

City Council Budget Work Session Transcript – 04/26/2017

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>> Houston: Good morning, everyone. My name is Ora Houston, and the budget session is supposed to start at 9:00. We do not have a quorum at this moment, but I will be just calling the meeting to order so that we can receive the briefing from Ed van eenoo. Sorry, city manager. >> Thank you, come from. I just had some opening comments before we begin the policy discussions today. We've had seven work sessions with council to talk about department reviews of general fund departments, kind of a deep dive or go into more about the operations and identify some policy issues that council wanted to come back and talk about more. We had the forecast just seems like a week ago and so that laid some more foundation for a framework financially within which we could look at these policy issues. We have today's work session, another work session on may 3, and I think we've scheduled one on may 17. They're 9:00 to 3:00 work sessions and these are the opportunity for you to discuss some policy issues that you've already identified or ask us to add more to that last day. But this is really for your input for us before we begin our budget preparations. We actually -- once these are done, we'll start in Ernest working on the fiscal '18 budget and work through that through the end of June and then the month of July is when we actually have the budget staff put the document together and get ready for presenting budget to the council. So this -- these work sessions are an opportunity for council to provide us some input

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before we begin to do that work. But with that, I'll turn over to Ed. He can talk about the topics that we're going to cover in those work sessions, and we look forward to your feedback. >> Thank you, Ms. Hart. Mr. Van eenoo. >> Thank you, city manager, good morning, councilmembers, I'm Ed van eenoo, deputy cfo and budget officer for the city. I wanted to spend a few minutes talking about what the agenda was for today about you should all have this agenda in front of you now and I would remind council these were topics identified by you over the course of doing those six departmental review work sessions that we began in February and that continued on up into April, plus some additional topics that came out of our April 19 presentation. All of these agenda topics are things that have been identified by councilmembers as things you wanted to have policy discussions on proper staffing developing our budget. This proposed schedule is a little different than what I showed you on April 19. We added some topics based on what we heard and we've had to rearrange the time of some of these because we weren't quite ready -- we had some councilmembers who wanted certain topics to happen certain dates because of their calendar so we moved things around a little bit but this is our current calendar,

certainly would seek your feedback on the timing of some of these. So for today we have our fire chief is going to be walking you through a discussion of the joint AFD ems wellness center, following that our ems chief is going to be walk you through a discussion about ems, the concept of a third service provider essentially means ems as a stand alone department versus what a consolidated service delivery model might look like. We'll then transition to a discussion about ems cost recovery. That may take us up through lunch and I would think coming

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back from lunch we would get into these afternoon topics, smog about special event fee waivers, general fund homeless exemption and then enterprise transfers. We don't actually have a powerpoint presentation on enterprise transfers but we did submit a report to council a week or two ago on our different enterprise transfers. It was just a topic that lent itself better to a report than a powerpoint presentation plus I think council specifically asked for a report on that topic. Looking ahead to may 3 agenda then we would have the fire department back to talk about their four-person staffing model. Our parks department will be here to talk about the general fund support for the gulf enterprise fund as well as the cemetery operations and a policy discussion on aquatics and pools. The aid tax swap discussion is something we have talked about for at least a year with this council and we've had several reports go out on that topic, but that's been asked to be brought back for a policy discussion on may 3, and then employee pay and benefits will likewise be discussed. Right now we've listed may 17 as tentative. Last week council asked us to pull the different council offices for what date would work best for a third policy work session, either the tenth or 17th, and the vast prepond dense said may 17th. It would seem to be the date that works best for most people. We're proposing that another 9:00 to 3:00 work session in anticipation that, you know, we might not get to all these topics on April 26 or may 3 or there may be some topics we need to come back to so having extra time on the may 17th agenda might be wise. On may 17 we'd be talking general fund reserve policy, prioritization of council initiatives. I showed you last week this

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long list of council initiatives that seems to be a real challenge from where we're sitting right now about how we'd get all those things into the fy18 budget so certainly will be seeking guidance from this body in regards to how to prioritize those various initiatives. Then a final topic is this concept of establishing percentage cap for public safety expenditures, and there's been some emails back and forth about what that topic might include, so I want to be clear that we're envisioning that as being a pretty brought topic, this concept about what level of -- what percentage level -- right now it's about 67%, which is an -- is there an ideal amount? Encompassed in that really is going to have a discussion about contract issues, future contracts that drive those costs, a discussion about metrics and how do we compare on key metrics, key public safety metrics with other jurisdictions, as well as what cost drivers for the next five years might look like, what are gonna be some of the cost needs, staffing needs, equipment needs of our public safety departments in the next five years. I want to be clear that's going to be a pretty broad topic but that's just the title we're going with for the agenda. >> Tovo: Councilmember kitchen. >> Kitchen: Just a quick question. Excuse me. Thank you for sending us the memo about the enterprise funds. So I'd like to reserve some -- not reserve some time but actually indicate on either may 3 or may 7 that that would be a time we can ask questions about that. So I don't know if people will have a lot of questions, but I'm not sure what we have to do -- maybe this is a question for you, what we have to do for posting purposes. I may have questions that I may want to ask on may 3. That's all I'm trying to say so I don't know if we have to post it and put it on this list or not. Are we posted broadly enough I

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can do that? >> We are posted broadly enough you can talk about it today or any of these days >> It is on our agenda for the 26th, that bottom one enterprise transfer is in anticipation of -- >> Kitchen: I'm sorry. I heard what you said in terms of -- I didn't look. I'm sorry. >> Certainly if there's further questions on may 3 and 17, I think we're posted broadly enough to handle any of these policy discussions to handle these over the next three days. >> Kitchen: Okay. Thank you. >> Pool: Do we know what time we'll break for lunch today? There is an event happening around 11:30 to noon. Some of us will be leaving for. So maybe 11:30 to 1:00. >> Tovo: I was going to raise that. Mr. Van eenoo, do you have a sense whether the intent was to break for lunch or does anyone know? >> Equivalent we're think it was actually 9:00 to 4:00, 1:00 to 4:00 would leave you roughly an hour per topic which feels about right but I'm hearing you may want to break earlier. That would be fine too. >> Pool: I think the discussion can drive it, just know some of us may need to slip away in order to get to where we're going in time. >> Is everyone comfortable scheduling a formal lunch break at noon to 1:00? >> Alter: I have a meeting at 3:00 I won't be able to must but I'm fine with the lunch break. >> That's the plan to break at noon. Some of us will step out earlier but we'll break from noon to 1:00 at lunch. Councilmember alter, it looks like you have a question. >> Alter: I was wondering as I shared last Thursday at council and on Monday in a follow-up email I had several questions about the public safety contracts that were not answers at lats Thursday's meeting and I was told they would be answered in this work session and I don't see these

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on here and I want to understand when those will be addressed, please. >> We are still working through those and I believe our plan is to present those on the 17th. We just need additional time to get the data together. >> Alter: Thank you. >> Ed, unless -- >> That's correct. That's kind of what I was percentage cap for public safety expenditures, we wrestled around with this, how can we broaden that language to capture everything that was talked about. I think the idea would be to have that discussion, metrics, contract issues, this idea of a percentage cap, it all seems to fit together in one big conversation, so absolutely plan on having that contract discussion responding to those questions under that topic on the 17th. >> Alter: Okay. Thank you. >> Tovo: We ready to get started? I think we'll follow the same process we've done last time, hold off on questions until we get to a natural break. >> So then the fire chief and fire staff will come up and lead you through this first presentation. >> Tovo: Mr. Van eenoo, again, just to be clear, you're anticipating about an hour for each of these items? Each bubble on our planned worksheet? >> Yeah, that feels about right to me. I can't say for sure how long it's gonna take but -- >> It's good to have some general sense so that would put us at about let's say 10:10 wrapping this discussion up just so we can kind of keep ourselves on track. That's only 50 minutes but I'm building in a ten-minute cushion. >> Good morning. You're not gonna respond back to me, say good morning. >> Good morning. >> We haven't had enough coffee yet. So I just wanted to let you know that I asked my chief of staff to join me up here.

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Tom has been with with the wellness center since its initiation back in the 1990s he was the battalion chief when we initiated the program so I'm going to rely on him sometimes to provide historical backgrounds or questions that you may have. So in the '90s, the Austin fire department in nine other U.S. Cities we partnered with that was wellness fitness initiate between the iaff and the international association of fire chiefs or the iafo. And to form labor and management wellness fitness initiative. I will

tell you I was at the iaff led quarters this past Monday for a meeting and they see our program, the Austin fire department wellness fitness initiate program as the gold standard so I want you to be aware we are looked at as the premier program, the ones everyone models themselves after. AFD and APD, we've worked on a program that will address the following key points, and certainly the confidentiality of behavioral, medical and fitness evaluations and I will tell you that a large discussion was had at another meeting that I was at with all the metropolitan fire chiefs and they all feel that these type of programs benefit their first responders more so than an eap-type program. They feel that it's used more, the confidentiality is there, and they're more successful because they understand the first responder work environment. The fitness -- physical fitness and wellness programs are educational and rehabilitative and not considered punitive. It's performance testing that will help promote Progressive wellness improvement and there's a commitment by both the labor and the management too a positive individualized

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fitness wellness program, and the program does not include treatment. It includes evaluation and it includes case management. We do not treat individuals at the wellness center. So there are five components to that wellness program and I just mentioned some of those, the medical examinations, the fitness maintenance and assessments, rehabilitation into regard to coming on and off the job injury, behavioral health, really important and data collection. These are the five components of the initial wfi program, not just what's in our system itself. The one thing we're still working on and should be there this June is on the data collection and how to make that work across the country. >> Tovo: Chief, may I interrupt you for one minute after asking that we not interrupt your presentation? >> Yes. >> Tovo: I apologize. I negligented to call the meeting to order and we do have a quorum now so I'd like to call this meeting to order at 9:25. Thank you. Apologies. >> That's okay. An important item there, right? We have to be official. So the current wellness operations, we have 14 full-time employees and that's both fire and ems. This year alone we have seven documented saves or actually in 2016 alone we had seven documented saves, which means that where there's a detection of a potentially terminal condition that we had early intervention and were being proactive instead of reactive. We're not treating illness, we're trying to be out in front of it and take care of them. Some of the numbers there you can see, but 1649 medical exams were performed, 1844 fitness interventions, and I think this number is important, 241 potential health issues identified that were required -- required some type of follow-up but that's down from the previous year or

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in 2013, I'm sorry, of 339. And that's due to the ongoing wellness fitness initiatives, interventions and the exams. Medical services, exposure protocol. So every fire annual medical exams are for fire, ems, and APD, their bomb squad and swat team so that equals the 640 medical exams. We do the cadet candidate medical exams at 207, return to work light duty as you can see 289 evaluations, case management follow-up, which I mentioned earlier, 45 cases that the docs there are making sure that the individuals are getting the type of care that they need. And it's also a really great program as a return to work program as well. Our vaccine program, 729 city of Austin employees were vaccinated by - through our wellness program, and that means not the firefighters now, we're not talking about fire/ems, we're talking about other city employees. So we have a team that will go to offsite and go visit, say, at Austin resource recovery that start their shift at 3:00 in the morning. We'll go out there and administer shots. In an effort to make sure that we're creating a program that we can share with other city employees, that was one of our efforts there. Vaccinations, 255 cases, db screening you can see how

many times exposures, which means firefighters or ems workers were exposed to potentially like a riasin exposure or tuberculosis or something like that, so we monitor and take care of those as well. Then we have the fitness and pier fitness trainers, we have, as you can see for fire

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in our rehab program, we've cycled 190 individuals through a rehab program so that means they're injured on the job, they come through the rehab program, and we make sure we get them back to work but we don't injure them further by not giving the appropriate workout and appropriate rehab program and make sure when we're sending them back to work that they're going back to work under the guidance of an occupational physician, not just a regular MD. And we've worked with fire and ems cadet academies for a number of things, particularly in the fitness, and it's to reduce the number of injuries, it increases the strength and recovery from day to day, and we've revised cadet manuals with information on exercise, on recovery, on nutrition, et cetera. And we do station visits to introduce new workout techniques and we're really stressing functional movement so that individuals aren't doing an exercise improperly which could in turn cause injury. We're making sure they're doing things the proper way, with functional movement. We also do a lot of yoga in the stations, and I know that sounds a little bit unusual but we started it and pretty soon it kind of grew and more and more people were asking for our fitness instructors to go out and teach them some yoga that they do on a daily basis when they're out at the station as part of their workout. We organize specialty clinics as you can see there, so rowing, rehab, lifting clinics, those type of things, again, sort of the same thing that I just talked about, the functional movement and making sure we're exercising properly, not just exercising and not helping ourselves at all. Peer fitness trainers, there are currently 22 of them and those are fitness trainers that are satisfied that -- certified that turn work with

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the rest of the organization and we're adding five ems and 17 fire in June, and the peer fitness trainers assist in things we call fire fit and that's our program we do with entry-level candidates to get them prepared to take the candidate physical ability test. One thing that I think is very interesting there is that 80% of the women that participate in fire fit pass cpat. So many times people will say cat or the candidate physical ability test is discriminatory towards women, when it really isn't if we train them and they work at it beforehand. So it's very important that we work with our individuals and build them for success. And our peer fitness trainers also help with like we said the fire academy, pt, station visits for fitness requests and also working with our firefighters in regard to their rehab. So a reacts program, like I said, the firefighter is cleared to return to work with restrictions following an injury. So what happens there? They're assigned to either light or modified duty program. They're required to participate in the rehab four times per week. They meet with exercise physiologists and Dr. Parrish, who is our occupational medical doctor, and to design a rehab program specific to their injury and specific to make sure they get back to work and they get back to work in a timely but we're not putting them back to work too earlier and reinjuring the individual. And then they attend inspected rehab programs, like I said, four times a week with the on-site peer fitness trainers. Then once they're cleared for full duty by their physician, then the firefighter receives a final evaluation of

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consultation not only with the wellness staff, including the occupational doctor. So it's very important that we understand what the individual is going back to so we're clearing them for full duty with the

appropriate wellness in mind. And EMS is currently exploring a similar rehab program for their field medics. And then this is really important, the behavioral sciences services in the peer support. What the psychologists provide and like I mentioned earlier, the number of suicides has been trending up amongst first responders and not just firefighters but EMS workers, police officers, and so in an effort to make sure that we're providing the appropriate services, we have behavioral services and a peer support program. And our two psychologists provide counseling, mental health services to not only employees but their dependents. We do an activation, we do psychological evaluation of cadet candidates. They respond to critical events, and it doesn't matter whether it's on the night or the weekend, either one of those psychologists will go and -- go to those critical events, whether it's an employee-involved event or whether it's a critical event that involves our public but our employees are exposed to. And then of course we do some outreach and we do some training. And then the firefighter peer support team or PST is similar to those peer fitness trainers only they're providing emotional support and/or referrals and function in two different capacities. One is there's a team that will respond to -- on the type and severity of the incident and then there's also individual peer support team members that will go on a request just for individual personal support. So the costs there you can see the sworn and the civilian

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positions, there's only three sworn, and there's 11 civilian positions. And then the contractual services, which are things like lab work. Every individual that goes for a wellness evaluation or medical evaluation goes to CPL labs, gets blood drawn and there's lab work on and that's used in the doctor's evaluation of the individual. And it also includes our cardiologists, x-rays, any type of things we would need to do and commodities or other are things like medical supplies, vaccines, those type of things. And then why is the wellness center critical? I've kind of said that through this whole presentation, but certainly the prevention, early detection and rehab keeps the workforce on duty. Then it lowers overall costs of them being off with injury. Managing employee records speeds response to the injury and exposure. So we have access to the records that facilitates treatment of critical injuries, protocol for exposure to things like H5N1, ebola, TB and other infectious diseases I mentioned that earlier. And as I mentioned earlier, too, on the behavioral part, the number of suicides is on the rise, trending upward amongst first responders. And then using internal city resources for health management is certainly more effective and I've said this previously, that private physicians or practitioners do not have the occupational knowledge to determine duty status. We administer and hold the standard of NFPA 1582 as our standard if that's the standard on expensive occupational medical programs for fire departments. And it's on-duty access to care encourages participation, and we require annual exams from private physicians could

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result in reimbursements added to your bargaining agreements. I know EMS currently pays medics to get exams off duty. Our folks come while on duty and at the same time they're getting one of the two annual -- biannual inspections, PPE inspections, our personal protective equipment inspections that are required by law. And I think also it's important that the return to work is consistent. It's the same doctor, using the same standards that alphabetizing those that are returning to work. It's not a series of maybe 500 different physicians that really don't know what the occupational needs are in clearing them to return to work. And it protects the employee and, again, I think the case management is another important part of that. And then some of the future plans for the wellness center. We've been in some discussion with APD, so we want to include police in that whole wellness center. We also were talking about and exploring ways that maybe we could bill United Health Care for those annual exams and for

the preventive care. And that is the end of the presentation. >> Kitchen: I'd just like to ask you a few questions about billing united health care. >> Yes. >> Kitchen: So tell me a little bit more about that. Are we not doing that now? >> We currently are not billing the health care -- united health care for that. I do believe that we do get credit through the city's hrd program on pe -- you know, employee wellness, so we are -- we do get credit for that but we are not billing united health care at the moment. >> Okay. But these folks are employees and they're covered by united health care, right? >> That's correct. >> Kitchen: So -- and I see

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the annual exams and preventive care, give me another idea of what you mean by preventive care there. Is that immunizations and things like that? >> That and it's also -- the annual exam, we're not examining them when they're sick. We're examining them annually so that we may identify issues they may have and provide preventive care from it becoming worse or identify whatever that issue may be. >> Kitchen: Okay. So -- >> Medical or -- >> Kitchen: So let me -- that concerns me that we're not billing them. You know, we're paying for coverage, and these items -- and I know annual exams would be covered. I'm not sure what the coverage is on preventive care. It should be. So where are you guys in the process of checking that -- on checking that out? >> Yeah. We have just -- that concept has just come up. We have -- I'll be honest with you. I cannot remember the explanation for why we didn't do that in the past. This program is now going into its 12th year but just in the past couple weeks we've started that conversation to see if that's possible to do. >> Kitchen: Can you keep us updated when you -- if you hit any roadblocks on that, also keep us updated on the status because that could be significant dollars for this program. >> Absolutely. >> Kitchen: Thank you. >> Pool: On slide 11, chief, you said that suicides are trending up. Can you elaborate on that a little bit? I know that we had some suicides in our emergency medical services a couple years ago. Is this for AFD, overall law enforcement in Austin, elsewhere? >> That's a national standard and national trending upward and it's throughout the

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country. I know when I talk to my peers, our metropolitan fire chiefs association, which is all the large city departments in the country, that they've had -- some departments have had a number of suicides within the fire service alone. That is -- it's trending up. I think it's psd, you know, that's causing some of that. So it's -- when went to be sure -- and we may have been successful in preventing those from happening just because of our behavioral health program and the fact that our people are very confident and very comfortable with our psychologist, and that they're willing to talk to him. I know he spent a lot of time with a number of individuals. We don't know that because it's all confidential, but I know that he has been working with different people. So I think our program is showing success because we're not having those, but, I mean, I know that Phoenix fire department had two in one year so we just -- I think we're being successful because of that. >> Pool: I think we acknowledge that and recognized it back in 2015 when we were having even one suicide is unacceptable. >> Yes, that's right. >> Pool: And I do think that a wellness center really definitely benefits a person's well-being. >> Councilmember, I'd like do expand on that a little bit because a suicide is a terminal outcome and a lot of ways that's an unsuccessful intervention of a behavioral health program. So we consider that a loss. But the behavioral issues that we deal with more commonly are not to that extreme. They're issues with alcoholism, issues with family problems, relationships, that do manifest themselves in behavior that might be unacceptable in the workplace. When we talk about a standards investigation it may be resulting from a behavior that if the proper behavioral intervention had taken place that would have never occurred, the employee wouldn't have been in trouble or sick or having family issues.

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We feel like all these components come together in a holistic way to support the employee throughout their career. And there are many challenges in the PTSD piece -- that's a critical component, and I can tell you that creeps into a first responder's life in very subtle ways to where they don't even realize necessarily that their behavior is changing and the way they're interacting in the workplace and at home has changed. Because we have these programs in place we've made it much easier for them to seek treatment. Firefighters, police officers and emt paramedics, we believe we are bulletproof and super men, super women and it's hard to ask for help. The closer we can match the resource to our experiential level the more likely we are to use resource and that is huge. If our psychologists are going out to stations to where people feel comfortable, chaplains go out to our stations and make them feel comfortable, the peer support team as works coworkers that makes them feel more comfortable, we feel like the intervention has a much better chance of being effective. >> Pool: It's clear the work you and our other first responders do is some of the most stressful and high energy and adrenalin, repeatedly and continuously, including the times when you're not actually on a scene, right? Because the waiting also takes a toll. So I think I appreciate the changes to the culture that you are manifesting and modeling here, and I'm not an expert in these areas at all, but it occurs to me that a PTSD situation can also affect the people not only at home with the person who may be suffering from that but also the coworkers. There's a certain tension I think that may manifest, and so I very much appreciate

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this, the work that you're doing to try to scope that and manage it and reduce it and save lives. >> We're really proud. We're very proud of our wellness center and the successes that we've had. Again, like I said, I was at a meeting just yesterday and we were told that we are the gold standard. So it's really nice to know that. >> I want to share councilmember kitchen's excitement about cost recovery. I know that y'all are just starting to look into it. Is there any sense of the scale of what that cost recovery might look like? >> There is no -- we have no sense at all, and we really have just initiated discussions and we're going to have to work with hrd human resources department in how they manage the health care system, our health insurance program. There should be some way to get some cost recovery from it because we're keeping people fitter and they're going to the hospital less and using those services less because instead of being sick we're keeping them well. >> Flannigan: Sure. >> Councilmember alter, I can speak to this a little bit when I was over the wellness center as the battalion chief if you got the comprehensive physical we give with all the components to it in the market explanation this was probably, seven years ago maybe in the marketplace, the medical exam would have been about \$500 in the marketplace. So how that works in cost recovery I don't know but that was valued back then. Nation-wide they value the comprehensive exam with all the components between 500 and \$1,000 per exam. >> Flannigan: Interesting. Do you have a sense of -- it looks like as I read the presentation that some of the services being provided at the wellness center are profession-specific, that these wouldn't be things you would see at any old wellness center, it would make sense to

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have it at this facility and because you've got them there anyways you might as well provide other stuff. Is there an issue, what's specific to public safety as opposed to a flu shot? >> I don't have that anything, everything we do other than flu shots, right, are specific to our profession. So the rehab is specific to our profession. Our fitness program is specific -- and evaluation is specific to what is required of us as

professional firefighters or, for example, the swat or some of the others that we do. And the exam is certainly specific to our profession because we use nfpa1582 as I mentioned, specific only to firefighters and fire department. >> Councilmember, I would say the medical, the fitness is all filtered through the 13 essential job tasks or functions stated in nfpa1582 and most physicians are unfamiliar with that document, don't know how to apply it map they do is tend to take their patient's word for what they do, what their job entails rather than what the job actually entails. I'll give an example. If we have a fire specialist who typically drives the apparatus they might tell their doctor I don't have to lift my arm over the shoulder because all I do is drive the apparatus like this. They might say, you're good, go back to work. When they get to the fire ground they're not driving the apparatus necessarily. That is one of their job tasks. They might be pulling a hose, burning into the burning building at any time so our physician would say that is not good enough. So that's where the filtering of an occupational health medicine team that understands the job makes a difference in making sure that when a fire engine pulls up in front of the scene the citizens and the council and city manager can all rest assured that our fit, healthy firefighters are

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gonna jump off able to do the task necessary to achieve success. >> Flannigan: Do other jurisdictions offer wellness centers like this? >> There were ten initial cities, and the other ones that are still pretty active in this are Indianapolis fire department, L.A. County fire department -- there's four. >> Fairfax county. >> Flannigan: Any in Texas? >> No. Just us. >> Flannigan: More of a general question. I'm curious if the value of the wellness center is taken into account when comparing compensation for our firefighters versus firefighters in other cities? I mean, we're the highest paid but we also provide extra benefits on top of that on top of that. So I'm curious if that's factored into the benefits column when we see comparison charts? >> I don't know if I have the answer to that. >> Flannigan: I think it's a more of a Cal question. I like to daylight it. Also from a budgetary perspective the wellness center exists under ems. Does split between departments? How are -- where does it live from a budget perspective? >> It lives under the fire department and somewhat under ems and Ed may be able to answer that question a little bit better, how it's split. And chief -- >> Ems provides some positions so those positions, their salaries are paid from the ems budget. >> Right. >> As far as all the supplies, x-rays, the labs, all that is paid out of the fire department. >> Fascinating. Hard to separate that out from the budget presentation -- >> It is. While we -- and we list three sworn -- wellness in -- one of the positions is a peer support lieutenant, so it's not a new position. The other is an ems assistant chief, part of it. That's part of the duties of the assistant chief. >> Flannigan: Right. I saw you mention in one spot you were providing flu shots to other departments. >> That's correct. >> Flannigan: Is that something cost shared to that

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department's budget? >> No. We -- we assume that cost. >> Yeah the back scene is typically paid by the -- the vaccine is typically paid by the city. All the departments, large purchases made once a year and so the vaccine cost is shared by all the departments. >> Flannigan: So there's a staffing component to that. >> Right. >> Flannigan: Ask that staff is now -- that staff is now moving to internal city departments. It may be 20 bucks, I don't know how much the number is but it's not allocated separately right now? >> No, it's not. >> Flannigan: Okay. I'm good for now. >> Mayor Adler: Ms. Houston. >> Houston: Thank you. And thank you for the presentation this morning. I, too, would be interested in how we can work better with united health care, and I see that assistant city manager Washington is there and maybe he can help us because it seems like we're duplicating services that could be paid for by united health care. >> Thank you, councilmember. As chief Dodds said earlier, what the fire department is doing by having

an in-house wellness center does save the city money versus if the firefighters were to go to the market and to private providers so we're able to provide the service, I do believe, probably cheaper than what we could afford in the market. But relative to billing united health care, since we're self-funded, it's not like we would be recovering money from the insurance company. It's our money that we're already using to cover employees. And so we would just essentially be billing ourselves. Now, what we could experience in doing that would be when we bill ourselves, because the insurance fund is funded by not just the general fund departments, enterprise departments, if we were to get billed by the fire department we could be passing on some of the costs for the wellness center to departments outside of the general fund. So it's -- we're in initial phases of the discussion.

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There's a credentialing process that united health care would have to evaluate. If the fire department were offering the services to people who were not city employees or other fire departments, it would definitely make sense to be a credentialed provider so they could cost recover from other organizations, from other payers, but we would have to evaluate whether or not it would make any financial sense in terms of paying ourselves since we're self-funded. United health care is just the administrator of the claims for us. Relative to the flu shot I believe chief did indicate that correctly, in terms of the cost of the vaccinations. We have partnered with the fire department, ems in the past. I think even with the health department in some instance in helping us administer those shots to our employees city-wide. Relative to councilmember Flannigan's question about how is the wellness center factored in terms of total compensation, it is not directly used in comparisons, even though there are other cities that don't have, as chief said, in terms of fire department or public safety-specific program, it's not very common. There are other employers that have general employee clinics, where employees -- where the city, city of Houston and city of Dallas has a general employee clinic, where the employees can go in-house to see a doctor, no copay, no cost, similar to the wellness center model. It's cheaper to staff that service internally versus paying for it at market cost. >> Mayor Adler: Ms. Kitchen. >> Kitchen: I'd like to have a longer conversation. We can take that offline, about the -- you know, exploring the billing situation. But I do have just one basic

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question. And you can -- we can talk about it offline if today is not the time to talk about it, but I'm curious about how these services factor into the analysis that is done to determine the premium. Because if these preventive services are covered in the sense that they are factored into the cost of the premium but then we're also paying for them through the fire department's budget, it seems to me that we're double counting. So I'd like to have a conversation about that, too. Unless you can tell me right now that these services are not factored into the cost of the premium. >> I do not think we charge employees premium. We don't factor in premium costs for the fire department services. What we do, though, in terms of when the actuary makes their projection on what claims costs are going to be, we do share with them information about our wellness programs and how wellness programs throughout the city could mitigate our future claims costs so those are taken into consideration in the projections and factored into what we then think the amount of revenue is needed to cover the future claims cost. >> Kitchen: Without getting too technical what I mean is when you come up with a premium, the actuaries are estimating the number of services. That are going to be -- that project -- they project and estimate the number of services that people will be accessing, like annual exams, for example. And that assumption helps determine what the cost of the premium is. So that's what I'm asking about, because if we're assuming that firefighters, for example, that set of employees are going to be accessing an annual

exam and we bill the cost of those annual exams into our assumptions that determine what the premium is but we're

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not paying for it out of that pot, we're paying for it out of another pot, then we have overestimated the -
- maybe not by much, but we have overestimated the premium. That's the kind of conversation, I'll take
it offline because I'm getting too technical but that's the kind of conversation I'm curious about. >> We'll
be happy to discuss that with you offline. Just to clarify, we do not factor in their costs into the
premiums. But the cost, for instance, of the vaccinations, and other wellness initiatives are factored in
but the labor costs are not. >> Kitchen: I'm not talking about their labor costs. I'm talking about the
services that the individuals access. So we can talk about it offline. >> Mayor Adler: Mayor pro tem. >>
Tovo: Chief Kerr, when you were talking about the fact that there are other wellness centers I think in 11
other cities or had started off -- that 11 other cities had started off having -- >> So there were -- >> Tovo:
I just wanted -- >> -- Ten initial cities in that -- in that initial program. And we were one of the ten. >>
Tovo: I see. Sorry, I got the number wrong. I wondered if I was understanding, are those still
operational? >> So not all of them are still operational. >> Tovo: Okay. >> Some of them are. Like I said
we're still considered that gold standard. So we've continued our program and continue to provide that
standard, if you will, for others to follow. But there are other -- of the ten initial cities, I know that there
are at least five or six that are still pretty active in the wfi program. In fact we'll have a biannual meeting
at the end of June with all of the ten initial cities. >> Councilmember, just so we're very clear, the
wellness fitness initiative was set up to chief five components. Each city that subscribes to

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this is trying to achieve those but they don't necessarily achieve them all at one time. Some cities do pay
for outside medical exams to be done on their people. They don't necessarily get feedback to the
department other than to the employee directly. What we have done is come close now to achieving all
of the and it's that's what's making us the gold standard, not that other departments don't want to be
doing what we're doing but, again, every economic situation is different, depending on where they live,
so they invest in the areas that they think are most important at that moment. And so the ten cities
were part of that, that same situation. Some of those cities with you in better areas of the country
economically and able to achieve more faster. Phoenix was for a long time the gold standard because
they were in a very prosperous air of the country, able to grow quickly. So a lot of things drafted initially
came out of their program. >> Tovo: So I guess what I was really trying to get more information about
here, something in your comment suggested that some of those wellness centers were still not
operational and that's -- that was really the information I was seeking. It sounds like maybe about half of
them, little under half, have now closes, and I wondered if you could speak to why that was the case.
Was it an economic choice for most of those cities that no longer have wellness centers? Did they find
they could achieve the same objectives through other means? If so, what are those? If you can just
address that question. >> I'd like to be able to do that with the proper knowledge so I'm happy to get
that answer to you. >> Tovo: Thank you. I appreciate it. It doesn't need to be very detailed. I'm
interested in the general -- [overlapping speakers] >> I got stopped at number 6, so I need to go back
and look. >> And our doctor is part of this hole wfi movement so he participates with the other
physicians in this consortium and I know Fairfax county is one, right, Washington, that has a very

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aggressive -- another gold standard program. So we tend to partner with the programs that most mirror us, most mimic us and the other programs have fall -- >> Tovo: Am I right, one of the reasons why we're addressing this as an independent element today, is that as -- well, let me ask why are we addressing this as an independent element today. It's my understanding that we are looking at overtime costs and other factors that are relevant to the Austin fire department's budget. >> My understanding of why it's on this list is earlier in the presentations, by the departments, back in February, is when this department would have presented. The council raised the question of how much money we were spending on the wellness center and should we continue its operation. That's why we've brought this back for discussion. >> Tovo: Well, I appreciate that. I appreciate having that context because as we move through the budget process, it's helpful to know -- helpful to kind of understand, understand why we're addressing what we're addressing. Can you remind me of the overall budget element for this or what page it's on? >> The line item in our budget is about 1.1 million. The -- one of the slides would inflate that just a little bit because we count the full salary of the EMS assistant chief, which actually would just be a percentage of and then our lieutenant was slid over. If we were to contract out the components based on what our market inquiry was, a few years ago, that would be about \$800,000 just for the medical exam component of it. >> Tovo: Thank you. >> For the 1649 exams performed last year. >> Tovo: Thank you very much. >> And slide number 2. >> Mayor Adler: So I think in the context in the conversation we're having this in the overall budget context, I understand, I thought I understood, but now I'm a little bit confused with respect to whether there's any potential for cost savings

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relative to the health care operations. So I'll let councilmember Kitchen have that conversation offline. When you understand all of those answers, I would love to know what those answers are. This is a -- this is obviously a really great program. For us to have. I think as we go through the budget, we're going to be looking at a lot of really great programs and figuring out what the priorities are. So even within the fire department budget, I think there are going to be some requests for some additional things, you know, perhaps associated with things that are covered by the laborer contracts and some things that are not covered by the laborer contracts and funding for additional fire stations and the like. So understanding this as a relative -- a priority relative to the other aspects of the budget will be something that's important for me to understand. I like having the gold program and everything that we do. But I have the same questions that were raised by Mr. Flannigan and the mayor pro tem with respect to if we didn't do gold and we did silver, what does that mean in terms of the costs that we have and also the expectations and the -- and the goals of what we're trying to hit. Phoenix used to be gold but now is doing something else. What is that something else? To get a feel for, you know, it started with these 10, some of them are not doing it. So I have the same questions mayor pro tem had. But there could be that there are 50 others that weren't part of the 10 that are now doing it. So having an understanding of how many -- how many departments, fire departments, EMS departments are doing this around the country would have a he -- would be helpful information just to be able to put into perspective what it is that we are doing here and it gives rise to the question of the other side as well, which is if we're saving money by doing a wellness center. If that saves us money. Then shouldn't we be doing it for all employees. You know, where Houston moved to that model, if we were to go to that over a period of time, would we

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save money in doing that? So I have that -- that reciprocal question associated with this practice as well. Mayor pro tem. >> Tovo: Thank you, I think that makes me articulate some of the questions that are before us. I would ask the same thing, councilmember Kitchen -- I wonder if we could make it a subject

of discussion back here so we can all avail ourselves of that information. >> Mayor Adler: Okay. Anything else on this? >> Can I just make a final comment. >> Mayor Adler: Please. >> I don't want you to underestimate the real value of this program in the -- and the real need of this program. You know, I heard you mention that Phoenix used to be the gold standard and Tom mentioned that first and they aren't any longer. Maybe that's the reason why Phoenix had two or three suicides, you know, in successive years because they weren't putting that focus on taking care of their first responders. And realize that first responders are exposed to way different work environment than the regular workforce. They see so much more and they deal with so much more on a daily basis that it's really important that our wellness program is totally attributed to their needs and their work environment. And particularly return to work, you know. Very important that you have occupational doctor that knows exactly what they are supposed to be doing when they are clear to return to work. So we don't reinjure an individual. We get people back to work faster, I believe. We take better care of our employees. And my no. 1 goal as the fire chief is to take care of those firefighters. Because if I don't take care of those firefighters, they can't take care of the community. So very important that we not lose sight of how valuable this program is to the Austin fire department and -- low amount of cost, it's probably worth far more than that in the lives that we've saved and the services that we've provided.

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>> Mayor Adler: Got it. Thank you. Anything else? Thank you for the presentation. If. >> Good morning, mayor, council, thank you so much for having us this morning. Last time when I spoke to you, I failed to - - entirely to introduce myself. So I'm not going to pass that opportunity up this time. My name is Ernesto Rodriguez, chief of emergency medical services. I've now completed 11 years here with the city. It's been a -- a fun experience. I've also got 36 years of experience in emergency medical services working in fire, private, government, regulatory and now in the city in a service type of organization. A couple of things of my achievements. I am one of six persons in the nation that is certified improvement advisor by the ihi, which is the health care improvement institute. There's only six of us in ems that have that certification. And it's an amazing opportunity. We're leveraging that here in our community. Also, recently have been selected to be one of 10 people in the nation to develop the agenda for the future of ems that's going to take us into the year 2050. That's beyond my lifetime. What an amazing opportunity

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that is. And the time that we've been here, that I've been here working on the system, we've implemented flexible deployment into our organization. We added electronic medical records. We were among the first departments in the city to -- to put into place business intelligence, so that we could lead with the evidence. We've developed a community health immigration program that we now have active. We've been very innovative in hiring and recruiting, in fact I tweeted something just this week that we have our first all female academy for telemusicians -- telecommunications medics, ever. So we are improving our diversity. And we have very positive people carrying initiatives. We went through some difficult times a few years ago and we've made a lot of changes in improvements for that. I would also like to introduce our medical director. I don't know that you guys have met. Dr. Mark [indiscernible] If you can stand, please. He is also a recognized expert in the nation. And would be one that you may want to consult from time to time and ask questions of with regard to the medical practice that we work together on. So let me see if I can get there. There you go. Our service was created as a third service by a council action in 1976. About 40 years ago. We have a singular mission of health care and the practice of medicine. We have an interlocal agreement to provide transport services and paramedic services in Travis county. That was started in 2000 and we've continued that. In fact, right now we are negotiating

our agreement for 2018 as we move forward with that. In 2012 our citizens voted and approved civil service for our medics. And we are an accredited agency through the commission on accreditation of ambulances, ambulance services, that we got in

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2013 and have carried on and are currently accredited. Our communication center has been accredited since the year 2000 by the national academy of emergency medical dispatch. So we use a national standard for dispatch and certify all of our persons and we have to meet quality standards to maintain that. So the reason that we were asked to speak today was to talk about the possibility of whether or not our ems department should be merged with the fire department. And what opportunity for savings that might create. So we thought that we would start by talking about some of the different types of emergency medical services models that exist in the nation today. One of them is our third service, that means that we're a separate ems department. We have our own structure. And we hire our own people. And run our own operations. Another model that is becoming more prominent today is the high performance model. A high performance model resembles a third service model, but they don't have affiliations with the government -- with the governments in which they serve. So they are independent. And they are generally private organizations. They do not rely on -- on tax subsidy to operate. And have to work to -- to generate the funds to pay for 100% of their costs. They are high efficiencies models. The public utility model is a model that is a quasi governmental organization, that is created by developing an ems authority inside of a community and charging that authority with creating and managing an ems component. Most of the organizations that do public utility models will bring in the private sector to do the transportation and then we'll perform the billing service themselves. So they develop a mechanism to generate revenue and

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provide services in an economic fashion. A hospital-based model is another model. Those are less popular. They don't occur as often, but there are a few that operate that way. And that's where a hospital system was established -- will establish an ems agency and serve a community. Those are usually independent of any government involvement and they run themselves. Usually it's a for-profit, but can be for non-profit as well. Then there's a fire-based ems model. That is combined fire and ems department. Those departments vary in their design, whether the -- whether the personnel that work on the ambulances may or may not be firefighters. Or they may have a separate division where they hire their own personnel and just operate ems independently of the fire service. There's different varieties of that, that you see. Finally there's the tsourced ems provider. That's where a community simply contracts with the private provider to provide transportation services. So -- so, in my opinion, I think that the third service is the best of all worlds. As long as that the organization is physically responsible and is performance accountable and remains agile and adaptive to changes in the health care system, which happen very rapidly in the world. And focuses on the needs of the patient. I believe that our organization does that. And we certainly are excited about the opportunities to look for ways to provide more and better services at the same time reducing our costs and increasing our revenue streams. That's a really great combination that can be achieved with the type of model that we have today. So if we are considering a change of any sort, to any types of the models that I just previously discussed, there are some things that we need to consider. First of all, asking the

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question and being clear about what it is that we are trying to solve. Do we have an operational issue, do we have an accountability issue, do we have a performance issue, do we have a fiscal issue? What is it exactly that we're trying to solve. Then we also have to consider other issues, for example, the impact on labor, impact on contracts, pensions. Wages. And any cultural differences that we have that we may create by making a change. Those are all important things. And then, ultimately, to evaluate the health care delivery to the public. Ultimately, what we do in emergency medical services is we practice medicine. We are health care providers. And so we have to keep that in mind that whatever we do, it's not just warm bodies and seats. It is health care practitioners delivering health care at a very personal level. We customize the care that we deliver to each patient every day, day in and day out. That should not be disrupted in any way, shape or form. One of the thoughts that we had is that should the council desire to explore further, that we consider providing funding to engage an independent consultant. I want to give you an example of what that might look like. In 2015, emergency medical services contracted with the Ibj school of public affairs to talk about how we might improve our service integration with local health care providers. They produced a very robust document for us that gave us recommendations. Mayor, you had mentioned that you wanted a five-year plan. This is a big component of that. We're putting that together so you can see it all at once. So let me give you some ideas of the things that -- that they suggest that we look at that would serve to save money for the community, save out of pocket costs for the citizens, and create revenue

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streams for ems. So they talked about mobile integrated health care and expansion of community health programs, which is something that we're actively involved in. We talked about partnerships with hospitals post-discharge care. Right now we are actively discussing with a hospital system about how we might reduce their readmissions of congestive heart failure patients. That's important to them because if a patient is discharged from a hospital, and goes back to the hospital within 30 days, the hospital is no longer reimbursed for the care for that patient. That's a huge penalty for them. And it costs them millions of dollars. We have community health medics in people's homes and we're trying to see if we can work out a proof of concept with them whereby we are reimbursed by them to provide the services to prevent people from going back. Many times they simply need a partner to help them achieve self-care, so they don't have to return. But that creates a revenue stream for emergency medical services. So that's another element. One of the things that we talked about was developing a nurse triage center, which is basically a call center that we can use. We are looking at establishing that sort of a thing to manage the readmission component so instead of dialing 911 when they don't feel well, they call the nurse call center, they activate our community health medics and they work with them on the telephone and in person through the medics to meet their needs so they don't have to return to the hospital and be admitted again. Hospital admissions is very, very expensive. Another thing that we are looking at is extensive care paramedics. One of the things that the doctor is very interested in is answering the question how might we further develop the capability of paramedics to develop higher levels of care in our community and

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how would we structure that. If you can imagine, one day if you have a sore throat, we might send a medic with extended care capabilities to swab and collect a specimen and start you on a regimen of antibiotics right there in your home so you don't have to go to the hospital or emergency care so it can be dealt with right there in the home. There's many examples. Another was to begin to utilize, instead of delivering everyone to the hospital, take them to urgent care and community clinics. So that's another

component of how we might improve emergency medical services, bring down the cost of health care for the community by not incurring emergency room expenses for people that don't really need that. So there's opportunities there that we can work together. Another one was working with psychiatric emergency departments and local health hospitals. We are already engaged with mcot, which is the mobile crisis response teams. They actually carry our radios and respond with us. So we're highly integrated already into health care. And then the last -- the last recommendation was to create a sobering center. You know we're on the tra being for that and ems is deeply involved in that. So that is an example of how we might take and use local dollars to engage a local resource to create local improvements in services that we provide. So that's an example of what that statement means. The ability to use a consultant. Without getting in the box of just hiring a consultant outright that doesn't have a specific focus that we're trying to achieve. I do think that we have opportunities to improve. So in the meantime, are there things that we can do? Yes, ma'am? >> Kitchen: Just a quick question. So that report sounds pretty extensive. >> Yes. >> Kitchen: What year was that done? >> 2015. >> Kitchen: So it's recent. >> It's recent. >> Kitchen: Okay.

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That's something that you are going to share with us, right? >> I have it in PDF format. >> That's fine. Maybe you want to finish your presentation first, do you think we need another consultant? This lays out a lot of very interesting ideas that you are pursuing. >> I think what we need to do is leverage what we have. We have a highly agile system that's very flexible and responsive. I tend to look at things in domains. So we have a response domain and we have a predictive domain that we use to feed that response domain and then we have a preventive domain. This tends to lead towards improving how we respond. So if we just allow the 911 community to increase and increase and increase and increase, the only thing that we have to do is grow. If we create preventive mechanisms to go and begin to manage the growth of the 911 system, then we can level off our costs and our growths. So I may not be coming back to ask for ambulances because I've figured out ways to use the ones that we have better. Or I may redeploy how we do that so it doesn't cost as much but delivered the same service. So those are the opportunities that we have. I would suggest if the council would like to do further study about how we might continue to improve our ems system, that we consider a program like this and an approach like this to see what we can do better and more of. >> Okay. >> Does that answer your question? >> Kitchen: Yes. >> So in the meantime, there are some things that we're doing. Right now. We are continuing to improve the process to ensure that we respond with the right resource to the right patient at the right time. And the question is does everybody need a big, giant ambulance with two paramedics and a lot of very expensive equipment and a huge amount of talent. One of the things that we're

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finding is that we look back at the historical use of our service, most of it is basic life support and a portion of it is advanced life support. So as it turns out, we're sending the most expensive resource to cases where we may not need that much force behind it. So the question is how can we change that to better match what the community is showing us that they need, while still making available the safety net of the high-end paramedic care that may be necessary from time to time. So -- so one of the things that we're looking at is -- is it possible to provide an alternative transport unit that is -- that costs less than an ambulance to move a person, perhaps not to an Ed, but to an urgent care center or some clinic or some other source that ultimately Gibbs to reduce the cost of the health care system in Austin. So we've been experimenting with that. And we've been very successful in utilizing it. One of the things that you have to be careful of is selecting the right patient to qualify for that. If you make a mistake, it

could be detrimental. So working with our medical director, we've developed a screening mechanism so medics can make the right choice. But we've had two results. One is that our clients that we deliver that way are very pleased with the service. And the other is that we were able to recover ambulance hours. So in a three-week period, handling a small group of patients, we recovered the equivalent of one ambulance for a 24 hour period. So that's approximately 16 cases that we would have -- we would have used ambulances for that we did in a different way. Again, that's designed to -- to drive the cost of the ems system and the health care system down for our community. It's sometimes a little bit hard to connect those dots, but they are connected and it can work.

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We are actively developing new revenue streams. For example the payer group example that I gave a second ago about readmissions. In 2017, we're going to launch another phase of modifications that are going to reduce ambulance responses. And that's working with the fire department. One of the things that we've learned in history of looking at our data is that very few times do we actually need an ambulance at a car crash. Cars have become a lot safer these days, they have air bags, crash resistance, all kinds of protections. We are finding a very small percentage of people actually need an ambulance. So what we want to do is we want to send the fire department first to those. They are equipped with els, emts and can stabilize anything that's presented to them if it's necessary and can call for an als unit if that's needed and then we'll respond. So that's a huge number of cases. That reduces how often we use ambulances and allows us to better utilize ambulances for more critical cases. That again is just realigning what we need at the right time for the right patient. We're also evaluating areas of duplication with AFD and ems. And we want to work together to enhance those areas of opportunity. One that we've been talking about for some time, for example, is how we manage logistics, supplies, equipment. There's -- there's quite an intense need to have supplies and equipment for both fire and ems. And that's one thing, one area that we thought if we combine our resources, we could do that together and perhaps save some money by cooperatively buying supplies and equipment. And also by being in one location instead of multiple locations. So that's something that we're continuing to study right now. You've just heard about how we work on the wellness program together. That's another example of the things that we do.

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Recently, we -- in this past year, we looked at how we send fire to certain calls and we were able to reduce their utilization by about 10,000 calls by sending ems fire and then fire if we needed them in certain kinds of cases. We do that together by reviewing the cases with our medical director and making sure that we're making the right, safe choice. So there again, if -- if we don't save money on the ems side, we are sometimes saving money on the fire side by reducing responses. So we have some future cycles that we're looking at. We want to continue to modify which resources are sent to what calls as a system. That is a monthly review, we constantly do that and then we arrive at conclusions and make changes. We want to test out in the very near future the feasibility of using single medic response units. So a single medic response unit is a -- is a less expensive vehicle, like an explorer, with a medic on board who can respond beside the als ambulance and provide als care when it's needed and make an als ambulance if it's necessary. Otherwise do a bls transport and we can build for those services through -- bill for those services through insurance as well. One of the things that we want to continue to develop as we have been is continuation of growth of mobile integrated health care. A prime example of that was the readmission program. One of the things that we've done most recently, we have now connected to Dell medical school. We have had their top person who is over the learning programs

come and spend a day riding out with us, talking about how can we improve the levels of expertise and abilities of the medics to provide higher level of care by integrating with medical school. They also have a program of -- of community health that looks like populations and they have also spent time with us and the big

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factor that they are looking at is answering the question, wouldn't it be great if we could see patients in their home? What they eat, where they live, their condition of their home, who their relatives are? Ems does that every day. So they are looking at us to see how can we integrate better with them to continue to develop that approach. Care in the home is a very positive thing. Things like telemedicine, things like extended paramedic care. Things like readmission management by improving self-care. All positive things. So those are the things that in the meantime we would like to work on. We would also like to hear from the council about what -- what would you like us to achieve? Is it important for us to continue to work to reduce costs or increase revenue streams? And another thing is -- is we've had a long standing agreement with Travis county and we love that agreement. We like to bring those services, we think it's good to do a more regionalized metro type of coverage. But is it still wise in today's economy to continue that kind of agreement or should we make a change there? So those are things that are way above my pay grade and things that we would need you to weigh in on. To give us some guidance about what we might do. Would you like to see a reduction of some amount in the overall operating costs of ems? Would you like to see a growth of a certain amount in revenue streams by ems? What kinds of things would you like us to do? So that we can continue the services that we provide and the way we provide them. >> Mayor Adler: So I think some of the questions that I have had, you have identified here at questions. What I'm hoping for is to be able to get the answers or opinions or recommendations on those. So I think we were generally familiar that there were

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alternatives for models. So I think the question that we were asking is, so what's an evaluation of those? Should we be looking at any of those, should we not be looking at any of those? So a lot of the questions that you asked, my answer to that would be yes we would like to have answers to those questions so that we can see. And as we're entering into the contract negotiations which as we're doing now, it seems timely because some of the answers to those questions relate to -- in other words, we could be deciding things in the contract negotiations that mean this is an academic conversation for us to have for the next three years. It could be if we were going to make any changes, you need a three-year time limit on it anyhow. I just don't know the answer to that. But I want to make sure that we at least discuss that question as we enter into those contract negotiations to the extent that we are deciding indirectly some of the request he is that were raised. I would also repeat that I would like to see the report as well. It came out in 2015. And any progress that has been made with respect to -- to those recommendations over the last couple of years, that they've been in. And since I haven't seen the report, to know whether or not that report speaks to -- to -- or gives us advice on some of the questions, other -- other questions that we have. I think that the questions that we had back when we were going through this with the budget, which was, you know, are we sending out more equipment than we need on a call, what is the integration with respect to the calls. You suggested that we don't need an ambulance on all of the calls. Do we need -- do we need a fire truck on all of the calls? It's clear that in some

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instances we only need one or the other, so which one? Do you send out a fire truck or an ambulance to that call? So a lot of the questions that I think we had we still have. Then the question how do we begin to have that conversation or daylight answers to those questions. >> Mayor, sorry, [indiscernible] Chief of staff. We -- I think we provided some answers. Ms. Houston had asked a question on how many responses ems and fire both jointly go to. We provided some of that data to show that we don't send both to all medical calls and we have reductions in those -- that the chief talked about, we're talking about reducing those to make sure we're sending the right resources, right place. We are doing those reductions already and we're continuing to look at it all of the time to see, you know, where can we make sure that we're sending the right resources. So, you know, in regards to that, that's what's being done now. And even in other systems, you know, the fire, whether it's a -- whether it's a combined system, they still send first response. You look down the road in San Antonio, their fire side of the house goes into their medical calls. So we're, you know, that's still -- that still occurs in all types of models. So ... >> Mr. Mayor. >> Mayor Adler: Ms. Pool and then Ms. Kitchen. >> Pool: Chief, could you reiterate -- you were talking about different ems models that are in the United States. We've got our current third service model, which is a separate ems department in a municipality. There are other privatized type of model, the public utility model, hospital based model, outsourced ems provider and then the

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consolidated which was a different item that has been kicked around a little bit previously in the public safety committee when we had the committees. I think you talked a little bit about these different models and -- and you said that you thought that our current delivery service, service delivery model, was -- if you could reiterate what's your recommendation there. >> Well, my recommendation is that we stick with the third service model. There's a lot of reasons for that. I'll try to keep it short, because I can get into this a whole lot. As a third service, we have a single mission. We're never confused about why we exist and what we do. We hire people that actually want to do this for a living. What we see in our organizations, we looked at Houston fire, we looked at Corpus Christi. They are struggling right now keeping medics on ambulances and they are through contracts forcing firefighters to become paramedics. We don't think that's the best way to do it because we want people who want to do that for a living. Those are some of the down sides. When you talk to me about merging fire and ems, it really is a value statement about what do we think that we do and why do we do it? And we are health care practitioners, we practice medicine, we do it on a very personal level. That needs to be preserved by whatever it is that we do. When you look at high-performance systems and you look at public utility models, they are very efficient, but they have some of the highest turnover rates in the industry. So we, for example, are between 10 and 13% turnover rate. They exceed 20%. So the turnover rate is really high. How they save money is one example is they don't use stations. They simply park their ambulances on street corners all day long, which is what the high turnover rate. And it is expensive. It's more expensive than

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vehicles from that regard. But high performance means that they are high accountable. They measure their performance very clearly. One of the things that we've done is I've worked in the high performance model and in the public utility model. I brought in the measurement aspect. So you can look on our website and you can see how well we perform. So we're very accountable. So we brought in flexible deployment as well. One of the things that we do is we start off at stations but during busy times we move our ambulances to the nearest location where we predict the next call is going to be and we find that usually within 10 minutes of arriving at that alternate location, we call them post locations, they get

a call. So it's very effective. That's another efficiency tool that we brought over from high-performance systems. That's how we do third service. There are third service models that do not do any of that. They are very similar to the static deployment that's commonly used by fire service and they don't redeploy their resources. We also do people [indiscernible] Staffing, which is another attribute of both high performance and public utility models. We call them demand units. And there are 12 hour units and we bring them in at the busiest time so we can provide the best level of service at that time. We have a high reliability in our response times. People in Austin do not have to worry if an ambulance is going to be on time, excuse me, when they call us. We are -- we are very reliable. That's an improvement. This third service was not that high performance when I walked in the door. We would only get to about 82% of calls on time. Now we exceed 90%. Month to month. >> Pool: So generally you are not recommending that we privatize our emergency medical services. >> I am not. I do not recommend that we privatize our emergency

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medical services. I do not think that -- that would be the best and most robust type of system that we may have. So, for example, private can be very inexpensive, but they are also very thin. So when you have an airplane that hits a building in our community, when you have 23 people run over during an event, when you have a mass shooting or any other horrific type of situation, they run out of units very quickly. They have just enough. We have built some capability where we can expand our service quickly. You would not have the response to k-2. You may have seen this story where we have foot medics, communities health medics going out proactively seeking out users before they get sick. You will not get that in the private sector unless you chose to pay extra for that. But you wouldn't get the depth of an ems system versus an ambulance service. >> Pool: I would also like to point out that our ems first responders, all of the employees in that division, are part of the employees retirement system. Which is what our professional staff, other uniforms, are a member of. That's governed by state law. It would be disruptive to the actuarial soundness of the city of Austin employee retirement system to remove the funds of all of those employees should that be even recommended. And moving them into the fire department retirement system would also probably require some changes to state law as well. Those statutes aren't under our control. And so even just the discussion of privatizing or combining these two first responder units is exceedingly complicated and if it were to be looked at with any vigor, it would have to be a very long-term

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kind of a discussion to tease out all of the ramifications that may not be immediately apparent. It's -- it's a lot more complicated than just saying now you're going to report to the fire chief. So we did take this up a couple of times. And the -- in the public safety committee, a couple of years ago, I was on that committee. And it -- it didn't receive a lot of encouragement from the four of us, or at least three of us that were on that committee is my recollection. And I also know that having this on our agenda today did cause a little bit of consternation among our employees. They were immediately concerned that they may be losing their jobs and I was concerned that we might -- there might even be the specter or the shadow of a potential that we would be losing some really valuable employees who really do put their hearts and souls into this work. >> Also, if I may comment, also makes it very difficult for ongoing recruitment. People that are choosing their careers want to know where they're going to work. We have some vacancies that we're trying to fill, which we are moving rapidly to do that. But whenever we start having these discussions, people will wait or they will choose somewhere else to work where they don't have to risk a big change in their careers. >> Pool: Then just the last thing that I would ask, I think it was

back in February when we first had your presentation, one of the first I think you guys were the first step for -- >> Yes. >> Pool: For -- for budget presentations. I noted that Dr. Escott recently came to work for Austin, the medical director. He's not exactly in the leadership lineup that you all are in, but he does have a valuable perspective on how our officers and our responders are working on the street. I'm glad that he's here today. I had asked at that time if we might have an opportunity to get his thoughts on how our ems folks are working

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from a medical perspective and just the work that they are doing. I don't know if we have maybe five minutes or if he's even prepared to make that kind of -- >> I will yield my seat. >> -- Kind of a comment. >> It might be really helpful to everyone to hear from you. Welcome to the city of Austin. I think this may be your first opportunity to speak with us. Mayor, if we may? >> Mayor Adler: That would be fine. >> First of all, I'm very excited to be here and to be working amongst what I see as our community heroes. We do have folks out there every day risking their lives and completely dedicated to serving our community. And my role as the medical director is to make sure that they have the tools to do a very good job. Having said that, I think we have thought leaders in emergency services right here in the city. We have a fire chief who is a national leader in the fire service. We have an ems director, ems chief who is a national leader. We have a medical director who is a national leader in these things. We have the tools and the ability to look at the mission, assess our resources and determine a new path forward, which is going to provide better service to our community. I think in doing so, we also have to keep in mind the importance of our workforce. And how to support them, how to give them the tools that they need to do the job correctly and also to provide them opportunities for growth in career development. Now, one of the critical issues in ems nationwide is that we have a personnel shortage. We have a -- it's actually a worldwide shortage of folks who want to do this job. Part of that is because there is not a career ladder in ems. This is something that we are focused on. This is an issue that we've been meeting with quite regularly with chief Rodriguez, myself, with the union. To discuss opportunities of how to provide that

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development opportunity through increased oversight and in doing so we also provide increased services to the community. The old model for ems has been we send emails out to a person's home or to the street where somebody is having an emergency and we pick them up and we take them to the hospital. That's not a viable model anymore. That's an expensive model. That means that we have to take somebody from where they are somewhere else to provide that definitive care. The model of the future is to assess the future, to send the resources, and to -- to determine the best method to disposition that person. Which is not always going to be transport to the er. It may not be transport at all. In fact, looking forward with enhancing our dispatch capabilities in telemedicine, it may not be sending anybody at all. It may be providing that connection with a nurse triage line or even telemedicine with a physician from the point of contact with the patient. These are things which this city and these emergency services are actively in discussion about. This is not a stagnant system. This is not a system that is not looking for opportunities to innovate and develop and be more fiscally responsible. I would ask that you all give us the opportunity to really assess the situation, assess our mission and our resources and let us look for opportunities to do this smarter, to do it more effective, and to not only save the city money, but to save our citizens money. As you know, health care is very, very expensive. The solution that we have right now is very expensive for them as well. That's something that we've got to fix. We've been actively engaged assist chief Rodriguez said with the medical school, with the Dean,

with population health, even with the UT undergraduate school to really try to -- to utilize all of our resources to do this job better and -- and I'm quite excited to -- to be engage understand that process and look forward

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to -- engaged in that process and looking for opportunities to further enhance what we are doing. >> Pool: Thanks. >> Mayor Adler: Ms. Kitchen? >> Kitchen: Thank you very much. I wanted to respond to the chief's questions. He had asked some policy questions for us. So I'm not sure that I'll remember them all. But I wanted to just say this: I -- I'm very excited about the -- about the kinds of examples you gave us of the innovations that ems is working on. And I want to applaud you for being the forward-thinking leader that you are. I mean, I think, you know, the kinds of problems that we have in our health care system are not rocket science and they're not new. But emss are uniquely situated to address a lot of them and it's all about the right, you know, serving the patient at the right time with the right service. And -- and avoiding the inefficiencies like readmissions. Readmissions are terrible inefficiencies in our system, both for the cost and for the patient. And the service of care at home and many of the things that you said. So ... You had asked us some policy questions, which I'm going to try to responds to and if I forget one of them, let me know. But I think that -- I'm not seeing a reason at this point to -- to do something that would cause difficulties for what is a successful system with ems and one that's on the cutting edge. So -- so I am personally not interested in seeing any kind of merger or seeing any kind of privatization of ems. Instead, I think that what we need to be doing is working with you on the kind of innovations that you've talked about because that is the cutting edge and that is where we will cut costs.

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Because the place that we cut costs is on making sure that people are receiving the right care. Not -- not too costly of care. So, you know, it just -- just as one council member to give you my perspective and try to respond to your question about policy, that's where I would be coming from. Now, part of the challenge for us is that you are providing a service to the entire community. >> Correct. >> Kitchen: And that includes other jurisdictions that are responsible, like the county. So I would be curious to understand what the arrangement is with the county. The other thing that you are providing service for is, like you said, for hospitals on readmissions. >> Correct. >> Kitchen: So you are providing the service for central health. So you are providing service for the community as a whole and I know that you've been working with your partners and so the community should support ems as well as the city of Austin and we've talked about that before. I know that you are working on that when you talk about working with hospitals and with Dell and those sorts of things. So does that get at your questions? Can you tell me is there something that I'm forgetting in terms of the questions that you posed? >> That covers the questions that I had. I really appreciate your perspective on this. I know you've got tremendous experience in health care. So I think that helps [indiscernible]. I sincerely would like the opportunity to meet some of the objectives that the council has. We know that you have concerns about the cost of public safety. We would like to take a shot at seeing what we can do as a department at reducing some of that cost and reduce the burden on the tax paying community. We want to join with you on that. We are as much interested in that as you are, I believe. But we do think that the wait to do is is to begin to reduce the dependency of ems on the tax dollar. And you do that by replacing that with alternative

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revenue streams. We have that capability. So those are the things that we have to build but it takes us away from the traditional perspective of what an ems looks like. >> Kitchen: Well, I'm also curious about what you said for -- help me understand there's a national effort to look at the future of ems that you are part of. >> Yes. So we have a current agenda for ems, for the future of ems that we are operating under that was developed in 1996. There were things in that 1996 document that came out and baffled us. But today we are doing them. For example, the integration of health care into ems and community health and all of those. Those are things that have been driven by that national agenda. Now -- now it's a national highway traffic administration is now funded the development of the next iteration of that future agenda. >> Kitchen: Okay. >> To do that they have selected 10 national experts to drive that development of the agenda. And I've been privileged to be selected as one of those individuals. We will be gathering information from all over the nation about ems from all different types and sources and beginning to develop what ems is going to look like in the year 2050. And all of the changes that need to happen to make that happen. So -- so like I said, that's beyond my lifetime, what a privilege that is to be involved in. >> What's the timeline for that? >> We have already started. I believe in about a year we will be [indiscernible] The first draft of that document following major national meetings and many, many smaller meetings. None of us that are on that advisory group were selected to represent any particular type of ems. We were selected based on our history of innovation. Whether or not we're thought leaders and our experience

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in emergency medical services. >> Kitchen: Okay. It would just seem that we would want to understand the results of that kind of process from we made any major changes, which is another reason why I think we need to focus on the success that you have and to help you with your continuing success rather than changing your model at this point. So I would not be supportive of changing the model. >> Thank you. >> Mayor Adler: Ms. Alter? Dr. Alter? >> Alter: Thank you. I had a couple of comments and questions. On the question of whether you should be focusing on alternative revenue sources, from my perspective I would encourage that only so far as we are solving at the same time the broader health challenges that we face in the community. I wouldn't want you focusing energies on just getting revenues to cover your costs. But if there are ways to add revenues that also solve the larger problems and in the broader context, I would like to see that happen. I am a little bit concerned in trying to understand, you know, how what you are doing is relating so what we were talking about in health and human services, I think underlying our conversation that we're having about public safety and its role in the general fund is a desire to be able to spend more in some other areas, including health and human services. And so I'm a little bit concerned to -- to -- on the one hand to hear about, well, ems going into these businesses that are over there. On the other hand, I -- I really -- I really was fascinated by the comments by the medical director about how we could be better meeting needs and the models there. So I think we're going to have to have a discussion about -- you know, what is the role of ems, what is the role of the city, and how do we think about that across departments. I have some friends who are

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involved in that 2015 prp over at the Ibj school. If I recall correctly, it was finished in June or may of 2015. >> It was may. >> Alter: So that's almost two years. What have you implemented from that? I know there was at least one recommendation that seemed like it could save a huge amount of money. I think it was in that report. I know it was talked about by one of the professors where you have a situation where ems you have to take somebody to whatever hospital they ask for, which adds huge amounts of cost, even if it's in Round Rock and that there are a certain class of patients who are gaming

that system to get access to prescriptions or some other kinds of things. So have you implemented anything in there? Or -- >> [Indiscernible] To do that, we are -- our previous medical director was against changing that policy. So we were not able to do that. That is something that the doctor and I are discussing now. My concern is that it has -- it's a double whammy for us. Because not only does it cost us more to take someone across the city, in reimbursement we are only to regain the amount to the nearest facility. So there's a portion of unreimbursed expense that we have there. So that is a -- that is a discussion that we're having right now. We haven't reached that end point discussion. There are quite a few complex variables that we have to consider. One, for example, if you are being cared for by a specialist at a certain physician for a certain condition, you really need to go there. So we would need to still be able to do some. But then others, we would have to be insistent on taking them to the nearest facility that can take them of their situation, and not be a transporter to take people across the community which happens sometimes. To be honest with you, we've had cases where we will load up someone, they request a fatality on the other side of town. We take them and they exit

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the ambulance and go wherever they are going. They don't even go inside the facility. And unfortunately the law requires us to transport someone and then if they refuse care to release them. So that's what they do. They engage us for care and then they refuse services when we arrive at their location. Yes, we have -- [indiscernible] Asked if we have implemented any of the recommendations. We have focused our primary effort in the expansion of the community health paramedic program by working with the community health programs at the county. So working through them, we have done several navigation projects. The atu project, which is the alternative transport unit project, is one that we're doing together with the county and we're testing it to see what the visibility is of using that method to take care of map patients. So the concept is if there's a cap on how much money we are able to get for covering map patients, might we be able to reduce the cost of providing services by doing new and innovative things that meet their needs and by be able to -- thereby be able to utilize funds that are available. These two projects that we are working on. Recently the readmission discussion that we are having, we had to redevelop g1the competencies to be able to do that. We have done that now and we are now able to expand that into readmission reduction. So those conversations just started. We're going to move quickly. The ascension health is very interested in testing that model out. So I imagine that's going to move fast. And we'll be probably on the ground within three months or so doing our first 10 patient [indiscernible] >> Thank you. With respect to the models, I'm not a big fan at this point of privatization for this service. But I would love to know

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more about the option of buyer based ems and I'm wondering if you could speak to that and we might be able to also hear from the fire chief from her perspective on what that might look like and the pros and cons of proceeding in that way. >> You will certainly get some varied views of that. That is a possibility of combining. There are different ways to do that. One way is -- as I said during my discussion -- was that you would establish a division within the fire service to manage the ems system. One of my biggest concerns is that the way that we have seen that work, it's not always positive. So what we did is we did a little bit of research and we found out that there have been several mergers in the history and in our nation. One in New York, one in Washington D.C., one in Chicago, Cleveland, and Kansas City. All of which appear to have negative outcomes. We did find we did find one positive one in Detroit. Just about any change you have would have an impact there. In D.C. It's probably been the worst when even their fire chief wrote in an article that they regret having combined the system and are looking at how

many might separate it out again. Another one that I think was significant was the merger that occurred in Kansas City. There was a high performance system in place called mast. They were an inexpensive active model and they were merged into the fire department and now there's nothing. You don't hear anything about the impact of that because of accounting practices, that's very difficult to tell whether you actually saved anything or not. So there are pros and cons to the systems.

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I think what we've done is we've leveraged our ability to be innovative. I think we have a very good record in recruiting people and finding people that actually want to do this for a living. I don't want to see our community in a position where we're having by contract to force firefighters to be paramedics because they don't want to be. They come on and they choose their career to be firefighters, and that's what they want to do. Will they do it? Absolutely. I think you can direct them to do that and they're going to do that. But what's happening in the communities that do that is they do about a four-year stint on the ambulance and they they need a way to promote off or get off. So they have a four-year turnover cycle. We don't have that problem here. Just this week we celebrated a retirement of one of our commanders of 23 years of service. That is very rare in emergency medical service organizations, but we see it. We have it here. People stay through their careers. So I think that there are, there are issues with staffing and the professionalization of the health care work that we do and the dedication to the single mission of providing health care to the community. The other thing is the question of would you save any money by doing that? I think there would be some savings. For example, you might save on the layers of administration. Me, my assistant chiefs would probably go away and that oversight would be managed in a different way. If you kept the existing group in a division, then those people would be earning less dollars than the firefighters. But I think one thing that I think is important to keep in mind is you're taking a high performance system that's [indiscernible] Accountable in terms of financial accountability and you're putting into a more expensive cost model that,

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the savings that you may experience may be for short-term savings, not a long-term savings. Eventually the turnover rate will begin to grow. That's been a trend in all of these mergers and the replacements are then firefighters, which come in at higher salary. So I think over the long haul you you will have a more expensive system. I don't think it would be as responsive as the system we have now is, just my humble opinion. >> Mayor Adler: Ms. Garza? I'm sorry, let's have the chief speak to the issue? >> So I don't have any of the data and I'm not prepared to speak to the advantages after fire-based ems system. I can tell you several things. I've worked in several of them and I know that 98% of the urban environments have fire-based ems systems that work very efficiently and very effectively? And there are always going to be a couple of examples of where of a merger that didn't work and a lot of it has to do with the process, not the fact that it's merging fire and two separate systems into one. We currently work side by side on the street very well, so I think culturally we don't have the problem that cities like D.C. Experience that fdny experienced. But I do believe there is some economy of scale to be had by looking at how we could do things more together. There is a program that's administered by the international association of firefighters that they will come in and they actually act as a consultant and they will look at both systems and do a report and create a report that just gives us an end result of is it

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efficient for us to continue to operate the way we are? Is there ways we can do to improve our efficiency? What are things we can do to make this overall a better system? And I think the one thing that I like to think about is we are an ems system. We're not separate departments. We're a system already. And I think we can find ways to improve on that system in regard to their primary mission the ems system of delivering service and transport, and the things that we do. So I would offer up if we want to pursue this further that we look at -- and it's at no cost. It's like getting a consultant at no cost, and ask them to come in and look at our systems and give us some recommendations as to efficiencies and effectiveness of edging ems and fire. >> Garza: Thank you. Ms. Garza? >> Garza: I just want for my colleagues, as we're having this discussion on sometimes times and who responds, whether it's a fire truck or if it's a fire truck and an ambulance, to understand the very dynamic nature of public safety response and that things change quickly. And it starts with the 911 call, which is triaged, but sometimes you can't really tell from that call what you're going to show up to. So sometimes you show up to something that you don't need both and it's not like the extra staffing just hangs out. Ambulances often waive off fire trucks and vice versa. Fire trucks will wave off ambulances. Whether a fire truck responds or not doesn't mean that the fire truck doesn't have to be staffed anyway. So there would be a cost savings and wear and tear on a fire engine and fuel, but most of the cost comes from staffing. So it's not going to change

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that. In addition to from a phone call fire only goes to certain kinds of priority calls. They don't go to every call. And I hate to get in the weeds or anything, but women, for example, experience cardiac events differently than men. So I remember medical calls where the woman is apologizing for calling and there's six people there in her living room and she gets hooked up to an ekg and the paramedic's eyes kind of do this and she's actually probably experienced a heart attack or about to. So you can't really tell the situation sometimes until you're actually there. The same thing goes for fires. They can escalate quickly. With regards to combining the two, there are really different jobs. It would be like asking a firefighter to become a police officer and there are very few that you would want to do that. While firefighters do do medical, they don't intubate patients, they don't push mets. It's a very different -- meds. It's a very different job and coming from San Antonio where they do, most of the time the folks that get chosen to be -- that's both a system where fire and ems are together, the folks that get chosen to be on an ambulance is not by choice, it's usually because of promotion. So if you choose to promote and you promote to the driver level, you're going to be on ambulance. So that creates a situation where firefighters don't want to promote sometimes. And I know so many firefighters don't want to promote because they will have to ride the ambulance for two years. So I really think it's two different jobs. I think if there's any efficiencies we could save in overhead and executive positions, we can do that now without combining. I'm not saying that that's a road that we would go down. It's a very dynamic -- public safety is very dynamic and if it's your

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loved one that's stuck on the second level and a house is on fire and you've experienced some type of cardiac event I'm sure you would want as many people as possible. We have to have a well staffed public safety to be able to respond. And when it's not as serious as it needs to be, it changes. It's continuously changing. But we do need to be prepared for when it is a really serious situation and I think our public safety does a good job. I am interested in the single response that would be interesting because a lot of times fire is really there for extra staffing on hard crack calls while the paramedics are doing their more technical stuff. That would be interesting to see. And to go off of -- councilmember

alter hasn't been here to hear me beat my drum about public health and health and human services, but I'll say again that's where we save money. When I've been on so many medical calls where it would not have got especially to the point of that person calling 911 had they had access to health care or preventive care and they have no access to that so they're having to end up calling 911 because -- and I think if we invested more in our health and human services and public health, we would bring down some of those calls that ems responds to. >> Mayor Adler: Ms. Houston, then Mr. Flannigan. >> Houston: Thank you for your presentation today. On slide 4 you mentioned cultural differences and while I'm listening to the conversation it's not the same kind of cultural differences I'm talking about. The kinds of cultural differences that you all are talking about is the different cultures between fire and ems. So you might want to spread that because I looked and I thought oh my goodness, we're about to start talking about that the ems service does not have a representation of the people in this community, and that's something that I continue to harp on that you

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all have to look at how do we recruit and retain people that represent all of our communities rather than just part of our community. Now I understand what the cultural differences mean. Are you all keeping track of the number of there's some places where you get multiple calls. We know where they are. Are you keeping track of those so that we know maybe this is something that we don't need to go on or fire doesn't need to go on. And how is that communicated? Because this should be a listing of addresses where we're always sending three public safety vehicles? >> Absolutely. And what we've been doing is we connect them to our community health paramedics. I'll give you an example of a transitional center where we were making many responses. We connected a community health paramedic there. He set up a small clinic and instead of calling ambulances now the clients go to the community health medic. He screens them to determine whether they need clinic care or emergency care. If they need emergency care we get an ambulance over there very quickly. If they don't, which is a majority, he takes other arrangements for them to see a clinic or physician and get the care they need. That's one example. We do track that and do respond to it. >> Houston: I appreciate that. So when you're talking to the people at Dell medical school about population health, are you trying to get them to partner with you all in trying to see -- because they're not very mobile and they need to be mobile. Central health is not very mobile and they need to be mobile. Central health has no clinics east of 183, although we're trying to get one started. So that seems to me that instead of hospitals and the offices being west of I-35, we need to be more mobile and move out and be nimble and be able to get to

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people. And I appreciate the community paramedics program very much. I think it's something that Dell needs to make expansion on because it's for the central health patients that can't get in and only wait until they get very sick and then have to go to whatever the new hospital is going to be called. >> >> You're exactly right. I think that the reason health care only happens in clinics and with health needs to happen in the neighborhood. What we're trying to do with them is to realize that ems is a great asset and a great avenue to connect those two things. Where we can take and provide health care where health happens, in the home and in the neighborhood. And they're in the process of developing projects where they're going take communities and explore different methods of health care delivery in the community. We want to be part of that. We want to be included and included not just in the process, but in the funding and everything else for that. >> Houston: One last thing is that a part of that where the community is is a neighborhood school. Because most schools have a neighborhood elementary school, if not a middle school. So I think it would be advantageous to talk with the Austin independent

school districts or the other eight school districts that are around to see if there are ways that we can partner and do clinics in those locations as well. >> That's a good idea. >> Mayor Adler: Mr. Flannigan. >> Flannigan: I ask, councilmember Garza, more about your experience. You said two things that don't line up for me. I agree that fire and ems are very different jobs and I'm kind of in a similar place that I'm hearing that I don't know that merging really solves much. Maybe there's some efficiencies we might be able to get to anyway without merging.

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But then acknowledging that fire and ems are very different jobs, why do we send both? >> Garza: Like on a cardiac arrest call you need more than two people. You have someone having to notate everything, the med is intubating or giving some kind of medication and the firefighters are the ones doing the chest compression, the ventilations. So it's staffing. It's the additional staffing there. For trauma calls the same thing. You have to package the patient so the firefighters are the ones packaging the patient while the paramedics are doing the advanced interventions. Intubating is putting a tube down their throat, doing any kind of relevanced -- the doctor stuff. They're doing the doctor stuff and the firefighters are kind of the nurses there. Actually, nurses probably do more than doctors. It's probably the reverse. [Laughter]. Sorry doctors. [Laughter]. But yeah, it's basic emt. And starting the IV line. I started -- like actually punching the bag and like not actually doing the IV, but just -- there's so much that's going on in a trauma or cardiac event that medics are just I need this, I need this, I need this. And the firefighters are the ones that are trained to do that. >> Flannigan: I think for me the operational efficiencies that I'm seeking are the fact that two thirds that fire goes on are medical. So we have two agencies that are substantively doing one job and there are other cities that have looked at this. My staff found some examples, Toronto being one, that they reevaluated how they worked ems and fire together. They were able to close three stations as a result. You could save millions of dollars by closing three fire stations. Those are the operational efficiencies that I'm interested in. >> Garza: And there's another part to it too.

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Studies show the quicker you start cpr the higher somebody has a chance of surviving. Sometimes the fire truck gets there sooner. Just having somebody there to start the chest compressions is a life saving effort. So because of where fire stations are positioned, they can get there first many times. Many times the fire truck gets there before the ambulance does. >> Flannigan: And I think that's a great example of how we reinforce a bad system because if we send fire because fire is closer, then we build more fire stations, then fire will always be closer. We never actually look at the service the community needs. We're just building more fire stations because we already have more fire stations. >> Garza: But fire is closer because of response times for fires. They need to be there within a certain time for fires. That's why there's more forestations. I think it's a four minute. And the chief could speak to that. >> Flannigan: And like we talked about in budget work session. .75% of the calls are structure fires. So there is something to be said for the infrastructure we've built to deliver fire response. And I speak especially from a sprawl perspective where we have 45 fire stations and 11 of them are in my district. And almost 25% of the fire stations are in my one-10th of the city. So I think that there are some significant operational opportunities here and the chief said it even on the ems side as safety mechanisms and vehicles have gotten better it's changed the need for delivery just as safety and fire protection equipment inside of buildings have gotten better and construction services have gotten better. So I do think it's an opportunity to reevaluate the model in terms of where the community is headed into the future and not just saying we need to build more fire stations because we already have more fire stations. >> Garza: I'll add one more thing. I agree as to parts of that.

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There are some stations that house both ems and fire and some ems only stations and only fire. I don't even know if this has been discussed. I could see where it would be possible to maybe close some of the ems stations and put that truck with the fire station, but that would create some capital improvement issues for fire stations. But there are a lot of -- I'm sure ems director might say why they wouldn't want to do that, but that's just something I thought of that you were saying, one city was able to close fire stations. I don't know if we're in a position able to to close ems stations, but move the ambulance just to another close-by fire station. >> Flannigan: Right. And I'm not saying I've picked treat I want to close, but more so since our city is a rapidly growing city it's more about cost containment as we grow and growing in a smart way rather than go and identify and focus on fire. That's not what I'm saying. It's that in five or 10 years out are we really building four new fire stations ever so many years that we've talked about in other work sessions? Are we really going to sign on to that when we haven't talked about building ems stations when in fact two thirds of the calls are medical and not fire? That's where I'm struggling to really find a good solid answer. Not necessarily in this budget cycle, but moving forward, thinking broader about how we're building our emergency response and public safety agencies to match the real need of the community now and in the future. >> Mayor Adler: And just to quickly -- there are some questions that we've had as a council in these two years that seem to be recurrent and this is one of those questions that just seem to be recurrent. So part of it just trying to figure out if there's a way to get a definitive answer to some of these questions or at least the questions that would last us five years or 10 years so they're not recurrent questions. It seems like it's a question that comes up, we hear anecdotal information and then we just move on because we're in the middle of a budget session and not really in a position to really be able to do

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anything. But that means then when we get together the following year we get back to the same questions again. >> I would love to see the five-year plan that you mentioned and that the doctor mentioned as well. , That would show what this is over time. And if there are cost savings that we anticipate or shared service stations or additional capital needs associated with new models to be able to see that over time, I think would be really helpful. But having somebody that from the outside that could take a look at these broader questions -- I'm not inclined as I sit here as do privatization myself, but I don't have the the capacity to really critically evaluate that. It's something that generally doesn't seem to fit, but I don't think I'm qualified to say that. And it just seems to be recurrent question and I just wonder if there's a way for us to deal with it. >> Kitchen: I wanted to speak to that too. And I appreciate you had -- the chief had suggested a group that does consulting. My concern would be that I would be very hesitant to structure -- to structure a study using the group that you suggested because -- let me explain why and maybe I'm missing something. What we really need to understand is the cutting edge role that ems can play in the health care system. And any kind of study that we do needs to have people that are familiar with that, who understand that and do that all the time. And the that is understanding the changing role of health care in our community the role that ems can play in that. And that's why I was intrigued with the national study that you were talking about. So I personally am

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comfortable looking at just shared services. I'm not comfortable with a merger, but if others want to do some kind of study, then I would be very careful about how it is scoped. And who is employed to do that

because I really -- I would be concerned about missing our understanding of the cutting edge role that ems can play. And that's an area of knowledge in health care that we would want to make sure that anybody that reviewed this -- reviewed our feature understood and had experience evaluating. >> Ms. Troxclair? >> Troxclair: I -- I think that I need more data in order to be able to evaluate the situation. I mean, I'm hearing kind of from everybody that in general making changes we could save money, but we could also see a decrease in service. But we don't really have any quantifiable information in order to make that decision. So I don't know if that means that I would support having a consultant look at this. And it's also difficult when these kinds of decisions impact the people who were depending on to get this information. It's kind of unfair -- it's not unfair of us to ask that, but it puts you in a really difficult position to be asking you to evaluate these options without bias when admittedly you're in a job that -- you're naturally going to feel strongly about one way or the other. So I think it's important that we have your feedback and your input, but I don't feel like I have anything tangible to take away from this conversation in order to make a decision going forward. So hopefully we can get some of that information before we-- >> I think that was one of the things that I had

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suggested with -- in the international association of firefighters has a whole division on ems and they are cutting edge. And they are looking at things that go forward. And the reason I suggested that was is because we did discuss amongst ourselves is bringing in the third-party consultant because as councilmember troxclair just said, we each have an emotional attachment to -- >> No, we don't. [Laughter] >> -- To our departments as they are right now. Not that we're not willing to work together and we don't want to make the system better if we can do that. So I think that the suggestion was that the data is then provided that tells the story and then we can look at the data and their recommendations and make decisions from there. We don't have to do what the recommendation comes back to. >> Kitchen: Let me just respond. I apologize. I think I need to respond to her question because she was talking about what I said. I apologize. I didn't mean to suggest any aspersions on the group. Let me be a little clear. What I meant to say is that group is coming at this from the firefighter perspective because that's their organization and so I would want to include a Dell medical school or something like that to look at this from the health care perspective. That's all I mean. >> I understand. >> Mayor Adler: Ms. Houston. >> Houston: Thank you. We've been talking a lot about the public servants, but we've stopped talking about the patients. The people that we transport, the people that we serve. In the different models I would like some data about the cost to the person. We've got some assessments, fee assessments in the back of this -- in the back of your presentation and if I got a bill for a thousand dollars and so much a mile, I think I would have another cardiac. But we're focusing on one

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thing, but I need to know of these four or five models, which one is the one that the patient doesn't get whether they've got private insurance or whether they're on -- most people seem to be on federal benefits, I think, a smaller portion on private. But it doesn't tell me anything about the cost to the consumer. So I would like to know what the different models would look like based upon the cost to the consumer. >> I can certainly provide that for you. >> Houston: Okay. >> Mayor Adler: Should we go ahead into the fee assessment? I know we're going to lose some of the folks in the room at a quarter till and then we'll break at noon. I'm going to be joining that group late so if it's okay, should we go forward to the fee assessment part? Let's go ahead and do that. >> Jasper brown, chief of staff with ems. As soon as the slides are up we're ready to go. I think you might have the packet in your book anyway while the slides are coming up, but just a review of our performance. Last year in the fiscal year 16 we had

131,007 incidents. Those created 100,000 patient contacts, which we transported 78,725 people and we billed 79,000 of those folks for those services. There are a few more than billed than transport. We do bill for aid on scene and things like that, so you will have some of those in those circumstances. Fee assessment, in fy15 we did a cost of service analysis and this was done for our transport fees. As a result we did some fee adjustments that were approved by council at the time. The current cost of our service for -- per

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response is \$1,001..85. That's the cost for them to come out and transport to the hospital when they're cleared. At the time in fy15 when we went through the assessment we raise rates for advanced life support one and advanced life support two to the rates you can see there it, from 885 to 901. And our base rate advanced life support fee was 815 to 831. Our base rate for critical care ground transport is 700 to 715. And our mileage is now up to \$13.50 a mile. So those were the increases we saw in our fees in fy15 and that's what we currently operate under today. So any changes to those we could -- if we wanted to we could come back to council with recommendations and that would have to go back through approval as part of the fee schedule process in the budget. Our payor groups are government payors, private pay and private insurance, and those break down to mayor and medicare managed health organizations, medicaid and medicaid managed health organizations. Tricare, veterans administration and others. And of course we have the M.A.P. Program. >> Federal payers, it's defined by the payor. Must be deemed medically necessary and there's a fee schedule established to only allowed amount that can be recovered. And we've got some examples in the presentation here. And bill balances must be billed to the patient according to the federal pay requirements. The important part to know is that they create a fee schedule must like our own insurance company based on what's house bill and what they will pay. If you go to the dentist there's a certain charge for cleaning, tooth extraction. That's already negotiated ahead of time. Our M.A.P. Program is through the central health care community

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collaborative, medical assistance program, has an established contract with us to partially reimburse the city of Austin for the fees for the transport of their patients. This is a price contract, has an annual fee paid for by all M.A.P. Transport patients. This year we received \$696,822 for that contract. So that was the amount that we took in from the M.A.P. Program. The payor mix of what we see in our customers and patients that we pick up, and these are invoiced accounts. These are the ones that we are actually billing for, private pay is 33%, insurance is 21%, the M.A.P. Program is five percent of those patients. Medicaid is 12. And medicare is 29%. As stated on our earlier slide, there's -- in the federal payor schedule there's only fee schedules that are allowed and we're only allowed to collect so much from those fee schedules. And you will see that those are generally medicaid and medicare. They equal about 46% of those billed patients, which we will get limited reimbursement from, period. There's no other recourse for that by federal mandate. And we'll explain further here in a second. Then we have 33% private pay and 21% of insurance. So this is a typical medicare patient and we used round numbers. Again, we used, again, our fee is \$915 and odd amount, so we added it up to make it real simple math. We charge \$1,000. There's only -- by medicare there's only four hundred dollars allowable under their fee schedule so that's all their potentially going to pay, but medicaid and medicare only pay 80% of their fee schedule. So they set the fee instead and they say we're only going to pay 80% of that. So the total that we can

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bill a medicare patient or secondary insurance like tricare or va or others is only -6z hundred dollars. That makes up some of the 46% of the accounts we talked about earlier. If you go to medicaid using the same example, it's a thousand dollar charge. They have a fee schedule of they will only pay \$300. They pay 80% like the other payor and you cannot bill any secondary insurance or others for that net difference, which would have been \$60, so now \$760 of the bill is uncollectible. We cannot go after it to the person themselves, a third-party insurance or anybody else. It is off the table so to speak. So between those two and the M.A.P. Program, 46% of the bills that we invoice and send out are reduced in some form or fashion that we have limited collectibilities to go forward with. This is just a graph of our transport revenue. And this includes the 1115 waiver that we saw for you want compensated care increase. So the yellow line is what we were budgeted as far as revenue, and you can see back in 2014 we had a very low budget for revenue and in 2017 we started seeing because of the increase that we saw in transport revenue based on the additional dollars we received from the 1115 waiver affordable care contact, it's fluctuated and gown up. In 2017 we're expected expected to be under our budgeted revenue amount for the cye projection, but we're right around 24 and a half million dollars is where we're going to come in for budgeted. And that's just transport. That doesn't include the interlocal agreement and the dollars we receive

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from the county for services in the county. This is just transport revenue. In total just some real big numbers there, the gross total charge is 62 million. Non-billable charges to do federal law or m.a.p.es is 18 million. Our net charge is 43. We get about \$26 million back. 61%of net charges and our total a accounts are 79,040 and that's what we billed last year. The average revenue per bill when you do that based on some that aren't getting paid fully is about \$239.02. Just in conclusion, recovery for funds is difficult. It requires a lot of documentation on our providers, our medics out there. They have to do some detailed documentation to ensure that we can push that bill out and milk sure that it has the correct codes, that it goes through the correct processes. And that all our signatures are taken care of because if there's not a signature we have to send it back to the patient for them to get a signature so we can send to their insurance company so it delays sometimes. And if there's no signature then sometimes you can't even bill for that patient. And that's really the whole presentation there. I thought you might ask some questions in comparison. We're at the \$915 -- 901 and 966. Houston charges \$1,072. Baseline for their bill. And then they charge per intervention. So they give you a medication or drug, that's noir charge on top of that. If they do another service that's another charge on top of that. We've gone to what's called an advanced life support fee 1, advanced life support fee 2. It's a flat schedule versus an itemized billing. So our rates don't fluctuate that much. There are mileage -- our

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mileage is 13.50. Theirs is 34. San Antonio, the three rates for them are \$950. They only charge \$12.50 a mile. We're higher on the mileage and they're higher on the basic charges across the board. And that's just two examples there. One thing I -- after reading budget documents for city of San Antonio, I notice that they have a -- if you don't live inside the city of San Antonio that's another extra on your bill. I assume logically that would be that you're not helping fund the system so then you pay a little bit extra. I don't know that -- that was my own take from that. So there's other things like that that are being done I'm sure around the country, but those are two things I looked at just to give some comparison of systems close to us in large cities. >> Houston: May I ask a quick question? >> Yes, ma'am. >> Houston:

Thank you, mayor. I want to be clear. If I'm on medicare or medicaid and I also am retired from the state, which people can do, you can't bill my secondary insurance to get -- >> Only -- on medicare we can bill that I think 60 or 80-dollar difference to that third or second party insurance. Like my mom is on va, she has -- tricare for life, medicare, and she has a teacher's insurance also. So we can only bill those - - that small portion. The bigger portion, what they don't allow, we cannot bill that to anybody else. >> Houston: And that's a federal law. >> That is federal. >> Houston: Okay, mayor. So the next time you go up to D.C. [Laughter]. I mean, that's serious because I'm looking at what we're unable to claim. And that wouldn't make you whole, but it would certainly close the gap. >> Yes, ma'am. It would close the gap and that's some of the discussions we've talked about in the past. Even if we were to raise our current fees,

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there's a -- those are uncollectible, but would they offset potentially others that are collectible and are being collected, but then those people are paying a higher amount. Those are the discussion points. >> Mayor Adler: Sounds right. Yes? >> Troxclair: Not relevant to the previous conversation, I guess I'm really surprised at discussion -- I don't want to say interest, but questions over privatization. I could see more of a desire for merging as opposed to privatization. Because I don't know, it seems like in privatization it seems like a lot of money for and services dropping. I would be interested and disappointed if we move in that direction. But I had a question for law. You know, right now the fire department is under a consent decree. Are the those same kind of hiring standards applicable to private? So if we privatized our fire, do private companies, are they under consent decrees and are they required to, you know, show that there's not a disparate impact on hiring and that kind of thing? >> I don't know the answer to that, but that's something that you could pose to Lee Crawford and I think he could get you an answer. >> Garza: Okay. That would be interesting because one of our goals is to make sure that our public safety reflects our population and we have increases in minorities and that's why the fire department is under consent decree. If any of these were privatized, I would be concerned that it doesn't matter who they hire. They could hire whoever they want and that would be a big concern if the people were sending out for public safety calls do not reflect the population of our community. >> Garza: For me generally, I was more interested in the consolidation issue as opposed to privatization. What I don't have a feel for because I just

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didn't know and in terms of the capacity, there were several different options that were listed on the option page. Are all of those privatization options other than the one that says consolidation? >> So all those options can be done different ways. For example, there's nothing that says you can't transform our system from a third service to high performance system. Or there's nothing that says we can't develop a public utility model. And instead of hiring a private provider we would simply hire the current staff into that model. So there's varieties of things you can do to make the systems work within a community. >> Mayor Adler: Someone had suggested in looking at this slide that all of them except for the combined fire were privatization elements, but when I looked at this I thought that some of these could also be the non-privatization elements and that's where I was getting caught up. But my sense is that this is too big of an issue for us to be able to do in this budget season, but it seems to make sense to me that we ought to take a look at if there's a way for us to daylight these questions with a consultant or the right consultant so it's not a recurrent issue when we come back to that. And we can actually get a feel for those issues. Anybody else have anything? Ms. Garza? >> Garza: I want to say it's a recurrent issue because it's such a huge chunk of our general fund and that merits us having to talk about it, but I

also want to point out that it is such a huge chunk of our --nd remember, I'm the one that says let's give more to health and human services, but it is such a huge part of our general fund because it is such an important element to to keeping our citizens safe. So as we have this discussion it's -- yeah, it's always going to come up because it is a big chunk, but it's a big chunk for reasons. That being said obviously we can look for ways for

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efficiencies. >> Mayor Adler: And one of the reasons this city is great because our public safety record in this city and the employees in the departments that we have. That's one of the benefits that it's 70% of our budget. So I'm going back to your question last budget session, can you find five percent somewhere, can you find four percent somewhere. And now that we've done this dive on it I understand why that is such a hard thing for you to have responded to a year ago. And it seems as if there ever is the question of actually being able to find even -- able to find even one percent change, it would require us to make some systemic change or something bigger change, some policy change. So we either make peace with fact that there isn't going to be a change and we have a percentage of our budget that needs to go there and we just need to stay there and prioritize in it and then we don't have to talk about that again. Or we need to consider some things that are more basic if we're actually going to be wanting to take a look at that, in which case we should take a look at that. But you're right. It's -- we pay 70% on it because it's so important. Anything else? Then we'll come back here at 1:00 to continue. Thank you very much for the presentations. [Lunch break].

[11:56:13 AM]

[Recess]

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You. >> Mayor Adler: The enterprise transfer fund, I think we have 10 members of staff here for that one. That way they can go. It is 10:20. -- 1:20. We are now back and we will continue. We have a quorum. >> Good afternoon, mayor and council. Ed van eenoo, deputy chief financial officer and budget officer. I'm joined by Diane siler, our deputy budget officer. This is where council requested a written report on enterprise transfers, so we do have a powerpoint presentation, but we did provide you with a somewhat lengthy, maybe eight or nine page report on various enterprise transfers that occur. Of course the one that most of you are familiar with being just the general fund transfer we call it. This transfer from our two utilities, Austin energy and Austin water, a transfer of a percent of their revenue to the general fund. That's one category of transfers that you are all familiar with. Kind of another broad category, though, is just allocations of shared services. So we have a support services fund that pays for mayor and council, it pays for financial services that I'm a member of. It pays for human resources. So those pooled costs are allocated out to our various enterprise departments and our general fund departments following a detailed cost allocation model that is -- follows the guidelines of federal government, slick particular a 87 is what it's preferred to. We do the same thing for technologies management. It's a central function that we allocate out to our departments based on a number of cost drivers. There's other shared cost pools such as our 311 cost center, which is run by Austin energy and they allocate those costs out to the different departments that benefit from that defense. They also have a customer billing system that gets allocated out a portion of that system gets allocated out to

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Austin water utility, Austin resource recovery and other utilities that have their bills assessed through that system. So that's kind of the second big basket of enterprise transfers are those allocated costs. And the third thing we put on this report that's not really a transfer, per se, but it's the service area lighting, essentially the street lighting, which is largely paid for by Austin energy. So the portions of the city that fall within Austin energy service territory, those street lights, traffic signals, are paid for by Austin energy to the tune of about nine and a half million dollars. For those areas of the city that are outside of Austin energy service territory, the areas of the city that are served by pedernales electric and bluebonnet electric, those costs of the street lights and traffic signals are paid for by our public works department through the transportation user fee. So those aren't really transfers, but we wanted to highlight them in those reports because they are really costs that the enterprise department paying for them they would be a general fund cost. So that's essentially what the report that we provided you talks about the transfers. Section 3 of that report then talks about changes to the allocation models that have been made in recent years largely to try to better align various city services with the appropriate sources of funding. So you will see in that section three we used to have something called the sustainability fund where the water utility primarily transferred a portion of its revenue to the sustainability fund which was then used proceed dominantly to fund affordable housing programs. So staff made a recommendation years ago that those affordable housing programs really were a better fit for general fund revenue sources. And so we moved those programs into the general fund and we eliminated the sustainability fund over the course of a number of years. So section three just really lays out some of the changes we've made to our allocation models in recent years.

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And the final thing I'll say before we turn it over for questions is the attorney's office also submitted a memorandum to you in regards to the legal parameters pertaining to transfers from the utilities to the general fund, particularly kind of the legal parameters behind Austin energy and Austin water's transfer to the general fund. And why those similar types of transfers aren't viewed as being appropriate for other enterprises such as the convention center, the airport or Austin convention center. So with that I'd be happy to answer any questions. I will say that we have a number of staff here from our various departments that can speak to these different cost pools and how they're allocated, just depending upon what questions you have. >> Mayor Adler: My recollection is there was a question that was posed by councilmember kitchen that related to being able to use revenue from one enterprise process to a different fund. Do you remember that question? Can you address that? >> Yes. I think part of it was addressed in the memo from the attorney's office that said there is a legal basis for why we have a transfer policy from our two utilities, from Austin energy and Austin water, we transfer -- in Austin energy it's 12% of the average in the values. In Austin water it's 8.2% of the three-year rolling average of gross refuses, that's the transfer that comes to the general fund. And collectively that's about \$150 million a year. But then they went and looked at for Austin resource recovery if we can do the transfers for the utilities why didn't they do it for Austin resource recovery or for the watershed fund or convention center or airport. And all of those funding sources had different legal restrictions on their use that prohibit that type of transfer occurring. >> >> Pool: The money that's in there is all from operations -- all that money is generated

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from operations at the airport, is that correct? >> That's correct. >> Pool: And whenever they spend money like for operations or for memberships to whatever, that money is from the revenue that's

generated at the airport. >> That's right. >> It's not from the general revenue. >> It's all airport revenue and kind of the simple F.A.A. Rules on that is it has to stay within the airport footprint. It has to stay within the fence that goes around the airport is how that money gets used. >> >> Pool: And that's the same for any expansions at the airport as well, right? >> Yes, ma'am. >> Pool: Thanks. >> Mayor Adler: So we're talking about the enterprise fund transfers. I had asked why we don't do interests transfer funds from airport and energy which I think you touched on before. Ed said there were different legal requirements and it was in a memo we received from legal. >> That was the extent of the answer to that question. If there are follow-up questions to that you could ask that. Ms. Houston? >> Houston: Yes. And thank you so much, Mr. Van eenoo. On page 3 you mentioned the public work space for the areas within pedernales and bluebonnet. And do we have a relationship with them so that pay us something? >> We do have franchise agreements with pedernales and bluebonnet and so roughly speaking the pedernales transfer is about \$200,000 a year. Bluebonnet is smaller and is about \$70,000 a year with the agreements we have with those two companies. >> Houston: Thank you. >> Mayor Adler: Any further questions about the transfer funds? Ms. Troxclair? >> Troxclair: The -- can revenue that is

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received -- I understand obviously the legal implications of the hot tax funds, but can revenue -- separate revenue that is generated from the convention center or acvb be used for other purposes or be transferred to the general fund? >> I don't believe it can be transferred to the general fund. There are purposes all defined in the statute about what hot revenues can be. >> Troxclair: I'm sorry, non-hot revenues. >> The fees that the convention center collects through -- >> Right. >> To hold a convention there. >> We would have to consult with the attorney's office on that. That's the smaller piece of the convention center revenues. They're largely through the hot tax. So any diversion of revenues they get through fees they charge to event holders has an additional burden on the hot tax. So unless Lela has anything to add, I think we would have to look that the a little bit. >> I think we would need to look at it. It's my understanding that financially speaking those funds all go into the same bucket right now as the hotel occupancy taxes. So the convention center treats them in the most conservative way possible. So if they were going to change that accounting and segregate those out, that might be something we can do going forward. But as Ed said, if it's going to be shifting those fees to the general fund, then there would be hotel occupancy tax that would have to make up that difference. So right now I think they tried to keep those fees fairly low to attract business. So I don't know. >> Mayor Adler: So I think the question is are there any legal restraints?

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So if you would take a look at that and then get back to us on that question, that I think is the question. >> I think there may be some debt pledge of the convention center revenue, the operating revenue, we would have to check on that. That may be the restriction. >> Mayor Adler: Ms. Houston? >> Houston: I was thinking like catering. If they came in and they were catering a big event could those fees are used for something else? >> Mayor Adler: Ms. Kitchen? >> Kitchen: I will follow up with more specific questions and thank you for the memo on the transfers. But just to let you know what I'm trying to think about, is I can see that the city has been on a course over a number of years to re-examine how allocations are made between enterprise fund areas and the -- and the general fund. And I can see that the policy relates to aligning -- basically having those departments only pay for those things that they're benefiting from or something to that effect. I'm probably not saying it correctly. My question is really a larger policy question because it goes to to how we can -- how we can address those departments that don't have the access to the same kind of revenues, like health and human services. So that's my

broader policy question that I'm thinking through. And then my more specific information I'm looking for is to understand the formulas behind the allocation, although formula is probably not the right word, but the thinking behind the allocations that are made. For example, I can see in the past on the sustainability fund where we were having dollars come from different departments that were used for sustainability and were used to support other departments such as public health, and that

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particular approach has been phased out to line up with previous council's policies. So I will get you more specific questions on whippet wanting to understand. But I just wanted to let you know I'm wanting to understand the specifics behind the allocations. >> And we do have detailed reports on the, particularly on the big ones, we would be happy to share with council and then all the other departments have their own models that they use to allocate those costs, so happy to provide you that information or have that conversation with you. I would say in general that my explanation of the thought process, but behind how we're trying to align costs with the right funding has to do with cost of service and the idea that there really needs to be a nexus for what we're charging for a service and what the individual is paying. So you think about the water utility there's a nexus between the water treatment plant and the pipelines to get the water to your tap and all the building systems, it's a clear nexus between getting water out of the tap and the bill you're paying, you start loading other things into that like funding into the affordable housing programs or other programs, what's the clear nexus between getting water out of the tap and these other programs. So a lot of the cleanups you've seen has been staff trying to take a conservative posture in regards to what we're putting into these cost of service models. >> And I understand that and I would agree with that policy. I'm just thinking that there are obviously gray areas and as part of our strategic plan discussion we talked a lot about the overlap between errors and how different areas contribute to each other. So I'm not saying anything needs to be changed, I'm just looking at it from the perspective that we

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really are recognizing the interrelationship between some of these areas. So thank you. >> Mayor Adler: Manager? >> I would also like to add to what Ed said is over the last five years we've had rate challenges on both for Austin energy and water and during those rate challenges they did look at the cost allocations, in addition in the last five years we've had an F.A.A. Audit of our cost allocation to determine whether we're overallocating to the airport. And because we receive federal and state grants these cost allocation plans are looked at by our grantors when they audit us, as well as the city's independent external auditor. So there's a lot of external sources looking at what we're doing here, and we do follow best practices in our allocation basis when we put these plans together. But we certainly welcome any thoughts you have on the plans, we'll share the details of them with you. >> Mayor Adler: Thank you. Ms. Alter? >> Alter: I don't know that this is an interfund transfer, but it relates to it in my mind. One of the things that I saw on the parks board is that when we have activities where there's an opportunity for the department to get more revenue if it did xy and Z, that revenue doesn't accrue back to that department so sometimes the incentives don't line up where you could have the revenue and provide services because those vents aren't there. Is there a way to allow some of that to go back to the departments is as another way of getting -- it's not really the transfer question, but it's related in my mind. >> I can try to take a stab at describing. I know exactly and this is a dynamic that comes up over and over again. The general fund departments are just -- they're a little bit different than an

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enterprise department. And I'll just pick one enterprise department that we've talked about a little bit is that golf enterprise. And so historically it's been an enterprise that was set up to be fully funded. Whatever it cost, it generates fees through green fees and its revenues cover those costs. But for a variety of factors or reasons, that's no longer the case so there's a general fund subsidy that occurs, a transfer to the enterprise operation to keep it whole. What we would hope is that as the situation improves we have all the courses open, the revenues start to improve, you would see that -- that need for a general fund subsidy would hopefully close back up and the golf wouldn't get a transfer anymore. There's the difference between an enterprise department and a general fund department. All the general fund functions are within that category. None of them pay for all their costs. The way we pay for the revenue is you look at a department like parks and they charge fees for rec programs and for parking. All of those revenues get posted in the parks department. All those revenues we collect show up as revenues in the park. But when you look at it in the bigger picture, the total budget of parks may be \$80 million and the revenues might be 20. So the tax subsidy, so if they increase fees the revenues might go from 20 to \$21 million and the amount of that tax subsidy comes down but then it's always council's discretion on how do we want to spend the tax dollars available for us. Do we want to spend those for parks programs or police services. That's the dynamic of a general fund department is those tax dollars council has -- there is no cost of service discussion on tax dollars. Council can allocate them in any way that you desire. So any department, not just parks, but any general fund department, when it increases its fees, which increases

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the revenue it collects through those fees, it lowers the amount of tax subsidies that's needed to support that service and now council has a full discretion to allocate that money wherever you would like to, including back to the department that's raising its fees or to some other department. So you it's a different dynamic and hard to peel the onion that in one department increases fees and increases revenues, does that mean it gets to spend additional money? >> Alter: One of the reasons I was asking is the Austin resource recovery is a general fund department, correct? >> No, it's enterprise. >> Alter: So let me back up then. When we have our conversations about the interfund transfers, in Austin resource recovery were to raise more money by taking into its envelope more waste management services, what could we spend that money on and would it just be like these general funds where it has to be tied back to the service? >> In regards to Austin resource recovery they can only use the fees they charge, whether it be for recycling or curb side collection programs. It can only be used for the delivery of those programs. So it goes right back to my earlier conversation about cost of service, they charge you a fee for the service you get and there's -- everything that they put into that fee you have to have a justifiable nexus, oh, the cost of the trucks, the cost of the staff, the cost of the administrative overhead, we put that all into the cost of service, turn the crank and say all right, if you have a 64-gallon cart your bill is whatever it comes out to be, \$24 a month or something in a that neighborhood. Then that generates enough revenue to cover the operations as a public entity we're not allowed to charge more than that and generate a profit and take that profit and spend it on other things. We can only recover our cost of service, not more. >> So as we go through with Austin resource recovery, one of the policy questions that is not the one that the staff has laid out, but I think is one that we're going to be

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hearing from the stakeholders is degree to which we want to be having that unit generating more revenue. And so I just clarify from what you're saying is that revenue can only be used on waste

management services. It can't be used as a source of revenue for anywhere else in the city because of the way we're confined. >> Absolutely correct. >> Alter: Okay, thank you. >> Mayor Adler: Okay. Anything else on transfers? Okay. Manager. >> That surplus in arr could be used to reduce the fee increase that they might need otherwise. >> Mayor Adler: Okay. Thank you very much for that. I'm sorry, Ms. Troxclair? >> Now I might just be circling back to where we were in this conversation. Why is that answered different for Austin water and Austin energy. >> Councilmember, I think that that's covered in the legal memo that we sent, but in general the water utility and Austin energy have a rate structure in state law that lose for a profit, if you will, a reasonable rate of return on the invested capital that's used and useful in providing utility service. And there are-- there is authority for going back to -- if you were a private utility it would be the shareholders, and in the case of a publicly owned utility, to go back to the city that is basically -- the taxpayers are the shareholders. So for Austin resource recovery, there is not that so then you look back to the general

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framework for fees and under state law the city fees cannot exceed the cost to provide service or to regulate an activity. When they do that then they become an illegal tax and can be challenged in court. >> So you're saying the Austin energy and Austin water -- auditor utility or an -- water utility or electric utility are under state law in allowing that to happen? >> Correct, and that's set out in the legal memo that we sent. >> Troxclair: I know that we hear a lot that we have to set fees, that we can't charge more than the cost of service. But we -- in my experience we interpret that differently depending on what department or what service we're talking about. So I guess -- and I guess that's not a question. So it's just something that I'll think about. >> Okay. And I will say that if you have examples, I would suggest that you present those to budget office. They have -- they do have a system, a cost allocation model that they use to look at all of the fees throughout the city to make sure that they are consistent with state law. >> I think this would add that one of the dynamics that happened on those cost of services, sometimes a service is very predictable. Austin resource recovery is very predictable. We know how many customers we have and they will always want their trash picked up. There's not a lot of fluctuations. We can pretty accurately predict this is the number of customers we have, this is the service we have, these are the fees we need to be and we're pretty dang close on a much more volatile service area like development services where product volume could swing anywhere from two to three thousand to 10,000 plus from one year to the next. You're really having to do -- you're doing your best job to project what your permit costs are

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going to be versus the costs. So one year we may have to recover under a significant amount and then we have a another year why we're overrecovering. But over time we should be close to recovering the right amount of money. Just that we have to do the best we can with the projections that we made. I don't know if that's some of the dynamic that you're seeing. You're certainly going to see sometimes where an enterprise might happen a metropolitan a single we can use that overrecovery, we can use that additional ending balance to keep our rates lower the next year and basically give it back to our ratepayers through a lower rate in the subsequent year. >> Mayor Adler: Okay. Anything else on the fees? Thank you very much. It's quarter to 2:00. Let's go to the special event waivers, we have a lot of people here for that. Council, we'll go -- this should go relatively quickly. Our goal is to do then the homestead exemption and be done by 3:00 today. >> So this is just a short presentation, mayor, council. In fact I was told by the city manager we could shorten this one up to waive or not to waive, that is the question before you, council. [Laughter] I got a couple -- I'll be a little longer than that because I can't

help myself but that is the fundamental question. There's two categories of waivers to look at. One are the city code sponsored events. That's the smaller number of special events but the larger dollar amount, larger scope and size of the events and larger cost to all departments and the larger dollar amount of the fees that are waived. A second category are these \$6,000 fee waivers council put in place, passed a resolution years ago that gave each council office the ability to waive up to \$6,000 in fees, and we track those waivers on an annual basis in the budget office. So collectively of all 11 --

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if all 11 council offices waived their full \$6,000 amount it would be \$66,000 a year, so a large number of events, very small scale events but much smaller dollar implication than the cosponsored events. I'll along a little bit, I have a slide about the budget implications. These are your current active city cosponsored events. These are the bigger events or events that go on throughout the year, like the farmers market from south by southwest to the farmers market, June teen parade and celebration. You can see the list. I won't read them all to you. One thing I want to mention is that bullet point that beginning in fiscal year '17 budget staff recommended and council adopted a policy where by if it's a city cosponsored event, if this body has taken the time to actually formally establish the event as a city cosponsored event meaning the body has determined it has significant community value and that we want to be cosponsors of that event with the event provider, that the typical fees for those events are waived. What used to happen is that we would adopt a budget that had the fees for these events and then every year every single one of these events would have to come back do council to waive fees and every year council would waive the fees for all these events. What we said is, hey, we can clear items off the council adoption as saying as part of the budget adoption process we'll waive the fees for these events and if council decides they want to charge the fees you can come back and launch an ifc saying, wait a minute, we actually do want to charge fees for this event or that event. That's what we started doing in fy'17 so the fees for all these events have formally been waived by council as part of adopting the fy17 budget and I'll add to that, again, that historically they had always been waived as well as when we did it the other way. In regards to these \$6,000 fee waivers over on the right is just a small sampling that we've put together of the type of events, the new year

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festival, del children's Gail la, edible Austin eat local much. I don't get out much so I didn't go to any of these events. [Laughter] These are generally smaller events, maybe a few hundred dollars waiver here or there, a lot of times councilmembers share these between each other. You'll see a lot of ifcs on any given Thursday to waive fees for events of this nature. You can see that resolution was passed in 2003 to establish this \$6,000 fee waiver policy. It was that same resolution that established the cosponsored events, by the way, that included the original five city cosponsored events in that 2003 resolution and it's been amended over the years to add additional cosponsored events to the list. So this is taking a look at fiscal year 2016. We went back and looked at all the actual fee waivers that council approved for these various events and did it by department. In total it was \$1,277,135 of fees that were waived. It's important when we characterize these fee waivers to council, we characterize it as an unrealized revenue. You know, the truth be told we're not 100% certain that but for the fee waiver these events may not have occurred, in which case we wouldn't have collect aid fee any how. I characterize it as these are the fees that council formally chose to waive associated with these events. We do highlight -- you can see most of them are related to general fund departments with police being the largest. Department waiving fees. This is just looking at that same \$1,277,000. That's what the two numbers

under fy16 add up to and, again, as I mentioned, the green line is the cosponsored events. So the smaller number of events, but the much larger

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dollar amount of the waiver in the blue -- and the blue line is the aggregate amount of the council fee waivers. Totaled 43,238 in fiscal year 2016. And you can see the trend, the history of those waivers. And that's all I have, just to kind of stimulate the conversation we had, to answer any questions, and we do have staff particularly from our public safety departments if you have any questions about the types of costs they incur at these different events. >> Houston: Mayor. >> Mayor Adler: Yes, Ms. Houston, and then councilmember alter. >> Houston: Thank you. I just have a question because some of these, like the merry memories event, can somebody tell me what that is? And then the celebrate Texas parade. >> All I can tell but the celebrate Texas parade and run, it's a Texas Independence day event. It's just an event that -- I don't know who puts it on but it's a day to celebrate Texas Independence day. Being joined by bill he may know more about that event and I'll just say the merry memories event is a toy give away and free community activities for families and children and it's hosted by the river city youth foundation. So it's not memories like I remembered something. It's -- more like a Christmas event, toy give. >> And you those two events were I believe one time expedients they're not every year. So they haven't been held in the last couple of years. I don't believe. They have? Oh, merry melodies has. But they're smaller events. >> Houston: But if I understand what Mr. Van eenoo said, they're the ones that are city-sponsored and those are the 6,000 -- >> These are not part of the 6,000 waivers. These are events that have been formally adopted by council as a cosponsored event. >> Houston: That's what I mean. The city cosponsored. >> Yes.

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>> Houston: And so -- >> Doesn't necessarily mean they happen every year though. But they happened in recent years at the very least. >> Houston: How much do those usually run? >> They vary a lot. South by southwest is easily the largest amount, in excess of half a million dollars and we could get you the other dollar amounts for each of the individual events. The two biggest ones for sure are south by southwest and Austin farmers market, which is a weekly market, and so there's -- that's the second largest fee waiver dollar amount up here. >> Houston: The one at plaza saltillo or the Austin -- >> Downtown one, Austin farmers market. I'll get you a list of all the dollar amounts. >> Houston: Thank you. >> Mayor Adler: Councilmember alter. >> Alter: For -- I lost my question, so -- >> Mayor Adler: We'll come back to you. Ms. Pool. >> Pool: I think this program has been really successful, and I like the incredibly wide diversity of the groups that come to us asking for fee waivers. And I carefully allocated the money that I have been given in order to help lower the costs for folks. One of the things that I see is a bit of an obstacle to us in helping these organizations with the fee waivers, in the case that we would like to do it, is that the quorum limits us to only getting a total of five people to contribute on these but if we ask from the dais if people would like -- when we're on the dais if we'd like to add to the amount that's being waived, but something -- that's something that I would like to see us do more frequently because it may be that I don't see an item coming through because the sponsor already has four other people on it but I would like to help write down those costs. Do you think we could maybe have that be some element of our regular meeting agenda where we look at the fee

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waivers and if anything wants to add to it we can do it from the dais because we have a quorum situation? >> Mayor Adler: And we do. Those are listed as ifc dollars and they come up -- ifcs. So they're also -- any person at that point could do that. >> Pool: I think we have to pull it and also add the money at that time. Okay. Okay. >> Alter: I've actually added before and it was just added to the changes so you don't have to take council time during the meeting. >> So have I. >> Mayor Adler: You can do it before that way. I don't think we need to pull it because it happened so fast, someone just goes I want to add 200 to that event. The clerk records that. >> Pool: That is really good information. I appreciate that. >> Mayor Adler: Okay. Yes, troxclair. >> Troxclair: The list of city-sponsored events, they were included via a council resolution at some point? Like how do -- there's tons of great charitable events, and I know that we all want to help all of those organizations, but how does somebody actually get on the list? It was a council resolution at some point to include them as a city-sponsored event? >> Mayor Adler: Yes. >> Yeah for the cosponsored events, they all came from council ifcs, resolutions to add these events as cosponsored events. >> Troxclair: And when you do it -- when you get them to be a city-sponsored event it just lasts in perpetuity? >> Mayor Adler: Until it's taken out. >> Or sometimes, sometimes they're just a one-time event and council adds them that year as a cosponsored event. Otherwise they're a cosponsored event until council changes the resolution to take them off. >> Troxclair: What was the one that you said didn't happen last year? >> I think bill was saying he thought the celebrate Texas parade and run was just a one-year event that maybe didn't happen last year. >> Troxclair: Thanks. >> We're going to get the details on those. >> Mayor Adler: Okay.

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Yes, councilmember alter. >> Alter: Thank you. I was wondering, you have a asterisk on the fiscal year 2016 that said general fund transfer, Austin transportation to salesperson events ineligible to be funded through the transportation user fee. Which events are eligible to be funded through the transportation user fee or what type of events? >> They have their own special events office. If there's an event that requires a street closure they'll go out there and put down the barricades that block the spreadsheets there's a fee associated with that. If the fee is not waived they charge the fee, collect the fee, it goes into the transportation department's budget to do things with to offset those costs. When the fee is waived by council, though, the question becomes, well, how do we fill in that gap? We've just waived a fee for something that has a cost associated with it, and they can't recover those costs through their transportation user fee. The transportation user fee is established by council resolution or ordinance and is very prescriptive about the things it can be used for and fee waivers isn't one of those items and so what we do is you'll -- if you actually look in the budget you'll see a transfer from the general fund to the Austin transportation department to pay for costs -- it's about \$800,000 and it's to pay for things that aren't appropriate or eligible to be funded out of the tuf, about \$315,000 of those things that aren't appropriate are eligible to be funded out of the tuf are these fee waivers. >> Alter: So there are no other fee waiver situations where that's being paid out of another pot at ate? This amount represents all that's being waived? >> That's an aggregate amount of the fee waivers that hit Austin transportation transportation department and that the general fund picks up the tab for those costs because otherwise they'd have to cover it -- recover it through their tuf fees and it wouldn't be an appropriate -- it would violate that whole cost of service principle. >> Alter: For parks and recreation, is that specific to a few parks where it's a special burden on those parks and -- in particular?

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Do you know? >> I don't know what the specific details or what the event -- we have the information in regards to what were all the events that added up to that \$235,000. >> Councilmember, Jason, Austin

parks and recreation department. The majority of those fields are held at fiesta gardens, zilker park or auditorium shores. >> Alter: Thank you. >> Tovo: Thank you for this. I have a couple questions and then a few thoughts about -- but I think I'll pick up where we just left off with the asterisked expenses. Long ago, in response to a council resolution I had sponsored the staff came up with a pretty thorough description of the costs that were -- that are being incurred for special events, both those that have fees associated with them and also our first amendment events that take place that still require staffing. And the numbers -- it seemed to me at that time that there were more actual costs associated with special events that are not currently -- that we may not or that we may not be recovering. So I just want to talk for a little bit about the costs that you have here. >> Yeah. >> Tovo: For example, when we waive fees for the police department, do you know what amount of that 534,979 is -- is any of that actually costs that we then have to pay out in overtime? And these may be better as budget questions, but I think that as we look at fee waivers, I think we should really try to drill down and it's been very, very challenging to do so, but I think we should try to drill down and figure out which of these really are opportunities where we're just forgoing the opportunity to collect revenue and when there is actually a real cost triggered by our fee waiver. And it seems to me that we may have some public safety costs

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that are actual costs when we waive fees because they need to cover things with overtime or through other costs. Am I right in my thinking about that element? It seems like that longer discussion, that longer memo we had did reflect that we're not -- we're not whole in our recovery. On fees. >> Good afternoon, mayor, council. Brian, police chief. Yes, those are actual real costs. When you see a number, the 534,000, that is salaries and overtime we paid to officers to actually work those events. >> Tovo: And those are events that are represented by the fee waivers that are on our council? They're not also including the city-cosponsored events, are they? >> That would be both. >> Tovo: That is both, okay. >> Yes, that is both. >> Tovo: So that -- all right. Thank you. And then transportation, the transportation discussion we just had is complicated, too, because we're using general fund dollars to replenish the transportation department so that's general fund dollars that are not available to be used on other things as well. So I appreciate you presenting it in this way. I think we should -- I think it would be helpful to me to know how much is attributable to the city-cosponsored events and how much of these costs are attributed to the 6,000 budget that we each have per year. My guess is that most of the real costs are the city-cosponsored costs. >> It's actually on that second to last slide. I apologize we didn't put page numbers but that one with the two lines, the green line is the city cosponsored event and blue line is the \$6,000 waivers. So, yes, by far the majority is from the cosponsored events. And we could break that out. >> Mayor Adler: I think mayor pro tem was also asking -- someone asked for the total. Then mayor pro tem was asking

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for how much of the council waiver budget was actual expenditures as opposed to revenues not recovered. >> Tovo: I think it would be helpful to know that, too, for the city-cosponsored but also thousand breaks down by department because sometimes we're -- we usually -- in my office we usually ask, what kind of fees are we waiving? Are we waiving rent for a city park, or are we waiving the police costs or the health inspection costs? Because the health inspection costs is something we've had a long discussion about and there are costs associated with providing that service. So I think it would be helpful to kind of see within these. >> Mayor Adler: Okay. >> Tovo: I really appreciate the ability to do the fee waivers. One thing that has from time to time made me uncomfortable is I don't think it's -- I'm not sure that every organization that's holding an event on a city land or on a street is aware of the process and

so sometimes it -- I wonder if we could just do a better job kind of educating the community that this is something that they have the ability to apply for so it doesn't -- we don't later hear that, you know, it looks like if you know about the process, a veil yourself of it but not everybody is informed about it. >> Mayor Adler: Councilmember Garza. >> Garza: I'm trying to understand. Something similar to what mayor pro tem asked. So there are actual costs, but where that money is coming from is also actual money, for example, my budget, there's \$6,000 in my office budget. It's not just -- so there isn't that? So it is just -- >> It desists on a spreadsheet in the budget office where we just track the waivers against this \$6,000 amount that council approved. But there's no moneys that actually put in a budget to then reimburse departments for these costs.

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>> Garza: Okay. That's the same for the -- all the -- how are we differentiating them? Council versus the - - the two different city-cosponsored and it's the same for the city-cosponsored in any event there is no actual line item that moves from one pot of money to another pot of money? >> Most of these events have been going on for, you know, a very long time. And so departments have been covering those costs associated with the events, so the police department is putting people out at the spring festival or any of these events they're needed at, that's part of the budget they have, the staffing they have, the overtime budget they have. They use part of that to recover these costs, and they've been doing that for years. And so if council were to stop waiving the fees and these revenues were to come into the general fund, kind of like the discussion I was having earlier with councilmember alter, you could make the decision, you know what? We want those fees to actually go to the department so they can add staff to maybe better serve these events or you could take that revenue and use it for any general purpose. Once it comes into the general fund for the most part it's available to use for any general purpose as you see fit. >> Mayor Adler: Okay. Councilmember alter. >> Alter: Thank you. So I have a question about special event fees but not the waivers. It's my understanding when we had our discussion I think it was either fire or police we were trying to understand the overtime, and one of the questions that I would like to dive in a little deeper and it may be that you need to follow up with it is if you have to pay officers overtime to staff an event, presumably that's being cost -- passed on to the special event organizer if the fee is not waived. Is that total overtime then appearing in our overtime totals for the department? Is there a way for us to be

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able to differentiate that so we know what is overtime because there's these special expedients we're trying to accommodate them and what is overtime because of how we're managing things on a day-to-day basis? And that's particularly for public safety. I don't know if that overtime comes in other departments. As well for special events where it would be reimbursed. >> I believe maybe in the police department, some of our departments handle it different ways but in the police department they actually budget a reimbursed overtime amount so they'll be able to track this is the overtime we use that was reimbursed by, you know, somebody, either a special event or some other agency that requested police service that's resulted in overtime costs. >> Alter: That would be really helpful if we can track that, to be able to see that as we try and see whether, you know, overtime is something that's a sign of something we need to worry about or if it's just coming up because we have a lot of special events in Austin and we need to accommodate those and people get time and a half for doing that so I think that would be really helpful if we could add that. >> Mayor Adler: Ms. Houston. >> Houston: Thank you. This is a question that just popped into my mind from last year. Do we get reimbursed from the federal government when we provide security for elected officials who come into town? >> No, we do

not. >> Houston: Does that come out of the general fund then to cover that overtime? >> Yes, it comes out of the departments' budgets to cover that. That's -- like APD has a reimbursed overtime budget and non-reimbursed overtime so that will come out of the non-reimbursed. >> Houston: Ongoing. So that's - - we have a lot of people coming into town, and so the taxpayers have to pick up that cost is what I'm hearing you say. >> Yes, ma'am. >> Houston: Chief, were you going to say something?

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>> [Off mic] >> Houston: Okay. All right. The other thing that I wanted to ask was about in my district sometimes we have spontaneous events that don't go through your office, but police have to come out. Is that captured in this 534,000 or any spontaneous event that happens that police have to monitor to keep safe? >> If it's a spontaneous event, like sometimes we'll have a group of young activist that's want to March at the last minute and we'll send five or six officers over there, normally they're on-duty resources so we don't capture that in any particular category. If we know ahead of time and bringing in overtime personnel to handle that, those numbers we would track. >> Houston: So that's captured in the 534,000. >> Only if there was a fee waived for it. I think a bigger dollar amount than chief Manley was talking about is pretty large special events that have no event sponsor, so think about things Mardis gras, Halloween, require police frequency make sure they're safe and there's nobody to bill for them it that may be the disconnect. We do capture those events. I think that was in the report come to was talking about, what the overall costs look like but that's not something we're charging or waiving a fee for. >> To the examples I gave for 2016, the police department incurred 23,500 for Austin new year's, 13,100 for Mardis gras, 26,000 for the zilker kite festival so there are several we're spending real dollars on we do not get reimbursed for. >> Houston: Thank you. >> Zilker is a cosponsored

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event that council waives the fee for. >> Mayor Adler: Ms. Pool and Ms. Garza. >> Pool: The zilker didn't happen this year because of the rain. >> Correct. That was 2016. We will not have an expense for 2017. >> Pool: I guess we should be glad we're not [indiscernible], right, because they're having to spend considerable local taxpayer dollars to manage whenever the winter white house is in, when people are down there. >> Correct. When we had president bush in office and he would make visits here to Austin, then our expenses would be more significant than when we do not have those regular presidential visits. >> Pool: I think it might not be a bad idea to keep track of what those dollars add up to. There may be actually some effort coming out of Florida to try to recoup those expenditures since I think they have mounted up pretty significantly and there may be some activity around that that, you know, we might benefit from getting reimbursed from the federal government as well. Just a thought. >> Mayor Adler: Ms. Garza. Garza: For events like, for example, the cap 10k, the police officers there, they are paid by the cap 10k or they are there because it's a big event that affects a big part of the city and they're on city time? >> That's reimbursed over time. It's paid by the festival or the run. >> Garza: Okay, thanks. >> Mayor Adler: Anybody else on this before we go to the next one? Mayor pro tem. >> Tovo: Sorry. I had a couple more questions that I hadn't gotten through before. So one thing that might be an interesting line of discussion is whether we want to -- whether we want to talk about the fee waivers that we all do and set any kind of parameters for them. I remember when -- long ago when I was on the street waiver - - street closure task force, it came up from time to

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time about fee waivers, and, you know, one of the things that community members talked about a little bit is whether we're waiving fees for events that are paid events. Sometimes we are. So sometimes we're being asked as a city to waive fees for events that have a cost to attend, and, you know, I would just ask my colleagues -- I mean, I've had an interest but not one that's led me to bring forward a resolution at this point but if there's an interest in doing that, in putting some kind of payments in place for the waivers that we do through our \$6,000 budget, I would just throw that out there that maybe we want to specify that those are free events or that those are -- and in addition that they're not high booth fees associated with them or other kinds of costs that make -- that make those more exclusive events than we might otherwise want to do with our fee waivers. So if there's any interest, I guess, we can talk about it on the message board. Not seeing a lot of interest. So if there is a lot of interest, let me know afterward. [Laughter] I brought it up from time to time as a councilmember, and there's never -- it doesn't seem -- anyway. So the second thing I wanted to ask about is a special event ordinance. I hear from a especially small community organizations all the time when is the special event ordinance ready to come back to council. One of the things it promised was to set up a tearing of costs which is really I think gonna benefit our smaller organizations that want to have events and, you know, want a more tiered system of pricing. >> Funny you should ask. I met with some stakeholders yet. >> Tovo: I've asked many times through the years, as you know. >> Yes. We were attempting to bring it back next month or June. I met with some stakeholders

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yesterday who are still opposed to the ordinance for various reasons. I'm setting up meetings with them starting after next week. We're gonna get a schedule next week on how we're going to go forward with that to try to resolve their concerns, but we -- staff feels like the concerns are not that large, but they do, so we're going to try to resolve those before we come back to council. >> Tovo: Mayor, if I may just ask. Am I right in remembering this was actually on our council agenda in 2013? >> Yes. >> Tovo: And there were concerns expressed by stakeholders and at some point we need the ability to kind of move forward and have that become a policy discussion. I don't know if the concerns are the same. I don't know if the stakeholders who had concerns are the same stakeholders who have concerns now, but, you know, if it was something [indiscernible] Now for four years I think it's maybe time to move it forward to council and have that discussion. >> Absolutely. >> Houston: I may want to meet with you about this because what I do when somebody asks for a fee waiver, how much are they gonna contribute and each year tell them that I'm gonna it so it's not -- it doesn't appear to them that this is a forever and a day kind of thing. So they've got to put some skin in the game too and each time I decrease it. That way I can spread my money around to other nonprofits. >> Mayor Adler: Thank you. I think the last one of the presentations, we have 45 minutes. >> I'll be quick. So the last topic for today is our general homestead exemption, a very brief presentation. I think -- I know most of you are very familiar with it. I don't know if our two newest councilmembers are so I'll provide a little bit of

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background and context. I'll get that up. You have it in front of you while waiting for it to come up on the screen the first slide here is kind of where the general homestead exemption is defined in the Texas tax code and the key take-aways from that is it only applies to a resident's homestead, has to be something you actually own and live in, not rent, it's your homestead. Your exemption has to be established as a percent of appraised value. Lot of discussion wouldn't it be great if we could do a fixed value but under state law can't do a fixed value percentage. You have to adopt it by July 1, and staff has -- which is essentially I think June 30, but June 30 is very late in the budget process so staff has always encouraged

council to the extent you take action increase the exemption we'd like you to do that by June 1 so we know that going into our budget development phase so we can take that into account when developing a budget representation for you. The minimum exemption is \$5,000. We're well past that already so that really doesn't come into play and the maximum is 20% of the appraised value. This shows the city of Austin exemption and compared to a variety of other local taxing entities. We provide an 8% general homestead exemption, 82,500 is our fixed value exemption for senior and disabled. That's not a homestead exemption, it's a senior disabled exemption, and it can be a flat dollar amount. We also offer historical and disabled veteran exemptions. Travis county you can see their homestead exemption is 20% so wait a bit higher than ours, their senior disabled exemption is at \$80,000. In the Austin independent school district, there's other school districts but I think they're similar, the 25,000 flat exemption is state mandated, every -- you could give more if a district wanted to. In regards to senior and disabled, there's a \$35,000

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senior exemption for Austin independent school district, 25,000 is their disabled exemption. But even kind of more consequential to seniors is that there's a tax freeze in place when you hit 65 whatever your tax bill is that year that's where it's fixed for the remainder of your life or until you move to another property. Community college offers a 1% exemption which for most properties means you're triggering that 5,000 minimum. So if you have \$100,000 property, 1% exemption would only be -- I don't know -- a thousand dollars but you would actually get \$5,000 in that case. So only if your home is worth more than \$500,000 would you actually get a bigger exemption from the community college. They have quite a large senior exemption of 135,000 and then finally the health care district has the same exemptions as does Travis county. Looking at our other large Texas cities, and I think I'll focus on the homestead exemption since that's the point of this conversation. San Antonio offers no homestead exemption. Our three other large Texas cities all do the full 20% exemption allowable under state law. I know we looked at some scenarios. Council, you currently offer a 8% homestead exemption as I mentioned earlier. It just projects out if we were to increase the exemption in 1% increments, what the drop in general fund revenue would be and what the incremental savings would be to a typical homeowner. If you want to think about it in terms of commercial properties, we also did it in terms of every hundred thousand dollars of assessed valuation. We gave you a figure for that as well. The initial ordinance that established the 6% exemption that was subsequently now increased to 8%, that initial ordinance talked about council said, you know, our goal would be -- our hope would be to get to 20% exemption over four years. And so that's why we showed you 6%, to stay on track with that you'd have to increase the exemption by 6% next year

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and say hypothetically another 6% in the final year to stay on track with that four-year goal. With that I'd be happy to -- >> Mayor? >> Mayor Adler: Yes. >> Pool: Can we just -- can I just jump in on that over four -- four years piece? I know that was said back in '14 when most all of us were running first time. And I didn't. I said I supported a 20% homestead exemption over a period of time but I wasn't willing to put a time limit on it because we just don't know what our budgets are going to look like. This year is a really good -- really good example of why, saying it has to be done over X number of years is really not very good sound public policy and that's why I didn't ever support that. I don't think we ever put that into an ordinance. Did we put that into an ordinance? >> It is. It's the first finding of the ordinance talks about council's goal is to get to a 20% exemption within four years and that was approved in 2016. >> Pool: My understanding that was aspirational, though. That wasn't a lock in. All right. So I just want do make that

and the mayor is nodding it wasn't a lock in and that it wasn't required. He was saying, no, it wasn't required. I want to make that really clear because we are setting expectations one more time that we may or may not be able to meet. And I have serious reservations about adding to our homestead exemption for fiscal '18 and I have told that to a number of folks that I've met with, including some folks who were asking me not to expand the homestead exemption because they know I've supported it in the past like interfaith. That was one of their policy goals that I disagreed with them on. It was yes on everything except for they don't support a homestead exemption and I had voted for it both years, both to establish it and then to raise it by 30% last year. And I told them this year that I didn't see a way forward, frankly, for us to be adding to that 8%. Maybe we'll find a way

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forward, but I know we have to make this decision by the end of June, and so I just wanted to signal pretty clearly both my concern that we are signaling to the community that we ever said that we were locked into 20% over four years. I didn't vote for that. I think, it was aspirational I think of -- a general agreement around the dais, at least from the mayor on that piece. And then my serious reservations as to whether we can add to it this year, not from the forecasts I've seen. >> Mayor Adler: Ms. Kitchen. >> Kitchen: I just would like some information about the senior exemptions, some additional information that you can provide us. Last year we talked in terms of identifying midmidthe dollar amount, I'm -- I'm not sure what the right technical term is but would keep us whole. >> Our thought would be to provide that with our proposed budget, what that level of -- it's hard to do before we know what the tax rate is before we know what the budget is. I can't tell you what the increase in exemption would be to achieve that goal. So with the proposed budget we would say here's what it would need to be. >> Kitchen: Okay. I appreciate that. >> The effective tax rate we wouldn't need any increase. >> Kitchen: I appreciate that. I just mention it now because it's one of the items that I would like to see as part of the budget. I think that our senior exemption, that's one area where we can actually state a dollar amount, and so it may just be me, but it's one from a policy perspective that if we're making suggestions to our city manager, is that's one that I'd like to see includ. >> We can give you the number -- we could tell you right now that based upon what we're hearing from tcad about the projected growth in senior values, you know, and then at the rollback rate there is what the increase would need to be, at the effective rate it would basically be zero. We could give you some numbers but they would just be

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hypothetical. >> Kitchen: That would be helpful right now, understanding they're not -- if you think the order of magnitude is appropriate or if you think we just need to wait. >> Well, the [indiscernible] Does not apply to senior exemption. You have the ability to do that even during budget readings in September. So you could provide us feedback now on what you'd like to see, and then you can certainly change it once the budget is proposed. >> Kitchen: Okay. >> You don't have that June deadline. I want to make that clear because we have two new councilmembers that may not know that on the senior exemption. >> Kitchen: Okay. I guess what I'm saying is I was a stronger supporter of the senior exemption last year, and we made it part of the way towards our goal but not all the way. And that is -- our goal was 85 and we made it to 825,000 and that was just to keep the seniors whole. I think that because of affordability issues and our concerns with helping people age at home, that I think it's really critical that we -- that we keep our eye on that and I would like to -- from -- just from my perspective, that's one of the areas that I'd like to see reflected in our budget so we don't have to try to add it after the fact. >> Mayor Adler: Ms. Troxclair. >> Troxclair: The -- Ed, the incremental annual savings for typical homeowner is typical median or what's the typical homeowner? >> It's the median home value as

defined by the Travis central appraisal district so does not include Williamson county but I think for fiscal year '18 that's \$278,000. >> Troxclair: Thank you for -- I know this gets really complicated so thank you for keeping all of those facts and figures in your head. The numbers that's listed

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there, is that for the additional -- for example, 1%, 2%, 3%, 4%, or is that for the total exemption? >> That's the incremental. >> Troxclair: So okay. So we can more or less multiply -- so more or less it's about \$12 for every percentage that we increase it? I guess I would be curious to have a list of what the total dollar number is. >> Right. If they're increasing it by 1% for a total of nine what would be the total savings to a typical homeowner? That kind of deal? >> Troxclair: Yes. >> We can do that for you. We can actually update the table and send it out to y'all. >> Troxclair: Okay. Yeah, I mean, I -- y'all know that I have been a -- ardent supporter of the homestead exemption ever since I ran for office. We did pass two years ago we passed a what I felt like was a commitment to voters. The ordinance says -- the first part of the ordinance that we passed says council's intent is to get to a full 20% homestead exemption within the next four years. Of course it's not a commitment or it's not binding because we can't bind future -- we can't bind ourselves to making appropriations for the next budget cycle. However, I did think that was a big signal to the community and average taxpayer that we were listening to them and that we were committing to them that we were gonna get this done. I know it's been pointed out frequently that Travis county already has this exemption and other major cities in Texas do as well. And it's something I continue to hear about from not only my constituents but people across the city. The poll last year found that 79% of austinities are in favor of a 20% homestead exemption,

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which is a pretty overwhelming amount. And I understand. I know that what councilmember Garza is gonna say and I think that we're probably just not gonna agree on this issue, but I think that it is important that we try to make this -- this a priority, this budget cycle. I know that the argument might be made it's only a small amount of savings per year but really when you add it up over multiple years it gets to be a significant number. And people feel like they're being nickelled and dimed all the time, oh, another 50 cents here and. And this was one way that I thought we were committing to those same people that we were going to -- we were going to try to offset some of that growth, some of that growth in their expenses. I think that it is possible. I know that this is going to be a difficult budget cycle. You know, we're in one of the fastest growing cities and we're having record revenues, so I -- I think that this can be done without making any cuts to public safety. I mean, thus far, I looked back at the things I've voted against this year, and there's -- it's nonpartisan stuff. It's the new vehicles every three years. It's fee waivers, it's consultants, it's cost overruns. This can be done without impacting critical city services. So to the extent that we're expressing our support -- you know, and I think that it is difficult, the timeline that we have, to adopt it before we adopt the budget, but it's -- we have to do that. From what I understand, we have to do that in order to give the appraisal district the time that they need to factor that into their -- to their appraisals, and there's just nothing that we can -- we can do about that. But we've managed to do it successfully for the past two years, even though it hasn't been up to the level

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that I -- that I would hope, and again, other cities in Travis county have managed to do it as well. So I -- I just really hope that this is something that we continue forward with this year, and even if it takes longer than four years, I think just a commitment to the average Austin -- average homeowner that

we're going to continue to address their concerns. And you know, it doesn't -- we don't even have to have the conversation about impacting renters if we don't increase the tax rate to make up for it. I mine, that's how you -- that's how you, I guess, negate that conversation from the beginning. And I'll also just add that I'm happy to work with council member kitchen on the senior exemption as well. I think that that is really important and critical tool that we can better utilize. So thank you. >> Mayor Adler: Ms. Garza? >> Garza: Yeah, I think council member troxclair and I will have to disagree. Even though I have never supported an increase to the homestead exemption, and I don't think that means we're not taking affordability serious. I think we have different philosophies and priorities on how to address, and one of mine is more of how do we help our most vulnerable populations and our low income populations, and the homestead really does nothing for either of those populations. So I won't -- I won't say what I've said before about this, and the mayor and I just get into a back and forth about whether it's Progressive or regressive. [Laughter] I am curious to know, and I'm glad to hear that council member pool is -- sounds like she is -- would possibly not support an increase to the homestead exemption. So I -- the way we've done this in the past is it's brought -- is it an ifc or is it a staff item -- a staff item that comes forward where we fill in the blank? >> I think in both years it was an item from council

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directing staff to come back with the necessary ordinances Garcia grs okay. Garcia -- >> Garza: So then, my assumption would be council member troxclair would be maybe the for sure lead sponsor on that, but I guess I'm curious to know if there are other council members that are willing to sign on to that, because the forecast right now, it will -- regardless if it's public safety, it will create some kinds of cuts somewhere, and each of our departments has, you know, said there really is nowhere to cut, and, in fact, they're being asked to cut an additional 1% across the board. So I'm really frankly excited that this might be the year that we -- we see that decisions like this put us in really tough decisions -- in tough positions. So I hope that this is the first year that we cannot add any percentage to the homestead exemption. >> Mayor Adler: Council member alter? >> Alter: Thank you. I too would definitely love to see the numbers on the senior exemption to try to understand what that potential fiscal impact is, orders of magnitude, would be helpful even if it's not super-specific. And then I had a question on the timing, because I'm uncomfortable with the idea of doing the homestead and having to decide that before we know what we would be cutting in the budget. And I wanted to understand -- I know it's in the tax code for before July 1. Is that simply a decision by the legislature or is that a function of what tcad has to do so that there's not a lot of flexibility if we wanted to, moving forward, do that. That's the first part of my question. The second part of my question is, do these other cities -- obviously they got to 20% and they're probably not going to be going backwards on that, but are

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they on the same kind of fiscal calendar where they would be having to make the decision before their budgets as we are? >> Well, it's in the state statute that July 1 you have to take your action prior to July 1, which for us is before you adopt the budget. I believe the other -- I know Houston is on a -- Houston is on a -- I believe a June 1 or July 1 fiscal year. I can't say for sure what the other jurisdictions around, but I know Houston is on a different fiscal year, either June 1 or July 1 is when their fiscal year starts. >> I believe the rest are -- San Antonio, Dallas and fort Worth are on September 30, as Austin is. >> Mayor Adler: Ms. Houston? >> (Indiscernible). >> Mayor Adler: I'm sorry? >> (Indiscernible). >> Mayor Adler: Okay. I supported the homestead exemption the last couple years because -- we won't go back and forth, I think it's regressive and I think it's giving folks -- it's really important. But when we talked about it we talked about it initially as an appropriate thing for us to do because there was space in the budget

for us to be able to do it. It was a way for us to lower rates without cutting funding of things that we otherwise wanted to be able to fund, and it served in that context as something which both lowered taxes and helped shift the burden ever so slightly from residential property to commercial property, and we just don't have a lot of tools to be able to do that, given what the legislature has done for us. I'm going to have to think about this one now because there are two conditions that have changed. One is, is that we are in a really tight budget this time, so we don't have that same cushion that we've had the last couple years in the

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same way. But second, and weighing on me really hard, is the legislature's potential that it could lower the cap from 8% to 5%, and one thing is very clear to me, that if that passes the legislature, I don't know how we could afford to do a homestead exemption this year, and one of the direct consequences of passing that kind of cap, if it were to happen, would be that funding doesn't exist for homestead exemption, which becomes, you know, one of the many reasons why I hope the legislature leaves these kind of budget decisions to local government to be able to decide. But those issues are weighing on me now, and it's certainly something that I would like to be able to do, but the circumstances for me are different than they were the last two years, and I'm going to have to really look at the numbers and play it out. Mayor pro tem? >> Tovo: I wanted to just ask for some clarification. I should remember this but I'm not. Once we set a homestead exemption, am I right in remembering that we cannot -- we cannot alter that homestead exemption? So we can't -- we don't have the ability to lower it once it's set, or is that just with the tax freeze? Which are annual decisions and which ones we set in place are -- must move forward in perpetuity? >> I'd want to look and make sure I've got the statute right on that. You're right about the tax freeze. You can't go back on that once you establish it. I do remember that, but let me go back and look at the statute. We can put that as a budget question. >> Tovo: Thanks, yeah, I should remember that but I'm just not -- okay. Thank you. >> Mayor Adler: Anything else on this one? >> Tovo: And I would say just say that I anticipate I would vote the same way as I

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did on the previous two homestead exemptions, I brought forward the resolution which was a minuscule percentage that equate to do a flat rate of 5,000 per home, and until we have the tool to do a flat rate, a flat rate homestead exemption, it's hard to imagine I'm going to -- I'm going to support a percentage-based one. And I wouldn't -- and -- I'm not anticipating that any of those circumstances will change for this year's budget. >> Let me correct myself. I said earlier that the median valued homestead used on these was 278,000. I've been corrected, it's actually \$269,264. So -- 269 is the actual median non-senior taxable value home in Travis central appraisal district portion of Austin. >> Mayor Adler: Okay. Anything else? Ms. Troxclair? >> Troxclair: The -- I guess this is for the city manager. The senate bill 2 that the mayor spoke to you, if that passes the legislature, it wouldn't go into effect following budget cycle. It would be next budget? >> That's correct. It will go into effect for fy-19. >> Troxclair: So to me, if -- if that passes it's going to be an even tighter budget cycle next -- next year, and this would be the -- of the two years, this would be -- this would be the year that would be the easiest to incorporate it. But you don't necessarily have to -- >> Mayor Adler: Well, to me, I mean, it's -- it's a use of revenue that when you decide, it stays with you as you move forward. And it's in part because of its -- its geometric impact that it would be hard to do it this year, even though it doesn't take place until

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2019, the impact of what we do this year would be magnified in 2019 and further magnified in 2020, '21, '22, and I don't -- I don't know how this city provides the services it's supposed to provide without this, if that kind of cap is imposed by the legislature, much less at this point spending down what would be incredibly limited funding for a fast-growing city like Austin, where property taxes represent only 40% of our -- of our revenue and we have other revenue sources that don't rise at that same 5% level. And as I look at the projections in the forecast, even the -- the -- missing the 5% projection gets even worse, in out front years, so the fact that we have alternate revenue sources is good in that our tax rate is a lot lower than what it would have been, but it puts that much more pressure on that property tax rate, and that's the good and the bad of having alternate revenue sources. >> I don't want to be the I told you so person at all, but as the mayor just articulated, the decisions that we make are cumulative, so I have to disagree with we could -- we could do it then because we have the money then because those are cumulative decisions, and I believe it was the first year we added the highest, which I can't remember if it was 6%, I believe, which cost the most money, while we were able to do it within our budget, I also believe we were given information that showed the money that -- that first budget we spent was the most that any

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council had ever spent. I thought we saw like a bar graph that showed us we had spent a lot more money most councils had spent additionally on top of the manager's proposed budget, I believe was that graph. So these are cumulative decisions, and I guess I would just say that we might not have such a tough decision -- and yes, we made other spending decisions, but that one was a big chunk. But anyway, I'll stop. >> Mr. Mayor? >> Mayor Adler: Yes. >> Kitchen: Just briefly, we're replaying all of our disagreements, so that's okay. [Laughter] I just have to say -- I just have to say the homestead exemption is important to a part of our population, and I don't want to get into conversations about which parts of our population it's more -- are more important than other parts of our population. I will just leave it at, you know, we had all these disagreements in the past, and this is a different year and we'll play out this discussion this year, but I just can't agree with my colleague that -- that what we did before was wrong or that there was a result of it. We just don't know. And it was very important and continues to be important too to a significant number of my constituents. And so I just think it's important that we not replay all those discussions, and I respect council member Garza's perspective. I certainly do, and I share a lot of her concerns for the constituents she's talking about. But I have other constituents also. So I'll just leave it at that. >> Mayor Adler: I guess as a postscript, sorry, I would just add that I was really proud to be part of the -- what turned out to be the -- some of the greatest increases in spending we've ever done in health & human services, because I think that provided programs, some -- most we're still

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enjoying today, the citizens. I think that was important. Some of the largest increases in spending on our parks budget still with us today. And I was happy that we were in the position to be able to do all of those things. Anything else to cover today? Then this meeting is -- this meeting is adjourned. It is 2:45.

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