[9:07:54 AM]

>> Troxclair: Hello, welcome to the audit and finance committee. I'm Ellen troxclair and I'm going to fill in for the mayor pro tem so we'll go ahead and get started with the approval of minutes.

>> Pool: I make a motion to approve with one correction. Agenda item 10. The resolution passed with mayor pro tem and councilmembers pool and Renteria for the resolution and against and councilmember troxclair abstaining. It had councilmember Gallo instead of pool.

>> Troxclair: Any other changes? Okay. You second the motion.

>> Renteria: Yes.

>> Troxclair: All in favor of approving the minutes? All right. Minutes passed. That brings us to citizen communication. Do we have any citizens signed up to speak? Okay. Then we're going to take up item number 4 first. Good morning, councilmembers. Richard shield. I'm joined by Tracy Cooley and Blaker Rogers, the city's external auditors for the presentation of the results of this fiscal year 2014 single audit.

The single audit was performed in accordance with omb circular a 133 which is audits of states, local governments and nonprofits in accordance with the Texas uniform grants standards. The criteria for this audit differ from the criteria used for the annual financial statement audits. Therefore items that were not at issue under the financial statement audit and would not have affected that audit can now become issues on the single audit.

[9:10:04 AM]

Many of the items discussed will be -- versus the amount of expenditure reported in the financial statements. I wanted to thank the mayor and councilmembers for your continued support of the city's goal of excellence in all aspects of financial management. I'd like to thank the city staff especially the staff in the controller's office for their many hours and to deloitte for their professional and thorough manner in which they conducted this audit. Point of clarification, the controller's office served as a resource, provide updates to the departments. The controller's office does not review the grant submissions and each department is responsible for their grants and grant processes. Representatives from the departments of findings in this presentation have been asked to attend today's meetings and they are available if you should have questions. Tracy Cooley from deloitte will present the single audit results. Following her presentation, I can provide a brief response from management.

>> Good morning, Tracy Cooley, audit director at deloitte. It's great to see everyone this morning. What we wanted to do is talk about the difference between a financial statement audit. And I'll turn it over to Blaker who is the senior manager on the engagement. Talk about what a compliance audit is and what we were doing throughout the process.
A little background just to differentiate the two. The financial statement audit is what's on the financial statements but a lot of questions about what a compliance audit entails. Circular a 133 is a federal requirement that the feds came up with back in the '80s to basically say we're tired of auditing every single grant recipient and how they spend their money individually at the federal level. That's pass that down and have that be the responsibility of the independent auditors of each one of those governments instead of that being the responsibility of the federal government. We come in and as part of our independent audit do specific audits of certain grants of the city's federal dollars spent every year.

The process involves selecting programs based on dollar value as well as a risk based approach to determine which programs to test every year. Those programs subject to testing, the opinion we issue is on the controls around compliance and the compliance itself on each one of the compliance requirements for that program. So you will see in our report that there's certain compliance requirements mentioned in terms of the findings that Tracy will discuss. Then on top of that, the state of Texas decided that it wasn't enough to have just the federal compliance audit, they also wanted to do a state compliance audit that focuses on the state grants. So our report also covers the compliance for the state's funding for the fiscal year mentioned. And so those two standards together result in a compliance audit that's very different from the financial statement audit, very focused on the -- basically a handful of compliance requirements.

Okay. We'll go through our presentation and very first thing is the single audit report which we've been talking about. The opinion we have basically was an unmodified opinion which is a clean opinion on the compliance for the grants that we subjected to testing. The ones we subject to testing, we call those major programs in any given year so we did not have any qualified opinions for any of those programs. We issued it on June 29 earlier this year. The second please of the reports would be the passenger facility charges report. This is an audit that we do every year and it really just looks at specifically how the PFC charges that the airport generates are spent. The city made the decision years ago to spend that on debt service so what we do is we look at and ensure that compliance with those requirements are met. We had no findings on the PFC audit so that one was clean this year. We actually presented this slide in may. Similar approach here. When we have a particular finding or deficiency related to a program which would mean there's some issue of noncompliance with the grant requirements, we look at the severity of that particular deficiency.

On the worst case scenario, basically the controls are so -- for that particular grant. We did not have material weaknesses this year related to any of the city's programs. We did have that next level with significant deficiencies and this is less severe than material weakness but we feel that is something the committee should be aware of. We'll cover the significant deficiencies. The first item related to the community services block grant and this had to do with eligibility. We'll cover the significant deficiencies. The first item related to the community services block grant and this had to do with eligibility. There are certain requirements, income requirements for the participants in the csbg grant and what we noted is one of the selections that we had there was someone who was given -- it was bus passes. They were given bus passes but they had not met the income eligibility requirements. So it wasn't material, it was nine dollars so it wasn't a material amount, but the issue with this program is every year we typically have maybe one or two that are ineligible so this is something we've seen before. But certainly nothing that reached a material level of noncompliance. The next item, Richard mentioned we had some reporting findings. Typically with any of the grants that you have there's going to be either a monthly or quarterly reporting
requirement back to the granting agency and these reports can include financial statement information, it can include nonfinancial measures, but there's always a timeline. It's due X days after the end of the quarter, X days after the end of the month. For these particular grants that are listed the reports weren't filed timely so it's a timeliness of reporting, not that they weren't filed at all, it was timeliness so they were late in filing to the grantee. The next is a different take on it. This has to do with not the report itself that was late but the expenditures that were recorded on the particular form were either from prior year or from a prior quarter so they were basically late reporting the actual expenses and it didn't fit within the quarter they were reporting on.

[9:16:30 AM]

So that was the second piece of the reporting finding. The last two findings relate to the section 108 loans. And it relates to cash management and again reporting. For section 108, it's a loan program so basically in some instances funds are received in advance by the city, in advance of loaning those out to participants. And the requirement of the grantor if there are any excess funds they be held in some type of government obligation, something very secure. We noted there were amounts that were held in cash accounts which is in violation of the grant. After we found that and pointed it out to the city, I think they removed swiftly out of those cash accounts and into the right instrument that the grantor requires. The second relation to reporting. There is just a requirement. The grantor requires the cash or investment position be reported monthly to HUD and that wasn't done on a recurring basis. It was kind of a timeliness of reporting for that particular grant. The next item we have, this is -- we're already talking fy 15 audit so we're already in the next year and this is just kind of a list of those grants that we believe that we'll be testing this year. As Blaker mentioned we do a risk assessment, we look at the dollar value of these particular grants. We're waiting on final Numbers, the year hasn't closed yet so we're waiting on final Numbers for fy 15. This is basically a list of those grants we suspect we'll be testing this year. The larger programs like your airport grants, there's a requirement we test those once every three years so some are just up for rotation. Some in pry years, material items, we'll have to test those next year. This is our running list we believe we'll have to test in fy 15. To be changed maybe depending on risk assessments but just to give you a glimpse where we'll be in fy 15.

[9:18:34 AM]

So that's the short and sweet version of our presentation. We're happy to take any questions that the committee has.

>> Troxclair: Members, any questions? Councilmember Pool.

>> Pool: I think the work you all did here makes it really clear why it's start to have and why I'm glad we are audited to find the mistakes. Just a real quick question for you. Did you find that these areas were repeat areas where the same mistakes had been done in previous years or repeated again or maybe in a different department or what sort of pattern?

>> The last two I talked about section 108, we had not audited that program, I don't know if we audited a number of years. That was a brand new look at that particular program so not a repeat there. You know, reporting, the reporting findings we had related to late reporting or even expenditures maybe filed in the wrong period, we've had that before for different departments different years so it's something we've seen before. It's not uncommon, I'll say that and for many of my clients to have those reports just fall in the wrong time, somebody is out of town, whatever it is, so it's not uncommon. From a risk assessment standpoint, certainly that needs to be filed on time, but it -- severity of findings we would never think that would be a material weakness. It would never kind of reach that level but yes, it's something we've seen before. On community services block grant, we've had eligibility findings in the
past related to, like we found some of the income was calculated incorrectly so we've had that before and we found that particular issue before.

>> Pool: Thanks.

>> Troxclair: So do you follow up then with recommendations of how to address it? Do you then -- do you do any kind of check to make sure they have been addressed or is that left to staff?

[9:20:38 AM]

>> Within the report itself, so when we report a findings, we report what the finding was, the cause, the recommendation and I think you have copies of that report, but management is required to present a corrective action plan. We don't audit that, for fy 14 it was in the report they present the plan. The next year we audit it was cleared and a lot of times we'll test the same program the next year so we'll test it through that process. Typically it's going to be the next year. Was it remediated. Is that a higher risk program we need to test again so we'll typically look at it the next year.

>> Troxclair: So we should expect a followup from city staff on how to address?

>> Richard actually has a presentation to go over the management's response and our corrective action.


>> I'm now going to present the management's responses to the findings for the year. The first slide is just an overview of what the city manages. So of the $255 million in outstanding federal and state awards, in the current year of fy 14 under this audit, there were expenditures of 62 million. Of those 32 million was sampled by the auditors as part of their testing process. To the first finding, expenditures reflected in the 2014 single audit report that related to prior years, the controller's office is going to require year end assertion of all grant expenses being accurate. Provide additional training, sponsored grant practice web webinars and develop a more thorough review process to try to catch these issues.

[9:22:39 AM]

The Austin transportation department implemented monthly review and monitoring of expenses. Parks and recreation department, thank you, implemented quarterly review process -- quarterly review process to make sure spend yourself are reported in the appropriate year. Health and human services instituted a monthly grant reporting process and communications to the controller's office. For the finding of insufficient training to perform eligibility and insufficient intake information, health and human services strengthened their internal peer review procedures and staff has been trained on the eligibility guidelines. Personnel performance review requirements have been strengthened to hold staff accountable for the eligibility determinations. The third finding, failure to file reports to the grantor timely, parks and recreation department established cart you quarterly grant review meetings with project staff. Pard will request and secure copies of all the required reports prior to the due date. Health and human services implemented a new procedures to review reports in advance of the due dates allowing time to correct efficiencies and submit timely reports. The fire -- the fire reporting issue wound up not being an issue really at all. It was a finding for the audit because they weren't able to find their exception reporting timely. But they will make sure to keep up with any of those documentation for the next year. For the fourth finding, report submitted to grantor with improper frequency, Austin transportation department transferred this grant from public works and the atd grant coordinator is working to bill the grandor timely per the grant. Health and human services department and the homeless housing services coordinator implemented a process for documented expenditure review to ensure timely reporting to the grantor and properly reported to the Se.
Fa. On the fifth finding cash draws did not comply with cash management procedures. Neighborhood funds returned the funds to the custodian bank established for the grant funds. Economic development department established a monitoring process with the custodian to submit monthly bank statements as required and notify the contract manager when such statements are not provided. That concludes management's responses. Any additional questions?

>> Troxclair: Any questions? Okay, so these responses are from the previous year? And the -- and the first presentation was what you found that needs to be addressed going forward or these are --

>> It's response to the current year, fy 14. So the findings were fy 14 and those were management's corrective actions related to the responses to those findings. Some of them were corrected right away, like the sex 108 and some like eligibility just requires more training and they are in the process of doing those. So it was in response to the fy 14 findings.

>> Troxclair: Okay.

>> Renteria: I'm just trying to learn the procedure here. When like on number 8 under response where cash drawers do not [inaudible] By the grantor, what was that all about? Can you give me a little more explanation about what --

>> Is the department here to answer --

>> It's finding 8.

>> Cash draws for neighborhood housing community development. I'll speak to what I can.

So this process is somewhat complicated in the way the loan draws occur. So the cash is distributed in advance to the city. The loans are made and excess should be returned to the custodian bank. What the department did not realize was that there was an outstanding balance that had not been returned to the custodian bank in accordance with the agreement. It was a record keeping error where there wasn't a reconciliation done of those funds. That's probably the extent I can speak to. As soon as they realized it they corrected it and returned back to the grantor.

>> Renteria: This money wasn't used, it was just kept in an in an account?

>> Correct. We were holding it in our account rather than the grantor.

>> Renteria: Thank you.

>> Troxclair: Okay. Thank you. We're going to move on to item number 3 next which is the briefing on the campaign finance initiative in response to a recent resolution. And thank you, councilmember Zimmerman, for joining us.

>> Good morning, councilmembers. I'm Jeanette Goodall, the city clerk. I'll let my co-producers introduce themselves.

>> Bob Gus with the office of city clerk.

>> Good morning, [inaudible] Technology management.

>> So what we're going to do is just kind of quickly walk through what the goals of the project were, some of our proposed workflow steps, our tasks, our phases, some issues or considerations that we're still hashing out and working through, and then we have time for questions and answers hopefully.

Throughout the presentation or if not at the end then. To just to remind you, the goal of this initiative was create a publicly accessible and searchable and downloadable data base to record the contents of the campaign finance reports that are filed by the clerk's office by candidates, office holders and
political action committees. With he actually have a resolution and ordinance that are kind of driving and governing how we’ve laid this project out. So one of our goals is to build some processes and the infrastructure which includes some tools, utilities, business processes, rules, policies, procedures, forms, anything that we need to ensure that the data is published in a timely and trustworthy manner, and that the campaign finance data base is sustainable and properly managed long term. And to the extent possible we’re trying to leverage any existing tools that the city has. Currently those consist of our enterprise document and imaging management system, which we fondly call edims, which may or may not be familiar with, but if you use the council information center page or the board and commission information page or the public website for public searches, you are using our document management system, you are just not aware of it. Then also to leverage the city's existing data portal as a way of publishing the data. And using as many tools, templates and documentation created by the Texas ethics commission so whatever we do is consistent with whatever the tec requires candidates and office holders to file.

[9:31:13 AM]

I'm going to turn it over to bob to go through the work flow processes.

>> We spent a fair amount of time now sort of planning out how would this process actually work, both for the filers and what would happen to the documents and the data once it's received by the clerk's office, how would we get it from the hands of the filer actually out on the public website in a consumable form. And we -- in order to take this in manageable chunks we've broken the process into three categories of steps. There's a submission process whereby filers prepare and deliver their campaign finance reports and their data to the clerk's office. There is a processing step that involves a number of different tasks during which the clerk's office will validate the data. We will scan and index the actual reports themselves and then up load into the campaign finance data base the data received from the filers and the documents into the document management system. And then finally a set of steps around publication. How we make those reports and make the data accessible via the city's public website. So these are kind of the three big buckets of steps that we have to work on. And I'm going to talk now in a little bit of detail what we think is going to be the process, how this may work. So looking first at the submission process, members of the clerk's office staff have talked with several council offices and folks who work with the office holders to prepare their campaign finance reports and manage their data. We know, for instance, that several offices are using software tools to manage that data such as quick books or npg van to manage that data. They are then exporting data from those system into csv files using a template format provided by the Texas ethics commission.

[9:33:19 AM]

Those two csv files can then be up loaded into the Texas ethics commission's e-filing system and be used to generate the campaign finance reports. Those get printed out, they get signed, they get notarized, they get brought to the clerk's office. This is basically an existing process. I've simplified it a bit. We know there are some folks who go directly to the Texas ethics commission e-filing site and put their data in directly manually. Others are using a variety of excel spread sheets and generating a csv file which they up load to the tec in order to generate their reports. What we are in the process of working on, we propose creating a new tool, a clerk's template that would be based upon tec's filing template with some additional data elements that we need in order to be able to manage the data in our data base. But that folks who are using these more sophisticated software systems could export the data into that excel spread sheet, filers who don't have any kind of system could actually use that template in order to manage their data and get it into a format. They could then export the contents of that spread sheet to
a csv file, up load it into the Texas ethics commission's e-filing site and generate the report. So we're hoping this will actually be a help and not add an extra layer of burden but will actually for those who don't have a more sophisticated data management application, it would be something they can use. And we're piggybacking this on top of the templates and guidelines that tec already provides so, again, we're not trying to reinvent the wheel too much although there are additional data elements we need to have. Then we'll ask that that template, the excel file, will be filed with the clerk's office.

[9:35:24 AM]

So we'll receive that excel spread sheet and the reports as we do today.

>> Troxclair: Quick question. What is the additional data that the Texas ethics commission doesn't require but that you will?

>> Well, for example, those csv files, there are two of them essentially. One is for contributions and one is for expenditures. For example, it doesn't capture the information that's on the cover sheet of, for example, the coh form, the name of the filer, their office held, et cetera, the filing period, the election date. That information is not captured. That's actually manually entered into the tec's e-filing system. There's a couple of additional fields, for example, there's a check box on the new a 2 form that indicates a contribution that is in-kind for out-of-state travel. That data is not supported by tec system. You upload that and have to manually -- we would like to capture that automatically in our work sheet. So does that answer your question?

>> Troxclair: Yes, it does, thanks. And so -- will candidates need to do the regular steps that they are already doing through tec and then do the -- a separate spread sheet with your template and turn that in separately?

>> Yes.

>> Can I say something?

>> Zimmerman: It's the other way around. You would use the template to produce the data, then input that to the tec, then produce your final copy.

>> Correct.

>> Zimmerman: Data flow would go into Austin first.

>> Troxclair: But either way there is two submissions. There will be two submissions now.

>> That's correct.

>> Troxclair: Rather than one.

>> That's correct.

>> Troxclair: Thanks.

>> Once the clerk's office has received that, the reports and the data files so now we have the reports in hand, we have the excel spread sheet.

[9:37:24 AM]

This is an existing process where we validate the document, we make sure that just the basic content that needs to be there is present, it's been signed, notarized. We scan those documents and do a qc check and download into our edims. That's an existing process. Nothing will change there. We'll be taking that excel spread sheet and we will be building, so this is something that does not currently exist, a tool that will examine the contents of the excel spread sheet and validate that that data is in the correct format, required fields are present, the date is in the correct structure and we'll extract that data into the data base and post that data up into the Oracle. So that validation extraction and upload tool is something we will have to build. We'll be working on that, as well as designing out and creating the actual data base itself that will house that data. And that data base will be the official data base of
record. That will be where -- yes, councilmember.

>> Pool: I have a question on that. Is that in order for it to be scannable or is the edims document is scannable?

>> The edims document is scannable. This is --

>> Pool: I mean searchable.

>> Yes.

>> Pool: Okay. So again, the reason why we have the two different processes is because of the two different types of systems that we have in order to have the transparency on the information?

>> Correct. Our goal is to present to the public both the actual reports in the format of a report pretty much as we do today and in addition now to provide the data that's encapsulated or captured within those reports as a separate data set.

[9:39:28 AM]

Ultimately linking those two together.

>> Pool: So one looks like it's in a work book, like what a csd looks like if you don't import it into another --

>> Correct.

>> Pool: At some point it would be nice if all you needed was the csv file and it would automatically populate both the report form and stay in the format it's in so at some point we might be able to collapse the two processes?

>> That is the more sophisticated e-filing approach, a true e-filing system that's going to involve expense and time to do that. What we're trying to do is leverage as much as we can what the tec system provides as well as making the data available to us in a format that we can pull into a data base.

>> Pool: Gotcha. And keeping the costs down.

>> Correct, working within the time and budget we have available.

>> Troxclair: Can either of these be submitted solely online? Or does -- right now somebody has to come in and come into the clerk's office and deliver a paper copy whereas at the state level people can just submit their filing electronically?

>> We're having those types of discussions. We haven't figured out a solution yet for that so it may not be in the phase 1, but it is a process that we have been talking to ctm to see if there is a tool that would allow such a thing to occur.

>> Troxclair: Would that be for both the report and the excel template?

>> Yes.

>> Troxclair: But as of now both of them --

>> We haven't found a solution to that. Within our budget and our time line.

>> Troxclair: Sure, sure, no, I appreciate that you all are working on that and I know you are trying to put this together quickly on a small budget so I appreciate it. I'm just trying to understand once we have this done what else we can do or what the expectation is going to be for the immediate future, I guess.

[9:41:32 AM]

So the -- but the template, you will need the template electronically.

>> Yes.

>> Troxclair: So somebody would bring it in on out drive or --

>> Actually our proposal, our thinking for how we would do this at least on the first pass, since the January 15 filing deadline is primarily going to be the councilmembers, we would actually provide you all with a thumb drive that has the template on it that has the instruction and the data dictionary and
everything you would need to populate it and that can be delivered back to the clerk's office.

>> Troxclair: Okay. Along with the hard copy of the report.

>> Correct.

>> Troxclair: Got it. Thank you. Austin's time on that topic, did we take care of the CD requirement?

>> Yes, those will replace the CD --

>> Entirely, yes.

>> Troxclair: Thanks.

>> Okay. So now we have the documents in the edims system, we have the data within the campaign finance data base. Our current process, we have a tool that allows us to pull the indexing data related to the documents as well as all of the links to the documents and push that content out to Austin texas.gov. We can publish that. We have the clerk's office has a set of pages on the public website where we make all of the reports available. Again, this is something we do now that's not going to be changing. What's new is we will be -- we'll need to create a tool that will pull the campaign finance data from the data base and format it in a -- in a structure that can be imported into the city's data portal, and we'll be using the city's data portal then to publish and make available the data that's been received by the clerk's office on this excel template. And our plan is what we would really like to do is be able to link the two together.

[9:43:36 AM]

So for example, if you are looking at a set of let's say contributions that were submitted on a single report, you would also have the link that would be clickable that would take you to the actual document on which that -- those line items were submitted. Okay? So what needs to be done in order to build this? We have a lot of work to do to get this done between now and January. First of all we need to build this excel template to assist with the capture of the filer's information, contribution and expenditure data. We want to create whatever AIDS, cheat sheets, whatever we can do to make it easier to fill out this information and get it to the clerk's office with a minimum of hassle and aggravation. We are going to need to develop procedures for how we're going to receive those data files. For example, one of the things we need to be concerned about is inadvertently bringing a virus that might be in a file. One of the things we're contemplating, we'll need to have a work station disconnected from the city's network on the public website. That's on the public wi-fi in the building where a filer would come in, let's say, with their USB drive and we would do a quick virus scan on it before we bring it over the firewall and bring it inside. Again, that's one of the complexities about having an entirely electronic filing system is how do we authenticate the user and how do we know who the person was is really the person file it and how do we make sure we're not receiving something that might potentially accidentally or deliberately be infected with something. Those are technical details we need to work out. We will be building a template -- let's see. Go back. I skipped a couple things. Developing the procedures for receiving those files, and then we want to make sure we've got a well-defined process for documenting chain of custody so we can ensure the integrity of those data files.

[9:45:44 AM]

In other words, we want to make sure that we've got a process when a filer delivers that file to us that they perhaps sign an affidavit that says they've submitted this and they are the person and this is the data that's true and accurate to the best of their knowledge. We would in turn sign a document that said we received this and we are not going to tamper with it and maybe that form will be notarized and time stamped and returned to the filer. Again, we want to make sure that it's very clear what's been received, when it was received and that nothing has been changed and altered from the point of time it's received
by the clerk's office until the time it's posted on the website. And that people can have confidence that
that information is intact and has integrity throughout that work flow.

>> Troxclair: Councilmember Zimmerman.

>> Zimmerman: I think if you have a paper copy you submit that's been inspected, whoever the filer is, if
it's me I say this is the data here on paper form. The electronic form needs to match. So that's your audit
path. If anything goes wrong, you've got the paper backup.

>> Exactly. In the processing steps, so this is once the data and the documents have been received by
the clerk's office, of course we're going to have to design and build this data base. We're going to need
to build a tool that will take the data provided in sort of its raw form, format it, validate it, distinguish
between valid and invalid data files and up load into the campaign finance data base. We'll need to
develop a process and procedure for how do we handle data that has been filed in an incorrect format
or is missing critical information. There's a section in the ordinance that essentially directs the clerk's
office not to change anything, not to supply any missing information, but if there are required fields that
are left blank or the data is not in the proper format that we reject that back to the filer for them to
correct and they have a business day to do that and return it to the clerk's office.

[9:47:57 AM]

Lastly in the publication step, we'll need to define the data sets and how we want to put this on the
city's data portal. We'll need to tool that extracts data for import into the portal and then we want to
look at creating fillers, queries to make it more user friendly. They may want to download the entire data
set or there are some things we may want to make available right at the beginning. Then we want to
create guides that, for example, if there is a user who wants to completely download the data set, they
will want to understand what do these data sets mean, what do the column means so they can generate
meaning full reports and queries. How do we see this rolling out? We basically plan to implement this in
a phased approach. We're currently in phase 1 to define the basic work flows, the policies and the
procedures. We're going to be designing and building the clerk's template that I've mentioned. We'll be
designing and building this Oracle data base. We plan to distribute the template and the instructions to
filers who will be filing the campaign -- the candidate office holder report and the associated schedules.
We expect to receive those reports and the associated data for the January 15 filing, that's our target
deadline, and then we will validate, upload and publish the reports and the data. Our target deadline as
mandated this the ordinance is February 1, 2016. That's our plan for the first phase of this project. This
will build most of the basic infrastructure and get the first set of data out on the data portal.

[9:50:02 AM]

Phase 2 will start in January and run through July. We'll be refining the -- the tools and the processes,
any lessons learned from phase 1, any mistakes we made, hopefully we'll get them corrected and we
will be adding on to that process to be able to accommodate the_gpac forms and the space forms, forms
filed by the political committees and all of their associated schedules. The atx forms, any of the
schedules not captured in phase 1 we'll pick them up in phase 2. Work out how we're going to handle
changes and corrections that are filed for the c/o or the pac forms. The plan is we'll receive all the
contribution and expenditure data for the candidates, office holders and political committees for their
July 15th filing, get them validated, up loaded and published. At that point all the data received for the
July 15th filing will be out on the public website. Phase 3 gets us through the election process. So again
we will continue to refine and update our tools. We will be taking feedback in order to enhance the data
presentation in response to that feedback, we'll work through the election so we'll be receiving data
from candidates, office holders and committees for the pre-election reports as well as the runoff
reports. And again, validate, upload and publish that data. At that point we’re really truly in full
production so everything that’s been received in calendar ‘15 for the election -- I’m sorry, in ‘16 for the
election is now going to be published and made available through the city's data portal. From that point
forward we will again continue to refine and update our tools and enhancing any data presentation or
visualizations that we might receive in response to feedback.

[9:52:09 AM]

We would like to -- councilmember troxclair, in response to your question, we would like to explore the
feasibility of permitting electronic submission of notarized reports and the corresponding data files, can
we do that, what are the technical obstacles, the legal obstacles, are there any changes to code, how
could we make that happen. And we want to work on developing a plan and cost estimates for the
possibility of creating a city of Austin, a true e-filing system for the city of Austin. But we do want to
strongly recommend that the city continue to lobby the state to accommodate municipal filer needs. It
could save us so much time and trouble if we could get the state to assist us in leveraging their system
to get us the data. We could cut a lot of that complexity out. So we would strongly encourage the city to
continue to lobby the state to make that available. I'm going to turn it over to Jeanette to talk about
some of the issues and considerations we're grappling with through phase 1. Some of these we've
already talked about but we’re working to figure out the medium and acceptable method for receipt of
the data file. At least initially what we thought we would do, strange as it sounds, we've had to custom
order them from a vendor to get some small USB drives because typically now when you go to the store
the smallest USB that you can find is 4 to 6 gigs. We
know we don't need that large of a USB so we found
some that are cost effective that we can put everything on that would be appropriate. We're working
with ctm to figure out how we address the potential virus and how we scan for those. As well as figuring
out working with law and everyone to figure out how we authenticate that the filer is who they say they
are and the data is from that person.

[9:54:12 AM]

Defining how the data validation standards will be, what errors will be reported for rejection, what are
noted but is still acceptable. And so we have some information from the Texas ethics commission on
how they do so we’ll probably try to mirror that as much as possible. We're working on trying to
figure out how we manage the data corrections because, as you all know, when having to correct one of
your forms, it's not necessarily the easiest process. And so trying to figure out how we get that data into
the data portal where it's easy to understand that it's a correction and what it's correcting. A method for
notifying the filer of the status of their submission, if it's been accepted or rejected. We would figure out
some way to notify everyone that your data has been accepted or it's been rejected and here's why.
We're also because we are the records management officer for the city, we're also addressing any
records management and retention requirements for the data and how we manage the data that's out
on the data portal so that we keep it in compliance with the state requirements for the retention of that
information. We’re looking at our staff resources for ongoing maintenance. This is my little plug to you
all as my bosses that as these special projects continue to grow, my staff is becoming saturated and
especially if we take this on, the lobbyists, all of those, I may need to have a conversation with all of you
on we need some assistance. So that's just my plug for a heads up that you may be getting that request
from me. We're also working with the law department on the general purpose committees because
some of those according the the state law file with tec and file a convenience cope with the city so we're
trying to figure out how that works and what that looks like.
So that's a question that we have to law out that they are helping us research. The other consideration that we're trying to build on and this will tap into our staff resources is just trying to keep up with the changes tec makes to their templates, guidelines, forms and software so whatever we are giving our candidates, office holders and PACs is still in compliance and works with their system. And then updating all of our processes and the data base to make sure they are still in sync. We're also going to be working with the city's ethics review commission because there is at least one of the existing atx forms that will need to be updated and that's the exemption form. To do it get excel data out on the website, to do it and do it properly where it actually reflects the true intent of what you're trying to do is not a simple project. So questions. I know we just wowed you all. No questions?
>> Pool: Definitely want to thank the staff and the city clerk's office and Jean net and job. I'm sorry I missed your name?
>> I'm devia.
>> Pool: Thank you all three of you for all this work. I know it seems simple on the front end to say we want to E file and then we start digging into the resolution and get it passed into an ordinance and then the actual working out of it is complex and we're not even going it in the most sophisticated way.

I want to thank you all for making this effort reality because I realize it is a big project for the city clerk's office.
>> Thank you. I know we're not doing it in the most sophisticated way, but we are doing it in a way that at least facilitates and makes it not too much of a burden for the filers, but also gets us the highest quality data that we can in a process that is quick so we can turn it around very quickly and get it out on the website as quickly as possible in a very trustworthy way that maintains the integrity of the data.
>> Pool: And during the campaign it was clear that so many members of the community were looking for exactly this. And this moves us nicely into the first century, frankly, with regard to using the tools that are available to us in the most robust way that we can at this time. And then I foresee additional adjustments and expansions of this as you've mentioned as we get down the road. And I think it's appropriate that this sitting body would be the beta tester in January for the first group to try it out in realtime. And I'm looking forward to testing it out and seeing how it works.
>> And we've already been contacted by a couple of different cities, let us know how this works, because we'd like to figure out how you guys do it.
>> Zimmerman: I would like to concur with your remarks. I think the tec has done a disservice to the people required to file these documents on the changes they've made. I've been filing stuff for more than a decade and pac's and campaigns.

And itself serving to them with capturing the data and not giving the data back. The software tool that I used for a decade was not great, but it was a lot better than they have now. The software you could download on your planning commission and use it -- a your PC and use it T what they have now is much worse. I'm going to concur that Austin should be lobbying the Texas legislature to come to the tec and say look, we've hired you to make this easy for people to submit the data and search it and they've gone in the opposite direction. So the tec has done us all a big disservice and I want to call on you and join with you in calling on them to fix it.
>> Tovo: Vice-chair troxclair.
>> Troxclair: Thank you for your efforts on this. I know it's a big undertaking on this. I wanted to reiterate, and I know you know this, but with this process in place I think the transparency that it will provide is very important, but I just have to say from a candidate perspective never having run for office before, Austin's forms and rules and regulations and everything is already very confusing and so when I hear addition of new forms and another affidavit here and I know that you are just trying to do what you've been directed to do, but if at any point in the process you see, well, if we're going to do this now, then maybe we don't need something else over here. I understand that's maybe not always your call to make, but I would be interested in hearing your suggestions as you go through this process if there's anything we can do as we are adding new regulations that we also make the process as simple as possible. With the 10-1 system, it was designed to encourage more public engagement and make it easier for people to run for office, but it-- it's confusing and complicated.

[10:02:36 AM]

I know y'all said you were going to put together some simple guides and things like that. I think that that will really be helpful too. Maybe even a timeline of when all the different forms need to be turned in. I think you have something similar to that right now. And just making sure that there's someone in the office who can answer candidate's questions about the different forms and what information is required and when and how it needs to be turned in. Because I know that was something I heard during the campaign too is it was a struggle for people when they had questions about a form, they were just told read the instructions. But the instructions weren't clear. So I know that's kind of neither here nor there, I appreciate y'all's help in that.

>> And that is something that we've had conversations with law to try to figure out how we can better provide those answers without crossing a line of getting into the area well, I provided better or different service to councilmember X, but I didn't give the same advice to a candidate who may be running against an existing councilmember. So the attorney that we're working with thinks there are some improvements we can make without crossing that line and so that's one of the things that we're going to be working on as we go forth and make these guidelines as well.

>> Troxclair: Great. I know you will be thinking of ways to track -- make sure that the people are turning in accurate documents and that they are who they say they are. And I know at the state level -- are we all given a filer number and kind of a password so that could be one option when people file to run, file their initial campaign treasurer paperwork, maybe you just issue them an identification number. And when we do move to more electronic -- hopefully we move to a system where we can submit everything online, whether it's through an online portal or through email, maybe having an identification number and password kind of thing might help.

[10:04:41 AM]

>> And he do issue -- one of the things that is behind the scenes in our document management system, every time we have to add a new candidate or office holder or political action committee, the system does generate a unique identifier. So one of the things that we're working on is trying to figure out how we leverage that number as an identifier. So yes.

>> Troxclair: And one more follow-up to councilmember Zimmerman's statement. I think I agree that if this was available from the state it would save a lot of municipalities kind of time and money, but I was not -- the previous software was only compatible with PC's and not a mac. I had to pay someone to help me with my filings because I wasn't able to submit. So the new one -- and the new program is compatible with all different programs? That is one improvement of the tec software.

>> Tovo: Other questions? Okay. Thank you so very much. And thanks to vice-chair troxclair for starting
off the meeting. I apologize, I had another conflict. Let's see, it's my understanding we have no other presentations that require going next, so we can move around the agenda if we need to, is that correct? Let's do take up the investment policy next. And then we'll probably move from that to the audit and then try to see if we can very quickly do number 10 and 9. Welcome.

>> Good morning, mayor pro tem, councilmembers. My name is Art Alfaro. With me I have Belindaer Win. Today we are seeking the recommendation of a approval of the investment policy to the council as a whole.

[10:06:42 AM]

Should you take that action our next step will be to bring the policy to the entire council on October 20th, 2015 meeting. Public funds investment act otherwise referred to as pfia, falls under chapter 2256 of the Texas government code. Pfi is very explicit on what it places on municipalities to the investment of public funds. It is worth noting that the city continues to be in compliance with all pfia requirements. This slide lists severing pfia requirements. We are here today to satisfy the first one on the list, which I have underlined. Pfia requires that our city council adopt written investment policies on an annual basis. The current investment policy was approved by the accountant on October 23rd, 2014. We have no recommended changes to the city's investment policy for the upcoming fiscal year. In February 24 the city of Austin's investment policy received the certificate of distinction by the government treasurer's organization of Texas. This certificate of distinction covers a two-year period so we will be submitting our investment policy for consideration again in 2016. This concludes my prepared remarks and I respectfully request recommendation of approval of these investment policies to the city council as a whole and we will be glad to answer any questions.

>> Tovo: Thank you. Just to summarize, you are not recommending any changes at this time.

>> Correct.

>> Tovo: Very good. Colleagues, any questions? We do have a speaker, thank you. Let's hear from our speaker and then we'll move back to our council. Wherever you're more comfortable, Mr. King. You have three minutes.

[10:08:48 AM]

>>

>> Thank you, chair, vice-chair and councilmembers. I'd just like to ask that you consider the following points regarding our investment policies. I think it’s important that we avoid investing in companies that receive economic incentives from the city. If they’re getting an economic incentive from taxpayers we should not be also investing in those same companies, otherwise I see a conflict there. And companies that take advantage of the property tax appraisal, I call them loopholes, to get inequitable tax reductions that reduce the property tax revenues to our city and county, we should not be investing in those companies. And the companies that receive density bonuses from this city, we should not be investing in them as well. If they're doing business with us I see that as a conflict. And the companies that don't pay living wages to their employees or pay women less than men for the same work and don't provide same sex benefits, we should not be investing in those companies. If they themselves do not follow the same policies we have as a city, we should not be investing in those companies. So I hope that those components are looked at in our investment policies. Thank you very much.

>> Tovo: Thank you, Mr. King. Councilmember Zimmerman.

>> Zimmerman: Mr. King brings us an interesting point, but we don't understand the complexity. A lot of things that are invested in are mutual funds, and traded funds that can have investment grade on them and there are combinations of funds that have combinations of companies, like across a broad
spectrum. So it can be extremely difficult to try to sort that out. But another quick question I have for you. Maybe it's the wrong place to do it. On our debt do we -- we're talking investments here now, but on our debt do we have any floating rate long-term or short-term debtor as a policy is that part of the policy that you guys deal with?

[10:10:51 AM]

>> Correct. Floating rate you mean like variable rate?
>> In the home mortgage rate you have an adjustable rate and you can get a lower short-term rate because you negotiate. Do we not do that as a policy with the city?
>> We do do that. We have about a 20% exposure to variable rate debt. But we try to keep it to that level.
>> Zimmerman: And on the flip side too if you lock yourself into certain investments right now because interest rates are pretty low, do we have a similar situation there where we might lock into 2015 R. 10 or 20 years in a pretty low interest rate?
>> In this environment we recommend all our rate to be in fixed rate.
>> Tovo: All right, other questions. Councilmembers, I'll entertain a motion on this item to recommend or not to full council. Yes.
>> Pool: I will move that we send this to council with a recommendation for approval.
>> Tovo: Councilmember pool moves approval. Vice-chair troxclair seconds. Any other discussion? All in favor? So that passes unanimously. Thank you so much. All right. An audit, finally an audit. The procurement number 6, the procurement card usage audit.
>> This audit we did earlier in the the year we did a risk assessment looking at purchasing card usage citywide to try to identify areas that might be higher risk than others. We looked at that from a transaction perspective and from a department perspective and we selected the communications and technology management office as our first audit of a department. So Walt persons was the assistant city manager with the audit and [indiscernible] Was in charge of the audit and Walt will make a brief presentation.

[10:12:55 AM]

>> Good morning, mayor pro tem, councilmembers. Our objective for this audit -- our objective was to evaluate communication technology management's usage of procurement card, pro cards, as compared to city policies and best practices. And the period covered by this audit was fiscal year 2014 and the first half of fiscal year 2015. Just a little background on pro cards the city issues these cards for employees in making work related purchases. The city's purchasing office administers the program for all city departments except for Austin energy. As corrie noted we selected ctm based on a risk assessment of all city departments. They came out top on our list because of the number of cards they have issued and the ratio of cards to employees. And also because they are able to make purchases on behalf of other departments, just because of their role as the city support for information technology. In the period covered by this audit there were 94 card holders out of 309 employees there. And the employees [indiscernible] $1.1 million. We found that ctm generally complies with the pro card policies of the city and the purchasing policies, however based on some of the transactions we saw it looks like they can improve how they document and maintain support for the transactions. For example, we found one purchase, it was a little more than $5,800, which was split into two purchases by a city employee. Thus circumventing the control that would require advance approval for purchases over $3,000.

[10:15:00 AM]
It was purchased for a city purpose, but it did circumvent a control. We also found five accidental personal purchases using the pro card and in this case the employee was very upfront and proactive about saying these were accidental. I intend to reimburse, but when we asked the department for evidence that the reimbursements had in fact occurred, they were unable to provide that to us. We also found some other examples to indicate the need for CTO to do a better job of documenting support for those transactions and the details for those are in the audit report. To address its findings we recommended that the department develop and communicate policies to address these identified issues. The department agreed with the finding and have provided an action plan for implementing our recommendation and that's included in our report. That's all I have. I'm happy to take your questions.


>> Renteria: Yes. Are all departments required to -- that have these credit cards, the maximum that they can purchase is $3,000 without going through a different process?

>> Generally that's true. If you want to spend more than three thousand dollars you just have to get advanced approval or authorization for that.

>> Troxclair: $3,000, how long has that bar BP in place? Like 3,000 and not 1,000 or 5,000?

>> Councilmember, I don't know the answer to that.

>> Elaine hart, chief financial officer. I will say that we do have, especially with Austin energy when we have electric outages, we have some card holders there who have $10,000 limits because it's an extenuating circumstance.

[10:17:06 AM]

So there's a total limit on each transaction. There's a total credit limit on the cards across the board for all cities. But that transaction limit will be different based upon the need that is determined for that department, that individual. And like sin vent with purchasing -- Vincent with purchasing office can provide more detail.

>> The 3,000-dollar limit has been in place for one fiscal year. Prior to that it was 2500 that has been in place since 2010. And prior to that it was $500 for many, many years. And that's the single -- it matches the singled by limit that we have as a policy across the city. So below that amount one bid is required. Above that amount three bids are required.

>> Tovo: Other questions? I have a couple of quick ones. With regard to the accidental purchases, you said the employee indicated that he or she intended to reimburse, but had not yet reimbursed?

>> Actually, what we found when we investigated these five is on all five there's a city system called works, which is where card holder records the transactions they've made and what the city purpose was, and for these she had self identified those as accidental purposes that would be reimbursed. We found -- when the department contacted her after we started asking questions she admitted that one of those she had failed to reimburse, but four others she had.

>> Tovo: But she had indicated them at the time as accidental purchases. So they were all immediately indicated, she had immediately identified those as accidental charges. Very good. All right. Thank you.

>> Pool: So has that one been reimbursed now?

>> Councilmember, I think the department representative is here and may be able to tell you that.

[10:19:07 AM]

>> Pool: I'm sorry if you don't know. You can get back with us if you need to find out.

>> [Inaudible].

>> I was actually not aware that we could change our limits? I think from the technology standpoint we
probably do need to change the limits because we do have emergency purchases as well because we do provide support across the city to a lot of the departments. So there are times when that transaction was broken up. I think what had happened is there was an outage in a city department and this is what we needed to do to provide connectivity and allow that department to continue their business operations. And so at some point I would like to revisit the threshold for the ctm department, but it's maybe a handful of employees to have a threshold to allow us to do our business, to allow city departments to do their business.

> Steven, we'll be glad to work with you on those emergency type situations.

> Troxclair: I actually brought that up because I thought $3,000 sounded high to me. I understand that ctm may be limited circumstances if you have emergencies, but in general I think that $3,000 is a pretty high limit. It should not have to get preapproval. That's why I brought it up. And I know we mentioned in our meeting earlier this week that I think the purchases that were made that were personal and not city were done on Amazon and that it's easy to have that happen. And so in one of the suggestions I heard was to create a separate city account so that we could better track that. And that that same thing has happened in the past. So it seems like if there's something that we need to do to make sure that we're not having recurring personal purchases on websites would be great.

[10:21:10 AM]

> Tovo: Colleagues, I'll accept a motion to accept this audit. Councilmember pool moves acceptance of the audit. And councilmember Renteria seconds it. All in favor? And that's unanimous.

> Thank you.

> Tovo: I'm going to suggest that we hit number 10 and 9 because these are items we've addressed before and hopefully we can move through them kind of rapidly. I'll turn this over to our city auditor. We did talk one meeting, possibly two, about putting guidelines in place for special audit, which have begun to consume more of our auditor's time in the last months. So they have come back with some suggestions is.

> We have. So last month, just a brief reminder, we talked about our special request projects and we have two kinds of special requests really. One comes from the full council typically comes through a council resolution, and then we adjust our audit plan. That can mean removing an audit or delaying some audits into the next fiscal year in order to have the hours to do those projects. An example, last year the council -- the prior council asked us to do the work on council meeting management and council committees. That was a midyear adjustment and so we adjusted our plan to accommodate that. That's one version. Then we also have time we dedicate to request from individual council offices. That's really where I think we need to have a conversation and have been having a conversation about what's the right process for those requests. So those requests, here's some background information or Numbers here, but for the last five years we've had about four per year on average and they've taken us about 90 hours per request. This past year just looking at the eight month period from January to August, we've completed five and those have averaged 170 hours. So they are taking more of our resources. And one thing that was asked at the last meeting was about practices in other cities.

[10:23:14 AM]

And so we contacted eight other cities and these are cities with structures similar to ours. So their council manager form of government with the auditor placed by the council. I think Kansas City is really the only one that does special requests similar to those that we do and they have an 80 hour threshold for those. As a reminder we have a 200-dollar threshold that used to be eight '80, but we increased it in order to do the quality of assurance before we issue it. Seattle also does them, but I will say they have
no hours threshold. They can be as large as audits, but we have no audit plan so they're not necessarily amending an audit plan when they do those projects. They're just initiating a new project. Fort Worth and San Antonio reported that yes, they would do them, but then they went on to say but it doesn't really happen. So -- Fort Worth they're usually for audits. In San Antonio they're fairly rare. San Antonio auditor did mention that he does, when he gets a request, he usually tries to refer it to the appropriate department to respond to it rather than responding to it himself. And if he does do a special request project he would then notify the audit committee that he initiated that work. A little bit more there, but he hasn't actually done that frequently. And then the other four cities said they don't conduct special requests. They do all of their projects as projects that follow standards, either audits or one of the other types of audits -- types of projects you can do in compliance with standards. So again as discussed last time at this meeting, some of the concerns about the current approach with the 200 hour threshold and now 11 councilmembers, we could exceed or allocated resources, although I think a bigger concern is not being able to serve every councilmember equally with the limited resources. We have 1200 hours budgeted for fiscal year '16. And then also the time lines of the requests and the timing when we get multiple requests at the same time have been delaying our audits because we've reassigned a lead typically to the request from an ongoing audit.

[10:25:28 AM]

So that's more after concern than using the hours is really the calendar impact. And then another point, as you know, I think we're established and we report directly to the council and we're set up to provide independent objective assessments of city operations to the council and I think in some cases that level of Independence may not be there for what we're getting. It may be appropriate for another party within the city to provide that information versus looking to our office. So the possible options and certainly there may be more trying to get some ideas out here for committee consideration, but I think there are hybrids or other alternatives altogether, but one idea is to conduct the requests, but add additional guidelines, perhaps require two requesters, maybe encourage looking to an alternate source for the request before coming to our office or considering whether an alternate source is appropriate. And then we could also go through an approval process of the audit and finance committee so where the request comes to the audit and finance committee that could delay the work, but given that the committee meets monthly, it may or may not. And then another idea is really to restrict the request from a single council office and just have those requests go through the full council. So some ideas there for consideration.

>> Thank you very much, Ms. Stokes. And so colleagues, you had an opportunity to review these guidelines. I believe there's been one additional insertion since the first draft. Which I appreciate.

[10:27:32 AM]

This paragraph provides some description of what the auditor's work is and just a reminder that there may be departments that are more aptly positioned to do that work. So just to consider -- just to offer the council some guidelines for when they might -- when it might be the most appropriate request for the auditor versus for another department. Councilmember pool, you look like you had a question.

>> Pool: Thanks very much for giving us an audit on our audits. I was looking at the special request projects from the last five fiscal years from 11 to current '15. And the two top hour absorbers were from physical '14, which was watershed protection department recovery buyout program for 238 hours and then March of fiscal 12. If you took out these outliers would the Numbers would we be more in line with what the expected is? Aside from maybe thinking that either one of those could have been council request, full council requests back in previous councils?
You mean closer in terms of lower threshold.
The reason why I ask is most of the Numbers here are under 100 hours. There are three -- four that are between 100 and 200 and the one that was over 200 and one over 300.
Right. So I would say prior to fiscal year 14 and prior it was unusual for them to be over that. The electric utility reserve fund from mayor Leffingwell was tied to an audit so he asked us to do additional work. He at gome raised it as an additional request because it should have been an addendum to the original report, but it ended up using our special request hours. So that one I would say is a bit of an anomaly and then the watershed I think that was right after we had increased to the 200 hour threshold and it might have been something we should have handled as an audit rather than as a special request, but didn't.

[10:29:42 AM]

I think if you take those out we're even -- I think we have even lower hours on average for the prior here's but then you still have this past year where we're about 170 hours per request.
Have you found that the number of special requests have kind of tapered off now that we're in like our ninth month of work here?
I think there were some special requests that happened right before the budget, kind of to inform decision making and then while you were working on the budget we received no requests. I don't know if it's a continuing trend or if it's the nature of the cycle that we're in. So I don't know if those will pick up at the level that they were before or not.
Tovo: Other questions? I think we can keep an eye on it. I think one of the issues we talked about is whether there should be a rotation where each councilmember -- maybe I was just thinking about it. Each councilmember does one before you go back and do a third and fourth. But we can just kind of keep an eye on that. At this time the guidelines don't include any language to that effect but as an audit committee I suggest we monitor that so that everyone has an opportunity to use that time if they need to.
And the reason I asked actually that this item be taken up before number nine is in the event that we talked about anything that reduced the set aside or increased the set aside for the plan itself, which has 1200 hours. So approximately six requests budgeted at this point.
Great. Is there a motion on this item?
Renteria: I'll make a motion to approve it. But I really just want to discuss the --
Tovo: Let me see if I get a second. Vice-chair troxclair seconds that motion. Okay. Councilmember Renteria.
Renteria: Is this draft basically going to say that we just need two councilmembers to make a request?
[10:31:47 AM]

And then it's going to come to the committee?
Councilmember, just two councilmembers would be necessary to initiate a request. Not the approval of the committee.
Right. And just to distinguish, I think that's four requests that we believe we can do in under 200 hours and is not conducted as an audit. So -- well, I guess technically even under two hundred hours if we could conduct it as an audit we would although that's challenging. So it's for those special requests. There's still the process that -- our existing process, which is you give input throughout the year and we can add audits to the audit plan based on that input in the audit plan that we propose that we'll talk about as the next item.
Renteria: Okay, thank you.

Troxclair: And the second -- one of the suggestions was to suggest an alternate source for the request. Do you feel like if we adopt these guidelines you feel comfortable if there are requests that you that I could -- that don't need to be independent and can be handled by a request to -- for information to a department? Do you feel comfortable saying that?

I do. And in fact, we have an example. Councilmember pool is nodding. We had an example recently of where I knew the work was going on within a department that could handle it. I think there's a bit of a challenge there because I'm not always aware when a department is working on something, but maybe I can work with Elaine as my counterpart here at the committee to figure out the -- if there's another group that would be appropriate to handle the request.

Troxclair: Okay, great.

Tovo: Too, I think it would be helpful if we either make space on a work session agenda or post it on the message board and let our colleagues know that we did approve these guidelines. Are these headed on to council or just necessary for us to --

They're not. We could certainly include them as backup for discussion with the plan item because they are closely related.

Tovo: Let's do that. I think that would be a good idea.

That will just make sure that everyone's aware of them and that we in particular highlight that passage about as a councilmember if you're coming forward with a special request please first request other departments that might be well positioned to handle that request. But if you still feel after reading this that it is best handled by the auditor, then proceed on. And I think -- I was intrigued by something you mentioned in our discussion earlier this week about how these special requests are a little different than the other kinds of audits you do and how in fact some cities don't do special requests at a they just funnel everything through as a regular audit. And we might also just revisit that too I think at some six months or in a year and determine if this is still -- if we still want to keep special requests as an option.

And I think as we've received requests I'll make sure to update the committee so y'all are aware of what's going on and the volume and the time lines, et cetera. Just so we have more information the next time we have that discussion.

Tovo: Super. Other comments, questions? All right. All in favor? And that's unanimous. Thanks very much for your work on that. And now we turn to our interim audit. No, excuse me, the audit plan, which we've had an opportunity to look at. Ms. Stokes, I know you solicited feedback from our colleagues.

I did. I solicited feedback from this committee as well as the full council. And while we've made some minor changes to the objectives within the plan, we haven't made significant changes since the last time it was here. Just quickly reminder of the sources of information of where the plan comes from. We get input from a lot of different sources and then we try to rank and prioritize our projects both to get coverage of various areas of the city as well as to try to identify projects that will maximize our audit resources. So the current plan has -- I lost the clicker.

The current plan has 17 new projects, three kind of place holders for our ongoing activities, including the special projects we just talked about and our integrity services, which can't really be planned out in advance. Then it's also got 12 carryover projects. You may notice that one of the 12 carryover projects were actually presenting today, or we presented today. You just approved it, but we do keep the time on there to make sure we can close out the project and so you will see that one there too. So we expect
12 to come over the next few months and then we also have the 17 newly identified audits. And at this point we're asking for a recommendation to the full council. And there's an item for October 1st for the full council to discuss. Slash approve.

>> Troxclair: So I see number 16 is a flood buyout program audit.

>> Yes.

>> Troxclair: And I saw on a list of the special requests that you did a special request regarding flood buyouts in June of '14. So is this similar? Does it have a different focus?

>> It does have a different focus. That special request -- all of our special requests we don't really draw conclusions or make recommendations. What we did in the special request was look at the oversight structure in place for the flood buyout program so we looked at the -- kind of the external parties involved, whether that's at the state level or the federal level. We actually have external realtors involved in that too. We looked at all of the controls in place for the program. Here we want to look at knowing that we've done flood buyouts in some areas, but we're talking about flood buyouts in larger areas. Is there room for improvement prior to expanding the program or as we expand the program.

>> Is there a motion to accept and recommend the audit plan?

[10:37:55 AM]

Vice-chair troxclair moves approval. Councilmember pool seconds it. Any other discussion? All in favor? That's unanimous. Thanks very much. We look forward to all those great audits. We're going to move now to 11. I understand that's a very brief item. And so councilmember pool, I'll allow you to introduce this as you were the sponsor.

>> Great. Thank you, mayor pro tem. Brian Thompson is here today to give an update on -- there was a public hearing that the ethics review commission held a couple of weeks ago and the work group is continuing its work. And I notice you have two speakers so I thought they might like to hear the report from the working group first and then call the speakers. Welcome, Mr. Thompson.

>> Thank you, councilmember pool. Good morning, councilmembers. My name is Brian Thompson. I am councilmember pool's appointee on the ethics review commission as well as the newly elected chair of the commission's working group on the regulation of lobbyists. Over the past few weeks this working group as well as the commission more generally has been busy in its consideration of councilmember pool's lobby reform resolution and we have met on -- the working group has met on three different occasions to discuss this resolution. On September the 8th we met to at the time out a time table for the working group to develop a set of recommendations regarding councilmember pool's resolution and at that meeting we set what I thought was a pretty ambitious timeline to get some recommendations to the full ethics review commission and so far we've done a pretty good job of working hard to stick with that timeline. On September the 15th, last week, we held a public comment session in council chambers. We had 30 speakers on both ends of the spectrum and everywhere in between. A wide variety of views and it was a very informative session.

[10:39:58 AM]

Of the 30 I will tell you there are approximately 10 to 15, so almost half of the speakers, who were members of our architecture, landscaping, contracting, engineering community and they were generally opposed to the resolution. And many of them said they don't to school or become the training they had to become a lobbyist and they felt that based on how this resolution is drafted that they would be considered lobbyists under the resolution. So therefore they were opposed to it. There's also some concern from different medium and small size businesses who might have 10 to different to 30 individuals who they believe would be covered by this resolution that the reporting requirements and
the cost requirements might be a burden on them. In response to those comments from that community I asked Fred Louis, a vocal supporter of the resolution, to respond to those concerns and I can tell you his response was summed up in really two parts. Number one, the discretionary decision factor -- there's seven factors in this resolution that you have to hit every single one of them to qualify as a lobbyist under the resolution. And the discretionary decision factor, which means the person is trying to influence the person who might be considered a lobbyist is trying to influence a city staff person and they're trying to influence them on a discretionary decision. Mr. Louis said that he thought that many of these individuals working at these firms would not be considered lobbyists because they're not necessarily seeking what might be considered a discretionary decision from a city staff person. And then he commented that regardless of your industry, if you do meet those seven criteria under the resolution, that you should be required to register because that's exactly the type of people that this resolution is intended to reach out and grab.

[10:42:05 AM]

So I think that based on Mr. Louis' contracts as well as reaching out to the community, I think the real challenge for city council is going to be to bridge that gap and understanding because on one side you have a very vocal group saying that these individuals would not be covered and on the other side you have a group saying that they would be covered. And again, this community was the most vocal and most numerous at the public session. And just a better understanding of what is a discretionary decision is something we need to explore. Last night on the 22nd the working group met to generate a handful of what I'll call action items based on the comments that we received from the public. And I'm going to get into those in a second. We are planning on presenting those at the ethics review commission's specially called meeting on September the 28th. We'll provide these action items to the full ethics review commission and hopefully for their approval. And then after we generate information on these action items the plan is to present a more general recommendation, an up or down vote on whether the commission approves of the resolution at our October the 13th meeting. I'd like to just share with you the action items. And again, these were generated at about 8:00 last night when we closed our meeting, so they're probably not as eloquently written as they should be and as they will be when they're presented to the full commission, but I'll run through these pretty quickly. Number one, the working group asked when the enforcement -- whether the enforcement provisions on the working group, which stated a fine for a violation at $500, whether those might be able to be increased. I think there was some concern about if you're talking about someone lobbying a million or billion dollar deal here at city hall that $500 might be considered just a slap on the wrist.

[10:44:09 AM]

And there was some concern about whether under city law it could be higher than $500. There was also the question of whether there might be a way to take this out of the criminal context and make it a civil violation so -- civil violation so that the beyond a reasonable doubt statute is not having that you need for a violation. Number two is something we heard a lot about at the public comment session and I think there's some support on both sides for this issue, and that is requiring individuals who come to meet with city staff regardless of whether they register as a lobbyist to execute a sign-in sheet as they come in and designate who they're there to meet. The subject matter of why they're there to meet and who their client is that they're speaking on behalf of. I think this would even in the field of those people who are compensated and here to influence city staff, but also those -- we have a very large community here in Austin of people who aren't compensated who come to city hall and spend a lot of time at city hall, also trying to influence city staff so that sign-in sheet was something that I heard people on both sides of the
issue in support of. The third issue, somewhat related to this issue of evening out between the people who are compensated and who are not, is consideration of an hourly threshold to have to qualify as a lobbyist in addition to the compensatory threshold that's currently in the resolution. And that would be in addition to. So it would be either if you are compensated at $2,000 a quarter or you meet some type of hourly threshold of lobbying per quarter. Number 4, in section 19 of the resolution, there's a statement that says delineate the expenditure categories more specifically. You require itemization for specific items over $50. The working group thought that generally there should be some more clarification with regard to who exactly that applies to, whether it could apply to family members of a lobbyist and what exactly it is expenditures mean.

I think there was also some question about what the gift policy is for lobbyists at the city. And councilmember pool shared that in her estimation you shouldn't accept any gifts, but that might be her own personal policy and we were trying to find what the city policy was on that and were not able to find that last night. So how that ties in with the 50-dollar expenditure issue. The next issue that we discussed, and this was raised by the -- by I would say the small and medium sized businesses represented at the public comment session, whether -- if you have perhaps 10 to 20 folks on your staff who might be considered a lobbyist, whether they could submit just a single report rather than having to submit several reports to make that reporting requirement a little bit easier on these businesses. And then the last recommendation or action item is what exactly does this discretionary versus non-discretionary decision-making, what does that mean? Some more clarity on that so we can decide who exactly is here at city hall seeking a discretionary decision. Councilmember pool also mentioned there may be a level of staff here at city hall that, per se, do not make discretionary decisions, so shining some light on what level of staff that is so people know when they come up here whether or not they'll be covered by the ordinance. So those are the recommendations. I will hopefully type these up and be more eloquent about it when we do propose these to the ethics review commission at our meeting on Monday, but generally those are the six action items that we developed.

>> Tovo: Thank you for that great update. Councilmember pool?
>> Pool: I would open it to any other questions from the dais or if you want to open it up to speakers.
>> Tovo: Yes, we have two speakers. And we do need some clarification.

We'll have to get back to that. Let me go ahead and call up the speakers. Mr. Jackson, Keith Jackson, you're first. And then you will be followed by David king. And these are the only two speakers I have signed up on this item. If anyone else wants to speak, please get a card and fill it out wherever you're comfortable, Mr. Jackson. Three minutes.

>> Thank you. I'm Keith Jackson. I'm here today on behalf of acec Texas, which is the American council of engineering companies. We have a local chapter, the central Texas chapter. We represent -- we have a membership of about 65 engineering firms here in the city. Most of our membership works for the city. We do public works. Most of our membership does public works projects. So we hold contracts with the city. As we've read this resolution, and there's some draft roughed out ordinance that's floated around. As we've looked at that it appears that all our members will have to register as lobbyists even though we work only for the city. Because our work we do with the city requires that we get approvals and variances and administrative variances from different departments to meet the needs of the department we're working for. By the definition of what we've seen, it would require us to be a lobbyist. We're not lobbyists. We're just doing what the city hired us to do, which is get a set of plans and get a
project approved through the city process. That shouldn't make us lobbyists. We work for the city, interacting with the city, but by this ordinance we'll have to report, we'll have to register, and I know that in the resolution it says we don't want to commingle fact of registered lobbyists and what that does in your ability to serve a boards and commissions.

[10:50:30 AM]

But these are -- it's an integral fact. If we register as lobbyists then we probably won't be able to serve on boards and commissions. I served for nine years on the zoning and platting commission here. We have a number of our members that have served on the planning commission or are on the planning commission. That are on the environmental board, that are on the water and wastewater commission, on the bond task force, and we bring a certain amount of technical expertise that we believe the city needs, and in certain cases the city ordinances contemplates the makeup of your boards and commissions. And require that engineers and architects serve on those boards. If we're all registered lobbyists, we won't be able to do it. I have a firm here, our office here is 30 people. I think 15 of those are going to have to register. Because 15 of those work at the city on a regular basis and we meet daily with city staff. So I think this is right now very broad, very hard to get our hands around, but as an industry I think asce, tspe, which is the American society of civil engineers, the Texas society of professional engineers, acec Texas as it stands today what we've gathered, we're all strongly opposed to this because we think you're excluding us from continuing to serve the city.

>> Tovo: Thank you for your comments and for being involved in the process and working with the commission as it moves through.

[10:52:32 AM]

Vice-chair troxclair. I think you have a quick question.

>> Troxclair: Thank you for being here and really you brought up two of the things that are most concerning for me. And I think obviously we've heard from the discussion that we've had here and the discussion that happened at the ethics subcommittee as this word discretionary and a difference of opinion in what that means. And I guess I would be interested in maybe seeing what kind of -- do you think that you could maybe come up with some language that you think would get to the heart of the intent of the resolution without affecting the people that I agree with you are not lobbyists and should not have to register under this ordinance?

>> I may not be smart enough, but we can certainly pull together some thoughts on that. I think one of our struggles in -- and I'm late coming into this process. I mean, I've not attended the working group meetings just because of schedule problems, but one of the things that we've struggled with is exactly what is the intent. The way we read the resolution and the ordinance is it's casting a very, very broad net. As a matter of fact, I think all vendors with the city are going to have to register. I think anybody you buy paper or pencils from are going to have to register as a lobbyist because they're calling on city staff saying buy something from me. So I think anybody that does business with the city is going to be a lobbyist by this definition.

>> Troxclair: And if my notes are correct, the resolution did specifically call out that building permits and site plans are discretionary. So I understand that Mr. Louis is saying that in his opinion these things aren't discretionary, but the reality of the fact is there are a lot of people who disagree with him and I'm not sure that just having one person's opinion on what that word means is adequate to institute an ordinance that to a lot of other people says something completely different.

[10:54:54 AM]
In addition to just site plan approvals and permits, I would tend to agree that maybe the actual permit in the site plan is not discretionary, but what is discretionary and what is in my mind falls clearly under this as it’s written is that most every project that comes through the city and most every city project has some form of administrative variance. That by its very definition is discretionary.

Troxclair: I agree with you and I want to say thank you for your service on our boards and commissions in the past and that is another point of concern. I think in fact a lot of our boards and commissions, we request or we require that we have people serving on those boards and commissions with certain expertise or a certain background. We say that we want a landscape architect on -- on a board or commission that has to do with planning and parks and we want someone with financial background. We want someone with a developer’s background because they have the expertise to add helpful information to the conversation. So I think it’s -- it's somewhat hypocritical for us to say that we want people with that expertise to serve and then on the other hand say that we're going to disqualify them from serving. I appreciate it.

Tovo: Okay. We do have one more speaker on this item, and that is Michael king -- I'm sorry, David king. A different king. Different Mr. King. Mr. King, you have three minutes.

Thank you. Thank you, mayor pro tem and vice-chair and councilmembers. I appreciate the initiation of this lobbyist reform resolution here in the ordinance. I think it’s way past due and I think we need to make some significant changes. And I tell you from firsthand experience dealing with development projects in my neighborhood, there are a lot of discretionary decisions that occur.

You look at those staff comments back and forth on certain types of permits or decisions on variances or waivers and you can see there's back and forth and negotiation going on in there. And there's one happening right now in my neighborhood where -- regarding whether a property is located in the Barton springs recharge watershed or in the urban watershed. And you can understand that there's a significant difference in that designation. So -- I'm not going to go into all the details right now, but there certainly is discretion going on with city staff and the developer of that project. And yet, there's no one registered as a lobbyist with that situation. So I do think that there's a lot of discretionary opportunities that do occur in -- particularly in our land development code. You know, lobbyists should not serve on any of our boards and commissions. We should err on the side of transparency and open government. If our citizens don't have any confidence or lack confidence because of mistrust and that's why we’re here today. That is really why we’re here today with this issue because there is so much distrust and lack of confidence. Because we’ve seen it firsthand, many of us have seen it firsthand. So this is past due and we need to March forward and be a leader in open, transparent government and make the process simple. And if we cast the net too wide we could make adjustments for that, but we need to make sure that we err on the side of transparency and open government. And then we need to have strong penalties to help deter violations. And, you know, I think it's very interesting that here we are pushing forward the lobbyist reform and yet we've made a decision just this last council meeting to relieve the task force on public engagement of some of the open meetings requirements.

That's a different issue I know, but in talking about open and transparent government in general, that does concern me a little bit. I think we should be consistent in all of our decisions and I hope you will continue to work and March toward transparent, open government that people can trust and have confidence in and participate in our government. Thank you very much.
Tovo: Thank you, Mr. King. Just one second, councilmember Zimmerman. Councilmember Pool and then councilmember Zimmerman.

Pool: I wanted to shed a little light. The registration as a lobbyist does not preclude the actions then that continue. If you should happen to fall under the very inclusive specifically defined terms you have to be compensated above a prescribed threshold and we are working through whether that's hours and/or salary to influence and -- or persuade as opposed to providing information through direct communications to a non-clerical city employee on a discretionary decision or action on a municipal matter. You have to satisfy all seven of those requirements to be considered a lobbyist under this proposal. It doesn't mean that you can't keep doing what you're doing. It simply means that you need to file with the city and embrace the fact that you are working to influence a discretionary action and you're being paid to do it on a municipal matter. With regard to lobbyists on city boards, we're not saying that landscape architects or architects cannot serve on specific boards where our code calls out to have them participate. Indeed that technical expertise is requested and desired. What we're saying is you cannot also lobby on matters in front of the city if you are also serving on a land development commission, for example.

11:01:12 AM

We recuse ourselves on issues that we have other issues or involvement or interest in. It's very frequent, for on zoning cases in parts of town where she happens to have a financial interest. That's good ethical practice, and I commend it to everybody in the room and who's listening. Those are the ethical standards that we all should be leading to, they're required by state law and our charter. And if, in fact, we have people who are currently on boards and commissions who are actively working on cases and voting on them in their appointed position of trust by the council, those folks should be recusing themselves from issues that -- that they may have a financial or fiduciary interest in. So I just put that out there. We've talked about this a number of times, and ethics are, for me, pretty clear, and that's what I'm trying to do in answering calls from the community to have more transparency and accountable. It doesn't mean that by registering as a lobbyist you can't continue to forward your work through the Normal -- through the Normal avenues in our city. We just want you to register and be clear about it, which is how we are following as many provisions of the state law as we possibly can.

Mayor pro >> Tovo: Thank you.

11:03:15 AM

The reason I think some of this is misguided is I would just ask a simple question. You know, money generally follows the power, right? You spend money to influence a decision, because somebody's got the power to make a decision that can -- that can cost millions of dollars to somebody.

So if you ask yourself, who needs to be watched? The person who influences the decision-maker, or the decision-maker? Who needs to be showing disclosure? To me, it's the person who has the power to make the discretionary decision one way or another. That's the person you need to be looking at, not the engineer or the lobbyist or this, that and the other. It will be the person who has the decision-making power. I want to know what's going on with that person's bank account. That's the person who makes the decision, who has the power in these discretionary situations, so I guess I'd like a comment. You may have an engineer that believes, as I do in many situations, that I have no political agenda, I just have a technical argument, but I am trying to influence a decision-maker with a technical argument. But really it's the decision-maker who holds the power, and that's the person that could -- that should be scrutinized.

I'd like to restopped to that.
>> Tovo: -- Respond to that. Briefly and then we're going to close this issue and move on.
>> That's a cynical view of how the politics of Austin should work. That's the cynical view that our citizens are starting to take about this city, but it is not what we should adhere to and what we should try to reach out and be like. And when you're in a city that has less -- has less lobbying reform than the state of Texas, that is a problem. And your view on money following power, that is a cynical view, and it is a view that the citizens of this city will not live with
>> Tovo: One last comment councilman Zimmerman. I know there's a lot of very interesting and diversified points.

[11:05:19 AM]

Multiple speakers.
>> Tovo: Thank you all and we're going to move forward. Councilmember troxclair?
>> Troxclair: On if -- I don't know if there's staff here to answer this question. I think there already is an expectation that if there is a -- someone who serves on our board or commission who has a conflict of interest, that they already do recuse themselves. In fact, that was a specific question that I asked all of my commissioners before I decided to appoint them to anything, so I think that is already an expectation, and I just wanted to clarify that I believe several of our commissions already require all of our commissioners to file financial disclosures, so I just wanted to point those couple things out.
>> Tovo: Super. Thank you, vice chair troxclair and there is also a gift policy, so we'll make sure that the ethics commission gets that and it does not have a $50 threshold, it's a gift of any amount offered with the intent to influence, so...
>> And any of the issues that I've mentioned, if your staff has -- has information about that, we would welcome them to come to our meeting. We're going to be working with legal department as well as the city staff in order to answer these questions.
>> Tovo: Great. Supper. Thank you. I'll -- super. I'll ask a member of my staff to forward that on, the gift policy.
>> Thank you for your time that y'all are spending on this. I know it was a quick turnaround and y'all scheduled a special meeting to address this particular issue. We appreciate it.
>> Tovo: Colleagues, we have three items left, two are related. So we will take those up next. And my firm expectation is that we're going to end on time today. So let's go ahead and call up item 7, I don't believe we have any speakers on item 7. This is the -- we have received two recommendations from our municipal civil service commission, and the first is in relationship to the municipal civil service commission's request for outside legal council.

[11:07:24 AM]

These materials are in your book, I'm not sure -- again, we don't have anybody -- I don't believe we have staff. Would you mind just giving us a one- or two-sentence overview. I think we've all had an opportunity to review the request and the recommendation, but if you wouldn't mind just summarizing it for us in a sense or two and then we can have our -- in a sentence or two and then we can have our discussion.
>> The first item you have on your agenda pertaining to municipal civil service is a request to approve outside legal council. A contract for legal council was in place for this past fiscal year -- or current fiscal year, '15, to assist with the rule-making process as needed and provide advice and council to the commission at appeal hearings. The commission has expressed that they would like to continue to have outside legal council available. Attached to the information you have is a form that was submitted in August 2014 is an amendment from the law department of the cost to provide the outside legal council.
That was provided by the city's law department. And they are requesting a new contract that would allow for legal service at the appeal hearing as well as about five hours a month for legal advice. Are there questions? Vice chair troxclair?

>> Troxclair: I want to make sure I understood you correctly. This is a continuation or this is a new policy.

>> So when we were in the middle of the rule-making process and beginning municipal civil service, it became the request of the commission that they would like to have outside council, and so we were able to work within our budget last fiscal year and the law department did identify an outside council firm that came and do attend all the council hearings for the committee. The committee hearings, excuse me.

>> Troxclair: Okay. I have a couple of follow-up questions.

[11:09:24 AM]

What amount was spent last year on outside council?

>> I believe that their contract stipulated that we would pay $1,500 per hearing, that there was outside council in attendance.

>> Tovo: So it was not a total -- it was not a do not exceed? We didn't -- you were able to do that under the administrative authority under the city manager and so that didn't come to council.

>> Yes, ma'am.

>> Tovo: I see now. And so the recommendation at this point is just to approve the independent legal council and that is necessary in this circumstance why? I mean, why is it necessary to have council approval if it would likely still fall within the city manager's administrative authority?

>> When this was put through with this new process with the council committee agenda item request, we were looking at the final figures. I think it actually exceeded -- oh, no, it didn't.

>> Tovo: I think it's under 35,000. We have 3405.

>> So when we were looking at the ways for this to move forward, one of the ways the commissioners were looking to move forward, we would need to come to council because typically staff wouldn't have the authority to add a legal entity to advise a commission without coming back through council.

>> Tovo: All right. So in part this is because of the committee structure and part of the new process of the commission's recommendations. Okay. I appreciate that. Thanks. Mr. Washington, did you have anything you want to add, or are we ready to --

>> The other part of this is that this was submitted after the budget process, so this was not included in the human resources budget, so if this were to move forward, we would be looking for and we would be, wooing with our finance taker working with our finance department to identify funding for this.

>> Tovo: I see. So there's not an indication at this point where that funding would come from?

>> Right. This is -- mark Washington. This was not part of the city manager's proposed budget, and I think based on the timing from the recommendation from the commission, it was not considered as part of the budget recommendation, by not only the hr department but also the law department who's responsible for securing all outside legal council.

[11:11:43 AM]

>> Tovo: I see. Okay. Colleagues, is there a recommendation or a motion related to this item?

>> Do you need a motion to --

>> Tovo: If we're going to take action, we need a motion on no. 7.

>> I'll move, and this would be to move it to council for action?

>> Tovo: Yes. To recommend an action of some sort on this recommendation from the municipal civil service to have outside council.
I think it's a good idea. I will so move to move it to council with a recommendation for approval.

Tovo: Councilmember pool moves to recommend this to the full council. Is there a second?

I just really want some clarity. Now, this legal council --

Tovo: Well, let me make sure we have a second first. Vice chair troxclair, if you would take the chair.

Troxclair: I'll second it.

Tovo: Okay. Thanks. I appreciate that.

Renteria: What is our own -- I have a question. I'm just kind of --

The city attorney could probably do a much better job of presenting the city's ability to provide council, but I think the law department has indicated they are capable of advising the commission as well as staff on legal matters related to municipal civil service, but it is the preference of the commission to have council that are not city staff to give them a more, if you will, an independent advice or council on matters, and that was there discussions. So we did accommodate, as Mrs. Kennedy mentioned, during the development of the rules, since we were just starting to implement municipal civil service, but we have not gone beyond the current year's -- or the past year's budget in terms of making that accommodation.

[11:13:57 AM]

Renteria: And so this budget, it won't go over 35,000?

Tovo: That's what the estimate is by the law department.

Renteria: So if we approve a budget of 35, then that's how much -- it just goes up to 35?

Tovo: Yes, sir.

Renteria: Thank you.

Tovo: Councilmen renter yeah, -- Renteria, that is a good question. That is something we might suggest. Vice chair troxclair?

Troxclair: That's the suggestion I was going to make. There's an estimate of how much it would cost but there's not a cap. Maybe do you want to make the motion to add that as a -- not to exceed $35,000.

Renteria: I would. I would be very supportive of that.

Troxclair: Then I'll second it.

Tovo: Councilmember Renteria offers an amendment that there is a cap on any contract with outside legal council of how much?, the number in here, 34,500?

Renteria: Yes.

Tovo: Vice chair troxclair seconds it. Let's vote on the amendment. All in favor? And the amendment is passed. Are there any further comments on this item before we take a vote on it? I think there was a good exchange about why it's required, and I would say that as this moves on to council, that's something I'd like to hear from the city attorney and perhaps from our -- more information from our civil service commissioners why they feel it is most appropriate to have an -- commissioners, why they feel it is most appropriate to have outside council. Any other comments? All in favor? And that passes unanimously.

[11:15:57 AM]

Item 8 is also a recommendation from our new new -- municipal civil service commission and they have requested that the council approve, did you want to give us a quick summary on that.

Sure. When article 12 was passed, that established municipal service. There was a provision in the charter that said the commissioners could be paid as their services as determined in advance by the city council. When we started this process through the hearings, it became evident that the hearings were
lasting all day, and that we do have the commissioners are volunteers. And so they have written a letter that I think is in your packet, and then asked us to also put something on -- to move forward to the council that would allow them to be paid a compensation during their time spent at hearings, so it wouldn't be during meetings where we didn't have an employee that was appealing something, it would be solely at those instances.

>> Tovo: All right. Thank you very much for that. Any quick questions for staff before we move to the speakers?

>> Quick question. Do we know what the compensation would be?

>> They did not discuss that. The commission just voted that they would like to receive a compensation, but then I think moved it forward to the council for determination on how much that would be, if approved.

>> Okay. Thank you. I think if we move forward on this, I would then ask for a recommendation -- that staff bring forward a recommendation on what that compensation might be, so we could then determine the budget impact.

>> Tovo: And councilmember pool, thank you. And I would add that maybe there are some models that you could offer were this to move forward.

[11:18:03 AM]

Reasonable, given other boards and in other cities. I'm not entirely sure how you do that unless you look at some of the surrounding cities, what they exon -- compensate their councilmembers for.

>> We have done benchmarking so we have that that we could provide.

>> Tovo: Can you give us a sense of what that range is or would you like to wait?

>> I think I'd like to put that in a report for y'all.

>> Tovo: That's fine. Our first speaker -- so we have two speakers. Actually, we have one speaker, and that is Carol Guthrie and she has donated time from Todd killack? Am I pronouncing your name properly? Thank you. And so you have six minutes. Welcome Mrs. Guthrie. I'm the business manager for asme, and I'm here to speak in favor of compensation for the commissioners. I want to give you a little bit of background before we had municipal civil service, we used to present grievances in front of a hearings officer. That hearings officer was compensated per hearing. I believe it was $1,600. I hope I'm right. I I think it was $1,600 to hear the case and then the commissioner -- the hearings officer would then write a report and turn in the report, and it would go to the city manager and then that would be the end of the process. So the process that we have now is that it is a day-long process, usually, at least the ones that I have attended. I have been there for the entire day. Many of the commissioners do have full-time work, and they do this on a volunteer basis. They spent many, many hours, as we all did, going through and developing the rules that we're currently using, so if there are any of those kinds of meetings that would occur in the evening, they are not asking compensation for those kinds of meetings, it's just strictly the hearing, and it's because they are losing work time when they come to be at the hearing.

[11:20:29 AM]

We also know that the subject matter that they have to review has a direct impact on employee's livelihood, so we want them to be there, pay attention, they need to have some kind of evidentiary reviewing background so they can review the evidence and really make a good determination. And so perhaps in starting this process, actually, on compensation might be a good idea to start with maybe the $1,600 that the one person used to get and splitting that up for the commissioners who show up at the commission meetings and, you know, if they want to take the compensation, then, you know, they can
do that. I know that the commissioners tried to bring this forward. They started working on this back in October and November, because they wanted all of these items in the budget, and things just got a little bit crazy and the budget came and went and there was not an opportunity to get that done. I would like to make a comment on the need for outside legal council. The reason for that is usually when we go up against the city, the city attorney is on the other side representing the city of Austin, so it would certainly be a conflict of interest to have that same party advising the commissioners on interpretations or questions that they may have, since they're already representing the city in a case. And so they have been using outside legal council over this last year, and I think it's been very effective. And so we are hoping that you-all will support both items, especially the compensation.

[11:22:30 AM]

I also think that it might be interesting to -- since we didn't make it in the budget process, perhaps the department who has the grievance, perhaps they should take that out of their own budget. And, you know, that would ensure some accountability to make sure that all of the rules are followed, and that way they wouldn't have to incur that additional expense. Thank you very much for your time.

>> Tovo: Thank you, Mrs. Guthrie and thank you for those suggestions. Councilmember Renteria?

>> Renteria: Can somebody tell me how many hearings that they had last year? I mean, where it would, like, require compensation for -- I don't think it happened, but I'm -- if we were to adopt this pay, how many meetings will -- are we going to be looking at?

>> Since the start of our hearings, and so this is from September of 2014 to current, we have had six appeal hearings, and then we did have a no-show, so we had seven where everybody was set up to -- to conduct business. But only six have been held.

>> Renteria: And so how many -- I'm sure you don't know, but do you -- would you know the average of how many hearings you would -- per year?

>> Currently the commission is scheduled for two meetings a month. The second and fourth Monday of every month. As we schedule people and they are -- withdraw or something happens, we typically will cancel those meetings, but the commission is slated for 24 meetings a year.

[11:24:36 AM]

>> Tovo: Vice chair troxclair?

>> Troxclair: So they're slated for 24, but last year they only had six.

>> There were only six hearings, so I believe the commission met probably closer to 18 times, so they will sometimes meet even though we don't have a hearing, and conduct other business of the commission.

>> Troxclair: Objection. Do you remember the number of candidates who applied for the most recent vacancy that we had?

>> There were several. I think there were around 20.

>> Troxclair: And do we put in the advertisement when we're soliciting for applications that is -- information about the time commitment that this particular commission requires?

>> Yes, ma'am.

>> Troxclair: Okay. I'm glad that this committee has had the chance to go through that process of seeing who applied and interviewing the candidates, because I feel like we also made that very clear in our interview what the -- interview what the time commitment was, and we still had a lot of people willing to -- willing to step up and serve and to provide this community service. I mean, in fact, we only got to pick one person to fill a vacancy out of, yeah, the 20 or so plus people that applied. So I -- I understand that this is a big time commitment. I think there are a lot of -- there are other boards and commissions
that are also pretty significant time commitment, although those maybe go later into the night and don't meet during the day. I think this is a part of public service and if somebody doesn't feel comfortable with the time -- comfortable with the time commitment, then there are lots of other ways for them to contribute to the city that require less times, but seeing the amount of interest in the community and the amount of people willing to serve without compensation, I just can't support this item.

>> Tovo: Thank you, vice chair troxclair. Councilmember Zimmerman?

>> Zimmerman: Thank you for letting me chime in, chair tovo, and I want to concur with councilmember troxclair. One of the commissions that comes to mind is the board of adjustments.

[11:26:37 AM]

It's a very complicated job and they work late into the night. But my appointment to Mr. Mike belalio have told me they have been up past midnight on a number of occasions and they have jobs, too. So this really is a public commitment. I guess if we open the door for this particular commission, everybody else would expect, you know, to be paid. So it doesn't look like a good policy idea.

>> And my understanding is because it's explicitly spelled out in the charter that these commission members can receive pay, that's the only opportunity that exists right now for any of our commissioners to be paid.

>> Tovo: Mrs. Perez Leslie, thank you so much for serving on the municipal service commission from its start, we welcome you and would just invite you to offer some context on this.

>> Yeah, it's on. I am Theresa Perez Leslie and I have served from the beginning. Pay has never been an issue for me. Okay. But I will tell you that when we first began, people thought the meetings were going to be like 5:30, 6:30, even if it went into 1:00 or 2:00 in the morning, they understood that. But in reality, that couldn't be done because people are called in to witness, staff comes in to support or not support or whatever. We have, like, four or five city staff that are -- they're present during [lapse in audio] After hours and extends their day. Now, it may not mean -- it may not mean as much to you as it does to us, since we are responsible and we feel very bad if staff's already worked a full day and has to work another full evening and beyond sometimes into the next morning possible. Requiring people to come in and witness can get difficult, and the makeup of the commission tends to be attorneys, not all of us are attorneys, but we still have the background that's necessary for serving on the commission.

[11:28:52 AM]

We have two people that are very significant to this commission, and when a day starts out at 9:00 in the morning and goes to 7:00 or 8:00 in the evening or even later, we've had some that seem like they would never end, they've lost a full day of pay. They're different if -- had worked a couple hundred dollars a day or something, but they lose a lot more money than that. Our chair is phenomenal in skill and background, she used to be that officer that got that $1,600 per hearing and she has been serving at no compensation since the rules changed. My background causes me to have experience with a lot of civil service commissions around the country, and they tend to be held in the day, and they could get anywhere from $50 to quite a bit more for -- per hearing. Now, there's five or six cases that didn't come before us that had already been scheduled, but those were settled outside. But really it's because we exist. So we saved money there, because those were taken care of without even coming before us. I am not one of the people that is probably the strongest to speak for this, because I abstained. I'm not asking for compensation, but I do understand the need for compensation for the people who serve and who are losing money, and we don't want to lose them as commissioners, we really don't. And as far as how many applied, when I applied, 35 had applied. And I think less than 20 made it to the interview level,
and then I was on the short list of like eight. So I don't think there's people just jumping out there to serve on this commission. I don't know how many applied this last time, but it is a unique and we are a sovereign board also.

>> Tovo: Thank you again so much for your service on this commission. So, colleagues, you've heard a little bit about the recommendation.

[11:30:53 AM]

What is the will of the group? Councilmember pool?
>> Pool: I would move that we send items -- is it 8 and 9?
>> Tovo: We have -- no. It's actually just 8. Just 8.
>> Pool: Okay. That's right. Just 8. I would move that we move item 8 to council and recommend council's approval, with the additional information coming from our staff on what a range of compensation would look like so that we can more finely pinpoint the budget impact, and then also recognize the level of professionalism and that we appreciate the work that our new municipal civil service commissioners do for the city and -- commissioners do for the city and for its employees.
>> Tovo: Councilmember pool moves that we recommend this item to the full council, more or less in concept, understanding that we don't have Numbers attached to it. Is that more or less the --
>> Pool: Right. And asking staff to bring those with them when they do present to council.
>> Tovo: Okay. Thank you. Is there a second?
>> Troxclair: I'll take the chair and I'll second that motion.
>> Tovo: I understand. I really appreciate the concerns that others have raised, E with have councilmember -- we have councilmember Zimmerman and vice chair troks -- troxclair, if I have a hesitation about this item, it is about that element. We have a lot of individuals who serve some 15, 20 hours a week on some of our boards and commissions preparing that work. I do think -- the distinction I would make here is the one that we see in our backup. It was an element of the charter provision that compensation was an option for these individuals and I do think because it is a sovereign board making decisions about our employees and their future at the city, I think it is appropriate to distinguish this board from some of the others, and that's the reason I'll support it.

[11:33:13 AM]

Councilmember pool?
>> Pool: I just wanted to say again [lapse in audio] We're -- moves the item to council.
>> Tovo: Okay. All those in favor of recommending compensation please raise your hand. Two. And all those opposed?
>> I'm abstaining.
>> Tovo: That does not pass. I voted against it and councilmember Renteria abstained.
>> Renteria: I need to see a figure on that. I just don't feel comfortable sending something with a blank check to the council without having input from staff about what are we really looking at, you know, and I probably would be willing to support it, but I still didn't see the amount, so I'm just going to abstain for right now.
>> Tovo: Vice chair troxclair, I'd like to make a motion that we just forward this onto council without recommendation for their consideration understanding that the information is going to come forward about those costs.
>> Troxclair: I'll second that.
>> Tovo: Probably a redundant action, but I think it goes on to council, but just so there's no confusion about that.
>> It would make the record cleaner if we could either approve it or have no recommendation than say that, I think.
>> So my motion is to recommend that we send it on without recommendations.
>> Tovo: Okay. So there’s a motion to send this item on to the full council without recommendation. All of those in favor, please raise your hand. Two. Okay. So there are three in favor and I’m going to oppose it, I think, but if we have the information -- if we want to know the information and give a recommendation to council, we should do it at this level. But it passes with three for and one against.

[11:35:15 AM]

Councilmember pool?
>> Pool: Could I ask staff to send us the budget impact Numbers sooner rather than later so that the members of this committee then can have that, and if any of us have specific questions, we can have those conversations before it does come to council?
>> Yes.
>> Pool: So we’re better informed. Yes, we’ll work on that quickly.
>> Pool: Okay. Thank you.
>> Tovo: And our last item of the meeting is item no. 12, and this is to consider a draft resolution that has been brought forward by councilmember Zimmerman and councilmember Houston, and they are here today to join us in this discussion, so I’ll allow you to lay out the substance of the resolution and then we do have two speakers, one with donated time. So councilmember Zimmerman and councilmember Houston.
>> Zimmerman: Well, thank you very much, but I think it’s pretty straightforward. I’ll let councilmember Houston chime in on this, but I think the resolution is pretty straight forward, and it’s been up on the public council message board for, I think, quite a few weeks now. The only clarity I need to bring to it is when we originally started working on this, probably a month ago, there would have been time for us, if we so decided, to put a ballot issue up on the November 3rd ballot regarding the question, but that time has now passed. And so the whereas provision that says put before the city voters in the November 3rd, 2015, ballot, that needs to be struck out. But the rest of the resolution still kind of stands.
>> Tovo: Councilmember Zimmerman, I apologize. The backup -- tell me which paragraph in the backup.
>> Zimmerman: It’s on the back page, so it’s front and back resolution, and about the second paragraph, the second "Whereas" there on the back page.
>> Tovo: I see. Thank you.
>> Zimmerman: Where it says November 3rd, that needs to be struck.

[11:37:18 AM]

>> Tovo: Thank you. So the resolution you’re bringing forward is what is in the backup with the exception of where that "Whereas"?
>> Zimmerman: That’s correct.
>> Tovo: Councilmember Houston.
>> Houston: Thank you, it’s good to be here. As you are aware, this is about employment opportunities and development in east Austin, east of 183, and this came from members of the community in 2013 when we started talking about where the county courthouse would be located. And people in the community say rather than putting it downtown where it’s already congested, there’s a problem with adequate parking, why not have the Travis county consider using land that they already have east of I-35. And so no matter where I went on the campaign trail, this conversation kept coming up, why do we keep putting things that are compact downtown where we already are congested?
[Lapse in audio] Austin which us with a part of in 2012, through the rest of my life, it seems as though we talked about having other town centers, so that everything would not be in the downtown area. And this was one of those opportunities to have the beginning of a town center that would be spurred on by a county government function, which would encourage office buildings, other amenities that go along with that, and so it seemed appropriate at this point to at least have that conversation among us so that if something comes up like this in the future, we will try to look outside of our box that we traditionally look at -- through, and move to other parts of the city so that we can spur economic development.

We've got colony park master plan has been completed, the expo center's master plan is almost committed.

[11:39:25 AM]

Walter E. Long metropolitan park has a master plan that's been completed. So when we talk about further development, we always talk about let's do a master plan. This is an area where three master plans are either complete or in the process of being complete, and I just want the city to consider placement of the courthouse in an area outside of downtown.

>> Tovo: Thank you councilmember Houston. Councilmember Zimmerman?

>> Zimmerman: One other note. In the backup material we put a single page that was titled independent condo tower versus proposed courthouse. We contacted some downtown investors and developers who professionally work with downtown properties and construction, and these people are familiar with the budgetary estimates for what it costs per square foot for downtown land that's inside the view corridor or outside, what those soft and hard costs are, just round budgetary estimates. So that's kind of where this data came from that's in the spreadsheet. And we wanted to know if we -- if the county sold that property and made it available to residences, what would the property tax would look like that could be realized if the -- you know, if the courthouse were moved to east Austin on some land already owned by the county and the city, and so we showed that over a period of 40 years, the assumptions are stated here, there could be as much as 80 -- about $87 million of city property tax that could come from this badly-needed -- from some kind of residential project comparable to the independent tower. The independent condo tower I, what, just a couple of blocks away? So that's why we included this page for your consideration.

>> Houston: And mayor pro tem, one of the other issues is jobs and spurring economic development in the area is just a piece of that.

[11:41:27 AM]

It's also about transit. And the people who use the courthouse being able to have access to it without having to pay exorbitant parking fees to be able to park. I think the current projection for the courthouse is 500 -- I don't have it off the top of my -- but 500 some parking spaces, well, out of that, we've got to have parking for people who work there and the people who use that courthouse, including witnesses, the police department, you know, family members that want to come and support somebody. And so we just think that that's a consideration as well for people, because we've got plenty of land, people can park -- some park for free, and I would hope that that would be an opportunity rather than having people pay to come down there, which is an additional financial burden on some of the folks who, from my district, it would be a cost burden.

>> Tovo: Thank you very much for laying out that resolution and your reasons for it and the community discussion. At this point, I would like to turn to our speakers. We now have more. Mr. Kahn, Adam Kahn, you are up first, and next we will hear from jenevieve van cleave who has a donation of time of Mike Kelly, who I don't see but he's been in and out. There you are, Mr. Kelly. Welcome, mr.kahn.
>> Thank you. I would like to testify in favor of this resolution. I think that councilmember Zimmerman and Houston did a very good job laying out some of the basics for it so I'm not going to repeat what they said. I also happen to share a lot of the concerns that have been expressed pretty publicly about the overall cost of the project, but for the purposes of this committee and this resolution, I want to focus on why I think this council actually has the opportunity to put together [lapse in audio] For what a nightmare traffic downtown can be.

[11:43:39 AM]

Basically by adding a courthouse a block and a half up from here, you are depositing that many more cars onto downtown streets at 9:00 A.M. And 5:00 P.M. Don't need to belabor this point too much. I think we all know what putting more cars on the streets in the prime hours will do. By contrast with a mixed-use development, traffic is going to be coming and going at basically all hours and it's not going to be nearly as bad of a bottle neck. Second point, and this is something that I had actually not realized until I started talking to some people not in my immediate circle about this project is apparently a lot of people who do business at the courthouse but don't have office space downtown hate traveling downtown to come to the courthouse for basically all the reasons councilmember Houston just said, parking, traffic, logistical nightmares, and that's another reason why diverting the traffic to a different part of town would be, in my opinion, a much, much, much more beneficial solution, and the people I've spoken to are in Austin, which to say nothing of people of lake way, bee cave, spice wood who are also going to be using the courthouse, I think a similar principle applies there. Finally, I wanted to address what I think frankly is the strongest argument for putting it downtown, which is basically the number of bus routes that run down here. Bus routes can be redesigned. Bus routes can be moved. This is the world we live in now with Uber and Lyft. People have relatives that can provide transportation. I don't think that the transportation for a nondowntown location is an insurmountable obstacle. Councilmember Houston, I did not realize about people having to pay for parking about what a burden that is until you brought it up, so I just wanted to echo that point as well.

[11:45:41 AM]

So, yeah, between additional traffic downtown, more accessibility and making it easier for people who's offices aren't located immediately in the downtown area, and the transportation issues being more surmountable than some of the other issues, that's what I have to say.

>> Tovo: Uhr --
>> Tovo: you're welcome to finish your sentence if that wasn't the conclusion
>> That's why I think this committee and this resolution would be a substantially better proposal that is what is currently being discussed.
>> Tovo: Thank you very much.
>> If anyone has any questions, I'd be very glad to --
>> Tovo: I appreciate you being here. Thank you. All right. Next sup Ms. Van Cleve and, again, you have donated time from Mr. Kelly so that gives you six minutes. And then our last speaker on this item will be Mr. King. Mr. David king.
>> Okay. Thank you very much for having me and for talking about the courthouse. As you know the current courthouse is 84 years old. It was built in 1931, without women's restrooms, it was built to be segregated. We are still using that building and although we did put central area in it and some new offices, I'm -- I'm sorry did I --
>> Houston: I'm sorry. We were just opining that we don't have women's restrooms here. We went to unisex restrooms.
Tovo: Right. Change in times. Thank you, Ms. Van Cleve. Please continue.

The courthouse is also not ADA compliant. This is a county constitutionally mandated project. This is not actually a city project. Nor is it a city building. We are planning the county -- the commissioners court, Sarah Eckhardt also supports it, have been working to plan this project since 2009. I would ask that you take a look at the Travis county master plan on-site placement.

They have done extensive shirr receipts in a variety of communities around this county and what we get over and over again from people like Julie span, the executive director of safe place is her constituents, her clients, need centrally located facility that can be reached by public transit. I'm not sure what the cost would be to the taxpayer to completely reroute municipal and county transit -- bus services to Walter E. Long lake, but I sure would like to know that as a taxpayer before I decided to move the courthouse to where it was harder to get to to almost anyplace else in the county. 37 goes to wallet E. Long park and according to cap metro it takes about an hour to get from Walter E. Long to downtown. We have kids sitting in that courthouse unattended that need our help. I strongly recommend that you take a tour of the courthouse. The need is there and it has been there for a very long time the county has worked very hard. Many of you may not have been in office for the duration of this project. But this is a well-considered county project with support from republicans and democrats, Daugherty and Ron Davis. I would encourage county -- city folks that have questions about this project of a fellow governmental entity to reach out to them and maybe hear some about that Travis county master plan and why we didn't go to the middle of nowhere to do the people's business. I strongly encourage you not to vote to move the courthouse -- or actually have the city be involved in the placement of a county building.

It belies in my mind common sense and economic estimate in my mind -- economic development in my mind is not incorporating a building to put incarcerated building in places where families are broken up and -- that is not economic development, a symbol for east Austin. What is a symbol for east Austin and real economic development in my mind would be light manufacturing, locally owned businesses, places where people can work and grow. When you go into the courthouse, something has gone wrong, and it needs to be located centrally so it's close to not only transportation but the other courts. The central docket system, by the way, the reason that we are so productive at the court system in the county is because we have a central docket system. That central docket system will not frankly work if the campus is broken up. And if you're trying to get on that bus and trying to get your protective order and you're going to Walter E. Long lake, I'm not sure you're being served well by the city or the county to do it that way. And I'm not sure that this resolution has been thought through and certainly when you talk to any county commissioner, I'm not sure they've heard from -- or heard from maybe some of the members that are here today. And I would encourage them to reach out and hear the presentation. We'd be happy to do the presentation. Belinda Powell has been working on this Powell -- she's worked at the county 15 years. She knows where everybody is buried and she would be happy to come and do a presentation about why the site was selected as it was selected, what the process they went through, how much public input they received, and what the point of this, putting this in an area where the people's business belongs centrally. It doesn't belong out -- it doesn't belong here.
It doesn't belong here. What part of the county are we going to disadvantage to move this somewhere else? The good news is -- maybe you don't know -- is that we do have a second tower plant on the back half of that lot to put money on the tax rolls. I'm not sure if you're aware of that but we'd be happy to come and do a presentation and Belinda is awesome and would answer all of your questions because there -- it seems like the resolution has brought up questions that the county has answered. And perhaps we have -- the county hasn't done a good job. I'm on the campaign side. Perhaps the county hasn't done a good job in informing a sister body about all of the difficult decisions they've made and the long process they've gone through. I mean, you know, when I was reading the resolution I wondered about the swap, what property is suggested.

[ Buzzer sounding ]
>> I'm curious. I see parks and cemeteries. I don't see land you can actually afford to swap with the county.
>> Tovo: Thank you.
>> Houston: Mayor pro tem?
>> Tovo: Councilmember Houston.
>> Houston: First of all, Ms. Van Cleve, thank you so much for coming today. It's nice to meet you. On behalf of the citizens of district 1 I want to thank you for telling us what's best for us. We're not -- this is not to move the courthouse to Walter E. Long metropolitan park so that was a misgiving on your part. There is city land and county land in the district that has not been used. I understand that you are building a medical examiner's facility on part of the county land that's east of 290 that's kind of in the district but in the -- in the area. I have reached out to commissioner Davis. I didn't get a response. I didn't know I could reach out to you because I'm just meeting you today. The description of in the middle of nowhere is offensive to me because we have people who live there and do try to work and are citizens who work at the city and the county and the state.

[11:53:52 AM]

And so we don't see ourselves in the middle of no before. But we do see that when a courthouse or municipal building is built that things go along with that that don't go along with light industry. We have offices, law offices, other kinds of office that's do go with that. People have to have a place to eat, which we don't have at this point. So that would be another generation of people would have to build restaurants and other kinds of things for people to do. So my question is, how many parking spaces are projected for the building that you're going to --
>> 513.
>> Houston: How many staff in the county courthouse is now.
>> Roughly 230, but I could be wrong about that. Now keep in mind we have -- the county has a project much like the city does, that encourages folks that work downtown to take the bus. Right? So you guys are doing a 20%. So are we -- well, we have done that. In my work with Sheryl Cole as a candidate and teddy McDaniel with the urban league I appreciate the need and understand the need for economic development in all parts of the county but particularly in the eastern crescent. It is not the middle of nowhere. But transit-wise, Walter E. Long park is not -- is not easy to get to when you're in a car or a bus.
>> Houston: We're not talking about a park. We're not talking about the park.
>> I'm just reading what's in the paper.
>> Houston: Well, we're not talking about the park. The park is dedicated parkland. We're talking about parcels of land in that area that could be used for a courthouse. As the gentleman says, capital metro reroutes buses all the time so that can be an opportunity to have additional transit in the area that would get people from.a to.b quicker.
>> My question would be the cost.
>> Houston: You’re asking the taxpayers to cost of --
>> $13.50 per hundred thousand dollars valuation of your home to replace an 84-year-old building.
>> Houston: That's easy for you to say --
>> Ma'am, ma'am, I'm not sure -- ma'am, you don't know how much I make.
>> Tovo: Councilmember, citizens, audience attendees let's make sure we confine our comments do the resolution before us with regard to location. We need to steer clear of talking about the actual ballot proposal so we're all in compliance.
>> Houston: And it's not an Walter E. Long park.
>> Tovo: I appreciate you clarifying that. I'm sorry did I just say that again? I apologize, councilmember Houston. I'm just trying to keep us away from the ballot proposition so I apologize if I misspoke. Councilmember Zimmerman, I think you had your hand up? Did you have a question for our speaker?
>> Zimmerman: Just going back to the cost issue. So I'm not an expert in downtown investments and development projects, but I've been assured by several experts who work in this field that the cost of a building of comparable space could be built for one-third or even as much as one half of what it costs to build downtown. The reason is that downtown is the most expensive place to build. Period.
>> I would argue --
>> Zimmerman: But it's true. You're going to argue the couldn't rare, but engineering wise, when you build vertical it costs more money and the cost of building vertically is not linear it's geometric. The higher you build are floors the more it costs. Each floor you build, ten floors, 16 floors, it grows geometrically in expense, not Lynn I can't linearly.
>> I hear you. Here's a technical point. When you build a modern courthouse, there are different facilities and different building issues than if you're building a bank.

>> Zimmerman: Absolutely correct.
>> Right? So we are actually in the market rate for courthouses for our area of the country, which is 447 per square foot. So unlike a bank or another type of downtown building, regardless of where you build this, by the way, you still have to do the things that I'm fixing to tell you, which means the building costs the same. You need thicker concrete. You need a blast wall underneath the building. You need shatter-proof, bullet-proof gracious you need kiev -- glass, kevlar. These are standard things in the courthouses now, saying something dire about our society, but as far as what this building needs to include it needs those things. Putting it whenever you build it you still have to build that and it costs the same.
>> Zimmerman: It does not. The same engineering specs constructed outside the congested downtown area it's far less expensive to go outside. The reason I brought this to this committee is we wanted more people to come in but weren't able to get empty busy professionals to come in and testify to this matter but it is far less expensive from one-third the cost up to one-half the cost for the same engineering specification offends move it outside downtown. You don't have to go vertical and it's less expensive to build outside the city core.
>> Tovo: Thank you, councilmember Zimmerman. We do have another speaker. Councilmember pool, did you have -- I thought I saw -- it may have been the side. Any other questions before we move to our additional speaker? Okay. Thank you. Our last speaker on this item is Mr. King. You have three minutes, Mr. King.
>> Thank you very much, mayor pro tem and councilmembers. You know, I think this is a great idea.
is thinking outside the box. This is a very good idea we should really look at closely. I think this is worth a really good close look and this is within -- this is a government decision effectively.

[12:00:02 PM]

This is not a private industry decision and we see that private industry is not running over to east Austin to develop. But this is a government decision. We can make this happen. And it's -- why not do this? It sounds like it could be less expensive to build, as councilmember Zimmerman has expressed there. And it will create a long-term sustainable economic development project there in east Austin. If we're serious about incorporate and this decision -- equity and this decision is well within the realm of government to make this is our opportunity. And, yes, it's going to create some changes, but that's -- if we don't take this step to create change that will benefit not east Austin but our whole city, and I think it's gonna serve the citizens better. It's gonna be less traffic. I know I come down here to the city council very often. I hate coming to downtown Austin because of the traffic. This would actually help. And actually having more residences downtown fits the imagine Austin goals of higher density in our urban core, having more residents living here. So I think in a lot of ways this makes sense to look at this closely. And it sounds like it's a foregone conclusions that it's always going to be in downtown and that's part of the equity issue that, so much of these existings are foregone conclusions and from the very beginning going in the direction that's already been laid out. So I support this. And I hope the whole council will slow this process down and take a good look at this proposal here. Give it a fair opportunity. And, yes, it may cost more in other ways but it will cost less in the construction. If you along at the net effect over the long-term, to me this -- we really need to take a close look at this. From what I've seen so far, I think this is a great idea and I wholeheartedly support it and I hope y'all will recommend that this be moved forward and get a good public bedding.

[12:02:04 PM]

Were vetting. Thank you very much thank you very much, Mr. King, for your feedback. Any additional questions or comments from our -- the sponsors of the inclusion? Colleagues, this has been brought to us by two members of the council for our consideration. Is there a motion on this item?

>> Troxclair: I just have maybe a couple questions.

>> Tovo: Sure.

>> Troxclair: Who -- the backup -- the titles issues with the courthouse in northeast Austin, can somebody tell me who put that together? Who provided that information?

>> Tovo: Sure. And I did -- I apologize it didn't get attached to this on the council message board. I posted a little thing yesterday. This is a response -- let me make sure I have it -- from staff at Travis county. I'm going to need to look up what division it was exactly. And so the backup included the resolution from our colleagues. It included the response that we received from staff at Travis county. And then I believe also the imagine Austin overview came from also the support -- from the sponsors of the resolution.

>> Pool: From capital planning. And planning and office budget from the county.

>> Tovo: Thank you. I knew I wasn't getting their name correct if I didn't look it up. I appreciate that, councilmember pool.

>> Troxclair: Thanks because the information seems to be making the argument against the resolution. So I was just curious as to where that information had come from. And what else was I gonna say? You know, I think the transportation issue is an interesting one because using the argument that it would take an hour or so to get out to some parts of the east Austin area that we're talking about also means that it takes the people who live in east Austin an hour to get downtown and I think there are lots of
places in the city who are equal distance as far as the number of miles from downtown who it doesn't take them an hour to get downtown because they maybe have more frequent or available bus service.

[12:04:19 PM]

So I think that's an interesting point on the state of transportation. And it speaks to how desperately we do need some economic development in the area so those kinds of services are provided. Obviously from the cap metro perspective they always talk about the ridership Numbers and how some parts of our town don't have the ridership Numbers but when we don't have businesses, when we don't have things like courthouses, when we don't have central activity districts it doesn't encourage the ridership that other parts of the city, including in particular downtown benefit from. So I just thought that was an interesting perspective. And I guess, you know, I that I it's an interesting proposal and I just want to point out that the resolution itself actually only asks for -- it's really not a statement of -- that any action is going to be taken or that anybody supports or does not support this idea. All it asks is that the city manager identify parcels of land that could be potentially utilized, which I think would be interesting information for -- important information for us to have if we were even going to begin a discussion on this. So I just wanted to point those couple of things out.

>> Tovo: Thank you, vice chair troxclair, for those good comments. Councilmember Renteria.

>> Renteria: Well, I'm not going to be able to support this. Just the mere fact that, you know, we have so much investment, our county has so much video camera, which is my investment too, you know, we don't just have a courthouse, there's a building right next to it and there's, you know, the facility, the county commissioners and a lot of the other offices that are just right across the street from there. You know, that whole area -- I mean, the only way that I can support that, this item, is if the county said we're just going to move all our operation over there to precinct one which I know they won't.

[12:06:26 PM]

So I don't think it makes much sense to put it out there unless you're a bail bondsman or a lawyer that we can have some cheap property out there that you can invest and build around there. But I just don't see any logic at all putting it out there. This is the center of the county and all the transportation leads right to downtown and I just can't support this item.

>> Tovo: Councilmember pool.

>> Pool: Thanks, mayor pro tem. I just want to say I appreciate our colleagues bringing this resolution to us, but I would say that the county courthouse is the wrong target if what we’re talking about is economic development and increasing it sustainably in the eastern crescent, specifically the courthouse is under the sole jurisdiction of Travis county. The city doesn't have any partnership agreement with the county on this. They operate it and they fund it and they plan it and they run. Asking the city manager to do the work of identifying particles in the east side -- parcels in the east side of town that might be eligible for consideration for construction of a new county civil courthouse is asking for a fairly extensive and expensive investment of effort on our staff and so that would involve more than simply looking at a map. And I'd also mention the jail is in the vicinity of the Travis county courthouse. It's in -- is it the they areman Blackwell courthouse, right next door to the old courthouse and right up the street from the new civil courthouse. We already have a prison in del valle on the east side and relocating the entire operations for law enforcement and courts over to east Austin, including where we imprison people just does not sound to me like the kind of message that we want to send to our community and friends in the eastern excess sent, especially on the heals of the spirit of east Austin effort that was so successfully engaged a couple of Saturdays ago.
And if you strip this down to all of the elements that are involved in our entire criminal justice system, that the county, one of the major activities that the county handles for us, I would say this is not the kind of economic development to take to increase in the eastern crescent. But I do appreciate the consideration and I would say best of luck to our Travis county partner -- fellows. We're not partners in this action. We have not been asked to weigh in on this by the county. This is their effort. And I will say publicly that I wish them the best of luck with the election that happens in November on this matter. And I will not support moving this item forward.

>> Tovo: Are there other comments? Or questions? You know, I believe that we should continue to be really creative about working with our fellow municipalities and I am real interested in looking at the land assets that we have and considering how we can leverage them and use them to best serve the community. So I'm really eager to continue that kind of conversation with Travis county, with aid, with other partner organizations with the state. But it does -- one reason that I'm not prepared to make a motion to move this forward to council is it does seem from Travis county's response and just knowing where they are in the process that they have made a carefully considered decision about where to locate it in accordance with their planning and the other assets they have downtown, as councilmember Renteria said. Those are Travis county's investments as well as, you know, ours as taxpayers. So I'm going to -- I'm not sure that it would be a useful thing or a good use of city resources to direct our city manager to undertake some research when it's a decision that's already been made by Travis county.

>> Houston: Mayor pro tem, may I say one thing?
>> Tovo: Sure, councilmember Houston.
>> Houston: We're going to already be asking for that because at the joint subcommittee on Saturday between Austin independent school district, Travis county and the city we, again, said that we needed to know where each jurisdiction had property so that we could get -- use it for housing or any number of things. So we're going to already be asking for that. There's no date or no time that they need to have this together. But I think as we begin to move forward that we do need to have information about where property is located and the size of that for both aisd, Travis county, and the city. So I think this still asks for those same things with no date. We could say next year sometime. But I think we still need that as we begin to joint plan with aid on some issues.
>> Tovo: Thank you, councilmember Houston. Other comments? Colleagues, is there a motion on this item?
>> Troxclair: I will make a motion based on councilmember Houston's comments about that this isn't an additional -- this shouldn't be really an additional burden on staff. It should be a pretty easy undertaking to identify what is requested in this resolution. I don't -- I appreciate our county and the -- those of -- those members of our community who have worked hard on the current plan, but I don't see that as a reason for us not to have a conversation about what kind of land we have in east Austin and what the potential uses are for it so I'll make a motion to forward it to the file council.
>> Tovo: Vice chair moves moves we recommend approval and forward it on to the full council. Is there a second? There is not a second. And I'll just add that I would support a more general resolution along those lines, but not one focused on the courthouse for which Travis county has already identified a location that they feel is appropriate based on community needs and their other assets and so I'm -- I can't offer a second to your motion.
Councilmember pool.

>> Pool: I'll just say that as councilmember Houston mentioned, there's already a request for staff to do the kind of land surveying and assessment and inventorying. I think in fact she and I asked for that back even before we entered into budget, back in May or June, yeah. So I don't think we actually need to even make that additional request here because it is already underway and as we mentioned about the gathering a couple of Saturdays ago, there's incredible interest and enthusiasm and really good energy around the work that is -- that has begun with the spirit of east Austin in the eastern crest crescent and I don't want to do anything to kind of weigh it down with some maybe extraneous specifics and having the courthouse in here so specifically I don't think is necessary because we're already getting the information on the land.

>> Tovo: Okay. Thank you. All right. Seeing no other business before us, this meeting of the audit and finance committee stands adjourned at 12:15 thank you all for participating. Thank you, councilmembers, for joining us, councilmember Houston and councilmember Zimmerman, we appreciate your participation today. Thank you.