



MEMORANDUM

TO: Mayor and Council

FROM: Rey Arellano, Assistant City Manager

DATE: June 22, 2016

SUBJECT: Clarification Memo for Item #33 – Approve execution of an interlocal agreement with Travis County for the creation of a Local Government Corporation to manage and operate a planned sobriety center.

The June 23rd City Council agenda includes an item for the Mayor and Council's consideration to Approve execution of an interlocal agreement with Travis County for the creation of a Local Government Corporation to manage and operate a planned sobriety center.

In the Additional Backup Information section describing the terms of the interlocal, it states the following;

“City Responsibilities

City agrees to make to the LGC an annual payment of \$1,664,500 to cover LGC annual operating costs not covered by other sources of revenue including personnel salaries, benefits, necessary training and licensures; custodial, security, grounds keeping, utility, and garbage pickup services. City also agrees to pay for initial Furniture, Fixtures, and Equipment (FF&E) and IT services and security.

Cost Model

For the first two years of service, the City has agreed to pay the LGC \$905,100 for the partial nine months of FY2017 and \$1,664,500 for the entire FY2018. Over a ten-year period, the cost allocation results in 78% (City) /22% (County) allocations.”

Management Services would like to clarify to Mayor and Council that this section should be consistent with the amounts stated in “Exhibit A – Sobriety Center Cost Model v2” and changed to:

“City Responsibilities

Once the Sobriety Center is fully operational, the City agrees to make to the LGC an estimated annual payment of \$1,724,540, subject to the City approving funding, to cover LGC annual operating costs not covered by other sources of revenue including personnel salaries, benefits, necessary training and licensures; custodial, security, grounds keeping, utility, and garbage pickup services. City also agrees to pay for initial Furniture, Fixtures, and Equipment (FF&E) and IT services and security.

Cost Model

For the first two years of service, the City agrees to pay, **subject to the City approving funding**, the LGC **\$379,700** for the partial nine months of FY2017 and **an estimated \$1,724,540** for the entire FY2018. Over a ten-year period, the cost allocation results in 78% (City) /22% (County) allocations.”

To reiterate the intent of this agenda item, this action is to seek approval of an interlocal agreement between the City of Austin and Travis County to create the local government corporation that will govern and operate the Sobriety Center. The fiscal impact will occur in FY17 and will be considered as part of the upcoming FY17 budget process.

xc: Marc Ott, City Manager
 Jannette Goodall, City Clerk
 Anne Morgan, Interim City Attorney