

# City Council Special Called Work Session Meeting Transcript – 8/29/2016

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>> Mayor Adler: Council members, I'm going to go ahead and gavel us in and immediately go into executive session. This is August 29th, 2016. We have a special called meeting of the Austin city council. We're going to go into closed session to take up one item, pursuant to section 551.074 of the government code, the council will discuss the appointment duties of an interim city manager. Without objection, we'll go into executive session. When we come back out, I think staff is going to talk to us about the -- the permanent -- the new manager process and then we also have the discussion about the Austin energy rates. I think that's continuing. We'll have a presentation from staff on that answering the questions that we asked at the end of last week. And I think that we had closed the public hearing last week so that there is no notice -- so it's just coming back to the dais. All right, so with that, without objection, we will now go into executive session. [Executive session]

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>> Mayor Adler: Council, are we ready to go ahead and move forward? I'm going to convene the special called meeting today, Monday August 29, 2016. Actually we already convened it because we were in executive session and we've now come out of executive session where we took up personnel matters related to item number 3. That gets us back into our special called meeting. There are several things we have on the agenda, but I'm going to skip and return, if council wants to, to the concept menu. We don't have a briefing today, a public briefing on the manager, new or interim. We've come out of executive session so that takes us to the considering an ordinance related to establishing electric rates and charges for Austin energy customers. We had a public hearing on this, I think two we've had, and we've closed the public hearing. If staff could come up and talk to us and let us know. I think when last we visited this we had an agreed settlement by almost everybody that was involved in this, but there were some questions relative to how the residential rate reduction would be apportioned among the tiers. You want to -- I turn the floor over to you, mark. >> Good afternoon, mark Dreyfuss, vice president of regulatory affairs and communications. We are pleased to bring to you today for your deliberation, if I the approval of a joint agreement of diverse groups of 20 parties representing all segments of our customer base

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with a proposal to reduce electric rates by \$42.5 million. Excuse me. On Thursday we presented you with three options for structuring the five residential tiers, and following your discussion the mayor and

councilmember Casar asked us to return with a fourth option and we will do so today. The guidance that you gave us on that fourth option was first that in tier 1 we should develop an alternative that was between the joint agreement and option 1 and show no increase for the sample customers we presented and for tiers 3 and 4 we should maintain as much of the decrease as possible. Excuse the typo. In order to accommodate the discussion we've had about the variability of usage for our cap customers. And this is the chart that we've shown you before that overlays the new option on the current rates and on the joint proposal. Option 4, the new option, is the dotted line and you will see that it is very close to -- to our proposal. We -- that -- the anchor point in tier 1 is at -- now at 2.87 cents per kilowatt hour, which is about halfway between option 1 that we showed you on Thursday and the proposal, but you'll see that the line is steeper than it was in the options that we showed you on Thursday and that the rate for tier 5 is higher than the rates that we previously showed you.

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So in order to accommodate the request that we keep as much of the decrease in tier 3 and tier 4 as possible while reducing the rate in tier 1, we have shifted some of that cost or some of that rate into tier 5, which now would have a rate of 10.8 cents. I just want to point out that if we were to adopt this new option 4, we would continue to make incremental improvements in stabilizing our revenue as we've been discussing, but lesser improvements than the options we provided you before. I mentioned on Thursday that it is inevitable that we must revisit these tiers and so by shifting a little more of the revenue into tier 5 it just may bring the date when we need to consider that closer forward. So here's the chart that I've shown you before of five actual customers whose average usage falls into each one of the tiers. Five sample customers. These are real customers. And this is -- represents their real usage in 2014. And in 2015. And you will see that for the customer whose average usage is tier 1, that that customer under these rates would have a \$4.12 decrease over the course of the year, whereas previously we showed that customer with a \$3.51 increase. You will also note that the customer in tier 5 now would only have a \$9.69 decrease, whereas previously that customer would have had over a \$60 decrease. That's the shifting of revenues from tier 1 to tier 5 that I discussed, and again, it's striking that balance between rate relief and

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revenue stability. So that same -- same information is depicted in the next chart. These are, again, the paired bars represent those five customers and the purple is the original proposal and the burnt Orange is this new option 4 and you will see that the -- the sample customer in tier 1 would have a small annual rate reduction. We've tried to maintain as much of the reduction as possible in tiers 3 and 4, and the consequences is there is very little reduction in tier 5. This is now showing you the sample cap customers that we've presented you before. Again, these are the same sample cap customers that we've showed you before with average usage in each of the first three tiers. And in our prior information we showed you that the customer in tier 1 would have about a \$7 annual increase and in this case we've driven it down with these rates to that customer would have no change. And you can see it depicted here. Those twinned bars are each of the three customers and so we brought down the tier 1 rate sufficiently that that customer would have no increase and tried to maintain tier 3 and it's not depicted here, but tier 3 and 4 with as much decrease ago possible. That's what I have for you today. >> Mayor Adler: So this option differs from the other options in that there's a reduction across all tiers. >> This option differs from the other options in that there's a -- a somewhat smaller reduction in tier 1, and then that revenue is returned by increasing -- well, there's a -- there's a

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larger reduction than Austin energy's proposal in tier 1, and that is made up for mostly in tier 5, but in tier 3, 4 and 5. I'd say compared to the three options that we showed you on Thursday, the tier 2 rate is a little lower, which makes sense to me because if you looked at the charts from Thursday, the -- the rates line was much -- was less steep in that tier 2 to tier 3 and I think this has a slightly steeper line that shows we're maintaining strong incentives for energy efficiency investments for customers who are in tier 3. >> Mayor Adler: So I'm looking at slide 5 today, page 5 today, as compared to what had been slide 16 in what we had seen earlier in the week. So slide 16, what we had seen earlier in the week compared what you had proposed to the three different options that various councilmembers had asked you to do. >> I have a version of that. So I know this is a very busy slide, but this is slide 16 from Thursday with the added option 4. So each of these sets of five bars -- >> Mayor Adler: Is that in our packet? >> No, it was not. >> Mayor Adler: Okay. >> So each of these five sets of bars represents a customer, that customer, so the first five bars are customer in tier 1 with 450-kilowatt hour average per month, and you can see what the impacts were in option -- the original proposal, which is the purple, and then options 1, 2 and 3 as we described them on Thursday and then the new option which

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does not drive as much savings into tier 1, but -- but does drive about 2 million additional savings into tier 1. >> Mayor Adler: So as I look at this, and I'm trying to understand the art and the science that you talked about last week. Option 4 -- the assignment there was redo -- let us see a plan, an option, where there were tax savings -- rate savings, bill savings across each of the tiers. Rather than having an increase in tier 1 and increase in 2 through 5. And, you know, keel that relatively small, but at least have some rate decrease. Given that, what I see in tier -- in option 2 makes sense to me, that they would be relatively close, but option 4 being somewhere between your proposal and the three options we saw last week, tier 3 is the same pattern, tier 4 is the same pattern, but in tier 5, there's a real substantial -- it no longer follows that pattern. >> That's right. >> Mayor Adler: So tier 5 goes down the -- while there is still a -- a decrease in rates, it goes down a lot more than the others. >> That's right. In order to maintain a decrease in tier 1 and not adjust 3 and 4 more than we had to, the difference was that more revenue or less customer savings would accrue to a customer in tier 5. >> Mayor Adler: How does this option 4, given the disproportionate or dissimilar

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impact in tier 5, how do you view option 4 compared to the other three options in terms of the goals that Austin energy had with respect to stabilization of income? >> Yes, I think option 4 is an incremental improvement in our revenue stability and it would provide greater stability than either the three options from last week. >> Mayor Adler: Provides greater stability than the other three options. >> Yes. >> Mayor Adler: So if we were to not pick the proposal but one of the options, the one that you would be recommending from the four would be option 4. >> Yes, that's correct. >> Mayor Adler: Okay. And just how far does it take you off the path to the income stabilization that you are looking for? >> Well, compared to -- so this option collects about \$4 million less in tier 1 than the original proposal. And that revenue is then collected in the -- the top three tiers. And so if whether is as expected -- weather is as expected, then the utility would fully recovered all the expected revenues. If weather is cooler than

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Normal weather, then there would be more volatility in the upper tiers by several million dollars than under the proposal. >> Mayor Adler: And that's the volatility if we don't change anything? In other words, I'm trying to figure out if -- how much have we improved volatility relative to where we are now if we did option 4? If it's still several million dollars uncertain. >> I'm a little -- you know, I don't have those numbers precisely, but we were looking to collect about -- in tier 1 and 2, I believe the number is about \$7 million additional, under the proposal in tier 1 and 2. So taking that out of the top tiers and adding that into tier 1. And so that's reduction of several million dollars off of that. Maybe on the order of 3 or \$4 million. So we'll make an incremental improvement of \$4 million or so -- I don't want to do math on the dais. But it will not be the full \$7 million we were trying to get out of tier 1 and tier 2. >> Mayor Adler: Okay. So to me then the issue for me to decide is what is the benefit of that several million dollars -- one, moving in the right direction, but not moving as far, but not having the ambiguity in the public about what it means to raise a tier 1 rate -- to not lower a tier 1 rate when we're lowering the rest of the rates because of how that is seen in the community. >> Pool: Mayor? >> Mayor Adler: Yes. >> Pool: Thank you for this. I will notice just on a visual

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on the Orange bars it makes an almost perfect U, not entirely perfect but almost because you had the lower and the higher and I appreciate the fact that the tier 1 would save \$4.12, whereas before it was sunset a raise of \$3.51. And my chief concern with the purple line, with the first option that was brought from the settlement was that people who are doing the most to save on energy and using the least amount were going to see the only increase on this scheme here. Everybody else was saving some. And so my chief goal, and I appreciate the work you have done since last week, was to find a way to shift that bar so that instead of it being above the line that it flopped down below. It is not as much. I was the green line. I think my option was the one -- the option 3 last week and I think councilmember Casar's was number 2, so it is not as much as what I had originally requested, but I appreciate the fact you have done the work that is necessary to good ethics commission that savings to be returned to the people who are working the hardest and frankly everybody is in tier 1 at some point. Fewer people are in tier 5, 4, 3 and 2, but everybody has the savings that's in tier 1 in these residential rates. So I -- it doesn't go as far as I would like, but I do appreciate the work that was done and would be interested to hear what others of my colleagues feel about the new option 4, which is the Orange bar. Thanks, Mr. Dreyfuss. >> Casar: If I could get this, you are going to get my notes on the screen. This is how I think. So I do appreciate Austin energy's new proposal. I think even compared to the others that were proposed last time, I do think that the

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reduction and savings for tier 5 is important on this one so I think that that was important. There's been a lot of -- there's been a lot of discussion about where low-income people fall on this and I think you all through these public hearings have seen me learning more and more about this and I think I've finally gotten to a place I've come to realize that trying to help low-income people by working on the tiers isn't easy because it's kind of a blunt instrument. You have low-income people that are spread out all across them and in this chart that I handed out are sort of the reasons that I think -- [inaudible] You got to see my notes but they didn't. >> I needed a minute. >> Casar: That there are plenty of low-income customers in the lowest years because price sensitivity drops some of them down here and many low-income people live in small housing units especially apartments. But you've got a lot of mostly cloudy people in the middle tiers because you obviously have the lion's share of people in older rental housing stock and a lot of multi generational families and large families living together because of affordability

so you've got them in both tiers. The concerns are we have a lot of new housing stock occupied by higher income folks that's more energy efficient and the lower income people and if lowest tiers are the low-income people with the lowest bills. So helping the low-income people in middle tiers who have higher bills in the summer are the ones that are probably suffering the hardest affordability shock. As Mr. Robbins brought up, there is national data and if you are on the cap program you may have less incentive to conserve and so if we're looking just at cap customers, it makes some sense that they might be in tier 3 or tier 2. Long story short what it really comes down to, if you want to make a safe better, to

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lower all tiers makes some sense. To give some priority to summertime tier 2 and tier 3 makes a lot of sense. Especially between now and when we get to what would be a more sustainable solution which I think would be really working on weatherization for low-income folks to get them out of there entirely to people trapped in tier 2 or 3 or 4 that's the more sustainable long-term goal. I know we've had a long conversation about, but it's been very educational for me and other people about how we can use our tier structure to best benefit low-income folks and I think the answer it's not the best way to do it, but if we want to play it safe, something like this option 4 brought to us by the staff I think is important because we have very few low-income people in tier 5 and they are kind of spread out amongst the others, but those that are most in need I think of relief are in 3 and 4 that need to weatherization program. I would be ready to support this or something like it, but long story short, this probably isn't the best way to help those folks in the first place so this, you know, and I'm glad this is sort of where the end of the rate case is at is us figuring out these details and I appreciate staff's help getting us there. And for affording me the time to walk you through my thinking. I hope ivy involved in ways other people have evolved learning about this issue. >> Mayor Adler: Further discussion? Mayor pro tem. >> Tovo: I have a couple things I want to talk about on another subject and I agree this is a better proposal for the tier 1 customers and I appreciate the continued work on that front. As I mentioned several weeks ago that was a point of the rate proposal that really troubled me, that being the increase for the tier 1 users. Last week I asked you a question, Mr. Dreyfuss, about how much of the diffusement of

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decker includes restoration to the parkland and I wonder if you have any more information about that at this point. >> I did not have an opportunity to drill into that, but the study for decommissioning the decker site included remediation of the site to -- I guess I would say a brown field level because there would still be the peaking units at that location. So the cost we baked into rates remediate the site to a brown field level, but I don't have any more detail than that. >> Tovo: All right. Thanks. And then I wanted to talk for a minute about the house of worship rates. I know my staff have had some conversation with you about the timing of that study and so at the appropriate time, mayor, I would like to just provide some direction to our staff about moving forward with a study on that front. >> Mayor Adler: Direction in terms of direction of getting a commitment or an amendment to the ordinance? What are you thinking. >> Tovo: I'll read you what my direction is and we can decide how best to handle it, whether it should be a formal amendment or not. But I'd like to direct the staff to schedule the house of worship weekday demand study as soon as feasible, within the next four-year window to be delivered preferably no later than the end of year 2. We've all heard from members of the house of worship community about and they would really like to see the demand study as this proposal, as I understand it, will increase the cap each year for the next four years and so I think it's appropriate that we go ahead and have that study so we really understand how those facilities are performing relative to other

customers before we continue to increase that cap. That would be my amendment or my direction or however we

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want to handle it, but I think it should be somewhat formal. >> We have about ten studies that we'll be conducting between now and the next time we reconsider rates and I see no reason why the noncoincident peaking study for cap and other customers couldn't be at the beginning of that cycle. >> Mayor Adler: If you could send an email to council that expressly says that you intended to the language that the mayor pro tem just gave, would that work? >> Tovo: That would be fine, within that time period. I appreciate you have multiple other studies and you are going to bump it up ahead, but I do think it is important to the community members who have commented on it that it be happening quickly so again I would say the key part of that is no later than the end of year 2. Is that doable, you think? >> Yes. I talk to Mr. Halperin and he had a good point which is the house of worship customers are engaged right now and we should move forward while they are engaged on those issues so we're happy to do that. >> Tovo: Thanks. >> Mayor Adler: That way the community can see it too that it's been memorialized and they can hold us all accountable to that. >> Because as a wise man once said, this video will be available and you can see it in two years. [Laughter] >> Mayor Adler: Mr. Casar. >> Casar: On that topic, it's been described as both the house of worship study and the noncoincidence peak study of nonresidential sort of buildings. I guess you could give us followup about how much we're going to differentiate against houses of worship and nonhouses of worship and buildings that have weekend use and noncoincident peaks, I think there is some value to what it is the last council struck in the last rate case

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to me because houses of worship tend to have noncoincident peaks, but I would be interested following up and understanding if we're going to keep on having a house of worship rate or start moving towards noncoincident peak, small commercial rates. >> And I think that's one of the issues that the study will examine will look real hard at the house of worship community and what their load patterns are and trying to identify whether there are other segments of our customer base and see where we might move forward. >> Casar: Thank you for moving that up. >> Mayor Adler: We have a motion on the floor. Does someone want to make a motion? Councilmember Gallo. >> Gallo: First I want to say thank you to staff and all the parties who participated. It's been a huge effort and I know a huge time as working on this. Thank you very much. As chair of the Austin energy oversight committee, I'm lease to do makes the motion to adopt the ordinance with the option 4 included that is before us today which will establish revised electric rates and charges for our community. This is what I consider an historic moment for us in Austin because this ordinance is the result of a joint recommendation between Austin energy and a group of 20 parties representing very, very, very diverse groups of stakeholders. The city now has before it the opportunity to significantly address the issue of affordability in Austin with the setting of our new electric rates. And once again I want to thank everyone who has been a part of this to sit up here and see such a consensus that I know it's been a very long effort. It's very appreciated from the dais and I know I speak for everyone, but I'm sure everyone will speak to that also.

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>> Mayor Adler: And the motion to approve this on all three readings includes the rate schedule on the yellow sheets as handed out. Does this reflect the option 4? >> Pool: Mayor, I'll second as vice chair. >>

Mayor Adler: All right. Do the yellow sheets reflect option 4? Yes. It's been seconded by councilmember pool. Discussion? Gentlemen, Mr. Zimmerman. >> Zimmerman: That you are. The quick question I have, I was out earlier and we had some issues with my little son. He's doing great, by the way, but we were at Dell children's hospital earlier. It's all good. Quick question is have the -- all the parties that contributed to the settlement, they are all advised about what's being proposed here by moving some of the rate savings from the highest tier to the lowest, are they all on board and they've all been advised and -- if we were to change what they came to us with originally, it's not going to unravel or threaten anything they've already done. >> Mayor Adler: My understanding is because we stayed within the parameters for the residential rates they are okay as we have moved that around. Is that correct, mark? >> Well, let my say first that the consumer advocate is here if you wish to have a word with her, but the rates settlement document or the joint agreement of the parties document that we provided you does not have the specific rates laid out for residential customers. So by adopting option 4, you are not changing the settlement document and it's my understanding that we're operating within the bounds of the settlement document. I can't say that we had reached out to every one of the parties, but we've spoken to many of the folks who are in the room today and it is my understanding that everyone understands that this incremental change for

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residential tier option 4 is within the bounds of what we agreed to and we will be sending out following your action here if you were to adopt option 4, we'll be sending out a notice to all parties to assure they are on board. >> Zimmerman: I appreciate the of a mission and it makes -- of a mission. The only remaining concern I have is even within the consumer class, you know, our constituents will say, well, we thought this was really supposed to be based on cost of service. And it seems like but correct me if I am wrong, we're moving away from more of a cost of service focus. Irrespective of whether somebody makes a million dollars a year and lives in an efficiency condo downtown or whether they are really struggle, irrespective of that, it seems like we're moving away from the cost of service and we're trying to do some kind of economic equity argument and shifting the highest pairs to -- down to pay for some of the lower end users. It seems like a shift of focus is all. But -- >> Well, I would just note that the studies were based -- were all based on cost of service, but at the end of the day there was give and take among the parties to come up with a final revenue requirement and the allocation across the parties. >> Zimmerman: Okay. Thank you. >> Mayor Adler: Okay. Any further discussion? Mayor pro tem. >> Tovo: I think I've said this before, but I just wanted to say again great thanks to the staff and all of the community members and really to the community members who during the first rate case a few years ago expressed this vision of having an independent hearing examiner and a process and a consumer -- independent consumer advocate. I just feel this process worked so very well and in part it was because we had not just our great city staff

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providing us with information, but we also had independent voices speaking on behalf of some of our users. And so -- [applause] I think that really great thanks to those of you who suggested it and advocated for it. I think it's really made the process just much more -- just a much smoother one from this side of the dais. >> Mayor Adler: Councilmember transaction Claire. >> Troxclair: I just want to understand the trade-offs. This is the first time we're seeing this tier 4 probably, right? >> Mayor Adler: Yes. >> Troxclair: And I guess this is such a big decision I'm uncomfortable this is the first time we're seeing it and looking to take a vote. Immediately. I want to make sure that we understand the tradeoffs. This certainly seems like I guess the easy solution because everybody sees a little bit of a decrease in

their rates, but I want to make sure that we're understanding the tradeoff. I heard councilmember Zimmerman talk about cost of service and we're getting away from trying to get as close to the cost of service as possible for the different tiers and it seems like the other tradeoff is stability, dependent on the weather. That this -- this option is going to provide less stability for the utility if there's cooler weather. And then, of course,, I mean I guess clearly the tradeoff is for anybody in the 3, 4 -- third, fourth or fifth tier who was going to see less of a decrease in their bill if we adopt this option. >> Yes, that's correct. All of these decisions on the tiers involve some balancing among different customers who will receive different degrees of benefit and the issue of how much revenue the utility is dependent on in the top tiers and lower tiers. And so the more revenue that is packed into the upper

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tiers, the more variability there is in what our long-term revenues will be. And as you said, it's just a tradeoff that we've been grappling with. >> Troxclair: And can you remind what is the breakdown of general percentages of the customers who fall into the different tiers? >> I have that -- so for all customers, about 17% have average usage over the course of the year in tier 1, and 45% in tier 2. 22.5% in tier 3, 11% in tier 4, and about 4% in tier 5. For cap customers it shifted a little bit so that there are fewer customers in tier 1 on average over the course of the year and more in tier 3 and tier 4. And so those numbers are 13.5% in tier 1, again 45% in tier 2, 28% in tier 3, and 12% in tier 4. Annual -- and only 1% in tier 5. >> Troxclair: So because there's a greater percentage of cap customers in tier -- well, yeah, in tiers 3 and 4, this is also -- we're also making the decision to not give those customers as much

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relief as they could. >> Well, I think the discussion on Thursday was to -- while making the adjustment to tier 1, to keep as large of a decrease in tier 3 and 4 as possible to ensure that cap customers who do have that variability would be benefited. >> Troxclair: Sure. And I can tell that you made that effort, but it's still -- I mean tier 4 we're talking about \$26 so it's pretty significant. >> Casar: Ellen, I think actually for cap customers it's different for noncap so a couple pages later in the presentation, cap customers in tier 2 actually see a little more of a decrease under option 4. In tier 3 it is about a \$6 difference, but in tier 1, those cap customers in tier 1, of course they are spread up, wind up not seeing a change in their bill as opposed to a \$7 increase. I think in the end you are right that our -- that the settlement maybe I think is better for those tier 3 and tier 4 cap customers who are a lot of people in the summer, but then I think there was a good point made that cap customers -- our cap program is a really good way of measuring who is on assistance programs and is automatically enrolled in cap, but people that have a little higher income than that that don't get in the cap program, that cap may not be the -- necessarily the best surrogate for that because those folks may have higher bills and be driven into lower tiers. In the end this is just, I think, really close to what the settlement is but just with a little steeper slope from 5 to 1 is really the way that I think about it. >> Pool: And the other piece to remember is everybody in tier 1 at some point until they go up. So they also get the savings that it's now moved down to tier 1. So in the end they may actually have that same

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aggregate amount. >> Troxclair: So ultimately, I mean, ultimately is this staff's recommendation? Or does staff recommend that we continue with the original proposal? >> Well, I think -- from the staff perspective we would say that the original proposal in our view strikes a balance on long-term revenue stability that is more favorable to the utility and we would like to make a little more incremental



progress there. But given the parameters that the council discussed on Thursday would lead this to the best option to meet those parameters. >> Troxclair: The last thing I will say, I echo all the accolades for the work that has gone into this. I am excited that we're going to be able to reduce -- ultimately reduce rates for customers. I do wish that there had been a little bit more discussion on the council of some other options that were identified during this process that weren't maybe fully discussed, like the elimination of the direct transfer from Austin energy to economic development department, that I think was actually removed from our budget concept menu last week. That is additional money that could have been applied to go towards lower utility bills and things that were recommended by the hearings examiner. So although this is a really good step in the right direction, I do think there was more that could have been done hope that the council will keep that in mind when we go into the budget process and take some of those suggestions seriously about the specific -- the specific things that could be done to address affordability, that was certainly one of them.

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>> Mayor Adler: Just before we close, I just want to add my congratulations and my appreciation to everybody that was involved in this process as well. We were up in front of the legislature a year ago talking to legislators who have also a concern about what we're doing at the same time we were having conversations in the community about issues all the way in fayette to rates, at the same time we were having conversations in the community about cost of service and having a transparent process so that everyone had the same numbers. For the record, what we did was unprecedented in terms of transparency and cost of service studies, in terms of making data and information available to the community. And you just had to hope when everything was laid out on the table and everybody had the numbers that we would get to a common understanding and what you have delivered here in terms of a near unanimous consensus is -- is pretty wonderful. And I just want to add my appreciation to everybody that was involved in this as well. Ms. Garza. >> Garza: I don't mean to be Debbie downer with all the thank yous, but this option 4 I feel is essentially what I asked for last week and I thought I was told then this could create a situation where the -- all the parties involved in the settlement could possibly start dropping out because of the -- I don't remember, severability clause but this isn't going to affect the settlement. I know there's a lot of work put into this and I'm very appreciative of that because it's important that we all understand the options that we have to -- to deal with.

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But I hope that these are -- in the future we have this option and not have to, I feel like, dig and dig and dig for it because it sounds like staff had their recommendation, and I absolutely understand it and we need to be conservative with how we decide what to do with the reserves and how to replenish those reserves, but we also need to be able to have the option that says this is also a good option, we won't replenish our reserves as quickly, but you could do this too. So I hope that in the future we're given those options and we don't have to dig for them as much. But that being said, thank you for all the work. >> Mayor Adler: It been moved that we adopt this ordinance all three readings with the rate sheet as handed out on the dais. Those in favor please raise your hand. Those opposed? It's unanimous on the dais and passes. [Applause] >> Thank you. >> Mayor Adler: Council, does anyone want to discuss today the concept menu today? Or do we want to hold that off for tomorrow? What are people's preferences? Does anybody want to talk about the concept menu? Raise your hand. [Laughter] >> Mayor Adler: All right. Then we're going to go ahead and move past that for today. >> We're going to quit while we're ahead. >> Mayor Adler: I'm then going to go ahead -- Ms. Troxclair, did you want to say something? >>

Troxclair: Did you have and I don't know if I have an updated list in front of me, did you have a new spread sheet that you distributed with highlighted items for you are targeting? For removal?

[3:11:42 PM]

>> Zimmerman: Is there one with the Zimmerman items removed yet? [Laughter] >> Mayor Adler: I haven't -- I haven't handed out one. We have to talk to Ed and question would be for staff if they haven't already to post the up to date spread sheet. Ms. Houston. >> Houston: Mayor, I've deleted some of those because they are found somewhere else or don't have the money to fund them. >> Mayor Adler: And you've let Mr. Van eenoo know. >> Houston: Thank you. >> Mayor Adler: And this meeting stands adjourned. Ms. Garza, I'm sorry. >> Garza: If one person put something on the concept list, sounds like councilmember Houston, you put it on so you are just taking it on by yourself? Is that the -- because I'm in a similar situation and I didn't know if somebody didn't put their name on something because they thought, oh, it's already on there so I'm not going to put my name on it. I just want to understand the process. >> Mayor Adler: My sense at this point is people can make nonsubstantive changes, if there is something on there twice and it's a nonsubstantive change that helps clerically, I would let Ed know that. At this point that menu belongs -- belongs to all of us. >> Garza: That's not what I heard. >> Houston: So let me explain. I put place holders for all the quality of life initiatives. That place holder is still there with a total amount. People have subsequently put individual items that are part of those quality of life initiatives so I'm asking they remove that place holder that I put for the asian-american, the African-American and the hispanic quality of life. Because those things are incorporated by somebody else on the -- >> Garza: So you didn't take anything off, you just took away duplicates? >> Houston: I only took away things that I put on that were

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place holder so like for the hispanic quality of life I put a place holder for \$3 million. But I didn't have any of the particulars at the time that I did that. You all have the particulars so there's no reason to keep the place holder there. Does that make sense? >> Garza: So you took off the entire -- that's okay. I'm confused, but that's okay. >> Mayor Adler: I also have another place holder on there as well. Ms. Garza, I also have a place holder, I think it was \$3 million for things that would also could include the quality of life commission elements as well. Okay? Ms. Troxclair. >> Troxclair: I wanted to understand going forward because I don't think -- I think the process that happened last week was maybe different from what we had done in the past where there was a highlighted list that had been highlighted by you and those were the items that council took up. Is that how you planned to proceed going forward is that you are going to identify these items to talk about? >> Mayor Adler: It doesn't have to be me. Anybody can do that. I have just urged us from a legal place that if you are going to move -- make an effort to remove something from an agenda, that you give -- off the menu, that you give everybody notice so someone doesn't just show up at the dais at this point and find that they are having to defend keeping something. Which is what I had done before was by way of notice and it included not just things that I had identified, but things that staff had asked me to have the council address for the reasons we had done before. So I think we should still do that. I think if people I think if people have ideas of things they should add to it or certainly remove, that we post that to the bulletin board so everybody gets some measure of notice. Okay? >> Troxclair: Do you know when you would take this up

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tomorrow? >> Mayor Adler: I would anticipate that tomorrow's schedule probably will have us starting with a briefing at 9:00. Let's see if we can have as many people there. We're anticipating all 11 of us being here tomorrow at like 10:00. And we had talked about going back into executive session at 10:00, maybe from 10:00 to 11:30ish. We could while back there consider the other executive session items that are set for our work session tomorrow. And that would then have us coming back out right after lunch to cover the remaining briefings as well as any pulled items. Mayor pro tem? >> Tovo: Mayor, I think we're scheduled for a budget session on Wednesday. Since we have so many other things to tomorrow's agenda, we could also do the concept menu on Wednesday when we're scheduled to talk about budget. >> Mayor Adler: That would make sense too. >> Casar: That would be my preference. >> Mayor Adler: Let's plan on that. The staff will be there on Wednesday to help us with those kinds of items. At this time we're adjourned for real.