So those will be the two funds we'll be talking about next.

>> First page under the enterprise tab, facts sheet, there's a Tabitha says "Enterprise funds" and we're on to that tab.

[10:05:38 AM]

>> So the forecast report, that is page 44 of the frat report. You'll see the explanation for a lot of those items that have been --

>> Mayor Adler: Yes, Ms. Kitchen.

>> Kitchen: I think it would be helpful just to speak for a minute about the -- give us an explanation.

>> The only thing -- I'll let rod do most of it. I want to mention the tuft supports, both the work department and Austin transportation department. I believe in terms of the increases Numbers you're seeing here they're related to the transportation department portion of that fee. That's all I wanted to mention. Allow'sreth will be here later to talk about that.

>> Kitchen: Thanks for pointing that out. The forecast indicates that has to do with just a growth in residential and commercial rate payer growth, not any other kind of growth other than that.

>> I'm not sure of the question you're asking. Every year there's a growth in the city so the number of customers that come in is factored in. So then what you're presented here is actually the proposed growth, I believe, over that. So that natural growth is already accommodated within the budget and what you see here is the added growth, so the projected increases that could occur. So when you look at this particular transportation user fee, which pays the transportation fund, it's then split between public works and Austin transportation. The majority of that I will tell you right now goes to public works because it pays for the maintenance and upkeep of our existing infrastructure, as would you expect.

[10:07:39 AM]

And then the portion that comes to transportation provides for the operation and the signals and the engineering and the tasks that we take care of. As we look forward to why we are proposing the transportation department said, the atd mobility fund piece of that, of course as other departments have -- I'm rob spillar, the democracy by director I, by the way, now that we've been working with y'all for long enough I forget. We have a 3% wage increase based on the city-wide market study and so forth and then the health insurance increases, ctm and accrued payroll is mentioned, transfer to the 311 center. My department is a heavy user of the 311 center, not because we have increasing problems on our transportation system, but because we encourage people to actually call in 311. Remember that we only have about 175, 180 full-time equivalents within transportation so if we're to detect all of the issues on the transportation system we've taken the tact of encouraging citizens to readily call in 311 and let us know when a signal is out or sign is in trouble. We have a high 311 call volume simply because that's how we focused our intake system. We do have a fuel savings, we are increasingly using electric and alternative fuel vehicles. Help in my parking department to take the first full division to full electric this year. Exciting change. The major increase is in contracts, to increase mobility. One of the things that you -- many of you know is we have a traffic management center, and we've been upgrading the traffic management system or we call it the advanced transportation management system. In a sense it's the master control system behind all of the signals.

[10:09:42 AM]

Well, if we want to get the full value out that, we now need to activate our transportation management center and have people staffed as much as possible, not quite 24/7 but pretty close to 24/7. Those would be the operators that would actually make the call to either change the signal system in response to traffic they observe or respond to problems. One of the biggest benefits of that traffic management system, having it activated, we don't have to send repair staff out to the field to diagnose the problem. If we do have to send an individual, we send them with the appropriate equipment. We want to sign a contract or use a contract to activate that TMC full-time, traffic management center, so that we would staff it with professional staff and hopefully accelerate those benefits by three to five years. You know, even if we hired staff internal to do that, it would take us time to train and get up to speed. We also have a number of regional studies -- we know the public is increasingly asking why we don't go to

development fees instead of the methods we use.

[Lapse in audio] Those are not one-time costs. Some go on. Some of them are one-time costs. What we've been trying to do is move to a system where the operation size -- side of the transportation portfolio has the liquidity to do things like repair signals instead of having to rely on a bond cycle every ten years and in a sense pace ourselves in response to go traffic and safety needs. So what we're trying to do is we have some immediate one-time costs this early year and then after we pay for those one-time costs, roll that into an ongoing operations budget type operation. Obviously we'd come back to council each year as we expand those services. There's a number of programmatic expenses, miscellaneous transfers out of our current fund balance.

[10:11:50 AM]

You'll see there, again, hazmat mentioned, hazardous material, and our fact sheet. Again, using some of our fund balance to finish out those efforts and spend down. With the operations side of the house we don't have too many emergencies so in a sense we don't have to have a large carrying balance to plan for those emergencies. When we do have transportation emergencies they're typically related to the pavement surface or to bridges and so that, again, is in the public works side. You'll see 12 new positions. And that really is to finish out our technical capability at the engineering level, as well as our engineering technician level to fully support the expanding needs. We've been running a very tight organization. A number of my staff would tell me it's a very lean organization for the last few years. Now that we have the tools to make a difference we'd like to staff up to take care of that. I will note that at the same time we're asking to add 12 on the transportation side, the public works is actually reducing 10 ftes, unfunded ftes since they're in the same fund we're essentially transferring ten of that 12 asks from public works, albeit that ten is not coming with budget, they're reimbursable positions so that's why there's the budget increase to cover those ftes. The other thing to remember as you look at the atd mobility fund we transfer funds in from our right-of-way permitting process as well our parking enforcement and parking management program. Both the right-of-way and the parking management rely on the engineering capabilities to do routine parking design as well as traffic management and transportation management so we can run those systems efficiently and that's how the two funds were originally envisioned, that they would generate fees and then some of that fee revenue, if you will, would help to support the transportation system so that we're not relying simply on the transportation user fee.

[10:14:01 AM]

>> Kitchen: Thank you.

>> Mayor Adler: You may have touched on this in what you were saying.

>> Yes, sir.

>> Mayor Adler: Both my questions. Just pause for a second on the department, is the user fee. There were also some conversations about looking at the development charge, similar to what happens in the city of Fort Worth right now, with the transportation impact fee.

>> Yes.

>> Mayor Adler: So that future development would

[lapse in audio]

>> Yes.

>> Mayor Adler: Is that something that --

>> A number of councilmembers, as well as the public, why isn't development paying or the perception why isn't development paying for more of the transportation system. We currently actually do charge

developers for fees, but they're not the same as how Fort Worth has done. We use a different process of a -- a boundary road process, a calculation. But we have funded in this proposal or this forecast to be able to do that in the new year. We think we can actually get started before there, to start the way we do it now into a more Progressive system, as you said, like Fort Worth does. So, yes, it's built in. It is a process so it's not something you just switch a -- you know, light switch and change over to. It is a process and it will take us probably a year. We have to develop the appropriate transportation plans that then you can use to calculate the fees and the rough proportionality per development to pay for those transportation fees.

>> Kitchen: Mr. Mayor? This is on our August committee meeting for mobility committee.

>> Mayor Adler: That's good.

>> Sorry.

>> Mayor Adler: I was going to ask you to say at a really high level what's the difference between the development-related fee that's charged now and a system like in Fort Worth?

[10:16:08 AM]

>> Right.

>> Mayor Adler: Really high level.

>> At a really high level, I think what I would point to is the -- as the biggest difference is right now we identify projects or intersections or transportation elements that are affected by individual developments and ask them to pay a portion of those projects. And the money is typically restricted to those specific projects. A development fee turns that around and says what are the transportation projects needed within a service area, if you will, and if a development comes up within that service area, then you calculate what percent of that set of projects that development is responsible for. So it's a little bit different. In Fort Worth they have more -- they have adopted a process that allows them more flexibility, that once they calculate your percentage, then they -- the city figures out how best to use that money within the transportation plan, so it doesn't have to be for five intersections, they can collect it all and put it in one intersection. We are recently finding that that may be a -- we may already have that capability, but because we've gotten into a habit of doing it a specific way, we've assumed that was the way we had to do it. And so I described this as an onion. As we start to look and peel back the layers of the onion we find out that some of our assumptions may not be law, they may be just the way we did it. So, again, that's why it's a process to get there. We think that there are several consultants that can help us and we're preparing to launch that as quickly as possible, as soon as we get authorization from council.

>> With respect to consultants, idea you have one in the room, Mr. Goode, I think he and I were involved in creating the program in Fort Worth. So we have a little bit of a head start on that.

>> Yes, we do.

>> Mayor Adler: We're counting on that. The expectation would be we can do it that way, it might give us greater flexibility, might result in greater revenue and greater relationship between the increasing costs of development.

[10:18:14 AM]

>> Yes, sir, and give us more flexibility. One of the challenges we have right now, again, at a very high level is we have funds sitting there for specific projects, but they never accumulate to enough to do the project. And so one of the things we would hope to do is to loosen those constraints so that we can actually, you know -- development is responsible for \$10. Do they really get it's split across ten projects or we collect it all and do one of the ten projects to get it done.

>> Mayor Adler: Ms. Glow.

>> Gallo: That's very high level and I'm sure I'll get lectured by my staff that I missed something important.

>> Kitchen: Let me emphasize, again, that we had this on the agenda -- on the last one but we ran over with other things and so we've got on the agenda a briefing for our August mobility committee meeting and everyone is welcome to attend.

>> Yes.

>> Kitchen: I imagine we will get into detail and you'll provide us with information about other cities that do that also.

>> Yes.

>> Kitchen: From that bring back a proposal -- or a resolution.

>> Right.

>> Kitchen: Assuming the committee [lapse in audio]

>> Mayor Adler: -- That we have to sequence the lighting, the traffic lighting.

>> Yes.

>> Mayor Adler: Light synchronization it at the announcement as part of the traffic work that we were doing, we had talked about we have a system that outpaced our staffing. And this now addresses that?

>> Well, the short answer is yes. It does address that. We -- mayor, we had a system that had not been updated for about 15 years. And so you probably wouldn't be happy using a laptop that was 15 years old, 15-plus years old.

[10:20:17 AM]

So that was the situation we found ourselves in. So about four years ago we started modernizing our system and we now -- the opportunity is to bring the transportation management system up to full operation, even the city of El Paso runs theirs longer than we do during the day. So at the actually capture more of it. They certainly, I would argue, have a simpler traffic system than we do but they're able to staff that. We think it has graduate value in detecting and responding and acting to that problem. We're also in discussions with the Texas department of transportation, capital metro and others about combining and all of us recommitting to a regional system. We've been to Houston and to Dallas to see how they run their systems. Houston treats their evening commute exit from downtown Houston as if it were an evacuation of downtown Houston. That's a very different way of thinking about how to get people out of downtown Houston than we currently operate here. And so, yes, I think staffing up will also give us the ability to build those extra traffic signal plans. As you know, a signal plan is developed for a certain volume and a certain speed. So when the volumes change dramatically from that speed and volume, whether it's downtown or out in our suburban arterials, the arterial doesn't work as it was planned for. And here in Austin, for a variety of reasons, our traffic changes multiple times during the day, and so we're pursuing two tracts. In our suburban, more radial corridors, we are pursuing a method where we will, in a sense, allow the computer do detect how traffic flows along those arterials, a la Lamar, those systems are adaptive type systems so in a sense the system along those arterials will sense the traffic, start to think and change the traffic signals to minimize the delay.

[10:22:38 AM]

That is the state of the art, if you will, for signal development. In the dense core that type of adaptive signal system -- a responsive system is where you detect how the traffic is operating at the system level. So all of downtown in a sense. We would know when the evening peak, the morning peak, day after Thanksgiving, what do they call it, black Thursday, I think, or black Friday, I guess, when everybody

shops? Plans for those experiences. And then would you use the system as a whole in a sense to go to a library and say I know it's the tenth of July but it really looks like the day after Christmas for some reason. We're going to pick that traffic plan and use it on the tenth of July. And so that's called a responsive traffic system. So we're pursuing both of those simultaneously. We hope to have the adaptive system on south Lamar deployed -- the Texas transportation institute recently wrote an article that indicated Austin along with only two or three other cities in the country are stepping forward to develop new signal systems that are responsive to the changing traffic, let alone get ready for automated cars in the near future. So we're in a pretty small group of cities that are actually trying to do something about their signal operation systems right now.

>> Mayor Adler: I think a lot of people are excited about it and from the announcement and the media coverage, this late synchronization perhaps more than anything else I hear about other than the block the box from people who have done tickets -- gotten tickets.

[Laughter]

>> Unintended byproduct.

>> Mayor Adler: That's all right, anecdotally, it's having an impact as people understand they need to clear these intersections.

[10:24:45 AM]

>> Yes, sir.

>> Mayor Adler: Final question on this. With respect to the responsiveness, as you're setting out the different traffic plans, how sensitive can that be? Can we have a traffic plan so it's not peak hour versus non-peak hour but on any given day the peak that exists between 4:45 and 5:30 and the peak that exists between 5:30 and 6:30 and the peak that exists between 6:30 --

>> Right.

>> Can you do those kinds of --

>> So there is a practical limit about how fine you can cut the day up and number of things. Please understand when you change the signal system it usually takes two or three or four cycles for the whole system to resync up and in fact we have challenges with that on some parts of our signal system. People go, well, they're out of sync. We can go look at the time of day and know you were in a changeover and just happened to be the unlucky driver that saw the lights changing over to the new system or the new signal system. But theoretically, yes, you could cut it as many times as possible even down to 15 minutes. I don't know that you'd want to do it. I think what would you start with is multiple -- not just morning and evening peak but a midday peak because we're starting to see a lunch time peak. You know, that period between in the morning between the morning peak and lunk time and then lunk time and afternoon, late night, in fact we already have late-night signal systems, simply turning the lights to blinking yellow or red in downtown makes a big difference if you're coming through at 2:00 A.M. In the morning you don't have to stop at every signal if it's blinking. Simple things like that. But then special events, many of our special events close the same streets so we can plan for that. And then evacuations. I talk about evacuations but think about the football games up at UT. Essentially that's an evacuation of UT and in fact we use the same post-game signal system to help evacuate UT about a year ago when they had a security threat.

[10:26:50 AM]

So it's not necessarily the number of events, but because, again, there's a tolerance ratio, so a single signal system can actually take a variety of traffic levels but once it takes over that level it fails. And so one signal system can actually handle a wider variety in some cases than you might think. But when it

hits that total volume and speed and breaks down, it collapses. That's what you see here in the system. I will tell you sir that Austin, I've worked in a number of cities and I don't know why where Austin has some of the most variable traffic I've ever seen in a city, whether because of three major activity centers are against each other, downtown, capitol, UT that have their own sort of calendar of events, if it's because of the network or if it's because of just what happens in downtown. I have yet to see one Wednesday that looks like another Wednesday. I mean, it's very variable. And that's just the nature of what we're dealing with here. I have no idea.

[Laughter]

>> Mayor Adler: Okay. Anything else?

>> Renteria: Mayor.

>> Mayor Adler: Mr. Renteria.

>> Renteria: I want to ask you about the parking management fund.

>> Yes.

>> Renteria: I've noticed that we have created two new districts, one in east Austin and the other one in Mueller.

>> Yes.

>> Renteria: How many more districts do we have in Austin, parking districts?

>> So we have a west campus district currently. So I think those -- right now the first one that we did was west campus and then these two new ones. Those were in response to community requests for those. The local parking district is something we invented that a lot of other cities are looking at, and, as you've noted, both the neighborhoods of Mueller as well as east Austin actually approached us and asked us to solve those issues.

[10:28:54 AM]

In downtown we have a downtown parking district where we have a similar relationship but it is a different program. It actually was the initial program where we share funds or help fund elements through the daa for downtown rangers and downtown cleaning and so forth. It is essentially similar, but it is under a different --

>> Renteria: Yeah, I seen some of the projects and how -- the way y'all are dividing it between different groups, especially in the Cesar Chavez community there. I'm really excited because I think that we could also use that kind of program there in the Rainey area, especially, you know, with the cultural center being one of the sites that's being used for -- as a parking area and they're generating a lot of revenue there and it would be very helpful if we could probably create a district area in Rainey where we could divide some of that funds so we can use it to improve the Mac. The grounds are really in sad shape. There's a lot of needs that -- I'm worried that when we have our tourists and business persons from out of town coming to visit our site, to see the way the site is being maintained. I get very concerned about it.

>> I appreciate what you're saying, councilmember. We have a similar program with the parks department and so the parking lot at the Mexican American cultural center is actually in parkland and so the revenues from the meters that are at that parking lot next to the macgo 100% to the parks department through the macorganization. We do take out a management fee to pay for our machines and enforcement but we have typically taken the tact that we support the parks department when they want to meter their parking, they come to council and get the authority and we supply the technology for them.

[10:31:06 AM]

We recently helped them convert some of their paid parking, where they were having attendants on the weekends to in a sense a vending machine. That's in a sense what those pay stations are. And we only take the necessary funds out to do the administration, but we hold those in a separate account and parks is able to reinvest it. In the facility where they collect. One of the things we know about fees is that we have to -- there has to be a nexus between the fees generated and where they get invested and so the parking system, on-street parking system is part of the overall trapping system, so we do use those funds to help build sidewalks and do similar public works programs that by their nexus help people either get to their parking or generate improvements that go back into the parking experience. And so maintenance of the streets, maintenance of the facility and stuff that would benefit pedestrians walking to and from those parking spaces is what we have to maintain for state legal reasons.

>> Renteria: Thank you for that information.

>> Yes, sir,, yes, sir.

>> Houston: Mayor?

>> Mayor Adler: Ms. Houston.

>> Houston: Maysky a quick question regarding the pedestrian hybrid beacons.

>> Yes.

>> Houston: What are the parameters for being able to have one of those? Is there certain kinds of streets you can only put them on?

>> Well, we have a series of criteria. Just like regular traffic signals, there's what's called warrants. So there are a series of state mandated requirements that we have to show we meet in terms of placing a hybrid beacon.

>> Houston: Could you tell me what those are.

>> Not off the top of my head.

>> Houston: Okay. That's what I'm asking.

>> Yes, yes, I will bring them to you. I will tell you just like traffic signals we have demand for more hybrid beacons and more signals than we have budget or physical capability of building in any given year.

[10:33:11 AM]

When we get a request, we evaluate it and then we rank that against all the other requests in that given year. So it's a continuous ranking. So that we're using limited budget to [lapse in audio]

>> Houston: The question is just by the equity of how decisions are made and I just need to know what the criteria is.

>> Absolutely. You know, once a device is decided, yes, based on severity of issue, so the number of crashes, the exposure to the pedestrians, meaning if they have to cross a four-lane versus a two-lane, four-lane has more exposure for the pedestrian, and so those are some of the criteria we take into account as we make a decision how to distribute those monies. With the thought that equity based on risk is how we're serving the most people. That's the way we view it.

>> Casar: Mayor? And I do just want to mention to all of my colleagues, but to councilmember Houston in particular, that I asked this question, and I felt when I got the sheet and the criteria points, that the pedestrian beacons issue had been thought out very thoroughly because I think these questions have been asked quite a bit. So there's a lot of demand from lots of constituents in my area for those beacons, and it seems to me that if we -- that the criteria was very -- the funding for it, because, you know, at first I had some concerns about the equity issues but that was even built into the criteria. So thanks to -- thoroughly it seems the buck comes over to us on how we can fund them because they're not as cheap as perhaps one would hope.

[10:35:17 AM]

>> Houston: And I appreciate -- could I just --

>> Yes, ma'am.

>> Houston: I appreciate those comments. The issue for us is -- for me is that since we now have a 10-1 system there are parts of communities all on east 12th street where there's a hill and the children trying to get across 12th street to get to the park there's no place for them to go except you will all the way up to Springdale and no place except E.M. Franklin so they across across the street to get to the swimming pool and there's nothing there that says pedestrian crossing. There's nothing. So now that you have people who have different eyes on the ground, it's important that we know what the criteria is and how to encourage the neighborhoods to make those issues before somebody does get killed.

>> Right. Yes, ma'am. Thank you for that. I will have my staff circulate back with yours to make sure that specific issue and location is on our radar screen and -- you know, I will tell you that Austin was a leader in the state getting the state to even allow, in a sense legalize hybrid pedestrian beacons. We actually had to go several legislatures ago to get them to bypass the state department to say thou shall allow them in your design manuals. We've probably been more Progressive than any other city in the state of Texas in getting them out. I will tell you they're the best things we have seen for pedestrian crossing safety in a long time. My observation is that drivers do obey them. When they ignore them, it has not been fatal yet that I know of. So when they've missed -- when they've run the red light, in a sense, I'm very happy to say it has not caused a problem that I know of yet. We are very keen on putting those out. So . . .

[10:37:17 AM]

>> Mayor Adler: Okay. Ms. Troxclair?

>> Troxclair: Can you tell me -- or I guess first I had similar questions to councilmember Houston about -- not the pedestrian hybrid but the six new regular, I guess, traffic signals. We get a lot of requests too.

>> Right.

>> Troxclair: So I guess I'll follow up with you and see where those -- we normally tell people to call 311 because I know that's how y'all track data.

>> Yes. And if I could, like I was saying with the pedestrian hybrid beacons, every signal request comes in, we do evaluate it. The first hurdle is to say, yes, it's warranted or not. If it's warranted then we rank it in terms of criticality.

>> Troxclair: Well, thank you for your work on that. This may be a silly question but the pedestrian hybrid beacons is that just the pedestrian crosswalk?

>> No. It's the three-headed beacon, and I have to be careful because signal has a legal definition in this state. It's a three-headed beacon that sits in dark, in other words the lights aren't on, when nobody is using it. When the button is pushed it starts blinking yellow and then goes to solid yellow to solid red, two solid reds and then blinking red and then back to dark.

>> Troxclair: Okay. I know what you're talking about.

>> Driver are starting to learn that solid red means stop and blinking red is stop and if nobody is there you can go.

>> Troxclair: Right.

>> That's why we're getting much higher obedience,.

>> Troxclair: So we're adding three positions for enforcement and maintain of meters related to the newly created parking districts. So are the funds -- and I know later it describes the funds that we receive from enforcement from meters and things.

[10:39:22 AM]

So the revenues that the city will receive from -- who will be managing those areas?

>> Yes. So the way the funds from those specific districts go is that there's a formula where we split funds. The portion -- it doesn't actually go to the neighborhood. Then we partner with the neighborhood to identify public works-type projects that are related to the transportation network that allows to us accelerate those benefits. And so that can be increased maintenance of the sidewalks, the streetscapes, et cetera, it can be increased -- you know, it could be a variety of things. It's projects that the city would do normally but since the community in that location has agreed to ask people to pay for parking, they're able to help encourage those projects further. The other portion of that that's not shared in that manner goes into our overall department budget. In their case it would be the parking management fund and the parking management fund 100% funds all the activities, whether it be parking enforcement or meter maintenance. The enforcement that we do, the tickets, the fees that come off the tickets, do not come to our department. That goes directly to the general fund through the community court.

>> Troxclair: Okay, thanks.

>> That is a service. It's one of those severances we have to have enforcement to make the meters work. But we don't want to collect the funds from the meters so that we don't have an incentive to write a lot of tickets. Our incentive is to get people to abide by the meters.

>> Troxclair: Thanks for that explanation. And then the three positions for enforcement, how is that different two additional parking officers?

[10:41:23 AM]

Job descriptions of all the new employees?

>> So I probably breezed over without being specific. In the meter enforcement and meter division is also the ground enforcement, tncs and so forth are also if that group. So I think two of those are the tnc enforcement versus the three that are the parking enforcement. I think that's what it is.

>> Troxclair: I'll let you read the paragraph it says three new positions for tncs, one position for analysis of parking utilization and demand to better manage on street and off street enforcement, three positions pour the parking management division, which I -- and then, O, I guess that's fy17, 22 additional parking officers will be added.

>> Yes. Just so you know, the process or practice we've typically done with parking management, because it's fairly fluid, we may add spaces during the middle of the year but not count that revenue. As we need more enforcement officers or more maintenance staff, typically enforcement officers we will typically hire temporary staff until the next time we have an opportunity to come back to council, make -- create permanent positions that temp staff is certainly welcome to apply for those positions but we do a recruitment, fill the positions from the temporary positions and then that's how we've been able to meet parking demand.

>> Troxclair: Okay, thanks.

>> Mayor Adler: Okay. Anything else on this? Mr. Casar.

>> Casar: Mayor, I have been in discussion with councilmember Zimmerman on public safety but also we want to indicate to members of the mobility committee that regarding pedestrian facilitates and fatalities, whether that fits into the public safety or mobility committee is something we should take a look at I just had a fatality in a my district a few days ago of a man trying to across from the greyhound station.

[10:43:43 AM]

So there are lots of places we here from constituents there's great Danker and we need to be able to address those. I know the city has the data on where folks have been killed and I think all of us coming together, regardless where have those places are, to address those needs, where people are actually being killed quickly I think would be a great thing for to us make sure we come around and do during this budget process. Whether that starts in budget working sessions or mobility or public safety, I don't mind but it was very close to home that, you know, somebody just a mile from my home a couple days ago was killed. It's a serious issue that I know we all want to work on.

>> Mayor Adler: Ms. Blow and then Ms. Kitchen.

>> Gallo: So I'd like to go back to the traffic mitigation fees just to understand a little bit. As they are collected, where they go, and who holds them. And then I understand that we're going to be addressing a broader policy so that they can be used. But my question is, how do we know how much we have and how do we know what areas they've been allocated to? And do we ever give those back to developers? And if so, why in the world would we ever do that? And if we do, then what do we need to do to keep us from being put in a position that is done? So there's lots of questions in there. But just understanding really the process for that.

>> Sure.

>> Gallo: Because, you know, it's very much the topic of discussion with zoning cases.

>> Yes.

>> Gallo: And I think that it is really important that we as a city use those funds if we need to -- we're talking about mobility, to be able to address that better. But I don't think anyone's intention would have ever been those monies go back to the developer. If you could visit with us and let us know what we need to do to fix that process.

>> I have to admit you're on the edge of my expertise, the outer edge at this point. I can answer the one piece for you about giving funds back.

[10:45:46 AM]

Yes, the case is, in some cases we have had to give fees back. An example is a developer -- the impacts from a particular development, it was determined, for instance, that a four-legged intersection was required a number of years ago. When the project actually moved to construction, it was determined that a four-leg intersection was no longer needed, a three-leg intersection was appropriate. The developer came back and asked for essentially one quarter of the funds that were dedicated for that specific project. That in a sense sort of crystalized the challenge with the fees, is that right now they're attached to specific projects often. So it becomes a very large bookkeeping process to keep track of which projects have funds attached to them and, therefore, you know, access to that money. I will tell you from my department's perspective, most of the money is associated with signal improvements and so every time we, you know, go to implement a signal, we do go to the fund to find if there are funds identified in specific developments to invest in that. I will tell you, in terms of returning money, my understanding is that it really has to be the developer that comes back and says, hey, you haven't built all of that project. I'd like a piece of it back. There also is I believe, a sunset period for how long we can hold those funds, but I think that we'd be better off talking about it in the mobility committee because I will have my staff that has done a lot of work in terms of understanding our system be able to talk fully about that.

>> Gallo: So when we talk about in mobility, not only moving it in the direction that would make it easier to implement and a wider basis, but also being able to vow that situation in the future.

>> Yes. And I think fees do that for sure, because you're investing in a transportation plan for a transportation impact area, and then the jurisdictions have the ability to invest in that plan.

[10:47:53 AM]

You're not investing in a specific project, but in a sense you're paying into a plan that can be amended over time through a specific process. I think that would help eliminate that. I think there's a question as, okay, but what about the commitments that previously have been made?

>> Gallo: I think part of that, too, is if we could have an idea what funds are at risk for being -- of what funds are at risk for being given back because we would want to address those immediately.

>> Mayor Adler: Ms. Kitchen and then Ms. Tovo.

>> Kitchen: I was just going to ask -- blank for a second -- as an informational item to follow up on what councilmember Casar was talking about perhaps you could provide to our offices a list or perhaps some way to help us identify the areas where at the top of the list, in terms of safety issues, to the extent that there are funding gaps. That would be helpful for us to understand, and then we can --

>> Yes.

>> Kitchen: -- Consider those in mobility or public safety or wherever.

>> Yes. So just quick, every time we have an unfortunate incident where someone is killed, we do an analysis.

>> Kitchen: Okay.

>> Every time we find out -- sometimes there's engineering reasons that we can make improvements to the location.

[Lapse in audio] Half of the fatalities are, you know, alcohol or speed is involved. They typically are happening late at night, many of them on I-35. Yes, other streets have fatalities as well, but many of our fatalities occur on I-35 for a variety of reasons and it's not just the driver that often has alcohol on board. It is often the pedestrian. About half of our pedestrians last year were in fact themselves indicated that they had, through tests, obviously, it was indicated that they had alcohol involved.

[10:49:58 AM]

And so, you know, engineering can't do much about alcohol, unfortunately, and speed in some cases. And so that's where enforcement and so forth comes into play. So we have a very good partnership with Austin police department, but we still need to do more. I mean --

>> Kitchen: Okay.

>> Mayor Adler: Ms. Tovo.

>> Tovo: To the point that councilmember Gallo raised, during the period of time that we were considering the Garza tract issue I had submitted some questions through the q&a process related to -- related to gathering some data about that very issue, about which projects had contributed to transportation, how those had been used, if they had not been used whether the funds had to be returned. So at the time that we considered -- at the time of the council meeting those issues were still pending and I didn't get responses. The last couple times I've checked I don't think there were responses online. I've got to try to figure out what date that was but would I really very much like the answers to that. It sounds like that's relevant to the discussion that's going to be upcoming at the mobility.

>> Yes, ma'am.

>> Tovo: Do you happen to know if you answered those questions through the q&a.

>> That probably went to the development review department to try to answer because, again, transportation analysis of developments happens in the transportation purview. I'm sort of the end user of those funds. I will tell you, as we investigate, it is a big data set and, you know, I think we have some challenges about how to manage that data geographically and to be able to answer questions just as you have asked, I don't know that we've been asked those questions frequently before, and so as we start to respond, we find that our data systems may need to be improved to better --

>> Tovo: Again, it's possible that there is a response online now. It's been a month or so since I've checked but I'll try to get that specific date and make you aware.

>> Sure, and I'll try to help you find out --

>> Tovo: Because I think that information would be very important.

[10:51:59 AM]

Thanks.

>> It is a challenge.

>> Mayor Adler: Ms. Houston.

>> Houston: Yes, sir. This may not be the appropriate place to ask the question, but it's -- holistically, as the density moves further into the neighborhoods, so this may not be the place so at some point let me know when that time is because I assume we've got something else coming up about transportation later. That may be the more appropriate place. I don't know.

>> Again, I think the mobility discussion about impact fees because as I was explaining earlier, right now developments -- define what their impact is on specific intersections and then what the remedies might be. The impact fee approach says what is the need within a service area, and then what percent should the developer participate in that. It's a little bit -- it's a fine distinction, but I think that would better allow us to take cumulative impacts into account.

>> Houston: When do you think we might have that?

>> I don't I think the mobility committee meeting in August.

>> Kitchen: It's on our August agenda.

>> We have funds proposed here to do the work necessary to get to a system. It is a process, excuse me, to get to that system, where you're developing the system plans and then, you know, doing development fees. That's probably a year's process once we get started.

>> Houston: Okay. So we'll talk about --

>> But it's on our mind.

>> Houston: We'll talk about where the push is coming on 51st and Springdale.

>> Sure, yes.

>> Kitchen: I'll try to remind everyone. I don't remember when the next mobility committee meeting is. It's in August, first part of August. Does anybody know the date?

>> I think August 5 maybe.

>> Kitchen: Sounds about right. Let's see. Yes, it's August 5. So for everyone's information, August five at 3:00.

>> Mayor Adler: Great. Ms. Troxclair.

>> Troxclair: One more question.

[10:54:00 AM]

>> Mayor Adler: Yes, ma'am.

>> Troxclair: So I see that we're increasing the, I guess, parking meter rates downtown from \$1 an hour to \$1.20 an hour. That's just for downtown or is that on all meters?

>> So that's -- first of all, that's a proposal and the reason it's here is so we can include the budget increase in our planning process. So I want to assure everyone that might be listening is it's still a process, that we do not expect to do that on day one. That we would start the process of community discussion, explain why and go forward. It would just be downtown, the reason is because we are routinely, even on the nights we go light, hitting 90% plus okay pans, even up 99% occupancy. The goal behind metering a commodity like on street parking is to make that parking available for our downtown

customers and guests coming to use those different restaurants. As an example, when we went late night on those three nights, Thursday, Friday, Saturday, what we found is that before we had implemented that we found that the average turn on a parking space at night was once. By extending the meters we got to three times. In a sense we were having three customers as opposed to one, often time employee. Concurrent with this proposal is also to open up additional downtown off-street parking, specifically for employees of downtown businesses so we're not just displacing workers, we're giving them an alternative location so that those businesses can have customer spaces in front of their businesses to come to. And so that's the proposal. The 20-cent increase, we have to do it in -- as a multiple of four and a multiple of a nickel and so 20 cents is the smallest increase. 40 cents would have been too much.

[10:56:00 AM]

So -- too much of an increase.

>> Troxclair: Why do you have to do it in multiples of four?

>> Because typically our law -- right now our ordinance, it's 15 minutes, you're paying for 15 minutes as a time so four 15 minutes an hour so we can't cut it any smaller.

>> Troxclair: Okay. When was the last time that we increased parking meter fees?

>> We haven't done it in the seven years I've been here. So I don't know when honestly. The last change in parking was the extension of the three nights, Thursday, Friday, and Saturday. Now, another proposal that was here, just for transparency is we're also proposing to extend late night on Wednesday. Again, that's a process. We wouldn't expect to do either of these until the first of the year so there's a process to get there. The reason we're proposing Wednesday night to late night is because it's routinely 85% full downtown. 85% is a magic number. It is when parking is considered full. When you have more circulating around the block to find parking than parking available.

>> You mentioned this would be in conjunction with opening up new off-street parking. Do you know about how many parking spaces you're anticipating?

>> We're working with the water department right now to actually open up the waller street garage for low-cost employee parking off-street, and then we also use city hall and then the new space [lapse in audio] Reusing an existing asset, in a sense.

>> Troxclair: Okay. And what time --

>> I want to say noon, I think. I don't know. I'll get that for you for sure.

>> Troxclair: Thanks.

>> Mayor Adler: Ms. Pool.

>> Pool: So you describe certificate steps the city has taken to help with parking for our late -night folks who work downtown, late-night, like the musicians and artists and that?

[10:58:10 AM]

I understand there was a change to how the parking is allowing to before you're towed like on a Saturday night into Sunday.

>> Typically we don't tow on those late nights if a car is left over. That's -- atx mobility there were comments about don't tow from the lots. That's actually we don't do that anymore. We heard people that, you know, hey, I need to get an alternate ride home so why are you towing me. So if you do get a ticket because you left your car and you took an appropriate way home, taxi, friend, whatever, especially if you'll contact us the next day before 10:00 A.M. And explain what happened, we can pull that ticket before it goes to the court. Once it's out of our hands, it has to go through the regular court appeal process, but we understand that, you know, if a person took a taxi home we want to encourage

them to do the right thing. If they can produce a receipt or give us enough information to convince us I used a taxi or one of the other services we're happy to install ticket.

>> Pool: I think that was a really good change to our policies. Thanks.

>> Mayor Adler: Anything else on transportation? Ms. Kitchen.

>> Kitchen: Just as an information item, I saw Doug Matthews here earlier but he may have left. But my understanding is that the conservation -- conservation -- conversation core, that the conversation core is doing a series of community meetings in the districts on transportation. Is that -- does anybody know about that? Is that correct?

>> I believe that is correct.

>> That is correct. We had one yesterday at house and library and Tina went, and I haven't been updated on it but there's several other in our district

>> Kitchen: Okay. I don't know what the remaining schedule is.

>> Pool: We have posted it and it's scattered around the city and it's about an hour meeting, I think.

[11:00:14 AM]

But I haven't gotten an update on it. It might be something -- is anyone from transportation planning on being at those?

>> We are participating. We helped write the prompts and so forth for that program. We are very involved. I will tell you that when it comes to the parking, if that's the implication, we would still need to do a focused, targeted conversation with stakeholders about the parking changes, in addition to the conversations.

>> So you could predict it.

>> Kitchen: Perhaps the results can be shared with the mobility committee as well as with each councilmember for their district.

>> Houston: Mayor, I have one last question. Could you talk to me a little bit more about where the musicians and people who work on sixth street will be able to park?

>> Well, right now --

>> And the cost of that.

>> I'll have to get back to you on the specific cost. I think that program is still under discussion. It's more of the wait staff and the lower wage staff that work downtown on a regular basis.

>> And those are musicians too.

>> The same place every night kind of approach as opposed to the musicians that are often moving from different location. We have developed musician parking at some venues to give them a place for their bands to load and unload. We make parking available here at city hall and other city garages around town. The waller creek location is probably the next facility that we would open up for them. And we also bag meetings. If a facility needs space on the street to do loading and unloading for the facilities. But I would be happy to get more information for you. We also do a special licensing for musicians, I believe, as well.

[11:02:24 AM]

[Lapse in audio].

>> Houston: To expect them to park at city hall and somehow get to sixth street to their jobs and then back at 2:00, 3:00 in the morning. So I was hoping that there would be something closer to the sixth street location.

>> Some of that is we're hampered by the location of where city assets are. So we have control over city assets to make those available for obviously the parking. We also work with cap metro to make sure

there are late night runs, and they're increasingly putting additional services late for those folks that get off after the close of the establishments even later. We also make the parking facility under I-35 available for many musicians as well. So that's another location.

>> Houston: And my last point is that as we increase the parking fees, especially down by the courthouse, it's prohibitive if you have a trial and you're waiting to be called and feeding the meters. We have to think about all kinds of people who use the downtown space and the fact that we're pricing them out of being able to be in court and stay there for half a day. And the cost in the garages are prohibitive. I parked in one the other day for an hour and a half meeting and it was like \$15.

>> We don't have city garages around there. We work with Travis county to try to make sure they're providing adequate parking for their visitors or their customers. There are special Zones because of various activities, but you're right, we're very aware of that.

>> So wins you're here, Mr. Spillar and we're talking about parking meters, especially downtown, I've gotten some questions and I have some myself about how decisions are reached about when to appropriate the meters but other uses.

[11:04:32 AM]

There are particular areas downtown when some days you'll go up especially around the Austin music hall and ballet Austin and royal blue groceries. Some days you will go up and the meters are open and available. The next day they may be hooded and say permit required. And by the way, I go up and down and there are very rarely permits on the cars indicating what they're -- if there were permits I might have some sense of what they're doing there. And other times they're hooded and say special event parking. That's the experience in that particular area. I've been asked and I wondered whether it has anything to do with the construction going on and that that's some of what is going on that some days that parking is allocated toward construction. I've heard from other business owners downtown that they're having the same experience in other parts of downtown. Some days there are meters. Some days the meters are hooded. For businesses that rely on parking for customers it's a challenge, especially the unpredictability of it. So how are -- could you give some sense of how those decisions are made, who controls them? Are we allowing those meters to be used for ticket-to-workers on private development -- for workers on private development tracks or are there other reasons why those are hooded on certain days?

>> I can give you a general answer, but then follow up with detailed information about how that process -- the decision to hood a specific meter. With regard to construction, construction of the site has the right to in a sense hood the meters on the face curb, facing it for deliveries or safety stuff. We do discourage the use of those parking spaces by construction workers, but we know that it occurs and so we have processes to discourage that. Typically if it's a special event or for whatever reason it's related to the adjacent businesses, but I don't know the specific situation you're talking about or I don't understand the reasons.

[11:06:41 AM]

But let me get you that specific information on how we choose. I will tell you when a meter is hooded the lost revenue is paid by whoever is choosing to hood it specifically. Unless the fee is waived for a special event or something, in a sense somebody is renting that space for the day.

>> I would like to get -- I have a couple of specific areas of downtown that I can give you to get more information and I think -- I think, you know, in part it's the inconsistency of it that's really a challenge for customers. So I'll be real interested to hear that. There was something you said I had a question about. I think I would be interested in too in the time period. Loading would be kind of a one-hour activity and in

the instances I'm talking about right near particular construction sites it's hooded for that day.

>> Right. And typically the hooding is for an entire day in order to keep cars from getting there before the crews get there to hood the meter. If you need one hour in the middle of the day it's hard to make sure it's vacant and available for you at that hour.

>> Tovo: Thanks very much.

>> Mayor Adler: Okay. That moves us then off transportation. Thank you very much. That also included parking. That gets us to Austin code. Also the convention center if you're following along in the financial forecast, but let's do the Austin code. Would you describe the clean community fee?

>> I'm sorry. Hi. I'm -- good morning, I'm Carl smart, director of Austin code. And I have with me our finance manager Mr. Franklinfering. So we'll be glad to respond to any questions, concerns.

[11:08:47 AM]

>> Mayor Adler: It why is there such a significant increase from the clean community fee shown on the anticipated avenue? Page 39.

>> Mayor Adler: I had asked about the clean community fee increase.

>> Yes. Mr. Mayor, members of council, our clean community fee last year we did not ask for any increase and we did not add any staff last year. This year we're proposing adding staffing level of nine, nine new positions. The total increase in the clean community fee would be 45 cents on the residential side and 90 cents on the commercial side. That would be a monthly increase in -- on the utility bill. The 45 cents would basically generate \$1.5 million in revenue. .5 million would cover the internal cost, the cost drivers, the additional cost for salary increases and for health insurance. The half million would cover those items. The one million would cover the nine additional positions. The positions are primarily positions to help secure programs that we already have, not necessarily new programs. Three of the positions would be code enforcement officers, inspectors.

[11:10:50 AM]

Two for our neighborhood code enforcement program that are covering districts. We have the neighborhood code enforcement, 33 districts and we've got currently now 31 inspectors out there, so two would be to cover the third district and the rest on an existing program, the rest break program where we're checking construction sites to make sure that they're providing rest breaks for their workers. Right now we're using a temporary staff person to do that. Three positions would be support for programs that we already have in place and we did not get the support allocated when the programs were initiated. Those programs are multi-family inspection program, the repeat offender program and short-term rental program. So we would provide support staff for each of those and it would actually help the inspectors to be able to do more in the field if they had that program support. Additionally there would be fte's to replace temporary staff that we've been using to implement programs. One is a dispatcher. We have found that in code with inspectors all over the city all during the day and sometimes -- and weekends, we do need a dispatcher that can keep track of where those inspectors are and it would be a ready resource if they're in need of help or whether it be public safety help or whether it be information help, the dispatcher has become an integral part. Right now we have a temporary employee doing that. And another temporary employee is our neighborhood liaison that works with indigent and hardship cases. A lot of times we have senior citizens on fixed income who are not able to afford the repairs that we've identified and code notices of violations or the persons who need help for other reasons.

[11:13:00 AM]

They may be disabled or are just indigent and needing assistance, needing assistance in getting with other resources, other agencies that can provide assistance in getting their properties brought into compliance. That's eight positions. The ninth, Mr. Lazarus identified a division manager that would actually -- actually temporarily transfer it to code now to handle our net program, our neighborhood enhancement team program. And that program is a program started last year. It was approved last year and kicked off in January it actually focuses on the rundberg area and it actually identifies resources, identifies needs and helps make sure those needs are met with the collaborative team. The interdepartmental team working together in order to make a difference in that area so we needed a coordinator for that team and for that effort, that program, public works was gracious enough to transfer one of their division managers over to code so right now it's being paid out of public work's department budget as of October 1 if we get that position transferred, fully to code, then we would expect that responsibility for paying for that position. The nine positions are a million dollars, cost drivers, internal cost drivers a half million, \$1.5 million, and we would need the 45 cents increase in the clean community fee to cover that cost.

>> Pool: I appreciate that you all are adding compliance officers. I know in district 7 there are a number of really intransigent homes and commercial establishments and the cross district effort that previous council had started restore rundberg is a really important activity that y'all are involved in as well.

[11:15:20 AM]

And the code officers seem to have a quasi public safety unit where you go in and issue citations and often concerns that are nuisances in communities can't really get the attention that they need without that citation first being issued to draw the proper attention to it. And then have whoever is creating the nuisance be put on notice that this has been identified as a problem and they need to work to resolve it. So it has happened to me since working fairly closely with Mr. Smart's department in January that having the additional. I think the additional worse that's requested -- worse that's requested here is probably well overdue. Thanks.

>> Mr. Tovo and then Mr. Zimmerman. I'm interested in this topic and I'm not prepared to ask in-depth questions about it. I'm looking back at the last couple of budget cycles. As I recall in fiscal year 2014 code had requested additional staffing of really substantial increase in staffing and the council decision was not to grant those additional positions and we had a pretty substantial discussion about that. In last year's budget and the previous year there was good information in there about the costs of administering a short-term rental program. This year we were projected to come in under -- with revenue that did not match the cost of running that program.

[11:17:23 AM]

Has that proven to be true?

>> Yes. We think that's going to be true. That we will expenditures will exceed the revenues in the program. We have been fortunate in that on the registration side we have been getting a good number of registration but we're still facing a lot of challenges on the enforcement side. Having support to that staff is really going to help a lot, but we may also be looking in fy 17 and fy 18 additional enforcement staff in order to help with that.

>> Tovo: And I think -- let me, I should say I've watched Austin code as a community citizen. I think there were -- in those days there were maybe six code compliance officers. I think the work that you're doing, and I want to say this upfront, is terrific. I appreciate it. I think you have really built a department that's responsive to the community needs and I appreciate all the work you do. And I had an opportunity to

ride around with you on a trip councilmember Houston organized this weekend and I'm really impressed by your staff and your department. That being said, though, as we contemplate adding staff, knowing that we had a similar conversation over the last couple of years, I want to also look at other ways to make sure that our existing ordinances are effective. To me adding additional staff to monitor a short-term rental program that's losing money is probably not -- or I guess I would wonder what other means we have, what other tools we have of making your job easier. As we've talked about the council went in and changed the ordinance so that advertising for short-term rental is no longer evidence that they're operating a short-term rental. That has maiden force. Of short-term rentals extremely challenging. Rather than add more is a staff to the department to help you enforce an ordinance that has set you up for -- a lot of challenges, I would rather go in and change the ordinance.

[11:19:26 AM]

We've had a little bit of a discussion about that. I would say the same is true of multi-family -- of some of our rental registration and our enforcement of substandard housing. We have a resolution asking city management to work together, to pull together an interdepartmental team. Some of the cities that have been super effective at really cracking down on substandard properties have done so because they have a team of very proactive legal arm of that enforcement team. And I would like to revisit -- I sponsored that resolution. We had asked for some feedback. We've gotten some report back, but I think that's a really critical area to look at to see whether that's happening because if you're doing -- if you're getting out there and citing properties that are in violation, but then we don't have a very strong legal responsibility through the court system or whatever legal mechanisms we have, then again, we can add more code officers but that doesn't mean we'll be more effective at turning that around. So anyway, that's just some thoughts. I don't know if you want to -- this may not be the time to talk about the problem properties, efforts. I know you've been involved in and engaged in, but I'm also [indiscernible], but whether we need to adjust some of the strategies. And to the extent that there are policy actions required, you know, I'm fully prepared to work on those issues. So I hope you will help us identify how we might do that. What needs to -- what needs to change. And those are my primary areas of concern, the short-term rentals and ordinance changes that would help your enforcement and then problem properties and what we can do to really support the work you're doing to kind of step up your game. But I think we need to maybe consider some other strategies as well.

[11:22:01 AM]

Looking forward to that we'll be working with councilmember Gallo and her office in doing that. Additionally you absolutely are correct. On the problem properties, a couple of things. One is we've got a report coming forward to mayor and council to abandon properties and some of the problem properties we have out in the community. We've done a survey and we've identified a number of those and that report is on its way. It's being reviewed now at cmo and will be coming to mayor and council soon. And additionally following that will be some recommendations. You're right, we can't solve all the problem with human resources. We also have to look at strategies and policy changes and so we will be bringing some of that forward.

>> Tovo: Maybe this is a question for the city manager. Any estimate of when it would make it from the city manager's office to council, that report? We saw it yesterday and we've been going back and forth on it. I anticipate it will come out today or tomorrow.

>> There's a second report we've developed along with the presentation is on the repeat offender program and maybe making some adjustments to that. The council did make some adjustments if you recall in November, I believe it was, of 14. And that really has helped the program, but there's still some

other adjustments that could be made that would actually help us improve dealing with those problem properties.

>> I appreciate that. And did you say you're working on finalizing a report on that as well?

>> Yes. That draft is in my office, so that's probably within a couple of weeks of having that to mayor and council. We'll work with cmo on that.

>> Tovo: Great. I very much look forward to that and have some ideas myself of some policy directions we might consider so I look forward to visiting with you about that.

[11:24:11 AM]

Thank you for all the work and I look forward to seeing it. Laying on our desks.

>> Mayor Adler: Ms. Gallo, how does this briefing happening on Monday fit with the resolution that you're bringing forward.

>> What our resolution will be addressing specifically is the ordinance is a good ordinance and we're not attempting to make any changes to that. But where we're seeing problems in neighborhoods is with the departments' ability to enforce the short-term rentals that are in violation of the code and also the ordinance. So what our resolution will be doing is directing the city manager to investigate and decide whether it's issues within the department or whether it's issues with the way the resolution -- the ordinance is written from an enforcement standpoint that would then help the department be able to enforce the noncompliance. So the resolution is not addressing or does not intend to impact at all the short-term rentals that are operating properly and in compliance, which is the vast majority of the short-term rentals. That there are a handful of short-term rentals that are not operating in compliance, and the owners that are in those neighborhoods have been working with code compliance and code compliance is working with them, but there's a gap somewhere. So we're trying to figure out how to fix the gap. Is it something within the department or something within the ordinance that we need to address and strengthen that ordinance to be able to allow the enforcement to do.

>> And where's the briefing?

>> Pardon?

>> Mayor Adler: There's a briefing on this topic.

>> Commit will be Monday -- the committee will be Monday afternoon I think at 1:00 it meets at city hall, in this room.

>> Which committee?

>> Planning and neighborhoods committee.

>> Tovo: I think that was in response to the conversation we had last time, and the specific ordinance -- that was my understanding that you're going to share with us the specific ordinance change recommendations that could help the enforcement piece.

[11:26:17 AM]

>> Zimmerman: What ordinance?

>> The short-term rental.

>> Mayor Adler: That's what the question is about. So it's going to be a planning committee on Monday.

>> Yes, sir, planning and neighborhoods. Additionally we're planning to meet with your staff and some other councilmember staff to talk about this same issue. I think it's later in the week, maybe on Wednesday. So there is a lot of concern about enforcement of the short-term rental ordinances. We have several meetings coming up.

>> Mayor Adler: Let's make sure my staff is participating with the planning meeting. I may have the need

for you to go to --

>> I believe one of the meetings we're having with the departments is with your staff.

>> Mayor Adler: I'll check and see if it's the same thing happening Monday.

>> Pool: My understanding is that your staff has set up a meeting to address an aspect of the short-term rentals and I've got a meeting on my calendar for this afternoon. And then there is a second meeting I believe that is scheduled, but there is also the presentation before housing and neighborhoods.

>> Mayor Adler: I am going to back out of this because my staff is scheduling meeting.

>> Gallo: I think you're involved whether you know it or not.

>> Mayor Adler: Let's get back to the forecast issues. The attorneys remind medicine that's really where our conversation needs to be. Mr. Zimmerman?

>> Zimmerman: Thank you, Mr. Mayor. Thank you for being here, director smart. As you know I'm not a big fan of the we had a hearing at the public safety committee meeting and we had people testifying -- there are two objections on the way the code department is currently managed. One is that there's a lot of nitpicking going on as we saw with the palmer events situation that escalated and had to go all the way to municipal court where the city lost in court incredibly. So there seems to be a lot of -- there are a lot of people complaining about being hassled about minor issues.

[11:28:24 AM]

At the same time we have some people complaining that real issues of safety are not being properly pursued. That a citation will be issued for something that's pretty serious, but there's no real follow-up. So those seem to be the two objections coming from constituents. So I'm going to have two recommendations. Not only do I not support any new positions for the so-called growing caseload, I'd like to see eliminations of the untrained inspectors. I believe you have a number of code inspectors that haven't been properly trained. How many code inspectors do you have now?

>> We're around 64. But our inspectors are some of the best trained actually as far as code enforcement officers in the state.

>> They're inspectors, not officers, right? I think that's an important distinction.

>> They are registered with the state as code enforcement officers.

>> Zimmerman: I'm sorry. That's important. That registration. What is that registration again under the state that you're saying they're officers?

>> It is covered by the department of health. And actually, it is a registration for a code enforcement officer. So that is --

>> Zimmerman: If you could get that back to me specifically. I would like to see what that is. There's been contention about whether they're officers or inspectors. And I think there is an important thing there. So if you could please get that to me, that would be helpful. We've had a lot of it talk about interpretation of code. So the code will say something, but the code inspector will interpret that to say something that it does not say. And that seems to be a lot of a point of contention with constituents is that the code says something, the code inspector interprets it to say something else.

[11:30:27 AM]

And that's at the root of a lot of these disputes. I think that's where training is very, very important. Is it your contention that all the code inspectors are properly trained?

>> We have a training instructor and trainer. For new inspectors they go through the code committee. There's a code academy in process right now for our new inspectors and of course there's continuing education of further training that is done.

-- We'll be glad to open our doors at any time if you want to see some of the training actually in action.

>> Zimmerman: For the code inspector who did the citation on the fence case with Mr. Palmer, did he complete all of the training?

>> I would assume that he did. I'd be glad to check that for you to be sure.

>> Zimmerman: I would say that would be an important data point to say if that person had been as you said

[indiscernible], it would be embarrassing to me.

>> That was an embarrassing case of course. There was a hiccup made on that first violation because they okayed a fence that was actually not in compliance and the next year the inspector came out when he got a new complaint on it, reinspected it and checked it out and handled it properly. But, you know --

>> But a jury had the exact opposite interpretation of what you just said, that the first code officer got it right, first code inspector looked at that time and yes, it does comply with the code. And it did comply with the code. And then he reinterpreted the code to say something it didn't say and now we have a court case and a very angry constituent.

>> Houston: Excuse me, mayor, I think we're litigating something that we're not talking about right now.

[11:32:30 AM]

>> Zimmerman: Fair enough. But there are demands being made for still more -- it says down here nine new positions with the growing caseload so we will have more lawsuits potentially as we grow the caseload so I'm concerned about that. Not if I could talk about some of the growing concerns, maybe that would help.

>> Zimmerman: One more thing if I could. How much is being spent on public advertising for code inspections? I see banners on buses, I've seen television ads. I've heard media ads. Could you tell me what are we spending on advertising in this fiscal year?

>> There's a program right now called get to know your code officer. I think that program is about \$76,000. And it includes some of the buses and some other public service ads that we've been able to negotiate. So it's helping to get the community to know who the code enforcement officers are and who to call. And that's about \$76,000 on that program. And I would have to get you that additional cost.

>> Zimmerman: That budget of 76,000, what has happened with that in the last five years? Were we doing this five years ago or is this relative new?

>> This is relatively new. Code is still a new department. Five years -- we've only been in existence five years. And this past year we've kind of added a public information program, we hired a public information manager. We changed our name, did a little rebranding and we're making sure that we get more public information out there. And we really have a real strong program looking at transparency. What can we do to get more information out to the community, out to the neighborhoods. They know who to call and they know how to get problems responded to. So that's really been a goal. I can tell you that one of the things that came out of the customer service survey is that a lot of senior citizens didn't know about code enforcement and Austin code and who to call about certain properties.

[11:34:47 AM]

In the neighborhood that we're here. Know that we're here, we're here to respond and we're available and how to access that service.

>> Zimmerman: It's my job for my constituents to know what defenses they have from wrongful citations and wrongful prosecutions. Thank you.

>> Mayor Adler: Any other questions with respect to code compliance?

>> Kitchen: I have a question.

>> Mayor Adler: We'll go around this way. Ms. Houston, do you want to start, and Ms. Kitchen.

>> Houston: Thank you so much. You're absolutely right there are parts of the community that did not know how to get in touch with code so they lived with horrendous violations in their neighborhoods, fearful of saying anything to their landlord because of being evicted. So there's that point they can call anonymously and make a report and somebody will come out and hopefully help the people in community. And I think the other reason that I'm supportive, I'm not sure nine is the number, but support active of some increase in staff is because prior councils have put some short of unenforceable programs in place and to get a handle on those like short-term rentals and it's not just in the registration of them -- [lapse in audio]. Communities and neighborhoods where they have all kinds of legal issues there. But people need to feel like someone is responding to the issues. They can call A.P.D. And then of course they tell them to call code. So you all kind of oversee that part of short-term rentals, so we do need more eyes on the prize and feet on the ground to help with that. There are some other things that come up in our communities that we didn't even anticipate, like unregulated homes, which is why we were doing our ride out on Saturday where vulnerable populations under the radar as far as being provided quality care in our community and there is nothing on the books to take care and make sure that their health, safety and well-being are at least at minimal standard.

[11:37:17 AM]

So there are more things happening in our community that need code enforcement. So I really appreciate the job you're doing. And yes, everybody makes some mistakes sometimes. We all get those calls about something or the other. I think in general code has been doing a great job in getting the word out that you're there. There to help.

>> Mayor Adler: Moving our way around the table.

>> Renteria: Yes, mayor. My wife was a big supporter of the code enforcement department. She's a volunteer and training among different codes. You can have a liaison person to work with the community there so you can give them the information, if you're in violation that they can fix it up. And I really appreciate these kind of programs and there's really a big need. So whenever there's a substandard house or it's falling apart, you say yeah, give them the chance to fix it up, which I really appreciate that. We're also having a big problem with our short-term rental and I think that's the only thing that is putting a black eye on your department. Because we're having -- I'm getting constantly phone calls saying that, you know, code comes out there, there's nothing we can do about it. And when you do find a violation that they go through and you go through the process and legal say you can't do anything. There's no -- you can't use a third party witness on these cases. So they get their permits back. It's the same thing over and over. These people are in violation. They're advertising for 15 to 20 people. We really just call them mini motels, mini hotels now because they bring in 15 or 20 people and it's like bachelor parties and they party the whole weekend and they have no regard of the residents there in the neighborhood.

[11:39:26 AM]

They have lived there for many years and they're suffering and they need some relief. Until I see something, what this Sheri and the rest of the councilmembers here, councilmember Gallo's resolution, I'm going to be keeping a close eye on are we extending your request for more personnel because we can't enforce the short-term rentals. Is that why you need more people so you can go out there and focus more. And what I'm going to do is I want to make sure that we do our job right so we can give you the tool so that you're not having to come back next year and say we need more people to enforce the short-term rental because we're not making any money off that. And especially on the type two's, and we have no enforcement behind it. But besides that I think you're doing an excellent job on all the other

issues that Austin is facing.

>> Thank you. We will be focusing on the short-term rentals. We will bring forward some proposals for policy changes at the pnc committee and hopefully we can make some changes that will actually help to enforce it. It's very difficult as far as probably the bumming of our complaints on short-term rentals. There's too many people. Too many people staying there. People are staying on the weekends and they're partying and it's happening. And they're in that short-term rental, how many people are staying there over the weekend. And then after the weekend is over they're gone. After the festival is over, they're gone and they're not here to testify and it really makes it difficult to prove a case. So we're going to continue to work with our law department to come up with some ideas on how we can strengthen the enforcement on issues like that.

[11:41:42 AM]

>> Renteria: Do you have personnel working during the weekend when these kind of activities are going on?

>> Actually, we're starting to do more of that. We do have a team every Saturday, we've got a team that's out there and that team is doing a number of different things. They're pulling a legal sign from the right-of-way. They're issuing -- serving notices of folks who say they couldn't get during the week. And doing some inspections they couldn't get done during the week. But we're starting to do more now evening, weekend, evening inspections along with -- and we'll have to do a lot of those along with the police department because a lot of times the complaint is noise, too much noise, there's a party or whatever. And APD is enforcing the noise portion but if codes and A.P.D. Go together I think we're going to be a little bit more effective on weekends. You'll see more of that in the coming, the coming months and all.

>> I wanted to speak briefly to the neighborhood enhancement team, the net program by inspector smart, that one employee moving over from public works is trying to do a pilot of what some of the policy changes might be that we want to examine across the city to see if we can have success on the problem property and on the safety issues, and structural issues. So I think that hopefully if we can think about some of those smaller investments that can show -- that can show us which way we should go with policy change that perhaps that will help us long-term to control costs and make sure that people are complying rather than just trying to deal with the issues purely through human resources and enforcement. So I'm glad that we are thinking about making investments and thinking through pilot programs that can inform our policy change.

>> We'll be coming to council with a report on the progress made by that net program.

[11:43:43 AM]

The net program will be done in such a way that it would be -- it can be replicated in other areas. And dove springs and St. John and Riverside, other areas in need of that concentrated effort by interdepartmental team. So we're -- we'll be monitoring very increase closely the progress that's -- closely the progress that's made in the rundberg area. >>

>> Tovo: Councilmember kitchen.

>> Kitchen: One of the items -- thank you. I just wanted to ask you a question about the clean community fee increase. It's noted as one of the items for discussion and I see it in the forecast. Can you speak to the proposed increase in the fee?

>> Yes, it will be coming forward in the budget process. It's a 45-cent increase in the clean community -- on the code enforcement side. And I neglected to say that the clean community fee is a shared fee by two departments, of course, Austin code and Austin resource recovery. And so we're looking to increase

the code side by 45 cents. Right now our current residential charge is \$3.10. So that would go up to 3.55. And it would cover the cost of the additional positions as well as the cost drivers, internal cost drivers that would be also included in that for a total of about \$1.5 million over the course of the year. Over the course of the year. We did not do an increase last year. The Austin resource recovery side did see an increase, but we held the line. We did not ask for any additional staffing or anything like that, resources. And -- this year we certainly see the need. Primarily we're able to do what we're able to do partly because of temporary staff.

[11:45:47 AM]

And some of the temporary staff has been here longer than our policy normally allows. So it shows the need for transferring those positions into ftes, but there is some cost to do that. We're proposing nine. We'll see what the number is but if we decide to delay it for a year or so, that cost -- the need will still be there, but we have some flexibility on exactly when we enact that increase. >>

>> Kitchen: So let me ask a question and you all can point me to something I can read as backup if need be. My question really has to do with fees as a whole. So the process for increasing a fee, any fee -- and this fee in particular, that comes back to us, correct? And that's done as part of the budget process. Is that correct?

>> That's correct.

>> Kitchen: So the forecast is giving us a head's up that one of the proposals we'll be reviewing as part of the budget process is an increase in this fee.

>> Yes, ma'am.

>> Kitchen: So my question about fees, I receive a lot of questions from folks in my district and there's a feeling like they pay property taxes and they pay this fee and that fee and that fee. So how -- I'm really trying to get a handle on all the fees that we're asking the public to pay. Is there a list anywhere? I apologize if I overlooked that, but is there a list anywhere of all the fees that people pay? And if not, can I request a list? >>

>> There is a list of the major rates and taxes that we assess I think on a typical customer basis. It's not quite the fee because the Austin energy fees, for example, are very complicated, you've got a base fee and pay an amount per kilowatt depending on how many you use.

[11:47:51 AM]

But on page 11 of this forecast -- on page 12 of the forecast report we show what a typical resident would pay for Austin energy fees collectively if they use 1,000 kilowatts a month. The same for air and water. On the same page you see the clean air community fee which covers code compliance and the Austin resource code department's recovery fee. It's currently \$7.40 and we're forecasting that would need to go up to \$7.85 in order to keep the funds in balance based upon the projected increases we're talking about here. That's what we put out as a summary. You're talking about all of them so there's a whole bunch of city fees that we charge for things that -- for rec programs and things like that that aren't on here. Those are captured in our fee schedule. But these are like the predominant fees that you're paying as a resident of the city.

>> Kitchen: You referenced a fee schedule.

>> That is in our budget document as part of the budget document.

>> Kitchen: That would have fees.

>> All the fees, but it's --

>> Kitchen: I'm happy to look it up myself. I'm happy to look it up myself and know where to look.

>> It's in volume II of our budget document.

>> Kitchen: If I wanted to understand what all the fees are that the city charges that would be the place to look.

>> That would be the place, yes, ma'am.

>> Kitchen: That would have this in it too or is this two separate documents?

>> It would not have this table in there, but you will see in that fee schedule you will see the clean community fee. That is a specific fee. But Austin water still you're not going to see that \$73.78. That is our estimate of what a typical user -- a residential customer pays to the water utility but their fee structure is far more complicated than that.

>> Kitchen: I just want a place where I can see the universe of fees and I can do additional research about the fees.

>> The entire fee schedule and ordinance is in the back of the volume II document, that is online.

[11:49:56 AM]

>> What page are you on?

>> We are looking at the tab financial forecast report and it's page 12 of that document.

>> Councilmember kitchen, we do have a couple of budget hearings where the public is invited to come talk about the rates and fees that we're proposing after the proposed budget is public. And then as ed said there's a separate ordinance that the council will adopt during the budget readings that the fee schedule that we've referenced is attached as the backup for that ordinance, and that is in the volume II as ed said.

>> Okay. And I just want to make sure that that's everything is in that fee ordinance. There's not another fee that's over in another ordinance or another fee over in another ordinance.

>> That's the whole list.

>> The only things that aren't in there are the fines. The fine like parking fines and things like that are not in there. Those are the fines and fees.

>> Kitchen: No, I'm talking about fees. Okay. I have one more question.

>> Tovo: And then I think we have councilmember troxclair has a question. I notice people coming and going. One of them is the mayor. So I was going to take a sense of whether people wanted to stop at, say, 12:00ish for a quick lunch break or do we want to -- do you want to do that?

>> Kitchen: That would be good.

>> Tovo: We -- if we don't have a lot of questions for the convention center we may have an opportunity to do those before we break, otherwise we might have to ask those folks to come back after lunch. Councilmember kitchen and then --

>> Kitchen: Okay. The other question I have relates to the client assistance and the emergency tenant relocation program. I just want to make sure I heard collectly so that the projection for the nine new positions, was there one position related to that? Did I hear that right.

>> Yes, ma'am. The neighborhood liaison works with that program, in addition to we're not getting compliance because of the hardship on the owners or tenants might be experiencing.

[11:52:04 AM]

>> Kitchen: In that neighborhood, liaison position is that a new position or are you adding an additional fte?

>> It is a new position but we've been -- we've had a temporary employee doing the program now actually probably over a year.

>> Kitchen: A temporary full-time?

>> Yes, ma'am, temporary full-time.

>> Kitchen: So if I wanted more information about what they were doing I'll just ask you about that.

>> Absolutely.

>> Kitchen: The reason I'm curious is -- of course I see the need for that. I'm just curious about the potential to coordinate those kinds of activities with other types of assistance program because we have staff to do assistance. One of my concerns would be if we have this person over here helping people and this person here. There's a lot of assistance type of programs that we have and I'm just curious about efficiencies in terms of our fte's. And the other thing, it's not just the fte's. If a person who needs assistance has to go to a lot of different places for assistance with different aspects of what they need help with, it can become difficult for them also as opposed to the concept of one stop shopping where someone can get help with all their needs in one place. So I'll follow up and ask you questions related to that.

>> Okay. Thank you.

>> Tovo: Yeah, thank you. Those are good questions and I would share the same concern and wonder if that's not something that could be absorbed by health and human services. Councilmember troxclair.

>> Troxclair: I was just wondering if we have -- if you know the average response time for someone who calls with just a general non-emergency code complaint?

>> The average time right now is between four and five days. The average response time now, four and five business days.

[11:54:05 AM]

We are certainly not satisfied with that, councilmember troxclair. We want to bring that number down. What do we have here? If it is an emergency, dangerous situation, then our response time becomes more immediate. We actually have staff standing by that will go out in the evenings or night times or weekends and respond to a dangerous situation. We do that all the time. We get calls from police or fire or E.M.S. And we'll do immediate response. But for the average complaint, as your question indicated, it might be that period of time. We are showing 3.45, so between three and four days, better, but not where we want it to be.

>> Troxclair: And you said earlier I want to make sure I understand you correctly. The amount of money that we're spending on advertising is \$76,000 and that's total including TV, radio, bus.

>> We sent a memo out earlier to mayor and council and the question was how much you're spending right now on this -- the get to know your officer program we're spending 76,000 on that. What I could not give a total figure on is for the total fiscal year. I will get that and get that to mayor and council. That 76 is for the get to know your code officer program.

>> Troxclair: Is that the same -- the ads that I'm referring to I hear them on the radio all the time. Did you know if you see your neighbor doing something bad you can call 311 and report it, that kind of thing, which doesn't sound like get to know your code officer to me. So yeah, I guess let me know. I'm just curious if an increase in the advertising has led to an increase in non-emergency complaints. And if that has led to an increase in the amount of time that it takes for us to respond.

[11:56:10 AM]

It seems like we already -- what I'm getting at is of course emergency situations people who are in danger, yes, we want to make sure those people are taken care of, but otherwise it kind of seems like the code department already has a pretty heavy work load or almost more cases than it can handle? So I'm just curious why we're looking -- why we're advertising for people to call if we're not able to completely keep up with the complaints that we're getting already.

>> Keeping up with the complaints, we're doing that. It's just the response time. We want to decrease

the response time so we can get there quicker on any and all complaints. But as I indicated before, the customer service surveys earlier indicated that a good portion of our citizenry did not really know who to call. Didn't even know about the code department. As I also mentioned we're still relatively new. This department actually was a division in the solid waste department, so we moved that out and it became a standalone department, a lot of folks don't even realize that we exist. So there was a need for more public information as well as a need for more transparency on what's happening with code cases. So -- and who the code enforcement officer is in their neighborhood. Who handles their particular neighborhood. So that's why we're doing it.

>> Troxclair: And I understand that. To me it sounds like what you're describing as a get to know your code officer is a very different message than the ads that I hear on the radio that is kind of like call to complain on user neighbor if you -- your neighbor if you see something going on. I'm trying to understand if that's the same program or if it's a different program. Because the messaging might be off if that's the same program. But it sounds like it may be two separate outreach programs.

>> Yeah.

[11:58:10 AM]

It could be, it could be.

>> Troxclair: Okay, thanks.

>> Tovo: Councilmember Houston.

>> Houston: I do have something. The get to know your code in our neighborhood is very soft and has pictures of the people who -- I haven't heard that one yet. You might listen to kazi because they don't have that running on their station.

[Laughter]. I hadn't heard that one before. Oh my goodness. Turn in your neighborhood, huh?

[Laughter]. Well, sometimes you have to do that.

>> In most of our ads at the end of the ad it basically says if you see a problem in your neighborhood, you know, you can call 311 and can you do that anonymously. So that may be what you're hearing. And that pretty much goes with pretty much any of our advertising. Our trucks, we've changed a lot of the trucks, the labeling on the trucks, but we always make sure to say call 311. So it's really the easiest way to access a code service if you need it. Only if you need it. 311. We certainly edge courage that.

--

>> Tovo: Great. Okay. So let me get a sense of whether or not we have -- one, do most people want to stop for a lunch break? Okay. And I would propose that be about 30 minutes. But let me just get a sense of whether or not we can hear from our convention center. Do people have a lot of questions for convention center? Why don't we invite our convention center director up and plan on wrapping up with this and then taking a 30-minute break and then coming back and picking up with, I guess, Austin energy. Is that -- Mr. Van eenoo, is that the plan? No, I'm sorry, that's not the plan. We'll pick up with whoever is after the convention center after lunch, after a brief lunch break.

>> Mayor pro tem, because on forecast day in April, Austin energy, Austin water and the airport did a presentation in the afternoon.

[12:00:14 PM]

We were not going to have them here today. So they are not in attendance.

>> Tovo: Sure thing. Wol be up next after convention center Austin economic recovery, development, public works and watershed.

>> Tovo: Thanks. So those will be -- [lapse in audio]

>> Troxclair: Long conversation? I think it's more complicated than things we've been through so far. My

preference would be to take a lunch break so we're not feeling rushed through the conversation.

>> Tovo: Is that everyone else's sense?

>> Casar: Yes.

>> Tovo: Sorry to have called you up prematurely. Okay. We'll pause here and then come back -- can we all be back by about 12:30? See you all then. We'll stand in recess until 12:30.

[Recess]

[12:45:18 PM]

>> Tovo: Lay it out for questions. Who would like to lead off with questions? You have a few, but I'll hold back.

>> Houston: Let me ask a quick one, please. Thank you all so much for being here and waiting for us to reconvene after our 45-minute lunch. It's hard to keep it to 30 minutes. Could you explain to me about transfer department projects.

>> The transfer to parkland project will cover previously approved cip projects. The Parmer event center is part of the town

[indiscernible] Venue project paid for by vehicle rental car tax, 5% tax, and part of that venue included the creation of -- and construction, operation of the Parmer event center but also the park next door on butler park. So that \$5 million is going towards previous debt on phases one and two, as well as we'll be further expansion of that park as well through that venue.

>> Tovo: Councilmember pool, are you ready? So thank you for your response that I submitted to the budget about gain sharing. As I understand it, the convention center and aviation are the only departments within our city that provide what amount to really bonuses to their employees. And this is a question that's come up in several other budget cycles and I am asked by my constituents frequently why the convention center does provide bonuses and that seems kind of unusual for a city department. And I understand you're an enterprise fund and have an ability to function a little bit differently, but I wonder if you could talk about the rationale.

[12:47:25 PM]

It looked like in 2014 the bonuses amounted to about \$548,000, which is a substantial amount of money. Could you talk about what the rationale is from your perspective for including that?

>> Thank you. We are truly the only department that

[indiscernible] For business and customers had an opportunity to select us or go to any other city. And we have really utilized this plan to really concentrate on the things that are real important, taking care of our customers. How we rate against our competitors, how much training our employees do, recycling and other energy requirements that we meet and being a sustainable facility. And it really has helped us meet our goals and be very successful. I think it's been an investment and it really has helped us retain our good employees. And we've got a number of great employees that I think have stayed here and are committed to the department and our goals through that unique program.

>> Tovo: I should have begun by saying I know the work you're doing and work has increased and you're able to attract bigger and more conventions to Austin. Thank you very much for the work you do. But it is -- I guess I still get back to the fundamental concern that we have other city departments that also be complying with our sustainability goals and putting a large focus on customer service and responsiveness to citizen concerns. And so I really do struggle when I have to answer questions about why we have what amounts to a bonus program within two of our city departments, and I'll ask this question of aviation as well.

[12:49:31 PM]

So I appreciate your response. Can you give us some sense of what the reality is in terms of the competitive nature of retaining your staff.

>> I think certainly now as we've seen significant growth in our hospitality community, I think it has been extremely more difficult, and while we haven't seen any increase in ours, but while the good staff are harder to find right now and some of their hotel hospitality have seen some big turnovers and they're really having to take a look. We mentioned this in a meeting, but one of our major hotels, primarily to keep staff, gave their housekeepers a \$1.10 raise several months ago and it was a good entry level jobs that really provide -- there's more of them. And I think it's incumbent that we retain the best staff we can and give good customer service because our industry is so competitive. Every destination has a nice new shiny convention center and they're all vying in a variety of ways for the business. And our people and our customer service has really helped us be very successful.

>> So I think the -- the example you offered of the private hotel seems to be different. I guess to get back to the convention center and employees working for the city, why not make sure that their salaries are commensurate with the market. We do -- I don't know if convention center -- I think I may have asked this last budget cycle, but I don't know if convention center employees have been subject -- been the subject of a market study in recent years. Do you have a sense of -- which would give you a sense of how their salaries compare and then those salaries could be set and I assume that this is a concern of yours to make sure that those salaries are fair and appropriate and then that would seem to me to make unnecessary a bonus system.

[12:51:46 PM]

>> I would say the majority of our positions are hourly nonexempt positions and would be more competitive with the hotels' frontline staff. So I think we are in a competitive situation with them. Certainly for that labor.

>> Tovo: So the bonuses -- it may be two budget cycles ago I think you provided very specific information about the wages and the salary information and the bonuses that accrued to those positions. And I think that's probably the next question I'll submit just to get a sense of how those bonuses track across the different employees. As I kind of recall, it's a flat --

>> It doesn't matter where your salary range is, you get the same amount.

>> People that are at a 100% -- if you're there partially a year -- if you're there 100% you get the same amount. For me straight on, straight on through.

>> Tovo: All right, thanks. Councilmember kitchen.

>> Kitchen: I'm sorry, I don't have as much background on the bonuses so I have some additional questions. And if I should just be reading some background information, please feel free to let me know that. We have housekeeping, similar type jobs and our positions in public events would be setting up meeting rooms and they will be very similar to a lot of the hotels.

[12:53:51 PM]

>> So we have housekeeping positions and --

>> We do.

>> Kitchen: Do they get bonuses also?

>> They do.

>> Kitchen: What is the flat amount?

>> It changes on a yearly basis. I think this past year was about \$2,400 for 100%.

>> Kitchen: So the housekeepers get \$2,400, but they don't get that until the end of the year, is that right?

>> It's paid out. It ends the calculations and a review and audit of the program to make sure we've met all of our goals.

>> Kitchen: I know waiting a whole year for an amount of dollars is difficult and could contribute to any difficulties with keeping folks. So plus having to work an entire year in order to get a bonus instead of having a higher wage for some of those positions would really be a hardship. What kind of detail were you asking for, mayor pro tem tovo?

>> So I was doing some quick review of the last couple of years. It seems like in last budget cycle over the previous year I got a spreadsheet in response to one of my questions that identified the various positions, what their salary was and then what the bonus was. So just some of that kind of specific language. I got back information that aviation is one of the departments that does do gain sharing. So maybe we can look at the information and talk together about that.

[12:55:55 PM]

>> Kitchen: I will like to see what salary is and what the amount of bonus is. Is that possible?

>> Yes, ma'am.

>> Houston: I'm going to step in for councilmember pool because this is the exact kind of thing she was speaking to the other day of how do we perform good customer service for our employees. It seems like you all have been able to do that. It's great because it comes right before Christmas and people can then plan their holidays. So I don't have a real problem with the bonus because it's coming out of the funds that you all generate. It's not part of the general revenue so it's not taking money away from other things that are more credit tell to me. It would be nice if we could all do that and provide bonuses. And I guess they go up or down depending upon what the revenue is at the end of the physical.

>> If we get a one percent or two percent increase it comes out of the pot.

>> Houston: Some years you may not get any if there was a slow year.

>> Tovo: Councilmember pool had a question and then we'll go back to councilmember kitchen. Some of the money for gain sharing comes from hotel-motel tax, is that correct?

>> We intermingle our funds, so we don't necessarily say we're spending something out of hotel or something out of the revenue that we generate. It's all together.

>> Tovo: There was something we talked about the hotel-motel tax as one of the funding streams. It just comes in and gets funded?

[12:57:56 PM]

>> Yes. >>

>> Tovo: Okay. Councilmember pool.

>> Pool: I would be interested in knowing how many full time and part time and contract employees you have?

>> We can get you that.

>> Pool: And you said the bonus is paid to full time employees.

>> It is paid to full time employees and then it is applicable to some part time employees and maybe just a small handful meet then the qualifications for partial payment.

>> Pool: So I think that the qualifications would be of interest to us and then what the pay rates are. Would you say you have more part time or contract workers than you do full time or not?

>> Certainly not contract employees. We are really a full service model convention center much more than our convention center, our head count is higher because we don't outsource a lot of the I guess the

entry level positions. A lot of convention centers do that nowadays. Housekeeping, meeting room setups, security safety, other nonexempt hourly positions are -- are not on the city payroll and it's really just more white-collar, event coordinators and contract compliers, but we're really different. And about 75% of our total employees are nonexempt. So the majority of our people are -- are out servicing our customers. And again that's the biggest part of the gain sharing percentage is making sure that we're meeting our mission because if we don't, they go to San Antonio or Denver or Nashville and we want to make sure that they stay in Austin and we hit the mark.

[1:00:02 PM]

>> Pool: I'm curious about how it started and how it has operated over time and the size of the bonuses and who gets them and who doesn't. Can you talk to me about the contractual relationship you have with the convention and visitors bureau? It.

>> Tovo: Can I pause you for a minute? Councilmember kitchen did you have a follow-up on this? Do you mind if we finish on this topic?

>> Kitchen: Hurricane it's just one follow-up. It goes back to what you were saying a minute ago if I may go back, the hotel-motel tax and revenue is mixed together, correct?

>> Correct.

>> Kitchen: And the purpose behind the bonus if I'm understanding correctly is to -- it's for performance, which bears some relationship to the revenue that you're generating, is that correct? Or do you consider that the whole combined amount. I know there was the hotel-motel -- let me back up, I'm sorry. How do you calculate the dollars that are available for the bonus.

[Indiscernible] Taken out of that total amount if we got a three percent raise. So that would lower that amount of total available funds. And then we would have a series of goals that only really the and investing in the world with sustainability and recycling.

[1:02:15 PM]

Those are the big main categories of the program.

>> Kitchen: I'm sorry, I wasn't clear. What I mean is that --

[indiscernible] Just the total pot of funds? I thought I heard you say that the amount of bonuses you can give depends on your revenue and hotel-motel tax. Maybe I didn't hear that right. I mean, because I heard you say that it changes every year. So is that -- is that based in any way on the amount of your revenue or no?

>> It's on the total payroll. The start of the program is on the total amount of the payroll and I believe it's up to 10% of the total payroll.

>> Kitchen: How do you know you have enough money to pay it is what I'm asking?

>> That's a part of it on the bottom, yes. That is part of the program.

>> Kitchen: So you have to generate a certain amount of revenue for the program to work?

>> Yes. And we do it out of our own generated avenue and not hotel-motel tax. I'm sorry.

>> Kitchen: Sorry, I wasn't asking well. Certain amount of revenue and that's what you're looking at, not looking at the hotel-motel tax as a source of your money for bonuses.

>> In this particular equation I believe so. I'll double-check that to make sure that we don't combine it.

>> Kitchen: All right. And just give me an idea of how you generate revenue just in general. You don't have to say everything, but I just want to understand the --

>> The revenue that we generate, of course our primary focus is to bring people in from out of town. We're really focused on that and bringing in events from outside. The revenue we generate is through rental fees.

[1:04:18 PM]

Our parking operation. Food and beverage profit. Equipment rental. We are also in the electrical business of renting exhibitors and electrical. We also do I.T., security. And I think that's the big chunks.

>> Kitchen: Okay. That's very helpful thank you.

>> Thanks, councilmember pool.

>> Pool: Where on the fact sheet does -- is that number reflected? Would that be on the fact sheet, the number for the bonuses? And why not.

>> It's not listed. What are listed are the significant changes from year to year to the proposed next year. There's not a significant change in that line item so it's not listed.

>> Pool: It would be really helpful to see it and to see it over time would be great. And I would like for you to -- I'd like to kind of think a little bit about why it is that just a handful of our departments are able to have the benefit of a bonus. I think it would help everybody. I think there's a programmatic relationship to why this program exists and I know that you said it had to do with the hospitality industry. So that would be really helpful to understand why that is. I think simply saying there's that's to retain employees isn't enough for me because I think that just about everyone in this city could say that because we have a three percent unemployment rate. So there's a lot of people moving around from job to job. It's essentially pretty much full employment in the city. I would be curious about that. I was planning to change directions and talk about the convention and visitors bureau if you could talk about the relationship and the programmatic relationship with convention and visitors bureau.

[1:06:27 PM]

>> The cavb have a contract with the city. They we've 1.054 cents confident occupancy tax which represents a significant amount of their hotel revenue and their primary job is to be the official sales and marketing arm for the city, but specifically the convention center. So they have a sales staff that is out actively pursuing events to bring into the city. So they would be the ones that would be developing the proposal, bringing them in and getting everything they need in order for that event to say yes for the city. They sell for the city. They also have a vigorous services group that helps service the customers when they come in to make sure that they're happy and they're getting the services that they need. Again, this would be citywide conventions that would come and occupy our facility.

>> Is the convention and visitors bureau an Austin department or is it a non-profit or a standalone limited liability corporation?

>> I think it's a 501(c)3 with a board of directors that I sit on as well as owe as well as an assistant city manager.

>> Pool: And I know the sports commission has come up in addition to F 1 and celoc and I'm wondering about the contractual relationship with those two groups and the city and any flows of money or profits. I know they're non-profit making based on the I.R.S. Designation, but I would be interested in knowing more about the sports commission. Thank if that's something you could help us with.

[1:08:28 PM]

>> They would generate any revenue from the event, they would provide services and help them get the needed details put together on whatever that requirement would be. They also have a number of volunteers that they can get to help work. A lot of it is certainly a lot of the amateur sporting events, certainly through U.T. Where they need volunteer things.

>> Pool: I think it's more the membership of it and it's the appointments to it. But if I could just ask one

last question on finances, what is the dollar figure of the contract with the convention and visitors bureau?

>> They get 1.45 cents of the hotel occupancy tax. And that would be -- that would be, I'm guesstimating, right around 10 million, 11 million, this fiscal year.

>> Pool: So that number would flex depending upon what the tourists' volume is. Is that set by state law or is that a number that we have in city code or ordinance? What are the governing status on that.

>> I think it would be in city code and also in their contract.

>> Pool: I would like information, you can provide it to us later, on how the 1.45 cents from the total, how that has changed over time and how it has gotten to where it is now. All right? Thanks.

>> Tovo: Great. It sounds like lots of budget questions coming your way through the submittal process. Councilmember Houston dorks have a question?

-- Councilmember Houston, did you have a question? I --

>> Casar: So my first question probably for Mr. Van eenoo. You're ready? I didn't want to catch you off guard. Broadly I see you have the change in fund balance at the end of each of these sheets, which is helpful because I imagine that you calculate it out and figure out the change in fund balances gets you to a point where you need a certain increment over the -- a certain increment over the effective tax rate to pay for it, but then the convention center being an enterprise fund since we have a change in balance forecast since it is in the black at \$16 million, does that money just end up staying in the enterprise fund?

[1:11:03 PM]

[Indiscernible]. Am I correct to make sure that we separate out in our minds the enterprise funds because the change in fund balance stays within that fund, but the others -- for example in code and compliance that would be an increase. That change in fund balance of 1.2 million in the blackens up offsetting somewhere else and ultimately it all goes into the same pot with the general fund so that has to do -- if we were to not increase the fee, then we would probably have to raise the tax rate more to make up for that in the forecast. Is that correct?

>> I guess the bottom line being my question is if we were to route less of the hotel occupancy tax to the convention center that would not affect our tax rate because it's a standalone pot. But if we were to reduce the proposed clean community fee

[indiscernible] With a property tax change. Or some other change.

>> It has to do with the ending balance in the code compliance department. So if they had a sufficient ending balance to cover -- to cover not having a rate increase, to cover their expenses as an enterprise operation they could do that in one year, but over time they certainly need to be balanced. So really I think in the example you're talking about those enterprise funds do stay within that silo. And so to the extent there was an ending balance available in the code compliance fund, it would stay in that fund. It wouldn't help us reduce the tax rate.

>> I guess my bottom line question being that if we were to change -- divert money from the hotel occupancy tax from the formula that we use now that routes a certain amount to the convention center what we would probably ultimately see is instead of a change in fund balance of \$16 million in the black, you would be somewhat less than in the black, but it does not affect the property tax rate.

[1:13:19 PM]

>> That's right.

>> Casar: But if we were to do that with a non-enterprise fund department, code compliance is an enterprise fund and that's why I got MIX up. If they were to change the fund balance in other

departments that are not enterprise fund departments that is when the property tax right would more likely to be impacted. Or I could hear that from councilmember kitchen.

>> Kitchen: A related question and then you can answer that. But would it not be if you took some of the hotel occupancy tax and put it someplace else, then it could be used to reduce property taxes. Would that not be the case?

>> Can I help you answer this a little bit?

>> Help away.

>> Lela fireside from the law department. Councilmember, part of the challenge that -- is that the hotel occupancy tax is a funding source that has very specific requirements. And it cannot simply be shifted to other things. So in the tax code the first thing is that it has to be used on -- for things that will put as they say heads in beds. It has to promote tourism in the convention industry. And then it has to be used -- once it meets that test for a list of uses that are also set out in the tax code. And there's a prohibition against using it for general revenue expenses, and then there's also a cap on using it for one of the uses, which is that there's a maximum of 15% that can be used for arts and entertainment. So in our city code what we've done to reflect the requirements of that law and to allocate the funds is we have allocated the 15% for the arts to our arts program, the cultural arts program, and then the other uses are divided up also in the city code.

[1:15:29 PM]

If there is another allowable use that we're not using it for that we want to spend it on, then you need to look at those uses within the code and figure out where you're going to use it. But it's a pie, if you will, and it's been divided up in the city code. If there's another allowable use or if you didn't want to use all 15% for the cultural arts program and you wanted to use it for other arts related things, that's in connection with the cap that's set out in state law.

>> Casar: I haven't really gotten to my question. I do understand the piece of what the hot tax can and can't be used for. I guess I didn't ask this of the code department and perhaps it got asked when I stepped out. But my question then for the convention center staff is I see that in our forecast that puts you at a change in fund balance of 16 million in the black, which of course we're happy to see our enterprise funds do well, but that is seeming to me to be a significant positive increase in your change in fund balance. And so talk to me a little bit about what that means for the convention center and if you need to correct me because my question is -- the premise of question aren't correct I will gladly here that. I guess my question for the enterprise fund is if you're going to see a positive change in fund balance that sounds fundamentally like a good thing, but I would want to know why we need that much of a change in fund balance into the black and what that's going to be used for if it's because you need more reserves or to -- to save is for something else or whatever it is.

>> The first thing, and thanks for the question. It comes in big bunches and it goes out in big bunches and we have to be prepared for the hotel occupancy tax and other things based on the economy. And other things that occur.

[1:17:31 PM]

That maybe even for a small portion of a period of time could stop activity in the city. And we [indiscernible]. In 2009, 2010 and our deficit was pretty significant. And we really were because we have to live off that deficit. We're not part of the general fund. We have to be prepared. We want -- we were worried about a model in the amount of staff that we had during that time. And hopefully how we could get out of it really quickly. We do have a lot of big plans in the not too distant future, but we have a lot of responsibilities that we were hosting bigger events. Our facilities are getting taxed. We need to keep

them up. We need to invest in our facilities and make sure that we're doing our market share. We are more the exception than the rule. We're getting more of the market than a lot of our competitors are. And we want to stay extremely humble on that and we're very proud of that. But nothing in our business is given. We do compete with the for-profit entities. We're a for-profit model if you will and it works for the city. And if we aren't meeting the mark they will go. And to certain cities. I'm actually from Chicago. I came here seven years ago. And Chicago is seeing a deficit this -- on an annual basis of about \$80 million in new business is being affected dramatically by some of the challenges that they're having.

>> Casar: So I think what would be helpful and I imagine this would probably presents in the budget anyways, that these \$16 million, how much do you plan to put in reserves? How much might go to a cip project that you're planning, et cetera, so that we might have some feel for that.

>> Sure.

>> Casar: Thank you.

>> Mayor Adler:

[1:19:31 PM]

Mr. Renteria and then Ms. Pool.

>> Renteria: I was -- I have been approached by my constituents in east Austin about especially the mac, mexican-american cultural center, and they're asking me that if I could find out if there's any way that that could also go under the convention center budget there because it's a cultural center. It's not -- they're really concerned that on that center, especially being located on waller creek with the new development and how close it is to the convention center. That it almost seemed like they would like to be taken out of the parks department and put in to the convention center. As I can see here that you have the palmer event and the African-American cultural facility. Is there any way that that could happen with the surplus budget that y'all have?

>> I'm not sure if that would come out of the appropriate bucket, so I'm not sure with that.

[Indiscernible]. Regarding what the purpose of -- to bring in as many out of town guests. And that may not be the same mission as the macc's, maybe where we would probably maybe differ perhaps.

>> Renteria: But we want to become a main tourist attraction.

[1:21:32 PM]

We want people when they come into Austin to be able to be there for one of the things they want to visit is the mexican-american cultural center. And it's a beautiful facility there and it's being used only for meeting rooms and -- it's booked year-round, but I really feel like that we could do a lot more. And we can invest a lot more because it's right there in the mouth of -- right there on waller creek where waller creek goes in to town lake. So I think that we're missing out a lot by leaving it into the parks department and not using it and promoting it more, you know. And I believe that, you know, the citizens of Austin have invested millions of dollars into this facility and, you know, we're not getting to that point where we want to be at. So I would hope that we could get management and staff to look into it and see what would it take for us to get our cultural center into -- you know, into a department that has -- that works and their whole job is to bring tourists to Austin and also to include the mac.

>> Mayor Adler: Thank you. Ms. Pool?

>> Pool: When the big conferences and conventions come to town, could you just name like, say three or four of the big ones that have come to town so far this year?

>> Um, certainly our biggest event is south by southwest. We have Texas computer education association. We had Texas association of libraries. They came in. They have the hospitality technology and education conference, a high-tech and international association that's actually beginning to move in

today. We have -- of our business about 60% of it is national and international conventions.

[1:23:39 PM]

We have been very successful in getting corporate events. National Instruments does their annual Ni week with us and that would be coming up in August. Dell does Dell World, their customer event with us each year. In the high-tech industry, they have been very good to us and it is a lucrative, but they have high expectations. We've got to make sure that we take great care of them. Pool.

>> Pool: Most of the conferences and conventions that come to your facility and to Austin, do they require any stepped up police support? What's the impact like on A.P.D. or A.F.D. in the events?

>> We actually have a contract with D.P.S. and aid for licensed peace officers that work within our facility and they primarily work [lapse in audio]. And certainly we do partner with A.P.D. If an event had a parade or some other special -- I term it special event. But for the most part our events don't require anything other than our traditional security.

>> Pool: What you characterize as partnering, is there a contract, is there a payment to the police department when, for instance, during South by it's a fairly substantial rollout of our public safety folks. And I think this year state troopers were brought in to assist so that we didn't pull from neighborhoods. We could continue to have our neighborhood protection in place. So is there any -- what are the -- how does the payment happen? Is there a contractual relationship, for instance, with the police department such that the convention center pays for the overtime or the use of those officers?

[1:25:41 PM]

>> If in fact we did need an A.P.D. officer within our facility, we would pay them overtime and that would be directly paid through -- however the customer may be paying for that. In our case as well. However, you know, in a case by South by Southwest, they would generally be dealing with that separately. And anything that we would be doing again within the facility would just be really around getting trucks in and out of our yard and then they would be dealing with that directly.

>> Pool: So my next question I think either goes to Elaine or Ed. As far as public safety waivers or the costs that is fairly substantial, and I know the waivers that we approve for South by have been discussed fairly regularly from one year to the next. So I'm curious if there might be a way -- first of all, I don't know how much that is and whether you can answer it just off the top of your head. And the second question would be would it be within the remit of the convention and visitor bureau with the funding scheme that they have with the restrictions on it, if for example, the public safety deployment and costs that are required for these larger conferences that happen to be in the city facilities rather than asking or approving a waiver, if we could have the funding come from, for example, the hotel occupancy tax. If that's even possible. If that's one of the list of items that happens to be in the state law.

>> I think you hit it at the very end there. It's really a law question so I will look down the table at Lela to see if she wants to respond.

>> I think, council member, that there would be an issue as to whether or not those types of expenses are really general revenue expenses, which would not be allowed to be paid from hotel occupancy tax.

[1:27:54 PM]

That's one thing we would need to look at. The attorney general opinions regarding the use of hotel occupancy tax are very conservative and narrow in their interpretation of what's allowable. So, then the second piece of that would be, South by is an arts and entertainment.

>> Pool: It's an industry convention conference, is my understanding.

>> Well, there are components of it that are definitely that. But the music piece of it, which is really the piece, I think, that requires the security -- I think you'd have to look at it and see. There's a potential that in order to do that, it would require the code amendment that I mentioned, where you would need to take funding from the arts organizations to put it to this use. So, that's not legally prohibited, it's just something that you would need to look at.

>> Pool: I think I'd like to maybe explore it a little more with you offline, because I would not be interested in taking it from the 15% set aside for our arts programs, because those have a real important role in the city fabric. But I would be interested in understanding why police support for an industry conference, for example, is not allowed. So, maybe we could --

>> I'd be happy --

>> Pool: We can talk. That would be great. Thank you.

>> I have a thought.

>> Mayor Adler: Ms. Kitchen, and then Ms. Tovo.

>> Kitchen: My question relates to the other revenue. And just -- it's just a followup to -- and thank you for providing the information about the limitations on the hotel occupancy tax. Code and the related city code. It would be helpful if you would just shoot me the citations. But, with regard to the other revenue, and for example, here we've got rental car tax, facility usages, etc., what are the parameters on the use of that revenue?

[1:29:57 PM]

Are there state law and/or code parameters on those?

>> Yes. The car rental tax is something that the voters have approved for the venue.

>> Kitchen: Mmhmm.

>> So it needs to be used for the venue.

>> Kitchen: Is that in the ordinance?

>> That's in state law. And then also in the ordinances that issued the bonds for the facility. So, there will be bond covenants that apply, and state law requirements also.

>> Kitchen: Okay. What about the other fees? The other revenue?

>> The other revenue that the convention center gets?

>> Kitchen: For example, there's facility usage and contractors listed.

>> Now, in general, facility fees that the city charges for services have to meet but not exceed the cost of providing those services. So, I have not waded into the fees for the convention center, but I'm assuming they're operating lawfully. And so, that would be the fees that would be authorized to pay for the services that are being used.

>> Kitchen: Okay, mmhmm.

>> And so there is a body of law, again, about city fees and what -- in general, the fees need to pay for the cost for service. If they go above that, there's a risk that they can be considered to be an illegal tax.

>> Kitchen: Mmhmm. Well, there's a reference to contractors. What is the other revenue reference to contractors.

>> That would be a food and beverage profit.

>> Kitchen: Are there parameters around what that could be used for?

>> Again, it is received and put into the pot just the way that the rest of our revenue.

>> Kitchen: I guess I'd like to understand -- I'll follow one a specific question. I'd like to understand the parameters on the use of all these funds, from a legal standpoint. I'd like to understand the state law requirements and the city code requirements for all the sources of revenue to the convention center, the hot as well as the other revenue.

[1:32:06 PM]

You mentioned some of those, but.

>> Sure.

>> Kitchen: Okay.

>> Mayor Adler: Ms. Tovo.

>> Tovo: I was just looking through some old budget questions from some of the issues you just raised, councilmember kitchen, and councilmember Renteria is 163. But I have to take a look at it, because I didn't bring it down. But that year, we did explore -- and I may have made a formal motion -- to try to -- we at least looked to see what expenses at the asian-american resource center, the arts center, some other cultural -- all of our other cultural centers, which ones would be eligible for funding through the hotel/motel tax. It may have been in response to 163. And do you happen to remember? I think your analysis showed that some of those expenses would be eligible expenses under the hotel/motel tax. That's my memory.

>> Yes, I believe the question was looking at what parks department projects or events that were being held within the parks could possibly be funded through hotel occupancy tax. And I believe that the convention center, the parks department kind of narrowed down a list that they felt fit within the legal framework. And I'm not too sure what happened after that.

>> Tovo: I can't remember again whether it was -- whether I actually made a motion and it failed, or whether it just didn't get to that point. I'll have to go back and really think about it. The intent was to see, if these are eligible tax expenses, and for the reasons you've mentioned, we've heard questions from community members about whether the cultural facilities should be under the convention center.

[1:34:13 PM]

We did a little bit of exploration about that. I think I have more information, I'd be happy to share.

>> Renteria: I would love that.

>> Mayor Adler: Okay. Further conversation on the convention center? Thank you very much. So are we now to Austin resource recovery?

>> Yes, sir.

>> Bob, Austin resource recovery director, and my finance manager.

>> Mayor Adler: Questions here? Would you talk about -- there were potential discussion topics, increase staffing levels and the program expenditures for the organics collection program?

>> Yes.

>> Mayor Adler: Would you touch base on those?

>> Yes. Where would you like to start?

>> Mayor Adler: The ftes would be good.

>> I am asking for 15 ftes in this budget cycle to present a perspective. Our fte growths from 2010 to 2015 is 4.5% over that five-year period, so less than 1% growth -- customer base has grown 11% during that time period. So, we have been frugal, cost-efficient in the use of our staff. We are now in the position that we are asking for staff increases for basic services. And none of these ftes -- I will identify them, but they're not related to the organics program.

[1:36:16 PM]

That's separate. Two positions are for crew leaders in the field. They're primarily related to our storm relief, as well as our bulky programs, our brush collection. The program that we call clean Austin, where we identify areas of the city that need identified trash pickups and litter pickups that are abnormal in

size. Four of these positions are related to our central business district litter collection service. We flush alleys every morning, collect litter from 2:30 A.M. To 7:00 A.M. So when you arrive downtown, by 8:00, clean streets. They're not so clean at 2:30 in the morning. And -- district. Those are the cans, the litter cans that are on the corners for pedestrians. And we're adding a recycling container paired with each trash container. So, there's a capital expense there, but there's also a staffing expense there. And there's four additional staff there. We are proposing four additional staff related to the universal recycling ordinance, which has been presented to council three times over the last four years in various stages. And in the last conversation with council, there was the discussion of the cost of staffing to implement the ordinance. And there are four staff that are involved in this request to implement the universal recycling ordinance. Over the next four years, 17,000 properties will be affected by the ordinance. And it does require site visits and evaluations for recycling services at these properties. By 2019, based on the universal recycling ordinance, by 2019, every property in the city must provide recycling services to its tenants, commercial, multi-family, and single-family households.

[1:38:20 PM]

So, a lot of work. Regarding community engagement and some administrative work within our zero waste program, so that's directly related to community services and our zero waste activities. Three staff in that arena. Two staff requested in finance division. One staff person focused on operational efficiencies, and one staff person on a billing specialist. And that totals 15 positions for a total new cost of \$1.2 million in the budget.

>> Touch base, then, on cip items.

>> Yes. Part of the cip is the organics expansion, and then -- yes, I need some Numbers in front of me here. Two things happening in cip. We're moving our traditional vehicle replacement program from a cip debt finance to a cip cash finance. And so part of what's impacting our budget is moving towards replacement vehicles as they retire a vehicle and we need to replace it. It will be a cash finance from this point forward. And anything that is debt-financed is new program, which would include the organics program. So, that's a philosophical shift in financing new equipment -- the budgetary dollars. But it's smarter planning in the long run. There's less cost to the department when it's cash finance versus debt financing. The organics program that is proposed is a five-year rollout, the first year being next year.

[1:40:22 PM]

Next year is an equipment acquisition year, and a planning year. No new ftes. No new direct rollout of the food waste collection. We have that commingled with yard trimmings. We're proposing taking the yard trimmings and transforming that into yard trimmings and food waste collection. To do so, based on tceq requirements, we need to move from bags to cart, a third cart at each household, and a different truck service that work. It's a transition. It's a five-year transition. The first year is next year, as it impacts this budget proposal. We're proposing approximately \$2.6 million in this year's budget for the beginning of this transition. Again, no ftes, but a transition on carts and equipment. It's a five-year rollout. And in fiscal year '16, 14,320 households serviced. The following year, 52,000 households, then 104,156, and eventually, 210,000 households serviced with this food waste organics collection program.

>> Mayor Adler: I would point out to council members, this is on page 41 of the financial forecast.

>> I have a question.

>> Mayor Adler: Ms. Pool.

>> Pool: Have you seen any change in collections now that people are not planting Augustine grass as much? What kind of an impact on your business have you seen?

>> Noticed. We are still collecting a tremendous amount of grass clippings. We really would like to see a

leave it lay-type program, where we're not collecting the grass.

[1:42:29 PM]

In our organics collection program, what we're seeking is leaves, bush trimmings, tree trimmings, as well as food waste. The grass comes with the program, but it is an unnecessary collection.

>> Pool: I agree. I wonder if there is a way we can maybe partner with parks and rec, or office of sustainability to ramp up the education on how important it is to leave the grass -- don't cut the grass real short. And whatever you do cut, just let it lie.

>> Interesting enough, Steve Johnson approached me last week on that topic. So, yes, we will be engaged in that topic. We'll see what we can do. Our current organics program, the material is going to the bend as part of that program. It is a natural part of the collection of the program, but it is an unnecessary part.

>> Pool: Well, I'd be happy to offer a hearing or some airing of that concept at the open space environment and sustainability committee after this summer, maybe august/september to kind of help amplify that message.

>> Excellent.

>> Mayor Adler: Ms. Tovo.

>> Looking back at budget question 111 from last year about the pard, pool and recreation facilities that at that point did not have recycling --

>> Yes.

>> Tovo: Can you provide us with an update? Have you made progress on that front?

>> Well, first of all thank you for bringing that up last year, because there are numerous pools that now have recycling services as a result of that inquiry. Pard, parks and recreation department, is presenting to the zero waste advisory commission tonight on that very topic.

>> Tovo: Great.

>> They have a powerpoint I have reviewed. And there is significant progress towards recycling at the pools, and at the recreation centers.

[1:44:30 PM]

They are significantly economically challenged in the other areas of pard operations. And so we're working with them on the style of collection containers, the logo and education of collection -- of recyclables at the pard facilities, but also a four- or five-year for them to stock up with recycling services at all their facilities.

>> Tovo: That's great.

>> It's not an easy expense to acquire within their department. It's about a four- or five-year transition.

>> Tovo: I really look forward to reviewing that powerpoint. And it's unfortunate that one of our city departments struggles to find the funding to pay for a service that we have made a city priority and frankly, a requirement for our businesses in our community. And so, I wish there were a way to find funding within our budget to allow pard to bring all of their facilities.

>> I'm pleased to say that pard is in compliance with the universal recycling ordinance.

>> Tovo: Great. I think you mentioned Scott Johnson. That reminded me of a comment he made recently. Events that take place on the parkland are encouraged to recycle, but are not necessarily required to do so. Is that accurate?

>> That's correct. We're in a position right now of access to recycling, but not required to recycle. And we're transitioning towards recycling requirements on special events on city property. But the universal recycling ordinance as it's stated right now is access to recycling.

>> Tovo: What's our timeframe for requiring that?

[1:46:30 PM]

>> In our master plan, on the arr master plan, we look at requirements as a last resort in 2016, 2017 when we find that we're not meeting our trajectory on diversion. 75% rule by 2020. So the master plan contemplates that in 2016, 2017. And 2016 is next year. We have not made any particular moves in that direction at at the moment, though.

>> Tovo: It seems like a reasonable thing to consider, to make it a requirement. If you're going to rent a city park, or a section of a city park, or a city facility, that you adopt that practice as a requirement.

>> Yes.

>> Tovo: I'd be supportive of moving toward a requirement. But maybe we can talk more about that in our open space committee. Thank you.

>> I just want to make sure I understand the future plans for the food waste program.

>> Yes.

>> Gallo: There are several neighborhoods in district ten that have delightfully participated in that.

>> That's good to hear.

>> Gallo: Continue. And so, kind of, very clearly, you gave a description of what it may evolve into.

>> Sure.

>> Gallo: But does that mean that the process will continue in some form in these neighborhoods, or it will stop and get restarted in another format? Just so I can answer correctly.

>> The 14,300 homes that we're servicing with the full food waste organics collection, they will continue. There will be no stop in service. That was initially set up as a pilot for learning. And we have a lot of learned lessons. We're refining the program. We'll be changing the cart size, the type of vehicles that we collect. But we will not be stopping that service to those 14,000 households. And in fiscal year '17, we'll expand from the 14,000 to 52,000. So those homes will not lose that service.

[1:48:31 PM]

I will also add that we have inventoried, through a survey, the opinions of those 14,000. And it's -- I don't have the survey in front of me, but it's about 85% in favor of continuation.

>> Mayor Adler: Mr. Renteria.

>> Renteria: Thank you. I noticed that on your resource recovery funds, here on your -- percent. What is all that fund going to be used for to increase that?

>> Okay. You're looking at the five-year?

>> Renteria: Yes.

>> We have three major sources of revenue. We have the clean community fee. We have a base rate, and that's the rate that you're referring to there.

>> Renteria: Correct.

>> And then the cart fees based on the size of the carts.

>> Renteria: Mmmhmm.

>> Based on law office's input on the revenue generated from each of those sources of funds, there's restrictions on the use of those funds. And so, on the cart fees, those are to pay for trash collection service. The base rate pays for the recycling and organics program. And then the clean community pays for universal service across the city, litter collection, zero waste program, and so forth. So the rate -- we are dramatically growing those two programs and incurring some costs.

>> Renteria: I'm really concerned, because, you know, people in my area, people with low income, we're facing fees increasing constantly over and over.

>> Yes.

>> Renteria: Like I do, I recycle everything.

>> Yes.

>> Renteria: And so, here I'm doing the right thing. It's getting to me, like, you know, the water rates, you know.

[1:50:31 PM]

They charge you a drought fee even though you're not using this water. Now you're recycling leaves and everything. I buried all my waste, besides meat. That's the only section that --

>> Yes.

>> Renteria: And now you're going to almost double my base fee. That's what I'm concerned about.

>> I have two answers to that. One is, when a resident calls me on that particular question, if you're proactively recycling, proactively using composting, backyard composting or our organics program, the first thing I tell a resident is, downsize your trash cart. If you move from a 96-gallon-cart to 64, you save \$12 a month.

>> Which I do.

>> Then consider downsizing one size more, and I think you'll save another \$5 a month. So we're encouraging cost savings to the resident through decreased trash service. Now, the second answer I have is the base rate, what's the cost drivers driving the base rate. In the growing of the recycling and organics program, we have initial cost investments on the front end of the program that this base rate pays for. My experience, in my 40 years' experience, once a community reaches 60% diverse or more, your cost per unit goes down. There's a cost savings to recycling and organics collection. Once you reach a critical mass. And we're not there. We're in the building program. We're not at the critical mass. So when you look at a five-year trend, what that rate has built in is primarily the growth of the organics collection.

>> Renteria: You're just telling me after five years, that rate will go back down?

>> I would love to guarantee that.

[1:52:32 PM]

I can't guarantee that, but I would like to say yes to that question.

[Laughing] Hard to guarantee it five years from now. But what I have observed in communities that have reached 75% diversion is that the cost levelizes and perhaps goes down. There's some cost efficiencies that are gained.

>> Renteria: I'm really concerned, because we're having a difficult time paying our utility bills. A problem with people not being able to pay their utility bills. And, you know, we're losing -- we're in debt each year, \$20 million. And now we're going to continue putting more charges and more fees.

>> Final point that I would raise on that is that every year that I reach city council on our rate proposal, and councilmember tovo has heard this before, every year I bring out potential cost efficiencies. I recognize there's cost drivers and program growth, for instance, the food waste program we were just discussing. But I'm always looking for cost efficiencies to offset some of those costs. I guarantee you, in the next five years, I will continue to work on that.

>> Renteria: Are you contributing some of that money that you get from -- into the assistance program? The utility assistance program?

>> We do not. We're a utility -- on the utility bill, but we're not part of that citizen assistance program.

>> Yeah.

>> Mayor Adler: What is the \$1 million in the cip project for land?

>> Ah. Our department, a couple years ago, bought some land on Johnny Morris road. We've had a preliminary conversation with councilmember Houston, we'll be meeting shortly soon on the development of that site.

[1:54:36 PM]

It is intended to be our second service facility. We have a service facility on Todd lane. And we've gained operational fleet and mileage efficiencies by having a north and a south deployment center. So, that \$1 million is a cash payment over three years to pay for that land. It's a land purchase. We are meeting soon with a development adviser. You received a briefing yesterday from Greg Canale, we'll meet on a land use plan for that site. It's just south of 290.

>> Mayor Adler: Has it already been acquired?

>> It has been acquired. It has been purchased. We're in the middle of a three-year repayment program for the purchase of that.

>> Houston: I think this was one of my first opportunities to talk with the director about this purchase of land in the community that I had no knowledge of. We reconciled that, and we're working to make it the best service opportunity we can for people east and north of the river.

>> And my staff has reached out to your staff to set an appointment for an update on this program.

>> Mayor Adler: Further conversation? Mr. Casar.

>> Casar: Thanks so much for coming, and thanks for being so responsive to my office, as well, in the past few months. So, I understand the value -- cleaning of downtown streets. And I understand that as an enterprise fund, you pay for those things through fee collection, correct?

>> Yes.

>> Casar: Is there a policy reason why those -- aside -- is it just because y'all are an enterprise fund that that can't be paid for through the property tax, the reason being that, you know, property tax is levied based on the amount of property that one owns, so if one has more property, it could be, I think, possibly more Progressive than a flat fee?

[1:56:54 PM]

So it just because y'all are an enterprise fund that operations like that, that really are a citywide service, are paid for by a fee rather than a property tax? Is it just the enterprise fund distinction?

>> Could be, I don't really know the answer. I perhaps need to talk to Lela on the law office on that issue. We have not, in the past five years, explored the use of property tax. So, our department is fully funded outside of property tax. So we haven't entertained that conversation. It could be a restriction because we're an enterprise fund, or it could be an opportunity. I don't know. I will say that the emphasis we have on downtown litter collection and -- it's -- I believe it's a seven-day service to keep the streets clean downtown. Our counterweight in the communities is a clean Austin program. And the clean Austin program is the bulky collection that, in most neighborhoods, is twice a year. But in many, many neighborhoods, it's almost weekly. In colony park and rundberg, in that area weekly. Dove springs, servicing them twice a month. Onion creek and the flood-related areas of onion creek we're servicing -- we were servicing them about once a week. Now I think it's once every two weeks. We call that the clean Austin program. It's very similar to the services we provide downtown. So, from my viewpoint, we're trying to make it a community-wide benefit.

>> Casar: Understood. It was, for me, less having to do with downtown versus non-downtown areas and more if it's a citywide service, we pay for ems citywide with a property tax, not a fee that's levied equally across the population. Is there the opportunity to explore whether or not it would be of value to this council to consider using the property tax to pay for those services or not. It may be legally infeasible.

And even if it were feasible, the council may choose not to do so.

[1:58:56 PM]

But, it's something, you know -- it's just a truly open-ended question for exploration.

>> I'll work with the budget and law offices on exploring it.

>> It's feasible. Council has great discretion in terms of what you allocate the general fund for. If you want to allocate it to downtown street sweeping, you could do that. In some cities, the entire general waste is a general fund. As long as it serves a municipal purpose, you can use the tax dollars for that purpose.

>> Casar: Do we use any general fund dollars to fund that currently?

>> No.

>> Casar: Doing so, it wouldn't -- within y'all's knowledge, wouldn't, perhaps, our acting city attorney's knowledge, that's not a problem to have an enterprise fund funded through the property tax?

>> We currently have, the Austin transportation department receives roughly \$850,000 from the general fund to cover some of their services and activities that are deemed to not be appropriate for the transportation user fee. So -- and the resource recovery department, I think up until a few years ago, four years ago, it received some general funds when co-compliance was part of that department. There was general funds allocated to the resource recovery department to help fund that activity. But now it's 100% non-general fund. There is certainly the discretion to make some of those changes, as you were talking about.

>> Casar: I'll bring that up and see if we can explore it during the budget process, if everyone agreed. Most people, I heard during the homestead exemption exemption, agreed that a flat homestead exemption was more Progressive than a percentage-based one. This seems to fall into a similar category in which services being levied for the entire community could still be based on the value of -- levied on the value -- could possibly address some of your concerns, councilmember Renteria, where you wouldn't see such sharp increases in fees because it would be, instead, smoothed out based on the amount of property you own and the value of your property.

[2:01:20 PM]

Just something for us to explore if it's feasible.

>> Tovo: Councilmember Houston.

>> Houston: I'll wait until the city attorney goes. She always has something to say.

>> I'll be happy to talk with the councilmember about that proposition offline.

>> Houston: Okay.

>> Casar: Sometimes that's exciting, and sometimes it means I'm in trouble.

[Laughing]

>> I think in this case --

>> Tovo: Councilmember Houston, I think, has a --

>> Houston: I was just going to say, it sounds like we're going to rob peter to pay Paul. We either do it through the leverage of fees that are consistent across the board, or we raise people's property taxes to pay for the problem. So, I'm not sure where the benefit is either to the people or to the programs at this point.

>> Could I make a comment?

>> Tovo: Councilmember kitchen, and then back to councilmember Casar.

>> Kitchen: I would just say, I know we can talk about this further, but we have such limitations with property tax. And I'm not arguing one way or the other. We have a lot of limitations with property tax in

terms of how we relate it to, you know, people's circumstances. And with fees -- I'm not arguing for fees by any means -- but we also should consider that sometimes we have greater flexibility with fees to actually relate it to somebody's use. So, the other thing to think about is, how this fee is charged. So, perhaps there's another way to calculate the fee that might be more appropriate or more fair.

>> Casar: So, pending discussion with our acting city attorney, I won't belabor the point too much longer. But, I think to just briefly touch on my thoughts on councilmember kitchen's point and councilmember Houston's -- program I mentioned is cleaning, essentially, the entire city.

[2:03:28 PM]

It's not anything any person uses. It's just a street not having trash on it. That's why it's levied. My understanding is the fee is levied to everyone equally.

>> Yes, that's correct.

>> Casar: Everyone receives an equal fee.

>> A connection on my answer -- correction. We have a residential and commercial, commercial properties pay a slightly higher fee. But it is straight-lined.

>> Casar: It isn't adjusted. That would be something possibly of interest. But -- and then, to answer your question, councilmember Houston, I think the point being, I would see it less as robbing peter to pay Paul and more who -- how much of the money we're raising from folks that have more property that's worth significantly more, versus people that don't have assets or have assets that are smaller. And so, in this case, once again, I don't know if it's possible, but, theoretically, because I think this is a useful conversation not just for resource recovery but fees versus the general fund at large, a person that owns \$10 million worth of assets would pay significantly progressively more than someone that owns \$5 million, versus someone that owns no assets at all in property. And so, even though it does not chart perfectly along the income line --

>> Kitchen: Yeah, not at all.

>> Casar: It does chart, you know, I think we've all accepted, and a flat homestead exemption was -- it follows along the same course, if a person has no assets, versus somebody with large amounts of assets and property, that it is a more Progressive way of funding things.

>> Kitchen: Well, it's certainly a discussion worth having. Certainly a discussion worth having. And we need to think about it. But, you know, it's a burden. And it's not tied to income. And so, there's lots of circumstances where people with a higher value, particularly what we're dealing with right now in rising property values, on fixed incomes.

[2:05:38 PM]

Anyway, I'm not arguing one way or the other. None of these things are perfect. We need to recognize a property tax may not be a better way to pay for things, so.

>> Tovo: The city attorney, and then councilmember Houston.

>> I want to make clear for the record that all of the fees the council passes in the budget are related to services. There's a direct correlation between the fee and the service provided, for every fee, for the city.

>> Tovo: Thank you. Councilmember Houston.

>> Houston: Thank you. And I was just going to say, which I have just forgotten now. That's okay. It'll come back.

>> Tovo: We were talking about property tax versus fees, assets. Okay. I'll give you a minute. Other questions for this group? All right. Well, I think we're done. Thank you so very much. And when I said done, I just meant done with Austin resource recovery. I'm going to need some help -- oh, yes. It's in our

book.

>> I think we have three departments.

>> Tovo: Our next area is --

>> Three departments left. Economic development, public works, and the watershed protection department.

>> Tovo: Okay.

>> So, economic development is next.

>> Tovo: So, economic development.

>> Mayor pro tem. Could we -- could you point us to where in the forecasting -- what page we are on?

>> Page 51. Page 51.

[2:07:42 PM]

>> Tovo: Any questions for economic development?

>> Pool: Could you talk to us about the relationship and contracts you have with the array of chambers of commerce, and how often has that question been the leadoff question for y'all?

>> Good afternoon, assistant director for the economic development department. Currently, we fund five chambers of commerce, opportunity Austin, which is a portion of the greater Austin chamber, the hispanic chamber of commerce, the gay and lesbian chamber of commerce, the black chamber of commerce, and the Asian chamber of commerce. And we have just renewed their contracts last fiscal year for a 12-month period with four option periods. And we've been in a relationship with the chambers for at least probably eight to ten years.

>> Pool: Do you have a contract with the downtown Austin alliance?

>> Currently, the city council has approved a service plan for the downtown public improvement district and the daa is the organization that operates the pid, which is a self-imposed tax that the business owners and all property owners have agreed to assess themselves for improvement within the district. So, we also have a contract with the 6th street property owners, also. And it's their funds that we manage. So they self-assess themselves for certain services.

>> Pool: Okay. Do we still have the rangers, the downtown Austin rangers?

>> I believe that is a part of their contract. I can get back with you for certain.

>> Pool: So, just generally, you can send the followup to everybody, what all the contract terms are and length of time, and the services that have been received.

[2:09:45 PM]

>> Yeah. We can send you the last service plan that was approved by council last year.

>> Pool: Okay.

>> It's on the clerk's website.

>> Pool: And additional info on the pid would be interesting, too, daa. Thanks.

>> Tovo: Councilmember troxclair.

>> Troxclair: Do you know generally how much we're allocating to all of the chambers total every year?

>> Yes. Hold on, please.

>> Approximately, for all the chambers, approximately --

>> Troxclair: Thank you.

>> Mmhmm.

>> Pool: One other question. There was an issue last year. I don't know if you can answer or not, or maybe -- it had to do with daa's support for bonds or something last year. There was some concern about -- that was considered lobbying. Yeah. You know, I never heard what the resolution to that was.

>> I think we have just released the money to the daa. So we were holding the money, and we've released it, determined that it was appropriate.

>> Pool: Okay. And I guess you have some background on that information you can share with us?

>> Be happy to.

>> Pool: That would be great, thank you.

>> Tovo: I have a question. I wanted to look at the proposed -- or the potential service reductions within economic development, and just get a little better sense of what reduced contract funding for third-party -- contract.

[2:11:53 PM]

Well, actually I'd be interested in the second item, as well.

>> So the reduced service amounts of about \$155,000 includes a reduction of all third-party -- the chambers of commerce, the university of Texas contracts, and skill point alliance. And our funding for the health contracts through our budget.

>> Tovo: I would think those would have to total more than \$155,000.

>> Just a portion. Not the total 5%. We take a portion from each across the board.

>> Tovo: So why was that identified as a potential savings rather than a reduction, say, in the funds that are provided through our incentives program?

>> Just as a reminder, the chapter 380 agreements, the funds are held in a separate fund. It's called the economic incentive reserve fund, and not our operating fund. And by ordinance, those funds have been approved and are reserved once compliance is verified for those third-party contracts. So it's a contractual obligation that we have.

>> Tovo: I know this came up earlier, and we had a discussion about the legal issue surrounding them. We can tackle that another time. Economic development didn't identify any potential cuts within that, because it's a different fund, though it is still funded by general fund moneys, isn't it?

>> It is a different fund. And currently we have contracts with each of these companies. And so, based on the contractual relationship, if the companies have performed, we would -- it would -- we didn't think it would be a sufficient idea to back away from an agreement that council had already approved.

[2:13:55 PM]

>> Tovo: How is that different -- I understand your point, and I know that that's going to be -- would be a concern. For many people. But how does that differ from the contracts that we have for the chambers of commerce, and some of the other groups that have been identified for potential savings within their contracts?

>> Again, this was a portion of our operating reduction. And so that's the strategy we headed toward, looking at the operating funds versus the other funds that are secured by certain ordinances.

>> Tovo: Okay. But we do have a contract -- I mean, when we are providing funding to the different chambers of commerce, we are doing so through a contract, so they are also in a contractual relationship, and we would be amending their contract to -- as you said, for a portion, in each.

>> Subject to fund availability. So, the rca is read a one-year term with the four options subject to fund availability.

>> Contracts for the chambers, there's a -- you know, that's the relationship is reflected in an agreement. And so, you know, it's service-based. So they are, you know, providing some services in terms of what chambers do on behalf of the city. So there's that kind of a relationship, quid pro - quo. I think in terms of the other, we're talking about in the context of an economic development deal that was struck. And so, you know, in that sense, it is what it is. It's performance-based like we do in other

areas, versus contracting for services.

>> You are correct. That is accurate.

>> Tovo: Okay. And then the second, the temporary position, within global business recruitment . . .

>> Mmhmm.

>> Tovo: Actually, I remember what that position is.

[2:15:55 PM]

But, what would be the reduction in administrative support and research -- programs? Is that the same position?

>> Exactly.

>> Tovo: Okay. All right. Other questions? Councilmember Casar, you look like you've got one. No? Other questions for economic development? Okay. Thank you all.

>> Tovo: Did you say public works is next? All right. Welcome, Mr. Lazarus.

>> Good afternoon. I'm sorry?

[Laughing]

>> All good things are worth waiting for.

>> Tovo: We're just at the point of questions for our public works staff, and I think we have one more department after this one, and then we're through.

>> The public works department can be found on page 58 of your forecast report. And we also have a fact sheet for it, as well.

>> Pool: I'll start. I would love to hear just kind of an overview of the neighborhood partnering program. It does really good work, and I'd be interested in the funding and I know it's been broadly accepted where people know about it, but . . .

>> Neighborhood partnering program was initiated really at the request of council several years ago, particularly councilmembers Spelman and councilmember Cole, who asked that we implement a program where neighborhoods could advance projects of interest to them that sometimes get lost as we program big things.

[2:18:09 PM]

So, just as a very brief background, we researched what other cities were doing and then developed something unique to the needs of the city of Austin. It's a very lean program from a staffing standpoint. We only have two full-time equivalents who are funded out of the transportation fund for that. And -- but we do leverage a lot of volunteer efforts. We get support. We have one or two vista volunteers, we get support from the longhorn center, the American institute of architects, the American society of civil engineers. The program is set up to partner or cost-share with neighborhood groups. And in setting that up, we sought to cast as wide of a net as possible. So the term neighborhood groups is very loosely defined. But we make up for that by insisting that projects that go forward get a 60% buy from the neighborhood. Cost-sharing can consist of a number of things, everything from cash to sweat equity. And, again, the goal was to not have the perception that it was only a program for wealthier neighborhoods. In fact, one of the objectives was to use it as a tool to build neighborhood relationships among neighborhoods that didn't have the mechanisms to do that. The projects themselves are funded from sources, the 2012 bond program, about a million two, and we have nursed that along. Also, several years ago in conversations with the public works department. And in exchange for not having to do that, the council at that time, particularly councilmember Morrison said, instead of -- towards neighborhood and neighborhood -- also available.

[2:20:09 PM]

The funds have to be used on right of way or transportation assets. So, when there's a project that we want to do that's maybe on parkland, we'll trade work back and forth to make sure we honor and respect the source of funds. We've done about 30 projects. Through the program we've discovered the power of doing big things with little amounts of money. Most recently, some of the unique things we've done is we've taken pieces of right away and made them into a community garden. We turned a flooded area into a community garden. We've done everything from murals, to pavement paintings, so decorative walls, sidewalks, trail segments. The program is about neighborhood empowerment and having the neighborhood figure out what's important to them. Small things that improve the quality of life that would normally be very difficult to get through the city's permitting process and get the city's attention to, but because we help them walk through that, we help them with the design. We help them with the permitting and do the work on their behalf. We've been able to accomplish remarkable things with small expenditures of funds.

>> Pool: I'd be interested in seeing where -- what neighborhoods around the city have been involved, the 30 that you have mentioned. And if there are some parts of town where the involvement in the community hasn't been, maybe, as robust as in others, if there's anything we can do to help kick-start that, I'd be happy to make time on an open space committee meeting for you guys to talk about that. Because I see this going to sustainability, and then if there is a need for -- and then I'd like to look at the line item in the budget so see if there's any way we could add a little bit. I know this program has been really, really well-received for those neighborhoods that have been able to come up with the 60% match, and the sweat equity.

[2:22:10 PM]

There's tremendous buy-in, and I would like to see that blossom around the city in any way I can help with that.

>> I appreciate the support. There is a map on our web page that shows geographically where the projects are. And one of the criteria that we use in evaluating the projects is geographic equity. I'd be remiss in not saying that this is also a partnership among city agencies. The board of directors perhaps am, if you will, includes the directors of watershed protection, planning and zoning, transportation, parks and recreation, and most recently we've included the sustainability office. So, everyone has provided funds as appropriate. I think all the city agencies have been vital in getting the program to advance. But it has a very friendly home in the public works department.

>> Pool: Some of my colleagues might be interested in telling their different districts about the availability and the parameters of the program.

>> The vista volunteers are all bi-lingual, as well. We've asked them to help us reach out to neighborhoods that might not otherwise -- it just may not come to their attention very easily. So, spreading the program as widely as we can to encourage and to empower neighborhoods has been a primary goal of it since its start.

>> Casar: Mr. Mayor, just to follow up on her point. South of 183, in my district, there is been one fantastic project, but not north of 183. I've been glad to see at least one city staff person chasing -- maybe I'm chasing him around the different neighborhood meetings I've been to, he has been at, trying to drum up support and excitement in that area that hasn't gotten a project yet.

[2:24:12 PM]

And now I'm worried that y'all are going to get a flood of applications. I want to be on the record I'm not

preferring one over the other, but, you have done a great job noticing where geographically there haven't been these projects and doing work to address it. I want to commend everybody working on that program for sticking to the goals, because I think that will be very beneficial for that part of town.

>> Thank you.

>> Mayor Adler: Would you talk about the reduction in employees?

>> Yes, sir. So, we are coming forward with a reduction of 14 staff members in the public works department. Two of them are part of -- are being transferred to building services. And they were engaged in managing the lead paint asbestos program. Well, over 90% of what they do is in operations and maintenance of facilities. So that's much more of an operating cost in building services, more appropriate than being funded out of the capital projects fund. There's another staff member going to ctm. We had hired a systems analyst to help us with the integration of our maximum work order, and computerized maintenance manage system. Ctm has taken over the maintenance responsibility for that program, as well. Increase staff a little bit as we exercised a program known as accelerate Austin, which was actually a response from the city manager to move forward the 2006 bond program for street reconstruction. And we did that during a time where it was also sort of a home-grown stimulus program. We tracked minority and women-owned business participation, geographic equity, and completion of lane miles. We knew -- and I was forewarned by my assistant city manager, if you bring staff on, when you complete that program you have to have a program to ramp back down.

[2:26:18 PM]

That's what this is. It is an indicator that a significant portion of the capital program has been completed. And that's why we're drawing down that staff. It's being done through a planned elimination of vacancies. There are no staff members who are being adversely impacted.

>> Mayor Adler: Okay. Does anyone have any further questions? What do you think about -- there was some conversation about -- with respect to capital improvement projects. And this is a question, probably, farther afield, as to whether or not it makes sense to reconstitute the bond overview panel.

>> There has been -- mayor, there has been citizen oversight committees that we report to from time to time on the execution of bond programs. My response, really, is as an entity, we welcome scrutiny. We want to be held accountable. The kind of transparency and insight only makes us better. So, to the extent that the council members feel that they'd like to be more informed of what's going on, we would certainly welcome any kind of additional chance to tell our story as widely and loudly as we can.

>> Mayor Adler: Other than accountability, the citizens oversight group, did that help in setting bonding priorities or future goals? Does it start to rally public support in that direction? Is it a tool that, beyond being able to share, might be useful in the governance development of capital improvement projects?

[2:28:22 PM]

>> My role as public works director is to manage assets and report on those conditions. And then identify needs. I think once a bond election has started, we all have to be very careful about taking on an advocacy role as city representatives. What has been helpful with citizen oversight committees is shaping bond programs, resolving priorities, because there's a limited amount of money that's available, and balancing very complex needs that the city has. And that is wholly appropriate for them to do. Once you get into the advocacy role we take a step back. That's really not our role.

>> Mayor Adler: I was thinking more in time of identifying needs. So, you would agree -- it's been a while since we've had that kind of system-wide capital improvement effort. At some point, the city's going to need one. We live in an area where affordability is a huge issue. So bond elections of any kind pull people back. I was just looking at the universe and asking when it makes sense for us to look at that kind

of thing. You were on that?

>> Pool: My understanding is it's a six-year cycle. There's two different groups. There's the citizens advisory group that's convened from across the city in order to go through the list of projects that has been identified by the city manager, for instance. We started with \$3 billion. There was \$3 billion of projects on the 2012 list. And by the time we got it, it was down to 1 billion. And we further refined it down to under 400 million. But then I think the oversight group you're talking about was a group that was formed -- I don't know what year, maybe in the early 2000s that continued on and had some oversight of the sale of the bonds in making sure that the bond programs continued forward after they had been -- the bonds had been chosen and voted on. And there was an oversight committee that the city had put in place that -- I think that might have been --

[2:30:28 PM]

>> Mayor Adler: I heard it in both contexts. I heard it in the context of, we're toward the end of that cycle and it might be good to start rallying support and direction, if there were important community improvement projects that we thought we need to move to. That would be one.

>> Pool: Yeah.

>> Mayor Adler: And maybe a different -- I've heard it also in terms of monitoring past Alaskas. Actions.

>> Assistant city manager, there's actually three groups. There's the bonded advisory committee, and that's the group I think you're talking about, that council formed to help look at future needs for potential future bond programs. The citizen bond oversight committee was formed after those bonds were approved by voters to monitor and have an accountability function for the implementation of those projects that were approved by the voters. The planning commission also has a subcommittee. They look at the five-year capital improvement program every year and provide a recommendation, and you approve it in the budget process. That's more of an overall planning group. But, it's much more specific, you're -- be looking at the next bond program, what should be included in that, what should be the limit, the extent of the finances. And so that has not been formed since the last one we did in 2012.

>> And I don't think any of them were charged with campaigning and selling, you know, the proposition.

>> Mayor Adler: I didn't mean that.

>> Just to clarify, though. That usually happens more organically. There's a ballot proposition committee that develops.

>> Mayor Adler: To be clear, let's it end up any way, I wasn't suggesting anything other than that, other than at some point, I would like to know at what point it becomes appropriate for us as a body to start looking forward on that issue.

[2:32:37 PM]

>> I can tell you, for one thing, chair kitchen can inform you of this, from the mobility standpoint, we are already beginning discussions in the mobility committee. That's a large driver. There's so many needs across every district on congestion, mobility issues, so that's already on our future agenda items. I'm not sure what we'll get to it, we have so many things to tackle. But we are already heading in that direction on the mobility committee.

>> Mayor Adler: Okay.

>> There have been bond programs since we've been here. But I think, usually, there's a general call for projects as we get to the end of, you know, the six-year program, there's a call for projects. And then those projects are generated from departments throughout the organization. And it's usually a big number, like councilmember pool talked about, and the rest of the process.

>> Mike does a good job of looking forward on a long-term basis, and ed and his folks in finance look at

the capital program. We have a starting place. And then you add all those up, and it's a large number to try to wean down to something we can afford.

>> If I could add, since the planning office has been in place, there has been much more denigrated approach to looking at capital improvements. And so, we are in a much better position to look at how things should be funded, looking at it in a much more integrated manner, to achieve results beyond just on-time delivery of projects to the standards specified within budget. It's moving more towards advancing a larger community goal, and that's been a big change over the last seven years in terms of how we look at bonds.

>> Mayor Adler: Okay. Any further questions of this department? Thank you very much.

>> You're welcome.

>> Mayor Adler: That gets us to our last one, no? Watershed protection.

[2:34:44 PM]

>> Mayor Adler: Hello.

>> Good afternoon, mayor, councilmembers, Jeff, deputy director of watershed. Your last department. Certainly not least. With me is Connie, our acting financial manager. And Jose, and Mike, assistant directors.

>> And we are on page 62 of your document.

>> I don't know if, mayor, if this question would be another, kind of, legally question, or if it's one the watershed can answer. But the water creek tunnel and the legal services, was there a resolution to that issue? And if so . . .

>> There is not. That's a good question. We're having an executive session to brief the council on that particular item on Tuesday.

>> Pool: Aside from that, how is that project proceeding?

>> Well, as you may have seen on our Facebook page, the tunnel project, you know, the tunnel proper has been fully excavated, lined in concrete. It first accepted water on may 5th. Certainly, there was an amount of water that went through during the memorial day flood. I just want to remind the council, though, that this project is far from complete. We do not have the diversion down fully built to divert water pooling into the tunnel. There's also the 4th street and 8th street creekside inlets that will take additional waters down into the tunnel. And then we will ultimately have a rake system, a debris management system in the inlet building and park that will ensure that the screens are cleaned periodically. So, all those things working together will get you your final project. And it's interesting. During some of the past storm events, there was water in the creek.

[2:36:47 PM]

And especially like may 5th, where it wasn't a large storm event and there was still water in the creek. People just assumed the tunnel's not working. One, it's not fully online. Two, I think this is really important for our policy-makers to understand, even when the tunnel is fully online, the creek will still rise in reaction to a flood event. All of the water that falls below 12th street will enter the creek. And so what the tunnel is designed to do is to bring the flood plain in, take 28 acres of downtown out of the flood plain, and allow the creek to rise and fall within the creek banks. But, it will still be an online, active creek system.

>> Pool: And a constant flow.

>> That's right. During dry weather, we have the ability to pump water out of the tunnel. And the tunnel is submerged because it's lower than the elevation of lady bird lake, so there's always water in the tunnel. And we are able to pump water out at 12th street into waller creek, which really ensures us an

environment where we have fresh flowing water down the creek even during the driest of Summers, and really maintaining an aquatic environment that's very optimal.

>> Mayor Adler: Okay. Does anybody have any questions? A lot of the questions that I have, we have answered over the last two council meetings, as you've spent a lot of time with us. The questions relating to the calculation of the drainage fee, which is still something that we're working on. Do you want to give us an update on that?

>> We've had some good discussions internally with staff, and with a couple of the councilmember offices. We are planning to present to the public utility committee, I believe on June 16th or 17th, and then council the next day. So, the council committee members have given us a lot of feedback, and we are responding and getting additional information so that we can be fully prepared for the public utility committee with hopefully a successful proposal.

[2:38:52 PM]

>> Mayor Adler: That would be good. There was a committee referral that I sent to that committee where I tried to capture some of the issues that had been raised. You might want to grab that and take a look at that. That went out within the last couple days. Just take a look at that. And then, the other thing that we've talked about is coming up with the risk matrix so that we could more uniformly, or policy-driven make decisions with respect to buyouts.

>> Yes. Certainly the prioritization of homes to be bought out, we have briefed council on that risk index. And using a cost-benefit ratio, using the tcad value, so that is in progress.

>> Mayor Adler: Okay. Anybody have any more questions here about watershed protection? Thank you very much for coming down.

>> Thank you.

>> Mayor Adler: Ed, before we leave, can you talk for just a second about the concept of having -- with respect to a forecast like this, having a sunset review process, or a process whereby there's -- have you seen that happen in other cities? Or let me ask the question differently. Is that something you would take a look at and come back and talk to us about?

>> I think that's what we'd want to do. I'm not familiar with other cities doing it, but it's very common in states.

>> Mayor Adler: The concept there is to have some kind of reoccurring basis where departments come before the council, and we look at programs that may have been going on for a long time, just to fuss focus attention, ask if we want it keep doing it, is it doing what we intended, is it still the priority we would be setting. And it just becomes a moment in time where everything in the system -- over a period of time, over time there's a true-up or a touching-base.

[2:41:01 PM]

>> Happy to look at it. I want to respond. I have my budget officer respond. Certainly, we'll look at it and give you our reaction. But I can tell you that in the range of my experience -- it's been a while, our number of cities -- I have not seen it at all. It really is, an indicator associated with what you see at the state level. But it doesn't mean that we can't do something like that. Although, frankly, the field, in terms of things to do with regard to this particular budget development process, is crowded enough. I just don't know that we would have the capacity to add anything else to the workload we're currently undertaking in order to put together a budget recommendation for next year.

>> Mayor Adler: And I wouldn't anticipate it being part of -- not only not even part of this year, but perhaps not even part of the budget process. You know, just kind of an auditing-type function now that the council is involved, and that happens outside, separate from the budget process. Anybody have any

further comments or thoughts? Thank you very much. And by the way, we're ending this phase of the budget process. You guys were great. You were incredibly responsive as we moved through this, in terms of responding, certainly, on lots of issues, most notably from e2, we put you through numerous drills related to the homestead exemption, and who knows how many different scenarios. And then the work that you did to make a budget like this more accessible for a new council was really helpful. And we may not need that function next year. Thank you.

>> You're welcome. Thank you, mayor.

>> Mayor Adler: Thank you.

[Applause]

>> Mayor Adler: We are adjourned.