



**AUSTIN CITY COUNCIL
MINUTES**

**BUDGET WORK SESSION MEETING
WEDNESDAY, AUGUST 24, 2016**

The City Council of Austin, Texas convened in a Budget Work Session Meeting on Wednesday, August 24, 2016, City Hall at 301 W. Second Street, Austin, Texas.

Mayor Adler called the meeting to order at 9:14 a.m. Council Member Troxclair was absent.

BRIEFINGS

1. Briefing and discussion on fiscal year 2016-2017 proposed budgets for city departments.
Presentation was made by Ed Van Eenoo, Deputy Chief Financial Officer and Budget Officer.

The following departmental presentations were made:

Austin Resource Recovery: Presentation was made by Bob Gedert, Director and Jessica Frazier, Chief Financial Manager.

DISCUSSION ITEMS

2. Discussion and possible action on the Council Budget Concept Menu.
The following items from the Council Budget Concept Menu were discussed:

ED2.01: Cut Chapter 380 corporate subsidies by 50%.

Direction was given to staff to provide Council with information on which companies receiving the Chapter 380 subsidies have protested their tax valuation with TCAD and had their taxes reduced; information on when the existing agreements were approved and how many current agreements the City has executed; and to set this item for discussion during an executive session.

The motion to remove the item passed on a 9-1 vote. Council Member Zimmerman voted nay. Council Member Troxclair was absent.

The motion to revise the item to read "Reduce Chapter 380 agreements to companies that have protested their commercial tax valuations" was approved on Mayor Pro Tem Tovo's motion, Council Member Zimmerman's second on a 7-3 vote. Those voting aye were: Mayor Pro Tem Tovo, Council Members Casar, Garza, Houston, Kitchen, Pool and Zimmerman. Those voting nay were: Mayor Adler, Council Members Gallo and Renteria. Council Member Troxclair was absent.

ED2.02: Remove funding for Chambers of Commerce from the Economic Development Department.

The motion to remove the item passed on an 8-1 vote. Council Member Zimmerman voted nay. Council Member Casar was off the dais. Council Member Troxclair was absent.

Direction was given to staff to provide Council with information on the size of staff, size of membership, performance matrix and services provided by each Chamber; and how the funding for each of the minority chambers was established.

ED2.03: Eliminate the Economic Development Department.

The motion to remove the item passed on an 8-1 vote. Council Member Zimmerman voted nay. Council Member Casar was off the dais. Council Member Troxclair was absent.

ED2.04: Eliminate the Economic Development transfer from Austin Water, Austin Energy and Austin Resource Recovery

The motion to remove the item passed on a 9-1 vote. Council Member Zimmerman voted nay. Council Member Troxclair was absent.

PB1.01: Increase the amount City Employees contribute to the COAERS to 10% from the existing 8%.

The motion to remove the item passed on a 9-1 vote. Council Member Zimmerman voted nay. Council Member Troxclair was absent.

Direction was given to staff to provide Council with information on the State requirements regarding the process for employees to raise the percent of employee contributions.

FR3.01: Present the FY17 budget at effective rate.

The motion to remove the item passed on an 8-2 vote. Those voting aye were: Mayor Adler, Mayor Pro Tem Tovo, Council Members Casar, Garza, Houston, Kitchen, Pool and Renteria. Those voting nay were: Council Members Gallo and Zimmerman. Council Member Troxclair was absent.

FR3.03: Change water rates for multi-family customers with fire demand meters.

Direction was given to staff to add houses of worship and to analyze the ability for Council to modify a fee or rate without having any necessary code changes in place.

FR3.04: Change Drainage Utility Fee (DUF) formula for condominiums.

Direction was given to staff to add houses of worship and to analyze the ability for Council to modify a fee or rate without having any necessary code changes in place.

FR3.05: Change Drainage Utility Fee (DUF) formula for single family residences.

Direction was given to staff to add houses of worship and to analyze the ability for Council to modify a fee or rate without having any necessary code changes in place.

PS1.01: Build 5 new fire stations.

The motion to remove the item passed on an 8-1 vote. Council Member Zimmerman voted nay. Mayor Pro Tem Tovo was off the dais. Council Member Troxclair was absent.

PS1.02: Develop a contract for services with ESD #4.

The motion to remove the item failed on a 2-7 vote. Those voting aye were: Council Members Houston and Renteria. Those voting nay were: Mayor Adler, Council Members Casar, Gallo, Garza, Kitchen, Pool and Zimmerman. Mayor Pro Tem Tovo was off the dais. Council Member Troxclair was absent.

PS2.01: Reallocate funding from public safety to Health and Human Services Department.

QL1.30: Provide 311 operators with elder abuse, neglect and fraud scripts, and emergency preparedness script with guidance for talking with seniors, in languages utilized by 311 and 911 operations.

Direction was given to staff to provide Council with a list of languages used by 311.

QL1.06: Contract with Con Mi Madre for group and individual therapy.

This item is a duplicate of item QL1.27: Contract with Con Mi Madre for group and individual therapy. Direction was given to staff to remove this item.

UT2.01: Remove funding for Downtown Austin Alliance from the Convention Center and Austin Water.

The motion to remove this item was approved on a 7-1 vote. Council Member Zimmerman voted nay. Mayor Pro Tem Tovo was off the dais. Council Member Troxclair was absent.

Direction was given to staff to provide Council with information on the City's contractual obligation to the Downtown Austin Alliance; how much is funded by the Convention Center and whether the Convention Center could fund the entire amount.

UT2.02: Eliminate composting.

The motion to remove this item was approved on a 9-1 vote. Council Member Zimmerman voted nay. Mayor Pro Tem Tovo was off the dais. Council Member Troxclair was absent.

QL1.21: Govalle/Johnston Terrace Proposal, La Loma Trail Neighborhood Connectivity.

Mayor Adler recessed the meeting at 12:30 p.m.

Mayor Adler reconvened the meeting at 1:47 p.m.

BRIEFINGS CONTINUED

Austin Energy: Presentation was made by Jackie Sargent, General Manager, Mark Dombroski, Chief Financial Officer, and Mark Dreyfus, Vice-President.

Direction was given to staff to provide Council with a list of organizations which the City uses for recruiting vacant positions.

DISCUSSION ITEMS

UT2.03: Reduce total expenditures for Austin Energy, Austin Water and Austin Resource Recovery so there is no increase to customer bills from FY16 to FY17.

UT2.05: Amend the General Fund transfer calculations for Austin Energy and Austin Water by reducing the multiplier by 1%.

The motion to remove this item failed on a 6-1 vote. Those voting aye were: Mayor Adler, Mayor Pro Tem Tovo, Council Member Casar, Garza, Pool and Renteria. Council Member Zimmerman voted nay. Council Members Gallo and Kitchen abstained. Council Member Houston was off the dais. Council Member Troxclair was absent.

Direction was given to staff that the intent of Council is not that staff come back with proposed budget cuts in the amount of \$14,200,000 to implement this item.

Direction was also given to staff to identify any additional items on the Budget Concept Menu that would require significant staff resources to research or analyze a response.

BRIEFINGS CONTINUED

Aviation: Presentation was made by Jim Smith, Executive Director.

Direction was given to staff to provide Council with an update on the Arts in Public Places Project at the airport.

Austin Convention Center: Presentation was made by Mark Tester, Director, Carla Steffen, Assistant Director, Michele Gizelbach, Chief Financial Manager, and Julia Joseph, Financial Manager.

Direction was given to staff to provide Council with information on the amount of exhibit space is available both at the convention center and area hotels and to request that the Austin Convention and Visitor's Bureau provides a status of the Heritage Grant Program.

Watershed Protection Department: Presentation was made by Joe Pantalione, Director and Peggy MacCallum, Chief Financial Manager.

Direction was given to staff to provide Council with an update to the slide #37 from the July 27, Budget Work Session detailing increases from all taxing entities, including the amount of recapture for the Austin Independent School District.

Mayor Adler adjourned the meeting at 4:52 p.m. without objection.

The minutes were approved on this the 1st day of September 2016 on Council Member Pool's motion, Council Member Zimmerman's second on a 10-0 vote. Council Member Troxclair was absent.