

City Council Budget Adoption Reading Transcript – 09/14/2016

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[10:14:45 AM]

>> Mayor Adler: For councilmembers in the back, we're getting close. Okay. Are we ready? We're going to call us into order. It is 10:16 on September 14th. This is the continuation of the budget, et Al., hearing.

[10:16:46 AM]

We are in the council chambers at 301 west second. I'm trying to -- so yesterday we worked through our budget. We were at approximately \$140,000 undesignated at that point. We have a pending motion on the -- on the dais. So we'll go back to where we were when we took our recess. My understanding is is that after that there are some other potential revenue items that people want to raise to raise some additional revenue after we've gone through all the revenue items for potential revenue, then we can -- if there's additional undesignated revenue, we can talk about how we might designate that undesignated revenue. And hopefully that gets us to where we want to go. Mayor pro tem.

>> Tovo: That sounds like a good plan. I just wanted to explain one thing so if people are looking over my potential amendments it's clear. I handed out a sheet today -- two things. One is I still have some items on the sheet I handed out earlier this week that I'll be revisiting today and I haven't handed that out again so if anybody needs a copy, I'll go get some. The second thing is the sheet I gave today, proposed budget changes September 14, has two items on it and because I didn't number them with a heading, it looks like they are related, they are not. They are two separate proposals. So the sheet that looks like this are two separate amendments. And so at the appropriate time I'll be making those in addition to some of the ones still left over from Monday.

[10:18:48 AM]

>> Mayor Adler: Okay.

>> Casar: Mayor, since my motion is still pending can we dispose with that one?

>> Mayor Adler: We can, we're talking about scheduling for the day and councilmember kitchen raise her hand so on that more general thing, Ms. Kitchen.

>> Kitchen: My thought would be, you know, depending on what people want to do and what I think I would prefer is to go ahead and go back to going through the -- going through the potential additional reductions at this point before taking up -- because we had a number of things that we talked about yesterday, and one of them got into the form of a motion and the rest of them we tried to talk about them. So I think from a process standpoint, it would certainly help me if I could understand our universe

that we're working with. And we did yesterday raise the idea that there may be some additional funding from some places. And so I -- I would prefer that we go back, that we leave that motion on the table and that we go back and look at what our other potential reductions are because for me that will help me keep with the process of, you know, here's our bucket of reductions and here's our bucket of what we want to spend them on instead of starting to go back and forth. So that would be my preference. I don't think I'm going to be able to vote for any additions until we finish that process.

>> Garza: Mayor, just a general procedural, housekeeping that was brought to my attention. You mentioned at the beginning of our proceedings that you would not be calling out councilmember troxclair's absence at each vote, and I think that's the right thing to do when a councilmember is off the dais for an extended period of time for an illness or maternity leave or sickness of a family member, but I would just ask that we apply a uniform policy moving forward.

[10:20:50 AM]

I was not extended that same courtesy when I was off the dais, but I think it is the right thing to do so I would just ask moving forward that we apply a general rule to when councilmembers are gone for personal or for illnesses.

>> Mayor Adler: I just hadn't thought of it then. There was nothing intended by that, but as we evolve that makes sense to me rather than repeating it each time. It makes it harder I've been told for the record when someone goes back to the record because they might go to a specific item and when they go to a specific item they can't see -- they don't know to go up to the beginning to see who was there or not there. So -- but I don't have a problem. It just makes it a little less transparent for someone that is going back and looking at the record if they are telescoping into a particular issue.

>> Tovo: Mayor?

>> Mayor Adler: Yes.

>> Tovo: Like in the drafting of the minutes that item just be applied to each -- you know what I'm saying?

>> Mayor Adler: You mean in terms of the recorded vote as opposed to saying it out loud Z right, even if you don't say it out loud, that could still be included after each individual item. It may already be, I'm not sure.

>> Mayor Adler: That I think happens. That I think happens.

>> Garza: It's the fair thing to do to not public electrically lick -- publicly apply every time but we apply the policy to all councilmembers.

>> Mayor Adler: Yes. Okay. All right so we have a motion on the floor. Greg, I don't know if you want to table that or whether we should have a vote on Ms. Kitchen's request to table that pending additional revenue issues.

[10:22:52 AM]

>> Casar: You know, for me there are -- I have a pretty significant list of other things that I would like to see funded as well, but this one at this point rises to the top given that our employees are not only getting a 2% but they are getting 2% solely in the year and -- so late in the year and at the end of the day my preference was to zero it out and do this. For me I would still like to take a vote on this, see what other revenue gets generated and talk about priorities but this is the highest for me. If the rest of the dais wants to take a vote, it's my preference to take a vote on it this time around. My preference is for it to actually be at the 250 level that councilmember pool laid out, but for now I'd like to just take a vote on that, level us out and then we're starting afresh. That's just me though.

>> Mayor Adler: Ms. Kitchen.

>> Kitchen: Well, of course it's the will of the dais. I feel like that's unfortunate and as a councilmember I'm asking for you to wait so that I might be in a position to vote for it. I cannot at this point because of a number of other items that are in front of us concerning employees. And so, you know, you guys can go ahead and take the vote if you need to, but I think it's out of place and I would like to be able to vote for it but I can't at this time.

>> Mayor Adler: Okay. There has been a motion to table this fund until we have gone through -- see if there are additional resources. Is there a second to that motion to table?

[10:24:52 AM]

Ms. Houston seconds that motion. Then we'll take a vote on that. Mr. Zimmerman.

>> Zimmerman: Just point of order, I can't remember, was the motion to table debatable?

>> Mayor Adler: Yes.

>> Zimmerman: I would like to speak against the motion to table. I would like to go ahead and get a vote on this and see where the council is. I'd like to give a Christmas rebate to taxpayers even if it's 25 cents. So I would like to have a chance to vote because I think our taxpayers deserve a break more than the city employees.

>> Mayor Adler: Okay. The question is whether or not to table the motion to spend \$140,000 approximate number by moving up a pay period, the merit raise. Those in favor of the postponement please raise your hand. Ms. Kitchen? And Ms. Houston. Those opposed? Does not pass. Now we're back to the motion from Mr. Casar. With Ms. Gallo off the dais. The motion is to spend roughly -- what was the cost for the one pay period?

>> Casar: It was -- Mr. Van eenoo, unless you have an updated number what you sent yesterday was 127-five.

>> That's correct.

>> Mayor Adler: Motion to spend 127-five moving that up one pay period. Ms. Kitchen.

>> Kitchen: I should be more specific. One of the reasons I feel like I cannot get vote on that is because one of the reductions that I brought forward yesterday I'm now wanting to revisit and that has to do with one of our staffing from our human resources division. I was brought to my attention earlier that -- that eliminating the position we eliminated is going to cause a lot more difficulties than was conveyed to us because there's new information.

[10:26:55 AM]

And so I was planning on bring that up at a later time. If we use all of this funding, we won't be able to do that.

>> Casar: I think we may only be a few thousand dollars short in that situation because we have a million four up and this is a million two five or -- excuse me. I haven't had my coffee yet. That we have 140,000-.>> 145.

>> Casar: Now we're putting 127 to this.

>> That's correct.

>> Kitchen: This position is about 40-something that we would need to --

>> Casar: This is still a higher priority to me, but I understand that. And I would just indicate that you could vote for this and then we could -- and then we could keep on working on the other departments.

>> Kitchen: I would prefer to do it in the other order.

>> Mayor Adler: I'll take a vote. Those in favor of the \$127,000 expenditure for this item designation, please raise your hand. Those opposed? Zimmerman, Houston, kitchen voting no, the others voting aye. Gallo off the dais. Mayor pro tem.

>> Tovo: Mayor, I wonder if it makes sense to -- to just spend no more than, say, one minute per councilmember of just kind of top -- top things we want to go through? Does that seem like a strategy that would work?

>> Mayor Adler: Do we want to start with whether we have revenue items?

>> Tovo: Yeah, I mean, but I'm just wondering if it makes sense to hear a little bit from every person and then dive in.

>> Mayor Adler: I don't have a problem with doing that. Let people know the universe since we're off the concept menu.

>> Tovo: Not discussion, not deliberation, sort of a one minute if you have items go down the dais so we can get a sense of where we're going in this next piece of pie.

>> Mayor Adler: Makes sense to me.

[10:28:55 AM]

Does anybody want to go first? Ms. Garza.

>> Garza: I guess any additional spending --

>> Mayor Adler: We're talking about revenue items.

>> Garza: Revenue items.

>> Casar: Actually, I hate to interrupt, but part of me actually -- maybe we go through the revenue stuff, but it would be helpful to hear what some folks' top priorities for little things so I know when we're getting to the revenue points.

>> Mayor Adler: I think it would be good to have both universes. Let's go through revenue first and then another revenue on possible how we spend any additional revenue.

>> Casar: Thank you and sorry for --

>> Mayor Adler: Revenue items.

>> Garza: My revenue item was the one I mentioned yesterday, the ctm relocation. If it's possible to defer -- there's a bunny -- and you-time moving cost of two point something million but I know half of that has been deferred till next year. My question is how much more of that could be deferred.

>> Mayor Adler: Okay. Does anybody have any additional revenue items they want to alert people to? Yes. Mayor pro tem.

>> Tovo: I have a couple. Two I just handed out. One is to -- is a little too complicated for me to go into in a short way, but if it works would net about \$100,000. And then the second is to use an existing fund to do temporary restrooms in a particular location. Then I have on my sheet from Monday the security light installation piece, which would relate to lighting infrastructure, one of the concept menu items. And then I have potentially a couple additional positions to look at and discuss, and I also have had just a very brief email exchange with Mr. Van eenoo when councilmember troxclair brought forward the proposal to look at -- eliminate -- cutting commodities budgets.

[10:31:13 AM]

I forgot the other piece of that fund. Commodities and blank budgets. And we had a discussion a couple days ago about that. There were just particular departments called out for that potential cut. And there are some others within support services and we might want to look at applying the same cut to their budgets as well. I think we also promised that we were going to come back and revisit how that was going to be applied and we haven't done that yet. But as we come back and look at that, we might also consider whether we're extending that to some additional departments other than the ones we talked about on Monday.

>> Mayor Adler: Okay. So just to make sure I'm clear, you mentioned several things. The first thing you mentioned was the \$100,000 for the second street tax increment finance. Is that right?

>> Tovo: Yes.

>> Mayor Adler: If that money were obtained, does that have to be spent down or is there limitations on how that money is spent?

>> Tovo: Yes, that's why I think that's a longer conversation, but that's something that is on that sheet. So there is -- the short answer is yes, the money within that fund has to be spent in a particular way. However, there's a general fund contribution each year to that fund of \$100,000. Last year there was a contribution of \$600,000 to help them meet some unanticipated expenses that we can hear more about. And my -- my reason for putting this forward would not be to be spent in that -- within the restrictions of that fund, but to move it into the general fund as a partial repayment of that \$600,000 that was 500 of which was in excess of the \$100,000 commitment. So my -- if I -- and I think we need to hear from our staff at the appropriate time about it, but under my line of argument, that would not then be restricted.

>> Mayor Adler: Right. So it's 100,000 that could be spent anywhere in the gf budget.

[10:33:13 AM]

>> Tovo: And the second is -- it wouldn't result in any general fund savings or ability to use it in any other way. That's my suspected proposal.

>> Mayor Adler: Is that also on this page?

>> Tovo: It's the second one. That's why I suggested everyone number them because they look like they are related.

>> Mayor Adler: Help me understand 2.

>> Tovo: We have a fund that is the I-35 maintenance fund. It's restricted to the maintenance and operations of these parking lots and my suggestion and really this -- I just want to say at the appropriate time councilmember Houston, I hope, will make the motion and speak to the need because she is really the one who has educated me about the real need to have a temporary restroom in that location. But this is a funding source that I identified that I believe would be appropriate to funding a temporary restroom in that location. We would need the approval of txdot. Again, that doesn't result in any funds that are available for any other use, it would be using one of our existing funds for a purpose within what it appears to me are the requirements of that fund.

>> Mayor Adler: Got it. So in addition to those two --

>> Tovo: In addition to those two, on the -- I feel like I'm talking too much. More than a minute. In addition --

>> Mayor Adler: I wasn't asking so much the policy reasons as much as I was just trying to understand.

>> Tovo: For more than the one minute, I suggested everybody restrict themselves to. On the sheet I handed out Monday there was an item under parks and recreation that we haven't discussed and that is to allocate funding from the ae capital budget which is used for lighting installation for some of the lighting installation promise that were noted on the concept menu. That again doesn't result in -- is not a revenue generator, but it is a shift so I'm mentioning it in this section. And then my other couple --

>> Mayor Adler: Wait, wait. So that's in this now. So that -- that was taking \$50,000 that had been general fund money for those lights and asking that it be paid out of the Austin energy budget.

[10:35:18 AM]

>> Tovo: There are two different -- there are two different proposals. One is to take the 50,000 that we know is being spent on -- on electrical service for security lighting and pay for it in the way that's been incorporated into our base budget.

>> Mayor Adler: Right.

>> Tovo: The other deals with the installation, which is more appropriately attributed to the capital -- the capital budget of ae and that's what we haven't yet talked about, the capital budget, which is the installation of that security lighting at the parks in 78744 and 78745. Two separate things. One is already incorporated into the budget. I'm going to suggest through budget direction we continue that investigation because we still have information to get, but the capital budget item is something at the appropriate time I'm going to suggest we use a portion of the capital budget for that installation.

>> Mayor Adler: That we use a portion of the ae capital budget for the installation. It's not a net revenue change, it's giving direction out that should be spent within ae.

>> Tovo: Yes.

>> Mayor Adler: Got it.

>> Tovo: And then the other areas that I think we should consider if there are sill priority needs we're looking to fund, I believe there are a few positions that I am looking at and may or may not bring forward after I do a little more research. And then as I mentioned, we did apply a percent reduction to come millions of dollars disbudget -- come millions of dollars disbudget, I hope it's not going to impact -- we did not ask staff to look at every department, we received a small universe of departments and I believe there are others within support services we should consider for a similar reduction if we need to.

>> Mayor Adler: Got it. Thank you. Is anyone else going to propose any other revenue coming to us? Ms. Houston.

>> Houston: Thank you, mayor.

[10:37:19 AM]

Yesterday I passed out some information about what we provide for Austin independent school district throughout the department. And I want to ask if two of those things are not direct student services. One is automobile and other passenger vehicles for \$16,000 and one is for ground maintenance, mowing, edging and planting for 34,000. There's some other things about studio equipment for 350,000, cable construction, installation and maintenance for 300,000. But if we just focus on those two that are not directly related in any way to student services, maybe we could have some revenue found in those two items.

>> Mayor Adler: And that's the auto one and the mowing.

>> Houston: And the grounds maintenance one.

>> Mayor Adler: Grounds maintenance. Okay. Any other revenue items that people intend to bring?

>> Gallo: Ask a question on councilmember Houston's -- I know some of our schools are also public parks, we do some sharing on some of those. When we get ready to discuss this, could we have the parks department or whoever would be responsible for that address that? I just want to make sure if it's a shared use park playground that we do participate, but I appreciate your bringing --

>> Houston: I'm only highlighting those so we can have a conversation about what --

>> Mayor Adler: We got that.

[Multiple voices]

>> Gallo: I think you brought up really good points.

>> Mayor Adler: The staff we want to talk to would be the technology staff with respect to the relocation. It's going to be -- the ae staff talking about the -- the cip. It's the I-35 maintenance fund. It was the -- the second street increment tax financing fund.

[10:39:22 AM]

It was the commodities budget with respect to support services. And then the aid or park relating to the auto and the mowing. Others? Yes, Ms. Kitchen.

>> Kitchen: I don't know if that falls into what you are trying to understand right now, but -- well, maybe it does. I have a number of budget riders that are neutral that may be transferring one to another or maybe giving direction to a department to find the funding for certain things. But they don't have an impact on the bottom line. So do you want to deal with those later or do you want me to tell you what those are.

>> Mayor Adler: Why don't you tell me what those are and see if people want to consider them. If we knew what we were doing and giving direction to it, I think at this point we hold off until we get to discussion question. If what you're doing is changing a function or changing a funding element, then I think that falls within the kind of discussion we've been having so I think it needs to daylight now. Mayor pro tem.

>> Tovo: I would say the transfers it seems to me would because that's really an amendment rather than a direction. I would think. That's a budget amendment.

>> Kitchen: There's only one transfer, but it's already in what we've been talking about already and that has to do with the flood buyout. The rest of these are direction. And so for -- I could give you an example.

>> Mayor Adler: Okay.

>> Kitchen: So one of them is -- the direction to parks, and this is something that we talked to parks about, and just has to do with fixing some items related to health and safety and flood repairs within their existing budget related to umloff gardens. It's something we've worked with pard on and it's just memorializing what they've let us know they are able to do so there's not a change in the budget. There's that one, then there's there's -- well, there's a number of other ones like that.

[10:41:27 AM]

The script for 311 related to elder abuse, but again that's something we worked out. There's not a budget impact. There's -- you know, yesterday I had mentioned the victory tutorial program. At the right time I'll be looking at including the -- the parameters for that rather than funding that individual program, but including the parameters for that type of program under another funding category. And we can talk about where it might go. The rest of these are really in the -- are really directions.

>> Mayor Adler: Okay.

>> Kitchen: One other thing and I'm not sure where this falls. That's why I mentioned before I would like to revisit the fte that we cut out of hrd yesterday, so --

>> Mayor Adler: And which one of the ftes was that?

>> Kitchen: It was -- it was the human resources consultant. Whenever you are ready for it, they can speak to it.

>> Mayor Adler: Okay. Let's hear from staff on some of these items then. Yes, mayor pro tem.

>> Tovo: Sorry, I didn't mean to say hang on. Mayor, should we do the same thing with potential revenue sources with potential additions? Councilmember kitchen mentioned one. I have one.

>> Mayor Adler: We could certainly do that or we could have staff speak to these -- I wasn't going to have us vote on anything yet. We could certainly do that.

>> Tovo: If we could spend the same one minute. So I had one item that was on the concept menu with sonarship sponsorship that we haven't addressed, a contract with a law firm for anti-discrimination cases. We had a resolution last spring, there were several parts to it. The staff came back, they -- we gave the direction -- well, let me just cut to the chase.

[10:43:30 AM]

Several options for handling appeals for discrimination, harassment retaliation that the staff offered to us. The one that offers I believe the most potential is to contract with an outside law firm and so at the proposal time I will be making a motion assuming we identify any available funds to do some portion of this. I had it on the concept menu for 225 because that's what our staff recommended in terms of the fees, but the reality is that it will be several months to set up a procedure, but -- and any available funding would be better than none. So I will be making a motion for a smaller amount. I believe that's the only addition I have to offer today.

>> Mayor Adler: Any other additions for uses of funds? Ms. Gallo, then Ms. Pool, then Ms. Kitchen.

>> Gallo: At some point during the day today, I would like to bring up and give the different utility departments the opportunity to do something similar to what I was so proud we did with Austin energy in our rate case where Austin energy's department came forward and figured out a way to reduce their budget such that the rate case resulted in a situation where our electric utility bills will go down in all of the different categories and I want to give our other utilities the opportunity to do that. Having water department available and Austin resource recovery would be good at some point and I would like to talk about all those. It looks like that all of the rest of the fees related to utility bills are projected to go up and I think that we at least need to have the discussion of the ability with those departments to look at being able to keep those fees the same as last year without an increase. So whenever you feel like that discussion is appropriate, it's really a revenue neutral from the standpoint that what we would be looking at is a discussion where the utility bills would stay the same.

>> Mayor Adler: This will be the water department and the -- did you say -- was it just the water department?

[10:45:34 AM]

>> Gallo: Austin water department, Austin resource recovery, discussing the clean community fee, the transportation user fee and the drainage utility fee.

>> Mayor Adler: Okay. So the staff you would want would be water department, Austin resource recovery --

>> Gallo: Transportation, public works.

>> Mayor Adler: Transportation and public works.

>> Gallo: Because the transportation user fee is both transportation and public works.

>> Mayor Adler: Okay.

>> Zimmerman: Mr. Mayor?

>> Mayor Adler: Hang on a second. I'm still with Ms. Pool, I'll get back to you.

>> Gallo: Gallo, but that's okay.

>> Mayor Adler: You were done, then it was Ms. Pool. This time I had it right.

>> Gallo: Thank you, the day is good.

>> Pool: I have a revenue item to lay on the table for a potential change that looks like it could free up maybe the 50,000 that we're looking for that we talked earlier about this morning. Mayor, we had talked about potentially deferring the contract negotiations by one year. Is that right? On the three uniform contracts that we have?

>> Mayor Adler: Yes.

>> Pool: Pending. Volume 2, page 144 has the public safety contract negotiations scheduled for next year and then the budget of \$350,000 for outside legal and then a compensation study for public safety positions. I'm wondering if we might be able to delay or defer a portion and we can find out from staff if

we are delaying the actual negotiations for a time, then we can also I think defer the spending allocation to pay for that work because we won't be doing it until later.

>> Mayor Adler: We have in the current budget right now a revenue source that comes from the delay of that deal so, I mean other than negotiations we're able to do that in the amount of \$425,000.

[10:47:46 AM]

>> Pool: So you've delayed the entire piece of it?

>> Mayor

>> Yes, the 425 came from those items.

>> Mayor Adler: Already in. Anything else the people are going to want to put? Ms. Kitchen.

>> Kitchen: You asked what some of our priorities were we to determine the official funding. I share the interest councilmember Garza has looking at the ctm, but my priorities in terms of if we were able to locate additional funding would be to get back to the manager's recommendations with regard to -- I think these are manager recommendations, but to get back to the quality of life -- not quality of life, to the cost of living amount for health and human services. Yesterday we were able to find some additional dollars for health and human services, but we did not get them back to the level that we -- that they were at before. And that requires another, I don't know how much that is, a couple hundred thousand, maybe 100,000. That would be a priority for me. I would also like to get the senior exemption back to what was in the manager's budget which also requires -- I'm not sure the exact amount, but if we get to that it's a couple hundred.

>> Mayor Adler: It would be 400 to take it all the way to what the manager had.

>> Kitchen: No, we took part of it away yesterday.

>> Mayor Adler: We did. It was 800 total, we took it halfway. We took it up to the first 400 yesterday. To take it the rest of the way -- 82 five to 85 would be the same 400. Because the total is 800.

>> Kitchen: Whatever it is, I would like to get as close as we can because that was in the manager's budget. But the other thing very important to me is the health and human services funding which we are also have not gotten back to where it needs to be.

[10:49:49 AM]

>> Mayor Adler: I understand. Anything else for -- Mr. Zimmerman.

>> Zimmerman: Thank you, Mr. Mayor. First let me echo the remarks that councilmember Gallo just made. I'm going to be joining that effort to rein in some of the fees with the utilities. I gave you a budget amendment that will come up on item 2 about getting some equity in the spending in the V.I.P. -- in the cip plan 1.4% of expenditures going to district 6. District 9 is getting 30% of the capital funding. District 6 gets 1.4. So I'll bring that up in the next agenda item of item 2.

>> Mayor Adler: Okay.

>> Zimmerman: Also I want to acknowledge that the Texas campaign for the environment did a very good -- they have a professionally organized and executed political campaign to tell people they should spend more to be forced to do composting and now the blow-back is starting to come in. People are upset about being forced to pay extra for composting. That's part of the utilities that I want to have another discussion and vote on.

>> Mayor Adler: Okay. Mayor pro tem. Ms. Houston first, I'm sorry.

>> Houston: Thank you, mayor. I passed out today one of the positions -- two positions for -- to add to code department to begin to inspect -- inspect and register homes that are unregistered currently. It's a public health and safety issue to the community. We've been working on this since 2009. And so you should have that on your desk. This should be budget neutral because it's -- it's fee based. The other

thing that's on the concept menu is additional funding for the three minority contractors associations so they can do more capacity building, looking at the commodity code, ensuring that their membership is up to date and can actually bid on some of the city services that tend to go to the same people.

[10:51:59 AM]

So that's -- that's going to be \$150,000 that I'll be trying to get. And again, as I said yesterday, I tried to raise the quality of life initiatives from the Asian, African-American and hispanic Latino quality of life up a little bit. It failed yesterday to get any support to put \$300,000 in all of them so today I'll be asking for 200,000 to go back into those three.

>> Mayor Adler: An additional 200,000 to the quality of life. Okay. Mayor pro tem.

>> Tovo: Mayor, in terms of thinking about our day, councilmember Gallo, I think I understood your proposal that we have a discussion about fees going forward and reduction of costs going forward.

>> Gallo: So the motion I would make would be -- because it's my understanding that the structure of the fees and the fee increases are part of this discussion is the motion I would be making is the fees would be set, would not be increased and would be the same fees leveled that they were last year and I think we need to give the departments the opportunity to address that and let us know if that could be obtained.

>> For next year?

>> Gallo: What we are approving as part of the budget fee structure.

>> Mayor Adler: The fee approval that we'll be voting on --

>> I think it's agenda item number 3.

>> Tovo: Would hold true for next year's budget?

>> Gallo: No. The budget mentioned agenda item number 3 was where we approve fees. So the fees I would like us to discuss are the fees that show up on our utility bills and all of those are projected to go up. My motion would be to keep the fees at the same level as last year.

[10:54:01 AM]

>> Tovo: I gotcha. Thank you.

>> Gallo: Sorry for the confusion.

>> Mayor Adler: Ms. Garza.

>> Garza: My one minute of if there is additional revenue, it would be any -- any additional to health and human services. We are -- we were able to get where we're suppose to be, but we weren't able to get to the full 3% increase for contract capacity, but -- cost of living increases. And I would agree with councilmember Houston that I voted against increasing some of the quality of life yesterday because there were other things that I wanted to see how we could get into this budget, but I would be supportive of an increase to quality of life if there's -- if there's room for us to be able to do that.

>> Mayor Adler: Okay.

>> Garza: With the particular -- I know we're discussing a budget rider and I don't know where we are on that, but I would like a particular emphasis on quality of life money for mental health services for young women of health.

>> Mayor Adler: Okay. At some point I would like us to consider -- we budget for the fee waivers of city sponsored events and then over the course of the year we actually approved that however many times there are. I've asked Mr. Van eenoo to come to us with a list of all those organizations so as part of this process we could consider approving those waivers now so they don't come up periodically over the year and listing specifically the organizations that are involved. So we just know make that part of this. Anything else before we call up staff to come talk to us? Ms. Pool.

>> Pool: There's one additional concept menu I haven't talked about that I would like to consider. The neighborhood partnering and public works is really popular and does a lot of good strategic projects around the community and it's backed by both financial and sweat equity of neighborhoods.

[10:56:07 AM]

It's community building effort for the community and the neighborhood comes together and says we want to do this and then we are raising money and the city matches. And in the past, if you look at volume 1, page 316, you'll see the budget for the neighborhood partnering program, and staff can more carefully explain where the funds come from, but we don't normally allocate from the general fund. So the amounts that get into that fund are determined by projects that happen elsewhere. And that's why that budget goes up and down and it's fluctuated between 500,000 to 700,000 for the past few years up and down and this year it's just shy of 220,000. 60,000 is about a match for maybe one or two, maybe three small neighborhood projects, so it's a -- it's a modest sum, but it would represent the match for one or more projects at the community level. So 60,000. And I passed out that budget rider yesterday, but I have additional copies -- I'll go ahead and pass it out again.

>> Mayor Adler: Are we ready to call up staff and talk to us about some of these? Ms. Gallo first, then Ms. Houston.

>> Gallo: I just, as people talked about their priorities, as I mentioned earlier, the discussion of how to keep our utility bills, how to keep the increases for fees on our utility bills at the same level as they were last year, which would be no increase, and obviously as we talked about the senior tax exemption, I find it concerning that we're talking about a budget that's \$3.7 billion and we've only been able to fund 400,000 to help the homestead -- to help the exemption for seniors and disableds in our community which means we do not do what we did last year was help them maintain their property tax bills at a constant level and we would not be doing that this year and because of depreciation and increase in the tax rate their tax Billings would go up.

[10:58:14 AM]

I hope this council in our \$3.7 billion budget can find the additional money to increase the homestead exemption for the seniors.

>> Mayor Adler: Okay.

>> Houston: And mayor?

>> Mayor Adler: Yes, Ms. Houston.

>> Houston: My last thing is asian-american quality of life asked for \$10,000 for flu vaccines. And we thought it would be better handled out of health and human services department so that there's an efficiency in scale and then they can make sure that they get the amount of flu vaccine that they need. So I would be looking for \$10,000 to buy additional vaccine to be able to disperse among all the community.

>> Mayor Adler: Okay.

>> Casar: Mayor? I think I can keep it under the minute. I've said it once, but getting us to 250 for the full pay period for the employees would be my number one priority. What we just did got us to December 31, not before all the holidays and if we can't get there, then I think the legal services that the mayor pro tem mentioned would be my second.

>> Mayor Adler: Okay. All right. So let's go ahead and ask staff. Mr. Van eenoo, would it be appropriate at this point to call up the technology people to talk to us about that possibility?

>> I think that would be a good starting point and I believe they are in the room.

>> Mayor Adler: Okay

>> Mayor and corporation I'm Steven Elkins, the I.T. Director in communications management. The item I'm going to talk about is the deferring of the data center relocation. I want to be clear that everybody understands it's not the ctm data center relocation.

[11:00:17 AM]

It's actually the primary city of Austin data relocation. For those not familiar with the data center, it houses the primary computer power for our critical systems across the city which keeps the city up and running. And examples of those things are our financial systems, our permitting system, our asset management systems, our hr systems, our email, those things are things that are managing out of our current data center. The discussions started in 27. In 2012 the city -- the department was given money to do an assessment so in 2013 we actually consulted with Dell computers to come in, their service department, part of their operation to come in and do an assessment on potential risks of our current data center. And what they did was in 2013 they produced a report that I have here in my hand that identifies multiple single point of failures from the electrical standpoint as well as the mechanical. One of the items that was in a report that I would like to read, it says that the data center is fast approaching end of life within the next five years. Its electrical and mechanical infrastructure is 22 years old. At best this site can be operated for another five years without a major retrofit at increasing risk. Later it says addressing these risks at the current location should be used as a last resort. So this report was created in 2013. The plan that we're proposing for this budget cycle is a two-year plan to have us into the new data center in 2018. So for the most part we've pretty much deferred any time that we've had with the data center relocation without something major happening. And again if you think back on the systems that I talked about that are part of this -- the city's core operations, those are the things that would be impacted.

[11:02:21 AM]

And so again I have a copy of the report here for anyone who wants to look at it. You can see they put color charts in here showing where the red and yellow are, areas of risk. And it's a lot of red and yellow in this report. And we're pretty much running out of time if we're going to relocate our data center. Otherwise we take the risk of something bad happening. This past weekend, obviously you weren't aware, but we actually had an outage at the data center that happened at 3:00 A.M. In the morning. Our batteries kicked in, which allowed us time to get our generators fired up. Three hours later we were able to get a fueling company in to provide fuel to our generators, which allowed us to sustain city operations. So those type of situations are going to continue to happen if we don't address the issue today.

>> Mayor Adler: Ms. Garza?

>> Garza: So right now the budget has about 520,000 that is deferred? I'm just trying to understand is it literally moving equipment from one place to another? Is it like a cloud and move from an actual place to the cloud?

>> It's actual -- so we have a city-owned facility that our data center is housed in. The plan is to move to a leased facility that's going to manage all the environments of running a data center. So we would move out of our current facility into this co-location is what they're called.

>> So the 2.7 million of one-time costs, you said that this move is not going to happen until 2018. So the 2.7, are we essentially -- which is fine if this is the plan. Is it to put the 2.7 into a savings account and when we get money next year -- go ahead.

>> No. So what happens this year, for the money that we will receive in 2017, we actually have to do a lot of planning on what's on what equipment, what are the dependencies to make sure as we move, we're moving strategically.

[11:04:31 AM]

So that's actually us planning. It's also putting infrastructure in place at whatever co-location we select so that in 2018 we would actually start the physical move and we would be in the physical location during 2018. So 2017 is really planning and laying infrastructure in place and then 2018 actually moving out of our current location to the new location.

>> So the 520 that was -- it was reduced, 520, you're still able to make the move by 2018 with that cut, but is that the most you could handle?

>> So that cut is around staff augmentation -- not staff augmentation, but we were requesting new positions to do the move. We know October 1 we're not going to hire those people immediately, so it was really delaying the hiring of these new positions to work with the planning and the moving so that's what you're seeing as far as what that 500,000 is.

>> So you don't believe there's any other cuts that can be --

>> I think there's a huge risk associated with making other cuts and delaying this. And I would not recommend those.

>> Okay.

>> Mr. Mayor?

>> Kitchen: Just a few follow-up questions. So the 500 or so -- so we have eight new ftes, is that correct? And the 500 is a deferral of when those are hired is that right?

>> So the there's a governance process and the governance process we add positions to some of the new technologies. In the past we hadn't done that. Five of the positions are for the data center and --

>> Kitchen: Five of the eight?

>> Five of the eight are for the data center.

>> Kitchen: Okay.

>> So what you're seeing is that we said here's what it would cost for the five new positions, but we know we're not -- they're vacant positions so they're going -- we have to go through a posting position, making sure we get the right people in place and we've had challenges because of this -- the area we live in that is challenging the higher tech folks.

[11:06:45 AM]

So we're saying that probably there's going to be a lag by the time we get the people on board that there's this savings that takes place.

>> Kitchen: Okay. So in the budget there's two items. There's eight ftes at 3.8 million. If I'm understanding correctly, the five or so reduction you've taken is out of that pot of money because it relates to when you're going to hire. And there's another line item that's another 3.1 that says increase to relocate the city's data center. So those are two different items for a total of about 6.4, right? Am I understanding that right?

>> I don't have in front of me what you're reading off of, the budget document.

>> Kitchen: It's volume 1, page 16. So.

>> Paul Rand, chief financial manager with ctm. There are two different items there. One is the data center co-location. Other are the other I.T. Governance items that we had. The ftes are a part of those costs, but they do not encompass the full cost of those projects.

>> I see two line items here. Do you see the page that I'm talking about?

>> So if I could try to help. There are two line items there that the first one is a list of a variety of I.T. Governance projects. One of those projects is part of -- was one of staff's recommendations. They said we could defer one of those projects in the smbr project. So that was about 180 some thousand dollars. In regards to the data center move, out of that 3.2 million there was 800 some thousand dollars that Steven and his staff looked at and said could be delayed until 18. They still need the money, but they could push it until fiscal year 18. Those two combined are about a million and then the 519 that you see on this menu is just a general funds piece of that million because those projects would be shared by all the enterprises and whatnot.

[11:08:53 AM]

So that's how we get to the 519.

>> Kitchen: I got you. So there's 500 or so that will be reductions across other departments.

>> Yes, ma'am.

>> Kitchen: Because we reduced this 500.

>> All the allocations come down.

>> Kitchen: If we're reducing the allocations which means that we're reducing the other departments having to pay that in, I'm still not understanding why we don't have access to those dollars unless that reduction is perhaps all in enterprise funds. Is that the reason?

>> That's exactly right. You have access to the dollars in the sense that, say, of this million dollars I'm talking about, Austin energy is a big department, their allocation might come down two or three thousand dollars so that money could be reallocated within Austin energy's budget or used to lower rate, but 2 two or three one thousand dollars probably isn't enough to lower Austin energy rates.

>> Of the 500,000 that's spread across other departments, how much of that are amounts that since those departments don't -- it's money those departments don't have allocated for something, how much of that 500,000 is something that we could put back in the general fund because it's not an enterprise fund? Are you saying that all of that is surprise funds?

>> It that's a total of about a million dollars, 519,000 is the savings to the general fund. The other 519,000 is savings to the other enterprise departments and none of that on would come back to the general fund.

>> Kitchen: That's 500,000 or so that could be considered in terms of rate reductions, I understand your caveat about that. I understand. So then my other question then is just going back to data center. I have a couple of questions. So I'm understanding that this is dollars that are needed to plan. I mean, that's a pretty major move.

[11:10:53 AM]

So I understand that. And it's about two million or so if I'm understanding that correctly. Is that to pay consultants to help figure out how to pay --

>> That's correct. So the -- we consulted with the HP last year to help us come up with what is this actually going to cost us to move? And so they would actually help us go in. Again, this is a 22-year-old data center. We've never done a data center move. So we need to make sure we do this right. So we would rely on consultants to help us plan a move.

>> Kitchen: Okay. That's about 2 million or so. And then my last question is for something like this, would it not be possible to consider this out of a cip budget or bonds? Because we're -- it's an infrastructure change. It's an infrastructure change. And so -- and it's a big infrastructure change and it's multi-year infrastructure change, so I am wondering that rather than taking that much money -- and you know, we've talked before about we have a lot of infrastructure needs and of course this one is a high

priority. We have other infrastructure needs that we've been talking about that we're going to need to get to. But I had been thinking that those kind of infrastructure needs could be funded out of our cip and could of course be a top priority for our cip. So for perhaps a co or a bond item. So can you help me understand why this is -- if I'm understanding correctly why this would be out of general fund as opposed to one of those other -- >>urf idea was to take it out of a current city owned facility, build our own city owned facility on city owned land, then absolutely certificates of obligation would be appropriate for that or voter approved bonds, but given fact that plant here is to lease co-location space and there's no actual physical asset the city would own, then the use of debt -- and for the consulting cost, a lot of this is consulting cost to do the move, those things we can't issue debt for.

[11:13:08 AM]

>> Kitchen: Okay. So we can't or it's not our practice?

>> No, we'd not be allowed to issue debt for consulting cost or lease space.

>> Kitchen: Okay. All right. I'm just trying to explore -- this is a huge commitment of dollars this year and it's a very important move obviously. And it's an infrastructure need. I'm just asking for your help in understanding if there's any additional dollars that we could access. So your response to councilmember Garza was that there is no additional dollars that we can access. Have we already hired those consultants? I think we probably already approved the consultant contract, right?

>> No. That's what the monies today is about.

>> Kitchen: So we haven't gone out with an rfp yet.

>> Well, so we hired HP initially to help us do the planning. So there's an opportunity to amend the contract to allow them to help us continue with the development.

>> I see. So you wouldn't have to do a new contract. You could do an add-on on to the existing contract. Kirk that's correct.

>> Kitchen: And your estimate is it would be about two million or so you would need to add on to that contract that and have to happen all this year.

>> Right. Again, this report is dated 2013. And I've said it a couple of times already --

>> [Inaudible].

>> Pool: As we're talking about this --

>> Gallo: As we're talking about this could you help me understand at what point an evaluation was made to compare the cost of outsourcing instead of doing what we're doing, outsourcing hosting instead of doing what we're doing?

>> Outsourcing meaning 100% to the cloud? So we would never be 100% in the cloud. There is just some critical infrastructure that would need to remain on premise. So that being said, we would still need a solution. We need to get out of our current location.

[11:15:13 AM]

So to answer your question there was no assessment done to go 100% or majority cloud versus co-location. I think this buys us time to go down that path to do a hosted facility and then we can start to plan for that next step.

>> Gallo: So it's good to hear that -- thank you for sharing that there's a certain percentage of what we do, what you do, what your department does that would need to stay in-house. But what percentage would that be would you say?

>> I would be guessing. If I told you, I would be guessing. Maybe 30%. I don't know.

>> Gallo: And I'm just doing what if's at this point. What if we were to outsource the remaining 70%, would we still need to do what you're proposing in this budget?

>> Absolutely. We would have to figure out what are the dependencies on the current infrastructure we have. What needs to move when so we don't have an interruption in service. So there's still a planning component whether we go to a co-location or we go to a cloud provider.

>> Gallo: So is the planning contract that you're going with hr, does it also have within the scope of that the evaluation of taking that 70% to the cloud?

>> It does not. There's no -- no scope of work that says once we move to this co-location, now help us further move to a cloud provider. I mean, we're doing some cloud stuff now. We're doing cloud storage, doing cloud applications, but a lot of stuff still has to happen on premise today.

>> Gallo: Okay. So when would be the appropriate time to have that conversation and ghat information? I'm just trying to understand the timeline and the obligation of expenditures if we were to get to that point.

[11:17:18 AM]

>> You know, I would guess we're a couple of years out from looking at when is the right time for us. I'm not aware of any government agencies that's actually tried to move the majority of their infrastructure to the cloud. What we're seeing is what we're proposing is a co-location and moving away from the managing the environmental of the data center. But again that is what we would like to get to is to eventually start to move to the cloud and pay as you go. And not have the physical facilities, the brick and mortar, but today where we're at is we're proposing a co-location, not a physical move to the cloud.

>> So you've actually done an analysis to see what other cities do? I mean, you made the point that most municipalities don't do something similar to us?

>> I said I'm not aware of any other cities. I have relationships with the large city cios so I'm part of other organizations and the organizations that I'm part of I'm not aware of any of those cities -- seeing that as a typical process.

>> That's correct.

>> Gallo: Super. Thank you.

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

>> Pool: I don't know if this is for you or not. It's talking about software support for some accounting and payroll systems. Do you all do that support or is that handled by human resources? It's in physical services and it's on page 91 of volume 2. This is in the controller's office and there's software contract increases of 170,000 and software is support for advantage, which is the payroll and the city's audit contract. If you could talk to me a little bit about that.

[11:19:24 AM]

>> Sure. Diana Thomas, city controller. These contracts are part of the long-term use of the payroll system, the financial system and the city's external audit. They're increases that are built into the contracts.

>> Pool: So are they for improvements and upgrades that are part of keeping the software current?

>> They're part of just maintaining the software as it is. It includes them sending updates and upgrades as they G.O.P. Them and forward them on to us. We do have upgrades in them, but they're not priced into those.

>> Pool: Okay. And so that's the review and analysis of these numbers would have occurred at the time that we were agreeing to execute and sign the contracts.

>> Yes.

>> Pool: Okay. Thank you.

>> Mayor Adler: Thank you very much.

>> I was just thinking about councilmember Gallo's question about the other government agencies. So the state of California, they actually built a massive data center and then they in turn sell the services to the state of California government agencies. So in a sense they are using the state as their cloud service provider so when I was answering a question I was answering it from a standpoint that we're not seeing 'government agencies going directly to an Amazon or somebody else to provide all their compute provider, but they are -- they may be using another organization such as the state as they are cloud service provider to provide them their data center solutions.

>> Gallo: So I would assume that a lot of the larger private companies are moving in the direction of cloud service. Is the reason that the government entities are not doing that or, are there laws on or restrictions? I'm trying to figure out why we're not following what the private sector is doing at this point? But obviously we often have restrictions that keep us from being able to do that.

[11:21:35 AM]

>> Why aren't we following what we're seeing in the private sector?

>> Gallo: I think what we're seeing in the private sector is a direction in the movement to the cloud. I'm curious for the reason that municipalities are not doing that. Is it just because we're behind that direction or is it because we have certain restrictions that keep us from being able to do that?

>> I would be -- I'm not aware of any restrictions. I do know we need to have things on premise. I know that some of the larger companies, such as Dell computers and that they still have data centers on premise even though they may have things in the cloud. I think maybe for smaller organizations it's quick, it may be a little easier. So in turn you may be seeing private sector smaller organizations. I'm not so sure that you're seeing it with the larger firms actually moving to the cloud.

>> Gallo: But they're not, I guess as we carry on future conversations about this, you don't see that there are restrictions that that would keep us from doing that. We need to analyze whether it's a benefit or advantage.

>> The benefits is that there would still need to be restrictions that need to be managed on premise.

>> For a percentage of what we're doing. Thank you. Councilmember Gallo, these are reasonable questions, but complicated questions to scenarios, but to make generalizations when you have very well-known applications like email, they're almost ubiquitous and you can push those to the cloud and realize cost savings, but you have other applications that are more custom and more planning commission and you've got to have -- and more peculiar and you need your own servers and co-location equipment. It's a combination of both. I concur with you that more of our commodity type software products should be pushed to the cloud because you could get realization of savings. You don't need as many people, you don't need the equipment. So that's more cost effective. But you still have to have some co-located custom servers for your own applications.

[11:23:37 AM]

>> And to your point,3 councilmember Zimmerman, we are doing those things. We are looking at the applications that can be pushed to the cloud. As you recall last year we talked about doing office 365, which is our email into the cloud. We're looking at asset management solutions in the cloud. We're hoping to potentially get an hr system that would be in the cloud. We are looking for those solutions as cloud solutions.

>> Zimmerman: And remember to tell people over and over again, when you commit to the cloud, if something breaks you're screwed. It's up to Amazon or whoever has your applications, if it goes down either they fix it or we have nothing. That needs to be emphasized to people of what could happen if something goes wrong in the cloud. The cloud is not a pan see I can't.

>> Mayor Adler: Let's keep booking forward here. A lot of things we need to do today and today is our last thing to do all the things we need to get done. So we need to get this to conclusion in we can. The next thing we have is the second street tax district and then the I-35 maintenance fund. Is there staff that could speak to us on those? I don't know if that first question is yours or whose that is? This was the mayor pro tem's item number 1.

>> Tovo: Mayor, do you need me to lay it out again or was my original explanation clear enough about it.

>> Mayor Adler: I think it's clear enough. If staff didn't understand, let's get them to -- so the question is we would -- the budget has anticipated putting \$100,000 into the second street increment financing fund and the question is whether we can not put that into the fund this year since we paid so much last year and have that money be undesignated for purposes?

>> I'm Alex Lopez, deputy director of the economic development department. The 600,000-dollar transfer last year is actually for a capital project for repair of wastewater lines.

[11:25:44 AM]

So the 100,000-dollar transfer is what we use to cover ongoing maintenance operations. We would still need to spend the 600,000 on the wastewater improvement project basically.

>> Tovo: I was not suggesting doing anything about the 600,000. What I was suggesting is that we not provide a payment this year from the general fund of \$100,000 in consideration for the fact that the general fund was used last year for that 600,000-dollar expenditure.

>> So the 100,000-dollar transfer that comes in on an annual basis, that actually isn't even enough to cover the ongoing operations for the district. As we've increased in maintenance expenses we've actually been using up some of the reserve we've been able to build in that. So the expenses as far as the maintenance of the area down here are closer to about 120, 140,000 per year. So the 100,000 really covers those expenses that we have down here every year.

>> There are also funds coming in from the businesses that contribute to the tif, correct?

>> I think -- trying to make sure I understand. The only transfer in right now is that 100,000 that's coming from.

>> Tovo: It looked to me at the balance of the fund exceeded 100,000. Is it 147, something like that?

>> Right. That's the extra -- I think it's 30. The 100, that's the amount that we're hoping just to -- like I said the expenses are actually still exceeding what the 100,000 that's coming in every year. We know that there's going to be a time very soon where we're not going to be able to cover it and that's what we're hoping to keep that 30,000 right now, it would be an extra 30,000 to keep covering that in the future.

[11:27:52 AM]

I'm not explaining that right.

>> Tovo: I think the up shot is that this is one of the -- I need to do more thinking about it. This is basically a fund the city has set up to maintain second street. We had committed I guess in the establishment of it to spend \$100,000 a year of expenses. Last year we spent six times that amount. So is think it's a legitimate discussion to have whether this year we spend less in consideration of the big expense we had last year, but I guess I would need to understand better what sort of things wouldn't happen and are there other opportunities to use other city resources to cover those needs for this year?

>> The big expense, the 600,000-dollar one, that's the capital project wastewater, our sewer lines need to be improved in the district. As the retail residences and restaurants continue to increase in the area, we need to make improvements to our wastewater lines. So that was the significant investment that

was contributed in last year. The ongoing, it's really around the district. It's the tree maintenance, it's the landscaping, replacing the paver, keeping it clean around here. All these things are really important to maintain a vibrant retail district, which is what we're trying to do here.

>> Tovo: The 600,000 has already been spent.

>> We've done design. We haven't spent all of it yet. We're at 90% on design of the project. We hope to have solicitation of a contractor by the end of the year and have somebody on board and bring the contract back to council next spring.

>> Tovo: And that was money from last year's budget just from the -- basically the budget stabilization, that wasn't done with cip funds or any other specifically designated funds.

[11:29:53 AM]

It was basically done with what remained within our budget stabilization. So it's just general fund dollars that were used for that project.

>> Yes. The 600,000, yes.

>> Tovo: Are there any opportunities within our current cip, to use the cip funds for what looks like an emerging priority in this area rather than the general fund dollars that were designated? And I'm happy to come back to it if there needs to be more discussion on that. So it sounds like the general fund did make a contribution well in excess of what had been originally established. It does really seem like that's -- I'm not sure when and how that decision was reached. It sounds like I guess the decision would be reached when you come back to council next spring, but the money has already been allocated and taken out of our general fund for appropriation purposes. Am I right in thinking the ending balance is 130 at the end of this year will be 130,000?

>> That's what we're projecting right now. Again, we're trying to be as conservative as possible to make sure that we don't have to ask for more than the 100,000 for maintenance. Both in maintaining the expenses, but also being mindful of any ending balance and how we use that.

>> Tovo: So I guess I do need some clarification. I'm looking at the second street tax increment financing fund on page 733, and I agree it is really critically important that we maintain that area well. It's been a commitment we've made to the businesses when we encouraged them to move downtown.

[11:31:57 AM]

It's part of keeping this area vital both for residents and businesses. It's within my district. I want to see it continue to be a vibrant area. But again, we're just looking at all available potential funding sources. So I see the beginning balance is 822,721. Can you walk me through? It looks like the total requirements are 791,980? Is that now cost of the grease trap project has escalated from 600 to 791?

>> It's the 600 plus the ongoing maintenance for the district. More of the streetscaping, the cleaning, the other -- kind of the balance of that.

>> If that's true, if that 791 includes the ongoing maintenance as well as that project, then by my account there would be an ending balance of \$130,000 that could be put back into the general fund. Am I reading correctly? If the project really is 600,000 and you've listed total requirements at 791,980 and that includes the maintenance for this next year in addition to the grease trap project, then I think there is available balance there to transfer back into the general fund possibly.

>> The fund has a balance of 130,991 that's not being appropriate understand this budget.

>> Tovo: Okay. Then I think that answers my questions. If we were to transfer -- well, I guess it answered one. It didn't answer the question of whether it's legally possible to transfer that back into the general fund now, but owe sew so that's something I would ask you to respond to in a minute, but it sounds like

using that money will not have any impact on maintaining second street at the level it has been. Or completing that necessary project. Am I right in that assumption?

>> The only thing that I would highlight on that same page because it's the the one I'm looking at also, is in previous years we're seeing that we're exceeding the 100,000.

[11:34:06 AM]

Our maintenance has -- the first year was 8,000 over and then 48,000. I think next year with U without any kind of ending balance the likelihood of us spending more than 100,000 on maintenance may be high.

>> Tovo: I like your point. So the 100,000, as you've mentioned a few times, and I appreciate it, it has not really been 100. It's really been as high as 165.

>> Correct.

>> Mayor Adler: So what is the [indiscernible] To the reserve.

>> Tovo: So maybe another amount is appropriate.

>> Mayor Adler: In essence what they have, they're carrying like a reserve balance in that account? So the question would be how much is the reserve balance being carried in that account this year and what is the prudent reserve to carry?

>> And I think -- this is a fund where the expenditures may build up, depending upon the kind of projects they might want to do. That \$100,000 may build up until they do a project that costs several hundred thousand dollars. So it doesn't overly concern me that in any given year the expenditures are higher than the \$100,000 in other years they'll be lower than the \$100,000. But right now there's \$130,000 in the fund. I think in light of the fact that the general fund contributed an additional \$600,000 last year, I think council would -- it would be appropriate and within the legal parameters of the tif to transfer some of that money that we transferred back. As you look that it wasn't all needed to complete the project, that's not to be that there wouldn't be in 2018 some downstream implications if their maintenance needs in fy18 are 10-1 \$50,000 and there's only 130,000-dollar transfer in then they couldn't do all the maintenance that they would otherwise want to do.

>> Tovo: If I may, I think it's not dissimilar from the discussion we had last year about the economic incentives reserve fund that in years when what we were doing -- I think I'm not going to make that analogy because it's too complicated.

[11:36:20 AM]

Thank you, Mr. Van eenoo, I think you summarized well what my position was and I also think when that -- if there is a project that requires an additional expenditure and it's not available in that fund, it will come out of the general fund. It's basically just storing general fund money in light of a future emergency and it's all -- we can either put the money to work now or put it to work later. So I think it is in light of the additional expenditure last year I am going to make that motion.

>> I would just say it's not necessarily storing general fund money because there is an ordinance that established a tif approved by council that says we'll contribute \$100,000 a year to the tif and to use it for a specific purpose. The reason I think it would be appropriate to take the 130,000, if that's what council chooses to do, is because last year the general fund contributed \$600,000 beyond what the tif calls for us to do. So I think noul this instance would it be appropriate.

>> Mayor Adler: Appropriate to take out the 130.

>> Correct.

>> Tovo: And my motion was really just the 100. But I can consider it either way.

>> Mayor Adler: So the mayor pro tem moves to take \$100,000 in essence to identify an additional \$100,000 of gf funding, undesignated associated with the second street tax increment financing fund. Seconded by Mr. Zimmerman. Yes, Ms. Kitchen?

>> Kitchen: Mayor pro tem, I just have a question. Did I hear correctly that we do have 130 available? I would suggest that we access that now if it's not possible, if we're not needing it it would be okay. But bithat fast vote we're already know below what some people want to address. If that's appropriate I would suggest 130 instead of the 100.

>> I would be happy to amend my motion. Let me just ask a couple of additional questions of our staff that deal with the streaked tif.

[11:38:28 AM]

I want to be really certain that anything that you have planned for the year in terms of maintenance, operations and the large projects, are well covered bip the amount in here that's outside of 130,000. You don't need the 130,000 to do any additional maintenance.

>> For next fiscal year that is our best projection.

>> Okay, super. I appreciate that. Thanks. I'm happy to amend my motion to basically -- well, to -- for instead of -- so the motion is the same one that I handed out on the sheet, but instead of 100,000 it would be to -- well, never mind. It's not really -- the language isn't proper. Just to remove the 130,961 and move it back in the general fund.

>> Mayor Adler: Is there an objection on the dais to making that change? Hearing none, that change is made. Those in favor of that \$130,000 please raise your hand? Those opposed? Okay. Thank you. I'm sorry? It was unanimous on the dais. Ms. Garza?

>> Garza: I have a similarish question about the -- I know I didn't bring this up earlier, but I had it in my notes and I forgot to bring it up. The Rainey street homework district fund, is there somebody on staff that could speak to that fund and what that fund could be used for? And if someone is coming down and -- my question is I believe that fund was made up of right-of-way fees from all the surrounding development that was going on that would be put in that fund to help with I thought cultural programs. So my question would be if we would be able to fund any of our quality of life initiatives from that fund and what that fund's balance is right now. So if somebody -- we can move on to something else.

[11:40:31 AM]

The Rainey street homework district fund.

>> Tovo: Mayor, if I may.

>> Mayor Adler: Who is it that answers that kind of question?

>> Tovo: Can I just tell you anecdotally, the last time I looked into what this we had a media request, they were awaiting payment of some projects that were coming up to pay that fund back, but so it was - it did not have an excess at that point. Backup the situation may have change would. I think that was about a year ago.

>> Garza: I think the fair month is in that district and I'm assuming there are some fees being paid by them.

>> Tovo: I would say it was very targeted in its mission. I think it was in part to help move some of the homework structures and it was really focused on much like the second street active, much of the needs in that area.

>> Garza: That was my question. I was told that it might have more broad, but if it is -- that's fine. I know there was conversation during the pocket park issue about that.

>> Mayor Adler: Mr. Van eenoo?

>> The individual who knows the most about how that fund was set up and its uses is on their way down I've been informed. You might want to move on to another topic and that person will be here shortly.

>> Mayor Adler: There was also a question about the I-35 maintenance fund. Mr. Spillar.

>> Robert Spillar, transportation department. We do manage that fund and it's somewhat unique because the property does belong to txdot and I think as the maker appropriately identified we would need to request permission from txdot to do that.

[11:42:31 AM]

But that fund can pay for capital and maintenance improvements on the identify corridor from approximately Riverside to mlk. So it's not an inappropriate expenditure.

>> Mayor Adler: Is there any ramification of taking -- it would have to be spent on I-35. Could that be used -- is there a ramification of spending if they're not spending it somewhere else?

>> No, sir, it can only be spent on I-35 and the corridor. So the fund can handle that expense. I would suggest that the improvements -- as I understand it, it a pilot, so a temporary facility. I think it would be harder to locate permanent facilities at this point since I-35 is going to go under construction in the near future.

>> Mayor Adler: Is there any reason not to accept the motion from the mayor pro tem tovo to -- I guess by way of direction that out of that fund the temporary restoration must be placed in those locations? It has to be spent on I-35, right? Does anybody have a competing I-35 project for that revenue?

>> Tovo: It actually has to be spent, as I understand it, and I'm looking for the language, it has to be spent not on I-35 generally, but on the maintenance of the -- the maintenance and operations of the parking lots that are under the overpass between east sixth and east eighth. So it's extremely particular to those two parking lots under the overpass between those two roads.

>> Councilmember, txdot has actually relaxed that requirement a little bit and allows us to make pedestrian and similar improvements from approximately the relative up to mlk. So at the river we are right now in the final stages of financing the lighting underneath the bridge for security and so forth. The same thing in the Rainey street area. But it's still attached to I-35.

[11:44:32 AM]

That's the critical point.

>> Tovo: Thanks for that update. I think the language in our book can be broadened for next year because it was really arrest particular. And then I would suggest that we also talk about the underpass in the 15th street area as well as the parking lot they've talking about in the sixth to eighth. And a mayor, councilmember Houston I think should make the motion and if she's willing to talk a little bit about kind of what other research has yielded in terms of the real need in that area.

>> Again, councilmember, I'll just reiterate, we have to go to txdot to get the permission for the specific expenditure, whether it be lights or whatever. That's what we did with the lights under the bridge at the river.

>> Tovo: I have great confidence in your abilities.

>> Houston: And Mr. Spillar, as you are leaving I'm sending a note to Mr. McCoy and Mr. Go Mr. Gedert about the stations. I've gone out several Saturdays and Sundays under the 15th street bridge and under the bridge right under the police department. And I probably said this before the conditions are deplorable. Especially on sixth street, seventh and eighth street where we have many tourists coming in and out. And it looks like a third world camp up under those bridges. So if we could provide restroom facilities and washing stations, I think it would not only clean up the area, and with Mr. Gedert I talked

about receptacles to put the trash in so if people would police the areas themselves, but there's nothing to put it in, so they just pile it up. I think this is an excellent use of those funds.

[11:46:32 AM]

We're spending a lot of money on a monthly basis, txdot comes in and cleans for 1500 a month every month. And we have four police officers and two code compliance officers. They're with them as they clean and move to the next station. So I think this is an excellent example. I'm so thankful that mayor pro tem tovo was able to tease this out. So hopefully we'll hear something from Mr. McCoy in just a little while. So I'd like to move that 500,000 to focus specifically on the I-35 corridors where we need portable toilets if and when txdot approves that. In both locations.

>> Mayor Adler: The sixth, eighth and 15th locations? And it's not devoting the whole account to that.

>> Houston: Out of that account.

>> Mayor Adler: The reason I'm having those linked this time is because it was such on --

>> [Inaudible].

>> Kitchen: I didn't understand. I thought when we were talking about the 130,000 that that was back in general revenue.

>> Mayor Adler: The 130 this, separate from that.

>> Kitchen: I got it now.

>> And mayor, if I could ask permission to come back to council before we make that specific investment to make sure that the costs line up with the capability of the fund I'm happy to be able to do this.

Obviously there's -- the cost is still preliminary.

>> Mayor Adler: Let's come up with wording in our staff direction because this seems to be an appropriate place for this to be memorialized. Let's make sure that we do that on what we adopt later this afternoon.

>> And again, mayor, the watershed would be thankful as well because of the downstream body waste that flows from those areas.

>> Mayor Adler: Let's just handle it with that discussion. I think that's the appropriate place for that to happen because it's not moving any funds in and out of that account and it's directing that the funds in that account be used that way.

[11:48:36 AM]

>> Tovo: Don't we want to memorialize it with a vote to do that even if we don't have the specific dollar figure?

>> The question was how do we memorialize it? If we memorialize it here I'm not sure there's something to change on the spreadsheet. I think we'll memorialize that on the spreadsheet later today.

>> Casar: Mayor, before the transportation folks leave, I know that councilmember pool had brought up \$60,000 for the partnering program and that may be the reason that people are thinking about cuts, but the transportation department has noted there may be funds related to the facilities related to parking funds. Councilmember pool, but we might as well bring it up while you're here.

>> Certainly. Yes, councilmember, that is correct. We -- Austin transportation participants in the neighborhood partnering program, and if council so wishes to fund a discrete amount, 60,000 is what I think the cost would be out of the parking fund, if we could restrict that to pedestrian related activities, given that everybody's a pedestrian when they're park.

>> Pool: And mayor -- thank you to Mr. Spillar and staff and councilmember Casar and his staff and mine for a little bit of rodeoing there. Thank you. We'll indicate that in our budget directions later in the day.

>> Casar: I think that since it would change things on the spreadsheet we may have to actually vote on it.

>> Pool: Okay. If you want to take it up now, I'll go ahead.

>> Casar: I think it would take something off people's minds in the cut section if that's appropriate.

>> Pool: And the piece on the directions would be that it would be specifically for pedestrian or other appropriate type projects.

>> Mayor Adler: Can someone state it again for me?

>> Casar: It would just be -- I'll let councilmember pool make the motion since it was her budget concept item. From my understanding it's a 60,000-dollar transfer from the parking fund to the neighborhood partnering program for pedestrian related projects.

[11:50:42 AM]

>> Pool: Right. So the motion would be to increase the investment in the mpp program by \$60,000 and the source of the funds would be the parking program. And it would be designated for pedestrian related or other appropriate mpp projects.

>> Mayor Adler: Are you okay with that?

>> A couple of suggestions going back to the I-35 funding? My suggestion to memorialize that would be to -- I know the number is somewhat moving around, but to select a conservative estimate, \$250,000 and simply appropriate \$250,000 in the I-35 fund for the toilet and we'll start to come back to council with the project, but that's how you would typically memorialize something with the budget by appropriating funds to that project. And if it comes in lower than that, that's not an issue. And I would like a moment on the \$60,000. There's different parking funds. So -- and I believe the-- most of the neighborhood partnering is set up as a capital program so I would like to come back to that, but I believe the appropriate action would be to transfer \$60,000 from the appropriate parking fund to that capital project.

>> Mayor Adler: We'll let you come back on that. Ms. Houston, do you want to make a motion to designate or transfer up to \$250,000 of that fund for temporary restrooms in those locations? Is there a second? The mayor pro tem seconds that. Those in favor please raise your hand? Those oppose? Mr. Zimmerman votes no, the others on the dais voting yes. On the 60,000 transfer you're going to come back to us?

>> It would be a transfer from the parking management fund to the capital improvement program for \$60,000.

[11:52:43 AM]

>> Mayor Adler: Councilmember pool moves transferring \$60,000 from the parking fund to the cip fund for the purpose of -- of funding neighborhood pedestrian and other appropriate expenditures, seconded by Ms. Gallo.

>> Renteria: Marks the parking fund, what second of that parking fund is it coming out of? It's not the -- I know the parking fund gets shared by the community and y'all get half and the community get half. We're not touching community part.

>> Councilmember, that is correct. Those parking benefit districts control the revenue there, but I would tell you that the city still gets revenue out of the parking benefit districts. It's a shared revenue. And that goes into the transportation parking fund. So not the general fund.

>> Renteria: You're using that fund. Okay. Thank you.

>> Mayor Adler: Okay. We'll take a vote on that. All those in favor please raise your hand? Those opposed? That is unanimous on the dais as well. Thank you. I think that gets us to Austin energy. Is Austin energy with us?

>> Garza: I think the rainy fund person is back?

>> Is the Rainey person here?

>> Otherwise known as regular canally.

>> Garza: Somebody brought it up so I was trying to remember. There was discussion about this during the mac pocket park and it was actually in the negative, I thought. I was just wondering if it's because of the fairmont and I believe some money was paid by the developer that's developing right next to the mac, so I was just wondering what that fund was looking like.

>> Sure. Greg canally, financial services. In 2013 the city council created a Rainey street homework preservation fund. At that time we appropriated \$600,000 based on projections of temporary right-of-way use for projects in the district that would contribute to that fund.

[11:54:54 AM]

Again it was based on projections. Of that 600,000, city council approved \$500,000 to relocate several homes that were in the district to preserve those homes. As of now there's \$100,000 in that fund that is unspent. But per the ordinance it has to be spent within the district. There is no new revenue to appropriate at this point beyond that original 600,000-dollar appropriation we have just in essence -- the original 600,000 was based on projections of revenue. We have just hit that 600,000-dollar mark so there is no new revenue to appropriate, but there is an existing unspent balance of \$100,000.

>> Garza: And what can that money be used for?

>> It's for a variety of purposes, for preserving the district, ranging from repairing sidewalks to looking at other cultural amenities within the district. But at the core it has to be spent been the district boundaries.

>> Garza: Okay. Thank you.

>> Mayor Adler: Thank you. Is Austin energy here?

>> Renteria: Mayor? Can I -- did I just hear you say that part of that -- that Rainey money be used for programming?

>> Councilmember, I don't know. We'll have to look at that and get you an answer.

>> Renteria: If you could give me that. I know we're in the process of receiving about 400,000 also from the enterprise development. That hasn't been allocated yet, has it?

>> Correct. Again, at this point from the fund, when the fund was originally created we did project -- we put an additional appropriation in place at this time from that fund management we would want to collect the reveurs a and then appropriate it as it comes in and we would expect to do that in each annual budget process. This year there was none.

>> Renteria: Did we direct y'all to use that money for the master plan at the mac?

>> I think we would want to sit and understand the timing of when those funds would be coming in and we can do that as well.

[11:56:56 AM]

We can work offline to see when those funds would be available to make sure that it would match up with the expenditure timeline.

>> Renteria: Thank you.

>> Pool: Mr. Canally, I'm remembering this was part of the negotiation that we accomplished with the 70 Rainey project. So are you saying we haven't seen any funds spent off of that yet?

>> I don't know if we have or haven't. I think we need to get with Lorraine and see the timing of going back to that agreement and understanding when the funds would be coming in and we can report back to you.

>> Pool: If you can keep us up to speed on the enterprise. I know the community, especially at the cultural center were really concerned about finding those funds.

>> Absolutely.

>> Pool: That was actually part of the promise that we negotiated with the developer about a year ago.

>> Garza: I think there's some confusion. I think that money that was promised was to go to pay for a master plan, not necessarily to the fund.

>> Exactly.

>> Councilmember Garza, you are correct, again the funds for the Rainey street district, the preservation fund are for the temporary use of right-of-way. That was done in 2013. Subsequently there was another negotiation that had a separate set of agreements. And I'll let Lorraine and Sarah talk about this.

>> Councilmembers, mayor, Lorraine Rizer, office of real estate. Sorry, I was running. We did receive the 400,000 and it was -- it has been deposited. It's being used for the master plan for the park. And for the building of the park. Council had specifically designated for that. So that is in the works as we speak.

[11:59:00 AM]

The Rainey street right-of-way vacation that money goes into general fund and when council passed that.

>> A couple of years ago they actually dedicated that money. So council could go back and do a new ordinance and dedicate that money to something else whenever there's a right-of-way vacation. But last time I looked the fund was in the negative. I don't have the answer as of today for the right-of-way funds, but it can be reallocated if council so chooses. We just need to bring back an agenda item for that.

>> Garza: Thank you. And for

>> Garza: Just for the rest of staff, don't run here. Please take your time. Thank you. Unless it's part of your daily exercise.

[Laughter]

>> Mayor Adler: It's noon. Before we take a break we're going to hear from Austin energy but the mayor pro tem asked us to hold until she is back on the dais. In the meantime, maybe we can answer the aid -- councilmember Houston is also off the dais. Parks are here. Do you want to talk about pay and Umlauf?

>> Kitchen: Let me pass out my proposal, then we can speak about it. On Umlauf. Don't go away. So everyone, I passed out a document that was all stapled together with the different budget direction and the one relating to Umlauf is the third one. And we appreciate the opportunity to work with the parks department on this and have had a chance to run this language by them so I think it works. We'll let them speak for themselves. But basically there was -- there was a number of different safety-related items that have to do with -- I'll just call them infrastructure for lack of a better word at Umlauf sculpture gardens.

[12:01:10 PM]

Some of it was flood damage and mitigation and related kinds of structural damage. Then there's also an ADA requirement for the bathrooms to be ADA compliant. And I know some of the funding from this will come from FEMA. And just to -- on the back of this you'll see -- you'll see pictures of the flooding at Umlauf. For those of you not familiar with Umlauf, it really was a lake the way it's situated. So this is just to provide some -- some language around what we've talked with pay about and what they could find

within their existing budget to work towards paying for these safety needs. We didn't put a dollar amount. We left that up to the department. They can determine how best to do that. We also didn't put a time line thinking that they can consider how best to address these needs. And so -- so it's all written here for you. I'll leave it at that unless you would like to add anything.

>> Sara Hensley, director of parks and recreation in case you have questions. Councilmember kitchen is right on target. Obviously through our agreement with Umlauf we are responsible for the infrastructure of the facility as we are in many of our agreements. And they did suffer some extensive damage. We will be receiving some money through FEMA. We get 75% of the amount that is -- that we have listed so we are anticipating anywhere from 65 to 75 thousand dollars. However, there are some things we find are critical. Obviously the Ada accessibility is an issue for us all over the city, but in this particular place it has thousands of visitors. We want to make sure our community members and guests are able to use the restroom facilities and not have to struggle. So our staff have already been out to the site, assessed it and I've asked them to go ahead and start looking how we can make those adjustments with what we have internally.

[12:03:21 PM]

We also have staff evaluating all the other items to come up with exact cost to see if we can do anything else, and then we will be working to put these items hopefully into another capital program so we can address them in one fell swoop. This is not uncommon and it is our responsibility.

>> Mayor Adler: Okay. This is just -- this is just directing activities you would be doing with inside your budget.

>> Kitchen: I was just going to make a motion to pass this budget direction.

>> Mayor Adler: My only problem with doing that, we said we weren't going to pass the budget direction until people had a chance to read them. Let's hold this. We'll come back this afternoon and do all the budget directions.

>> Kitchen: If there's any questions --

>> Mayor Adler: Now is the time to answer questions.

>> I'll be here all day.

>> Mayor Adler: Let's bring up Austin energy.

>> Kitchen: Okay.

>> Mayor Adler: Mayor pro tem.

>> Tovo: Yes.

>> Mayor Adler: So Austin energy, so the current budget has -- the current budget on the dais at this point has us asking that \$50,000 of park lighting be handled the same way as street lighting is being handled within the Austin energy budget as part of what was it, the --

>> Mark Dombroski, chief financial officer. My understanding is that the proposal is to pay for the -- what we call a night watch man for the night lighting at the parks under our community benefits charge, the service area lighting component, and that would be about \$55,000.

[12:05:30 PM]

That budget is approximately \$10 million a year.

>> Mayor Adler: Okay. Is that something that can be handled without a change in rates? I mean is that -- of a size that it's just something you can do?

>> That's correct, we would not change the rate in order to accommodate that.

>> Mayor Adler: Now, there's a second proposal that the mayor pro tem has also brought to the table.

>> Tovo: I need to ask a clarification question. You just mentioned the figure 55,000. The earlier one was 50. If it's 55,000, we should make that adjustment to our base budget. And I know it's been a little hard to -- and I do have some budget direction that's going to come forward later. Because this concept arose really late last Friday, thanks to the good work of Shannon on my staff and I appreciate all the work from Austin energy and pard and trying to get us to this point where we had an accurate number. But I don't think that we're at the final number yet for what that security lighting is. 50,000 is the last number I heard. It sounds like it's 55, but I do have budget direction that I'm going to ask the council to consider to continue this process of trying to tease out what the actual cost of security lighting is at all of our parks facilities in case it is not captured within that figure that we're talking about today.

>> I don't know the exact number and it probably changes each year. The majority of that is based upon our power supply adjustment addressed each year and the actual number of ticks ticks -- fixtures. Approximately 55,000.

>> Tovo: I think it might be appropriate potentially to change the 50,000 in our budget to 55. But again I think we should consider that budget direction later, which I'll discuss, which is to really ask our Austin energy staff and our park staff to look at specific areas of security lighting and make sure they've all been captured in that funding.

>> Mayor Adler: Mr. Van eenoo, are you okay with taking that number and moving it to 55 as opposed to 50?

[12:07:32 PM]

Yes, okay, let's make that change.

>> Tovo: Then my second proposal relates to the installation of lighting at some of our parks facilities. This was a concept menu item. And I know a lot of us have met with stakeholders about that, but the more general principle seems to me that it's my understanding that installation -- that our capital budget for Austin energy includes the installation cost for security lighting throughout our city and I think it's appropriate to put the parks -- the installation of security lighting at our parks facility within that capital budget as well. So my proposal then is to put the amount specified -- the estimate I believe that we received is \$574,000 of the capital budget -- of security light installation at neighborhood parks into the Austin energy capital budget.

>> Pool: And I'll second that.

>> Kitchen: I'll second that.

>> Pool: Councilmember kitchen wants to second.

>> Mayor Adler: Mayor pro tem, do you want to speak to that first or Mr. Dombroski address that? Would you speak to that?

>> Sure. The -- that's correct that for the street lights and the traffic lights that we -- we make the initial investment out of our capital budget and then that bill is paid for through our community benefits charge, the service area lighting. I'm unaware of the other types of lighting, whether that's a type of lighting that's provided by Austin energy. I would note that during our recent rate review that the street lights were a lot of contention amongst the interveners as well as the independent -- or impartial hearings examiner that ruled Austin energy not be paying for those, so that would be a significant increase to something that was a controversial point.

[12:09:38 PM]

But, of course, we reached an agreement with the interveners so it should become moot as far as our rates go. As a result of the rate, we significantly reduced our rates and as a result we had to reduce our capital budget by more than \$42 million for 2017. Even at that, we're now forecasting to have a

deficiency of about \$6 million in 2017. So this would be a significant increase in that capital budget to a budget we've already cut to get to 17. Before we made that move, I would caution council to seriously consider that on Austin energy's budget. And I don't know whether parks has an opinion, I haven't seen that list of the types of lighting or the type of lighting that we actually provide or not.

>> Tovo: Sure, I thought that had been shared with your staff. What is your total capital budget for fiscal year 2017?

>> I believe our spend pan is 168 million.

>> Tovo: 168 million and this would add an additional half million basically?

>> Yes.

>> Tovo: I guess, you know, in speaking to my motion, I would say that security lighting is just as it's important on our streets, it's important in our parks facility and other facilities so I would like the council to consider including this within the capital budget for ae for this next year for reasons of public safety just in the same way we do our other security lighting.

>> There would be an additional operating cost because once we -- own those lights we have to operate and maintain them. I don't know what the operating costs are.

>> Mayor Adler: Ms. Kitchen.

>> Kitchen: I don't know if we're ready to vote, I support that vote. I would also point out, I understand the potential impact on the budget, but I would also point out that we are also making some changes that reduce the impact on your budget. They may be small amounts, but we just talked a few minutes ago about the fact we were reducing the allocation for enterprise funds for -- because of the delay that we were doing on ctm.

[12:11:47 PM]

So in the scheme of your budget that's probably not a lot of money, but in the scheme of these needs, you could certainly look at those kinds of dollars as going towards this. So I think we talked about could have been 100,000 or so that were freed up from Austin energy just from the fact we delayed the ctm expenditure, that's \$100,000 that you could consider towards this safety need in our parks.

>> You are correct, that will help by not making that transfer to ctm, but as I noted we're currently forecasted to be a deficiency of \$6 million. Positive net income.

>> Sara Hensley. Is this the -- I'm just trying to narrow down, is this the request that was to fund some security lighting in some parks but also on aid property?

>> Tovo: [Inaudible].

>> I believe the other request.

>> Tovo: I believe -- it was in unmet needs.

>> Okay. That's -- just to make sure council is aware, this is -- we have been meeting with Austin independent school district. This is, as I explained and we explained to our friends with [inaudible] That there's a little bit more work to do from that side with aid. Having had discussions with them and talking to the superintendent I gave him a heads up this was a priority for the community and asked them to see if they could help partially fund through capital, which is different from their operating as well as ours. And so we're looking at that certainly as a priority, but I wanted to make sure everyone knew we've asked aid to sort of step to the table from a capital perspective and help us and prioritize the lights with our friends at gave to make sure we take them on priority.

[12:13:51 PM]

We've knocked out all the items on hit list and now we're on this list of capital.

>> Tovo: This sort of falls into the same category of the money with regard to the temporary facilities at txdot. Clearly there's some more discussion that would need to happen.

>> Yes.

>> Tovo: But again the motion would be -- I understand that the estimates from pard were really rough estimates to some extent that we got in the spread sheet and so it would -- we would allocate, you know, up to \$574,000 from that budget to meet these needs, assuming that those conversations will happen and there will be prioritization from our city staff. As to which of those lighting projects within the -- within the schools that were -- excuse me, within the sites that were identified in 78744 and 78745.

>> Mayor Adler: So if we were to do it that way, how do we -- would we give this direction to discussion and then would we ask for that to take place to ascertain just how much that was and then come back with budget amendments when the staff came back, whenever they came back, to see if there were things that we were unable to fund in this budget process that then we would be able to fund in two weeks or four weeks? In other words, I hear what you are saying, I think the discussion is a good one to have. I would like to have that number. I don't know if we want to spend a number that has yet to be determined yet. So I'm trying to figure out how this plays into the next part of our process.

>> Tovo: I've got spread sheets in front of me and the department forwarded that as one of their unmet needs so they have some sense of what the costs are. And I thought I had hit on it at the figure that I have, but I'm happy to have additional feedback from director Hensley. I think what is -- it seemed to me what was uncertain whether all of what was spent could be accomplished in those funds, but if it doesn't cover all of it, I would anticipate they will spend what they have wisely and come back and tell us what more there is to do.

[12:16:01 PM]

>> The -- two things. One is we can't just go in and put infrastructure on the school district property without them being amenable to it, and that's a process. One I wanted to give the superintendent a heads up to make sure he knew that was a priority and I encouraged the group to speak with the school district directly so they knew it was a priority for them as for as. We can impact the sites that are parks related, but whether it's a joint site or school site that we don't have any partnership, we wanted to make sure there was a dialogue there. That's where the unknown is is making sure that the money that - - whatever it's allocated if it is allocated, that if that is the priority and it's only a school site, it really isn't our responsibility. You know, it's not us putting the money there. Obviously the city, but we just are trying to make sure the school district knows and that there's a dialogue there and everyone is on the same page.

>> Tovo: I appreciate that and so the dove springs district park obviously that work could move forward were there funding allocated. Pons Anna, page park is a city facility.

>> Yes.

>> Tovo: The others are either joint facilities or aid and they require more discussion.

>> That's correct.

>> Tovo: So I think we have two options for proceeding. We can either allocate what we think is close to the funding for all of them and then if it's not you -- if aid says they have concerns about it or it requires additional discussion, then obviously those projects don't move forward and the money doesn't get spent. Or we could separate it out into the estimates for the two sites we do have control over. I would say since we're having this conversation now and I would say we allocate the full amount I suggested and allow those conversations to take place and have an update. And if it sounds like Austin energy has other ways to spend that money if it's not allocated for these sites.

[12:18:02 PM]

>> Mayor Adler: Help me --

>> Kitchen: Mr. Mayor, I would concur. I think that we need to go ahead and proceed with this item.

>> Mayor Adler: Help me understand -- so we have -- I need to understand better what this 500,000 -- so we're talking about a \$500,000 reduction or addition -- \$500,000 addition to -- I'm trying -- I'm just confused on this. Where the money is coming from, whether this impacts the negotiations or discussions with respect to the negotiations that just happened in the rate case. I'm just -- I'm still uncertain as to what the pieces of this are. Does this impact the rate case discussion? Was this part of the rate case discussion? Where does this money come from and what would be -- and then Ed, I need to know better what the risks are associated with doing something -- because there's going to be an associated maintenance cost with this, I heard. How do we -- what's the prudent thing for us to be doing here? Help me understand what -- talk to me about the rate case. Is this germane to that at all?

>> I don't know how it relates to the rate case since we had the agreement in place and I assume that's a contract so I'm going to allow the city attorney to discuss anything that might impact that agreement.

>> Sure, so the rate proceeding was an internal proceeding that you all did and came to an agreement with a lot of parties involved. This was a topic that was discussed during the rate proceeding. So lighting is a part of that. This would not affect the agreement that's in place right now.

>> Mayor Adler: It doesn't change any of the numbers associated with the negotiation. None of the parties would come back and say wait a second, if we had known you were going to be doing this -- this isn't going to change things.

[12:20:11 PM]

I'm asking legally and practically is this a change to what was negotiated.

>> I don't believe so because the agreement was about our 2014 test year and the rates that were put in place. Going forward, I don't know whether it would be an issue, but I don't believe it's an issue relative to that agreement. I'll defer to the city attorney on that.

>> Mayor Adler: You both gave the same answer there so I'm okay with that. And then what about the impact on the budget?

>> If I'm understanding correctly, the idea is that Austin energy would install, own and operate some types of lighting within parks -- or school districts. I don't know what type of lighting that is or what the operating cost is, but there would be in our capital budget a capital cost that we then own the asset and be required to own and operate that asset. And if there's any revenue streams associated with that, like running ballparks, we would expect to take share of that revenue to help offset those costs. I'm just -- I can't speak to specifics because I don't know about the specific lights, where they are going to be located.

>> Ott: I'm having all kinds of trouble -- is it on?

>> Mayor Adler: Yes, you are on.

>> Ott: Understand it doesn't impact the agreement being researched in this conversation -- referenced, but there is a larger overarching issue and it has to do with the history and claims that Austin energy funds have been misused. Mark, correct me if I am wrong, but I think I'm correct in regard to the more recent discourse regarding Austin energy and what I think about the independent examiner and all of those things. It seems to me this issue of lighting was part of the conversation at some point. And although they chose ultimately to set it aside, I think the point was made questioning, you know, using Austin energy resources in this manner for this type of function.

[12:22:20 PM]

So while it was ultimately not made an issue, it could be made an issue and it's just a larger question in the historical conversation that has plagued Austin energy for years about the appropriate use of Austin energy funds. Is that not correct?

>> That's correct. The interveners had argued that providing street lights and traffic signals was not necessary for provision of electric service. And the hearings examiner sustained that, in his opinion. But because we reached an agreement [indiscernible] We settled on a number which was \$42.5 million reduction in revenue requirement and a host of other terms and conditions, that specific issue is moot at that point. So we continue to assess within the community benefits charge the service area lighting which pays for street lighting and traffic signals.

>> Zimmerman: Mr. Mayor, I haven't had a chance to talk.

>> Mayor Adler: Mr. Zimmerman.

>> Zimmerman: Thank you, mayor. My concern on this is we're moving towards lack of transparency and shifting buckets of money. We asked in budget question 230, we were trying to get to how much money we're already subsidizing aid. We show \$1.6 million of city tax money going to aid and that might be independent of the 2.23 million that's on the mayor's list here from September 11th. So I don't support what we're doing here because it causes a lack of transparency when we're shifting money like this and some of it going to the benefit of one particular school district. I think it's a bad idea.

>> Mayor Adler: I'm going to support because one, we're displacing not aid money, city general fund money. Second I think the argument can be made very coherently this is an appropriate use of Austin energy funds street lights because we've made that argument and we're already committed and have adopted that path.

[12:24:32 PM]

I see what if mayor pro tem is protesting here as just an extension of that existing policy which is if we are going to change that policy, we should change that policy. Otherwise I see this as just an extension of that. Mayor pro tem, you had your hand raised. I'm going back to Ms. Gallo and then Ms. Garza.

>> Gallo: So I have a question. So we're talking about adding a liability for this additional spending. Is that correct? Increasing your expenses is an easier way --

>> You would increase the capital contribution 570,000 plus some unknown operating dollars, and I have no idea how much that may be.

>> Gallo: So how much is your budget for street lighting in the current budget?

>> The current budget that pays for the street lighting and the right-of-way and traffic signals is approximately \$10 million and that's paid for out of the service their lighting component of the community benefits charge.

>> Gallo: So could instead of adding to your budget liability, could we ask that this type of spending be a priority within the fund that you have already budgeted for the year? Or that you have already expected to receive for the year? I mean obviously what I'm hearing from council is there's a priority for spending on street lighting in parks, but could it be incorporated as a priority request from council as part of your existing budget or projected budget?

>> I think it would depend on the type of lighting and where that lighting is located whether it would fall under the service area lighting, and that's intended to pay for street lights which are unmetered lights on right of ways. We've added language to the tariff at the direction of councilmember pool to include now the night watchmen in parks. So I think this may be a third type of lighting.

[12:26:33 PM]

I'm not sure right now how we would characterize that, but the capital component would come out of our capital budget, not the community benefits charge.

>> And the reason it can't come out of the community benefits charge is that it's not listed as an appropriate --

>> That's for operating costs. That pays --

[multiple voices]

>> Gallo: Would pay that but not --

>> The cost of debt service comes out of our base rates, not the community benefits charge. And when we buy assets like lights that have a long-term life, that's partially debt funded, partially cash funded.

>> Gallo: I mean it's such -- it's such a balance that we're trying to do here because there is a need for that. I do think we need to provide lighting for park security, but we've just -- we've just come out of rate case where Austin energy came into it and found ways to reduce the budget \$42.5 million to be able to get to the result that we got to which was reducing the rates for everyone. And I just -- you know, I struggle with it is it right at this point to look at more expenses within your department when we've asked you to reduce expenses. And once again, it's balancing. I mean this is a really important need that we have in this community and lighting in our parks is and that's really what I'm struggling with on this.

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

>> Kitchen: I think you were first.

>> Garza: I just want to speak to the comments that have been made. This is not money for aid. Aisd lets us use their land for parks. So we don't -- because we are so limited in our ability to fund additional parks, we use aisd land and partner with them. And I've seen some of these parks that have gotten lighting and how I believe they've been able to show a reduction in crime in those areas because there's lighting, because families are out there.

[12:28:39 PM]

I've been to these parks. There's families out there actually using the parks because there's lighting. This is a huge return on investment for our community. And if we can fund sixth street so people can party when they come visit Austin, we need to make a priority to fund our parks so our families can enjoy those parks that they pay taxes for.

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

>> Kitchen: Okay. I was just going to reiterate that -- that some of our actions today are actually reducing the costs for Austin energy. And you know, if we have concerns about Austin energy's ability to, you know, to address this within their existing budget, although I can't imagine that 500,000 would be difficult, it's actually less than that because we've actually saved Austin energy some money so far and I don't know what that amount is. We can certainly look at their budget and find other places where we could help them save dollars if we need to do that. I'm quite confident that there is sufficient funding within Austin energy to address this.

>> Mayor Adler: Ms. Houston.

>> Houston: Thank you, mayor. I think my concern is that the director of parks said that they are just beginning conversations with the district and that we're going to make a decision without having any input or having -- giving her the opportunity to talk with the school district about what this needs are and what they're able to contribute. And so it seems like we're putting the cart before the horse in making a decision about what we will do without having -- without giving her the opportunity to see how this fleshes out with the school district when they can always come back -- your money is not going anywhere, it's going to still be there in case they come back with some kind of compromise agreement.

[12:30:40 PM]

I'm not sure why it has to be done today and not give parks department an opportunity to talk with aid about this.

>> Mayor Adler: Mr. Renteria, did you want to talk?

>> Renteria: Yeah, and I have the same concern as councilmember Houston has. You know, this -- we're making a decision now that we don't really know, you know, what is going to be the amount and how it's going to be, whether the maintenance costs on it, how we're going to finance it. So I'm very concerned about using that -- that money for that purpose right now until we find out.

>> Kitchen: Mr. Mayor? I would like to follow up on something that mayor pro tem suggested earlier. If necessary we could certainly divide this in two parts. I don't think that we have a question about the parks end of it. Not all of this property is aid. So I would not want to require waiting on the parks part of it on aid if that's what people's concerns are so I leave that to the mayor pro tem to decide about that, but I would suggest that. I would ask, I didn't hear director Hensley ask us to wait. I think she was just letting us know her process. Not that -- I don't want to put it on you, but people seem to be characterizing it as you need more time to talk to aid.

>> Well, I guess again I'm -- two reasons and I'll be real honest with you. I always have. One is worry about the legal ramifications and the issues of taking money from another body of the city. Two, you know, I want to make sure that I'm completely honest and say that we are working on several fronts with aid. We have a great relationship with them and we're working with them -- you are going to ask questions about mowing and playgrounds and I'm going to talk to you about that. We are having an ongoing dialogue with them.

[12:32:42 PM]

The issue I wanted to make sure you all understood is that there is no set agreement yet that says yes, you may come in here and place this light here. And the discussions we've had with our friends at gave have been around what kinds of lighting. Usually low lighting, safety lighting. We have an issue of safety all over this city in every district in our parks. And so do we need safety lighting in our parks? Absolutely. Looks like now even around our trails to a certain extent. So we're talking all over the city. This is something we've been working on with this group that is a priority to us and them and as a staff I have made a commitment to them that we are going to address their issues because they have really worked with us and they've come together and as a partner we have agreed this is a priority. My only concern is I wanted to make sure you were aware that I don't -- I don't know from aid, okay, yeah, we can agree to this site and it's a joint owned or it is only aid and this is where we'll put it and this is the kind of lighting. There's some that want lighting on trails and some that absolutely don't. That's my only concern. I'll be honest, I'll worry about the ramifications from the legal aspect but as well as taking it from someone else.

>> Tovo: Mayor? So I have a lot I want to convey. We had an urban parks task force and one of their jobs was to look at opportunities where, as councilmember Garza -- her comments suggested where we can leverage our parks in areas of town that don't have as many parks where we're really identifying opportunities for partnership. And this is really an extension of that work. There has been considerable work generally on that topic. Our parks committee asked you to please work and knock out some particular agreements at particular school sites and we have to be able to make progress on some of these fronts.

[12:34:53 PM]

The urban parks task force was, I don't know, five years ago maybe now. The family and children's task force that also identified these as opportunities was years before that. We just -- we have to be able to move forward and I think allocating some funding for this and allowing those conversations to take place doesn't -- doesn't prejudice those conversations, it just allows there to be forward progress if there's agreement on those. And I would say a couple of the sites that we're talking about are within the city control. If the motion to talk about all of them fails, we can go out, we can go back with a second motion and back out those costs, but while these aren't exact costs, I'm looking at spread sheets, Cunningham project, path way lighting 70. There's been a considerable amount of work on each of these sites. Which is why the staff

[inaudible] For the city manager's consideration within the proposed budget. I have a 14 page spread sheet with lighting costs for each of these sites. I don't want anybody to think this is a half baked idea. There's been a huge amount of work. I appreciate we don't have agreements and with one or two sites the school district may say don't move forward here, but do move forward here. It is extending our system of city parks that leverages resources for taxpayers. I am -- I certainly have been aware of differences of opinions on -- from different stakeholders about the funding of service area lighting, but I just want to say without going into lots of depth it is, it does serve a public benefit to have secure places. It does cut down on our public safety costs and I think it is in the best interest of the utility and I'll just read from some of the testimony that our Austin energy staff presented at the PUC commission during -- excuse me, rebuttal testimony that might have been during our independent examiners.

[12:36:58 PM]

It was during the -- during the process last spring. And I think I'm quoting Mr. Dreyfuss here. Though Austin energy was founded over 120 years ago, its core mission is the same today as when. One component is provide light and comfort to the public. Sal, service area lighting, provides a public benefit which includes lighting and comfort to the public but promotes public safety, crime reduction and improved access and reduced congestion on roadways. It is well within the council's purview to assess customers inside the city of Austin for provision of this public benefit through unwendell -- unwendell cbc. I appreciate why it's an appropriate function of our city utility and I would say we -- it ought to be true for our parks as well.

>> Mayor Adler: A couple more questions. Mayor pro tem, maybe you can help me with this because I think you have these numbers. The concept of whether or not this is an appropriate Austin energy expense I'm willing to go there with you because I see an extension of a policy we've already adopted and we're consistent with that. What is the amount of -- if you were going to just do the sites that we have under control as opposed to the aid sites, how do those numbers break down?

>> Tovo: I'm going to have to get back to you. The spread sheet I had in front of me includes costs beyond electric provision, I believe, and so I would need to go through for each one of those and -- like for example the dove springs project description I have in front of me is for \$406,440. It includes lighting and other costs.

>> I can get that. I'll get it and break it out. Obviously the 500,000, the parks is a lot less than what the cost is going to be down the road. That was our first phase of trying to get some lighting in some of these areas.

[12:39:01 PM]

So as the mayor pro tem alluded to, this is honestly just the tip of the iceberg when it comes to safety lighting. In this area, but also in other areas.

>> Mayor Adler: So where I am on this right now and I don't know resolve this now or after lunch if it's possible to, I'm okay with the cognitive doing lighting, but I'm not sure what the -- what the budget is and how that impacts the overall and what the master plan is associated with getting lighting done. So I have some discomfort associated with voting yes on this now on that reason. And I don't know if there's a way to construct a -- something over the lunch with the numbers, I don't know. I would prefer that because at this point I would probably vote no for -- for that second reason. Ms. Garza.

>> Garza: Mayor, I thought mayor pro tem said that to move this money to that bucket for that purpose, if it doesn't get spent, so if the aid deal doesn't get worked out, if we don't -- the money that can be used or the ones that are specifically just Austin parks can be used for that and then any balance, and this speaks to the concerns of councilmember Houston and councilmember Renteria, any of the balance that we can't come to an agreement is used for whatever priorities Austin energy put forward.

>> Mayor Adler: And that part I think I understood. Are we -- are we hitting a \$20 million problem here and we're funding the first \$500,000 of a \$20 million program, and are we setting -- are we now saying that with reference to spending on any other priorities we have in the city that we're seeing this is where we want the \$20 million -- I'm pulling numbers out of the air. I don't have a -- I guess my question is more at this point I'm not -- I was thinking more in terms it was kind of a discreet project that we would be funding up to, but now it's looking like a much bigger and I want a context.

[12:41:14 PM]

>> Garza: I guess that could be said with anything, health and human services, that's a \$20 million problem we're trying to chip away at. Yes, it's probably -- if we were to light every single park in Austin, it would probably be 20 million, but this is -- I'll also add this is a long effort by an organization trying to do a lot of things around parks and healthy food and access and they are also look for matching funds. They haven't just gone to the city and said give us everything. They are also looking for matching funds to chip away at this.

>> Mayor Adler: If you were going to chip away at it, would you want to chip first at the city owned properties or chip away first at the aid properties or would you not separate those properties? If you were going to chip away at it would you want some type of criteria associated with first we want these kinds of parks or these areas hit? I mean I don't have -- hitting it -- it's that larger context coming up that-that's causing me some hesitancy. Mr. Renteria.

>> Renteria: Even in my district I have a lot of parks that don't have lights also. I mean I have govalle, I have Sanchez. We can go on down the line of all the schools that have parks that the city is maintaining and built and school district and are we just -- are we chipping away at just one section of town and coming to the next section, to the next district, next district? There's a lot of, you know, unanswered questions that are going on in this and I think that if we really are serious about lighting up these parks we should have a -- come back with a budget that's going to take care of all the problems and maybe we need to have another bond election for that. But you know I have a lot of concern just, you know, taking money out of the Austin energy and just say we don't even know what it's going to buy, but we need to take this money out and put it out there and here I'm just finding out that one of the -- one light there at the park is going to cost \$400,000.

[12:43:31 PM]

Are we just going to do one park and a half or -- I don't know. I'm really confused about this.

>> Mayor Adler: Ms. Pool.

>> Pool: So for me it's a -- the policy angle on it, mayor, that I'm looking at. And I have a couple of questions, maybe for some historical context and I don't know if Mr. Van eenoo, somebody can help.

Right now the way we allocate costs to departments is we have essentially overhead and each department has an allocation for its overhead. And in this case park has an allocation for its lighting, electric bill. Was there ever a time with the city where all of the city's electrical -- the costs for providing the lights and the air conditioning was actually all funded out of Austin energy without allocations to each of the different facilities, each of the different departments?

>> Elaine Hart, chief financial officer. Not to my knowledge, and I began working for Austin energy in 1998. The city facilities are metered separately and they are billed individually. We do journal voucher or journal entry to record the costs and transfer the moneys from the departments to the budgets to Austin energy, but unless it was in the early 1900s, not to my knowledge. I think each department has been billed to the usage of their own electric service.

>> Pool: Maybe back with the Seaholm plant was brought on line it might have been. And that's fine. And so what I think I hear here is a situation where the funding with the parks and rec department as we know is already too low for the amount of operations and maintenance and just the pure love it to death status of our parks and our pools in the city. We're trying to find a way to expand a safety element by lighting some parks.

[12:45:37 PM]

Right now we're only looking at the parks in the 78744 and 45 part of town, but the larger conversation is how do we fund park safety lighting throughout the city. And -- and so my question is, if we are putting the expense for this lighting on a department that already doesn't have sufficient funding for all of its needs and requirements, but we do have the owner of the utility here with some revenue sources that are not available to the parks and rec department, is it a reasonable transfer of responsibility to ask Austin energy, the provider of our electricity, of our power in the city, to fund the provision of this night watchman security lighting first in the small area that we've already identified and then have conversations about the propriety of shifting the responsibility for the payment to the electrical utility where the provision of the service occurs. And I think that was the piece, mayor, that you were talking about. We don't know if this is going to be just a one-time thing or if it's a much longer responsibility or a bigger cost. That's the conversation I think you were maybe angling to have. And for me, I don't know where I stand on that, but I would welcome having that larger policy conversation. I think right now in this budget deliberation we need to have this public safety issue addressed. We have the funds available through the community benefit charge. It's not an unreasonable amount of money. I think it's down from -- I think it's about half, mayor pro tem, it's about half the figure that I had first seen, unless that was for a different portion of -- a different portion of the conversation we've been having because it has many tiers. But we're looking at less than 600,000 and then 55,000.

[12:47:38 PM]

So I would fully support sending the budget direction to Austin energy to pay for this so that we can get this -- this lighting put in place that the community has called for for quite a while now. And then I would like to have the policy conversation further at another time outside of the budget deliberations.

>> Casar: Mayor?

>> Mayor Adler: Mr. Casar.

>> Casar: I think one potential way of cracking this, my sense from a few folks is that -- as director Hensley mentioned, there are several spaces in the city that need it. They can't all get it at once. I think that if we could get support to just indicate that this chunk of money starting somewhere is for the departments to work to find where there's the most community called for a lighting for parks and where there would be the most public safety benefit. Then I think that it's very likely that the parks and dove

springs that have been brought forward would be, as far as I can tell, at the top of the list or near the top of that list. But I think then from a policy perspective we're indicating that we just want to start utilizing some of the service area lighting to be to parks to address community need from a safety perspective and also for the community calling for it. And I would suspect that that would be of benefit to dove springs and to other areas in this budget and budgets to come.

>> Kitchen: Mr. Mayor?

>> Mayor Adler: Hang on a second. Anybody else? Ms. Kitchen.

>> Kitchen: I was just going to -- I'd like to vote on this. I'd like to -- unless people need time over lunch to consider it, but I do think it's important to move forward with this at this time. I mean the larger questions that we are raising, we could be asking those about any of the items that we have funded so far.

[12:49:46 PM]

We have funded very specific items so far in different parts of our city because we have -- because these were projects that we knew that we wanted to move forward with and we didn't stop those because we had to ask the broader question about what that meant for all the other needs. So those broader questions are important and we should find a way to deal with them, but I don't think we should let that get in the way of funding what has been an ongoing effort for a number of years for 78744 and 78745. I think we need to go ahead and put some dollars into that. And then we can ask the broader questions. I would just remind us that we have done that. Yesterday and the day before with the budget that we have in front of us with regard to other kinds of programs. And I don't think this is the program to stop proceeding in a way that we have been proceeding so far.

>> Casar: I'm supportive of the item. I'm just trying to get us to a place the majority feels comfortable --

>> Kitchen: Oh, yes, I understand. I wasn't trying to say you weren't. I was trying to say for us as a group because I do think the broader items are important, but let's get to those, but let's don't use that to stop what we're trying to get accomplished today.

>> Garza: Mayor?

>> Mayor Adler: Yes.

>> Garza: I would agree with councilmember Casar. If this is -- I think this is important to start this process. If that means it's just city of Austin parks, that's the easiest, we hit those and it doesn't have to be only 445, I would love that, but if there's a park in anybody else's district that that would take priority and that we could get the lighting to quicker, I would absolutely be for that. Maybe it could be an issue before the open space committee. We had a similar issue when we block funded the park money last time. Maybe this is an issue that could be more vetted at that level, but I do think it's an important step and gesture that starts the conversation and we have done this in several different ways when we created the equity office.

[12:51:59 PM]

We create it and then we started to process after to vet exactly who would lead it and what would be this there and all those issues. So I really hope we can just move to support something that essentially I believe will and can help the city as a whole. Not just a certain district.

>> Mayor Adler: So it's 500,000 out of \$168 million cip project budget, but it's 500,000 out of a \$10 million lighting fund part of that project? Is it -- could it possibly be that this small park portion is such a large portion of lighting throughout the city? The number -- it doesn't seem like parks should be such a significant portion of lighting, street lighting throughout the city.

>> The -- the \$10 million number is the service area lighting within the community benefits charge. That pays for the street lights, that's the energy costs and the power used to generate for the street lights and the traffic lights. So it doesn't pay for the infrastructure. Infrastructure is paid within our capital budget. Which is separate. So we don't pay for capitol with the service area lighting budget. That comes out of the separate budget. So if we were to be required to take over this lighting, we would have to increase that service area lighting by some amount in the future once we know what those operating costs are for those additional lights. I don't know what they are right now. The specific question I was asked by councilmember pool was called night watchman light which is city owned lighting. That is currently billed to the parks so I know approximately how much that is and that's \$55,000 a year.

[12:54:00 PM]

I don't know what this additional operating cost component is.

>> Tovo: Mayor, it's my understanding the total lighting budget for all of parks inside and out is 1.9. The portion that is security lighting outside is -- you've heard 55,000. We're talking about adding maybe a couple security lighting at a couple additional park sites. So we're not talking about adding millions of dollars to the security lighting charge that's going to be collect through the cbc. Yeah, cbc. We're talking about if you think about all of their outdoor lighting currently adds up to 55,000, adding a couple additional site --

>> Mayor Adler: So the operation and maintenance would be relatively small, on the order of 55,000. And what we're talking about is a -- the larger expenses, the capital expenses.

>> Tovo: The capital. And we've raised good questions. Yes, there are lots of parks throughout our city that would benefit from security lighting. If it's helpful, I would be happy to amend my motion so it's more general and then ask staff to consider some of the things we talked about. Which are the parks with the highest public safety issues, with the highest community requests for lighting so that they feel safe in their home neighborhoods. The staff might also want to consider the significant work that's been done to identify gaps in our park system. There may be areas that have security lighting issues, but there are nearby parks and people choose to be in that -- I think it should also if we're going to go to a more general set of criteria, a more general allocation with the criteria, I think it should also take into account gaps in our park system and where those are highest in terms of prioritizing the parks. But if we need to take a break and think about this over lunch, I'm happy to do that, but again I would say just to echo what councilmember Garza said, allocating the money and providing the direction allows them to come back and provide us with a more specific plan for how that money is going to be spent.

[12:56:07 PM]

This is frankly far more discussion and direction than we had about a lot of the items we passed and allocated funding for and I think it's appropriate, it's a very good discussion, but we allocated hundreds of thousands of dollars to things last year and then worked them out through the year. We've got a concrete sense how this money would be spent and could just await a response from staff about where they would suggest spending it, what are the highest priority security lighting areas at our parks.

>> Mayor Adler: Ms. Houston.

>> Houston: Thank you, mayor. Mayor, I'm trying to understand, is this a one-time only or is this looking at Austin energy to do the millions of dollars worth of park funding throughout the city? Because I think and some people may say I'm reading stuff into what staff are saying, but I think that's one of the concerns that Austin energy has. If we open this up as a precedent, then we will begin asking them to fund all park programs. What is the understanding you have regarding this one particular 45 and 44, the parks that belong to the city in those areas and the need across the city for lighting and will we be

looking for them in the next budget cycle to say now will you fund Walter E. Long or givens. So I think that's the issue for me. Is this a precedent setting and are we looking for Austin energy to be the funnel to funnel all that's concerns people have.

>> Mayor Adler: Mr. Zimmerman.

>> Zimmerman: To answer councilmember Houston, I think it should be clear that's what this is. This is policy making by allocating a relatively small of money with the expectation it will grow into a huge, huge expectation and demand around the city. We're already using Austin energy as a piggy bank for a lot of different projects.

[12:58:07 PM]

Let me point south too, I think it was about 16 years ago that in a discussion just like this one we created the economic development department. Not by creating the economic development department per se, but through an allocation of money that was for something that looks like what the economic development department does today. So we created something that's now a 15, 16 million dollar liability growing every year. This is another example how expectations get created by a relatively small amount of money and year after year it grows into cuts that are killing taxpayers. It's already 1:00. I've been hearing the same arguments three or four times. I think we should vote. Let have the vote.

>> Mayor Adler:

>> Gallo: You know the discussion of parks, the discussion of safety in our parks is important. I mean, I absolutely support providing safety lighting in our parks. I support the park department for continuing discussions with aid because I think collaborations like that are really critical. But lighting in our parks is not part of the cost of electrical service. I think we've heard the discussion that there is a concern in our community about us continuing to do this. So I will not support this if the funding for it is out of ae. I think it is an important thing and concept for us to bring forward. I think the safety for our parks is important and I think the council can accomplish this by putting it in the parks budget and giving parks control over the conversation and the spending and also funding the parks in an additional amount to cover this projected expense. But I do -- so I do support -- I do not support the money coming out of Austin energy and I think for this solution the solution to go in and increase the parks budget to cover this if the parks department feels like this is something they're ready to tackle.

[1:00:14 PM]

>> Mayor Adler: Any further discussion on this item?

>> Mayor? In regards to the action you're taking I think we would just seek clarification if this is -- if this is a budget amendment, if this is a matter of council directing Austin energy to find within their existing capital budget \$500,000 or \$150,000 and to reallocate it to a new project, that would be accomplished under item number 2. If the direction here is for Austin energy to increase the transfer to their cip to fund this we would need to take action now to amend their operating budget to allow that to happen. If Austin energy torn say we'll cash fund that and draw down their ending balance, I don't know if that's what we would be planning to do, if they've thought through the parameters, but we would need parameters as to what action council was taking.

>> Mayor Adler: I will probably vote no it, but I like the concept. It doesn't give us more general fund money so it is doesn't impact that part of the budget, but I would be happy to participate in conversation immediately after this meeting today to figure out what is the best plan to get lighting involved in the parks. But I'm not sure that it's a lift that we have to make as we sit here at the dais. I just have unsettled questions.

>> Tovo: Well, I have a couple of additional questions. Can you tell me the name -- I'm having trouble finding it in my book -- for the name of the Austin energy fund that funds community development projects like the science fair and others? Because that's another potential object for this. It is the delivery service, but it is more local in nature. I don't know in that as wages your concerns, mayor, but we could certainly propose to fund the installation of the lights out of that community development fund or Austin energy's fund. And again, I'm happy to table the discussion for now and take it up after lunch, but it would be helpful for me to know the answer to that question.

[1:02:22 PM]

The other question I would like an answer to after lunch is I've heard now conflicting information about the lights along town lake park. I'm so focused on numbers I'm not getting the new name proper. So that would be helpful.

>> Butler?

>> Tovo: Yes. The information I received initially was that Austin energy paid for the installation and the lighting costs have been paid for out of park's budget, but those are the two questions that would be helpful for me to have information of because I think we probably do have precedence. I think the way we handle lighting is already a precedent for what I'm proposing to do, but that may be an even more direct example.

>> Mayor pro tem, I have Marty -- Marty stump here. I believe park paid for the installation of those lights. I believe that's correct. He's the expert in that area.

>> Tovo: And I have an email from mark Dreyfus that suggested otherwise. Maybe we could reconvene over lunch.

>> Yes, mayor pro tem, we would like some clarification on what area we're talking about specifically because if it's in regards to auditorium shores that would be through the parks department capital budget, but Austin energy participates on providing support on the engineering on the supply side, so up to the electric meter and then downstream from the electric meter it would have been borne by the parks department capital budget.

>> Tovo: And in particular I think I'm talking about the security lighting, the night watchman lighting along the trail, but I'm not sure.

>> If we get clarification, we can attendance.

>> Zimmerman: Mayor, I move to call the question.

>> Mayor Adler: Mayor pro tem, if you wanted to postpone this until after lunch, I would support that. If you want to vote now I would vote against it. Ms. Kitchen?

>> Pool: I'm looking at page 510 in the Austin energy budget and looking at expenditure of -- under support services we have almost 1.7 million in an increase and information technology consulting and staffing services.

[1:04:37 PM]

I'd like to dig into that item maybe after lunch. I'd like to find out what all that is going to pay for. It may be that we can find some funds there.

>> Mayor Adler: Which was --

>> Pool: I'm looking at page 510 in volume 1 under support services. We also have another increase in information technology software and hardware purchases and maintenance reflecting the higher demand of technology in the utility. And that comes in at over four million. We have some fte savings and vacancies that I talked about yesterday. And so forth. So I think with a little bit of careful analysis and working with Mr. Dreyfus and Mr. Dom brow ski we can -- we can shift over the lighting services at

the particular parks that are in districts 3, 4, 5, which is the zip codes that we are particularly focused on, 78744 and 78745.

>> Kitchen: And Mr. Mayor, I have another question that I would like to lay out on the table that -- mayor pro tem identified as well as councilmember pool. The only question I would add to that is I just don't have any way of understanding what that number is, if there is a number, but I know we had some discussion as we made some other changes, we discussed the fact that that reduced the allocation from some of our enterprise funds in terms of the budget changes. What level have we reduced in terms of the allocations for Austin energy? And if I'm not being clear, one of the examples when we had our discussion, maybe it was yesterday or whenever, we talked about the fact that we reduced the 500,000 or so from the ctm budget, and that actually had an impact on reduction of maybe 100,000, maybe less, I don't know, on other enterprise fund budgets, including Austin energy.

[1:06:52 PM]

So that would -- to me that represents some dollars that Austin energy is now not going to have to be transferring back to the general fund and I'd just like to understand what that total amount is. I'm not suggesting that we would do anything with it. I would like to understand what it is.

>> Renteria: Mayor, are we going to vote on this? Or we going to take lunch or what?

>> Mayor Adler: It's been pulled. It's subject to being urged again after lunch. It's 1:00. I think we should take a break until 2:00. So if it's okay we'll recess. When we come back, council, I think, Ed, we're what, about 140, \$145,000 undesignated at this point in terms of funding?

>> 154.

>> Mayor Adler: 154. Okay. And council, it's now 2:00. We have a lot of things that we have to get through today.

[Lunch break].

[1:19:35 PM]

>>

[2:27:04 PM]

>> Mayor Adler: we ready to pick this back up? Who are we misdeameanorring? Miss -- missing? Missing a couple councilmembers. We have about \$150,000 that is undesignated at this point.

>> That's correct.

>> Mayor Adler: Council, let me tell you where I am right now, and then just for whatever that's worth. I join in with what I think a lot of people on council are -- recognizing that security in our parks is a really important issue for us, that people have worked on for a while, and without real clear resolution, and I would join in us actually pushing that agenda forward and resolving that. As I sit here now, I would not rule out any source of funding in order to be able to get that done. But I'm just uncomfortable for me trying to make that kind of decision as we're sitting at the dais on the last Dave budget stuff -- day of budget stuff. When I'm done talking, mayor pro tem, I'm going to recognize you to make a motion, but before I do, I would just say that there's \$150,000 that are in the -- that are undesignated at this point. If -- just for what I would do at this point is I would take 25 of that and I would put it toward the third-party appeal issue. It was a pilot program, were something to be able to figure out how to test that concept, I would take \$10,000 of it and put it towards Ms. Houston's vaccine issue.

[2:29:10 PM]

That would leave \$135,000 that we're left, and I would naught toward the park safety issue, to prime that pump. And then I would hope that regardless of what we do today on that issue that there's a resolution that comes to us pretty quickly that tease up that -- tees up that issue in a more global way that will actually give us a path, perhaps, to resolving that challenge the city faces. So for what it's worth, and that would then have us done and then I would recommend that we move to other parts of the day because we still have the budget directions to go through. We have five, six other things. We're gonna start losing people this evening at 6:00. Every person that leaves is a no vote, meaning we have to have seven people present who are voting yes and we have to get this done today or the consequences are pretty dire. That said, mayor pro tem, I will recognize you for a motion.

>> Tovo: So I'm gonna make a similar motion to the one I made earlier and I appreciate the opportunity for people to think about it over lunch. When the motion would be to take \$574,000 out of Austin energy's capital budget for this next fiscal year to fund security lighting at the highest priority parks. We talked about specific zip cones that have parks that are -- have been identified for security lighting. It could be those or others, as the parks department have designated. And I would just mention in looking at the capital -- in looking at the budget over the lunch break, I believe it may actually be in excess of \$168 million, I believe, the capital budget for Austin energy may actually be in the 200 million-dollar range, 210 million-dollar range. I would like to financial staff to confirm that number but it did look hire.

[2:31:13 PM]

I think taking just a little over \$500,000 out of a very significant capital operating budget to help fund security lighting in our parks is appropriate.

>> Mayor Adler: Okay.

>> I'd like to second that.

>> Mayor Adler: Did we have a second for that before? The sec was withdrawn. Ms. Kitchen seconds that. Any further discussion before we vote?

>> Garza: I want to speak to it. Sorry. It's my -- all the food and my brain. You know, during discussions of whether to move to district representation a lot of the argument against it or for it was that there were parts of the city that were neglected. I made those arms, saying there were parts of the city that were neglected but I really want to recognize mayor pro tem tovo for her work in bringing things forward that help underrepresented communities as well councilmember Morrison were great loud voices for these kinds of issues that affect districts that have been underserved and I appreciate you bringing this forward. She spoke with me about this idea, and it was originally -- the advocates that go and advocate for these issues, the reason they're advocating in that area is because of the disparities that are in those specific areas. And there are disparities throughout the city, but I think this is a fair move to say even though on the concept menu it was specific to a specific part of town, I think it's fair to say that wherever the disparity is greatest is where we should spend this money, if this passes. So thank you, mayor pro tem, for being a good voice for those neighborhoods, even before we had 10-1.

>> Mayor Adler: Okay. Ready to take a vote? Ms. Kitchen.

>> Kitchen: I would just echo that thanks to mayor pro tem and to all of us that have worked on this, and I'd really like to thank the members of gave.

[2:33:24 PM]

They have been a heighth advocacy for our communities and paving the way for all parts of the city. So appreciate that.

>> Houston: Mayor.

>> Mayor Adler: Ms. Houston.

>> Houston: It's not that I'm against park lighting or safety in parks, but I don't think this is the way to go to provide that services so I'll be voting against this.

>> Mayor Adler: Okay. Ms. Gallo.

>> Gallo: And I just want to reiterate what I said earlier, which is absolutely I support that we need lighting in our parks for the safety of kids and families. But I think the funding from that should come from the parks department, not from Austin energy, because the expense that's come out of Austin energy should be directly related to the cost of service in providing the electricity to our customers. So I hope that the council will find ways within the budget to fund the parks department additionally to be able to do this, which I think is a wonderful concept and a wonderful idea.

>> Mayor Adler: Okay. We'll now take a vote. Those in favor of the motion please raise your hand. Casar, mayor pro tem, pool, kitchen, and Garza. Voting no? Ann -- it's the balancing of the dais. It does not pass. I would propose that -- yes?

>> Kitchen: Where will, I'd like to make a motion but I don't know if councilmember tovo was about to make a motion.

>> Mayor Adler: I was going to make a motion that had those three items on it and someone could move to divide that motion if someone wanted to.

>> Kitchen: Okay.

>> Mayor Adler: I was about to --

>> Kitchen: Go ahead.

>> Mayor Adler: No, no, go ahead.

>> Kitchen: All right. I move that we have -- of the 150 remaining, we put 25 towards the third-party appeal, ten towards the vaccine and 115 towards parks safety.

>> Mayor Adler: Okay. I'll second that. Is there any discussion? Let's take a vote. Those in favor please raise your hand.

[2:35:26 PM]

Those opposed? Mr. Zimmerman voting no. The others on the dais voting yes. That passes. Are we comfortable stopping with the budget items at this point, not the budget directions? Acan we move to budget directions is now.

>> Garza: No. Because my office was in the process of having possibly found some money so I don't know where we are on that. I guess we can move on and come back.

>> Mayor Adler: Okay. Let's move on in the absence of finding new money --

>> Mr. Van eenoo --

>> I'm trying to get Lorraine Reiser in the room before you brought that up and I don't know where she is, so if she can hear me, it would be helpful to have her in the room.

>> Garza: Don't run, Lorraine.

>> Mayor Adler: Don't run.

>> Kitchen: Mayor, my item is not a dollar impact.

>> Mayor Adler: Okay.

>> Kitchen: But I had become aware of a problem with one of the cuts that -- or one of the reductions we made yesterday with regard to the funding a position in hrd. And so I'm wondering if that would be appropriate just to authorize that -- we don't have any dollars at the moment but just to authorize that position and have it there in case there's a way to fund it in the future. I don't know if that helps, and I don't see Joya, but if someone is here and would like to address that, I would be willing to do that. Or I'd be willing to propose doing that.

>> Mayor Adler: Take your time.

>> Kitchen: So when we spoke yesterday, I know you've learned new information since we spoke. And I know the council voted to reduce -- or to take away that fte based on our understanding that it was something that could be dealt with. And I know that you have learned that there are additional impacts that you weren't aware of. And so if you'd like to speak to that at this point in time, I think all we could do is perhaps authorize the position and maybe later find the funding for it.

[2:37:30 PM]

>> Thank you, councilmember. Joya hays, human resources department. In discussing this with our departments yesterday it's very important that I point out that in an effort for us to continue on-boarding with efficiency we need an additional staff member. We are already processing more than 10,000cbis with just two people and with the restrictions of the system, having someone back those people up is very difficult. So in order for to us on-board people faster to clear these vacancies we have to run those checks and those people are waiting in order for us to do that so it's very important that we simply point out there will be a significant impact to our capacity to process new and adhere to the mandates in the audit which recommended that we have more support for this particular area.

>> Mayor Adler: So I think the question, Mr. Van eenoo, was does it make sense for us to authorize but not fund that position so that if the manager is able to do that he can just go ahead and fill that position rather than having to come back to the council?

>> Having the position authorized here on the dais without funding would give us the flexibility to do that.

>> Kitchen: Okay. I would move that we authorize the position without funding at this point.

>> Mayor Adler: It's been moved to authorize but not fund that position. Is there a second to that motion? Ms. Pool seconds that. Any discussion in those in favor please raise your hand. Those opposed. That action is now taken. That was I'm sorry on the dais. Thank you. While they're continuing to talk, can we inventory the direction statements that I think we're going to be going through without defending them, the policies or promoting them, can we get a list of the ones that are gonna be before us? Ms. Kitchen, do you want to take us through?

>> Kitchen: Yes.

[2:39:30 PM]

I apologize for doing this multiple times but the latest one should be the easiest. It's all stapled together and there's a list on the front. So there are five budget directions. You want me to just -- Mr. Mayor, you want know just read them off?

>> Mayor Adler: Yes, yes.

>> Kitchen: These are all ones that there's no impact on the general fund. The first one is the Umlauf sculpture garden, which we talked about earlier with director Hensley. This is memorializing what we talked about earlier. That's the first one.

>> Mayor Adler: Umlauf.

>> Kitchen: Yeah. Second one is 311 script related to elder views. Again, that's within existing budget. Third one is the upper onion creek watershed, again, that's on our budget. So it's just direction. The fourth one is the atd position, which we may or may not need but I've got it here just as direction to capture our intent for the use of that fte. And then the last one relates to our community policing goals.

>> Mayor Adler: Okay. Are there -- I would add to this list one that we're working on now that addresses the quality of life elements. Were there other directions that people had prepared that they're gonna want the council to review? Mayor pro tem?

>> Gallo: So I talked earlier about the utility bills. Would you include that in this or will that be after?

>> Zimmerman: It's next, the item.

>> Mayor Adler: You mean in terms of --

>> Gallo: Soil be offering -- I will be offering motions to keep each of the different utility bill charges at the same rate as they were last year and offer the department to come forward as Austin energy did, was able to find within their reductions in their operating budget.

[2:41:35 PM]

>> Mayor Adler: Mr. Van eenoo, when would be the appropriate time if Ms. Gallo wants to make a motion for the utilities to keep their fees the same this year as they were last year? That would require an action as part of the budget, no? Because it would impact their budgets.

>> All of our enterprise departments -- I know there was a budget question on this. I'd have to look up the number where enterprise department provided brief responses about what it would take do that, obviously take multimillion dollars to each of those enterprises to make that happen and they are here ready to speak to that.

>> Mayor Adler: The question is a timing question. We have to do that now as opposed to item 2 on our budget. Is that right?

>> Right.

>> Mayor Adler: It would be now.

>> We'd need to cut the operating budget in order to lower the rates, which is item 3.

>> Mayor Adler: Okay. So we'll come back to that because that's something we have to have handled now but I understand we're trying to get an inventory of what's left to go.

>> Gallo: Did you want to know the specific departments? Do you have that?

>> Zimmerman: Point of inquiry, I don't understand the point of having the separate agenda items if we approve item 1 and then that restricts our ability to do anything about agenda item 3 rather than just --

>> Mayor Adler: We have to -- we have to consider it now because it's part of the budget. If we were going to cut or reduce the fees back to what they are today we also then have to go into those budget and make a budget notation.

>> Zimmerman: Does it make sense to break them out into separate item, if they have to be considered together it ought to be part of the same agenda item, right?

>> Mayor Adler: The law requires us to also independently I think adopt some of these other items. It's a question of statutory requirements.

>> Gallo: Did you want me to.

>> Mayor Adler: Read the departments.

>> Gallo: Thank you. So this would be addressing the fees that are charged by these to the customers. So it would be Austin water, Austin resource recovery, the public works and transportation department relatively to the transuser fee, relative to the drainage user fee, Austin resource recovery would be dealing with the clean community fee also.

[2:43:51 PM]

>> Mayor Adler: Okay. Are there any other items that will be coming up to us? Mayor pro tem.

>> Tovo: So I handed out a sheet yesterday with four budget directions. I have added to that today, but it includes -- if you read yesterday's, I've just tacked on the new ones to the bottom. So I have one related to the affordability housing trust fund about how it -- about -- with guidance for what it should be spent on and then a request that a portion of it remain unallocated this year. And I can talk about why. Health and human services, we had some discussion during the budget question process about their job fairs and I would just like to see -- I would just like to suggest that they continue or begin a

collaboration with economic development with regard to those and other departments that are currently doing job fairs. The Austin convention center contract with regard to catering I can talk about later. Community incentives development fund.

>> Mayor Adler: What was that next one after health and human services? What was it.

>> Tovo: Austin consequence center. The community development incentives fund this actually would require me to make an amendment to the budget, which I neglected to do before now, but would like to -- still to do. And I can explain that. Parks and recreation and Austin energy, as I mentioned when we were having that discussion the number that our staff was able to come up with for today was 55,000, but I think that bears looking at further. And so this would be direction to continue working with park to see if they can tease out what that number actually is from their outdoor lighting.

>> Mayor Adler: Okay.

>> Tovo: There's one related to youth programs and then there's one related to the Austin consequence and visitors bureau.

>> Mayor Adler: So I have affordable housing trust fund, health and human services, Austin convention center, the community development incentives fund.

[2:45:54 PM]

>> Tovo: Which is under economic development.

>> Mayor Adler: Right.

>> Tovo: Parks and recreation and Austin energy and youth programs which involves multiple departments and then the Austin convention and visitors bureau. If you don't have all of those on your sheet you might be working from the sheet I distributed yesterday and I have extra copies. I just have to find them.

>> Mayor Adler: Okay. So it looks like two of these items require us to consider them as part of the budget process as opposed to just the direction. So let's get those two, consider those. The first one of those is councilmember Gallo's, but she's not here right now.

>> Houston: May I ask a question, mayor.

>> Mayor Adler: Yes.

>> Houston: About the timing of this. Do we have to pass the directions today?

>> Mayor Adler: Yes.

>> Houston: Okay.

>> Mayor Adler: Well, we don't have to pass the directions today. We can give directions to staff at any point we want to by passing a resolution or ordinance. So that's not critical for today. By -- so, Ms. Gallo, for the same reason that I was not ready to engage in a conversation to try and figure out Austin energy and streetlights, I'm also not prepared today to have a conversation about cutting tens of millions of dollars out of the budgets of the utilities that we have. There's things -- a lot of things we have to do today. I think that's a much broader conversation. So I'm gonna let you -- I want you to make that motion, but I want you to know that I'm then going to move to postpone that or table that just because I think that those conversations could be real lengthy is my perception of that, involve lots of kinds of policy conversations that I'm not sure we're equipped to be able to do today.

[2:48:04 PM]

But I want to give you a chance to make that motion and explain to me how I'm wrong or I'm seeing it incorrectly. But I'm gonna recognize to you make your motion. We'll see if we have a second on it. And then we can bring up staff to address it yes, I do so if we could, Tina is working -- staff is working on

putting a document together that we can pass out that will have all that information on it. So if you could give us a little bit of time to do that.

>> Mayor Adler: Okay.

>> Gallo: My understanding from staff is that one of the things that we will be doing today is setting fees and setting those fees that come to our customers on their utility bills. So it does seem like if we are interested in restricting or limiting a fee to a certain amount, which would be my -- my motion would be the fee not -- not increasing them from last year's amount, that that would be part of the discussion today because it's part of what we're asking to vote on today. Now, if we're not voting on agenda item number 3 --

>> Mayor Adler: No, no, no. We would. If we were going to take the fees back to where they were last year, with the resulting revenue decrease for each of those utilities, this would be the time for us to do it. I'm just -- my perception is and the reason I would be voting not to do that is it seems to me that's not only not a 15-minute conversation but probably not a 15-hour conversation, that the issues go much deeper than that or are much more extensive than that. So I am absolutely ready to engage in a conversation about what we can do to cut, as Mr. Van eenoo says, the utility budgets by millions and millions of dollars. My belief is it's just not -- we're just not gonna be able to productively do that here today. And that's my concern.

>> Gallo: And I understand your position on that.

>> Mayor Adler: I understand.

>> Gallo: You've made that very clear.

[2:50:05 PM]

>> Mayor Adler: And I could lose that vote.

>> Gallo: We've been talking about and it's been a concept and it's been one of the budget questions since we began this process, and I think that's one of the concerns that we all have, is that in this process that perhaps is condensed into two short -- too short of a period of time with an amazing amount of help from staff, we still don't have a good process to be able to take up items like this because it's been very apparent from the beginning that there were councilmembers that were interested in not increasing utility bills.

>> Mayor Adler: So let's go ahead and make that motion.

>> Gallo: No, no. If we could wait until Tina gets back with the information to pass out.

>> Mayor Adler: We'll wait on making that motion so we're not gonna discuss it because I want to tee it up. I want a motion made, I want a second, I'm gonna move to postpone and then we can have a conversation. Also Houston.

>> Houston: Mayor, I have a question for staff. When will we get the staff presentation on the proposed fee schedule amendments?

>> As soon as we get through the operating budget discussion and the C.I.P. Discussion. It's hard to forecast.

>> Mayor Adler: We're not gonna discuss those issues now, Ms. Gallo has asked us not to discuss that because she's not ready to tee it up yet. We'll have -- we're only gonna have the discussion one time. Ms. Kitchen.

>> Kitchen: I know you're trying to get us organized but I'll lay this out as an offer. I think that the budget direction that I have are all pretty straightforward so when you're ready I will be able to -- I'll be ready to lay them out.

>> Mayor Adler: Okay. We'll go to you first.

>> Kitchen: Okay.

>> Mayor Adler: Before we get there, mayor pro tem, did you have something that required us to make a change to the budget.

>> Tovo: I'm not sure.

>> Mayor Adler: Okay.

>> Tovo: So we started out on Monday by removing all the funding from the community development incentive fund. And so just to backtrack, last year we removed a lot of funding from the economic reserves incentive fund and the intent was to put it in a fund that would help support community-based organizations.

[2:52:05 PM]

A lot of which had been recommended by the quality of life commissions. And I think they set up it looks to me like economic development set up a good process. I think they may have merged it with an existing capacity-building grant program. I'm not entirely sure, even through my q&as how those two things relate. But the upshot is that we made some commitments to organizations to fund, fund them through the community development incentives fund and I think it's generally a good tool to support smaller community-based organizations. And so I guess I would ask the question of whether it seems to me that some of the quality of life funding that will be used to support capacity-building for smaller community-based organizations, as you've termed it, that work in and serve the eastern crescent communities, I will suggest that we broaden that language a little bit to capture the asian-american quality of life commission recommendations, but it seems like that is the vehicle we want to use to fund those kinds of grants, the community development incentives fund, which is kind of where our thinking went last year. So, again, last year we took that money, we put it in this fund, we named it. The intent was to fund, to have kind of an easier process for community organizations to apply, a process easier than the cultural arts contracts and others. I would just suggest that we continue -- consider continuing to use that as the vehicle to do that funding. We already have several organizations that will receive funding for the next couple years through that. So it might be appropriate for now make a motion to put that funding for the quality of life -- that is currently in a different line item, the quality of life, and put it in the community development incentives fund. And we can rename it or whatever. I think there was -- again, there was an existing capacity-building grant program that had some parameters around it that are -- that we set up on purpose last year to fund programs that had been recommended by the quality of life commissions.

[2:54:21 PM]

We're just undoing some of the work we did last year and I'm not sure I understand why.

>> Mayor Adler: So I think where I am at this point and the issue that I think we're dealing with is we did set up that situation, but we didn't do a good job of staying to a juried process so we find ourselves this year with a quality of life commissions that thought that they were doing exactly what they wanted when they went through and vetted and spent a long time hearing from organizations, invested with those organizations, making choices, setting those priorities, and then bringing those priorities to us. And I think that they spent a lot of time and have a lot of ownership over that process. I think that some of the things that are listed, as you point out, are in fact organizations that have been identified because they do provide capacity-building for those organizations so I think that's an important function. In the budget rider, the draft, and it still needs a little bit of work, that we have now handed out to everyone, it talks about the disposition of the \$2.1 million we put into the quality of life funding. It has those three projects. It was the snap outreach, affordable care outreach, enrollment in both those, the \$250,000 for the translation/interpretation issues, meaning a balance of 1,000,250. What we are proposing and then

we have -- what we are proposing is that a interdisciplinary team of the staff look at that remaining \$1,250,000 and make divisions of that funding off of the quality of life projects that invent brought to us by the various quality of life commissions, allowing for the inclusion of an additional one or two or three or however many that -- of organizations that may have learned that they were unfunded after that process started.

[2:56:25 PM]

Having them go to the quality of life commissions or their leadership to be included within the pool of projects that then would be considered. We put on this six different criteria that would be considered by that interdisciplinary team with the quality of life commission leadership, programming for youth, including post-secondary preparedness, job readiness, mental, tutoring, workforce development, healthy food access, cultural arts, and then capacity-building for smaller community organizations. And I think it should -- that work in the eastern crescent should also collide the Asian communities as well, but it would be that body then that would do that. It also provides that -- my hope is that this is the last year that we do this this way. And it says that the review process will be defined for the next budget cycle so that the quality of life commissions are focused on policy and needs priorities as opposed to specific organizations or specific programs. So they could be -- the quality of life commissions would come to the council presenting policies and need areas that then could be prioritized and we could put funding against those for a process that would select them. So at this point in the middle of this I don't know how to -- I mean, I hear what you're saying and I'd like -- I like what you're saying and I just don't know -- I think we could have made this transition if we had been clearer 12 months ago but where we are now I think we have a lot of people that are invested, have invested a lot of time, have developed a menu for us that I think is best for the staff to work off of for the remaining \$1,250,000.

>> Tovo: I think I may be misunderstanding then what your intents are for the process. Because the point I guess I was trying to make is that we were in the same position last year.

[2:58:26 PM]

We put the money in the fund. We funded some of those organizations and many more. Through our community development incentives fund. So those were groups like girls rock Austin, hispanic alliance for the performing arts, India fine arts, and in addition to some of the specific organizations that we had decided on in the budget. So I guess -- I mean, it's not an issue I feel strongly enough to continue discussing because I think it would take more time, but we're doing a similar thing to what we did last year. We're just using now a new vehicle. We set up a fund to do this. Now we're setting up a different fund to do it again. But calling it something else. I just think it's becoming wildly confusing. I'm not sure I could explain to people what the purpose of the community development incentives fund is and why we've basically -- why we're kind of setting up a duplicative process this year. But it's probably not worth trying to get to the bottom of here. But I think what I do want to understand is if there's gonna be -- so I have some budget -- some budget direction to provide about what were the capacity-building grants that maybe now included within this other block of money that's gonna be characterized a little differently, but I think the point is still the same and I'll provide that direction at the appropriate point. I think now I need to understand whether point. But as I understand what you are saying, groups will have an opportunity to submit to be considered for that funding.

>> Mayor Adler: I would say groups have already submitted to be considered and have already gone through an extensive vetting process through the three quality of life commissions. And I think I would expect that the decisions would be made from those groups but we have also left the door open for

another group to be able to come in by first going to the quality of life commissions to see if they would fit that on their priority list.

[3:00:37 PM]

>> Tovo: I was suggesting that happen within the existing fund we set up for that purpose last year, but it's -- again, it's not worth having a continued discussion about, I just think we need to kind of move forward in consistent ways and then maybe what happens is in a couple years when we've completed our funding for groups currently funded in community incentives close it down and whatever fund is going to be created

[inaudible]

>> Mayor Adler: This fund I see the money going in and being spent and exhausted and this fund is over. It just becomes a vehicle to pass through the money. I agree with everything that you've said and I wish that we had executed that better and it may be that we didn't effectively communicate to the community what our goal was, but I want to get to that place.

>> Tovo: Well, mayor, I don't mean to belabor the point but I think you may be misunderstanding. All I was taking was take this block of community and put it in the community incentives fund and continue the process.

>> Mayor Adler: Okay.

>> Tovo: It was an important statement last year to take the money out of the economic development and reserve fund and put it in something about community development incentives fund. To say we want -- we regard -- we regard capacity building and investing in our community organizations as an important economic development opportunity. So I just want to see some sustainability to that effort. And if we set up a new vehicle that might go away after this process, it doesn't preserve -- it doesn't necessarily preserve that initiative of investing, having a fund that we are aware of, that we transfer money into that every year is used and we consider it to fund local community development efforts. But it's not necessary that we sort it out. But I just want to be clear on what I was suggesting.

[3:02:38 PM]

I just wanted the funding to flow through that again so that it continues into the future.

>> Mayor Adler: Ms. Houston.

>> Tovo: And I understand, councilmember Zimmerman, you want me to stop talking but I want to make sure my points are understood.

>> Mayor Adler: Ms. Houston.

>> Houston: Thank you, mayor. If we're going to talk about your budget directions, I've got some questions and some additions. There's nothing in your bullet points about formerly incarcerated individuals and that's of big concern of people in district number 1, I know. Then we have healthy food access and access. Don't we have a huge budget item already about healthy food access and if so why is it repeated unthese limited funds for the three quality of life positions.

>> Mayor Adler: Ms. Houston, this is like hot off the press.

>> Houston: Oh, okay.

>> Mayor Adler: When we take a break, because we're going to take a break with respect to these riders, I would very much like to sit down with you so together we can come up with the appropriate wording. Maybe bring in councilmember Renteria as well and so that we can make a recommendation back to the dais.

>> Houston: So the summer programming is not on here. So I can see where the way we've got it bulleted, we will sloughed some people who are needing to have programming in our community. So I

just want to make sure. And then we've got under the three buckets at the top we've got \$300,000 for the affordable health care outreach and enrollment, and based on what I can tell we've got one, two, three, four other groups who are doing affordable health care outreach to all of our communities including those that are underserved through lack of insurance and so I'm wondering if we could just do \$100,000 for each of those groups that have asked for affordable health care.

[3:04:42 PM]

Foundation communities, Lone Star Circle of Care, Peoples Community Clinic, Enroll America, we've got other entities.

>> Mayor Adler: So if we could talk during the break about how this was drafted, yesterday we were trying to give deference to the quality of life commission and the work they had done so we had picked some of their top priority items when we had done that. But rather than us drafting it here, if we could meet during the break and come back to the council with a recommendation, I think that would be the best use of everyone's time. Okay? So where are we?

>> Houston: Looking for other things that -- what are we doing now because I've got two --

>> Mayor Adler: The one thing that's left that would require action would be the utility thing. Are we ready to do that? Let's do that. So you are going to make a motion and then I will ask for a second.

>> Pool: I just wanted to draw everybody's attention to the fact Mr. Van Eenoo sent us an email about 15 minutes ago with the 10% cut on it and I haven't opened it up but it looked like that might be referring to this. Is that right? No? The email showing a 10% reduction.

>> To our services and our support services departments.

>> Pool: Okay.

>> Tovo: Thank you very much. That was information I requested and I really appreciate that.

>> Mayor Adler: Okay. Would you like to make a motion?

>> Gallo: First I'm going to say a comment or two. Austin residents have said over and over to us that they are concerned with the increasing unaffordability of our city.

[3:06:44 PM]

And we sit on the dais and we also say as councilmembers we are concerned with affordability. We are talking about a budget today that increases the tax rate on a community where we've had increasing values on our properties, and it will result in higher property tax bills for everyone in this community. We also look at the utility bills and the charges that are in those utility bills and what's being proposed to us as part of the budget is an increase in all of our utility bills. As chair of the Austin energy oversight committee, I cannot tell you how proud I was of Austin energy for going in and being part of the rate case process and really looking at their department and figuring out a way to cut \$42.5 million from their budget by reducing operating expenses and reducing some of the transfers but the end result being the electric rate on the utility bills that our residents receive will go down. And I think that as a council we ought to give at least the other departments the opportunity to be able to say to the community we can look at our budgets, we can look at our transfers and we can come up with a budget that would keep your utility bill from going up. And so my motion would be, and we can take this, mayor and I'm going to request that we not talk about tabling this. I think this is part of the budget. We've taken votes on all of the other items and if we want to vote it -- councilmembers want to vote it down, that's fine, but I would like for the vote to be taken because I think it is part of these budget discussions and part of what the community is saying to us that they want us to look carefully at things we do as council that increase spending, that increase their cost of living in this community. I've passed out two things. Just because we have so much paperwork in front of us, one is the request, Q and a number 116

which councilmember troxclair submitted and it is talking about we can take Austin energy off that because obviously we've dealt with this in a really positive way, but it also talks about Austin water, Austin resource recovery, clean community fee, transportation user fee, drainage utility fee.

[3:08:59 PM]

And the other piece of paper that was passed out is the budget conversation for these and it shows it's ut2.03 and talks about the description of each department and the funds that would have to be removed from their budget to get to a point that the residents of Austin would have the same utility bill if the rates were the same -- I mean if their consumption was the same as last year but it would not be increasing those fees to our residents.

>> Mayor Adler: There's been a -- a motion to reduce all the fees to the levels they were last year. Is there a second to that motion?

>> Second.

>> Mayor Adler: It's been seconded by Mr. Zimmerman. I'm going to move to table this. And the reason I'm going to move to table this is because I think, one, I think we all want to lower -- lower fees and I think that this is a council I'm very proud to be part of that is headed in that direction. This is council -- first, is there a second to my motion to table this? Mr. Renteria seconds. I think we're moving this that direction. In fact, the combined fees and taxes if we were to adopt this budget is the lowest it's been in five years. And I say five years because that's all the information I have going back. And the percent, the rate of increase is the lowest in year than it has ever been. In fact, since this council came into office the rate of lowering those -- the rate has been -- the rate increase has been the lowest it's been in the last five years and in fact it's 30% lower than it was, the rate increase from the three years before we got here. So I think we're moving in that direction. I would certainly be happy to support teeing up a process that had us take a look at revenue reductions, but to have before us on the last day of budget deliberations something that would have us cutting three, five, 12, 19, almost \$40 million out of our budget is just not something I think we're equipped to do today on this process but would love to engage in that process.

[3:11:28 PM]

The reason I'm moving to table as opposed to taking a vote I think asking for a vote on this and taking a vote on this would be very misleading because it would require people to vote against something we would all be in favor of. As you bring these things, I don't know what you would be cutting, I don't know what we would be cutting to do this. We just went through a rate process with Austin energy and Austin energy took months in that process to figure out where they could make cuts and how they would make cuts. So if the question is am I in favor of reducing fees to no increase, the answer to that is yes. Can I support something that would have us do that without knowing where those cuts would be or how they would be handled or how they would be absorbed, I'm not ready to do that. So that's why I make the motion to table. We're now going to continue the conversation and what is before us on the dais is whether or not to table this motion. Ms. Kitchen.

>> Kitchen: Okay, so let me make sure I'm speaking to that. I would be in favor of tabling with the understanding -- first off, if I'm understanding that Austin water is going to be undergoing a rate case, and I think that the kinds of direction that's in this proposal is good direction to Austin water to look at. So if this was rewritten as a direction to Austin water to consider as part of their rate case, then that would be something I could support. But I don't think we're in a position right now to cut these funds because we haven't done the work to understand the impact. But at the same time I don't want -- I think

it's really important for us to establish a process with some parameters around it. So -- by parameters I meantime lines so that we would understand when we could really dig into this.

[3:13:32 PM]

>> Mayor Adler: Further discussion? Mayor pro tem.

>> Tovo: I support tabling and I want to be really clear it's not because I'm supportive of raising our ratepayers' fees, but I think it's -- clearly staff have done a lot of work in putting forward this budget and I think it's entirely -- it would be entirely impossible for us to direct staff on our last budget hearing day at 3:00 to cut what looks to me like \$29 million from our budget. From their budgets.

>> Mayor Adler: Okay. Mr. Zimmerman.

>> Zimmerman: Thank you, Mr. Mayor. I'm obviously against tabling this and I've got to take exception. Look, I respect the majority will of this council and not being willing to address these rate increases, but I'm going to just point out for our viewing audience, this was transaction's request, -- councilmember troxclair's request dated August 2 end. The fact is we did not have six councilmembers willing to push this forward. This is dated August the 2 end. When we made the request to this council, budget concept menu, please help us keep these utility rates down, this is August 2nd. The majority of this council did not support lowering the rate so they will be back the way they were last year. So to sit here and say yes, I support the lowering of rates is not true. Because if we supported lowering the rates, we would have moved this forward back on around the early part of August. So I think the vote on tabling this is going to be exactly the same as the vote would be if we just voted on it in the first place, but the votes just aren't here on city council and I have to respect the majority will. Which is to raise your rates.

>> Mayor Adler: Further discussion on the question of tabling? Ms. Gallo.

>> Gallo: I'm opposed to tabling it because we've been sitting here over the last two day's working on cutting things from budgets in different departments and asking departments to come forward and help us with that, and I think that tabling it avoids a message from each of the councilmembers whether they support increasing your utility bills or support leaving your bills the same and trying to maintain affordability.

[3:15:58 PM]

And -- and I just think that tabling it avoids being able to have that conversation in the public and I think that the public needs to understand where each of us are on that. Yes, we are, and I appreciate councilmember kitchen bringing up the fact we've got a rate case that's getting ready to start on water, but we are also in a situation where we're looking at passing a budget that's going to cause the property taxes to go up and I think that I would be very willing to say -- I would be supportive of keeping our bills and our fees the same as they were last year to give some afford built to our residents and tabling it is not the correct way to address that because it's not the way we've been addressing all the other budget conversations. And I understand it is a large amount, but as councilmember Zimmerman said, it's been something that's been on the table for a long time now and I just -- I will vote no for the tabling and I would also vote no to increase the fees that would increase the utility bills if we got to the point that we were able to take that vote.

>> Mayor Adler: Any further discussion? Then we'll take a vote. Those in favor of tabling please raise your hand. Those opposed? Gallo and Zimmerman. Others voting in favor of tabling. This is tabled.

>> Kitchen: Mr. Mayor, I do have to make one very short statement and I will make it short. But I think to characterize this vote as being against cutting rates is patently unfair and not true. To do -- to do this requires a process and every single one of us has a responsibility to bring forward a process and simply putting an item on a concept menu without talking about how we get there is not a responsible process.

So I appreciate -- I really do appreciate the part of this memo that refers to Austin water's rate case because to me that's a tangible approach to a process where we can really have a discussion about those rates.

[3:18:07 PM]

And I look forward to doing that and I would -- I would have voted for a concept menu that focused on that and we can do that in a resolution later and I would urge councilmember Gallo to put that kind of thing together in a resolution because that gives us a route. But I take issue with what councilmember Zimmerman said. Just putting out these numbers like this without giving us any route is not responsible for the rest of us and it is not a statement for all of us that we don't support cutting rates.

>> Mayor Adler: Okay, Mr. Zimmerman --

>> Zimmerman: Very quickly, again I completely disagree, councilmember kitchen. It's the responsibility of this city council to have the political will to direct our staff to not raise the rates. And we -- there's no political will to do that. I think that our staff would be capable of coming back to us with a budget that did not -- you know, did not require raising rates. We did not do that. What we have to do is provide high level direction to our staff and we need six votes to say, you know, our constituents cannot afford any more increases, don't raise the fees and rates. Bring us a budget that doesn't increase rates. We did not do that and there's not political will on this council to do that. We are driven by staff. Staff says we have to raise the rates and the city council rubber stamps it and says yeah, you are right, nothing we can do. It's not true. The buck stops here on this city council.

>> Kitchen: My recommendation would be that this --

>> Mayor Adler: Hold on.

>> Kitchen: I'm sorry.

>> Mayor Adler: I think everybody has said we want to pursue it in the future, discuss avenues to constructively do it, think we've hit this. Ms. Garza.

>> Garza: I want to go back to the revenue that I believe we have.

[3:20:10 PM]

Okay. I believe with the help of staff we were able to find 320,000 through I believe the encroachment fees that were not -- when the budget -- when the manager's budget was presented, those weren't in that budget, but have come in since then. And I --

>> Lorraine is here to speak to that. I'm learning about it the same time you are but sounds like there are additional funds from encroachment fees.

>> Garza: I would also like to speak to my idea of how we allocate that.

>> Mayor Adler: First let's see if we can collect it.

>> Garza: Sure.

>> Mayor Adler: Ms. Ricin.

>> Lorraine riser, real estate. Last week we were able to close on an encroachment agreement that basically brought in 320,000 above what we had budgeted and forecasted in our cye. We reported it to budget on Friday. Just hasn't had time to filter because it's this year's budget, not next year's budget, but it's extra revenue that we've actually earned this year than we projected.

>> Kitchen: I'm sorry, I'm kind of was a little distracted. What are these from? Can you back up and tell me?

>> Yes, ma'am. This is an account that we have that we collected when we rent out the right-of-way for encroachments for buildings and things and it's just a closing that we weren't expecting to happen this year that happened. \$320,000.

>> Houston: Mayor?
>> Mayor Adler: Yes, Ms. Houston.
>> Houston: Is that a one-time only --
>> Yes, ma'am.
>> Houston: Okay, one-time only.

[3:22:11 PM]

>> And in addition to that these are moneys that come into our support services fund and so all becomes part of that education, so again it's -- allocation, so it's roughly half of those available for general fund purposes.

>> Mayor Adler: So what is the amount of undesignate general fund that is associated with this?
>> 160,000.

>> Mayor Adler: Okay. So is there any action we need to be taking with reference to our budget? Do we sweep to bring that in or allocate if we want to allocate it?

>> I think we would do a -- I think we would just have a budget amendment to recognize 327 -- or.
>> 19.

>> \$320,000 of additional revenue in our support services fund. I would just do that one first to recognize that -- that funding and then the next time you ask me how much money is left to spend, I'll say \$163,000.

>> Mayor Adler: Ms. Garza moves to budget amendment that recognizes 320,000 of additional revenue in the support services budget following from the closing of this encroachment at a higher than projected amount. Is there a second to that? Ms. Pool seconds that. Any debate on this? Those in favor of that budget amendment please raise your hand. Those opposed? This is a budget amendment that recognizes that there's an additional \$320,000 in support services associated with a closed encroachment settlement that was in excess of the forecast or budgeted amount.

>> Zimmerman: Okay.

>> Mayor Adler: It is unanimous on the dais.

>> Garza: I have a question. Did somebody just say of that only 160 is general fund?

>> Mayor Adler: Would you explain that, because that is what he said.

>> So what this allows us to do is on these encroachment revenues come in, it's a source of revenue to our support services funds which funds our departments.

[3:24:19 PM]

The support services fund doesn't generate much revenue so the remaining cost of that fund gets allocated out. This is fy 16 revenue and so what it allows us to do is we'll now need to -- now be allowed to allocate out lower costs to our department. We have 320,000 more revenue in the fund so we don't need to charge our departments that we support quite as much. And when we do that allocation, about 160,000 less charges will occur to the general fund and the remaining 160,000 will be spread amongst all of our enterprise departments.

>> Garza: Okay.

>> So the enterprise departments will see savings as a result of this, not huge savings, not significant enough to change rates, but they will see savings as a result of this as well.

>> Garza: So what's -- we have about 160,000 to possibly allocate from the general fund over in the black?

>> Yes, ma'am.

>> Garza: Okay.

>> Mayor Adler: Okay. Any more revenue ideas? Does anyone want to bring a motion on how to spend the remaining \$160,000?

>> Garza: I know that there's -- I don't know how this budget rider discussions that might be happening with the different councilmembers are going to go. I think we've all agreed that the way that we possibly allocate the quality of life initiatives is maybe not the best, but -- and we can find a better approach to that. But I do believe that there are some organizations that many of the councilmembers have supported and put on the concept list. And so what I would -- what I'm proposing is that goes -- this additional goes to the quality of life fund and we do give some specific direction on -- on where that money is spent.

[3:26:21 PM]

>> Mayor Adler: Okay. Ms. Kitchen.

>> Kitchen: I appreciate that approach. I'm interested, though, in the fact that we didn't get the health and human services budget back up to the cost of living. And I would rather direct these dollars towards that. I don't know exactly how much is needed for that. And one reason is because we know that those - - that is something that those programs need and have been counting on, and it's -- I really think that that would be the most appropriate place to put those dollars. And again, I don't know -- I don't remember how far we got and how much more we needed, but I do know that we did not fund -- we did not fund our health and human services programs at the level to keep them whole, which is a combination of the level to keep them whole plus their cost of living. We didn't get all the way there and I think maybe we are a hundred or two hundred short. So that would be my preference.

>> Mayor Adler: Ms. Pool.

>> Pool: I just wanted to note and emphasize these are one-time funds. So whenever we put them to we would have to find new funds next year.

>> Casar: Can I make a motion and then explain it?

>> Mayor Adler: Okay.

>> Kitchen: I just made a motion.

>> Mayor Adler: I think people are talking about ideas. This is more in the nature when we walked up and down the table and people had different ideas to consider for how money should be used. No motion yet, but you can certainly --

>> Casar: Then I would say that I am comfortable with putting this money towards health and human services as councilmember kitchen brought up. If it's 160 or 167 that's left, then I think we were 100 short in health and human services so 100 to health and human services and the 67 to the housing trust fund which is -- which we cut in half to get to this place would be my preference.

[3:28:32 PM]

As far as particular organizations, because of our conversations during work session I felt that it was wise for us to not allocate funds to particular organizations that come and talk to us and there are many that I know intimately and personally that they do great work and I would like to do that, but because I felt there seemed to be some consensus on council we wanted to change that practice, I've spent some time telling specific organizations that I wanted to fund that I'm not going to be able to do that so I just don't think I can take a vote today to allocate money except to workforce development or to affordable care act enrollment or to reentry programs generally and have those go through a process through the city to be held accountable to have contracts to be funded. I think it's better practice even though I totally understand why others may have a different opinion, but I've just gotten to the point where I've told individual groups that I'm happy to fund the area but not -- but I'm not a grant writing professional

that knows that I can give money to them. So that's -- I'm just weighing that out as my reasoning for that even though I understand the will of the council will prevail on that matter.

>> Mayor Adler: And my hope would be and if it was the will of council to put it in the health and human services component, I would understand that. I think the quality of life we were trying to honor the quality of life work that had been done and I would like to send it to this inter disciplinary group and honor that list this year and that was my understanding of what we had with those additions or changes that would be brought to those quality of life people as we talked about just a moment ago. But I'd like - - we had that vote and I would like to keep that vote at where we had that vote. Yes, Ms. Garza.

>> Garza: The issue that -- of these being one-time -- either way this is a win for me.

[3:30:37 PM]

You know, health and human services, but it's one-time funds and the whole point of increasing that funding so health and human services was to try to find ongoing funds to keep that going. So basically we would be -- it would be one year and that's not what the goal of -- to funding health and human services at an additional level, it was to start increasing it little by little. So this means that we are -- and frankly, I guess I don't know where the additional money that we did fund towards health and human services, if that was in fact one-time funds. My hope would be that it was in the general fund as ongoing costs to keep those contracts going. But I mean I've heard every -- I understand councilmember Casar your concerns and that's why I'm saying we recognize that maybe this isn't the best way to do this going forward, but I do believe that there are -- there are organizations that don't believe it's easy to -- and I know that this budget rider specifically says, you know, that organizations that haven't -- that have had a hard time getting contracts in the past, I know it recognizes that, but I think that -- I think it does need to be spelled -- I would prefer that it was spelled out specifically and I think that we did have this list, I don't know who did it, but there was an attempt to try to allocate to specific organizations and I think we were really close and I think this additional funding, this is our work right here is already done for us. So --

>> Mayor Adler: What that represents is just it was the quality of life priorities that were given to us by the commissions. So what you have on that list that was handed out, it was the three side by side that were their top priorities in the order that the three quality of life commissions had given to us.

[3:32:39 PM]

We called three things off. We called out programs that applied across. One was the snap issue, one was the first thing on the right-hand column, which was the affordable care outreach enrollment services item, which was [lapse in audio]. What we were proposing thereafter was we could, you know, just stay on that list or there was some sentiment that it might be good to have city staff involved to be looking at metrics or performance or other things about the balance of the million 250 that was left along with the leadership of the three quality of life commissions. So that was how that derived.

>> Garza: I guess my suggestion would be we capture all these things that have been specifically spelled out --

[music playing] The saints are marching in right now.

[Laughter] I think we capture all those things -- if we go back to this list we capture all the things you spelled out and then some more.

[Music playing]

>> Mayor Adler: And we could certainly do that. We could just apply it to the priorities in each of the columns. Ms. Kitchen.

>> Kitchen: Could I suggest, I any we have a couple of different ideas here or different approaches. Would it be possible for us to at least start with an agreement on some amount of this going to health and human services?

[3:34:44 PM]

Because that's pretty straightforward. Then the remaining question quality of life and address that. Would that work?

>> Houston: Mayor, this is one-time funding. And you know what happens when you are not clear about one-time funding, people come back and want that same amount of funding. But this is one-time funding that would help some of these small organizations at least get started. And then I'm very clear with people that this is -- don't look at this as an ongoing opportunity because we've got to fund -- we've got many different people, creative people who want to start up something but they just need that initial investment and then you say now you've got to be -- that year we're funding you, you've got to look for other grants and partners.

>> Kitchen: May I respond? I wouldn't have an issue with that, we didn't fund, and if I'm wrong about this, we didn't keep our health and human services contracts whole. And I just don't think it's appropriate to go forward with additional projects at a time when we have an option with just a little bit more we can keep them whole.

>> Houston: For this year but not for the next year.

>> Mayor Adler: Can I propose this with the council's indulgence. I think part of the uncertainty is I don't know exactly what the language of this direction needs to be on the quality of life element. And I think if we could pause this meeting as we had talked about earlier to look at that and grab a group of us that could meet for a few minutes, that might provide direction or at least additional information to do that and I would propose that that group consist of Ms. Houston, the mayor pro tem, myself, Mr. Renteria and Ms. Garza. To be able to come back to the council with a way that the quality of life regardless of what amount that is would be drafted and then we can come back to the dais for the question of whether it go there or the health and human services, which seems to be the two places that it would go.

[3:36:52 PM]

And in that event, Mr. Van eenoo, you needed there was quick action we need to do take relative to one of the quality of life where we had appropriated the money but yet to appropriate the specific ftes for that.

>> Well, in regards to the quality of life initiatives, one of the things that's on one of the lists passed out talks about a health outreach team. If ultimately a health outreach team is one of the things done, then health and human services would need three positions to do that. They don't need additional funding.

>> Mayor Adler: At this point that's not being designated at this point, if that proposal came back and hadn't, it would require budget amendment to do that. Probably not the appropriate time to do that because we don't know whether that's going to happen.

>> I wanted to speak to, if I may, to the social service contracts and Kimberly Maddux or Shannon Jones, but I just consulted with them and I've heard it mentioned a couple times about making them whole. My understanding is that right now with the funding that the city manager proposed in the budget of \$500,000 plus an additional \$1.1 million that's been allocated based upon these discussions is all those social service contracts that were set to see a decrease were not, they are all going to be held whole and there would be sufficient funding to do a cost of living. I said they needed \$200,000 more to do the full 3% cost of living adjustment to the contracts.

>> Kitchen: But that's what I mean. If we don't do the cost of living, they are not whole, they are not kept whole. How much more would they need to do the cost of living?
>> \$200,000 to do a 3% cost of living adjustment.
>> Kitchen: What percent do we have on that now to the cost of living, do we know?
>> They would have to tell me that. I don't know.
>> Kitchen: All right. Okay.

[3:38:57 PM]

>> Mayor Adler: Council, I would propose -- I think we handed out the directions -- go ahead.
>> Kimberly Maddux, assistant director health and human services. The current funding would law for 2% costs of living adjustment.
>> Kitchen: To get us to 3% which was in the city manager's budget.
>> Need about another \$200,000 to meet the full 3%.
>> Kitchen: Which is what was in the city manager's budget, right? Is that right?
>> The city manager doesn't have a cost of increase in his budget. There's a resolution trying to get to 3%.
>> Kitchen: I got it. Thank you.
>> Mayor Adler: Okay. What I would propose, Ms. Kitchen has handed out directions in a packet. Everybody take the next few minutes to read those. Mayor pro tem, I think that you have some -- I don't know if you have handed out your wording yet.
>> Tovo: Yes, I handed out one yesterday and then I added to it in today. So again if you have just the front of the sheet you have yesterday's and there are new ones but I think there may be six or seven.
>> Mayor Adler: I would suggest everybody reads that.
>> Casar: Mine is only one page. It's on the yellow.
>> Mayor Adler: So with those three documents and would that small group -- was another one? Ms. Pool, you had one?
>> Pool: I think all of mine have been taken care. I just wanted to ask, find out when we would do the motion to amend the Austin energy rate schedules to change the community budget benefit charge, that piece still needs to be done.
>> Mayor Adler: Item number 3. We would do that in item number 3.
>> Pool: Gotcha. I'll hold on for item number 3.
>> Mayor Adler: Let's take a -- let's break until 4:00.

[3:40:58 PM]

And if that group could come up to my conference room so we can talk about the quality of life, let's see if we can work through that. So we'll stand in recess until 4:00. 4:00. Come back at 4:00. We have lots of votes to take.

[Recess]

[Music playing]

[3:59:49 PM]

.

[4:23:52 PM]

[4:26:03 PM]

>> Let's see if we can work. He says if we can actually get to done quickly, he might have us done and over by 6:00 tonight. So we're going to lay out that goal and see if we can get there. With respect to the budget issue, there's \$167,000 that we have identified. The working group, you want to describe what we're doing? Or what the proposal?

>> I guess we've all recognized that there is not uniformity in what our different quality of lives, understand the process to be, how the process works, how they bring things forward to have them fund through council. We've all recognized there needs to be a process, a more fair and uniform process for each of these, and we will get to work on what that process is. But, at this point, there are organizations that have worked really hard to make it to the quality of life, to make it on the concept list, to make it as far as we've come, and so I've proposed an equal splitting of

-- so it's the 2.1 million, plus the additional 160,000 we found. That total, minus the 300,000 for the snap out reach, and then the balance of that, divide it by three, quality of lives work give each quality of life \$653,333 to allocate and through work with the different quality of lives, as much as we could we we've set some directions and I think we just got handed that out.

[4:28:09 PM]

So that's the motion I would make. If we're there.

>> Right. And then, I think just to build on that a little bit more, so my understanding is the motion is to take the 167, add it to the quality of life, but recognize that 300,000 of the quality of life is being earmarked for the snap program. That, then, leaves the balance number, the 1.9 million and change, that boo include the other two bullet points that we identified. If you look at the priority list that was handed out. It has the affordable care out reach, in the third column. It also has the translation and language interpretation, which is the first one in the second column. This, that's been handed out is part of the motion that comes from miss Garza, which has how that money is to be allocated. But, with respect to the allocation and the way this is working, this money is given, so this money is available up to these amounts for each of these organizations. These organizations are to work with staff to have their budget approved prior to the allocation and distribution of monies. The organizations are supposed to work with staff to set metrics to be able to measure performance and success. It's real important that the message be communicated to all the organizations that this is one year funding, and only one year funding. So, the emphasis would be on providing services, as opposed to building staff. Although that's not an absolute. We recognize you can post positions, grant positions that have a life of only one year.

[4:30:15 PM]

But, you can't say enough that this is one year, one-year funding, and it is up to these amounts. It could be that some of these organizations forecast they're not building a permanent thing do something different. So this has an allocation of 653,333 for each of the quality of life commissions, except for the Asian American quality of life commission, you will notice some of they're proposals included ftes as part of their priorities. But we want to go back to the Asian American quality of life commission to say, we're going to give you a chance to reorder your priorities if you want to, in case you don't want to be funding an fte, since this is a one-team fund. So the Asians, we would be going to the Asian American quality of life commission and saying you have 403,333, which is their allotment, less the language,

translation of language interpretation issue. 403,333, asking them to prioritize and allocate that funding, and then they would be in the same system with their proposal. Is the proposal coming from miss Garza. Is there a second to that proposal? Miss Houston seconds that. Miss pool.

>> I appreciate the work that has been done and I will support this amendment. I do want to ask, though that we

-- what I'm worried about, I'm reluctant about this, we are missing a vet process, and we have a pretty significant and rigorous vetting process for the cultural arts contract awards, and that vetting process has been in the works for a couple of decades now. So I think that we need to have a process to vet these projects if they come through one of the quality of life commissions, maybe it's supporting documentation that shows what the work plan is.

[4:32:21 PM]

Is there any monitoring on the back end to make sure the monies have gone for what we are expecting, so that will build sustainability and continuity in the programs so they can grow and sustain themselves and possibly move into a more formalized vetting process through the cultural arts programs. So that's what I would be looking for next year.

>> Mayor Adler: And I think it is a strong respond and it may be the staff needs to get with the quality of life positions and figure out how it is they can be a constructive participant in that process so we end up in the end where the focus of the quality of life commission is on setting and identifying concerns and policy concerns, challenges in the community to then go through that process. Miss kitchen?

>> Just a question. So, there was one group that we had -- that was -- I think they came through the Asian quality of life, so if I'm understanding this correctly, there will be the opportunity for those groups. This was a senior group that was interested in transportation, and I think they went through the quality of life program so, the way this is written, they would have the opportunity to go back and talk to the --

>> Asian quality -- yes.

>> Okay. Because that 403 is not allocated.

>> That's correct. We would be asking them to allocate those funds. They could do it however they thought best.

>> So I will support this for this time, and I think I've already set said my peace about my reservations about funding individual organizations, but I recognize the work that's been done this time and appreciate your indication, mayor that we could do it differently next time related to policy areas much but I think council member pool may have been speaking to something different than what your response to council member pool was.

[4:34:28 PM]

I think I may be the makers of the motion or the mayor can help clarify this. I think when council member pool was talking about a vetting process, I think we would all agree that these specific organizations and some of these are policy areas, still would have to go to our staff to ensure the requested funding has metrics and oversight and the organizations and their goal with this funding is vetted, and if those goals can't be achieved, that the funding wouldn't be allocated and some alternative would be presented to the council. I mean, obviously, this money still has to go through a staff vetting process, even if it is not a competitive -- of course, if there is this individual organization listed out, there is not a competitive bid process, but some sort of vetting process to ensure the funds allocated achieve the mission laid out here. My assumption is that that is part of this motion, but I would

--

>> Yes, we put the words "Up to" that amount specifically so that in that process, where these organizations work with staff --

>> And I think we were very clear in the process, we would have to have metrics and staff, in economic development and in health and human services have been working very diligently to try to refine and focus what the out of bounds metrics are, specific -- outcome metrics are specifically to the end user, not just to the entity but to the person we're trying to serve so I think he would have the same requirements for any funds allocated with this item.

>> That's what I would assume and I want to make clear to the public because at least that's what I got from council member pool's point, if it is a cultural contract, we have a culturally contracted vet process. If it is human services, we have a human services vetting process for, to make sure that organizations, that the organizations are using the money and capable and have the capacity of doing the work that is being assigned.

[4:36:38 PM]

>> Correct. I think it is also important, they are positioned in place here, having already gone through a competitive process at the quality of life commission.

>> I don't mean the competitive

-- that's the point you keep coming back to but not the point that I'm making this is not about the vetting process to select an organization, if the organization is on the list. I mean a vetting process to ensure that that organization has the capacity and that this level of funding is appropriate for what this is they're attempting to do.

>> We keep going over it so it must be something you doubt. I want to share many of these organizations do have that are work plan already identified, economic development has copies of all of that, so some have been funded before in the past and gone through a vetting process. But this is to be able to equalize the access to the investment for some organizations. Because as I said over a year and a half, the legacy issues, people that come up over and over again and there's never any room to infuse community people who have good ideas. They may only want one year of funding, that is all they need to do whatever they need to do. We have that in place with economic development and health and human services to help them. And if they're not ready, they don't get the allocations, period.

>> So I was going to finish my sentence, which is that I don't doubt that any of these particular organizations can do it, I just think it is good practice to make sure that that is clear. And then, second, I will vote for this, but in the future I think we can vote for policy areas and I do think that small grass roots organizations can get that money and we saw that happen last year when we funded health disparity, we put in the health disparity allocation and there were grass roots groups I was happy to vote for to get that money. If we need to do more work on that front, I would love to hear about it and love to help so I'm willing to vote for it knowing we will do it better next year.

[4:38:46 PM]

>> Good. Moved by miss Garza, second by miss Houston. Knows favor, please raise your hand. Those opposed? Mr. Zimmerman voting no. Others voting aye. I think that zero us out there anything else we need to do in terms of this budget? Yes, miss Houston.

>> I passed out the two ftes for code compliance to identify license and inspect residential homes where more than seven unrelated individuals live. This is a long-standing issue in our community in 2009 house bill 216 was passed allowing cities to regulate board and rooming homes, around so this work has been going on with code kind of code at the lead since 2010. If you can tell us how two ftes would be funded, I would appreciate it.

>> Thank you, mayor and council. Interim director for the Austin code department. We have the need to expand our current rooming and boardinghouse license or program in response to house bill 216, and council actions that have been made, that basically apply to residential properties in which there are seven or more unrelated individuals living under the same roof, which may include individuals who have special needs, and because of those special needs may have a request for a reasonable accommodation would allow them to stay in their homes. The reason this is an expansion is because we have had a licensure program under way for some time, however, households with seven or more individuals have not been allowed, in fact, are prohibited in residential areas.

[4:40:49 PM]

But because of the fair housing act, there is a need to ensure that where there are people with special needs who are living in homes with several people, seven and above, that they are able to stay and be treated like a family. So, with that being said, the attempt on the part of the code department is that move forward. We already understand and are doing licensure activities, however we need to gear up and prepare for the residential properties to respond to those needs in order to do that, we would need at least two positions, and the cost of those two positions would be \$235,000. The cost of those positions would be off set by increasing the licensure fee for those property owners, and so it would be awash, and definitely would not have any impact to the general fund. In the absence of doing that, then what we will do is have to rob Peter to pay Paul in order to serve this population, and certainly we will do that. So, at a point that we would get a, let's just say a request for, by complaint or prompt property owner wants to come forward and be licensed in a residential area, we do what we can to meet those needs. By to get two additional positions, we would be able to approach this a lot more systematically and not have to worry staff from other code en-- borrow staff from our code enforcement areas. Again, with that, that is 235,000. Part of that is one-time costs. The on going cost would be around \$173,000, or so, give or take. And, we would increase the license fee that would impact only those property owners who are renting those homes out for individuals who may qualify for this program.

[4:42:52 PM]

>> Miss Houston moves to amend the budget so as to provide for these -- this additional fee expansion of the licensing program and to increase the fee for those users to off set the cost.

>> Yes.

>> Is there a second to that motion?

>> I'll second for purposes of discussion.

>> I have a question. Can you give us an extraordinary magnitude of what the fees need to be.

>> I understand there is much work done on this prior to my coming on board, and there were some projections where the numbers were fairly substantial, but they are not verified. In other words, typically, we find out about these home business complaint, but through

-- homes by complaint, but through input from the other public safety departments involved in going into homes and seeing there might be situations which there are seven or more individuals living under one rooftop, the thought arose that these might be the kinds of homes that would qualify for at least the inspection and licensure review. But I don't have an exact number. It could be anywhere from 200 or up, and typically, again, we get a complaint, which is what activates the code department. And I might say one more thing, I think in the earlier discussions, there was, and I learned this from council member Houston there was proposed budget of about \$450,000 to get this expansion off the ground. What we're proposing today is to incrementally launch this, and to respond to those requests and/or

complaints and then come back to you at a point later, if the program really demand as higher staffing level than those two positions.

>> Yes, sounds great. It is a good program. I'm trying to understand, to pay for it forecast it would require us to substantially increase the fees to these homes.

[4:44:59 PM]

If we're talking \$10,000 for a home to operate verses 100, I'm just trying to get an order of magnitude thats all.

>> I don't think we know at this point because some cities we've already implemented the inspection and license and program. Some do \$50, others do 150.

>> Okay.

>> Some do 200.

>> We're not talking about a huge amount.

>> No, ma'am. As a matter of fact, it is the license fee will be about \$54 more than what typically it might cost to be licensed.

>> Okay.

>> Just a reminder, none of these homes, and they're all over the city, none of these homes have ever been licensed before and they've not paid anything and it is a health and safety issue we need to at least go in and inspect them and make sure they're healthy. Health and safety.

>> Okay.

>> Mayor?

>> Mayor Adler: Yes.

>> I'm sorry, is this a move that staff is okay with?

>> Absolutely. In order for us to saddify the requirement -- sat isify isfy the requirement where there are residential homes where there are seven or more, we have to, by complaint or by respect of the property owner, go in and ensure the property is safe. If there are individuals who require reasonable accommodations, to review that and then grant that, meaning they will be able to stay right where they are. As before, the recent code amendments, they would be prohibits.

>> There is no budget implications?

>> The cost would be covered by increasing the license fee, so it would off set all of the requirements.

>> Okay. >>

>> Mayor Adler: Okay. Any further discussion? Those in favor, please raise your hand?

[4:47:01 PM]

Those opposed?

>> I'm abstaining.

>> Mayor Adler: Mr. Zimmer man is op staining. All -- abstaining. All others voting aye.

>> They've convened the stakeholder group since 2009 of providers, public safety entities, the legal department has worked hand in hand to make sure this was great opportunity for us to make sure people are safe in their homes.

>> Thank you very much.

>> Okay. That gets us, then, to the budget -- oops, no.

>> Not quite. I have two very quick things. One is that we ask the city manager towards the end of date on Monday to think about how he would apply the reduction to commodities and contractuals and I think you were going to let us know yesterday but we didn't revisit that topic. I don't know if that is

something you can do quickly, if you had given any thought whether that would be applied across the budgets.

>> I think he was setting in the chair at the time.

>> He was, and I can speak to it if you would like.

>> Super, thanks.

>> I have had some conversation with the assistant city managers who oversee the departments and with the departments themselves. At the end of the conversations we felt the way staff presented it and are recommending it is what we would recommend to have each department make 10% reductions to those respective accounts that we laid out. Not necessarily that they would make them 10% per account, but they would make them based upon their best professional judgment.

>> Okay. Thanks. I hope, if we apply that kind of budget reduction in the future that we look at departments beyond just the general fund and look at support services, as well, and try really hit on categories that are travel, food and ice, things that aren't going to cut actual materials.

[4:49:05 PM]

As I mentioned yesterday or Monday, it concerns me that we're cutting the actual materials budget for the library, for those smaller -- for those smaller departments, it hit as lot harder than it would be if we looked at a broader range of departments and less significant categories. But, you know, I know we're all anxious to move on and so if we don't want to spend more time in that area, I respect my colleagues, but just let me note that I'm particularly turned about that provision.

>> Okay. What was the other item?

>> My other item --

>> Wait. We just have a little confusion down here, we're just wanting to confirm, the amounts you're referring to were in the staff-presented options? So they're already accounted for, right?

>> Yes.

>> Okay.

>> Let me just clarify something. I had asked staff, because we only -- we were presented with just the general fund departments, I had asked staff to pull for us those same numbers for support services departments, as well, and that's what they e-mailed out today, and at the beginning of the day, I said that would be a potential source of revenue if we wanted to expand beyond the general fund departments, we could look at that information the staff provided in terms of potential of applying that same kind of reduction to a broader range of departments. We could also choose to apply it to the broader range of departments and have less impact than the ones we looked at on Monday. Again, I think given this point in the process, if there is not an interest in doing that, I won't push it. I wish we had sort of approached it from that perspective initially, because then we would really -- then we might not be in a position where we're reducing travel budgets and food and ice budgets across-the-board, rather than you know, asking the library to cut their, again, the only way they could apply that cut was to cut part of their budget. But so that was --

[4:51:05 PM]

>> Okay.

>> That issue. The other is, I just want to put out a plea that we were not able to fund, at the beginning of the day, we took vote and I'm really so pleased that we will be able to, if the committee agrees to tax temporary restrooms in the parking areas. We had last year committed to a pilot program that would test out different locations that stakeholders had identified as possible locations for the permanent restroom. I know the downtown Austin alliance's support of the permanent restaurant, the

Portland Lue model. We have not allocated any money in the next budget for that pilot, per se, so I would prevail upon my colleagues, if you have extra money in your departmental, in your council budgets, we're hoping that we can ask staff to use some of that for that pilot and so I know I may have some money in my council budget at the end of the year forecast anybody else does, that's something we would have to move forward with next Thursday. It is my understanding. So if you could communicate, we will see if that is even a possibility. That would allow us to test different locations downtown that our stakeholder group identified for thify lot and meet our commitment to the downtown alliance we would test a location before we move forward with a permanent installation.

>> Mayor Adler: Okay.

>> Can you also send us the amount that you're --

>> Sure. I think any amount will help, but I will follow-up with a message board post if necessary. I think, I think, 34,000 to 35,000 in my amendments that I was going to bring forward so system where around this amount would probably be good. I need to vet those numbers with our staff but it is about \$10,000 a year for the facility, but the cost of attendants and cleaning are considerable so that's where the costs bump up.

[4:53:15 PM]

Those costs were based on six months, about \$35,000.

>> Okay.

>> Can I make a quick joke?

>> Mayor Adler: Yes. Only if it is quick.

>> As long as we're not using that money in our budget, as long as we're not flushing it down the drain. I messed up.

[Laughter]

>> Mayor Adler: All right so then the question is, we have some series of budget directions that we've talked about. Do we want to -- it's not required that we do those today, we could pick these up later. Do we want to work our way through the directions?

>> Mr. Mayor.

>> Mayor Adler: Yes.

>> I would like to -- I have narrowed mine down to ones that I consider to be important, that I think are quick.

>> Mayor Adler: Okay. Why don't you take us through yours, then, and then we will come back to the mayor pro tems. Let's try and do them quickly.

>> Okay. The first item, and this is the packet that is stapled together, it's got the list on the front. So the first page is what we discussed with regard to umlof, and it captured the conversation we had earlier with director Hensley regarding within their existing budget part, moving forward with some responsibilities around flood damage and mitigation. So that's the first item in your packet so I would make a motion that we adopt that.

>> Has pard seen this?

>> Yes, director Hensley --

>> Mayor Adler: Is she okay with this?

>> Yes, this exact language.

>> Mayor Adler: Thank you.

>> So moved it?

>> Motion to budget direction, any debate?

>> Mayor no debate, but after this I've looked through them since we had the break and I'm happy 20 to move them all.

[4:55:15 PM]

>> Let's just move them all.

>> I'll move them all then.

>> Just read them all.

>> No, move them all. The five coming from miss kitchen. Is there a second to that? Mr. Casar seconds that. Miss pool seconds that. Any discussion?

>> I want to very briefly touch on each one of them.

>> Say what they are. The first was the umlof. The second was 311 scripts related to elder abuse and neglect, changing their script within their budget. The upper onion creek watershed that just acknowledges the dollars, to get started on that. That's previous resolution. The add position related to transportation funding. We had an earlier discussion with Mr. Spiller who confirmed that that was a position he would move forward with. And then the last one related to the community policing goals, which we discussed the other day about moving forward with goals related to community policing.

>> And, mayor.

>> Yes.

>> The only thing I would do is that the fifth one is a budget ride territory same thing as mine -- rider to the same thing as mine, the first half of the goal sheet, so I would amend to add that to the same budget rider and it establishes a stakeholder group to work on policing recommendations from the community and matrix study.

>> I would accept that as that amendment.

>> Okay. We have the five being moved, the fifth being moved to append the community policing stakeholder group. Moved and seconds. Ed, you were trying to say something. Was it about this or should I call the vote on this first?

>> I didn't have anything to say about the riders. I will say something before you move to adopt the budget.

>> It has been moved and seconds. Those in favor, please raise your hand. Those opposed? It passes unanimously -- no with Mr. Zimmerman voting no.

[4:57:16 PM]

The others voting aye. Mayor pro tem, did you have some directions to the staff you wanted us to adopt, as well?

>> Sure. And I'm happy to move them all at once.

>> I have a concern with one of them.

>> All right.

>> In fact, one of them you said wasn't relevant.

>> That's true. So actually, the community -- I will more or less remove -- well, I will remove the community development incentives grants. At the time we do the capacity building grants again, I would suggest we adopt that's principals. While most of them hadn't received grants in the past, several were given to those who successfully competed in the contracts division. I feel strongly if we're trying to help build capacity in smaller organizations and the intent is organize nations that are not large enough and don't have the organization to compete at the level for cultural contracts we don't use the capacity building grants just to fund expenses that aren't eligibility so they're getting grants from both places so I will withdraw that after making that point. And then I'm happy to talk about any of these.

>> Do you want to make a motion? There is one, two, three, four, five. It is only the last one that I have some questions about, the convention visitors --

>> I will be glad to move passage of all of them. The only one I wanted to make a point of talking -- well, let me move passage and then I will say one.
>> Passage for all of them exempt the last one.
>> I suppose.
>> What?
>> Yes.
>> Or we could go through all individually. So the motion is to approve all of these except the last one and we will call up the last one, I have a question about that. Is there a second to that motion from miss pool? Discussion? Miss Gallo.
>> I would ask, so we're looking at affordable housing trust fund, health and human services, community development incentives.

[4:59:25 PM]

>> No, I've removed that one. It is no long irrelevant bus we don't have any money left in there.
>> You're removing parks and recreation and visitors.
>> And then youth programs, yes.
>> So I would ask that we split the question because there's some of these I would vet vote for and some that I would not.
>> First the affordable housing trust fund. Any discussion on that one? Miss Gallo?
>> I'm not going to support this particular item base the language of avoiding using salaries phoebes pences, I think the trust fund -- expenses. I think the trust fund should pay for those. We've moved to the affordable housing trust fund and because of that that entity is being funded substantially for money, a lot by money that would normally go in the general fund to be able to fund different things for the council so I do think that because of that I would not support taking the salaries out of the affordable housing trust fund. >>
>> Zimmerman: Thank you, Mr. Mayor. I want to vote against this as well. I also disagree the naming. It should be called the unaffordable and unsustainable subsidized housing corporation that institutionalizes segregation. I'll be voting no. Please raise your hand. Those opposed? Gallo and Zimmerman voting no. Others voting aye. Comment on the health and human services. Those in favor of that, one raise your hand. Those opposed? That passes. Zimmerman voting no. Others voting aye. It passes. The next one is the Austin convention center. Any discussion on that? Those in favor please raise your hand.
>> Could you just briefly tell me what this is about.

[5:01:28 PM]

>> Tovo: I asked a budget question 201, something along the lines what happens to that revenue, and the answer that was returned was that the revenue from concessions and catering have to be used in two ways to promote and market the convention center as well as the catering and concession services. And so this would ask -- would direct the city manager to report back on whether that contract can be amended. It's apparently. It's a restriction that the city agreed to with the caterer, and I would like the city manager to report back. Because we're not talking about hot funds and other funds that have state restrictions, it's my hope that there's an opportunity to take some of those revenues and concessions and do what the community has asked us to do which is to make sure that the convention center is not just a great asset for visitors and is not just, you know, one of the reasons that people come to Austin, but it also helps support some of the community needs that makes Austin a great place to come to. I don't know if it's going to be possible. This directs them to find that out.

>> Those in favor, please raise your hand. Those opposed. Everyone on the dais voting aye. The next one is the parks and recreation and Austin energy item. Any discussion? This is just asking for -- it was like 55,000, there was some question whether there was more money or not, just asking for that number to be reported back to us. Those in favor of that, please raise your hand. Those opposed. Zimmerman votes no. Others voting aye. That gets us to youth programs. Any discussion? Those in favor of this one. >> I do have one thing -- I just want to explain what this -- what the intent is here. A few years ago I sponsored a resolution that resulted in a summit of youth providers, providers of youth programs.

[5:03:30 PM]

We're in a situation where at the city, the school district, nonprofits, those working in the space of youth programs have very scarce funds and it's really a goal of mine to make sure that as a community we are - - we are strategically investing those funds, and so I want to be very -- the intent of the youth summit was really to begin that work, but I want to -- I want to ask our city management to really come up with a process where, as a city, our staff are working across departments to -- to think about youth programs together. A lot of this work happens in the parks and recreation department. I haven't talked about it a lot in the last year, but in the past, I've talked a lot about the need for our parks department to work closely with our belief -- with our Austin police department so that when they found areas where maybe teens are -- they're having -- seeing more teen crime, we act quickly and make sure that we've got investments in the area of youth programs through the parks and recreation department that are really trying to address that issue, so that we're really working across our departments. Yesterday we considered funding for the Austin technology council for a youth program for economic development. Well, I want to be sure, if that happens again, that our economic development staff are working with the other -- with our other staff here at the city who are working in the space of youth programs so that we know, is it more cost effective to provide an introduction between this organization and another organization that is already in the schools, or is it more cost effective for us to provide a grant for organization to begin a new youth program, which is in essence, what the Austin technology council is doing. Perhaps funding that through the Austin partners in education would have been a more strategic plan. So both at the city level in terms of our own programs, but -- but in terms of the programs we invest in through our grants, I think we need a really formal interdepartmental process of considering those and working across, so that is my hope.

[5:05:39 PM]

>> Mayor Adler: Those in favor of this please -- sorry. Those in favor of this, please raise your hand, those opposed? Mr. Zimmerman voting no. Ms. Garza off the dais. That gets us to your -- I'm sorry, I didn't -- everyone votes aye except for Mr. Zimmerman who votes no. That gets you to your last one, Austin convention and visitor's bureau. Reservation on this one, mayor pro tem, was that this is coming up with us in a broader conversation with the Austin convention and visitor's bureau. On the 22nd, when we looked at their budget, and I would like for them to be here and be present for this conversation. So I'm going to vote no for this pending their presence.

>> Well, mayor, what about if I move passage and you can move to postpone, consideration of it, and if there's not a will -- if there's a will to postpone it, we'll just take it up at the 22nd.

>> Okay. >>

>> Tovo: How would that be? I'll move passage of this. I believe it's necessary. I'm happy to answer specific questions about the

(indiscernible) My colleagues would like to discuss this today.

>> I don't want to discuss it, but can we add cemeteries to it. Add cemeteries?

>> Tovo: Actually, councilmember Houston, I'm glad you made that point, because the language historic civic buildings and spaces is absolutely intended to include cemeteries, but if you think we should call it out, I will certainly do so --

>> Mayor Adler: Okay. Mayor pro tem moves the description, the direction with respect to Austin convention center, is there a second to that? Second by Ms. Pool. I move to postpone this to the conversation on the 22nd with -- when the convention center is here. Mr. Zimmerman seconds that. Any discussion on postponement? Those in favor of postponing until the 22nd, please raise your hand.

[5:07:48 PM]

Ms. Houston. Sorry? Those against postponing please raise your hand. One, two, three, four.

>> Five to five.

>> Mayor Adler: Five to five, most to postpone fails. So now we take a vote on it. I'm going to have to vote no, but I have -- but I'll be okay with reconsidering this as part of the broader suggestion on Thursday 22nd.

>> Tovo: Well, I think in light of that, those of you who wanted to postpone are going to vote no, I will withdraw it for consideration today.

>> Mayor Adler: Okay. Is there another direction that is before us that we have to vote on at this point?

>> I think that you might misinterpret the people who didn't want to table it, might also vote against it. I mean, I don't know that that's necessary --

>> I don't know. I'm interested to hear from my colleagues about whether --

>> I would vote for this.

>> And mayor pro tem, I don't want to have a long discussion today and then turn around and have another discussion on the -- and I think it's more cohesive if we do it on the same day, a couple of days from now.

>> Mayor Adler: I think we can have that conversation on the 22nd with it open. We told them that we would approach this with them, we invite them back on the 22nd, this will come up earlier in conversation. We T'd it up for that day. I think it's unfair for us two weeks before the conversation when they're not here to bring that up.

>> Tovo: You know, if that's the direction, I mean the reality is we could -- some of these only become relevant once we enact that contract. Let me just say I really would encourage -- I know we've had communications from the acvb. I would really urge my colleagues to consider these -- to consider these points that I've raised in the direction even if we don't pass it today.

[5:09:51 PM]

A quick point of inquiry on that, even if this got voted down, it could be brought back up on the 22nd, right, for reconsideration.

>> Mayor Adler: This is going to be part and parcel of that conversation regardless, I think. All right. Those in favor -- you withdrew it? Do you want to vote on it?

>> Sure.

>> Mayor Adler: Okay. Voting for the mayor pro tem's direction to the staff, please raise your hand. One, two, three, four, five. Those opposed, please raise your hand, one, two, three, four, five. It doesn't pass. But we'll revisit all these on the 22nd. Somebody should get this to the Austin convention center and visitor's bureau so they again are put on notice. Are there any other directions we want to give staff at this point.

>> Mayor, I think mine should be real fast and easy too.

>> Mayor Adler: Okay.

>> There's the remaining bottom half of the goal sheets which is a separate budget writer than the amended kitchen one.

>> Mayor Adler: Yes.

>> And then extremely simple second one that I feel just out of abundance of caution, if you look at the bottom of the gold sheet, I'll move them both, actually, let's just move these two. The first is about the forensic lab staff we have in the budget and the second is just clarifying what the study is.

>> Somebody is trying to figure it out a few seconds, then I'll explain it. Councilmember Garza.

>> Mayor Adler: I'm sorry, what?

>> Councilmember Garza seconded. The first is the bottom of the gold sheet which explains that it's our intent that a team of experts review the operation of the DNA lab, measure that against the formation of an independent lab and that evidence related to sexual assault be tested so that we keep our backlog clear, and then the second white piece of paper is out of an about bulb dense of caution some people contacted us to see you funded a study, but have you clarified what you mean.

[5:12:05 PM]

The council has passed a resolution explaining what it is that we mean, this is reminding that it's our intent that we hope the city staff looks at our resolution which I expect they will do, but just to clear the -- just so that everybody knows exactly what it is.

>> Okay. It's been move and second by Ms. Garza, these two items. Mr. Zimmerman?

>> Zimmerman: Thank you, Mr. Mayor, I'm voting against this, the more I read this, the less sense it make, I'm going to be voting against it. It's not clear at all to me. I'm voting against it.

>> Mayor Adler: Okay. So on the next instructing the city manager to conduct the nexus study, where is that funding coming from.

>> It's in the budget.

>> It's in the budget, which department?

>> We have budgeted it. It was in the mayor's editions. I would suspect that the --

>> Where was the funding put for this?

>> For the forensics?

>> Mayor Adler: No, for for the nexus study.

>> I would suspect that the housing department would work with the staff to solicit this. This is not a new if further resolved, this is expressing what resolution we passed in the past about this. This is not a new direction to the manager. This is direction we have already given.

>> So why -- I guess I'm confused in this process, so if it's a resolution we've already passed, why are we talking about it again?

>> We cannot do it. We could also just --

>> So, on the budget that we handed out, our base budget, there was \$200,000 putting in for an affordable housing linkage fee study. So that was in our -- that was in -- huh? I was looking at the wrong feed but -- so it's in there, this is now --

>> The rider is one sentence saying in case people don't know what we mean by this linkage fee study that council is putting in the budget, this is the resolution that we passed regarding it, and if people -- if people think it's diminimus enough to not include, it's also diminimus to vote for it.

[5:14:20 PM]

>> I think it's important to include because it states clear direction.

>> Mayor Adler: Okay. Those in favor please raise your hand. Those opposed. Mr. Zimmerman voting no. The others voting aye. I think those are all the things we have from the dais for the budget. There are some things you wanted to say.

>> Yeah, just to make sure that before you actually take action to vote on the budget, that we're clear that we are balanced. You may remember that at the beginning of this process, I was saying, you know, very preliminary projection, projections nonetheless, fiscal year '18 we were a million dollars out of balance, but as a result of the changes you made, we are now projecting actually long-term in F.Y. '18 we're projecting a balanced budget for F.Y. '18 as well, mostly a result of the decision you made about the tax rate, that put us in a better position for fiscal year '18, and there's been a lot of discussion that's been happening, and so I wanted to make sure people are clear in terms of our accounting of things, some items that have been put into our one time column funding. And those would be the two aid items, parent support specialist, prime time after school program. We have those loaded in as one time costs, we may be having to have that discussion ability those programs again next year. Tenant relocation, the increase in the housing trust fund appropriation of \$50,000, the quality of life initiatives as the mayor discussed already, and the -- the snap -- increased funding for the snap program. Those are the items that are coming out of our one time funds, so we would not include those in our base budget for fiscal year '18.

>> Okay. Thank you.

>> Mayor --

>> Would you memorialize that and send each of us a memo that tells us that please, those programs?

>> Mr. Mayor --

>> Mayor Adler: Miss kitchen?

>> I assume also you will send us a list we added some things, you'll send us a list of everything, right?

[5:16:30 PM]

>> Yes, I can do that.

>> Mayor Adler: Okay, yes, Ms. Gallo.

>> Gallo: Could you remind us what our budget is, the total is

>> It's 970 million, if you're looking for the exact dollar amount, you would have to give us a second, but --

>> Mayor Adler: About \$970 million.

>> Okay.

>> The general fund?

>> Yes, ma'am.

>> Mayor Adler: I like that we're going into fiscal year '18 forecast with a balanced budget.

>> Mayor?

>> Yes.

>> Mayor.

>> I hate to slow us down but it's an important request. The parent support at aid regularly get a letter now that says you may not have a job next year, and that could result in some of the better parent support specialists looking for other work, and I know they did, some of them did here in recent months. I would like to know if there is -- maybe we don't decide it today, maybe there's a budget amendment. If there are things that we're putting in the general fund right now, through council action, that we could choose to replace the pvment -- pvment sss with. I just want to know because they are staff and I prefer for staff especially those with -- with -- whose work depends on relationships to be in the general fund if possible.

>> It's not quite the amount, but in our accounting of this, it's okay to have a little bit too much money in the on going, and a little too little in the one time, because we can switch those around. Right now we have \$116,711 of ongoing funds that we're short that much in a one time fund, so we would transfer that money to the one-time fund and we can do that, but long story short, I think, you know, you could move 116,000 of that funding to the -- to the ongoing budget, but, you know, out

[5:18:44 PM]

>> Zimmerman: I guess, since I don't have in front of me what we put in general and what we put in 110, I don't know what the choices are for switching, if any. If there aren't really, I can hear that. I believe you obviously. If there is a choice we make, we say this thing we put into general, we can choose whether psss are general or one-time based on this other allocation then maybe we can make that difficult choice. I just don't know what the choices are before us.

>> Mayor Adler: My sense of this is, you know, I would like to wait on this. Because we had also talked about not picking programs, but picking, you know, after-school program models and having a bidding process, something similar to the way that perhaps Travis county handles it. I would like us to be able to consider those kinds of things. And I would like us to resurrect the tax swap by the end and have our legislative delegation take a look at that, as an alternate way to fund this as well.

>> Casar: I agree and understand, but prefer that this staff of this type be in the general fund between now and what we do that. If we can wait, I know we want to pass the budget. I want to mark this moment as maybe we go back and see if there is a way to see if we have options of getting these folks in the general fund and presenting council an option with something else, into the one-time. Is that something possible to do within the first few months of this coming fiscal year.

>> Mayor Adler: Bring that back.

>> Casar: I don't know if I can do I --

>> Mayor Adler: Anything else to discuss.

>> Houston: That concerns me. There are things that Asian American chamber needs to be bumped up. I don't want us to do that on that little bit of money to make decisions about a specific program when there are other programs that people value that aren't going to get anything.

[5:20:53 PM]

That just opens up that whole can of worms of which do you value more? This or this? I think that is a hard choice for us to make. So I would rather us go in with some kind of flex there, rather than us trying to today, decide on whether we're going to move a group of people from one-time only funding into the general fund budget.

>> Mayor Adler: Ok.

>> Casar: We'll wait, because it is a shift --

>> Mayor Adler: Ms. Garza.

>> Garza: I am happy to join you in trying to solve that, if we can. I just want to -- include -- I heard some conflicting information. Is the food access coordinator fte part of this budget?

>> It is. I think that was part of the concept, 1.048.

>> Garza: You have that memorized.

>> That one, I did because your staff was talking to me about it.

>> Garza: I -- there were three positions that were recommended by the stakeholders, and so since we're memorializing a bunch of things I wanted to memorialize the duties of the fte is what I passed out. I can give to whoever that needs to go to. I don't know if I need to move this and someone second it? I will move this.

>> Mayor Adler: It has been moved as this job -- this description for the functions that we would want the positions to be able to provide. Is there a second to that? Ms. Houston, second to that? Any discussion on this? Those in favor, please raise your hand. Those opposed. Mr. Zimmerman votes no, others votes aye. Anything else? That said, we're now ready to take a vote on item number 1, which is approve an ordinance adopting -- adopting the city budget.

[5:23:05 PM]

A new rule is this is a roll vote.

>> Zimmerman: Mr. Mayor, if I could explain my vote against the budget, I need about two minutes. If you could put the slides up showing the drop in the I.S.D. Enrollment. If reasons were measured in dollars. I have tens of millions of reasons to vote against in budget. I will focus on 3.8 million reasons that are additional sub-sid'ses -- subsidies to the aid budget. The tax police arrested is facing \$336 of increase. Aisd is not done because you're paying additional city taxes for additional subsidies. I did a little math on this. If you notice, the aid enrollment is dropping. That is consistent with government that gives you less and charges you more. So you notice the enrollment is dropping while charter school enrollment that is more efficient in a more popular way for education, you see the dramatic increase in school choice options and a decline in aid. If you go to the next slide, that's not the next slide. Next one showed, I think we had -- ok. This was the mayor's summary here. I show this as \$2.23 million. Mr. Van E enoo correct me if I am wrong. This is charging more money for less kids. Go to the next slide. I had a third one. Not it either. A third one showed -- yeah, this is from budget question two 30.

[5:25:09 PM]

We were at 1.6 million in subsidies before adding the 2.2 million. We're around \$3.8 million of subsidies to one government school district, which is more money than we gave in homestead exemptions for the entire city. I'm voting no.

>> Mayor Adler: Ms. Gallo?

>> Gallo: You know, I want to say -- I will try to go through this quickly. I really do appreciate all of the work that our incredibly amazing city staff and the mayor and councilmembers have done working on this budget. You know, it's really a pleasure to serve on this council with other councilmembers that I think, through this process, you have seen have such a passion for our community and such a commitment to try to find ways that we can do as much as we can to make lives better for everyone. But this budget will result in an increase in everyone's property tax bill, and utility bills, renters will also probably see an increase in rents as landlords pass on their increased tax bills to their tenants. My motion to increase the senior and disabled homestead exemption to 91,000 which would have kept the tax billions of seniors and disabled populations failed with only Zimmerman and kitchens supporting my senior tax relief. The council would not address my motion to find ways to reduce expenditures in Austin water, Austin resource recovery, public works, transportation, and watershed protection, so there would be no increase to the customer bills this next fiscal year and the fees would remain the same as this past year. We as a city provide a wide variety of benefits and programs to our community. But we all know our city has more needs than we could possibly fund and tax our residents for. I have heard clearly from homeowners and renters that our city is becoming more and more unaffordable.

[5:27:13 PM]

Addressing financial relief for our community is a priority for me and in good conscience I cannot vote for a budget that increases property taxes and raises utility bills. Thank you.

>> Mayor Adler: Ok. Any further discussion on the budget?

>> Councilmember troxclair is not here, I think she asked legal and the mayor if it is ok for me to read a statement if I may do this, this is from councilmember troxclair. Thank you for all that reached out with the well wishes since the arrival of her daughter, who is adorable. We welcome all the support we receive as we welcome our baby into the world. I want to thank my colleagues and the city staff that brought this to a finish. We each care deeply about our constituents, the city and the services our city provides. Amidst, a record population influx record development revenues record levels of tourism, the city is benefitting from over 40 million in additional revenue this year, yet our city government spending is greatly outpacing this growth, meaning current residents are still being asked for more. Our citizens are facing an undeniable and escalating affordability crisis. The annual increases in utilities, fees, impact homeowners and business owners and renters alike. As we look to make responsible decisions, addressing this crisis has remained my top priority. My hope was this council would be able to provide much-needed relief by decreasing the financial demands the city places on homeowners and renters, because this does not appear to be the case, I cannot support this unaffordable budget.

[5:29:14 PM]

I look forward to continuing to work with my colleagues in the upcoming year to take the pleas of our residents to heart and address our cost of living issues. That is from councilmember Ellen troxclair.

>> Mayor Adler: Mr. Cassar.

>> Casar: I didn't think I would talk. We are imperfect, but we worked really hard together. I am proud of us. I think that we've shown that our priorities are trying to balance needs across the city. I think we're going to be able to help a lot of people who really need it. And invest in our future for lots of people to come to the city, many of whom haven't even been born yet because I think your greatest priority is investing in our long-term future. So thank y'all for being with us through this process and thank you to my colleagues.

>> Mayor Adler: I also want to thank staff. I think you guys did yeoman's work on this. I think the process you led us through, different this year, went through the questions we had. It was helpful for us. Once again, I don't know if you guys sleep between July 31 and today, but hopefully, if we pass this you will all get a chance to rest. I think this budget is a really strong balance of affordability issues and providing for quality of life for our city. I think it is a really strong budget. It provides for an increase in general homestead exemption and increase in senior disabled exemption. The same time we're doing that, we were able to lower the electric rates from our energy company and in fact as I said before when you look at all in fees and expenses, this council has been the cost curve in this city with the overall increase the lowest it has been in five years.

[5:31:17 PM]

And this council over the last two years, going 30% lower than the three years prior to that. This is a budget that has reflected significant cuts in lots of departments to reflect the priorities of this council. And I appreciate the work that the manager did in proposing a budget to us that I think reflected in a very real sense the kinds of things that we have been telling -- asking him to do. This is a budget that puts new employees in offices. In the transportation department, working toward mobility improvements, increasing contracts to improve mobility and signalization, safety programs, enforcement. Over \$8 million in additional funding for pay station replacements and signals and local area traffic management. Includes over \$2 million for additional straight St. Overlay contract work. 16 new positions in public works in order to deliver the public improvement projects that we all like to see but don't like to get stuck behind when the construction is going on. \$40 million in spending on streets

and bridges and improvements in the city. It is almost \$2 million toward the housing trust fund. Over a half a million dollars to the housing first fund in this city. Additional social service contract funding that takes where we were last year and preserves all that and adds to us some addition. It establishes a sobriety center in the city and funds that. It sends money toward the colony parks sustainable communities master plan as part of this. It not only deals with the significant issue we had in E.M.S. To make sure our local services there are working well and not overtaxed but it adds over 20 new police officers on to the streets of our city.

[5:33:30 PM]

And deals with the backlog of forensic evidence and establishes a new forensic lab for the city to have that moving forward. It gives a pay increase to our city staff -- city employees, which I think is important because they're doing an incredible job, both performance based and cost of living based. It adds raises to public safety and first responders in the community. It takes the living wage from \$13 to \$13.50 in the city. It adds -- spends more money on the airport, because we have increased traffic there. We provide for the issues there. And we're spending more money and dedicating resources toward development services in the city where we had a historic permitting issue. In our city, we're beginning to turn the corner on that and investigating additional funds there. It is more resources to make sure the code next process is rolling out and comes in. I will stop there. We could go on for a long time with this budget. It is a strong budget, balanced and I think we have served the citizens well with this. Mayor pro tem.

>> Tovo: I will say I want to underscore that there are items as the mayor mentioned in this year's budget that have been years, if not a decade in the case of the sobriety center in the works. I am really -- it has been a very challenging conversation, especially over the last couple days and we made some really difficult decisions, but it really, I believe, represents a balance of the many, many needs in our community and I think we have done a good job of really not just stepping up to finally have the needs that emerged but I'm really proud of the work we have done.

[5:35:32 PM]

People will be impacted positively by the budget we're about to pass.

>> Mayor Adler: Ok. Ms. Kitchen?

>> Kitchen: I would just add that I do think we have done a lot of good things in this budget. I will echo what others have said. I won't go through the list now, I will do that later when I send something out. I also want to thank the council for moving us a little bit forward in terms of the senior exemption. I know that we were balancing the senior exemption against all our other needs. I'm hopeful we will be able to do more for seniors over the next year. I think I can acknowledge that I don't feel like we got as far as we needed to there, but I know others had other needs they thought were important, too. We did get us to 83,000 I would have much preferred 91. There will be an impact on seniors, but also a lot of good that we did in this budget.

>> Mayor Adler: If you look at the senior numbers, seniors are paying less with the exemptions that have been passed in the last three years, paying less now, the median senior homeowner than four years ago. That is in part because of the exemptions the council has passed -- the last three councils' budgets have passed.

>> Kitchen: I hope that is the case. I would love to see it. It is not what I'm hearing from my constituents, that's ok. I will not debate that now.

>> Mayor Adler: We have the numbers I would be happy to give them to you.

>> Kitchen: Please do.

>> Mayor Adler: Please call the roll. I'm sorry, Ms. Garza.

>> Garza: If a perfect world, we would provide everything the community needs and not raise taxes and allow everyone to call Austin home.

[5:37:41 PM]

We are the most economically segregated city. One in four families have trouble putting food on the table in a city as prosperous as ours. So I push back that we did not do all that we could. We did not get everything that we wanted and I think we had a lot of hard choices to make. And it's really easy -- it would be really easy for me to vote no to this budget and say hey, I didn't raise your taxes. We had to make hard choices. I'm proud of the work we did here together.

>> Mayor Adler: Ok. Manager?

>> [Indiscernible]

>> Thank you. I wanted to say a word, too, first, mayor and councilmembers, I want to acknowledge all of your hard work. Not just in terms of this budget but last year, too, you came into this, having to take in a lot of information, dealing with the budget right away. I think you did an exceptional job. You brought a different set of values. As I said earlier or yesterday, you were able to imprint values I believe were important to our community. I think you did that again with this budget. It was hard work. Harder probably this year than last year, even, given that we were feeling the physical strain this year that wasn't the case last year. So I commend you for all of your hard work and commitment to the citizens of the city of Austin, Texas. I also want to acknowledge my team, the -- certainly the budget team that is sitting in front of you here today. Ed and Elaine, in particular. Of course, they have a pretty deep bench of people that support their efforts and support all of our efforts. Some of them are in this room, some of them are in the bullpen, and some of them are on the third floor, I suspect, in their offices, monitoring, as they always do, at the ready, to help us get through this process that we go through to adopt a fiscal plan.

[5:39:59 PM]

My highest accommodations and regards to all of you, for all of your hard work. Of course, for me, this will be my last budget with the city of Austin. And it has been just a privilege and a pleasure to work with Austin in particular on the financial journey we have been on for the past eight and a half years. We begin the journey with the onset of the great recession. Just because of the incredible financial leadership that we have and our staff, I think we -- you know, we went through that, survived that at a pretty extraordinary, remarkable way, comparatively speaking, to just about any other city in the country. I want to acknowledge my acms, who were on that journey as well with me, for all of your hard work and leadership and various departments and that you represent those department heads, you all have always done an exceptional job. Not just for me, but for this organization, for the elected officials, and for the city of Austin. As I said on previous occasions, this is in fact, the best organizational family of employees that I have ever worked with in the course of 30-plus years. So I thank you for all of your efforts. Thank you.

>> Mayor Adler: Mr. Renteria.

>> Renteria: Mr. Mayor, I also want to thank the -- our Austin police department, you know, for giving up the 12 positions. You know, I really want to remind the town, the citizens of Austin that you know, the police -- our police force are one of the greatest police forces here -- I believe in Texas. They work hard. They're humans, you know, these people are hard working.

[5:42:02 PM]

They're out there putting their lives on the line every day. They put that badge on, they come and hit the streets. And I just hope that, you know, we don't go and get to a point where -- where we get to that point that we downgrade and let the citizens that come over here and bad mouth our police department. You know, I just don't believe that we should go there. You know, we can work together. We're a family. We're city employees. All the city employees are one big family. We need to look out for our family. Basically the E.M.S. Employees, you know, we had a hard, hard decision to make this year. Last year, we learned that there was a lot of E.M.S. Employees that were committing suicide because of the pressure that they were working under, under the conditions, you know, of 48 hours plus. You know, so I hope that when in the future, we keep to ourself, if you really just can't say anything nice about our city employees, that you should just keep it to yourself. You know, we're always going to be up here looking out for our city employees. You know, when it comes to senior home exemption, you know, I'm a senior. I support senior exemption. But we also have senior renters that wasn't going to benefit out of this increase in homestead exemption. That money that we save cut back from the homestead exemption went into social programs that are going to help seniors. You know, we're looking out for everyone, not just the homeowners here in Austin, but also the senior renters, including all the renters here in Austin.

[5:44:03 PM]

You know, we try to balance the budgets, the state puts a lot of restricts on -- restrictions on us, but we do the best we can with what we have. I really want to thank the staff for doing an outstanding job for us.

>> Mayor Adler: Clerk please call the roll.

>> Mayor Adler.

>> Mayor Adler: Aye.

>> Mayor tovo.

>> Tovo: Aye.

>> Garza.

>> Garza: Aye.

>> Renteria.

>> Renteria: Aye.

>> Pool.

>> Pool: No.

>> Zimmerman.

>> No.

>> Councilmember troxclair is absent.

>> Mayor Adler: That is eight to two -- 8 to -- council -- I know some people need to leave. It is 5:45 now. Do you know how quickly we can get through the remaining items?

>> I would say 15 minutes.

>> Mayor Adler: Let's see if we can do that. Item 2, ordinance adopting the city's capital budget for fiscal year 2016-17. Is there an adoption.

>> There are amendments to do. It will take up a minute.

>> Mr. Mayor, do we have to move it first?

>> You're right.

>> Mayor Adler: You want to make your amendments and then we'll make the motion.

>> Motion to approve the capital budget including amendments.

>> Mayor Adler: And the amendments are?

>> All of the amendments on this slide are amendments to the budget to sync our capital budget up with the changes that council approved over the course of the last 2.5 days.

[5:46:10 PM]

The first is to improve the capital improvement program for upper onion creek buyouts, \$1.25 million from drawing down the watershed ending balance. The parks department, for the master plan. \$60,000 in the public works, will add on the cip and decrease the building cip by \$63,000 which is an action that council took. The next amendments are all related to Austin energy and the fact that we need to sync their capital program up with the new rates that you approved and the various operating budget amendments that mark Dombrowski read into the record on Monday. He's here if there are questions about the amendments. Those are all the amendments we have to the capital budget.

>> Mayor Adler: Is there a motion to approve the capital budget as amended? Pool, Renteria second. Any discussion on the cip budget? Mr. Zimmerman.

>> Zimmerman: Thank you, Mr. Mayor, passing out an amendment to try to put on the overhead. Last year, if you remember, district 6 got 0.2%. That is 0.2% of the allocation of the budget, even though we were 10% of the city. This year, we come in at about 1.4%, which is a dramatic increase, but still only 1.4%. So a year ago, my colleagues boosted our capital budget by 5 helped thousand -- 500,000. This year, I'm asking that the council bump up district 6, that is my motion to increase district 6 by 528,447 and that will make district 6 equal with district 3 as the two lowest funded districts in the cip plan.

[5:48:14 PM]

>> Mayor Adler: A second to the Zimmerman amendment? Ok. Fails for lack of a second Zimmerman thank you, Mr. Mayor. And district 6 thanks my colleagues as well. Thank you.

>> Mayor Adler: It's been moved and seconded, any discussion? Then we're now ready.

>> Houston: If I could ask a quick question. How are the percentages decided?

>> Mayor Adler: How what?

>> Houston: I'm asking a question. How are the percentages decided? Who makes that decision? And how is that done? What data do you use to make these recommendations.

>> Mayor, council, Robert Hinojosa, director for public works. Typically the capital budget is for reconstruction of the streets. We use asset management approach for the failing streets. It is not identified by the district, it is the condition of the streets that drives the program. Does that answer your question.

>> Mr. Mayor.

>> Mayor Adler: Ms. Kitchen.

>> Are you done?

>> Kitchen: Ok. I didn't support moving forward at this point, because I think there is more information we need for discussion purposes. But I am going to support bringing the capital improvement budget for next year in front of the transportation -- the mobility committee assuming that my colleagues agree. Because I think this is one of the areas where it is important for us to work in partnership with the staff, earlier on in the process. So I'm certain that there is a lot of very, very good reasons in metrics. And I also think we need to look at this over time, not just in one year. Regardless of that, I think it is a discussion that is important for our council to have and I would suggest that we start it in the mobility committee, at least looking at this aspect of the cip, transportation and public works.

[5:50:27 PM]

Because just on the face of this, this does look pretty dramatic. And I'm not going -- I have no judgments on it at this time because there is a lot of information behind it. I do want to signal to everyone I think it is an important information to have. I would like to have it in the mobility committee as well as with the council as a whole.

>> Mayor Adler: Ok. Thank you. Ms. Gallo.

>> Gallo: Councilmember kitchen, thank you for the comments, I would agree, and support that, and I think as part of that, it would be important to understand how the projects are prioritized. I think as we look at other plans that the city has developed, we have come to the conclusion that sometimes the prioritization system needs to be addressed. I think if we could have that as part of the conversation, it would be really good.

>> Mayor Adler: Ok. We're now ready to vote on number two, approving an ordinance with the capital budget as amended. Clerk please read the roll.

>> Mayor.

>> Yes.

>> Mayor pro tem.

>> Aye.

>> Councilmember Garza.

>> Aye.

>> Renteria.

>> Yes.

>> Kitchen.

>> Aye. >>.

>> Aye.

>> Gallo.

>> Yes.

>> Zimmerman.

>> Nay.

>> Casar.

>> Yes.

>> Houston.

>> Aye.

>> And council number troxclair is absent. So it passes on 9-1 vote.

>> Mayor Adler: Thank you. We're now ready to take up item 3, ordinance authorizing fees, fines and other charges to be set or charged by the city for fiscal year 2016-17. Do you want to present the item and amendments?

>> Yes. Can we bring the presentation back up? So for the sake of time, we talked about the amendments on the budget work session. Those are the items highlighted in gray.

[5:52:28 PM]

I went through them once and won't go through them again. There are a few new ones. Those in the Austin water department. I will refresh your memory we transitioned to the new water system. And there is hard keying. You can see here in the Austin water department irrigation, two to four hours. We had to put it at the 28 hour fee. For the unit charge, large volume customer, at 839, one penny change there from what's proposed in the document. Looking at development services department, these are all related to putting our fees in that department at full cost of service. We would recommend making the changes as shown in the fy17 amended column for those various fees. And then finally, in the parks department, we have a park-naming application fee and park-naming, sign fabrication fee approved by

council in fy16 at rates shown. They didn't get into the system. They are at 0 and we need to put at the rates council approved. 369 and 349 respectively. The final one is to mention, of course, our proposed budget was delivered to council before you took action on Austin energy's rates. We're reading into the record the budget you're approving, we will match all of the fees for Austin energy with the ordinance you passed on August 29. That is what that is saying. Those are all staffs amendments -- I'm sorry. Council took action here. That is why the slide doesn't match the rest. You took action with regard to the Austin food codes. With the revised columns -- revised fees to fund the two additional positions.

[5:54:29 PM]

Those are all the amendments that the staff would offer to our fee schedule.

>> Mayor Adler: Thank you.

>> I'm sorry. We did pass out a yellow sheet of the ordinance and the yellow sheet reflects a part four, that talks about fee waivers for city code Pons sponsored events. And lists out what those are. Typically what the staff has to do is bring fee waivers back to council throughout the year. So roughly, I think 13 or 14 of these events and council has to take action to waive the fees. What this part four does is waive the fees as part of the fee schedule. If council wished to assessed fees you take action to assess the fees. I don't think it takes away the action, but it does make it more efficient, we're not having to come back through the year to waive fees for events that you already established by council as cosponsored events.

>> Mayor Adler:

[Indiscernible] Moves adoption of the fees, fines and charges. Ms. Garza. Second, Renteria. Discussion?

>> Houston: Mayor, I would like to ask, what is the merry memories event? You may have told me this last year, and I've forgotten.

>> Tovo: Mayor if I may. The rest of my recollection is that the river city foundation youth party. Is that right?

>> Mayor Adler: Any further discussion.

>> I don't know. I'm sorry.

>> On the fee schedule, is it exhibit B, possible to have the dollar amounts that are associated with each of these. I think we're looking at something right now that would normally have a dollar amount associated with it during the year.

[5:56:32 PM]

>> We can provide the dollar amount from the previous year, but I can't provide the dollar amount would be without knowing what the event would be.

>> So we're voting on something now that we don't have a dollar amount attached to and normally through the process that we have done this year, we would vote on it when we have the dollar amount attached to it? Help me understand the process. This is a little different.

>> Sure. Typically for all the events listed on exhibit B, some council office or another will launch an item from council requesting that the fees from the event be waived. As part of that staff will make an estimaa -- estimate as to what the fees will be and the council will approve -- the past experience the council waived fees for these events. What we're proposing instead of this action or -- it is only for the events council established as cosponsored events. We would waive them now. And inform council of what the actual dollar impacts would be. If council then so chooses not to waive the fees you have an ifc to instead assess the fee.

>> Hell me memory through this difficult three days here of trying to remember a lot of in bes. I thought we were having discussion or it was our intention to have discussion on the south by southwest waived fees? Is that yes or no?

>> Mayor Adler: We were looking at additional ways to find the million and a half in the general fund. We were trying to move certain south by southwest expenses over. That is different from this.

>> How is that different.

>> Mayor Adler: We were trying to find a different source to fund police over time.

[5:58:34 PM]

>> In the part 4, the events are required to provide documentation to the city manager about the event and what value it's providing, roughly equivalent to the fees waived. We're still calculating the fee waivers, so we have the information, it is just a matter of giving the long-standing history of waiving fees. Felt it was more efficient use of your time to waive those up-front, if council wants to assess the fees, you absolutely have the authority to assess the fees. Throughout the year through a resolution you can bring forward.

>> If we saw the fee waiver increase amount dramatically from the year before, we can address that.

>> The intent is not to take discretion as a city council but avoiding you to launch 14ifcs for events you already said you support. You can certainly launch an ifc for the fee for the event.

>> I have another question. It was my understanding when talking about the utility bill fees that they would be part of what we're addressing right now in this number three? So I don't -- maybe what I have.

>> Talking about this slide? Is that utility fees or different? Oh, the -- for all the utilities, that you're talking about? All the fees for the utilities would be approved in this action. We don't have any amendment to the utility fees, other than the one up here.

>> So the sheets you passed out are only the amendments --

>> The changes to the long, long list in the budget document.

>> Mayor Adler: Are we now ready.

>> Zimmerman: Mr. Mayor, I have one amendment. If you could put it on the overhead. This is on page 619 of volume 2, that deals with the reclaimed water.

[6:00:40 PM]

Did I not get that one to you? I don't have my glasses on. At the top it will say fee schedule.

>> Zimmerman: This is dealing with reclaimed water and it's limited to reclaimed waterment but I need to clarify, it looks like city staff was able to lower some water rates and lower some water bills, but I think those -- the transcript is blocking it out. Can you move it to where they can see down towards the bottom where it says, yeah, parkland reclaimed water rates, all volumes unit cost per \$1,000. Do you see how there's been a rate reduction of 41 cents per \$1,000. Do I read that correctly?

>> Yeah.

>> Mayor Adler: You do.

>> Zimmerman: Even though the water rates have increased for all of our taxpayers, the water bills for the park department, for the golf course has actually gone down. Do I read that correctly?

>> Yes, sir, you do.

>> Zimmerman: Thank you. So, in fact, it was possible for us to get savings and see water rates be reduced, but unless you're government bureaucracy, you're out of luck. So I move that we increase this cost so that it's from not \$1.15 but rather \$1.56, if everybody sees where I'm pointing to here. So the reclaimed water rates for parks should not be reduced, but it should be increased back to \$1.56. That's not as bad as what we have as taxpayers, but at least we could equalize that and not give them a water bill break.

>> Mayor Adler: Flvment Zimmerman makes an amendment. Is there a second to that amendment? Okay. We'll continue on. Did you have an amendment?

>> I do.

>> Mayor Adler: Okay.

>> This is the amendment I've been trying to make for a couple days, and now I have the slot to put it in. So this is the motion sheet in front of you, and I handed out yesterday, so you might have to dig a bit to find it. This just amends Austin energy fiscal year '17 rate schedule so that the community benefit charge schedule can accommodate our expansion to pay for certain lights owned by the city of Austin and operated on behalf of the city's parks and recreation department.

[6:02:55 PM]

So that's the service area lighting definition.

>> Mayor Adler: Okay.

>> Pool: So I move to amend that portion of the rate schedule.

>> Mayor Adler: Mrs. Pool makes a motion zero to amend the rate schedule. Is there a second to that. Mrs. Kitchen seconds that.

>> Could staff clarify what this means to us?

>> I'm sorry. Could you restate the --

>> Mayor Adler: During the budget we adopted a \$55,000 item to have certain lights paid by Austin energy. And this is the conforming language. Is that correct?

>> That's correct. Austin energy, we had been requested to look at what the component was for -- it's called night watch men, it our city-owned lights, parks for the security lighting under this amendment we would pick up the cost of that and be able to pay for it with the revenue from the community benefits charge, and it totals about \$55,000 a year.

>> Mayor Adler: Okay. Those in favor of the motion pool made, raise your hand. It passes.

>> Pool: Thank you.

>> Mayor Adler: I think we're now ready to vote on this item no. 3. The law requires us to have a record of the vote. The role clerkz mayor Adler?

>> Yes.

>> Mayor pro tem tovo?

>> Aye.

>> Councilmember pool.

>> Aye.

>> Gallo?

>> No.

>> Zimmerman.

>> Nai.

>> Casar?

>> Aye.

>> Houston?

>> Yes.

>> And councilmember troxclair is absent. So that is an eight-2 vote that passes.

>> Mayor Adler: Items four and six can be taken on consent if no councilmember objects.

[6:04:57 PM]

These are the fire department/police department/ems classifications and positions. So we're now going to take up items 4 through 6 on the agenda establishing those classifications and positions. In the classified service of Austin fire, police and ems. Are there any changes to --

[lapse in audio] -- To sync up with the budget that council's approved.

>> Mayor Adler: Okay. Is there a motion to approve as amended, Mrs. Gallo makes that motion. Is there a second? Mrs. Pool seconds that motion. Is there discussion? Okay. Are you handing out something for this?

>> I think so.

>> Mayor Adler: Okay. This is the amendments that we were talking about on 5 and 6. Okay. Any further discussion?

>> I'm just trying to find it quickly. Where is the police --

>> Mayor Adler: So 5 is no. -- Is the police and 6 is ems. And those are the two that have changes.

>> Okay. Just wanted to see where it's reflected that the 12 were authorized but not funded. Although this document would only show them authorized, right?

>> Just shows that they're authorized.

>> Okay. Great.

>> Mayor Adler: The budget does not fund them.

>> Kitchen: Right.

>> Mayor Adler: Those in favor of items 4 through 6, it's been moved and seconded. All those in favor, please raise your hand. Those opposed. Mr. Zimmerman no. Others voting aye. That's approved, 9 to 1. We're now going to take up item 7, 8, 9 and 10 which is the reimbursement resolutions for the general obligation debt, Austin energy, Austin water utility and austin-bergstrom international airport.

[6:07:06 PM]

Is there any amendments to the motion?

>> No, there's not.

>> Mayor Adler: So someone moves the motion? Mrs. Pool moves it. Is there a second? Mr. Renteria. Any discussion?% all those in favor, please raise your hand. Those opposed? It's unanimous on the dais. That gets us to item no. 11, which is a vote to ratify the tax increase in the budget. This vote is in addition to and separate from a vote to adopt the budget. And the vote to set the tax rate. The motion must be made in this form. And we're going to consider this item no. 11 to ratify the property tax increase reflected in the budget that we just passed. This vote is required by state law. And as I said before, it has to be separate. Now, this is not a vote on the tax rate. We're going to take a separate vote on the tax rate in a moment. This is the -- is this different -- this is to ratify the tax increase and then we have to vote to adopt the tax increase?

>> That is correct.

>> Mayor Adler: So two successive votes. Is there a motion to ratify the tax increase adopted by council earlier today? Is there a motion to do this is Mr. Renteria. Is there a second, Mrs. Garza. We have a motion and second. All those in favor, please raise your hand. Those opposed. Mr. Zimmerman and Mrs. Gallo vote no, Mrs. Houston abstains. The others voted aye. That makes the vote 7 to 1 and it passes. We're now going to take up item no. 12 to approve an ordinance adopting and levying a property ad valorem tax rate for the city of Austin.

[6:09:07 PM]

There's going to be a short statement by law regarding the exhibits to the ordinance, and then we're going to make a motion that uses the language required by state law.

>> Thank you, mayor and council. Lee la fireside for the law department. Attached to the ordinance adopting the tax rate are three exhibits. The exemption list for the exemptions such as homestead, elderly, persons with disabilities and similar exemptions. Also there are historic properties that receive a

partial exemption from taxes each year if they request it. The exemptions are authorized by state law. The Texas tax code 11.24. Exhibit B 1 are properties that are historic sites that are designated as recorded Texas historic landmarks or state archeological landmarks by the Texas historical commission. B2 are the properties that are historically or are key key -- are key logically sites. Property owners to apply for these partial exemptions if they meet the requirements found in city code, chapter 11.24, article 2. The property owners have to apply each year, then the staff inspects, reviews the records including the owner's application for the tax exemption -- [lapse in audio] -- And it's being preserved and maintained properly. The applications are also reviewed by the historic landmark commission and council had approved the list, with the resolution requesting the manager account for the properties when he develops his budget. You approved these lists with the resolution April 21, 2016. Then you are approving the list with the tax levy, and that's why they're attached to the ordinance today. Thank you and I'm available for questions.

>> Mayor Adler: Thank you. What is the percent increase in the tax rate?

[6:11:17 PM]

>> 7.4%.

>> Mayor Adler: Thank you. Is there a councilmember that will move the property tax rate be increased by the adoption of a tax rate of 44.18 cents per 100-dollar valuation, certificates -- effectively a 7.4 increase in the tax rate. Mr. Casar makes the motion. Is there a second? Mr. Renteria seconds. Any discussion? We have a motion and a second that the property tax rate be increased by the rate of 44.18 cents per 100-dollar valuation. Clerk Mayor Adler?

>> Yes.

>> Tovo?

>> Aye.

>> Garza.

>> Aye.

>> Renteria?

>> Yes.

>> Pool no.

>> Zimmerman?

>> Nay.

>> Casar?

>> Yes.

>> Councilmember Houston?

>> Abstain.

>> And councilmember troxclair is absent. It's a 7 to 1 vote.

>> Mayor Adler: That's correct. So it passes. I think at this point we need to recess this meeting to convene the Austin housing finance corporation. You want to guide us through this?

>> Mr. Mayor, could you give us an idea of how much longer -- I'm really supposed to be somewhere at 6:00.

>> Mayor Adler: I do, too. We have the housing finance corporation and then the Mueller government corporation and then I think we're done. Are these agendas going to take us long? Should we break for dinner and come back or can we get this done.

>> This will be fast.

>> Five minutes.

>> Okay.

>> Mayor Adler: Please proceed.

>> Good afternoon, board of directors. I'm the trash you're of the Austin housing finance koorption. We have two items on the agenda today related to the corporation's budget beginning October 1st, 2016, ending September 30th, 2017.

[6:13:21 PM]

Item no. 1 is related to the corporation's capital budget and item no. 2 is the corporation's grant operating budget. I offer both of the items on consent.

>> Mayor Adler: Mayor pro tem? Moves adoption. Is there a second? Mrs. Houston.

>> I just said I'll second but I think you got.

>> Mayor Adler: Mrs. Houston seconds.

>> Houston: It's good because he was looking this way this time rather than that way.

>> Mayor Adler: Those in favor, please raise your hand. Those opposed? Mr. Zimmerman votes no. The others voting aye. It passes. Any other business?

>> That's it.

>> Mayor Adler: All right. Then we're going to adjourn that meeting. Let's convene the Mueller local government corporation meeting.

>> Good afternoon, somelia, assistant director. Today I bring forward two items for consent, approval of the minutes and approval of the operating budget for fy '17.

>> Mayor Adler: Okay. It's been moved -- is there a motion? The may mayor pro tem moves to adopt the budget. Mr. Renteria seconds. Any discussion? Those in favor of adopting the budget, please raise your hand. Mr. Zimmerman votes no. The others vote aye. Any further business?

>> Mr. Mayor, were we able to do that in less than a minute? That was pretty impressive.

>> Mr. Mayor, we should all stand and real plawd our staff and those people that have been sitting down in there front of us.

[Applause]

>> Mayor Adler: I don't think there's any other business before us as the city council. So I will adjourn this meeting.