

City Council Regular Meeting (Budget Reading/Tax Rate) Transcript – 9/11/2018

Title: ATXN 24/7 Recording

Channel: 6 - ATXN

Recorded On: 9/11/2018 6:00:00 AM

Original Air Date: 9/11/2018

Transcript Generated by SnapStream

=====

[10:12:42 AM]

>> Mayor Adler: All right. We're close to having everybody we need here. Who are we miss we're missing just a few people. Who are we missing? Hmm? Garza. All right. I think we're all here.

>> Houston: I'm not sure everybody --

>> Mayor Adler: I don't have any yet either. I don't think that's been handed out. All right. So it is September 11. It's 10:14. We're in the city council chambers here at city hall. Which I think is 301 west second street.

[10:14:43 AM]

We have a quorum present. This is the special called meeting for budget deliberation. Before we get into the actual budget stuff, while we're all still really happy with one another, this is mark Washington's last city council meeting with us. And I want to recognize that. You have been at the center and fulcrum of so many of the real important things that have happened in this city over the last almost decade here, and grant rapids is real fortunate to have you. It is a loss for us. You've had such a steady hand and quiet guidance, insight into municipal policy, municipal budget, but also importantly into people. That has been such an important balance and -- for all of us in the city. There are so many things happening right in this city and I think that a lot of those things fall into your step, and I just want to thank you for that. I want to thank you for the personal mentoring that you have given me over this period of time and wish you absolutely god speed and the best of luck. There is still a video somewhere of you delivering the sermon at a church that you promised you would get to me, and you have not, so I'm airing this publicly now.

[10:16:43 AM]

[Laughter] Because it was dramatic and powerful, as has been your impact on this city. Marc, thank you so much.

[Applause]

>> Flannigan: Mayor, councilmembers, I certainly want to echo those comments and even in the short six months that I've been here it has been an honor and privilege to serve with Marc in city government and there are true public servants that you see across the country and in my professional experience there are very few that rise to that level that mark Washington has shown through his experience here in Austin. I'm looking forward to having a colleague as another city manager and seeing you at conferences and learning as we continue to have the important responsibility of shepherding our residents in Grand Rapids, here in Austin forward. So thank you for your service, Marc. I look forward to continuing to work with you.

>> Mayor Adler: Yes, Pio.

>> Renteria: I also want to say thanks to Marc. You know, you did a wonderful for our 50-year fair housing anniversary that we celebrated here, and me and my wife want to thank you for all the work you did in helping us put this project together. So really I want to thank you.

>> Mayor Adler: Thank you. Ms. Houston.

>> Houston: Well, I'm going to miss you and I wish you god speed. You have been the link from this people's house to the community, and that's the broader community, and it's not just for people of African ancestry. You were gracious and went out and met with all kinds of people that needed information about how the city operates, and so I appreciate your willingness to do that.

[10:18:53 AM]

It takes a special gift in a town that is so filled with special advocates of different stripes to be able to weave that -- weave through it throughout the community like that, and so I'm going to miss you. I'm going to miss your counsel and somebody to just let me heart out to. You were the cheapest counsel I've ever had.

[Laughter] So I'm going to miss our one on ones, so god speed.

>> Casar: Mayor.

>> Mayor Adler: Yes.

>> Casar: Marc has been my spock since I started here, and I could talk about how he helped lead on fair chance hiring or paid sick days and how that's been a big benefit for working people but just for levity sake my shout ought wants to be we were 2/3 of the city olympics on the obstacle course and our team name was the struggle and the struggle continues Marc so thanks and good luck on everything you're going to do in Grand Rapids and beyond.

>> Mayor Adler: Okay. Before we move into our agenda, today is 9/11, and I know that Buford tower this morning firefighters had a ceremony to recall what happened 17 years ago, but also to remember that every day in this city first respond ebbs get up knowing that this could be a day when they have to live one of those horrific and heroic kind of days so let's just take a moment in silence to recall that and to be thankful for the folks we have defending us today.

[10:20:59 AM]

Okay. All right. That gets us to where we are, and I think we will -- we can begin by talking a little bit of process. Ed, why don't you come on up here. So one of the things we have to do first is have you lay out kind of the budget generally, where we are and so that we get kind of a base budget in front of us that can be moved so that we can be making changes to that. So in your introductory talks, what kind of things are you going to cover?

>> So the staff's presentation this morning will be a very short list. There's exactly 12 items, dozen items of cleanup and corrections we want to offer to the city manager's proposed budget that have occurred since the time we delivered that to you on August 6. I don't think there will be anything controversial or consequential in that list but I would just run you through that. Then we would offer you the proposed budget with those amendments for your consideration.

>> Mayor Adler: Okay. So after Ed does that, then it comes back to us and, manager, I want to say thank you for -- as other people have for putting us perhaps in scoring position where we can maybe even get this done today. And I think that one of the real significant new things that you've done is the amount of time that you and your staff have spent going to all of the council offices, trying to incorporate into the base budget the priorities set by the council generally in the strategic planning as well as the individual imitations you've had. I think and I hope that you've gotten us pretty close to being there. That said, I do know that there are folks that want to consider and bring up, you know, amendments and changes. So before we have Ed talk I just want to talk for a second about how I would envision doing this so we can talk about it and if y'all want to do it differently than kind of how I would set up then we can do that.

[10:23:05 AM]

The first thing is to ground rules, to know that there's nothing to stop anybody from raising anything on this dais that hasn't been raised before because we discussed that. We urged people to raise things ahead of time so we could vet them but we also recognize that that's not a rule that we have. So people will be bringing things up. Second, as we go through the budget and we make changes or amendments to whatever the base budget is, I would have us continuing with our past practice, which is to say that this is an iterative process so we could change in the third hour something that we decided in the first hour or to alter or reshape something that was decided in the first hour to be consistent with something that was decided in the third hour. So people have that kind of flexibility to be able to make things and make things happen we're going to go through the budget as we have done in the past we're not going

to be zeroing out the budget at every point in time so that people can make changes and so that it doesn't make any difference if you're going to first or fifth or 18th, whatever it is, because everything can happen cumulatively in the process so there's no advantage in being first or second or not being first or second in the process. Because everybody will get recognized to the degree that a majority is still interested in having people recognized. And we can't cut off debate as we know unless two-thirds of us want to do that so we'll keep it open for that. So it would be my intent to have the base budget put in, to add to that base budget the changes that Ed says we need to do based on his finding corrections that need to be made. Then there were two budget questions that were asked.

[10:25:07 AM]

The first budget question by councilmember Garza. There was one budget question that basically said what changes can we make in this budget that don't require to us defund something, it's monies that get moved around, some of the C.I.P. Budgets and the like that don't require a choice and don't require us to do anything that impacts the tax rate, but also not deciding to cuss something so we're not making a priority decision. I would have us then consider those things. I think there were three or four, and then I would have us vote on those things. The next thing that would happen was the -- there was another budget question that came up that concerns \$1.7 million, which I think staff recognizes at this point was money in the budget for the opening of the municipal court. That's not going to be spent. So that money is available. And associated with that, the manager was asked to identify some things that seemed to have consensus support, so then I would have us consider those things that would be -- so in the first group of things that seemed like they could go in the budget would be the recycling of city parks and attendant advocacy and the ombudsman, small business ombudsman and dsd office, that first section of things that can be handled without financial consequence. The second group associated with that 1.7 million we had a conversation about whether we wanted to spend that 1.7 million or how we wanted to spend it but at that point in time I would have us cover some things that seem to be things that people mentioned, which were the emcot, so we could decide that, the \$75,000 that was mentioned as to handling the intersection between police and emcot, trying to get those folks out earlier on calls.

[10:27:10 AM]

There was the carver master plan monies and the Gus Garcia planning monies, and then there was a life works match grant request for funding. That's a homelessness-related issue. I would have us discuss those things because I think that that will get us into the conversation about how much we're spending or not spending on an issue that seemed to have broad support. Then there are two issuing that are coming up that I think that seem to be big issues that the support may be a little bit tighter but they're kind of threshold type questions for us. One of those would be homelessness issue generally, will be there's a bucket of money being -- whether there's a bucket of money being put to that. Then the other question is the senior exemption issue. After we get those things decided, then I think we could take a look at see where we are with respect to what the will of the council was in terms of spending or not

spending or rates or not rates or what people wanted to do. And my sense is at that point we might have a better idea of whether we're going to be considering things like aid or sexual assault counselors or park maintenance or additional maintenance or money for reserves or those kinds of questions, but maybe we hold off getting to that until we get kind of down to that place. So that's how I would have us kind of generally working through this, again, recognizing that as we move through we can always double back and change or whatever. Let's go ahead and proceed then. Why don't you kick us off.

>> Good morning --

>> Mayor Adler: Hang on one second. I'm the -- Ann is telling me I need to start off with the recitations.

[10:29:10 AM]

August 22 and 30 council took a public comment about the city's proposed budget. We closed the public comment part of the budget hearing. On these dates the council also held and closed the two public hearings that the law requires for setting a tax rate. We will now conclude the hearings by discussing and voting to adopt the city's budget and the actual tax rate for fiscal year 2018-2019. So we're going to begin by considering and taking action to adopt the city's budget for fiscal year 2018-2019. We're going to begin with item number 1, which is an ordinance adopting the city's budget for fiscal year 2018-2019. So before I entertain a motion, Ed, do you want to kick us off?

>> Yes. Good morning, mayor, mayor pro tem, members of the council. It's a pleasure to be here this morning. We could not be more proud or excited or happy to offer for your consideration the proposed budget for fiscal year 2019, a budget that addresses I think many of your priorities related to homelessness, housing, health services, parks, facility maintenance at a tax rate of 4.9%. We do have a few what I think will be uncontroversial amendments to bring forward if I could get that off on the screen, the presentation you should all have copies of this at the dais as well. So the first two items are just moving positions that we have proposed in the budget from one department to another. There's a food access position that council approved last year at Austin public health. We believe at this point that position is currently vacant. We think that position would be better suited in the economic development development so we'd like to offer that, moving that PCN from one department to another. And then during our public hearings we heard from some folks about the restore rundberg community engagement specialist we're proposing in this budget and perhaps public information office would be a better location for that position than the parks and recreation department.

[10:31:16 AM]

We've talked to the staff and everybody is in agreement on that so we're offering that as an amendment to move that restore rundberg public engagement position from parks to the public engagement specialist in our public information office. The next two items both have to do with the changes to ae's power supply adjustment. We've already talked to council about this. This is the adjustment that took

the Austin energy typical ratepayer from a slight increase to a slight decrease so this is just the changes to the revenues and expenditures as a result of that power supply adjustment change. The third item on that is some conversations we've had with you about caring for -- carrying forward unexpended council budgets in the sum total amount of \$325,000. So with your approval of that amendment, that will happen and those funds will be carried forward to fiscal year 2019. The next two items just had to do with increased grant monies. We got a little bit more grant money awarded than what we had anticipate when we put the proposed budget together related to HIV and the hope grant so you can see 97,000 and 107 increases there. The next two items are additional grant funds, grants that just got left out of our proposed budget document but we know we're getting these monies so we would like you to authorize adding them to the proposed budget, 54,925 in the fleet department related to a fueling station and \$75,000 in public health for the second year they're supporting strong prenatal to age three agenda. The final three items on my list all have to do with just truing up our public improvement district revenues to the final tax roll that we received from tcad and truing up the budgets to their final budget plans. And so you can see it's changes in revenues and expenditures for the downtown P.I.D., south congress P.I.D., and finally the east sixth street P.I.D.

[10:33:16 AM]

And that concludes our dozen amendments we would like to offer to our proposed budget.

>> Mayor Adler: Okay. Is there a motion to move the budget? It would be the manager's budget as has been presented with these approximately dozen changes? Ms. Houston makes that motion. Is there a second to that motion? We're going to let councilmember Flannigan second that motion. All right. So thank you for that. Now, the next thing, Ed, I wanted to cover -- you might want to stay up here -- would be items that -- there was a budget question that came from councilmember Garza that related to things that could be added to the budget that didn't impact the budget. I think there were, like, four -- three or four items on that. Are they part of your motion?

>> Garza: Yes. It's all part of my amendment one, Garza one.

>> Mayor Adler: I'm going to divide that question. Do you want to make -- move those items, that section of those items?

>> Garza: Sure. Then they would be -- if you're looking at my sheet, it would be where it says capital, that item plus the ongoing -- the two small business ombudsperson and tenant advocacy. I thought recycling was in here. Am I miss?

>> Mayor Adler: It's in capital. I had it as the two small business persons, business ombudsman, business recycling, pool and tenant advocacy and the budget savings, municipal court.

>> Alter: And the transfer to C.I.P.

[10:35:19 AM]

>> Mayor Adler: Two ombudsman, increase in the code department for tenant advocacy and phase in recycling. It's budget question number 205. Ed, can you talk to us about -- do you want to address them first? That way we'd have Ed speak to that.

>> Garza: I guess why are we dividing the question?

>> Mayor Adler: Because I want to vote on them separately. Some I want to vote for and I'm not sure that -- well, we could consider them --

>> Kitchen: I would like to divide the question, too.

>> Mayor Adler: Okay. Let's first handle the things that don't impact the budget, which I understood, Ed, from the answer to 205, it looked like -- the question was whether the potential budget amendments have no impact on the general fund property tax rate in the budget that require us to make priority decisions or the like. The answer was two ombudsperson to development services department and increasing Austin code department support for tenant advocacy and third one was recycling in parks through the use of contractual obligations. Are those the things that are listed here under capital and under ongoing?

>> With the addition of the Garza amendment number 1 includes the transfer of \$1 million of deferred maintenance that's currently in the building services department C.I.P. To the park C.I.P. That would also -- that's correctly listed here as not having a general fund impact. It's not in the budget question response though.

>> Mayor Adler: Got you. Can you explain these four things and why they don't have an impact?

>> Sure. So the -- and I may need help from councilmembers who have been advocates for these items, but the phase-in and recycling at parks through the contractual obligations we can issue bonds. We've worked with bond counsel to come up with a plan for not only purchasing the receptacles but also having them installed as opposed to hiring temporary staff to install them and if we do it the way I just described it being all be rolled into a contractual obligation issuance.

[10:37:30 AM]

The other items related to that had to do with a recycling coordinator to oversee program, collect data and do some analysis. Our parks department has been working closely with the resource recovery department to see if there's staff with that expertise that can lend them some assistance in that arena. And so we're going to be taking that approach at least initially and then as the program unfolds we may need to come back to council and say we really do feel we need another recycling coordinator, but if we just do the cos or Kos, contractual obligations for this, and hold off on adding more staff for a recycling coordinator until the program gets rolling we don't need a general fund impact related to that. The second item on there, the transfer of the million dollars, you may recall that facility maintenance has been a big priority for the city council. It's one of your financial policies to fund it at a certain level. That level is \$6.5 million and that's what we've included in the proposed budget. This would simply take a

million dollars of that and redirect it from the building services department to the parks department, but we still would be in compliance with the policy. The policy doesn't speak to which department or fund we put it into. So that's what that would be, just a reallocation. The two small ombudspersons for small businesses would be in addition to the development services department, two new positions that would be funded through their fees. We are not going to be recommending fee adjustments at this time. Their fee schedule is complicated and we didn't feel we could get the adjustments done in time for this approval. Honestly, we don't know that by the time these positions get filled and actually start getting paid we'll see how their budget year is unfolding. We don't know we would even come back with a midyear fee amendment but there would likely be in fiscal year 2020, amongst other changes amendments to the dsd fees that would account for these two positions. Finally the item to increase Austin code support. I think that's a little misworded here.

[10:39:32 AM]

It would really be to increase the clean community fee support for the tenant advocacy funded via the ending balance. So council has already taken action to use some clean community fees to provide support to tenants who are living in substandard housing. That's been in the budget for years. This item would simply increase that by \$110,000. There's currently over a million dollars of ending balance in that fund, and so we can do that without having to adjust the fees.

>> Mayor Adler: So one element is doing some capital expenditures about the co?

>> Yes.

>> Mayor Adler: Of a certain amount. One is taking a million dollars of the money that's being marked for the maintenance budget and ear marking it for parks. One is having the small business ombudsperson happen within the department and if it requires a change in fees than that's something you'd come back to us later on. Then the last one is taking a fund whose purpose it is to provide these kinds of tenant things and saying let's not take some of the money out of that spend and spend it for that purpose.

>> Yeah. We're already doing it, just do it a little bit more. I think it's already \$350,000. This would take it up to \$460,000.

>> Mayor Adler: Okay. Out of that fund. Okay. So those four items are in front of us right now, as moved by councilmember Garza. Is there a second to those four items? Councilmember alter seconds those. Let's discuss them now. Mayor pro tem.

>> Tovo: I think I need to better understand the tenant piece. And I just distributed the amendment that I've been discussing over the last couple sessions. And it was -- it -- so I guess what is the tenant work that's contemplated here? The amendment that I just distributed for 190,000 would include eviction counseling, as well as tenant assistance with regard to legal assistance.

[10:41:40 AM]

And so it doesn't match my amount, and I think councilmember Casar had two components of what he put forward, one of which did overlap with mine and one of which did not. Again, these amounts don't match this one. So what exactly are we talking about here?

>> I can speak to what the money current in the budget is being used for and we made need assistance from yourself and councilmember Casar about what the additional amounts were for. My understanding was that it was for just an increase in what we're currently doing.

>> Tovo: And so then I think -- I think that would work as long as we expand the scope of it, of what this work is, and then I would want to amend the amount as well. It sounds as if we would have the capacity to do that within the ending balance of a million dollars.

>> Good morning, Stephanie Hayden, Austin public health. The current contract is with legal aid, and they provide us a three-tier program that Basta pretty much operates and basically they provide education, advocacy work, and then the third tier of the work is actually legal representation. So those are the kind of three types of services that they currently provide in that agreement. And so we were to amend that agreement and add the additional funding, then we would look to expand those services and negotiate with that vendor on those services. And I understand that from a memo that our office received that there are some additional, like, peer assistance work that they wanted to have done as well, and so we could enter into those conversations and discuss that as well as part of this additional funding.

>> Tovo: That's great. I think that captures some of what was described within my amendment, and then I would just want to increase the amount.

[10:43:41 AM]

Is that possible within -- I guess maybe that's an Ed question, of whether or not we could increase that amount with -- and still remain within the operating balance. It sounds as if we can.

>> The code department, I would recommend that they maintain, you know, some ending balance to -- so they can adjust to changes. It's nice when your department has an ending balance. They have about a million dollars currently. We weren't concerned about the \$100,000 reduction in it. I would want time to speak with their financial staff 23 you want to go further with that but there wasn't a concern with this small change in it.

>> Tovo: Thank you. Would eviction counseling fall within the scope of that work as well?

>> Yes, it will.

>> Tovo: Okay.

>> Yes.

>> Tovo: Then I think we just need to sort of put our heads together and figure out how much additional to add to that.

>> Mayor Adler: Would it be possible --

>> Tovo: I need to think about that for a bit.

>> Mayor Adler: Would it be possible to pass this at this level, increase the scope if it's needed to do that.

>> Tovo: And come back later with the amount, I agree. I just need -- am trying to figure out exactly what's in that so I know what I need to add but I'm happy to do the adding in a bit.

>> Casar: Mayor?

>> Mayor Adler: Mr. Flannigan and Mr. Casar.

>> Flannigan: I'm just really concerned about us down shifting into figuring out amounts of money from the dais. I really want staff to be able to answer the questions related to outcomes. We're trying to accomplish a thing, tell me how much money there needs to be. I still remain confident that the manager's base budget with the changes and corrections that have been laid out and councilmember Garza's additions related to the municipal court funds is the right way to go but I really want to remind my colleagues that I think it's prudent for us to stay focused at the strategic outcome level and I ask staff to -- as best you can be very clear and direct with me.

[10:45:41 AM]

I'll just make it about me, about what the amounts of money need to be so that we're not forced into doing math right here on the dais, which I don't think is a productive exercise.

>> Tovo: Mayor?

>> Mayor Adler: Yes.

>> Tovo: And I'd just like to remind my colleagues that the amendment I was making responds to several different resolutions that our council has passed and for which we've gotten staff reports back and I'd be happy to provide those numbers. Tenant eviction was 2018, 043-6041 and the other two are past -- let's see, 2017 100-5030, that was with regard to source using financial aid as a source of income and it also had a component to create a tenant's right education and awareness campaign for students. So there are -- we have had back and forth with staff about this and have had council action on it. So these amounts have been established prior to today.

>> Mayor Adler: At this point --

>> Casar: I think I got missed here in the cue. Aural I wanted to raise was just for the dais' sake of what I think this would cover is I think that this amount would make it so this service being provided in the community is not reduced because there's been other funding cuts, as we always know at the state and

federal level. So my understanding is that this change in the ending balance would largely just serve to provide the existing level of service our community is receiving and anything additional to that I think mayor pro tem, in conversation with the code department or the general fund, may be a good part of the conversation. I just wanted to quick in to answer that baseline question.

>> Mayor Adler: Okay. So at this point we're going to keep that money the same amount of money. Mayor pro tem, if you wanted to change the scope or if it was already covered in the scope -- I don't know if you need to change the cope at this point in the process or if it was covered.

[10:47:42 AM]

>> Tovo: I think I'll do it later.

>> Mayor Adler: Okay. We're going to keep the scope the same. We're going to keep the deal the same. Quick questions, Ed, with respect to the transfer of money, the maintenance money into this area, is staff okay with us prioritizing this? Because it takes money away from other maintenance items that would otherwise be happening in the city. Are we taking it away from something that staff thinks is a greater or more serious, more immediate challenge?

>> I've spoke with the building services director, Erik Stockton. I don't think it will be a surprise to anybody there are many maintenance needs at our city parks and it may well be that the needs at city parks when we look at how to program that \$6.5 million combined it may be it needs to be more than a million dollars that goes to parks ultimately. This basically makes the statement that at least a million dollars of that money will go to very important pard upgrades. Again, as they go through their prioritization process to look at how to program these funds it could well be that more of that total bucket of money needs to go to parks. So he didn't have any concerns with this, did not see this as being a shortcoming of his ability to manage the overall program.

>> Mayor Adler: Okay. That was my question. Not that it could possibly be more but when he got there he would really only want 500 to go to this because there was 500 of this that needed to go to a bridge that was falling down.

>> Yes.

>> Mayor Adler: So we're okay with that. Go ahead.

>> Alter: I just wanted to add to that, according to the reports we have, these are from apf, not directly from pard, there's \$700 million need assessment for repairs and renovation in the parks department and \$125 million of deferred maintenance. So just as Mr. Van eenoo said, this was meant to make a statement that at least a million dollars would be going to parks and more could go if that was determined by the process and within parks they would have the freedom to decide how that million dollars was spent on deferred maintenance as they thought was most necessary.

[10:49:43 AM]

>> Mayor Adler: Okay. Yes, councilmember troxclair.

>> Troxclair: Just a quick clarification, Ed, if you don't mind. The phase in recycling through use of contractual obligations, we are not taking something that was previously funded through the general fund and funding it through -- when you said cos, we're not taking -- will you just restate how that --

>> And I can't remember exactly what the task force recommendation on this was. There's multiple variations of the recommendations, but you could fund this just through a general fund obligation of funds to purchase all these carts. I think the projected dollar amount is about 1.1, \$1.2 million to install these I believe 800 paired trash and recycling carts. And these aren't just like the plastic carts you have at home. These are concrete structures designed to handle both recycling --

>> Troxclair: Sorry. We're not funding -- we're not taking something that we were previously funding through general -- this is a new expenditure --

>> This is not in the proposed budget in any way, shape or form currently.

>> Troxclair: Okay. Thank you.

>> Mayor Adler: Other comments on these items? I'm going to support this item, including the co. But with the acknowledgment that as we go through this, that's not -- you know, we look at priorities, this was a priority. It wasn't our highest priority. So I recognize there's going to be debate later on about whether we put additional money toward homelessness issues, which was the council's top priority. I hope we're going to be able to fund that there. If it turns out we miss on funding on that issue then this might be something I want to come back and revisit but it's certainly something that I support at this point in the process.

>> Mayor.

>> Mayor Adler: Yes.

>> I just want to clarify on this motion as it's moving forward, the way it's worded on here is to use contractual obligations, not certificates of obligation.

[10:51:44 AM]

Certificates are 30 year debt, contractals are short-term debt. Just want to be clear that's what we'd be bringing back.

>> Pool: Mayor, if I could, I wanted to also make that point. And the payback is significantly shorter, and if -- and then seven years or less. Is that right?

>> Yeah, these will be seven year debt, not only is the payback shorter but the interest rates are usually quite a bit more favorable.

>> Pool: The other thing I wanted to say 23 you're looking to possibly reducing the amount for the recycling in the parks in order to augment money going to homelessness, I think we need to be careful because these would be funded out of Kos, I don't know that the homelessness could be.

>> Mayor Adler: I don't know if that's something I would ask for later on. My hope is we fund it. Otherwise we don't have to do that.

>> Pool: I wanted to point out they're different sources of the funding.

>> Mayor Adler: Moved and seconded. We're voting now on the KO, the maintenance transfer, the tenant work, and the two ombudsmans. Moved and seconded. Those in favor please raise your hand. Ms. Houston?

>> Houston: Mm-hmm.

>> Mayor Adler: Those opposed. Those abstaining. Councilmember troxclair, are you abstaining or opposing?

>> Troxclair: I'm opposing.

>> Mayor Adler: Councilmember troxclair votes no. The others voting aye. That amendment at this point passes 10-1. Okay. Continuing on in the other pieces of this, there's a piece to -- in essence to accept into the budget the \$1.7 million that is currently designated as municipal court facility. That's money that we don't need now given what we did. Is that what that is, Ed?

>> That was an amendment that just came out last week as we were well in the budget process that the move in to municipal court is going to be delayed somewhat significantly, best case scenario is June and we are estimating \$1.7 million of lower lease expense this is year.

[10:53:45 AM]

It's one-time funds though because we are definitely going to need those monies next year after the move occurs.

>> Mayor Adler: Then the question is to pull those one-time funds back now and first let's make it undesignated into our budget. Any objection to that happening? No. Than that 1.7 is in.

>> Troxclair: I think I do object. I don't know. It's up to the dais how they want to do this, but it really -- it's easier for me to understand whether I want to vote for something if I know what the money is going to be spent on. I would rather vote it all together.

>> Mayor Adler: My thought was because different people have different reasons they want to spend the money and how we spend the money was going to be a vote controlled by majority of the people. On the dais. And it's consistent with how we have done the budgets before.

>> Troxclair: But I thought we were trying to get away from -- the point was the way that we've done it -

-

>> Mayor Adler: [Overlapping speakers] And then saying I found money and I have a way to use that money and those two things being linked. With the 1.7 is going come into the budget then the 1.7 could come into the budget. We could vote we don't want to spend it at all. The majority could say we want this to reduce the tax rate if they want to.

>> Alter: Mayor.

>> Mayor Adler: Yes.

>> Garza: I appreciate the process, but this is my amendment and it's very specific on how it's laid out. And the goal of that was -- it was to build consensus. These are -- in fact when I look at the items that -- the money found and what was replaced, I think one would probably be the emcot is one that I have voiced support for verbally. Obviously, I support all of this, but this was an effort to -- and so I move this amendment as written.

>> Mayor Adler: And you did and I divided the question. So we're going to hit that very thing, it's going to be the next thing we hit.

[10:55:47 AM]

It's not like I'm going to pull in the main seven and then say, okay, how do people want to spend that. We're going to work our way through your amendment exactly as you have offered it but we're just going to do it in pieces.

>> Troxclair: Can we take a vote on dividing the question?

>> Flannigan: Point of order, mayor, is there a procedure for us to decide as a dais if we would rather not divide the question?

>> Mayor Adler: Yes.

>> Flannigan: I'm requesting that we decide if we even want to divide the question so we can take councilmember Garza's amendment as a single package.

>> Mayor Adler: We can certainly do that.

>> Kitchen: Could I speak to this?

>> Mayor Adler: Yes.

>> Kitchen: The reason that I would like to divide the question is that, you know, I'm going to support all these things but the numbers are different than what I had expected. And so -- slightly. And so I have some questions about it. So I also don't think it's -- I'm of a mind that when we identify funds that can be used that we don't bring it as we're identifying these funds but these are the only things that they can be used for. So I -- well, I'm going to support these things. I'm concerned about some of the numbers on the amount. And so I really appreciate the -- you know, bringing this as consensus, but it's not complete consensus. So some of us have some questions about it, and so I think it's appropriate to divide the

question. Which gives us an opportunity for -- like the emcot amount is not the amount that we've been -- that some of us have been talking about. And so I want to be able to vote for all of this but I want to be able to have the opportunity to talk about the emcot amount. And if you -- if we can't divide the question, then I can't do it and I can't vote for this. Whereas I would like to be able to vote for this.

>> Mayor Adler: Councilmember Casar.

[10:57:48 AM]

>> Casar: Councilmember kitchen, I would be interesting in knowing what the number adjustment is. However, I do think we are going to land at this place and if there's consensus there I'm happy to vote to keep the question together and then have a moment for amendments to this amendment to address the amount issue. Because I'm interested in the -- and when I looked at this I wasn't aware there was any funding gap. For me, to expedite this I'm happy to vote for it to be together and amend it before we vote on it.

>> Kitchen: I object to this approach because in the past when we've identified dollar amounts that are available we've done that as a group, as opposed to bringing back a dollar amount and then saying, I'm only going to bring this dollar amount if you vote the way I want you to vote. And I know that that's -- I know that you all feel like you're not saying that. You feel like you're bringing forward a consensus, and I appreciate that. But I just -- just as a matter of -- just as a matter of process, I object to that process.

>> Mayor Adler: Jimmy and mayor pro tem.

>> Flannigan: Originally I was thinking

>> Flannigan: Originally I was thinking as keeping this a single block it doesn't bring amendments to the item itself. And furthermore, mayor, I think if it's in order for this to fail you could still bring back the reduce the budget for the muny court separately. Nothing would preclude that. So that's why I'm supporting councilmember Garza's desire to vote on this as a package because it still wouldn't preclude the ability to bring it up separately.

>> Kitchen: Well.

>> Mayor Adler: Hold on. Mayor pro tem.

>> Tovo: I am going to support dividing the question. The first couple of years I had decided to do it by package. I do think this is the way we typically go about it. And I really appreciate it.

[10:59:48 AM]

So really appreciative, councilmember Garza, of you identifying a block of funding that we can talk about spending on high priority needs. So I'm going to support dividing the question. I have distributed an

amendment or I have -- I have distributed the amendment that I've been talking about and that was the source of the resolution, which is emcot, and it has the correct amount.

>> Mayor Adler: I'm going to be voting for all these component pieces associated with this, so in this particular case for me there's not a substantive difference between dividing the question and not dividing the question. I just urge we did it that way and would still would just because in the first two years we saw what happens if we adopt a different kind of practice. Ann, and then we'll take a vote on the question.

>> Kitchen: Here's my question and the dilemma if I have now is I cannot support the emcot amount because it was not the amount that was requested. It was not the 60% of the 40% that Travis county funded. It's not a huge difference. I think that we can find the difference. I don't want to vote against these things, but I'm -- you know, if you guys -- if the group -- if the group votes to not divide the question I'm going to be forced to vote against this and I don't want the public to think or anyone on the dais to think that I don't support these things. So that's my pitch. Would really appreciate being able to take these separately.

>> Mayor Adler: So I appreciate the support in urging folks to allow the question to be divided. But Ann, I would also point out that if the subdivision is made not to divide it, you can immediately be recognized for an amendment to change that amount or someone could be recognized to strike a line item or someone could be recognized to strike the 1.7 that came from the funding source could be stricken from it by amendment.

[11:02:05 AM]

That could get us from here to there more quickly and it's not, but the question is are we going to consider this in pieces or are we going to lay it on the floor and then take individual amendments? Those of you that do choices. Yes, councilmember pool?

>> Pool: I just wanted to mention that it's possible how the mayor pro tem said that she would revisit expanding our increasing some funding on the item that we were talking about previously. That could also happen if this were to be taken as one one. That also dovetails with the mayor said on the funding. I'm agnostic. I'm happy doing it piece by piece, but also doing it as one motion.

>> Mayor Adler: As with all things, dividing it or not dividing it shouldn't result in a substantive difference in where we end up. It's always purely just a procedural thing to just get us to what will be the same place whichever way we go. I'm sorry, what?

>> [Inaudible].

>> Mayor Adler: We will as soon as we take a vote. Okay. Those of us who would like us to consider each of these items individually first as opposed to laying them out out and then making individual amendment, those who would like individual consideration, please raise your hand, mayor pro tem, me and Ann? Those opposed. We'll consider it as a group. It's laid out. Are there any amendments to the amendment from councilmember Garza? Mayor pro tem.

>> Garza: Mayor, can I speak to my -- before?

>> Mayor Adler: You can.

>> Garza: I wanted to add that this was not me finding the money and finding what would replace it, it was me asking what is it that could be replaced and it was staff that listed these things after listening to hours of our budget discussion. I want to emphasize the hour, which was the options here, was not something that I chose.

[11:04:06 AM]

It was a recommendation by staff which I think is how we thought we would move in the direction of when we're trying to find money and we're having these discussions if staff could help us in that discussion. I also wanted to say that this was an attempt to keep us at the 4.9. And I know that the emcot is not funded at what folks are supportive of, but to that extent it's my understanding councilmember alter will be making an amendment that I will consider friendly to this that will bring emcot up as well as councilmember Renteria making a friendly amendment that will add one of his priorities that I would also consider friendly that would keep us under 4.9. And that is what the goal of this package is to keep us at 4.9. And as I know we're going to have discussions on whether we add more, and if it's the will of the guys to go over 4.9, I would appreciate the ability to separate this discussion and keep us at 4.9 from the additions that will likely come later.

>> Mayor Adler: Okay. The Garza amendment is in front of us. Discussion, debate or amendments? Councilmember alter.

>> Alter: Thank you. I'd like to make a friendly amendment. I would like to redirect a total of \$481,000 from the Amanda system Renne mowvations to the following -- renovations to the following, parent support specialist, 140,000. Prime time 150,000. One victim service counselor for 85,000. Workforce development 106,000 of general fund. It's not on the sheet. But then the balance of the 212 would come from enterprise funds and then emcot \$100,000.

[11:06:06 AM]

>> Mayor Adler: It's been moved to make this amendment. Is there a second to this? Councilmember pool seconds this. Do you want to discuss it?

>> Garza: Can I accept that as friendly?

>> Mayor Adler: No. Is there objection to accepting this? I object to it right now.

>> Garza: Okay.

>> Mayor Adler: There were multiple objections. Discussion on the dais. I want to address the larger issue, the 4.9 versus the 5.9 in terms of where we're trying to get to. And I guess I have a question for Ed on this. Can you talk about what the impact is for the city of going to 4.9 or going to 5.9 in the context of what the legislature might do capping us, say, at like two and a half percent as the governor is suggesting?

>> So in terms of funding, revenue, the general property tax revenue, the difference between a 4.9% tax rate increase and a 5.9 tax rate increase is roughly five million dollars of additional revenue would generate. That tax leaf vy is what -- levee is what sets your future roll back rate for future generations. That is important because if we're captive four percent it would be nice have a a higher starting point. Four percent is going to be a harder structure for us to stay within. Having a higher starting point could help, but not if it goes to a bunch of recurring expenditures. It doesn't really help. You're increasing your base, but also committing that previous to other staffing or expenditures. So I think that strategy will how do we have ourselves, a roll back rate from a five percent threshold to four percent, it would be go to the maximum tax you can, which would be six percent and put all the money into reserves.

[11:08:07 AM]

So that way if we are capped by the state you have a little bit of a rainy day fund above the 12% but you've also increased your tax levy without going to expenditures.

>> Mayor Adler: So your recommendation would be that we go to the six percent, but with only one-time expenditures above the 4-point '99.

>> From a straight financial perspective, you're positioning yourself against the potential reduction in the revenue cap that would be the best financial thing you could do. We've been saying that since back in the the April forecast.

>> Mayor Adler: And you have been and you laid out three options for us and you laid out those questions with respect to those. And in part that compounds from year to year, right? So for that reason, colleagues, I'm going to be supporting going above the 4.9 and going up to 5.9 is what I would hope we would end up with, but I am real ready to engage in conversations about making sure that the money that we spend as go up is more tied to reserves or one-time expenditures. And for me I would spend it on one-time expenditures that track what we puts on our highest priority as part of our strategic work that we so going through changes and taking money out of Andy in order to be able to preserve a lower limit, which I hope we don't preserve, is not something that I would support. Further debate on the dais? We'll go to the mayor pro tem and then councilmember Casar.

[11:10:08 AM]

>> Tovo: I have multiple amendments that I have prepared and am in the process of distributing. So I need to ask some more specific questions. One is I'm in alignment with the mayor for the reasons he

identified and also because I think we have some really critical needs right now. I've passed out an amendment as I've been talking about. We had a gap in 440,000 with parent support specialists. It sounds like you all have been kind of working together on making this package and I need to understand how it relates to what we've been discussing. Councilmember alter, do you have I see you've distributed between prime time and parent support specialists, we've been in contact with aid and they said the gap was in parent support specialists. We referred to having mitigated the gap in their after school. So do you have information that's different from what I have? With regard to that?

>> Alter: I'm fine with putting that money into the parent support specialist if that's where it's needed versus prime time, if I understood you correctly. That's news to me. I was not aware of that. My goal was to try to make sure that we were providing the support for those aid programs.

>> Tovo: So I just distributed an amendment. It's my understanding the gap with the parent support specialist is 440,000 and that's why I was positioning my amendment in that direction. We've gotten correspondence from aisd that indicated that that's where the gap is. They also did indicate that there was a gap in after school that they were able to continue to provide the services at all the same schools with some reduction in services. We've asked the question of what that was to see if that's a gap we should try to close and haven't heard back. But it's my understanding the gap is 440 with regard to parent support specialists. So that's one question. I think I just distributed distributed -- okay.

[11:12:09 AM]

So it sounds as if you would be willing to combine those so we could meet some of the need with the parent support specialist that doesn't get us to the 440 that I'm going to recommend, but it gets us to 290.

>> Alter: Yes. And there's a limit of how much money is general fund money that's available. I'm working off of the budget Q and a 71 that has 499,000 at the bottom of the page from general fund that was otherwise budgeted for codenext. So that's where I'm getting that pot of money so that's not an unlimited amount in terms of general fund opportunities. I was going off the difference of what was not funded in this year's budget from us to them. So that is where I got my numbers from was trying to provide similar support as last year, not necessarily to make the program completely whole with their whole budget, which I think is a different target than where I was -- I was going.

>> Tovo: Yeah, they've had some increases in costs and I think that's where the difference is. And I believe we have a question in the Q and a that gave us those figures. Emcot, as I said, I distributed that. I believe that makes that program whole so I'm going to support that. I distributed -- I am also looking at the same pot of funding, which is the codenext. So -- so I think we should ask some questions about that but it was my understanding that the funds that you've identified within Amanda were just to do the upgrades to the Amanda system based on codenext.

>> Alter: So as I was trying to correct before I used the word Amanda in codenext, but it was the codenext pot that was budget in the budget before we ended codenext. Amanda comes out of dsd funds so it's just the general fund amount that's at the bottom of the page. On that.

[11:14:11 AM]

So there was -- some of that money is surprise fund money and some of it is bsrif.

>> Tovo: I'm going to hand out mine so we can begin thinking about it too. I did basically the same thing, which is to look at opportunities within the general fund that had been allocated for codenext, which we'll no longer need at least in the immediate future and so my amendment is a little bit different. It was taking half of those expenditures, but I'm supportive of using all of that 481,000 for Amanda?

>> Alter: I want to be clear it's not from Amanda.

>> Tovo: Then I guess I'm not clear on what it's clear from. It says from Amanda.

>> Mayor Adler: At some point if we're going to talk about taking money for codenext, I know that the council has asked the manager to come back to us and do a review, and to take a look at what the needs are and to come back to us with how we should proceed. And I for one would not like to take money out of the budget that was designed -- that was there even if it gets redirected to be spent in different ways in terms of reworking the land development code. I don't want the money to disappear because I think it's real important that we pick that work back up.

>> Tovo: Mayor, could councilmember alter just answer that question that I asked?

>> Alter: Can you repeat the question?

>> Tovo: The 481,000. And maybe now is the time to have that conversation, but the -- I think we were both looking at that same grouping of money. It was the Amanda system changes to upgrade -- to implement the changes for codenext.

[11:16:15 AM]

But when I said that I thought I heard councilmember alter say it wasn't the Amanda system so I just needed to understand what that was?

>> Alter: Because there's a lot of information on the answer to number 71, I am talking about the general fund amount that's at the bottom of the 499. One also could try to look at the budget stabilization reserve fund amount, but I did not go into that amount. And depending on how -- I can put this on the projector if that's helpful --

>> Tovo: I have 71. You said it's in budget question --

>> Alter: On 71 there's a total of 2,279,250,000 that's in the budget for codenext. Under that 1,287,000 is enterprise funds. 499 from the general fund and 300,000 from bsrif, which is the budget stabilization reserve fund. So there is some enhancements to Amanda that could be read as from general fund under

the communications and technology management and there's another portion of Amanda that comes from dsd revenue.

>> Mayor Adler: Did you say question 71?

>> Alter: Yes.

>> Mayor Adler: I'm looking at it now and I'm not sure I understood.

>> Alter: At the very bottom of the page there's a total.

>> Mayor Adler: 2722957.

>> Alter: Right.

>> Mayor Adler: So the money comes out of communications and technology management, comes out of planning and zoning, comes out of development services and comes out of the code department. And it comes out of the city clerk's office.

>> Alter: Right.

>> Mayor Adler: And these are all --

>> Alter: They're not all general fund. They're divided the way they say at the bottom of the funding source.

>> Mayor Adler: But the 499,000 is all of the general fund money that was being devoted to the rewrite of the land development code.

>> Alter: Yes.

>> Mayor Adler: Okay.

>> Casar: Mayor, I was next in the queue.

[11:18:19 AM]

Mayor, you called on me next after the mayor pro tem. You called on the mayor pro tem and then me.

>> Mayor Adler: Sorry.

>> Casar: That's okay. It was a little while between the first call and the second. So for me first to speak to the broader question, I do think there is real good to be done in community by us trying to address some critical needs between the 4.9 and the 5-point 5 nine. And I would think some of the things we could address in that difference. To me things like the victim services counselor I would not want to be spent with one-time money and I wouldn't want to -- I would like to vote on addressing more of the need than one, one-time funded person. These have often times been grant funded positions that have led to many of the positions that the women's commission have reported to us. From the letter for the commission for women it talks about however on over the last 15 years APD victim services has lost 10

total counselors and to date only two full-time counselors and three temporary have been added by state grants, again an unstable funding source. So I would like to have some of these conversations as separate conversations because I think they're important. I know a lot of folks on count have advocated for this, but I think one victim services counselor with the one-time funding source is not ideal and I would like to have the chance to have that conversation as its own without it being wrapped up into this. At the same time I would like to have the conversation about codenext funding without it being wrapped up into this. I was supportive of having councilmember Garza's amendments at once with the caveat to councilmember kitchen's point that I would like to fill that 100,000-dollar gap. So my preference, I don't know procedurally how we could do this, would be to just pass councilmember Garza's amendment the way it was handed out and find as an order of business because everybody has been talking about the emcot issue, find the last \$100,000 to plug that up and then we can start from there. But I think councilmember Garza's issue was an attempt at consensus I think virtually got there, just \$100,000 missing at emcot.

[11:20:20 AM]

I think we should do that. And then not talk about -- and then talk separately about parent support specialists and if we want to fund that at the full time or \$100,000 too little. Victim services counselors, if we want to make up the gap in that amount or do less. Because right now I think it's hard to have the conversation about four different things where there isn't consensus.

>> Mayor Adler: Mr. Flannigan.

>> Flannigan: I want to again thank councilmember Garza for putting this together. Mayor, to your point about the tax rate, I really struggle with I struggle with 5.9 given the larger context we're facing in the legislature. And for many years the city has operated under that premise and we keep setting it higher and the legislature keeps coming after us harder. And I for one would like to try a different tact. I feel it would be far more prudent to approve the manager's budget, to show not just the legislature, but our community that this 10-1 system is evolving in a fiscally responsible direction and it's not that everybody is going to get everything they want. And if we raise the tax rate, then the reserves, as I've said before, is where I would want to see the funds go. Ed, I have a question for you if you would come to the mic. There are other things we will be faced with if the legislature drops the tax rate or the tax cap. Ed, how much in this budget is aligned to paying tax incentives to corporations?

>> It's about \$12 million. 11 and a half, \$12 million.

>> Flannigan: And \$12 million -- if I remember correctly, the difference between 4.9 and 5.9 was about 12 millions. So \$12 million would be two to three percent impact -- if we're just playing with numbers out of thin air.

[11:22:25 AM]

I've been a fervent supporter of keeping to our agreements. When we sign an agreement we should stick to it, but I think there's an overarching premise to that, which is that the rules of the game don't change. And if the legislature is going to change the rules of the game, then I would support undoing our corporate tax incentive agreements, the ones that are currently in place, which would help address the funding gaps that it would create and I think that's something that our tax incentive partners need to understand is they spend time at the legislature as we spend time at the legislature and know that I will support councilmember Garza's efforts to keep us at 4.9 for that reason and I will be opposing any amendments that bring us over 4.9.

>> Renteria: Mayor?

>> Mayor Adler: Mr. Renteria and then back to Ms. Kitchen.

>> Renteria: I also have a friendly amendment and that's to increase the senior disabled homestead exemption by 2,500 to 88,000 and I believe that's a friendly amendment to Delia's.

>> Mayor Adler: So my hope is these are amendments that are rolling in and we're going to consider these one at the same time so we'll also consider the senior exemption issue. Ms. Kitchen and then Ms. Houston.

>> Kitchen: I have a question and then I think I have an amendment to the amendment that's in front of us because I'm not entirely clear on our process, but if I'm understanding correctly, we have an amendment in front of us from councilmember Alter and I would like to make an amendment to that amendment. I guess I'll do that first and then ask my question after that. So I would like to amend it to strike everything except the emcot amount for 100,000.

[11:24:32 AM]

And I can explain my reasoning is that I would like to deal with the emcot amount first. I have serious questions about taking dollars out of the Amanda system so I'm certainly willing to have that conversation, but I do not want the fully funding the mcot to be dependent upon us taking can dollars out of a system that we have been for many years talks about needs to improve.

>> Mayor Adler: It's going to get a little complicated on the dais because of the way we've chosen to do this year, but if I understand correctly, councilmember Kitchen's amendment is in essence saying let's go back to councilmember Garza's original amendment and add \$100,000 to emcot. Is that correct?

>> Kitchen: That's right.

>> Mayor Adler: Is there a second to the amendment to go back to the original, add \$100,000 to emcot? Councilmember Casar seconds that. Let's discuss that. Are we ready to take a vote. This is a vote to go back to councilmember Casar's amendment but adding \$100,000 to emcot. Those in favor please raise your hands? Casar, Kitchen, Flannigan --

>> Houston: Would you repeat the motion? I was talking.

>> Mayor Adler: It's a motion to go back to councilmember Garza's original amendment, but adding \$100,000 to emcot.

>> Casar: Mayor?

>> Renteria: Is that an additional amount of 100,000?

>> Mayor Adler: So it's Garza's amendment, but it would take emcot up to \$1,142,488.

>> Casar: And mayor?

>> Mayor Adler: Yes.

>> Casar: And to explain my intent, which I think is similar to councilmember kitchen's, is then we can have a separate discussion to talk about parent support specialists and a separate discussion of victim counselors.

>> Mayor Adler: We'll have a separate discussion on all of those things.

>> Casar: Instead of us debating four different things.

[11:26:35 AM]

>> Mayor Adler: That's correct. So now we're back to -- those in favor of that amendment to bring Garza's back, add the 100, please raise your hand? Councilmember pool, the mayor pro tem, me, kitchen and Casar. That's five. Those opposed raise your hand? This is Ann's amendment. This is to Ann's amendment. One, two, three, four, five, six. It's the other six on the dais.

>> Kitchen: Can I ask my question.

>> Mayor Adler: We're still discussing councilmember alter's amendment. Yes.

>> Kitchen: So I have a question I would like to talk to staff. I'd like to understand the impact of taking 481,000 out of the Amanda system. Is this something that staff agrees with. Is this something that staff agrees with? And my concern is that the Amanda system is something that we have talked about improving for quite some time. It's way beyond the land development code rewrite. We've talked in the past about the necessity for improvements to carry out the recommendations in the Zucker report so I just need to understand what we're talking about here when we're talking about taking 481,000 out of the Amanda system.

>> Mayor and council, Rodney Gonzalez with development services department. There's a blend of resources at play here so when you reference Amanda system, that is one component, but it's more than the 481,000.

>> Kitchen: Okay. The reason I'm asking the question is the amendment in front of us Cesar Chavez to redirect a total of 481,000 from the Amanda system.

>> Yes. I think there was a correction to that amendment.

>> Kitchen: Okay. What is the correction?

>> Alter: The correction is out of the pot of money it's the bottom and they can decide how to spend the rest of the money according to how they're able to spend it.

[11:28:37 AM]

There's a 499,000 at the bottom of the page that's general fund money. It's hard to tell from their chart all of the pieces. I wrote Amanda system, I was trying to figure this solution out this morning. I apologize. That was my mistake. I tried to correct it earlier. So if you look at the bottom of it, it's the 499. You can ask about where that would come from.

>> Kitchen: My question is -- it's out of dsd, right? So what exactly is the language of the amendment we're being asked to vote on and then I can characterize my question.

>> Alter: It would be to redirect a total of \$481,000 from the codenext pot of general fund money that is at the bottom of the page for item 71 in the following way.

>> Kitchen: Okay. So first I would like to not call it the codenext pot because we've already said that we are not going to proceed with codenext. So you're talking about the pot of money to be used for a land development code rewrite. Is that what we're talking about?

>> Alter: Yes. And I think maybe it's the money amount.

>> Kitchen: Am I understanding correctly?

>> Alter: Yes.

>> Kitchen: Okay. So -- and this would come out of dsd funds? Is that what I'm understanding the amendment in front of us is for? Or is it just across -- you're just saying take it out of that pot across a range of accidets. Is that the amendment in front of us?

>> Alter: Yes. And I'm looking at the adding up and I was handed the wrong number and I apologize.

>> Kitchen: That's all right. I think I'm understanding now.

>> Alter: I think it's actually going to be a 81. I was given the 1,000 for emcot later and when they went upstairs it didn't get in there. It would be from -- I'm sorry for that. It would be out of general fund in bsrfa total of 581 that would cover all of those things.

[11:30:38 AM]

>> Kitchen: Okay. So maybe my question is for Mr. Guernsey then instead. Thank you. All right. So the --

>> Mayor Adler: Manager, did you want to say something?

>> Sure. Mayor and councilmembers, I mean, one question that we have unresolved at this point is what would be needed to take the discussion of our land development code to the next level. I think I would be working with staff to work that out, but we just don't have an answer of what that resource would be.

>> Kitchen: All right. I think you actually attendanced my question. I'm going to oppose this because I think it's premature to -- and I think it's premature. I also think it ties the hands of our city manager. R. We've asked our city manager to come back to us with a process that would work for -- to propose a process that we can go forward with. I personally, and I think others have recognized the continued need to revise our land development code. We have talked about and have already passed a number of amendments to start some of that process. So to take dollars out of a bucket now that we know we're going to need before we even know exactly what we're going to need for it I think is a bad idea. I think if -- when the city manager comes back to us with the proposed approach then at that point in time if that indicates?

-- That we have some dollars that we don't need, then I will certainly look at a budget amendment, but as I had said, I think this is premature, I think it's a bad idea. It could tie our hands on how we need to proceed with changes to the land development code so I can't support it. Now, the items that are mentioned, want to support the items that are mentioned for funding.

[11:32:43 AM]

When we take those up I will be supporting those items. But I can't support reducing our land development code funding at this time.

>> Mayor Adler: I think it was Ms. Troxclair.

[Indiscernible]. She already had a chance to speak.

>> Houston: Mayor, I bring us back to Tuesday and a name by any other name is still a concept menu. So that's what we're doing now. We're robbing Peter to pay Paul. We're taking money from a department where we said they needed to have the money there so that they could improve a system of how we classify land development code issues. And we're going to use it for really good projects and people except for the victim service counselor, which I support, that already get a lot of money and have been getting a lot of money from the city of Austin for a long time. And so I don't know how we fix this, but it seems like as I keep getting amendments, I'm not sure how we get to where you want us to be because, you know, if we go to 5.9 percent or whatever, there's no way that we can mandate at this dais where that money goes. And my preference is that it all goes into reserve. But we'll spend that as well because there will be things that we will not be able to address by the -- on the manager's budget. So we've got to start thinking not about abundance, but how we are in the real world and the people whose backs this is going to come off of. And so I'm just confused about how we get to where you think we're going to be in adopting something today. You were very hopeful this morning. Your face doesn't look as hopeful.

[11:34:44 AM]

[Laughter]. We appear to the public to be the back stop for everybody else's needs. We've given parent support specialists money. They're already in our budget. Parts of them. We've given prime time money, workforce development, that's not named, but we've given a lot of money over the last three years to, quote, workforce development. We've got to try to live within our means just like we're asking the people who are paying these property taxes to live within their means.

>> Mayor Adler: Councilmember troxclair.

>> Troxclair: Thank you. And I agree with what councilmember Houston just said. I will -- Mr. Van eenoo, I wanted to clarify your conversation with the mayor earlier. Do you mind just answering kind of that same question he asked you what your financial advice would be, what the most financially responsible thing would be on this budget, whether it would be to adopt the budget at 4.9 percent or to increase it to 5.9 percent. And I understood your answer was that you would consider it responsible to increase the tax rate, but if and only if you put aside that money, that additional money that you're going to raise from taxpayers, to reserves. Is that correct?

>> That's correct. And I prefaced that all with if the state legislature caps us at something like a four percent annual revenue growth for property taxes as opposed to the current level of eight percent we're going to have some very difficult budget challenges ahead. And so that -- what you just described and what we've been talking about would best position us for that eventuality. The governor has proposed a two and a half percent cap, which I don't even know how that would work. Four percent would be an extreme challenge. I don't see how two and a half percent remotely works, not only for this city, but for others.

[11:36:45 AM]

But the only thing I would add to what you just said is that's the rationale makes sense in the context of us being capped at something well below our current eight percent.

>> Troxclair: But if the council is going to increase the tax rate to 5.9 percent and then spend that money, then --

>> Doesn't help.

>> Troxclair: Right. So I wanted to --

>> On recurring things.

>> Troxclair: Well, it doesn't -- even if you spend it on one-time things you don't have that money in reserves to help cushion you going forward. I wanted to clarify that because it seemed like then the conversation back on the dais was how we were going to spend that money. And I just wanted to make it clear that it was only your financial advice to increase it if we were going to -- if we were going to put

it into reserves. And can you tell me the difference between 4.9% and 5.9%, can you tell me what the difference is to the average taxpayer?

>> If you don't mind me rounding to the nearest dollar, it's about a ten-dollar difference. Sixty-one-dollar increase in the tax bill at a 4.9%. Seventy-one-dollar increase at 5.9% for non-seniors.

>> Troxclair: Okay. And last legislative session. I think we've had this conversation three -- yeah, three years in a row that the council makes the decision to go to a high tax rate because they feel like the legislature might cap them, and here we are a few years later and the residents of Austin have had to endure higher taxes. The legislature has not capped the tax rate and we also haven't put that money in reserves. Which was kind of the rationale used at that time. I want to reiterate what councilmember Flannigan was trying to get to earlier is that the city of Austin last year when the legislation was going to pass, that revenue cap, the city of Austin was only I think one of only two municipalities in the whole state that would it would even have applied to.

[11:38:48 AM]

We're one of the only taxing jurisdictions that are going over a four percent -- a five percent tax increase year over year. And that number changed last legislative session of where exactly that cap was going to be. So it's no secret even though other cities in tml opposed it, they were all living more or less within their means. It's the city of Austin that it actually would have affected. So in order to show the legislature that they don't need to pass that revenue cap and they don't need to do something that would affect the city, the right thing to do is to show them that you're listening, that the state cares about taxpayers and the amount of money that they're having to fork over every single year regardless of where it's going and the city of Austin is certainly a part of that. So adopting it at a lower tax rate I think would send the right message and would not only help the residents who live here, but also the legislature see that we hear and we understand. So I would just -- all that to say I really would urge the council -- I'm excited that we're even having the conversation of 4.9 verse 5.9% because in the past it's been eight percent. Truly I think that's a step in the right direction and I really appreciate my council colleagues for at least taking that step forward. And I just urge us as we're kind of going into the home stretch here to either stick to the 4.9% or if you're going to go before positive, really put that in reserves and put the city in the best financial position that you can going forward.

>> Mayor Adler: Okay. The amendment in front of us is to adopt the alter amendment, which takes \$481,000 out of general fund, designated for land development code, and puts it into these items. Councilmember Garza and then the mayor pro tem and we'll come back to this side.

[11:40:48 AM]

>> Garza: Just for discussion purposes of this amendment, as I stated in work session, I do not plan to support any additions above 4.9 and I think that this was an amendment to keep us at 4.9. And in fact,

when the discussion was happening at work session I know that I thought about we can't fund emcot at 4.9 but we've been able to find a way to do that here. And this motion allows us to get to that full amount. I understand concerns about where that's coming from, but this is an option to keep us at 4.9 and fund things that are really important to many of us, and that's why I'm supporting it. If these things are brought individually, I regret being in the decision -- in the position to have to pick winners and loses, but I will not be supporting them individually unless, unless it does not go over 4.9. I wanted to reemphasize this is an opportunity to fund these things without going over 4.9. I'm concerned about a bond package and asking voters one way or the other when it comes to that, if we also are raising the tax rate. And so I guess I would hope if this fails and somebody puts forward a motion to do parent support specialists, and I have to vote no because I said I will not support additional, that the prevailing side will consider reconsidering this at the end if we're in a position where we haven't been able to pass any of these -- if we haven't been able to pass this or individual ones, I would hope that one of the -- someone on the prevailing side would bring this back up so that we can fund these things.

[11:42:50 AM]

>> Mayor Adler: I have a question too about the dollars. Was the intent to pay for these five things out of the general fund allotment on 71?

>> Alter: Yes, it would be out of the general fund and the bsrf. It adds up to 581. I tried to correct that before. We're trying to do too many things this morning with too many changing things. So it adds up to 581 and that was a mistake.

>> Mayor Adler: So --

[multiple voices]

>> It would be from the budget stabilization fund and the general fund and those would be one time funds because that's that they are.

>> Mayor Adler: So you're taking 499 out of the general fund and you're taking \$82,000 out of the stabilization fund. Is that correct?

>> Alter: Yes. And that, unfortunately, is not ongoing funding for the victims services but it does get you --

>> Mayor Adler: Okay.

>> Alter: -- Additional people there.

>> Mayor Adler: Mayor pro tem was next.

>> Tovo: Let me just note that I think -- I mean, one of the reasons I supported breaking the question down is that we now have amendments embedded in amendments embedded in amendments, and it's beyond confusing, and I think more complicated than it needs to be. I have some questions about codenext. I'm going to need to drill down into that, that pot of funding for a bit here in the midst of this conversation. You know, as I see this, I mean, I understand the conversation we're having and that we're

asked -- we have tasked the city manager to come back to us with a process and so there will need to be -- we will need to expend money on that land development code process once we figure out what that is. I see the reductions in this area of the budget in the same way I see the reduction in the areas of the budget related to the municipal court that we are contemplating in the umbrella amendment that we're now -- that's -- the umbrella to the amendments we're now considering.

[11:44:52 AM]

You know, if we're not ready to spend that money we may as well put it to use in other ways. So that's one of the reasons why I'm supportive and also have been looking at that for some possibilities of funding. As I see it, and I guess this is a question for our staff, the budget -- the budget stabilization reserve funds that have been contemplated for codenext were -- it's described in question 71 as one-time capital funding for the land development code revision -- can I ask somebody prepared to talk about this to please come answer questions? The answer to number 71 talks about it as one-time capital funding. I think in our conversations with staff and working with the budget on page 54 of the budget itself it talks about 300,000 in one-time funding to expend the consultant's contract. That's the same 300,000, right?

>> Yes.

>> So that 300,000 to extend the consultant's contract was specifically for codenext and it was being funded out of the budget stabilization reserve?

>> That's correct.

>> Tovo: Then my staff asked a question of somebody, whether or not that involved -- whether any piece of that contract was being used to do the calibration work for the affordable housing density bonus program, which we have, you know, directed you all to continue forward with. It's my understanding this contract piece has nothing to do with the -- has nothing to do with the calibration. Is that right?

>> Yes. Prospective, that is correct.

>> Tovo: Okay. I think holding off on funding that 300,000 from the budget stabilization reserve is appropriate. We're not ready to spend it. We don't know what that process is like. I think that 300,000 should be available. And then with regard to the rest of it, the 499,000, so a piece of that is coming from the city clerk, which was one-time funding for updates and rewrites of criteria manuals.

[11:46:55 AM]

Those can only be done once the council has voted on a new land development code, right?

>> That's correct. There are things that are still occurring as part of continuation of the mobility portion of our 2023 plan. This is strategic direction plan. So there are things that would continue that were in parallel with codenext. The mobility plan for the city. So those things still may be associated with that because that was also a part of codenext, was funding the mobility plan, and that is currently still part of existing capital funds that have not been entirely used up yet.

>> Tovo: I'm sorry, Mr. Again circulation I really didn't understand that answer. It sounds as if we were bringing on additional staff this year for the codenext piece. We've been working on those other plans all along, so I assume that there are staff who have been working to do that.

>> We have. Part of this when we're talking about criteria manuals that work would still need to be done in association with that mobility plan funded under the umbrella of codenext. So there are still tasks that need to be done. The 300,000 you see under planning and zoning that helped pay for some of the consultant trips and finishing up the documents. Whatever the code rewrite that comes forward after first reading there may need to be changes to the documents. Documents may need to be updated. Those might also have that affect later on to some of the criteria manuals that are being worked on. All of that was kind of wrapped up in that. First reading and second reading, changes from second reading to third reading, document changes, changes to criteria meetings.

>> Tovo: But that's all -- we're not inmeshed in that process right now.

[11:48:59 AM]

>> No.

>> Tovo: [Indiscernible]

[Overlapping speakers] It seems to me for quite a long time probably.

>> Well, certainly I think the suggestion is it wouldn't be funded this coming fiscal year.

>> Tovo: Yes.

>> We'd be looking at the following fiscal year.

>> Tovo: So I resolved that 300,000. It sounds very appropriate to not fund now and use that money for other things. I'm trying to address some of the things I heard down the dais about the other general fund expenditures that are included within here. So if we could just talk about one at a time I think that would be good. So the city clerk, again, for funding of updates and rewrite of criteria manuals, I think I heard you say there's still that work that needs to go on associated with the other plans. However I'm assuming we already have staff doing that work and this was additional capacity to handle the extra workload of the land development code.

>> I think I'll let the city clerk answer that.

>> Tovo: Thanks.

>> The 120,000 in the city clerk's budget is strictly for services with our code vendor to actually publish the new criteria manuals online and to make print copies available. And so it has nothing to do with the actual development of the criteria manuals but rather the publication of those manuals.

>> Tovo: But those manuals are the manuals that correspond to a new land development code?

>> They would correspond to any new criteria manual or any major revision to the existing criteria manuals that we currently publish. So if there are other things going on with the mobility, et cetera, that I'm not part of, that would come to our office for publication, we would not have funding to publish those without those funds.

>> Tovo: Thanks. So Mr. Guernsey, this gets back to what you were just talking about. What is the time line for criteria manual changes that correspond to the non-codenext, non-land development code things that you were just describing?

[11:51:09 AM]

>> Well, the transportation criteria manual is part of -- supports the land development code or the rewrite of the new. That work is still being done. I'd have to ask transportation department when they expect that criteria manual to be completed. I think that work is underway. The mobility plan in the criteria plan will probably come out in this coming fy19 year but the specifics I'd have to ask transportation staff.

>> Tovo: I think it would be good to circle back around to. It seems to me that probably -- at a minimum it seems to me we might be able to reduce that in half if do half year if we're not ready to make those revisions to the criteria manual then it's not going to hit the clerk can be if that process is ongoing it's not going to hit the clerk's office for a while yet so it would seem to me at least a part of that amount can be used. And then the other piece I wanted to talk about was the ctm, the ctm work. And these were enhancements to gis and Amanda and, again, I think the assumption is -- I mean, let me just say all of these were returned to us as funding included in the budget for codenext, not for kind of other criteria manual updates, which is I think why all of us were -- not all of us but several of us looking closely at it assumed it was directly in response to the work that has now been paused. So the ctm ongoing funding for one position, contractors, et cetera to support enhancements to Amanda and gis, will that go forward before land development -- will any of that work be going forward before a land development code revision is completed?

>> All the funding identified that you've just listed is all in support of the codenext or the land development changes.

[11:53:12 AM]

So we can't do any of the enhancements until we know what the changes are.

>> Tovo: Okay. Thank you. So it would seem to me, too, that the general fund allocation that's part of the ctm is also not going to be needed in the immediate future and can also be reduced.

>> Kitchen: Mr. Mayor, I have a --

>> Tovo: I concur and it would seem to me just based on that that we have 301 funds from budget stabilization otherwise allocated in the proposed budget that could be reallocated and 499 from Amanda.

>> Mayor Adler: Councilmember kitchen.

>> Kitchen: I want to make sure I'm following you, mayor pro tem. So, you know, you were not counting in that the transportation, correct? Because you know the transportation involved, I thought, the changes to the as&p, also the traffic impact fee, all of which we -- I am hopeful we're not going to be waiting until next year on. So of course, you know, I don't know exactly what the timing is, so can you repeat what you said that made you conclude that you thought that we weren't going to need these dollars this year?

>> Tovo: Sure. I'm a little confused on that point and I think that was one thing that director Guernsey said they were going to touch base with time line with the transportation staff.

>> Kitchen: Okay.

>> Tovo: As I see it, the -- I think the maximum that I see in this budget -- if I'm looking at 71 is 300,000 in one-time refunds a consultant. That seems fine. And then 499 includes something like 438 from the ctm budget general fund expenditures and 60 from the city clerk. I think the only part where we need to circle around back to is whether that 60 for the city clerk is needed for the updating the criteria manuals to respond to the transportation.

[11:55:17 AM]

But it seems to me that we probably at least could save on half of that if the work is still ongoing. It's not going to -- it sounds like it's not going to be reaching the city clerk.

>> Mayor Adler: Hold on. Let other people get a chance to talk other than just the two of you. Do you have information for us?

>> Kitchen: [Off mic]

>> Mayor Adler: I understand. We'll give you a chance to do that but other people get to have a chance to.

>> Tovo: I think we're having a colloquy.

>> Kitchen: Let me finish with my question.

>> Mayor Adler: No, no. You had a 10-minute conversation the two of you. Other people get a chance to speak. Do you have something for us?

>> Yeah. Good morning, mayor and council.

[Laughter] Joe, city manager's office. I strictly want to reiterate what the city manager indicated, that earlier this year, the city council halted the codenext process. The codenext process was kind of an umbrella for a lot of things moving forward and of course the city manager has been requested to bring back a new process to implement land development code revisions. In essence the money you see here represents in part funds to help implement any portion of a new process that will come forward next year. And so in essence if we redirect this money it will severely limit our ability to implement any of that new process. Also, there are additional land development code or actually administrative and criteria manual changes. For example, with the drainage criteria manual at last 14. I know a lot of you are very aware of upcoming ordinance changes that staff is recommending and administrative criteria manual changes. So things like that the city clerk would need those funds to implement and, again, regardless of whether or not we do a comprehensive land development code change, we can anticipate some ordinance changes, and criteria manual changes moving forward next year and certainly these funds would help to implement those changes.

[11:57:23 AM]

>> Casar: Mayor.

>> Mayor Adler: Mr. Casar.

>> Casar: And to that point, I just want to -- I try to keep up with some of the back and forth on very specific items but I would really want to hear from the manager or whoever is best to answer on behalf of the whole operation of the city of how much of this codenext money is like the municipal court lease and something we thought we were going to spend but we could move and how much of this should we leave in if we don't want to kneecap the process that we passed by I think unanimous resolution to come up with a better way of doing this? I just very clearly how much do we think -- I know there's not a science to it but you put together this budget before we passed that resolution, and so given the state of things how much is the muni court lease that can be extent how much if we spent it would we be potentially undermining the process we've directed to you?

>> Mayor, council, I mean, it's certainly difficult to answer that without knowing exactly how we might be moving forward. I think that, you know, there's a reason that we didn't touch this, if you will, in the proposed budget. There were some resources for ongoing consulting fees and other ways that we would want to engage with other resources, both within the city and externally, to make sure that that was being facilitated in the right way. So I would look at that kind of 150, \$300,000 range of of what we had in this budget stabilization reserve fund but, again, it's really -- I will work within the allocation that I'm given but it's hard to say exactly that would be needed at this point in time.

>> Mayor Adler: Any further discussion where is we -- before we vote on this amendment?

>> Since there was some confusion in the past that I just want to reiterate what the amendment is so that nobody is confused.

>> Mayor Adler: Okay.

>> Alter: So it would be redirecting a total of 581,000 from the general fund in the defiance -- bsrp on the bottom of page 71 and for now I'll leave it as I had it and we can have later conversation as we get more information about aid, parent support specialist, 140,000, prime time, 150,000, one victim service counselor 85,000, workforce development 106,000 from this money, 212,000 from enterprise, emcot \$100,000.

[11:59:46 AM]

I have one last final question if I might ask the ctm folks, was any of that general fund money ongoing? It was not clear from the sheet on page 71.

>> So the only ongoing funding would be the fte portion.

>> Alter: Which was for how much money.

>> \$118,622.

>> Alter: Okay.

>> Mayor Adler: That was the money that was for --

>> For an fte.

>> Mayor Adler: For an fte associated with the land development code.

>> I'm sorry, mayor? I didn't hear you.

>> Mayor Adler: The fte was associated with what was -- in answer of question 71. So that was -- of the money that was set aside for the land development code work next year, part of it was recurring?

>> Correct.

>> Mayor Adler: That was the 118 that you're talking about?

>> That's correct, mayor.

>> Mayor Adler: Alison, I didn't understand on the workforce development it was \$106,000 that came from the general fund or the stabilization fund? And then did you say something about enterprise fund?

>> Alter: It's my understanding that if we have the general fund portion, that one-third has to come from general fund and two-thirds comes from enterprise.

>> Mayor Adler: One-third comes from?

>> Alter: From general fund and two-thirds comes from enterprise was the formula that we used. Same thing we did last year with when we had that money in there for workforce development.

>> Mayor Adler: Does your amendment include designating \$212,000 out of an enterprise fund?

>> Alter: Yes.

>> Mayor Adler: Okay.

>> Alter: The same way they do the calculations.

>> Mayor Adler: But I just hadn't seen that on the amendment.

>> Alter: I understand. We were trying to put this together too quickly and that was my fault.

>> Mayor Adler: That's okay. The 200 -- which enterprise fund does this come from?

[12:01:49 PM]

>> Alter: EdD has a formula. Ed, if you want to speak to that.

>> Speaking about the workforce development program.

>> Alter: Yeah.

>> Mayor Adler: But where does the 212 come from? Is that -- that's 212 that's in the budget right now that's being redirected?

>> I'm not clear on where the -- I haven't seen the 212,000. It's not in what I received for councilmember alter's motion.

>> Mayor Adler: This amendment as it was offered only has \$106,000. This amendment has \$581,000 being redirected from the \$800,000 on answer to 71.

>> Yep.

>> Mayor Adler: Doesn't designate how much comes from which or the other. Total of 581 coming from the -- from one of those two categories to do these five things. That's what the amendment is. So we can deal later with an enterprise transfer if there's one to be dealt with, but this is to redirect 581 -- the amendment was to redirect \$581,000 from those two sources of money for these five things. That's what's in front of us now. Further discussion? Mayor pro tem.

>> Tovo: I'm sorry that I'm going to need to clarify what amount is coming from budget stabilization and what amount is coming from general fund and then I want to address the parent support specialist.

>> Alter: So I would be comfortable letting the city manager decide the balance across the two over which portion. I don't have a strong preference on that.

>> Mayor Adler: Then that's how I --

>> Alter: One option would be, though, if we wanted to make the victims services counselor, now that we have clarity there's an ongoing position, that could be from general funds and be ongoing from that. Bucket. But otherwise I'm open to that being determined by the city manager as to which buckets it would be.

>> Mayor Adler: So to be clear, the base amendment just has the 581 --

>> Tovo: The redirection, okay.

>> Mayor Adler: The 581 comes out of those two things and staff has the prerogative to figure out what comes from where.

[12:03:54 PM]

>> Tovo: I want to address again the aid amounts. I'm looking back, and, again, I think I understand that your office was not in communication with aid on these pieces, councilmember alter? I'm just looking -- I just want to be sure that we're working with the most recent information. I have a letter dated August 31 from the chief of staff, and I'll just trailhead. Aisd does still have a gap, most notably in psss, parent teacher support specialists, about 440,000 due to required increases, the decrease in funding from the city, and that the district district was not able to fund the cost of living increase for this program. For after school the city provided 950,000 last year and about 725,000 this upcoming year. While there is a gap we were able to absorb it without decreasing the number of schools but we did have to slightly decrease the amount of service those schools could provide for after school. I think the way I would suggest we handle it is to combine the money and not describe its excuse just designate it for -- use and just designate it for parent support specialist after school. It sounds to me like aisd regards the gap in the parent teacher support specialist so that would be -- I mean, that is the substance of the amendment I was prepared to make.

>> Alter: I'm concerned about the prime time being whole. It does sound like they decreased it, the after school.

>> Tovo: They did. Again, we're trying to work with the information we're getting from aid, and. . .

>> Houston: Mayor.

>> Mayor Adler: Wait, wait, wait a second. So right now it has 140 and 150. Mayor pro tem is suggesting --

>> Tovo: I'm going to suggest combining them and asking aid to fund what they see as the highest need within that.

>> Alter: So could you clarify if the pss money is money for them to expand or I was trying to make them whole from last year, not funding an expansion of the program.

[12:06:00 PM]

>> Tovo: As I understand it, based on my communications with them, the gap has increased. One, with you put in less money this year than last year in both of those programs and because there was a cost of

living increase, the money we provided them with last year goes less far this year. And so it's my understanding that to keep the parent-teacher support specialist whole would require 440,000. It's not an expansion, as I understand it. We can try to clarify through the day but that's the information we've been operating under. And I know Mr. Van eenoo, in our first meeting when I asked -- when I asked him to talk about those two programs and how it compared to the funding we provided last year, you know, a certain amount -- as I'm recalling, a certain amount of it was recurring and is in the budget at the same amount and then because we funded a piece of it through one-time funds last year it's that piece that went away in the city manager's proposed budget to the tune of about \$300,000? Am I remembering correctly, Mr. Van eenoo.

>> Yeah total of \$290,000, \$140,000 reduction in the parent support specialist program and 150,000 reduction in the prime time after school program.

>> Houston: We can't hear you. I'm sorry.

>> I am sorry.

>> Houston: That's okay.

>> The total reduction -- or total amount of the aid funding that was one-time in the fiscal year 18 budget was \$290,000. Just like it's laid out in councilmember alter's motion, 140,000 parent support specialist, \$150,000 for the prime time after school program were approved by council in the '18 budget as one-time funding. So they are not in the if your 19 budget.

>> Tovo: I think one thing that happened was they had a cost of living increase so they can't -- they're not able to fund -- I mean, if we stick with those numbers, there probably will be a reduction I would expect in the parent teacher support specialist program.

[12:08:03 PM]

>> Alter: I guess the -- for me, I -- I'm still concerned about not -- I'm not trying to help them increase everything over time. I'm trying to be whole from last year. They are going to always prioritize the staffing over the after school programs and so I'm concerned about that. Perhaps we could for the purposes of moving forward and making sure there's money to support aid we could have that money be there to support these types of programs and we can over the course of the day get some greater clarity. But I do want to be clear, my goal is not to be the stopgap for every government entity in town. So I was trying to put it up at the same level that we had provided last year, it was my understanding that prime time had always been set up as a partnership with the city. So that was my goal in that. If it allows you to vote for this, I would be comfortable in making it a pot of money combined and we can provide that specificity later in the day. I am concerned that we get this in the budget and I know that there are several of my colleagues, myself included, who are very much interested in sticking at the 4.9, so that would be my approach to that if you're

[indiscernible].

>> Houston: Mayor.

>> Mayor Adler: Mayor pro tem, so right now the amendment as it sits has 140 for 150 for the other one. Does anybody have any objection to combining those two at this point? Hearing none, those two items are combined. This is 290 right now for those two programs. Further discussion on the alter amendment? Ms. Kitchen.

>> Kitchen: Okay. So -- and I don't know what I can do procedurally exactly, so you'll have to tell me. I guess the first thing I would ask is can we divide this question?

[12:10:07 PM]

>> Mayor Adler: We could divide the amendment at this point, which has five components.

>> Kitchen: Okay.

>> Mayor Adler: And I would let that happen in absence of someone coming in and asking for a vote of the dais otherwise.

>> Kitchen: It has six components, six components.

>> Mayor Adler: Six components, that's correct. There are six components. Versus taking \$581,000 and redirecting it and then there are five expenditures.

>> Kitchen: Right. So I would like to divide the question.

>> Mayor Adler: Okay. You ready to take a vote? Anyone want to take a vote on whether we should divide the question? Councilmember Garza objects to the dividing of the question. Let's take a vote. Those in favor -- anyone want to discuss dividing before we take a vote. Those in favor of dividing the question please raise your hands. Pool, mayor pro tem, me, kitchen, Casar. Those opposed. It does not pass 6-5.

>> Kitchen: Okay. I have another amendment.

>> Mayor Adler: Now we'll go to mayor pro tem and come back to you.

>> Kitchen: Okay.

>> Tovo: I think I would suggest in future years if we're going to do packages of this sort that we kind of agree on it in advance because it was somewhat tedious to use the forms that the staff had provided to us and to try to lay out our thinking in those ways, and it was my understanding that was the way we were operating here today. So that this is just requiring a significant amount of prework and work now that's -- that's not as productive as it could have been.

>> Mayor Adler: Okay. Let's take a vote on the amendment --

>> Kitchen: I have another amendment.

>> Mayor Adler: Go ahead.

>> Kitchen: And I have the same concern that the mayor pro tem just raised. So my amendment, because I think the fundamental issue that's happening among. Us all is whether we're going to to 4.9 or 5.9. So I would like to amend this. I'm trying to think of how to do the amendment. But I would like to add to it an amendment that we -- that we move to the 5.9%.

[12:12:16 PM]

So I'm going to add that as a seventh item to this.

>> Mayor Adler: Okay. I don't think that works.

>> Kitchen: Okay.

>> Mayor Adler: Right now we have these five things so you can amend these five things. I think we'll still take a vote on whether we go to 5.9 or 4.9.

>> Kitchen: Okay. Here's what I would like to do --

>> Mayor Adler: Or anyplace in between.

>> Kitchen: I understand procedurally it doesn't work for this. After this I'll want to make an happening to go to 5.9 because what is happening is people are wanting to vote on a package and I understand that desire but I cannot -- I want to support these things but I cannot know if I can until I know whether we're going to 5.9. So I object to voting on packages like that, but if the majority of the dais is going to insist and not honor our request to divvy it up -- to divide the question, then I'll just have to vote no and then I'm going to make a motion that we go to the 5.9% so we can settle that and understand what we're working with.

>> Mayor Adler: Okay. Further discussion? Let's vote on the alter amendment. Those in favor of the alter amendment to the Garza amendment please raise your hand. This is the alter amendment to the Garza amendment. Garza amendment was what was passed at the very beginning of the day. This adds additional money and additional -- identifies additional funds and additional places those funds are being spent. Those in favor of the alter amendment please raise your hand. It is alter, Flannigan, mayor pro tem, Garza, and pool. Those opposed please raise your hand. It is the other six people on the dais. It does not pass. Continuing on, we're at the Garza amendment in front of us.

[12:14:19 PM]

Any further discussion on the Garza amendment?

>> Casar: Mayor.

>> Mayor Adler: This by the way is -- I think we voted on the first part of this already. So this is now dealing with the one-time expenses as shown on her page. There are six things listed. Mr. Casar.

>> Casar: Mayor, I would like to now go back to taking \$100,000 from that pot to restore emcot to its place so that way we can vote on this package and then go back and vote to do aid and other things by a better path.

>> Mayor Adler: Mr. Casar moves to amend this to increase the emcot funding by \$100,000.

>> Casar: And with no tax impact because I ask for it to come from the same pot of money --

>> Mayor Adler: From the same source.

>> Troxclair: Didn't we already vote on this?

>> Casar: Under our procedure we said we would be able to do these things based on how previous votes went.

>> Mayor Adler: Okay. Any discussion? Ms. Kitchen.

>> Kitchen: At this point if it's -- I would like to suggest that instead of identifying where the hundred thousand comes from I would like to suggest that we just vote on the hundred thousand for emcot at the end of the day when we know how much money we have to work with. We'll be able to know if we need to identify another pot.

>> Casar: That's fine with me.

>> Mayor Adler: Mr. Casar, what's your amendment?

>> Casar: I'm going to amend councilmember Garza's motion to add a hundred thousand dollars and with the commitment that -- I'm just trying to figure out how to get six votes on this thing and move forward on the other big votes. So I actually don't care. I just want to -- if what we would like to do is fund emcot and other things and have other votes, I just want to get us through this.

[12:16:20 PM]

That's my amendment.

[Laughter]

>> Mayor Adler: So I don't know whether you have six votes but my suggestion to you is that you make it revenue neutral at this point.

>> Casar: That's right, a hundred thousand dollars neutral thing that we can then go and replace if people could just know that we're going to deal with it later.

>> Mayor Adler: Okay. Is there a second to the motion to add a hundred thousand dollars to emcot taking it then out of this or some other pot so it remains revenue neutral.

>> Casar: In a way that does not impact the tax rate.

>> Mayor Adler: Ms. Houston.

>> Houston: Thank you, mayor, before I can vote for that I'll need to know where that's coming from.

>> Mayor Adler: It came from the same --

>> Casar: Same bucket as councilmember alter's for now.

>> Mayor Adler: It comes out of the 580 -- it comes out of the \$800,000 identified in answer to question 71, land development code money somewhere.

>> Houston: I won't be able to accept that.

>> Mayor Adler: Okay. Councilmember Garza.

>> Garza: I guess I would ask if we can just vote on mine and then that could come after that.

>> Mayor Adler: Okay. We have an amendment -- yes, go ahead.

>> It would be helpful Mr. Casar's motion for emcot included it as one-time funding it would be helpful to staff if we knew there's a vote on councilmember Casar's amendment if it was 100,000 of one-time or ongoing.

>> Casar: Sure. Let me step back and restate my amendment. My amendment is \$100,000 of the one-time money from councilmember alter's bucket to fund the emcot thing and the reason being we could go and refund this Amanda stuff from somewhere else in the process and the manager said that there's -- 150 and \$300,000 that wouldn't potentially kneecap moving forward process but more than that seems to be going into a danger zone.

>> Mayor Adler: Mr. Casar makes an amendment to add \$100,000 to emcot money.

[12:18:23 PM]

Is there a second to that? Mayor pro tem seconds that. Any discussion? Let's take a vote. Those in favor to the Casar amendment please raise your hand. Casar, kitchen, mayor pro tem, me, pool. Those opposed raise your hand. It is the balance of the dais. That does not pass. We're back to the Garza amendment. Any further discussion? Flour.

>> Renteria: Mayor.

>> Mayor Adler: Councilmember kitchen, Mr. Renteria.

>> Renteria: I thought we were -- there was a friendly amendment for 2,500 increase to the senior exemption.

>> Mayor Adler: Okay. Mr. Renteria has his amendment, which is his amendment number 1, which is to add a senior exemption at the 800 -- the 88,000 level.

>> Renteria: Mayor, the reason I'm posing that amount is it was just -- it would take us up to 4.97 on the tax rate. So we're not going over 5%.

>> Mayor Adler: Okay. So Mr. Renteria's does not have a corresponding funding stream but would take the tax rate up to 4.97. Is there a second to that amendment? Councilmember kitchen seconds that. Any further discussion? Those in favor of the senior exemption please raise your hand. Those opposed. That amendment is unanimous on the dais. The Garza amendment has been included to include that. Councilmember kitchen.

>> Kitchen: I have another amendment. I would like to increase the funding for the homeless bucket at this point, and I would like to increase it to 3 million.

>> Mayor Adler: Okay. There's an amendment to increase homeless funding up to a \$3 million number.

[12:20:27 PM]

Is there a second to that motion? Mayor pro tem seconds that motion.

>> Houston: Mayor, was that passed out and I just didn't get it?

>> Kitchen: I got it right here.

>> Tovo: I think I passed one out as well.

>> Kitchen: Did you pass it out?

>> Tovo: Let me see.

>> Mayor Adler: It's pretty simple, just adds another line item for homelessness at \$3 million.

>> Tovo: So I didn't print mine out.

>> Houston: Just trying to be consistent mayor.

>> Mayor Adler: That's fine. No, no. It's been moved and seconded.

>> Tovo: Number 5 on mine with a different amount. And then councilmember kitchen, I think you had some updated language.

>> Kitchen: Yeah. I just passed out the updated language. Mayor pro tem, should I go over it or --

>> Mayor Adler: It's been moved and seconded. You can speak to it.

>> Kitchen: Okay. So I think our language is -- so on the 3 million that I passed out that my amendment is, there's some direction in the language, and the direction is to ask the staff working with stakeholders to work out a -- an approach to using those funds in a way that's most effective and in line with our plan. There are four general areas that we've talked about the group considering. That's rapid rehousing, housing security protection, and I think there may be some eviction protection with that eviction prevention revitalization and safety of the arch and the surrounding areas and navigation outreach services outside the city central core. So we've identified those four areas to be considered as part of the plan for using these dollars, and we have identified an expectation that approximately -- and, again,

it's an expectation depending on what they come back with on the plan, but an expectation that approximately 27% of that would go for navigation outreach services outside the central city core.

[12:22:45 PM]

So to sum up what we're talking about, what this does it's an additional 3 million to be allocated amongst those kinds of priorities I mentioned based on what the staff in working with the stakeholders determines is the most effective use of these dollars in line with the plan that this council has adopted. And the thinking at least at this point that some percentage -- and we're targeting approximately 27% -- would be used for navigation outreach services to -- outside the central city core to help us all in our neighborhoods for the issues that we're experiencing regarding homelessness.

>> Mayor Adler: Councilmember pool jolly pass --

>> Pool: I passed out the second amendment I'm working on. It is the increasing public health -- I'm not offering it.

>> Mayor Adler: Because it's already included. It's already there.

>> Pool: What I wanted to find out from councilmember kitchen is the 160,000 that I'm looking for here for the match S, is that part of the 3 million or is this, as the mayor says, do we already -- we've already covered this?

>> Kitchen: No. I was -- mayor pro tem, I was thinking it wasn't part of the 3 million. Yes, it is included.

>> Mayor Adler: In that case then the amendment isn't at 3 million. The amendment is at 2 million, eight --

>> Kitchen: No. We have not voted yet on councilmember pool's so I would include it in this one. If we then vote on that amendment -- we have not voted yet on councilmember pool's.

>> Mayor Adler: That's correct.

>> Kitchen: So this 3 million includes it.

>> Mayor Adler: Right.

>> Pool: So then the other thing I would say is it is one of the line items in the one-time funding in Garza's original amendment, but since we haven't done that I'm now trying to establish -- is it gonna pass in Garza's or will it be included in yours?

[12:24:47 PM]

>> Kitchen: The point being that --

>> Mayor Adler: So the issue is, in the base motion there's \$160,000 in one-time funding.

>> Kitchen: Right.

>> Mayor Adler: For that program. You've brought an amendment which is \$3 million that doesn't say whether it's one-time funding or ongoing funding. You just have \$3 million in funding. So that we understand, do you intend that to be ongoing or one-time funding? Because if it's ongoing funding, then it requires then -- and you want it to be included, then you're moving -- you're substantively changing what is in Garza's motion. So just so that we know what is in front of us.

>> Kitchen: I would think it would be one-time then because my -- I think it's one-time.

>> Mayor Adler: \$3 million in one-time funding. Okay. So it's \$3 million --

>> Kitchen: I'm sorry if I wrote that wrong on the -- it's one-time.

>> Mayor Adler: The intent then is to make it inclusive of the 1.6 so it adds in essence another 2.8 million in one-time funding for homelessness.

>> Kitchen: Right.

>> Mayor Adler: That's the motion. It's been seconded. Discussion? Councilmember Garza and councilmember Casar.

>> Garza: Mayor, I would just say that this amendment substantively changes what my motion was because -- and in the beginning you stated that we were going to do at the 4.9 anything that would keep us there and then we would move to additions. And this is moving us to an addition. So I will be voting against this because I wanted the opportunity to keep us at the 4.9 and give everybody the opportunity to make their amendments to move us above that, but that was not the intent of the -- of this -- of the Garza amendment. It was to keep it at 4.9. Councilmember alter offered something that kept it at 4.9. Councilmember Renteria offered something that kept it at 4.9. I just don't think this is --

>> Mayor Adler: Clearly it's not your intent but that amendments sometimes changed the intent of the maker but you're absolutely right the thing to do would be to vote no if that's how you feel.

[12:26:52 PM]

There's a motion to add another 2.84 in one-time funding for homelessness. Further discussion? I've recognized Mr. Casar.

>> Casar: So I think that this amendment is really -- this funding could be really important and impactful. So I want to understand from my colleagues, if we could get support for this by not having it as amendment to the Garza and just a stand alone thing I'd want to know that so we can bring it back up if it fails. To me this was the number 1 priority set out by this council. I appreciate how much the manager has put into addressing homelessness, not just in the budget but through your work and all of our staff's work. But there is this opportunity right now in front of us to do more, and I think it's incumbent on us to try our best to do the most we can on one of the most important issues facing people within our

boundaries so I really want to know whether -- if it can't pass here because it's part of Garza's amendment, if there would be the will to pass it separately. I'm willing to vote yes on both. Because part of the increase in the manager's budget is for garbage pickup and that's important, but we have real human needs right now on the street, folks that we see every day we walk by who are dying on the street and I know that we want to be able to say that we have addressed some of the property tax issues people in our community are facing. But what we're talking about between 4.9 and 5.9 is cents a month, not even dollars, because if it's -- Mr. Van eenoo, am I correct that the difference is ten dollars a year between 4.9? So this amendment isn't even ten dollars a year. It's some portion of that. No matter what it is, cents a month. And what I don't want us to get stuck in this trap, in this lie that the property tax burden that people are facing is because we're trying to help homeless people at a cost of cents a month. When there is such a burden being put on us because the state won't give other funding options to cities, refuses to do their share of funding our schools, and I just -- I know it's hard.

[12:29:00 PM]

I hear it in my community too. The latest demographer reports, reports we got into our offices show my district now is the lowest income in the city. I hear it all the time that people are struggling but I don't want us to miss this opportunity as a group to do this really powerful important thing. So I would just ask that we try to get to six votes to make a serious investment and an even more significant investment in homelessness. Usually not the most outspoken person on this, but I know it matters and matters to everyone else. I don't think we will regret it. It is the time to do it and I think we will regret it if we end up being capped anyways and we miss the opportunity to do this. So I hope we are able to pass this amendment or after we pass the gaza amendment.

>> Mayor Adler: Mayor pro tem.

>> Tovo: I regard this as one of the most important decisions that we'll make here today. I think this is an absolute critical need. I think we did the right thing when we as a group collectively determined that this was one of our very highest priority for this city. We are really well poised to continue to enhance the good work that's going on throughout our community, and with the passage of the action plan last spring, I believe we need to follow it up with the financial support to really end homelessness in this community. Three million dollars in addition to what the city manager has in the proposed budget will really enhance that work and I think it's critical. Just in looking -- just in looking over some of the numbers from this year, several of you I know participated as I did in the point in time count this year. We had 2,147 individuals on that night we were experiencing homelessness. Almost 1,014 of them were unsheltered, sleeping in our alleys, in our creek beds, throughout our community.

[12:31:04 PM]

We can do -- we must do better to help our neighbors who are experiencing homelessness, and this funding I believe is really critical. So I'm certainly going to support it and would encourage my colleagues to do so as well.

>> Mayor Adler: Okay. Jimmy?

>> Flannigan: I really appreciate this conversation. Ed, could you remind us how much money is increased for this issue in the manager's budget?

>> The additional total funding, general fund and enterprise fund is \$2.3 million for fiscal year 19. 215 of that for watershed and the rest for general fund services.

>> We've added two million over prior years spending on addressing homelessness.

>> Yes.

>> Flannigan: And that's in the base budget. Thank you. I agree with what councilmember Renteria said at work session that we're making a significant investment. I want to give staff the opportunity to implement the significant investment before we double down, and it's -- you know, we have a hard job up here and it's very easy to make everything sound important. It's also very easy to make everything sound emotional. And you know, we've got to make some hard choices here. I'm not going to support this. And mayor, I don't know procedurally what we can do. I think councilmember Houston made the motion on the budget and we are deliberating on councilmember Garza's amendment. And I don't know procedurally if there's an appropriateness question about when we stop amending an amendment and get back to amendments to a base motion. It would be my preference that we get to vote on councilmember Garza's amendment and wrap up all of those details, including the component that's part of councilmember kitchen's amendment.

[12:33:06 PM]

And then we can move forward with the other amendments that councilmembers have.

>> Mayor Adler: And we'll get there. You can do an amendment and an amendment to an amendment, but you can't do an amendment to an amendment to an amendment. So we've been conscious of that as we've been working through. And I think these are the base issues that we have. I don't think we're going to be having repeated votes on the same subject area, but we have to have a vote on this issue, it's apparent. Ms. Houston.

>> Houston: Thank you, mayor. I'd like to ask staff a question regarding when will the final report be due and is there an impact, financial impact associated with that? And then I want to know where this additional three million dollars is going to come from.

>> Sarah Hensley, interim assistant city manager. Councilmember Houston, we're working diligently and hope to have a final report in your hands within two to three months, but we have another meeting in a couple of weeks with our brain trust and then we go back and forth. We're working on sort of an outline now, but a lot of that will be associated with the recommendations regarding the additional funding that

may be available through the tax increment financing that you approve through the waller creek tax increment financing zone. And so that's kind of where we are with that.

>> Houston: And do you have any idea of how much additional money, money that's already in -- not money that's already in the city manager's base budget, but additional money you would need to implement parts of that program?

>> No, not at this time because we're looking at this and the money that's being requested through this is certainly -- as I've said, you know, I don't think you can ever put too much towards issues like this, however, we are going to be looking at a comprehensive report and we're also going to be looking at existing dollars and how we realign those dollars, but we just aren't there yet.

[12:35:07 PM]

So I think there's certainly merit to what's being requested, but there's also where we are from a -- trying to get a strategic report back in your hands.

>> Houston: Thank you. And to -- and then I was asking just where is this additional three million coming from? Just out of the general fund? Is that your understanding?

>> Mayor Adler: I think it does. It would require the tax rate to go up above the 4.97 when Mr. Renteria made this motion. This is what I'm going to propose --

>> Houston: I wasn't quite finished yet. I don't want to be like everybody else.

>> Mayor Adler: I apologize. Sometimes we say it's only going to cost 15 cents more or 14 cents more a month. And that's when we talk about just our share of the property taxes, but there are five taxing entities in this city. And when Luke at the cumulative total -- and sometimes we do kind of myopic view. We just look at what our impact is going to be. But when you look at the cumulative impact on the folks who live in Travis county and in Austin independent school district, it's going to be a lot. I think the paper just said last week that aid taxes are going to go up \$400 for an average homeowner. That's actually me. I can bring you my tax statement down here and show that that's actually me. I heard this morning that ACC is thinking about going up 12%. We don't know what the other tax -- I don't know what Travis county is going to do, but if we just look at our little piece of the pie, that's not what the property tax or the commercial owners have to deal with. They have to deal with all five taxing entities. So I would just remind us to keep that in mind.

>> Mayor Adler: So my read of the dais -- this is what I think that I would do for me. After the -- we'll vote on the homelessness issue, then we'll vote on the Garza amendment, and then I would like to suggest that at that point I'll bring an amendment to take the tax rate up to 5.9 and take the spread between what we have funded and the 501(c)3 5.9 and put it into reserve.

[12:37:24 PM]

And I would argue that we should put it into reserve for several reasons and I would discuss them for reasons relative to the vote that we're about to take. The first reason is -- and Mr. Flannigan, one, I am concerned about us being lower at the 4.9 because I think that's going to put us behind an eight ball and what could easily happen in this next legislature happens, and I am concerned that if we stay artificially low the legislature won't pat us on the back and say what a really good job, we're going to reward you by not doing a cap. I think it becomes exhibit a on why they can do a cap. And I would rather us not what I believe to be artificially lowering our rate because I think then it sends the wrong message even to the legislature. And frankly, I think the legislature is going to act regardless of what we do. And then I want us to be in the best financial position with the advice that we've gotten from our finance people to take that money, keep the tax rate higher and to put it in reserve. Even at that higher rate, at the 5.9%, it's a significant reduction from what we have done. Even at the 5.9% the total amount of increase in fees and property tax that this budget would be the second lowest in memory. So even at 5.9%. And then putting it in reserve is really the right place because there are a lot of open questions that we can't decide now. One is the homelessness issue with the report from our staff that's not coming out for another two or three months. We also have the police contract that's kind of looming with us. And I don't know ultimately what we do or don't do on that. My personal belief is that we need to take a look at what it looks like to increase officers over a period of time to see what we can do for community policing, to take a look at the salary increase issues, but I think a reserve would put us in a better position to be able to deal with those issues.

[12:39:42 PM]

The development code is going to be coming out. We don't know how much money we're going to spend on that, but we have a reserve that was available for us. So going back to what I think might actually be the real compromise place on this dais at the end of this, at some point I hope to be able to offer going up the balance to the 5.9, but taking that money and putting it into reserve. Further conversation? I want to go councilmember kitchen and then Mr. Renteria. >>

>> Kitchen: I would like to speak to my amendment. Mayor, I appreciate what you're suggesting, but I'm hoping that -- the amendment on the table in front of us right now is not putting this money in reserves. And I appreciate you signaling to us what you will bring next, but I'd like to have a vote on this homeless issue. I appreciate what councilmember Flannigan said, but 2 million is a drop in the bucket for a public health emergency that this dais identified as the number one -- the number one strategic priority of all of our strategic priorities. And so I would hope that we would -- that we would vote for this. I second what councilmember Casar and the mayor pro tem said and I can't emphasize enough how critical this is to our entire city from a public health perspective and all the other aspects of it. Two million will not get us hardly anything. And so I think that this is really critical and I hope that people will consider it.

>> Mayor Adler: Further discussion? Councilmember Renteria.

>> Renteria: I can support that if we put that money into reserve because I think that, you know, we don't know exactly what's going to be coming down. We're going to be facing the possibility of some severe flooding and storms.

[12:41:45 PM]

So not only just from the weather, but also from the state legislators. So if it was put on the reserve I could support that.

>> Mayor Adler: Yes, mayor pro tem.

>> Tovo: So, you know, I appreciate -- I really do appreciate the work that our staff are doing to get -- to come back to us with the hard work that they're doing in a report, but it will not suggest that we need a smaller investment than we're contemplating making here today. I mean, there is nothing in that work that's going to come back that's going to suggest that we don't need these additional funds to end homelessness in this community. We have an action plan that suggests, I believe, we would need to increase our community's investment, \$29 million, I believe, or 30 million. I mean, it's in that range. So while I understand the comments about waiting for the staff report, there's nothing to suggest that we don't absolutely need this investment. That we don't need an increase -- again, this will have to be an investment that our whole community makes. It can't obviously be something that's coming from the the city, but we really need those funds. And I want to just remind my colleagues that in this year's budget we have done a homestead exemption, we increased the senior exemption. We have increased the exemptions we're making for homeowners. We are asking you -- the amendment on the table is increasing the provision that we make within our city budget for those who are experiencing homelessness, who have no home, who are sleeping on the streets of our city.

>> Mayor Adler: Further discussion on this? Councilmember pool.

>> Pool: Yes. Thanks for the he will consequence from the mayor pro tem and also from councilmember kitchen.

[12:43:48 PM]

I'm supportive of the additional money for homelessness too. That has been top of our work list for the last year plus when we first began our discussions on strategic outcomes. And this is an opportunity for us to put our money where our mouth is. I also would like to say on the 5.9 and putting that money into reserves, my question would be are -- mayor, then would you anticipate coming back in midyear to do a midyear budget adjustment when if, as you say, some of the questions may not yet be answered on the other amendments that we have here? Would you come back in March to do midyear budget adjustments?

>> Mayor Adler: So to be clear, I support the three million dollars for homelessness so I support this amendment because I think that it does represent the priority we set as a council. To the degree that this dais is trying to stay at 4.9, my intent was to say let's give ourselves the flexibility. It doesn't mean that we have to come back with a budget amendment in the year, it says we have the ability to be able

to do that. And I would preserve that ability rather than staying at a 4.9. But I'm going to be supporting this amendment.

>> Pool: Then I'll just -- thanks for that. I'll just stand by saying that when we voted back in June for what the tax rate, max tax rate would be, I came in in support of councilmember Houston's amendment to put it at 5.5 and in the end when those all failed we went to the six. I am supportive of the higher tax rate recognizing that it is still considerably lower than the tax rate, max tax rates that we've set the last three budgets for this panel. So I think we are positioned in a really good place for all the work that we've put in and our staff have put in and our office staff to move forward on some of these additional funding initiatives that are here. And I really would like to see us be able to do that.

[12:45:50 PM]

And sue to the extent that we need to go closer up to the six percent that we have agreed we won't go over, I am supportive of doing that, hoping that we can get some of these additional initiatives funded.

>> Mayor Adler: Okay.

>> Pool: Thank you.

>> Mayor Adler: Mr. Casar.

>> Casar: I'm not sure where the votes are going to go, but I think I have heard five folks saying they're going there. I would make this last -- I think it is an emotional thing and I don't think we will regret putting this money here. It's just -- I don't know. It's easy for us to sanitize our votes and to feel like we're just up here doing our job everyday and I understand we have hard choices to make, but in this conversation I can't help but sort of flashing back and thinking about the suffering we've all seen in our own communities and our own districts. And why we've prioritized this. So I would just really ask for folks to consider just one more person stepping up and doing it. I know it's hard. I'm not trying to say that it's -- everybody's got their judgment call about what to do on this. I just feel the need in this moment to say that I just think that we'll regret not putting this in and I just can't think of how we'll regret getting some of this done. So if one person would be willing to vote for this I think it would be the right thing to do.

>> Mayor Adler: Okay. Continuing on, we're going to take a vote. Councilmember Garza.

>> Garza: Ed, can you remind me what the cost was of the two percent increase in the homestead exemption?

>> I can't remember it off the top of my head. I'm thinking it was maybe four million dollars, that rings a bell.

>> Garza: Okay. And councilmember Casar, you're absolutely right and I know you did not vote for the homestead exemption, but that was one of my big concerns in taking that vote of the critical needs in our city, and this is one of them, absolutely, but as a dais we chose to vote for that homestead

exemption in a vacuum saying that it would help our homeowners because it was going to be a, I don't know, couple dollar decrease to their property tax.

[12:48:17 PM]

And we can't look at those decisions in a vacuum and say that I'm supporting this and come in at the end here and make these emotional pleas because you are right because they are critical and that's exactly why I could not support that. And now we're in a position where we have limited dollars and this budget has -- it was the number one priority and this budget as is -- the base budget has it as the number one priority and has invested in it. And we could say that it by of our critical needs that additional money is not going to solve it. Additional money to workforce is not going to -- is not going to employ everybody. Additional money to after school programs is not going to give everybody an after school program. We can say that about any of our programs. So I would prefer to say at the 4.9, which is what I've said several times.

>> Mayor Adler: Okay. Let's take a vote. Councilmember troxclair.

>> Troxclair: Mr. Van eenoo, can you remind us -- I know you said \$2.3 million was the additional money. I guess that doesn't include -- wasn't there seven million dollars for the completion of the women and children's shelter too?

>> Yeah. So when we -- there was \$26.3 million of homelessness across all of our operations, local funding, general fund dollars, grant funding, that was identified by some of the work that acm Hensley has done. That money is in the budget, \$26.3 million. We're adding \$2.3 million to that investment in the current proposed budget. And then in the capital budget there was a total -- over several years now a total of over seven million dollars of additional funding to make improvement and expansion of the number of beds at the women and children's center.

>> Troxclair: So it was a little over 2.6 million plus the --

>> 26.3 million.

[12:50:17 PM]

>> Troxclair: 26 million. So we're over \$30 million.

>> If you want to look at that investment in the shelter as being part of that package.

>> Troxclair: Okay. I know -- I just want the dais to remember that we're voting on the budget as a whole. This is a \$4.1 billion budget that we're voting on here. I don't think that it's really fair to say that just because we adopted one thing, the homestead exemption, now we can't -- we can't do something else. And that's what we've been trying to do as a dais to look at the bigger picture and strategic priorities. And the big picture is that this council has made it a priority to fund homelessness. And when

you look at over \$30 million in this budget alone, I really think that that's -- that does show a significant investment and a significant investment. So I just -- I appreciate everybody's passion. I know we're all fighting for things genuinely up here and we have our disagreements, so I appreciate everybody's passion, but I think in the grand scheme of things that the council and the dais has sent a message that we're doing work in the community to address homelessness in a variety of ways and I really think that the level that we have in front of us in the existing base budget and with councilmember Garza's amendment is going to be a demonstration of that commitment.

>> Mayor Adler: Okay. My hope is we're going to take a vote on this eventually and then take a lunch break and coming back. Ann?

>> Kitchen: I would just -- I too appreciate everybody's passion. I would just remind us that we're no longer at the 4.9. Councilmember Garza had mentioned that our senior tax exemption was revenue neutral to the 4.9. Well, it's not -- to the 4.9. Well, it's not. Okay. I misunderstood.

[12:52:18 PM]

Okay. All right. I'm sorry, I misunderstood. So we're making some decisions to go above the 4.9, and I would just hope that we would consider this our number one priority. I won't say any more. Everybody has said everything. This is number one priority for America it's number one priority as a council -- for me. It's number one priority for council and it is incredibly needed throughout our community.

>> Tovo: I just wanted to ask staff if they could when we reconvene remind us what the total amount is in terms of millions that relates to the homestead exemption and the senior exemption. That would just be helpful information. I know it's contained in our budget or our questions and that kind of thing. It's it's a helpful piece of context especially if we're going to start to look at different program areas in terms of the total amount that we're spending on them. I think that would be helpful information to have. And I just wanted to concur with one of the points that councilmember Garza raises about having our homestead exemption discussions out of context with other needs in the budget. It's one of the reasons why I haven't supported a homestead exemption since I actually brought forward the first resolution that created the very first one. It really does put pressure on other areas of our budget in ways that we're now experiencing.

>> Mayor Adler: Ready to take a vote. This is on the kitchen amendment to increase homeless spending by three million dollars. Those in favor please raise your hand? Pool, the mayor pro tem, Casar, kitchen and me. Those opposed? It's the other six on the dais. It does not pass. Mr. Casar?

>> Casar: Mayor, I'd like to request that before the lunch break we vote on the Garza amendment and vote on the tax rate question because the lunch break would be helpful to know what we're dealing with for after the lunch break.

[12:54:23 PM]

>> Mayor Adler: Mayor pro tem, do you want to say something?

>> Tovo: It's my understanding we can't vote on the tax rate at -- on the day we adopt the budget.

>> Mayor Adler: I don't think he meant that literally that way. What I understood you to say was take a vote on the Garza amendment and then take a vote on whether or not there's interest in increasing up to the 5.9 and putting it in reserve.

>> Casar: Because otherwise during the lunch break when we're working and thinking on stuff it will make a difference. Maybe take a vote on whether --

[multiple voices]

>> Mayor Adler: Right. Let's do those two things. We're at the Garza amendment now. The Garza amendment is as councilmember Garza handed it out. And we changed it by adding the senior exemption to that, otherwise I think that it stayed in the form that it's in. Councilmember kitchen?

>> Kitchen: I would ask that we take your amendment first because you mentioned that you would bring your amendment right after. If my amendment for homeless failed, because I can't determine whether or not I can vote for some of these items here on councilmember Garza's amendment if I don't know the dollars that we're going to have to work with.

>> Mayor Adler: Procedurally it's the S&P. We're going to end up substantively in the same thing. We need a vote on whether there's interest in going up to the 5.9 and taking whatever additional revenue is generated and putting it into reserve. That would be the motion that I would make. Is there a second to that motion? Councilmember kitchen seconds that motion. Discussion? Mayor pro tem.

>> Tovo: We have the increase on budget to the homelessness and my original was 1.9 million. I don't know if there's a will among midlegs who voted against it to consider a lower amount. So I would just offer that as a suggestion that we go back to to the number that we had been talking about in the work sessions of 1.9 million and see if there's a will to consider that amount.

[12:56:28 PM]

>> Mayor Adler: Let's ask that question. Of the people who voted no to the three million is there any interest in taking a number that is something less than that?

>> Renteria: I would say that after lunch.

>> Mayor Adler: Let's take a break at this point and come back after lunch. It is 12:56. 1:00. Do you guys want to come back at 1:45?

>> Garza: Mayor, can we vote on my amendment? And if councilmember kitchen doesn't want to vote on it, she can vote no on it, but I think we're at a place where we could have a little bit of closure here as we go into our break and then have the discussions if we're moving above. But --

>> Mayor Adler: Councilmember Garza wants to --

>> Garza: If the fundamental question of whether we're going to vote five that can happen after the break, but this keeps it under the five.

>> Mayor Adler: Okay. So I think there are two questions that are in front of us. One, the first one we're going to take up is going to be whether or not there's an amount less than three million dollars we would put to homelessness. And then there will be a question about whether we take money and put it into reserves. I think those are really the two big questions we have, but it doesn't stop anybody from bringing up smaller questions. I suggested that we break for lunch before we take up those two questions. Certainly the dais could say no, they want to take a vote now.

>> Garza: Those questions are separate from --

>> Troxclair: Those questions are separate from her amendment.

>> Mayor Adler: They're either separate or they're not, but we were making amendments inside of councilmember Garza's amendment. We didn't really vote to keep them all separate. So we're going to take a vote on the dais as to whether or not a majority of the people want to stop now and take a vote on the Garza amendment or whether we want to go to lunch and then come back.

>> Casar: Mayor, I would like to vote on the Garza amendment and then know whether we have 5.9 to work with or 4.9 to work with over the lunch break to know those two questions because that really is probably what we're going to be discussing with our staff.

[12:58:29 PM]

If we come back here and the vote goes one way or the other, then -- so those would be my two preferences because to the mayor pro tem's point and councilmember Renteria's point, if we vote to go to 5.9 and submit money to reserve there could be an amendment to set aside -- to move some of that reserve to the smaller homelessness amount.

>> Mayor Adler: Okay. So the question is whether we want to vote on the Garza amendment and then we can decide what happens next or do we want to hold off on the Garza amendment so that people have additional time, Mr. Renteria has additional time to decide whether they want to do additional amendments to it. Councilmember kitchen?

>> Kitchen: I support councilmember Casar's question. I'm happy to vote on the Garza amendment. I don't want to vote on it in the absence of understanding where our votes on on whether we have additional dollars because what we're being asked to vote for on the Garza amendment is a certain set of priorities in terms of the dollars that are available to us. We don't know the dollars that are available to us. And I appreciate the people that brought together the Garza amendment. You all have already decided on your priorities. Homeless is my number one priority. It's not really in this amendment, so unless I understand we're at, you know -- so I will like to know as councilmember Casar said, about where we are in terms of additional dollars we might have and then I can -- would be happy to vote on the Garza amendment, but I don't think I can do -- I'd like to vote on the Garza amendment. I think it's all good things, but I don't understand what we have.

>> Mayor Adler: Okay. So we're about to take a vote on whether we take a vote. Does anybody have anything before we take that vote? Okay. Councilmember Garza would like to overall overrule what I said I was going to do and have us vote on the Garza amendment now.

[1:00:32 PM]

Those in favor of that please raise your hand. It is councilmember pool, Garza, Houston --

>> Reason.

>> Mayor Adler: Renteria, me, Flannigan, alter, Casar and troxclair. Those opposed? The other three. We're going to vote on the Garza amendment. It's just a majority to overall the chair. Those -- to overrule the chair. Those in favor of the Garza amendment please raise your hand? Is it -- those opposed? Kitchen voting --

>> Kitchen: I'm going to abstain.

>> Mayor Adler: Kitchen abstaining. The others voting aye. The amendment passes. Let's take the lunch break and we'll come back at 1:45.

>> Casar: Mayor, you can't just take a quick, easy vote on -- it sounds like there's a majority of folks that would be happy to go with 5.9% for now to go to reserve but then we would come back after the lunch break and people could amend that.

>> Mayor Adler: Let's take the lunch vote. Is there interesting in going up to 5.9 if it goes up to the reserve? Let's take a vote on that? I move it goes up to 5.9, the balance of the money going in reserve. Is there a second to that?

>> I second it.

>> Mayor Adler: Councilmember kitchen seconds that.

>> Pool: Could you split the vote, going up to 5.9 as one vote and putting in reserves as another.

>> Mayor Adler: No, I'm going to take those together? Any discussion?

>> Troxclair: So by going up to 5.9% and putting the additional money in reserves that five million dollars, do you mean not spending it?

>> Mayor Adler: Not spending it.

>> Troxclair: Not on one-time expenses?

>> Mayor Adler: It just goes into reserve. It goes into reserve.

>> Houston: But mayor, the will of the dais may be to use some of that that we put in reserve to one-time funding. That's the problem that we always have when we say we're going to cushion that extra money and put it in reserve.

[1:02:33 PM]

It always comes out as one-time funding, which does not do what I heard the budget man say.

[Laughter].

>> Mayor Adler: I think Ed's recommended action was that we take that money and put it into reserve and I'm recommending that we do exactly what Mr. Van eenoo said.

>> Houston: But I'm saying you don't control that. The dais controls that. So even though you may say it and I think that's the right thing to do and we may vote that way, once it get in reserves people will come back and say rather than we're going to use this for one-time funding and we slowly draw down the reserve, which is counter indicated to what we're wanting to do.

>> Mayor Adler: Okay. Are we ready to take a vote on this and then go to lunch. Councilmember pool?

>> Pool: I have a question for Mr. Van eenoo. What percentage then would our reserves be? And I'm presuming it will be over the 12%, which is our policy level.

>> I would have to calculate the percentage for you, but if you were to elect to go to a --

>> Pool: 5.9.

>> If you elected to go to 5.9% that would be an additional \$4.3 million of revenue transferred to the reserves. So it would be \$4.3 million above your reserve level. What that is as a percent I would have to get a calculator out.

>> Pool: Off the top of your head do you know what the reserve dollar figure is at this time?

>> Our combined reserves at this time are about \$120 million.

>> So it would be about four-tenths of a percent or something like that.

>> Some small amount.

>> Mayor Adler: Let's take a vote. Those in favor of putting money in reserves, please raise your hand? Casar, kitchen, mayor pro tem T Renteria, pool, me. Six votes. Those opposed raise your hand. It's the remaining five with councilmember alter abstaining. So it was six-four-one.

[1:04:34 PM]

And with that we're going to go to lunch. It's 1:04. Do we want to try to come back here at a quarter to 2:00. 2:00?

>> Troxclair: Can we retake that vote if there are things that come back and people do spend money out of the money that we just said was going to go to reserves?

>> Mayor Adler: Yes. As we said this morning we can -- it's an iterative process and we're going to stay true to that.

>> Pool: And if I could ask Mr. Van eenoo to come back with those numbers that I had asked after the lunch.

>> Mayor Adler: Let's come back at 2:00. We're in recess until then.

[2:06:56 PM]

.

[2:20:53 PM]

>> We're will ready to hear this back up again. Who are are we missing? We're missing mayor pro tem and Ellen troxclair.

>> Mayor, can you ask -- are we waiting for the mayor pro tem?

>> Mayor Adler: I was. My sense everything is we're going to do is -- I would anticipate everything we do is pretty close votes.

>> Okay. I just wanted to ask a clarifying question.

>> Mayor Adler: Go ahead.

>> So the vote was to move the

-- up to the 5.9 in a reserve, so I guess was that just during the lunch break and, then, because my question then would be, aren't we essentially done? Or was the intent to just move it into the lunch break and then start spending it.

>> Mayor Adler: Well, we're done when no one has any more amendments or when two-thirds of the people on the dais say we're done.

[2:22:54 PM]

And, until one of those two things happen, then we keep going.

>> So, if there was a council member that voted for the last vote on the prevailing side with the understanding that we were done, could anyone street reconsider.

>> Mayor Adler: We could rejigger or retool anything that we've done. If someone -- so, we'll just keep requesting until people are ready to stop or until two-thirds of the people -- it takes two-thirds vote to cut off debate.

>> Okay. Snap or, we'll run out of amendments or I will say let's vote on the main motion and no one will object and we'll vote. So we're now back up here, we have a main moment on the floor. It basically has spending stopping at whatever that level was found seven, it added the senior homestead exemption and then added the balance of the revenue that would be generated if you went up to 5.9 going into reserves. That's where we are right now. I could ask for amendment news and hear there are no amendments and then we would be done. Does anybody have an amendment?

>> I have a clarification, if I just might.

>> Mayor Adler: Yes.

>> On the homestead that was 288 or 88-point -- to 88 or 88.5.

>> I think the answer and the question, it was to 88.

>> Thank you.

>> Mayor Adler: Yes, Katherine. Were there other clarification questions?

>> No.

>> Mayor Adler: Okay, mayor pro tem.

>> Tovo: Mayor, before lynch, we considered an amendment for \$3 million for homelessness.

[2:24:59 PM]

I would like to propose having that amount for 1.5 million, so my motion would be to increase our spending with regard to services for individuals experiencing homelessness using the language that council member kitchen put forward but have the amount be lower at 1.5.

>> Mayor Adler: Okay. We move to have 1.5. Is there a second to that? Council member kitchen seconds that. Do you want to address it, mayor pro tem.

>> Tovo: We spoke to the need earlier and I'm not sure I could add to the comments and discussion we had, just that this is an extremely critical need and the timing is now. These are real needs that real families in our community are experiencing and I believe it is appropriate to increase our budget and our spending in this manner.

>> Mayor Adler: Okay. It has been moved to take some of the -- to fund out of our budget \$1.5 million towards homelessness. Any discussion? Hands take a vote. Those in favor of that amendment, please raise your hand.

[Roll call] That's five. Those opposed, the balance of the dais. Defeated 5-6. Does anybody have any additional amendments. Council member kitchen.

>> Kitchen: My amendments do not involve any changes to revenue. If you would like to take any -- my amendments have no impact whatsoever on our funding, if you want to take others first, that's okay with me.

>> Mayor Adler: Okay, mayor pro tem.

>> Tovo: So I have some amendments that I would like to propose that would include additional spending, so I'll do

-- but, I'll do first the ones where I think we might generate some additional funds that could be reallocated.

[2:27:03 PM]

So, I'm trying to think of the best way to do this. I have about, I don't know, fourish. Some are going to require asking questions of staff. So, the first that's coming down the dais is a budget amendment to decrease the general fund, I believe it is general fund, though staff can confirm it, for the lean six sigma continuous improvement program and we can ask our city energy to describe this. This is additional staff in the office of performance management. I wouldn't want to characterize the work that they're doing, I think, though, it is important, as I understand, they're working with staff in various other departments and analyzing the programs for efficiency and recommending improvements and that we've been doing this in a pilot manner and it has proven to be successful and the staff would like to expand it. And I think that is -- I certainly understand the interest in doing so in light of some of the other critical needs that we are trying to fund. I regard this as a lesser priority. And, so my amendment would be to remove this. And it would result in a net savings of 251,000.

>> Mayor Adler: Okay. Is there a second to this or do we want to hear about it first? Council member pool seconds it.

>> First in regards to the funding, it is \$251,000 but this is part of our financial services department, part of our support services if you believed that gets allocated -- services department that gets allocated out, roughly half to the general fund and the rest is savings to the various enterprise departments. So to the extent you are looking to use these dollars for general purposes, it would be half of that and the rest would have to be for appropriate enterprise uses.

[2:29:10 PM]

As was said, the intent is to focus on efficiency improvements. Interest is a lot of talk about about that among the community. This would help do more things with fewer resources in the long haul. Four additional positions and spending now but we hope this will improve some things, such as the life guard

hiring process, we've struggled for years and worked to streamline this process and reduce the number of steps and time it takes to get our life guards hired so we're able to open all our pools in time. That is one example and the types of things this group is working on. Right now we have one individual that does that. We're wanting to broaden the scope based on the successes we've had with it.

>> Okay. Mr. Flannigan.

>> Flannigan: So I support the manager's budget and keeping these positions in place. I think, as we think about the 4 or 5 \$4.1 billion we're spending across the whole budget, this is how we get more from the budget we have. I would hate to think that, given that this was a pilot program and there were successes, it is such a great example of doing a little project, seeing it working and now expanding it to improve more, this is how we maximize the value of all the other \$4.1 billion. So I would support keeping this in the budget as it was recommended by the manager.

>> Mayor Adler: Any further discussion on this? Yes, council member alter.

>> Alter: I share the view of council member Flannigan on this and I would support the manager's proposal for these positions.

>> Mayor Adler: Anything else?

[2:31:12 PM]

I'm sorry? Okay.

>> Tovo: Could I ask some questions of staff? And I have several budget amendments, it is not as easy this year to determine where the source of funding is from some of those cuts so I will need to ask that same question for several of my amendments, how much the component is that would be ascribed to the general fund. Can you tell me how much staff are within the office of performance management currently.

>> Right now there are a total of five staff members for the office of performance management.

>> Tovo: And how many staff members -- that is a relatively new office, as I understand it.

>> Um-hum.

>> Tovo: When was it formed?

>> December of 2015.

>> Tovo: So colleagues, this is a relatively new department, it has five staff members. We're looking at this proposed budget, would be expanding it nearly by the number of staff member it is currently has, and so I would just suggest that in light of some of the other needs we're trying to fund that this is one area where we consider trimming.

>> I'm probably going to stay with the manager's budget on this, in part because when -- I'm not sure it is the best function for us on the dais to be getting ideas like to and trying to vet them from the dais if

we haven't had a chance to study them or hear about them. I'm just not prepared to -- I don't know enough to be able to change that and it didn't surface early enough for me, so I'm going to stay with the manager's budget on this question. Anybody have anything else to say before we take a vote? Council member Casar.

>> Casar: Mayor, I think given where we are, some of the amendments we've tried to pass have failed and trying to get to some of that last little stuff, I'll probably support this one and one or two after it to see if we can cover that gap that we've got.

[2:33:17 PM]

>> Mayor Adler: Okay. Council member kitchen.

>> Kitchen: Just to -- mayor pro tem, I'll support it, too. Normally, I would not, I would prefer to support the city manager's budget, but in looking at my priorities, you know, the homeless and some of the other things we have not funded, to me, are more of a priority than this, so I will support the mayor pro tem's amendment.

>> Mayor Adler: Okay. Take a vote. Yes, mayor pro tem.

>> Tovo: I would just say, most of the amendments I'm about to bring forward were set up with information in the q&a and there is one in regard to this that offers more information about it in the question and answer, I can't remember what number but I can get it to you if anybody wants more information, just in the very same way of the first amendment we took of the day, the municipal court was not something we talked about in a work session before, it was set up in a q&a and with we had consensus on it. That's the spirit which I offer the following amendment.

>> Mayor Adler: Okay. For discussion, miss Houston.

>> Houston: Mayor, I'm sort of confused again. I want to clarify. When we say there is no money in the budget for homelessness, the manager's budget has a significant increase in the budget to provide services and supports for people who are experiencing homelessness. Is that correct? It's been said, and I just want it to be clear. What I've been taught but Roberts rules is I address you and not the person is that your understanding, a significant amount of money has been added to the budget.

>> Mayor Adler: Significant is in the eye of the beholder but there is certainly money in there.

>> Houston: The fact that there is a same there is no money is not accurate.

>> Mayor Adler: Do you want to speak to the department?

>> Mr. Mayor, could I speak that?

>> Mayor Adler: Yes go ahead.

>> I apologize, he will try to be more precise in what I'm saying.

[2:35:21 PM]

We just have a difference of opinion on what is significant.

>> Mayor Adler: Let's take a vote. Knows favor of the tovo amendment number 13, please raise your hand. Roller coaster. Those opposed, raise your hand? The balance of the dais. Does not pass. Any other amendments? Mayor pro tem.

>> Tovo: The satisfaction assessment survey, can you tell me the source of funding more that. It is not a huge amount, 19 opinion 5, but it happened to correspond to the amount of student/tenant relocation assistance that we had a resolution for that we're trying to fund. It is about 25,000.

>> That is another support services function. About half.

>> 50%, okay. All right. Next up is, day distribute number 10? Does everybody have budget amendment number 0? Some of you must not because I have a whole stack in my hand. Okay, I forgot to hand it that way. Can I ask some questions about this item? As I understand it is coming out of bunk stabilization reserve fund and it is a contract to do community engagement for the special events ordinance, and I'm wondering if we could -- that's \$85,000. I mate be more successful with these amendment dissort whatever we were talking about before lunch, if I actually just reallocated in one motion to remove this and reallocate it to something, so if that's the will of the dais, my moment will become taking this 85,000 and reallocating it to parent-teacher support specialist.

>> Ray buray, city manager's office.

[2:37:24 PM]

This is one-time funding for a communications professional that would be specifically dedicated to the Austin center for events. Right now I'm borrowing a resource from the public education office. We had this adopted back on first reading this past play. One of the things we told council we delayed readoption, we wanted to go back into the community, talk to event organizers and what not and and facilitate better community engagement. I heard over and over again, I hope you will keep this community engagement through third reading adoption, which we did, noon rule process, which we've done. We've heard nothing but great things over the entire summer. We've had community engagement with stakeholders on the rule process every two-weeks. In fact, we ended just last week. One of the things we want to do as we move through the rules process is we need to update and revamp our website, we have marketing and collateral we need work on. Again, things we heard from the event community they would like to see. We want to continue having meetings and workshops and what not between a staff as well as the event community, so we want to continue that. The other thing, also, we're going to need some staffing with the stakeholder advisory group that this council created or will be created in April of 2019. So we see a real need for this. And I would hate to retreat back in we won't be able to do the kind of community engagement, I think we set an expectation with the event community and neighborhood groups, as well.

>> Okay.

>> Mayor, may I?

>> Mayor Adler: Yes.

>> Tovo: It seems to me most of those engaged in this process over the, I don't know, four-years or so who are working on the ordinance are pretty clear on what it -- what's in it.

[2:39:33 PM]

And so I'm really wondering, I guess I understand, I appreciate your explanation, but I'm just wondering how much more communication we really need to do from the city's perspective with regard to what's in the ordinance? You know, we have several major events and they have staff that have been devoted to this for several years. It seems to me that that piece of it is pretty well covered, and I would wonder whether the piece that you're talking about with regard to the liaison for the commission could be handled through existing staff from here who I imagine will be in attendance at those meetings, anyway.

>> We will have those additional people, as well. Not telling what the, I guess, advisory or stakeholder group is going to want us to do, but we want to increase our social media presence to make sure that runs smoothly. That is a year-long process. We have 11-plus departments that make up the Austin center for events, we don't have anybody in community engagement. We have worked hard and made great strides to engage the community and now we're closing the loop and providing information they've always wanted to get from us. That really facilitated how we handled the adoption of the special events ordinance and now the rules. I think they are very, very pleased. We set that expectation and we want to continue with that expectation.

>> Mayor Adler: Mr. Flannigan.

>> Flannigan: The reason we're saying this is one-time funds, this is not a permanent position, this is to finish this multiyear process?

>> In a sense it is we want to continue the multiyear process. What I mentioned to the city manager we want to take a look at our fees. I worked with the city manager if we can get this position funded that we would look to the fee process and look at our fees to try to recover how we might be able to pay for some of the salaries and staffing within the Austin center for events.

[2:41:40 PM]

So we're going to be doing a fee analysis working with the budget office. I'm hoping we can then make this a permanent position that will be then paid by fees.

>> I just want to make sure. I'm willing to support the work that staff has done on this, as long as we're being really clear we're not creating a permanent position out of one-time funds I'm going to see in the budget or, more frighteningly, won't see, it will just be waked into a future budget. I want to make sure this is the wrap up to it and anything in the future is based off of ace fees.

>> That's correct.

>> Then I'll support keeping it in the budget.

>> Mayor Adler: Further discussion? Let's vote on amendment number 10, tovo. Knows favor, please raise your hand. Casar, kitchen, mayor pro tem and council member pool. Those opposed, raise your hand. The balance of the dais. Does not pass, 4-7.

>> I would like a chance to make my amendment.

>> Mayor Adler: Sure.

>> I will condense my amendments to two, by putting some away and combining these. Hold on, I'm going to pass these down. Hand mine to council member troxclair really quickly. So, if you will take the front amendment page and direction on the back in's really simple and helps explain what we're doing. And I'm going ask for less, given how this conversation is going. And, I'll make my motion, which is that I'm going to move -- let me see if I can explain it. I'm going to move that we reallocate our public safety dollars in the amend of \$300,000 or so to address the women's commission and public safety commission issues that I've raised at every work session so far on the budget, and to break it down so it is 170 -- the \$170,000 necessary to fund two sexual assault survivor counselor positions and the remaining 130,000 or so to relationship violence prevention.

[2:44:13 PM]

I'm open to ideas on reallocation of the economisting public safety bunk -- the existing public safety budget, which is majority of the general fund accomplish this, but as a starting point in my andment I will have us hire 30 new police officers opposed to 33. And I'll explain more if I get a second.

>> Mayor Adler: Council member Casar makes a motion to reduce the number of police officers from 32 to 33 and reallocate that money to the women's commission victim's services and crisis response efforts. Is there a second to that motion? Council member pool.

>> Casar: I'll speak further to it. A lot of folks, we're addressing public safety needs significantly in the manager's proposed budget. We included fair administration of justice as one of our top issues and I think that's why the public safety commission and the women's commission have consistently brought forward these recommendations. Because, as we know, we're not living up to that ideal and that indicator as it relates to sexual we have significantly reduced the number of staff in this area over the years. The staff has asked for five more positions and we did not fund any in the last budget saying that we would come back when the police contract negotiation was -- wrapped up in December to address that. And we didn't do that at that point. The manager's budget increases the capacity by one, by fully funding a temporary position and adding one position. And so my preference would really be to add

four more so that we can finally fulfill what we talked about last budget, but with this amendment what we would be doing is adding two on top of the one increasing capacity. So I think we would still be two short but that's my compromise. And then also I know we've been getting lots of emails and conversation about violent crime reported in the city.

[2:46:16 PM]

The chief has told us that the majority of that increase is related actually to relationship violence. And while there is a value of having staff in patrol vehicles on the ground, that does not directly -- is not going to prevent the occurrence of the violent crime rate that we are seeing an increase in relationship violence. So the other half of what I'm proposing would go to a fund that was recommended by the public safety commission and the women's commission to help people get out of the situations where they are being harmed or could be harmed. That, you know, we hear consistently that housing issues and issues of poverty really keep people in those dangerous situations and people need their locks changed or a down payment on another apartment or to be moved out of those dangerous situations as soon as possible. So this fund would be going to that. This has been run through commissions and as a matter of fact, the victim services portion, which is the majority of this money, was something that I think there was actually a majority will to do last budget, we just said we would come back and do a budget adjustment later and do it and we didn't do that. So I would like for us to do it now. I am okay with rearranging other parts of the public safety budget to achieve these goals or to go into the reserve to pay for it. But given that folks have stated today that they don't want to see an impact to the reserve or to the tax rate, I'm just going to put it more this way, but if people have another suggestion to get it done, I would appreciate it. I've already significantly reduced the recommendation on domestic violence was actually 600,000. This puts it at 130 or so. And the counselors was at five and I've put it on the two.

>> Mayor Adler: What are the total costs of these?

>> Mayor Adler: The two counselor positions cost 85,000 each to reach 170. And because budget staff informed me that positions in the police department run about \$100,000 each, the remainder of 130 is what I've placed here for the relationship violence prevention.

[2:48:23 PM]

So 170 plus 130 reaching \$300,000 to cover both.

>> Mayor Adler: Okay. It's been moved and seconded. Further discussion? Councilmember alter.

>> Alter: I think I'd like to make a substitute amendment if I might, which I just passed out because it includes one of the pieces that you talked about. It's a yellow sheet. It says councilmember alter on the top, 2018-2019 budget. I'm offering this amendment because it is something that I can support. I think it's unlikely I would support higher dollar amounts for much else in the budget, but kind of hearing from folks I wanted to offer this amendment. So it provides 440,000 for aid earmarked for prime time and

parent support specialists. It has two permanent fte positions for victim services counselors at 170,000, it provides one million dollars in homelessness funds to be allocated post-budget adoption, post-report coming back. It restores one-time funding housed at [indiscernible] Dedicated to workforce development in the previous year at 219,000 and brings emcot up to 100,000 for a total of 2,029,000 and that would be new general fund money.

>> Mayor Adler: Okay. Is there a second to this? Councilmember kitchen seconds it.

>> Kitchen: That was a question, not a second.

>> Mayor Adler: Your question.

>> Mayor Adler: Councilmember alter, the one million for homelessness, my only question would be the post-budget adoption. The language is fine with me the way you have it, but you had-- I wanted to clarify something you said because I would not want to tie this to waiting until the report came back if the staff is able to allocate these dollars for something that they are aware right now that they need as opposed -- and you don't have that language here.

[2:50:29 PM]

So I wanted to just clarify what you were thinking.

>> Alter: So I want us to be funding things for homelessness that we know are effective and it's my understanding that Ms. Hensley and the group have been working hard on homelessness will have a report to us in two months or so. And at that point in time my thought is that would be the appropriate time to allocate it. So we would be putting aside money for homelessness but not earmarking where it was until we had that report back. That was what I had in mind and that was what I was comfortable with.

>> Well, could I clarify my question?

>> Mayor Adler: Go ahead.

>> Kitchen: Would you consider just leaving this up to staff so when staff feels like they have enough information -- they may have a draft report. They may have completed enough of their process that they can tell us what their recommendations are. I wouldn't want the staff to think that they actually had to have a final written report submitted to us if they know what those recommendations are prior to that time. So I don't think we're in disagreement and I trust the staff to not bring us back their recommendation until they feel like they've gone through the process and have their recommendation, but I also do not want to tie their hands and suggest that they have to give us a written report within -- before we can actually even touch this money.

>> Alter: I don't know if Ms. Hensley is in the back or if the city manager would like to share any perspective. It was my understanding, Ms. Hensley, that you have been working really hard on this report and you have some important recommendations that you're going to be moving forward with

that and this will be with us in a reasonable amount of time. How would you approach that with that million dollars?

>> Sarah Hensley, interim assistant city manager.

[2:52:30 PM]

I think, yes, we're working very hard and I gave ourselves about two to three months. Obviously we will have some other recommendations that will come out sort of over time. I think we are due to give you an update report here in another week or so. So I would say without labeling it or anything, if this is the desire of council, we will have information that we can be bringing back in spurts that may be necessary to fund. And if that's the will of the council, certainly, but for a whole comprehensive report we won't have that out for two months. But we will be giving you more information in detail in another week or two. That will be just where we are, current reality, and where we're headed, but we will have a full report in about two months.

>> Mayor Adler: Okay. Councilmember Garza?

>> Garza: So if this is a substitute motion to councilmember Casar, so year 2000 victim services counselors are in this substitute motion, which would mean you -- the one thing missing from this without reallocation would be what?

>> The relationship violence piece, and I have a suggestion on how to get that done with this, but I wanted to let people talk. The 130 to the relationship

[indiscernible].

>> Garza: And question to councilmember alter. Is this -- I feel like we're playing with whatever is above the 4.97 that was allocated in the reserve. Is your motion this and then the balance to reserve or this and no balance to reserve?

>> Alter: My preference would be no balance to reserve?

>> Garza: Okay. If -- but if the will of the dais is that it goes to reserve --

>> Garza: I could support this with the understanding that this is the last thing aside from the base budget, the entire budget that I would vote for.

[2:54:35 PM]

So I could support this. Eager to hear Greg's amendment. I could not support lowering the police officer's number.

>> Mayor Adler: Mayor pro tem?

>> Tovo: I have a question for director Hensley.

>> Mayor Adler: Sarah. Thank you.

>> Tovo: One of the really critical needs that we have is I believe and what I'm hearing is additional funding for arch security and to help support the substantial year lock work that's gone into thinking through how we could change the way services are delivered at the arch. And as some of you know, maybe not everybody, the housing providers in this community have wrought in national experts to talk with those of us interested in the subject and many social service providers to look at rescoping. That's one of the reasons why this council passed a resolution to rescope the services at the arch. And I think the rfp closed last week for it, but we continue almost daily I hear requests for additional security in that area both to protect the clients who are trying to seek services in that area as well as just to generally enhance the public safety of that and the health for everyone who is walking along that area. So I would say what I -- what I continue to hear is a need for additional money for both the arch to help support the arch redesign as well as the security in that surrounding area. Are you hearing those concerns as well?

>> Sarah Hensley, interim city city manager. Of course, I've heard that.

>> Tovo: I'm going to support the allocation of funds for homelessness. I too as councilmember kitchen indicated, I'm concerned about reserving those for potentially a couple of months when we know we have an immediate need for things just like what I described.

[2:56:48 PM]

So if there's a way to ask our staff to please look, if there are immediate needs that you can meet with this allocation that we don't need to wait for a full comprehensive report, then I would really urge us to do that. I think that's really in the the best interest of the city and in the the best interests of the many, many people who will benefit from those funds being utilized more quickly.

>> Mayor Adler: Manager?

>> Mayor pro tem, certainly we'll take that into consideration. I agree with those concerns. If we have resources that we can spend in an expedited time frame, we will do so.

>> Mayor Adler: Okay. We have an amendment here. Should we vote on the amendment? Mr. Casar?

>> Casar: So I am ready I think if we get this done -- I don't know what else anybody else is going to move, so I can't commit to not supporting any of them, but I'm pretty sure to councilmember Garza's point, this would satisfy my priorities. I think that in order to achieve the relationship violence funding this this, I think there are multiple ways we could do it, but one suggestion I have is that the money going to workforce development is an economic development function. So if we had a new 1.2-million-dollar economic development program, if that would be a 2.7 economic development program, that is basically the same size, then we wouldn't have to use 319 in general fund money to achieve that. And I recognize some people might be for and against that, but that is one suggestion that I could frankly bring after this amendment passes to figure that out. Then the-- I do want to raise the question on two

things related to this amendment. One is I seconded it with the understanding that we weren't changing the 5.9 --

>> Mayor Adler: We're not on the this point.

[2:58:50 PM]

>> Casar: And just to leave it at that. And that the -- I do think that if what we're asking for is for when the assistant city manager comes back with the report on homelessness, my sense is a big chunk of the budget money they're going to want are staffing needs and wraparound services. So if -- I think it will serve us better for it to be in an ongoing bucket as opposed to a one-time bucket or for us to be agnostic on it until it comes back. But anyways, to councilmember Garza's point, I'm ready to just pass this and then try a couple of things to fund that 130 or if the economic development move, which I think would still have this pilot program that we don't know how much money it's going to spend be pretty close to the same funding that's going to be proposed, I think that could potentially have majority support.

>> Mayor Adler: Okay. Let's pick up the -- let's vote on what's in front of us right now, which is the amendment that councilmember alter handed out. Which is to add these four items -- five items to the general fund. Ready to take a vote? And then we can do all the other things successively thereafter. So we don't end up like we did this morning with this tree of things.

>> Casar: That's fine with me.

>> Mayor Adler: Councilmember alter.

>> Alter: I wanted to clarify a couple of things. First of all, the column says general fund ongoing so these are all put in as ongoing. And I am comfortable with the city manager's explanation of how the staff would proceed with that homelessness bucket with a strong preference that it be informed by data and be the most pressing need, which is I think what you were -- what you were saying.

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

>> Houston: I need some clarification on one of the suggestions that I heard to fund this early on was to reduce the funding for some of the officers.

[3:01:02 PM]

Could you explain that a little bit more for me, please?

>> Mayor Adler: Say that again, Ms. Houston? Would you fund?

>> Houston: My concern is the reduction in the number of officers that would be funded in order to --

>> Mayor Adler: Nothing here --

>> Houston: That's why I'm asking for clarification.

>> Alter: I was clarifying what my amendment was.

>> Houston: No, I was talking about councilmember Casar. For the relationship counselor one of the options is to reduce or reallocate the number of officers.

>> Mayor Adler: If this amendment passes it would be substituting that for this. So we wouldn't be talking about reducing the number of officers.

>> Houston: Okay.

>> Mayor Adler: Further discussion on this? Yes. Did you want to clarify something?

>> Alter: Yeah, the city manager pointed out that the emcot should be one-time funding so that \$100,000 would be one-time.

>> Mayor Adler: Okay. Everything else is ongoing. Further discussions before we vote? Councilmember troxclair.

>> Troxclair: I guess I'm just confused because it seemed like we took a vote before lunch that we wanted to stick to 4.9% and put the additional money into reserves. Now in one fell swoop we're spending over two million dollars, which is about half of that reserves, which we had our budget officer tell us earlier that he would advise against. So I -- there are some good things on this list. If there was a way to find that funding without going above the 4.9% I could support it, but I would just urge my colleagues who said earlier that they wanted to adopt a budget at 4.9 percent, but they didn't want to increase those taxes regardless of whether or not we stuck to that or we put the additional in reserves, I mean, this does neither of those things and so therefore I think it's kind of the worst of the -- the worst of both worlds.

[3:03:05 PM]

We're somehow ended up on a completely different tract. So just urge you, I guess, to reconsider and to support 4.9% or putting that money in reserves as we had previously voiced our support for.

>> Mayor Adler: Okay. Ready to take a vote? Councilmember pool.

>> Pool: I think if I could ask. I think Mr. Van got the number that I was asking if we put the additional one percent into reserves. What is the increased reserves?

>> Before, depending upon the results of this action, but where you were were all the additional revenues going to reserves, that would take you to 12.4% reserves.

>> Mayor Adler: Okay. Councilmember Garza.

>> Garza: So the 4.9 7, if we added this 2.029 and then whatever would need to be put in the reserve because of that increase, what would that tax rate -- do you know what that tax rate would be?

>> I believe where you are right now is actually at a tax rate of 44.17, which is 5.1% above the effective o&m rate where you left going before lunch to put all that extra into reserves.

[Overlapping speakers].

>> If we added this what tax rate would we be at?

>> In terms of the percentage?

>> Garza: Assuming we stayed at the 4997 and we decided to add the two million, what tax rate would that put us at?

>> Roughly 4402. Which would be a 5.4% increase.

>> Garza: So it would take us from 4.9 7 to 5.4.

[3:05:13 PM]

>> That's right.

>> Garza: I guess I want to address councilmember troxclair's concerns because I understand your confusion, especially having been the one trying to hold the line on 4.9 7. There's obviously an immense need. And while I could not support one giant bucket for one thing, I can support a package that addresses some of the other things that are also very, very important needs in our community. I appreciate the clarification of those that say they are not agreeing to -- they're still at the 5.9, that's fine. But the obvious -- the votes have been going against raising it to 5.9. So again, I will say I'm supporting this, but not adding any additional money. So I would prefer to keep it here at the 5.4 and will not support any other occasions that require an additional text.

>> Mayor Adler: Let's get to that question next. All in favor of this alter amendment please raise your happened? Those opposed. Voting no is troxclair, Flannigan, Houston. The others voting -- Renteria, how did you vote? Did you vote yes or no? No. And Renteria. Four votes no, the other seven votes aye. This amendment passes.

>> Casar: Mayor, for clarification, is the rider describing the counselors is that included in the amendment that just passed that basically says we want these to go to sexual assault counseling as much as possible.

>> Mayor Adler: I think this is just victim services counselor, so the rider wouldn't have been part of it, but you can move to add that.

>> Casar: I'll move to add that just because it is a sexual assault particular issue and that was the rider that I handed out to address that?

[3:07:20 PM]

>> Alter: [Indiscernible].

>> Casar: Yes.

>> Mayor Adler: Say that again, Al sob. I couldn't hear you.

>> Alter: We only funded two ftes, not three.

>> Mayor Adler: Correct. We're going to incorporate the rider language that Casar had. For those two positions. If no objection that's done. Okay. We're back up to the dais. Councilmember kitchen.

>> I wanted to add if we could add the rider language about the homelessness, understanding that it's a million -- we had passed out all the same rider language just with different numbers. So I assume that we're adding our rider language about the homeless?

>> Mayor Adler: When you say rider language we're talking about the description of need language that was in your --

>> Kitchen: That's right.

>> Mayor Adler: -- amendment earlier. Necessary to provide the intervention for those experiencing homelessness, housing insecure. Had four bullet points. Any objection to that language being included? Hearing none -- go ahead.

>> Alter: I just wanted to -- I'm not sure how that moves from where the staff were --

>> Kitchen: It's aligned. It was language that was worked out with the staff and with the homeless advocates. We all sat down together and worked out this language. And it doesn't have a dollar amount in it. Basically what it does, you should have it, I can speak to it, but basically what it does --

>> Alter: Too many papers.

>> Kitchen: I understand. Basically it talks about the priorities. It does not establish a dollar amount. It talks about the staff coming back with recommendations, so I think it's aligned with what the conversation that we had earlier.

>> Mayor Adler: My only concern with this is the percentage allocation because I would expect the staff to come back with a recommendation on what any specific allocation should be.

>> Kitchen: The rider language does not require an allocation.

[3:09:24 PM]

It simply suggests. And it does not require.

>> Mayor Adler: It says that the council expects the staff to return to a plan with that allocation.

>> Kitchen: It says approximately.

>> Mayor Adler: Can it say they can consider coming back with an allocation or not?

>> Kitchen: Sure, that's fine.

>> Alter: I don't have a copy of that right now. I was hoping that this would be a pot of money that would be unallocated that we would be able to use to implement the plan that would be coming back.

>> Kitchen: The reason I suggested it as a result of the work that mayor pro tem and I and others did earlier -- earlier this week with staff. And with folks that are working on homelessness so it reflects the understandings of the priorities of the staff as well as -- you know, as well as echo and the other organizations that work on homelessness. So it's nothing contrary to that.

>> Mayor Adler: What I would suggest to council is let's not suggest rider now. Let's get through the budget and let's come back and do riders at the end. We can see how we want to handle parts that are omitting language. Councilmember Casar?

>> Casar: So what I did with the accepting councilmember alter's substitute is one that I think that substitute is good and addresses lots of good things, but it did sacrifice the 130 of the relationship violence prevention money so I would like to move one potential way of fixing that in a revenue neutral way, which is for our 1.2-million-dollar new pilot program pot of incentive money. Instead of being 1.2 million, being 1.07 million. So \$130,000 less, still a significant allocation to something brand new in order to -- I would like that 130 to fund -- to cover some of the workforce development need that freeze up 130 to cover the relationship violence issue.

[3:11:32 PM]

>> Mayor Adler: Okay. What was your motion?

>> It's a bit of a rubic's cube thing?

>> Mayor Adler: Your motion to to do what?

>> To move \$130,000 out of brand new economic incentives fund. And to allocate -- because councilmember just added 319 to workforce development. I would like -- and she used just general fund money. The 130 I'm proposing from economic development with actually cover part of that 319 that frees up general fund money, that 130 could then cover the relationship violence program. It might actually -- because it relates to councilmember alter's amendment, that's why it may have made sense for me to --

>> Mayor Adler: Am I saying that the unfunded thing you had you want to fund with 130 from the million two. Is that what you said.

>> Casar: Yes. But economic development money can't fund the relationship violence piece, but it can fund something that we just funded with general fund money 10 seconds ago.

>> Mayor Adler: I understand. In essence it's taking 130 out of the 1.2 and funding this position.

>> Casar: The relationship violation.

>> Mayor Adler: I understand the mechanics of it. To fund those last two positions with the 130 coming out of the million two that was part of the chapter 380 funding.

>> Casar: That's right.

>> Mayor Adler: Is there a second to that? Mayor pro tem seconds that. Is there discussion on that?

>> Casar: I'll speak to it. So I know that that sounds a little complicated. I was hoping to do it earlier when it wouldn't have to be so complicated. But again, our commissions and volunteers worked really hard to bring us something to address this increase in violent crime. This is a smaller ask than what was brought to us, but in the spirit of trying our best to get this done I think this is one way of getting it done without impacting the reserve to the tax rate. Mr. Van eenoo may have an addition to that.

>> I was wanting to clarify were you talking about 170,000 or 130,000?

[3:13:35 PM]

>> Casar: 130.

>> I know this yellow sheet talked about two --

>> Casar: There's two different things.

>> Mayor Adler: The yellow sheet is done with.

>> Casar: The yellow sheet has been passed.

>> I understand.

>> Casar: So I'm saying 130 to go into the workforce development to bring that bucket up.

>> Mayor Adler: In essence, I think that councilmember Casar is reoffering up half of the Casar amendment number 4, is that right? So what is in front of us now is Casar amendment number 4 at half that level being funded out of the million two.

>> Casar: And I hope that this new program works. I as expire that the new economic development incentives work, but it is the first time we're doing it and asking the staff how they came to the 1.2 million number. They just tried their best guess at what would work and I think at just under 1.1 --

>> I understand the motion. I understood that this is going to be two more victim services counselors. I understand the cost of two victim services counselors --

>> Casar: This is not two victim services counselors. The mayor said four, but he meant five. So this is the relationship violence prevention funding.

>> That makes sense.

>> Mayor Adler: Does your commitment, Mr. Casar, that you won't go after or support any other amendment to go after that million two for that program?

>>>> Casar: I have no interest in moving any other amendments, at the same time I don't know by virtue of our process what other amendments people might bring up. So it's hard for me to judge it, but my sense is I'm not going to do -- I'm not going to be kicking around too much more unless I hear a great idea.

>> Mayor Adler: Further discussion on Mr. Casar's amendment? Councilmember alter.

>> Alter: I want to make sure that we're clear because had this been offered -- it was an substitute amendment so I don't think we could have amended it before in the chain of protocol. So I would have accepted it before.

[3:15:37 PM]

It's my understanding we are taking some money from the 1.2 million, we're taking the 130,000 out of the 1.2 that's there for economic development. And substituting that for 130,000 of general fund money that we just allocated to workforce development. That 130 will now go towards a bucket called relationship violence that staff would then work to spend in an appropriate way according to the information that Mr. Casar provided in terms of direction.

>> Casar: That's right.

>> Mayor Adler: That's correct.

>> Casar: And the number five that I handed out, but just half the amount that I handed out.

>> Mayor Adler: It's 130, right? Not 150. Further discussion. Ms. Houston?

>> Houston: As we continue to find ways to use the general fund money, is it possible for you to give us a -- give us a running tab of where we are and then what the personals -- the percentages the tax rate is going to be because we keep finding ways to use the money. I guess that's a question for financial services.

>> My understanding of where we are now, including the 5.9% increase in the tax rate, which we haven't done yet, but the additional revenue that would generate, plus the amounts we've now talked about allocating to the alter amendment, you would still be at 5.9%, that's where you were, but you would now have \$2,259,000 going into reserves.

>> Mayor Adler: That's correct. We're at the 5.9 right now, but all of it not going to reserves of 4.9. The portion we just approved, the two .029, going into general fund for these purposes.

>> Correct.

>> Casar: And mayor, to be clear, this does not impact the reserves or the tax rate because it's just reallocating money already in the budget.

[3:17:39 PM]

>> Mayor Adler: Okay.

>> Mayor Adler: This is a hard one. I don't like going after that money. We just spent two years working on that program. Staff spent a lot of time on this program working on that. I don't know if there's anybody here in economic development that could speak to the loss of that funding from that program. It is something that happened later than we had originally thought that it would, so I don't know if you can gear it up in time. My preference would be to leave it there unless you think because of the timing it's not money that we're going to be able to use. In which case I would agree to let this part go, but no more for me.

>> Rebecca FBI he will low, interim director. My understanding is it's coming from your chapter 380 economic development policy. What we have in that particular bucket we plan to utilize for a number of initiatives which you all are very familiar with as well as bring forward what we're calling some quick wins in determining how to meet the needs of the community through smaller and to y'all's point on August 30th, more efficient or easier programs. So with a reduction in that bucket is a reduction in those programs that we can bring forward.

>> Mayor Adler: So rather than having the total being 2-megawatt \$029 million like we just did with councilmember alter, if we left this one off and this was something that was real important, why don't we add the 130 to that number and have it be 2,000,159? It's not going to appreciably change everything.

[3:19:41 PM]

If we left that one off and it was a priority for us to do, then I'd recommend we make that change instead. Yes, councilmember kitchen.

>> Kitchen: I would like to take that vote. So I'd like to just vote to take the -- I don't know can if that's procedurally just another amendment with 130 out of -- just adding to what we did previously and seeing if there's a will to do that as opposed to -- okay.

>> Mayor Adler: Okay. Councilmember kitchen moves to add 130 to what we had just passed so as to have those positions, that function added. Change the total to 2,159,000. Discussion? Is there a second to that, by the way? I'll second that. Councilmember Garza?

>> Garza: This is the simply slope I was concerned about heading in this direction. The support for my substitute motion by councilmember alter was premised by not adding any additional. I could support replacing the -- I would prefer replacing the economic development dollars as opposed to adding on top of what we've already added. My second I guess question would be to our police chief. Hate to put you

on the spot, but would it be possible to find this and fund 130 in your budget? If that's something you need to go think about, without reducing the number of officers that you're asking for?

[3:21:43 PM]

>> Mayor Adler: Chief.

>> Mayor and council, just to clarify, you're saying is there a way to absorb the 130 within the existing department's budget?

>> Garza: Yes.

>> Good afternoon, mayor, council, Brian Manley, chief of police. We'd have to look at that. I know we're looked at as a large budget, but each one has a purpose and trying to see where we would actually put that and if there's a place where it actually fits. So standing here in front of you today I cannot say that that would be easily done without impacts on other parts of the operation.

>> Garza: Okay. Then I would prefer to take the original motion, which was the economic development dollars.

>> Casar: Let's take a couple of votes and see where it lands.

>> Mayor Adler: Mr. Flannigan.

>> Flannigan: I'm going to continue opposing the amendments. I think it's important for us to remember it will always be easier to just spend more money. That will always be easier. And I hope as we evolve this budget process in the future that we find a way to have these conversations not the day of and calling folks up to the microphone, but really able to say these are our priorities. What are the things that are less priority we can allocate away from in order to do these things? I'm just very uncomfortable, as councilmember Garza said, that we've now entered the slippery slope, and yet here we are. So I will just continue to oppose the amendments.

>> Mayor Adler: Let's take a vote on the amendment. Yes, Mr. Renteria?

>> Renteria: And I agree with my colleague Jimmy Flannigan. You know, we had set up a deal and a plan when we met and we were going to fund these buckets and do these kind of programs that we're going to take on. And that's what we thought we did. And now we're doing the same thing as we did last year and the year before and the year before and the year before. I didn't write any amendments for riders at all because I took my colleagues for their word that this is the way it was going to work.

[3:23:50 PM]

But I guess I was mistaken.

>> Ms. Kitchen has -- I'm just calling a vote. The question is Mr. Casar has moved to move to 130 to the program and the question before us is does that come out of the -- one, do we want to do it. Second, does it come out of the economic development chapter 380 money or does it get -- come out of what is currently reserve? Any further discussion? Ms. Houston, did you want to say something?

>> Yes, I did. I would have a problem with it coming out of economic development because some of that funding would be to help fund some of the small programs in the eastern crescent that needs some assistance. So once again we're taking from Peter to pay Paul said of just letting the manager's budget stay as it is where we know where the information -- where the money is going and who they're going to serve. So I'm not going to be able to support moving it out of economic development.

>> Mayor Adler: Councilmember alter.

>> Alter: I'm not sure how to procedurally propose this. I had another idea. I think the manager said early that there was some room to maneuver in the codenext bucket. What if we took it out of that bucket and then we left EdD the same and it's 130 out of it. I believe he said there was 150 to 300 that was okay to address and then we could be done with anything that's new funding perhaps.

>> Mayor Adler: Yes, councilmember troxclair.

>> Troxclair: I just wanted to mention that I think after this vote is taken I'm going to ask that we take a vote on adopting budget at the 4.9% with cigar's original amendment that we voted -- Garza's original amendment that we voted on before lunch. I feel like we've gotten off track and this conversation has gone in a direction that maybe some of my colleagues on the dais didn't intend.

[3:25:56 PM]

So I want to give us the opportunity to get back on track and to get hopefully vote to adopt the budget at the 4.9% with the changes that Ms. Garza made.

>> Mayor Adler: Let's go ahead and vote on what's before us. What's before us is taking the 130 out of -- keeping it in economic development and taking it out of reserve. Those in favor of the kitchen amendment please raise your hand. It's me and kitchen and pool. Those opposed please raise your hand? It's the balance of the dais so the money now stays coming out of economic development as Mr. Casar had originally proposed. We have Casar's amendment to take 130 out of that for the program. Those in favor please raise your hand? Those opposed? Ms. Houston votes no, Mr. Flannigan votes no, Ms. Troxclair abstains. That passes. We're now back to the main item, motion that is in front of us. Any further amendments to be offered? Mayor pro tem.

>> Tovo: And I have several just to set expectations. I'd like to get back to the discussion we had this morning about -- sorry. I have to figure out how to get myself off this screen. One minute. There we go. We had a discussion this morning about tenant education and there were two proposals that came to us on council. One we funded, I believe, in the base motion and that was to accommodate for the position that was going away within our existing services that we're providing. The other point that had come forward was a request for some funding for a mobile clinic and so I wanted to ask our staff, we had a

discussion before about appropriate uses of the clean community fee and I've been talking with staff about what it -- what of the amendment I made could be -- would fall within appropriate scope for that funding and what would not.

[3:28:05 PM]

And so if we could have that conversation that would help me know what amendment to propose. And I distributed this this morning. It's amendment -- it's the tovo amendment number 4. We had had some conversations with -- let me back up and say we've had some interesting conversations over the last few weeks and certainly some interesting ones today and I want to be really clear. I appreciate the city manager's proposed budget. It does respond to our priorities. We have, though, in the course of the last year or two passed some resolutions that also expressed our priorities that were not necessarily funded within the city manager's proposal. So I see it as absolutely our right and our responsibility whether to here on the dais try to meet these priorities and this is one of them. We passed several resolutions, as I indicated. One was for eviction counseling. I think this is a critical need. We talk all the time about ways to prevent homelessness, to keep people in their housing, eviction counseling programs have been very successful in other areas around the country. We had some very good discussions with people who provide legal services for people with eviction counseling. These are non-attorneys who would go with tenants who are facing eviction into court and provide them with some assistance. It could in some cases as I'm reading about programs in other cities, it helps prevent that eviction. And if we can work to prevent evictions that makes it much easier for those families to get housing in the future. It's my understanding that eviction counseling probably can'ting included within the clean community fee, however my amendment number four had some pieces that were more general tenant education. Again, responding to that request for additional assistance with pop-up clinics. But also responding to the resolution that I had brought forward that passed, which was to provide some information, some tenant education information, particularly aimed at students.

[3:30:13 PM]

And I think the staff had the gotten back to us with a memo in response to that resolution and suggested it was about 25,000. We had thought we could fund it through the U.N.O. Fund and I've been going back and forth with staff. It looked initially as if we could. We heard today we could not. So it would be a component of this as well.

>> Mayor Adler: Mayor pro tem moves passage of her amendment number four.

>> Tovo: Right. It's a little different. As you see down there, it's actually for 140,000 out of the clean community fee. The tenant eviction piece has to come from another source of funds as I understand it.

>> Mayor Adler: So your amendment is what?

>> Tovo: Would be 140,000. It would include the creation -- funds to support the creation of a mobile clinic dedicated to tenants' rights and education and mediation and it would through a student centered rights and education campaign. So it would include those two pieces. It would not include the eviction counseling, which has to be funded differently.

>> Mayor Adler: Mayor pro tem moves \$140,000 out of general fund for the mobile clinic and for the student center campaign.

>> Tovo: I'm sorry, mayor, not out of the general fund, out of the clean community fee, which I believe is in the scope of the clean community fee. It just an enhancement of the work we're currently doing with regard to tenant assistance.

>> The program that is run by legal aid and Basta is used for substandard properties, so it fits within the mission of the code department to remedy substandard and dangerous conditions. My understanding of what is being proposed today is broader than that.

>> Tovo: And cannot be, okay. Then mayor, the amount would be 215 and it would be from general fund, not clean community. And it would include the eviction counseling piece that I addressed.

>> Mayor Adler: Mayor pro tem moves \$215,000 -- you're moving your amendment number four at this point?

[3:32:16 PM]

>> Tovo: Correct, with the exception that the one-time funds is no longer coming out of the U.N.O. Trust fund. It is three components are out of general funds.

>> Mayor Adler: Is there a second to that motion? Councilmember pool seconds that. Is there any discussion? Mr. Flannigan.

>> Flannigan: I pulled up the resolutions cited in your amendment, mayor pro tem. And this is something that I've heard other folks on the dais say. We pass a lot of resolutions that direct the manager to consider. They don't mean that then they automatically get included in the the budget. And I want the community to understand that, you know, we direct the manager with that discretion to say come back with reports, come back to consider, but I don't want there to be this assumption that just because a resolution was passed that it must or is automatically supposed to be included in the budget. And I also looked up the one about student centered tenants rights and education campaign. And my read of the resolution says that the manager is supposed to present work to the student commission, although I'm not sure the student commission is yet convened to weigh in on this topic. So I'm not going to support the amendment as I've said on other issues, but I think there's -- it's just a couple of things I wanted to add.

>> Mayor Adler: Any further discussion on this before we vote? Let's vote. Those in favor of tovo amendment number four please raise your hand. Kitchen, Casar, the mayor pro tem and pool. Those opposed please raise your hand? It's the balance of the dais. Next item.

>> Kitchen: Mr. Mayor, I have two amendments. Could I do one while we're --

>> Mayor Adler: Yes. We'll move it around.

>> Kitchen: Okay. I'm passing this out. Let's see. This does not take any money out of general revenue so it doesn't impact our tax rate at all. It does not take any money out of reserves. So this is an amendment to our urban forestry replenishment fund which currently sits at 4.3 million.

[3:34:20 PM]

This takes an additional 88,000 out of that to go towards an existing -- two existing pilot programs. These pilot programs are the Austin environmental heroes, and the remove and replace program. And both of these pilots were not able to complete their pilot program last year, or fully complete it, I should say, because they weren't funded sufficiently. So this continues those programs this year and gives them the additional dollars dollars -- actually, the the continuation of the programs is already in the manager's budget. What this does is adds 88,000 to those programs so that they can continue them without having to stop them early because they run out of funds. So basically the Austin environmental heroes program program, it relates to -- it addresses the biggest barrier cited by pard for planting trees. So it works with high school students, and they work on taking care of the trees during the summer and watering trees and that sort of thing. The second program, the remove and replace program, works with low income families, and it helps them replace older -- remove older trees that are in danger of falling on someone's home and replacing them with healthy young trees. So this is a very small increase to a large fund, which is funded right now at 4.3 million, and this just increases by 88,000, which I think still leaves that fund at, you know, well over three million. So the money is just sitting there right now and it's not being used. This is something that we talked with staff about. The staff that manages this fund. And they were -- they felt like this was a good program to do this with.

[3:36:27 PM]

They just wanted direction rather than -- they can't increase the dollars to this program without the direction.

>> Renteria: Mayor?

>> Kitchen: Does that make sense?

>> Mayor Adler: Councilmember kitchen moves her amendment on urban forestry. Is there a second to that?

>> Renteria: Mayor, I'm going to second that because we go around planting a lot of trees during the summer and it's usually the hottest part of the year. It is the hottest part of the year. And these trees -- because I volunteered once and we put these trees out there all along Sanchez elementary, and there was no one to take care of them in the summer. And I could -- we saw that they were drying up so we

ended up getting some volunteers to save these trees, but as I walked through my -- rode my bike through the neighborhood, I seen these trees that we invested so much money that we planted out there in people's yards and in parks just dying outside because they're not being watered or taken care of. So this is -- I see it more as a way to save money because we're buying all these trees, we're planting these trees out there, but we're not taking care of them and they're dying.

>> Mayor Adler: A little been moved and seconded. Further discussion? Councilmember alter.

>> Alter: I want to first of all thank Ms. Kitchen for bringing up this increase and for the city manager for helping us to make this part of his proposal, the original repeat of what we did last year. These are two programs that I worked on last year with councilmember pool, and from what we learned about the demand, particularly for the low income housing that people in -- of low income who are in their own homes who are experiencing issues with their trees, that the demand was very large and it has made a significant difference in their ability to stay in their homes. I support this item, but while we are talking about the trees, as Dr. Seuss says, speaking for the trees, I want to just flag that one of the pieces that was not included in this budget to the same level as other priorities was the climate resilience bucket.

[3:38:49 PM]

And I would invite any colleagues who wish to work for additional funding for additional works in urban forestry and pard to help take care of our tree canopy. It's another form of deferred maintenance, but it's one that affects the heat island, affects -- it's really important for the future of our city that if this is something that you're interested in working on to make sure that we have more funding for helping with these trees in the future. Right now I think in part it's something like every 90 years they touch a tree in a park. And I know in Ramsey park, which I know well, we had tree limbs falling on playscapes, which creates a whole other source of costs. So if other folks in the future are interested in working, it would have been my first preference to have additional tree people. Worship not able to make that happen with the ongoing ongoing, but I am committed to trying to help move that forward next year so while we're speaking for the trees, just please keep that in mind.

>> Mayor Adler: Further discussion. Mr. Flannigan.

>> Flannigan: I don't know if the manager or staff want to answer. Is there a strategy or a plan around the use of this fund? I'm just concerned about doing it on budget day and if there's a pile of money that just keeps growing, is there a strategy or plan, is this in line with this strategy or plan? Should we be developing a strategy or plan? I would like to know at least a little bit that.

>> Good afternoon, mayor and council, I am the

[indiscernible] Division manager. We do have a strategy. Just in the past few years we have been able to find the resources to allow us to plan for our expenditures for the fund. Currently there is a little over four million in our balance. We have 2.2 scheduled budgeted for next year for spending it. So we're aggressively looking to spread that throughout the community to help our urban forest.

>> Flannigan: So -- sorry, mayor. So is this -- the 82,000 appears quite nominal, given the 2.2 you're intending to spend that's in the budget now, I'm assuming, 2.2 over the next year from this fund?

[3:41:01 PM]

>> Correct.

>> Flannigan: And how quickly is the fund replenished. Are spending it down or are we maintaining?

>> We're fairly maintaining, hour it is an indicator of -- however, it is an indicator of the popularity of development. Typically the more development we see the higher balance we typically have with the fund. But again the last few years we have been able to look at our resources to be able to spend it more aggressively.

>> Flannigan: So was there a reason why this wasn't included in -- or is it just council saying do a little more? It's a hard question for me to ask you, but -- okay, thanks.

>> Mayor Adler: That is a difficult one for me. I mean, all these things are good. The ones I have the most difficulty with are the ones that surface while we're at the dais and approving a budget. It seems to me if we think the fund are not being spent properly we need the staff to come back and give us a spendout plan for the fund or something, but it seems like we're just reaching really down, deep down into the budget in operations and it makes me uncomfortable. Councilmember kitchen.

>> Kitchen: Mr. Mayor, I did not just surface this. We worked with staff on it. And my understanding with the staff is that this -- these two presumes, these additional prosecutors dollars to these two programs are something that they're in agreement with. We also asked them -- all of us have been working over the past few weeks with the city manager and with our staff about tweaks here and there and about things that the staff could do. And all of owe mean of us -- owe many of us have made those changes with staff. So this is one that our understanding was that the department preferred that they have direction on and that's why I am bringing it as opposed to just something that we informally went forward with. So it's not new and my understanding is that it's -- I would not have brought it if I thought it was not something that the staff felt was aligned with what they wanted to do so if we misunderstood that, fine, but my understanding is that this is in line with the plan and in line with something that they wanted to proceed with.

[3:43:26 PM]

>> Mayor Adler: I just don't know why staff -- if staff wanted to do it why can't they put this in. If there's a reason they didn't put it in --

>> Houston: The other thing is if they have the money already there then with the city manager's support they can implement any of these programs.

>> Mayor Adler: Why don't you put it in?

>> This is a continuation of an approval -- of approved project from last budget session. We were increasing the funding from what I understand from last year, so this is a continuation of a pilot project from last year.

>> Mayor Adler: Is this what you'd like to use the balance of the fund for? Do you want to consider using the balance of the fund for something else?

>> Kitchen: It's not a balance. It's a very small amount of the fund. It's only 88,000 out of millions.

>> Mayor Adler: No. My question was directed to this and the rest of the fund. I'm looking for direction. This the next priority, if you're going to spend more money out of the fund is this what you want to spend it on?

>> We wouldn't have prioritized it that way. However, if it's the will of the council, just as we did last year, we can work with our nonprofit partner to implement these two programs.

>> Mayor Adler: See, the program is really good. What I don't know is what would be the priority. If this wouldn't be the priority, what would be? And it's not a lot of money and I just think we should move forward and take the vote on this, but those are the questions I have when things surface. And I recognize and appreciate and really do that staffs have been working on some of these for the last few weeks, but it's new to me as it comes up. So I haven't had the chance to ask those kinds of questions. That's all. It's been moved and seconded. Councilmember kitchen -- yes.

>> Renteria: Now you know how I feel.

[Laughter]

>> Mayor Adler: Moved and seconded. Those in favor of the kitchen amendment please raise your hand. Alter, kitchen, mayor pro tem, Renteria, Garza, and pool. Those voting no raise your hand. It's the balance of the dais. It passes 6-5. Next item.

[3:45:33 PM]

Anything else? Mayor pro tem.

>> Tovo: I'm going to make another tempt at tenant eviction. Councilmember Flannigan, you talked about resolutions, and I'm -- we have this discussion every year, where we pass resolutions, and they're not necessarily funded in the city manager's budget. That's of course the manager -- it's always the manager's priority -- prerogative to fund some things and not others, but it's also our prerogative to come back and reconsider them. And in providing that level of context, I was trying to respond to the discussions about whether or not things were coming up on the dais. I think it's important when we've had a history of conversation about it and resolutions to make note of that. So my question is for staff. With regard to the tent eviction, which I gave a discussion of before -- tenant eviction, which I gave discussion of before, do you have suggestions is of how we might fund it? You know, it's the --

[indiscernible] Is funded through the general fund. This was not projected to be funded through the general fund. I think both are equally important. We could have a conversation about why one, not the other. But as I understand it, the staff suggested that this could be funded out of the affordable housing trust fund, that is my least favorite option because I think we should be using our trust fund money to build housing and for the other purposes but I continue to think this is an important expenditure. Would it need council direction at this point to fund it in that way?

>> No, it would not. Rosie Truelove, director of neighborhood housing and community development. This particular -- at least the tenant eviction piece where you were speaking to the resolution that was passed where we would provide services to folks at the hearings that are being potentially evicted, that's a piece we think we could fund out of the housing trust fund and that would be our recommendation right now. We wouldn't need further direction from council to do that. When we drafted our budget request to fully fund the housing trust fund and to remove the ftes out of the housing trust fund, it was in anticipation of being able to fund some anti-displacement measures such as this.

[3:47:45 PM]

>> Tovo: I think I will make a motion just so we can get the council will on the record so that program can move forward with all expediency. 75,000 was the amount suggested to us. Is that an adequate amount? Would you suggest a smaller amount, larger amount? I think that was what came back to us.

>> 75,000 is what we were thinking, maybe up to 100,000.

>> Tovo: Mayor I'd like to make an amendment to fund 75,000 to come out of the affordable housing trust fund. Again, my least favorite option. I would rather have used the money we identified for -- to do community engagement around a past special events ordinance but that wasn't the will of council, so I'm moving that it come out of affordable housing trust fund money, which would otherwise be used to craft housing.

>> Mayor Adler: This is something you indicated you would be doing any how as part of your program?

>> When we had --

>> Mayor Adler: That's something you were going to do, yes?

>> Yes.

>> Mayor Adler: It's been moved. Is there a second to that? I'll second that. Is there any further discussion? Let's take a vote. Those in favor of this please raise your hand. Those opposed. Flannigan votes no, Houston votes no, Garza votes no.

>> Alter: I'm abstaining because I missed part of the discussion.

>> Mayor Adler: Ality ser abstaining, passes 6-3-1. Next item, if any. Councilmember Garza.

>> Garza: Sorry, a got a little lost in --

>> Houston: You missed somebody. There's 11 of us.

>> Mayor Adler: It would have been 7-3-1. Sorry.

>> Garza: I got a little lost in that vote because I was -- we were considering a budget rider to my families not flippers because I had concerns about the hundred thousand dollars and how it was being spent, and so I don't know where -- what we're doing with budget riders. I was considering not even offering something. I guess to your point I am supportive of that, and I -- the rider was -- the vote just happened way quicker than any of the other votes had happened and I was trying to think of how to do a substitute motion of some sort to say that -- to your point, instead of taking it out of the housing trust fund, using the 75 of the hundred thousand.

[3:50:07 PM]

Because my understanding the hundred thousand was to hire a consultant and I didn't feel -- I don't like getting into the weeds like that about stuff but I didn't feel that was the purpose of families not flippers campaign. It was supposed to be something very simple, a piece of paper in your electric bill, and I thought a hundred thousand was a lot of money. So I don't know if we can reconsider that vote. My point is instead of taking it out of the housing trust fund, fund it with the hundred thousand and a 25,000 balance for the educational campaign. Out of the general fund.

>> Mayor Adler: So you're saying rather than the -- there's a hundred thousand dollars right now at the hire fte.

>> Garza: It's not an fte. It's a consultant.

>> Mayor Adler: A hundred thousand dollars to hire a consultant on this program and you're saying rather than hire the consultant, drop the consultant, spend \$75,000 of what was going to the consultant to what we just asked -- well, the hundred for what we just passed, those two things.

>> Garza: 75 would go to --

>> Mayor Adler: 75 to that.

>> Garza: And 25 to the educational campaign my hope was could be done --

>> Mayor Adler: Just by a flyer or something.

>> Garza: Yes. It was supposed to be a simple program.

>> Mayor Adler: Do you want to address that?

>> Rosie truelove again with neighborhood housing and community development. When we had done the initial analysis of the proposed homeowner education campaign or families not flippers, we had anticipated something of more substance than what councilmember Garza is anticipating. And that's why we had proposed using some funding to hire a consultant so we didn't have to burden staff with development of a campaign. If it's scaled back to the extent that she has described, we potentially could

do that internally and utilize the funding we were going to use for that to go towards the tenant eviction prevention program.

[3:52:08 PM]

>> Mayor Adler: Does anybody have any objection to that change being made? Hearing none, that be change is made in lieu of the last vote that we took, okay? Thank you.

>> Garza: If I can just add.

>> Mayor Adler: Yes.

>> Garza: While the concern about families not -- knowing about how they can sell their house at market rate, my district is also one of the highest -- has one of the highest eviction rates, so that's why I offer that.

>> Mayor Adler: Okay. Next item. Mayor pro tem.

>> Tovo: Thank you, councilmember Garza. I think that's a good -- I think that's a great change. I just distributed something regarding worker cooperatives, actually a response to councilmember Garza's resolution for worker cooperatives. We did just discuss the chapter -- the incentive seed money, but I believe this is very much in keeping with how we want to incentivize small businesses. When we got back the report -- the report back from that resolution there was a suggestion that the staff needed -- would need some funding to do the kind of work with businesses to move -- to help them consider whether or not they could become worker cooperatives so I think that was a good resolution. I think we got a good report back. I think there's a lot of good possibilities out there to create help businesses create worker cooperatives and talk to them about how they might do that. So this amendment is revenue neutral. It would simply allocate some of the seed money within our -- within the chapter 380 budget that was increased to help provide that request for proposals. And just to break it down, it sounds as if it would be about 50,000 for an rfp, about 20,000 for a technical assistance, and about 5,000 for how-to guide.

>> Mayor Adler: Mayor pro tem moves her amendment number 9. Is there a second to that?

>> Tovo: That actually responds to two different resolutions.

[3:54:10 PM]

>> Mayor Adler: Is there a second to amendment number 9? Councilmember pool seconds that. Discussion? My concern on this is that we worked really hard and staff worked really hard over a long period of time to set up a program designed to increase jobs for small businesses and take the focus away from businesses coming into town and supporting increasing workforces and skilled jobs from the small business community that exists here. That money was set for programs we've already prejudiced

the programs that were being set up for that and I think we ought to give that opportunity the fairest opportunity it can have to succeed. If it succeeds well it could be huge in this city. We've now taken money away from it. Otherwise I'm going to vote no on this because of the funding source. If the vote was to just add \$75,000 out of the general fund, that might be something that I would consider more than going even deeper into a fund that we ought to actually give it the best chance to do what we intended it to do when we passed it. Any further discussion? Councilmember troxclair.

>> Troxclair: Just to -- point of information from our staff, was the economic development at -- 380 seed money was that ongoing or one-time?

>> We anticipate that to be ongoing but we don't know what the right amount is going to be so 1.2 million gives us some money to see how the program progresses.

>> Troxclair: Who it was anticipated to be ongoing?

>> It's anticipated to be ongoing.

>> Troxclair: Thank you.

>> Mayor Adler: Councilmember kitchen and then councilmember alter.

>> Kitchen: I also am not going to be able to support this amendment as taking dollars out of the economic incentive bucket.

[3:56:11 PM]

The dollars we're now down to a little over a million, and that's really not much. So, you know, if we were going to take it from something else or take it from the reserves I'd be all right with it, but I don't want to reduce that fund anymore. I think it's dangerously low with regard to -- with regard to getting those programs started.

>> Mayor Adler: Councilmember alter.

>> Alter: I'm not sure if this is a question for Mr. Casar or Ms. Giello but I thought when we did the 380 agreements there was a proviso for cooperatives. How does this fit into that?

>> Rebecca giello, interim director, economic development. There is not currently right now a dedicated funding source for cooperatives out of the 380 funds. There is not. There is an opportunity to contemplate a number of programs coming forward, but currently there isn't anything specifically dedicated for cooperatives. It is worth noting that the family business loan program can be utilized for -- to assist cooperatives. It is also worth noting that the envisioning of the location enhancement program could also serve that purpose. But that's just currently right now two programs. That does not prohibit financial assistance to cooperatives.

>> Alter: So would an option -- so do we need -- so I think the goal is to increase the opportunity and the knowledge about cooperatives. Are those two programs avenues that could be done under?

>> I don't believe that those would need the -- meet the spirit. So we recognize that one of the key aspects that cooperatives need is financial assistance to assist in setting up the business model.

[3:58:18 PM]

Oftentimes that's technical assistance, as well as financial assistance for the legal assistance to present that business model and structure. That would not meet the spirit of the intent.

>> Alter: And is this amount of money the amount of money that would achieve the intent or is it out of proportion for what you would need to fulfill the intent?

>> Could you let me know the funding amount being discussed right now?

>> Tovo: Sure. I will say I got these funding amounts from the staff memo that were recommendations in response to city council resolution and then the resolution number, and it's dated October 19, 2017. So these are the staff's figures, and termination analyze whether or not any of our existing funding streams would be appropriate for this use and concluded that this piece would need additional funding. And so it was \$50,000 to fund a pilot program to provide training, technical assistance, referrals and outreach, and that broke down to 5,000 for advertising costs, 20,000 for technical assistance to owners and workers with a transition, and then the 50,000 I just mentioned. So that was -- where those figures came from?

>> Yes, ma'am. These figures were produced by our subject matter experts in the small business program and we do stand by those numbers.

>> So there's an amendment to take \$75,000 out of the chapter 380 incentives to fund this worker cooperative issue. Ready to take a vote? Councilmember alter.

>> Alter: I think this is an interesting proposal, not one I saw before today. I know you had a memo back but I don't recall it. I would be supportive of this out of the codenext bucket.

>> Mayor Adler: Okay. Let's take a vote on this.

[4:00:18 PM]

Those in favor please raise your hand. No --

>> Tovo: I think you said you weren't in favor.

>> Mayor Adler: I'm not in favor. That was like an illustration. Please raise your hand. Latch laugh councilmember Casar and mayor pro tem and then councilmember pool. Those opposed please raise your hand. Balance of the dais. Next item. Anything else.

>> Tovo: I heard some support if I switched the funding source. I'm happy to support it through the previously named codenext budget if that's -- if that's of interest. The way I see it is this is very much about supporting small businesses. It's in keeping with -- it's in keeping with what we want to do. We've now done two council resolutions to explore it and our staff have given us some good report back on it. If we're interested in doing it it would be helpful to provide some funding toward it.

>> Mayor Adler: Okay. Councilmember kitchen.

>> Kitchen: I would feel more comfortable if we just asked the city manager to fund an -- find an appropriate place to find funding for it. I really am uncomfortable with continuing to take dollars away from existing programs. I appreciate this program, I like it, I'd like to support it, but it keeps being suggested for areas that I don't think we should reduce.

>> Mayor Adler: Let's take a vote. Those in favor of this amendment please raise your hand. Alter, mayor pro tem, Garza and pool. Those opposed please raise your hand. It's the balance of the dais. Anything else? I think we've exhausted our amendments. That gets us back to a vote on the main motion. Yes, councilmember kitchen.

>> Kitchen: [Off mic]

>> Mayor Adler: Your mic is not on. So let's finalize the budget and then we'll look at everything else that we have the rest of the day. Are there any further amendments on to the budget itself? Mayor pro tem.

>> Tovo: I'd like to ask staff about the great streets funding.

[4:02:24 PM]

I have an amendment where I think if there's -- that be I'd like to discuss. Again, subject to be a resolution that we had brought forward, we did a resolution asking for staff to analyze some of the infrastructure components that would be part of improving security and safety and just general walkability and accessibility of the red river cultural district, and it's my understanding that there is a pretty significant balance in the great streets program. My staff have been going back and forth with the great streets staff or the appropriate staff to determine what the amount would be, and I wonder if you could speak to that and whether this would be an appropriate time, were we to want to do an allocation from the great streets budget for enhancements along the red river cultural district. I'm happy to take that up as the subject -- I'm sorry I keep asking questions and talking through it, sorry, director Guernsey. Go ahead and then I'll ask my question.

>> So the great streets fund, this area is located within the great streets boundary. There is -- for the amendment, there is funding, I believe, in combination with the fy19 budget to cover the cost. The great streets fund is used for development that complies with great streets standards. There's specifications for trees, for sidewalk design, street furniture, those various improvements. There's not just an idle balance in there. There's a million dollars that we think will be coming up for great streets light poles, about 2 million for improvements to either 4th street, 5th street, sixth street coming, about 214,000 for

republic square park, about 200,000 for the waller creeks, Sabine street area, 40,000 for 2nd street, about 150,000 for license agreements that may deal with Seaholm convention center area and \$200,000 that covers some improvements that may be necessary to be removed for maintenance.

[4:04:50 PM]

Given those amounts, that would come out, we believe a budget balance right now about 5.6 million and given those totals about 3.8 there should be enough funding to cover the difference that I think is being suggested in the amendment. But this money is not used for maintenance. It's only used for basically installation. The fund is usually used in a manner that is matched by a developer that might maintain for instance putting trees in. There's a springer system put in, water is paid for by the developer, might take care of that tree for the life of that tree. If there's improvements that are done for maintenance, let's say for a bench, they might need to make sure the bench is clear and is properly maintained. So, yes, there is funding. It's for great streets improvements, built to great streets standards and not necessarily lesser standards, and it's not intended for maintenance.

>> Tovo: And as I recall in this response to the memo -- so you had provided a memo in response to the resolution, and the memo is dated July 13, 2018, and you've highlighted that there were three things that the staff highlighted. One was needing a source of funding for these -- for the improvements that had been identified as necessary. And the second was -- which I'm attempting to do through the great streets funding. But the second was there is that pending question about who is going to pay for and maintain these. So I guess, city manager, what would you suggest as a path forward? I think these are enhancements that would be -- that are sorely needed. I think they would make a big difference in terms of, again, improving the safety of that area and accessibility and this is an area where we have lots of individuals seeking services. We also have lots of individuals who are visitors to our city and it is in need of great work. And our economic development staff and others in the community have been working hard on identifying what some of those enhancements would be.

[4:06:58 PM]

Could we --

>> And I did speak with economic development staff, and they're looking for partners that might be able to assist with the maintenance of this, but I don't think they have fully fleshed that out at this time.

>> Tovo: It's a bit of a chicken and egg I think. We haven't identified a funding source for the city piece that have. On the other hand if we don't identify -- if we identify the city piece today through the great streets funding we still haven't answered that question about what the private contribution will be. So I'd like to move this forward in some manner today and I wonder if you could suggest some path forward. Do we make the allocation, come back and make a budget allocation? How could we as a city to get some of that great streets significant balance moving for this particular project?

>> City manager, if I may, Rebecca Giello, economic development department. So we have staff who can continue to work as a liaison, working with appropriate partners, such as the planning and zoning department. We also obviously have the partners through the downtown Austin alliance. We do believe that there is a portion of the public improvement district funding that could be eligible for maintenance. And so I just wanted to recognize the expertise in the economic development department that can continue to liaison that work. That doesn't necessarily get to you your specific amendment, but I did want you to recognize that I do believe that economic development stands poised to continue to convene and move forward that activity. Ms. Giello, director Giello, would you -- if the council were to allocate the funding that I understand to be necessary from the great streets fund, would that then enable to you take the next step?

[4:09:03 PM]

>> So director Guernsey, in partnership --

>> We could set aside the money and let EdD look for that partnership and then once we find that then we can move forward.

>> Tovo: And you wouldn't move forward if you couldn't answer those other questions about how those infrastructure improvements would be maintained?

>> Correct. And if it's appropriate to recognize a prioritization of the funding for further exploration of the red river district, perhaps that is all the direction that we need to work in concert with the partnership through planning and zoning.

>> Tovo: Are you suggesting that instead of a direct allocation that we just provide you with direction?

>> I'm suggesting if there is any lack of comfort in a very specific direct allocation of those dollars, that it just simply be specified a prioritization for exploring and that gives us what we need to work with planning and zoning for potential deployment of the dollars.

>> Tovo: I'm very comfortable with that, as long as we have some kind of report back so that we know that work is on track.

>> Yes, we can certainly pick back up on that resolution through the council update system and continue to update you on the memorandum.

>> Tovo: What would be reasonable? Could we --

>> Let's give us at the beginning of the year, calendar year, and that should give us some time to work with potential partnerships for a report back.

>> Tovo: City manager, would that -- I guess I want to be sure that we're just not continuing the dialogue but actually making some forward movement on that. Do you internet that as forward movement, that we are poised if this vote is successful we would be podiums as a city to make those investments from the great streets program once the other logistics had been ironed out or would you prefer to have an up or down vote on an allocation?

>> I think at this -- mayor, mayor pro tem, certainly at this time the direction that you're giving is enough for staff to be able to move forward and continue that work and I think to the importance that you're giving it, that we can work with our partners and make sure that you have the information you have.

[4:11:18 PM]

If we need to come back to council at a later point, even, you know, at the point of that -- at the end of the year, we will do so.

>> Mayor Adler: My sense in talking so Ann is there's legal questions she wants to be able to work through as well. I think the intent is we'd like to get the work done. If it's not going to move forward on its own then you need to come back to the council and say why not, something was more important, it wasn't legally allowed or whatever but if it's not going to happen then come back. I think that's the direction. Does that work, mayor pro tem?

>> Tovo: That works for me. I would prefer it in the november/december time frame if that works.

>> Mayor Adler: Okay. Anything else on the budget before we take a vote?

>> Casar: Mayor.

>> Mayor Adler: Yes.

>> Casar: There's one thing that took me a little bit by surprise this morning when staff removed restore rundberg from pard to Pio. I'd be intending to ask it be in public health so it could synergies with the gust Gary study we just did this morning and because it's really an engagement with a low-income community, I think public health is really a key way to do that. Even though staff moved it from pard to Pio I would want to make the amendment potentially by acclamation to move it to public health because I think that's the conversation we've been having when speaking with the director about it.

>> Mayor Adler:

[Indiscernible] Is fine with that if that's what the council wants to do. Is there any objection to that being done? Hearing none, that's done. Okay. So yes, mayor pro tem.

>> Tovo: Mayor, I have one piece of budget direction which I know you want to take up later but it really is kind of critical to my support of the allocation within the current budget. And that is -- and I think it's probably in keeping with what staff had in mind. We have talked among the subquorum of individual -- of councilmembers who are working on the piece related to homelessness. We have talked about those two social workers that are going to reside within the library budget, and we've talked about the potential of instead making that a contract with social services to make sure that those social workers are very embedded within the housing community and tied into the coordinated assessment program.

[4:13:30 PM]

I'm not going to move that amendment forward but I would like to ensure that those social workers will be individuals who are required to participate in the coordinated entry system, so that those are social workers that are working with individuals in our libraries and getting them within -- on the path to housing. So I would like to -- I would like to move that as budget direction because it's contingent -- my support for those positions is contingent on those social workers really being within the network that we've set up in our community of getting individuals on the path to housing.

>> Mayor Adler: Okay. So --

>> Tovo: We could ask director Hensley. I know this came up in our discussion. We could ask if that is consistent. Did I ask that question in a work session and the answer came back I think in the affirmative.

>> Sara Hensley, assistant city manager. The answer is yes.

>> Tovo: Thank you.

>> Mayor Adler: Any objection to that being included? Hearing none that's included. All right. Ed, I think that we're at a place to approve the budget. I think it was the budget was originally done with the changes that you added to it, Garza's amendment was added as she laid it out, Renteria added the senior exemption up to 88. It was adopted that any unallocated dollars above that would go into reserve up to 5.9 rate, but there were some additional allocations from that. It was the alter amendment that also had the urban forest amendments, and then the two Casar amendments dealing with the prevention crisis and victim services issues.

[4:15:34 PM]

I think that's it. It's been moved and seconded. Is there any discussion? Yes. Mr. Flannigan.

>> Flannigan: Given that we added more spending as you laid out I would like to move to instead of putting the funds into reserves to set the tax rate to cover the spending that we've allocated. I think, Ed, if you could help me, that's a 5.37% I think or 5.4%, whatever that is. I'd like for -- at least to take a vote on that as an option.

>> Mayor Adler: That's fine. So councilmember Flannigan moves to take out the additional allocation to reserves. I think is what that is. Is there a second to the motion to take out the reserves? Councilmember Garza seconds that. Discussion? Councilmember pool.

>> Pool: Could we get staff to just give us a real quick overview again quickly on the impact that they may -- that may or may not have going forward should the state legislature restrict our ability to raise taxes in the future?

>> I'll just get some clarity because I was running numbers in my head while people were talking to me, but your question is instead of putting the -- it would be about \$2 million that would go to reserves at the 5.9% increase you'd have just over 2 million going to reserves. Alternatively if you said put the tax rate where it would need to be, we would be looking at a tax rate of 44.03 cents per hundred dollars of

taxable value, which would be a 5.4% increase above effective o&m. Could you repeat your question for me?

>> Pool: Sure, happy to. Quo you give us a quick summarization of how having the money not collected and not going into reserves may or may not affect us should the state legislature restrict our ability to raise taxes above 2.5%, for example, which is what they're talking about at this point.

[4:17:48 PM]

>> Right. Just in terms of of -- just this singular question of how do you potentially position yourself to better be prepared for if we were capped at something lower than at 8% annual tax increase, we have talked about, well, you could increase the tax rate but not commit those funds to recurring expenditures, so put them into reserves would be the best. Alternatively, put them towards one-time expenditures but ideally put them toward reserves so you have that reserve amount above 12% kind of as a rainy day fund and then you also increase your prior year tax levy but it's not committed to anything and so you're building off this higher tax levy, which also helps you. So increasing your tax rate, putting it towards reserves would position you better if we are capped at something around 4% or even 2.5%. Increasing the tax rate and spending it on a recurring expenditures doesn't really do anything good or bad in that regards.

>> Mayor Adler: Okay. My argument to the council would be the same we made before, colleagues. I work -- I just think that the advice that we're getting to put ourselves in the best position for the legislature is sound and I want to do that, additional money just going into reserves, especially with open questions that we have with respect to a police contract that hasn't been negotiated, a homeless report that's still coming out, land development rewrite/evaluation still to come in. It's -- I just think I'm going to take the advice of our finance people and take the balance of that money up to -- I should say we should take in the balance over 5.9, not going over 5.9 and taking all the unallocated monies and keeping it in reserve. So I'm going to vote against the amendment. Any further discussion before we vote?

[4:19:49 PM]

Let's take a vote then -- oops, sorry. Councilmember alter.

>> Alter: When we're talking about 5.9, I just want to clarify we're talking about 5.90?

>> Mayor Adler: Yes, 5.90. Yes, councilmember troxclair.

>> Troxclair: I just want to speak briefly in support of the amendment. I want to clarify that the -- that what the legislature has been considering still allows the city council at any time to go to the voters and ask to go over whatever level they set. So it's not an absolute cap. And things like additional public safety services are generally supported by the residents here in Austin. So I just wanted to make sure

that everybody understood that you could still raise additional revenue if -- if the legislature did pass something. And if I thought that the -- that that money truly wouldn't be spent and would truly be saved for a rainy day, I might be more inclined to support this. But I think the exercise that we went through just now where we -- a majority of the dais said they wanted to put this money in reserves and less than a few hours later we already spent over half of it, I think goes to show that that's not -- that that's not our strongest suit. So I am -- you know, I, again, applaud the council for getting to at least a level that's lower than where we had been before, but I think that keeping the tax rate as low as possible is really what helps -- when we talk about what's the best, the best for the taxpayers is only collecting money that we absolutely need, that we think is absolutely critical to running of our city. And so I think that my constituents would really urge us to just support the lower tax rate at the 5.45%.

>> Mayor Adler: Okay.

[4:21:50 PM]

Anything else before we vote? Mr. Casar.

>> Casar: I just want to express while my colleagues may see it one way, I think it's not an accurate characterization to say we voted to raise the tax rate and put it to reserves and changed our minds. We voted to put the tax rate at 5.9 which is still relatively low based I think on our needs, and we put the money to reserves in that vote as to not allocate out all of those millions of dollars on the spot in that vote and then make a determination as a body how much would get spent and how much would go in reserves. I think that it was a hard compromise actually in a pretty decent short amount of time. And I appreciate that. I think that we will -- that it will be better for us not just to have the money in reserve for the rainy day fund but also in the future if we are capped it will be better for us to have this larger allocation so that any 2% or 4% can go a longer way.

>> Mayor Adler: Councilmember kitchen.

>> Kitchen: I'm also going to not support the amendment. I think it's important to keep those dollars available to us for a rainy day. We all disagree on what a rainy day is, but I think that they should be kept in reserves. I also agree with the advice of our budget officer in terms of the impact that that can have for us. And I know we all disagree on this. This is the fundamental disagreement we've had all day. So I'm just making the statement to signal to my colleagues that I will not be supporting the amendment.

>> Mayor Adler: Okay. Let's take a vote. Those --

>> Renteria: Mayor.

>> Mayor Adler: Mr. Renteria.

>> Renteria: You know, when I supported 5.9% I thought the money was going to go into the reserve because we are going to have -- there's a possibility that we are going to have, you know, the state restrict us a little bit, and I thought we were going to save that money in there to help us in case and if it didn't happen at the end of June that we would have that money that we could use for something else.

[4:24:02 PM]

But it seems like, you know, we're going to spend it all tonight.

>> Kitchen: Mr. Mayor, could I just answer? Councilmember, we are -- Ed, could you tell us again, Mr. Van eenoo? We're putting two --

>> Mayor Adler: Hang on.

>> Kitchen: -- Million in reserves, right?

>> Mayor Adler: Let's go to Mr. Flannigan and we'll give you a chance to respond. Mr. Flannigan?

>> Flannigan: So I think it's perfectly fine to have this as a agree to disagree. You know, I appreciate -- councilmember troxclair, I appreciate your comments. I don't like the phrase "Rainy day fund" because if we were to use a fund in that way, the way the legislature uses it, not even a hurricane counts as a rainy day to those folks. So I think -- my concern is not that I can't trust a future council. I think we are in year three of a system, year four of a system, where we have an opportunity to show our community that we can make hard decisions and we can do things the right way and we can help our delegation up at the capitol communicate that message as well. You know, it applies to a lot of things. I think we've done a lot of good stuff in at least the two years that I've been on this dais and been reasonable and been responsive to the community, and I think this is a good opportunity to continue that message to austinites. And, you know, I made this amendment because I think that's important, and I think there is a difference between 5.45 and 5.90. It's not a big difference, but I think it's a small-enough difference that we're talking about small amounts of money, but a big decision and a big message to send to our community. And so we'll see where the votes go.

[4:26:06 PM]

>> Mayor Adler: Councilmember kitchen.

>> Kitchen: So, Mr. Van eenoo, I just want to make sure I heard correctly. We -- right now, we are -- is it 2 million in reserves? What number are we at?

>> We'd be a \$2 million increase to our reserves right now.

>> Kitchen: Okay. So what we have right now is 2 million in reserves. So just for clarity's purpose, if we vote for councilmember Flannigan's amendment, we will have zero? We're not adding any to reserves? So I just wanted to make that clear. We currently are sitting at about 2 million in reserves. Again, I don't want to mischaracterize it but the reason I said that is because there was some concern that maybe we had put -- we'd put the total amount in reserves and taken all of it out, but we didn't do that. We put the up to 5.9% in reserves and then we took some of it out. So we're still sitting at about 2 million in reserves. So I just wanted to make sure everybody understood what it was that was in front of us.

>> Flannigan: And I think, you know, just to be clear that we're talking about increases versus not increases and that's something I wouldn't want the community to start thinking we had no reserves. Ed, did the base -- maybe the manager, did the base budget include an increase in reserves? We're maintain be --

>> We're maintaining 12% so the reserves are going up even in the base budget as a raw dollar amount percentage-wise --

>> Flannigan: To your point, councilmember, which I think the vote we took earlier was let's set that aside for the afternoon and then decide what we're going to do with it and now here we are at the decision.

>> Kitchen: That's right.

>> Mayor Adler: So for me, for me on this, it's a \$2 million would be extra money we'd be putting in the reserves and not touching. Our advice from our finance people is that we should do that. To have the tax rate at 5.9, take the \$2 million in reserves and not spend it. You know, if we're capped and we're looking for more money next year, probably we have one pass year, so that would then get compounded and next year we would be then being able to have additional money we could put into reserves that we can't -- would not otherwise be able to put into reserves.

[4:28:19 PM]

And then in that third year, that last year, we would then have that same compounded benefit. So just based on that advice alone, recognizing that we're not spending it in this budget, I would take that advice in order to have money in case there was a police contract, in case there was anything that was happening, in case any of these things. So I'm going to vote against the amendment in order to be able to go up to 5.9 but only with money going into reserve other than the things that we've already --

>> Renteria: And you are going to hold the line and put that money in reserve --

>> Mayor Adler: That's the vote we would be taking. Yes.

>> Renteria: And that would be it.

>> Mayor Adler: That would be it, I think. I think this is the very last amendment that we have. Very last thing. Further discussion or debate on this? Councilmember alter.

>> Alter: Ed, I'm not sure if my calculations are right. But if I wanted to understand how much more we'd be able to tax next year, is that that we'd have 2 million more in taxes or is it 6% off of the 2 million would be the additional amount that we could -- like, how do I calculate? How much more money we have next year. Like, what is the right math equation?

>> Based upon the --

>> Alter: If we have an extra 2 million in reserves and the taxing thing, how much money do you actually get extra next year that you don't have?

>> Well, you can't -- your prior year levy is what any of your tax calculations are going to be based upon. Hypothetically, if you decided you wanted to go to the roll back tax rate next year, the 8% maximum, you would have \$2 million more next year at that maximum than you otherwise would because you're always building off of your prior year levy.

>> Alter: Thank you.

>> Mayor Adler: Anything else before we take a vote? Then let's take the vote -- oops, councilmember troxclair.

[4:30:21 PM]

>> Troxclair: Can you tell us, of the money that we've added since we were at the 4.9, that level, can you tell us how much was -- is one-time and how much is ongoing fund.

>> If you gave us a second. I think it's mostly -- I think it was actually all ongoing, and I think councilmember alter's motion she had talked about it all being ongoing.

>> Troxclair: So --

>> So then the -- switch to one-time.

>> Mayor Adler: Except for the emcot.

>> Hundred thousand of emcot would be one-time, rest would be ongoing.

>> Troxclair: And I just want to clarify there's been comments made that -- taking the vote we're about to take was the advice of our financial staff and actually his advice was to -- if you're going to go 4.9 to put all of that into reserves which we have not done. So I just don't want it to be misconstrued that what we're adopting -- that what we're adopting now was what he originally recommended. I don't know. I just want to make one more plea. Please, y'all. Property taxes is what is driving a lot of these -- all these programs that we need. That we're funding or that people can't afford to live in our city because property taxes are driving them out and people who live here the longest are the ones that are getting hurt the most. And everything that we can do to make sure that we're keeping up with the growth of our city and funding our basic city services, but also not taxing people out of their homes is the best thing that we can do for the prosperity of Austin. So please consider adopting just this lower tax rate at 5 fiscal year 45%. I think it's the best thing we can do for all of the people that I know we share concerns for.

>> Mayor Adler: Councilmember Garza. So we've included the senior exemption.

[4:32:21 PM]

We've increased it by councilmember Renteria's and if we adopted a 5.4, wouldn't that help -- would that add some additional relief for seniors?

>> It would, a lower tax rate with the same exemption would be a lower tax bill for seniors.

>> Garza: So with that action we would not only be giving more relief to seniors, but then relief to everybody because 5.4 is lower than 5.9. I'll be supporting councilmember Flannigan's amendment.

>> Mayor Adler: Let's vote. Those in favor of not doing the time reserve amount, the Flannigan amendment, those in favor please raise your hand. Mr. Renteria, Houston, Garza, Flannigan, alter and troxclair. Those opposed? The balance of the dais. It passes. So I think that gets us then to a motion on the budget. We're going to hold in reserve the direction, the budget directions, which we'll consider later, but at this point we're ready to take a vote on item number, to pass a budget as amended. The law requires this to be a recorded involvement. Will the clerk please read the roll so each of us can state our votes.

>> Mayor Adler?

>> Yes.

>> Mayor pro tem tovo.

>> Yes.

>> Councilmember troxclair?

>> Troxclair: No.

>> Councilmember Casar?

>> Casar: Yes.

>> Councilmember alter?

>> Alter: Yes.

>> Councilmember kitchen.

>> Kitchen: Yes.

>> Councilmember Flannigan?

>> Flannigan: Yes.

[4:34:23 PM]

>> Councilmember Renteria.

>> Renteria: Yes.

>> Councilmember Houston?

>> Houston: Yes.

>> Councilmember Garza?

>> Garza: Yes.

>> Councilmember pool?

>> Pool: Yes.

>> Mayor Adler: It passes on a 10-1 vote. I think we should applaud the city manager at this point.

[Applause]. And Ed and your staff for helping guide us through that. That's a record for us. Let's quickly move through the rest of this calendar that we have. Yes --

>> Kitchen: Can we -- we need to do the riders now.

>> Mayor Adler: But let's get through the things that we have to get through.

>> Kitchen: We have to get through these. It will be very quick --

>> Mayor Adler: How many riders do we have?

>> Kitchen: I have two.

>> Mayor Adler: You have two. Garza has two.

>> [Inaudible].

>> Tovo: I have three.

>> Mayor Adler: How about if we hand out all the riders so people can read them and let's continue with some of the other budget so people can be reading the riders while that's happening. It looks like kitchen has two, it looks like Garza has two. It looks like the mayor pro tem has three. And I handed one out on yellow paper that in the upper right-hand corner has proposed rider on it.

>> Kitchen: I've already passed mine out. I think we could do this quickly. I passed out one of mine.

>> Mayor Adler: And Adler.

[4:36:24 PM]

>> Mayor Adler: I have one kitchen, I have two Garza and I have one tovo and one Adler.

>> Kitchen: Mr. Mayor, I passed mine I early when we were doing the homeless amendment.

>> If there are any extras the clerk needs some down on this end.

>> Mayor Adler: I'm going to hand out a couple of extras of mine, Ms. Houston. The one I'm handing extras of has Adler in the upper right-hand corner. Kitchen just handed out something that does not

have her name in the upper right-hand corner. But it has the first response to mental health incidence planning process.

>> Kitchen: My name is on the bottom.

>> Mayor Adler: That's for the clerk. I've already handed down the seven. Ms. Houston? All right. Do we want to tee up some budget riders? I'm going to offer mine. It's yellow sheet, has mayor Adler in the upper right-hand corner. This budget rider simply says that we're asking the manager to put the same kind of priority and emphasis toward the 250-million-dollar affordable housing bond that was put against the mobility bond. Both being really important things. Our two biggest challenges in the city. It says that -- it recognizes that we want to assure the voters as well as people in the city that should it be passed it's going to be prioritized together with appropriate available resources for urgent implementation to address the rapid gentrification displacement and homelessness.

[4:38:36 PM]

It recognizes that like the mobility bond, it's addressing a critical infrastructure priority requiring execution at a scale and more quickly than existing staff capacity can or could handle. Requires some immediate implementation to reflect immediate urgency and high priority that we place against this area. That would include as we did with the mobility bond similar priority, capacity building, timeline, oversight, dedicated website, interactive tools, public dashboard and the metrics for monitoring capacity for the council and the public. I just think this is a statement for the community to make very clear that this is really important to us. Mr. Flannigan.

>> Flannigan: I tried really hard in either June or August to set priorities for our bond items and was roundly denied the ability to do that. I was told we didn't need to do that because all the priorities were already figured out because the housing staff that knew all their priorities and didn't need to do. I'm not sure this right time is the time to set priorities on the bond when we're doing the budget. I love setting priorities for things. I don't think we do that enough, but I think we already decided that we were not going to do that.

>> Mayor Adler: This was not intended to go back. It doesn't set priorities within the program. It just says that the affordability bond itself is a similar priority with the community itself. Any discussion on this? Any objection to this rider being included? There's an objection. Is there a second to this rider? Councilmember Casar. Any discussion? Ms. Houston.

>> Houston: So mayor, I just want to be clear because some of this feels like part of the people's plan that we've never addressed, a plan that was adopted and endorsed by so many of our boards and commissions and the mayor's task force.

[4:40:45 PM]

But is this an effort to try to put into words some of the things that the people's plan asked us to do as far as displacement and gentrification?

>> Mayor Adler: I think that the housing bond proposition a that we put in has a lot of the kind of attention and funding that the people's plan asked us to do. It funds higher than the people's planned asked us to do. This is just saying that all that work we wanted to make sure is a really high priority and gets rolled out quickly and in a way that people can see. House of representatives okay, thank you.

>> Mayor Adler: Ready to take a vote in those in favor of this please raise your hand? Those opposed to this? Mr. Flannigan votes no, the others voting aye, councilmember Garza off the dais. This rider passes.

>> Casar: Mayor, can I ask for clarification? We talked about doing budget riders later. When we had recently passed the relationship violencing counselors issues which had budget riders attached to them. I wanted to see whether those two have been included or have to remove them, which I think I had passed them out in past moments.

>> Mayor Adler: If they have not been already are people okay with the rider language? Mr. Casar's in four or five that relate to those two items?

>> Casar: I just wanted to clarify it.

>> Mayor Adler: I understand. Yes, councilmember alter?

>> Alter: I believe we adopted them, but it was to versus three and the amounts were different so they - the riders just need to reflect what we passed.

>> Mayor Adler: Say that again.

>> Alter: I believe we adopted them when we passed the amendments, but the number of ftes and the amounts need to reflect what we actually passed.

>> Mayor Adler: And I think we did too, but out of an abundance of caution, but if we did not, we have taken the rider, the descriptive language, and put it in, not the amount because we changed that. Okay. So those four and five from Casar are also both in. Ann, do you want to give us one?

>> Kitchen: Well, we can treat the homeless one in the same way that we just did councilmember Casar's because that was the one of the -- that I had passed out earlier.

[4:42:56 PM]

So -- and that has the -- that has the description.

>> Mayor Adler: So what can we do with the last sentence so it doesn't look like we're mandating and telling them to expect -- we don't expect them to come in at 40%. We expect them to look at that and come back with whatever it is that their study indicates is the right amount?

>> Kitchen: You had suggested using the word consider so I was saying that we would include that. So the wording would be, with consideration for approximately 40%.

>> Mayor Adler: That council consider a plan based on need and stakeholder input by -- is the dates right?

>> Kitchen: The dates are right. It's the last -- it's the last paragraph.

>> Mayor Adler: But I thought she said that -- I don't know that Sarah said she was going to have her studies done by October 1st.

>> Kitchen: We also didn't say they were necessarily going to get a report.

>> Mayor Adler: We weren't going to necessarily get that back by October 1st.

>> Kitchen: But Mr. Mayor, we agreed that we were not waiting for a report, per se. We were waiting for whatever point the staff brought back, the recommendations.

>> Mayor Adler: When they said they were ready.

>> Kitchen: Right. So this does not use report language. What it says is council further expects staff to return with a plan based on need and stakeholder input. Now, we can check this date. By October 1st, with consideration for approximately 40% of the total expenditure before, and it goes on from there. So if the October 1st is not the right date we can talk about that, but basically we weren't waiting for the plan, we were waiting for when the staff thought they could bring us back some recommendations just for these particular dollars. So I realize October 1st is soon, but again, we're not talking about your final plan, remember that.

[4:44:58 PM]

So --

>> Mayor Adler: We also need to make sure that there's enough of the plan done in order to be able to to -- if we're talking about spending a million dollars of a set amount, you want to know how you're spending all of the money, though.

>> Kitchen: But, I mean,

>> Kitchen: As the mayor pro tem made pretty clear earlier, our staff has been working on this for a long time. And they already have an understanding of what some of the priorities are, as the mayor pro tem made that clear. So I think we can trust our staff to bring this back, so rather than put a date we'll just put as soon as possible.

>> Mayor Adler: I'm fine with that.

>> Kitchen: Okay.

>> Mayor Adler: Okay. So based on these we're going to put -- input as soon as possible.

>> Kitchen: Yes.

>> Mayor Adler: With consideration --

>> Kitchen: With the consideration.

>> Mayor Adler: With the consideration of approximately 40%.

>> Kitchen: Right.

>> Mayor Adler: In a sense I would say you could also consider 20% or 5% or 80%, come back with what you think is the right percentage, but take a look at how geography plays into what is the best end use of those funds. So this is not a limitation at all. It's kind of just a guardrail that says take a look at that issue.

>> And we will, thank you.

>> Mayor Adler: With those changes is there any objection to putting this direction in? Councilmember alter.

>> Alter: I just wanted to clarify, does this tend to read, like, 40% of the -- is it 40% of the total expenditure on navigation outreach services be outside or 40% of the total bucket being navigation outreach?

>> Kitchen: No. It's 40% of the bucket, the total bucket. And, again, this is as soon as possible for consideration. It's not a requirement.

>> Alter: Okay. I'm happy as long as it's consideration. I'm not -- part of what I'm looking for is for staff to come back with what the things are and if all of this has been working that that's what they'll come back with.

[4:47:04 PM]

I just don't want to constrain them to not be able to come back with what they think that -- that's all.

>> Kitchen: I'd just like to say, again, that this language was developed with staff and with stakeholders, and I fully trust our staff to come back with what they think is appropriate and is the best use of our funds.

>> Mayor Adler: Right. And I think that we had that conversation a second ago and she said she didn't feel constrained by this but would come back with the best possible program.

>> Alter: I too trust our staff but I was trying to understand the language that you crafted. I wasn't there.

>> Mayor Adler: All right. Any objections? Ms. Houston.

>> Houston: I agree with councilmember alter, because it does read that 40% of the total expenditures be for navigation outreach services outside of the central city pool. That's exactly what it says. But if staff comes back and finds it needs to be some other percentage, is that going to cause a problem with the folks on the dais?

>> Mayor Adler: Well, we changed the wording from there's an expectation that it would be 40% for them just considering 40%, and the conversation we've had here from the dais makes very clear to our staff that they can come back in with any number or no number. We expect them to come back with a recommendation of what is best. Okay? And Sarah is shaking her head yes, and everybody on the dais is shaking their head yes. All right. So that one we're now accepting. Someone want to urge another budget direction? Garza, you have two, councilmember Garza, do you want to urge --

>> Garza: I'm sorry. Garza item 1 is from my surplus office budget. I had more, but I'm allocating this 35,000 to the library. The library -- we worked with the library. They gave us some ideas on how to allocate for financial literacy programs in the branches that are near communities that could use that financial literacy programs.

[4:49:16 PM]

And then any remaining funds would be used for supplies and family-oriented library programming at the two libraries in my district.

>> Mayor Adler: Okay. Does anybody have any objection to councilmember alter -- I mean, councilmember Garza distributing her funds as we each have the right to do with the money in our budgets? Hearing none, that is included. Yes, mayor pro tem.

>> Tovo: And I just want to ask the quick question. It's my understanding that this morning we carried those -- or in the budget that we just passed we voted to carry those forward so we didn't need to do a budget rider to do that because I do have allocations but I held off on naming what they were because in part I'm going to try to pick up some of the things we weren't able to fund today.

>> Mayor Adler: I have allocation funds too, did not identify them, but certainly councilmember Garza who is more on the ball than you or me --

[laughter]

-- Can certainly go ahead and do that.

>> Tovo: Just wanted to make sure I didn't quickly need to identify them.

>> Mayor Adler: Law asked about the rider that I had, whether it took priority over anything else that we've done. The answer to that is no. It's a different topic. It just says -- it doesn't discuss priorities within the project. It just says this proposition is as important as the mobility bond. They're things we did with that in terms of urgency that we should be doing here as well. Okay?

>> Garza: I have one more, mayor.

>> Mayor Adler: Yes, councilmember Garza.

>> Garza: The second is just after hearing concerns from community members on lighting in the park -- and this was also working with pard for this language, just to create a process because the ask was for an additional 250,000, but it's my understanding, you know, every park situation is different, you know,

some parks are on aid land, some parks can -- you know, there's different pictures that we can try to provide that lighting funding, and so this is recognizing that we did include funds for park lighting in this budget and that this will create a process that will -- staff will report back to the parks and rec on the engagement process and the development of the parks lighting prioritization plan, will also let us report back on how many parks we were able to fund with this 115 and provide details on how many lighting projects we can expect to fund in future budgets.

[4:51:42 PM]

>> Mayor Adler: Okay. Anybody have any objection to including this? Seeing none, this is also included. Okay. I think that leads us to you -- mayor pro tem, did you have something?

>> Tovo: Yes, I do. So I am going to move the first three. The fourth refers to encouraging the police chief to explore the viability of using existing funds for the buy back program. I'm just going to -- I'm not going to move that forward as budget direction is --

>> Mayor Adler: When you say the first three I'm not sure I'm looking at the right page.

>> Tovo: Sure. In any case, once -- I'm not addressing the gun buyback program because it refers to the -
-

>> Mayor Adler: So let's take them in order. The first one is the Austin watershed protection department.

>> Tovo: Yes.

>> Mayor Adler: What's that?

>> Tovo: Okay. And I believe -- and I'll pass after I explain -- pause after I explain mine because I believe councilmember Casar has something to add to that that's related.

>> Mayor Adler: We'll take each one up individually.

>> Tovo: We talked about this when we talked about the money for watershed for the encampment cleanups. Several of us expressed a concern that we want to be sure that that work as I know it will be -- we want to be sure the work of that outside contractor is done in close coordination with social service providers so as our contracted staff are out there, they're subtracting in ways that are supportive of our overall goals with regard to interacting with individuals experiencing homelessness. And as part of that there was also concern that several of us expressed about we certainly don't want to be exacerbating a situation for someone who has left his or her belongings behind where somebody might come in and clean those -- and take possession of those and then make it more challenging for a person who may have lost their identification card or other things that put them further behind in terms of being on the path to housing. My amendment is this, that the outside vendor -- well, you can read it -- will be -- that will be contracted to supplement in-house resources, et cetera, shall work in coordination with social service providers and just to provide a level of accountability for that, to make sure that it's happening as we envision --

[4:53:57 PM]

>> Mayor Adler: So I --

>> Tovo: We would get regular memorandums on that work to the public health council committee.

>> Mayor Adler: Let's take up the watershed protection department. I think we have two in front of us. We have councilmember Casar --

>> Casar: Mayor, mine is just in addition to what the mayor pro tem has listed, that the manager come back before the rfp is put on the street to let us know how to make sure whatever vendor we work with puts guardrails on it with the intention of not seizing people's property. So we understand things get washed up, things wind up in the creeks, things are abandoned, they need to be cleaned up. As the mayor pro tem stated I would want there to be guardrails to make sure we're not seizing people's things that they need.

>> Mayor Adler: Okay. So what you've asked for is that this -- the rfp come back to the manager as opposed to them --

>> Casar: I'm not asking for a vote on the rfp or anything but before the rfps are put on the street for us to get information as to -- information as to how the manager is ensuring that we don't contract with somebody that isn't careful enough to address how challenging this issue is.

>> Mayor Adler: So when it says return to council we don't mean, like, return to council. What we mean is before it's put out the city manager shall give notice to council. Okay. Shall give notice to council of the rfp. Okay. Is there any objection to the mayor pro tem's and councilmember Casar's two budget directions on this issue being included? Ms. Houston.

>> Houston: No, I don't have any objections, but I do want to speak for just a moment regarding I've been out on some of the cleanups with the folks from the Texas department of transportation, and the way that they manage those cleanups is very client sensitive. People go out and we've got police, we've got code department, they go out ahead of time. They use even people who have -- were formally homeless themselves who are now full-time employees of the contractor. That's the one with txdot, so I don't know who y'all will be using. But they go out and let people know that they'll be coming by on a certain day.

[4:56:01 PM]

They do a great job. They're very sensitive. Everybody gets their stuff cleared out. The money everybody leaves they come back again once they're finished. So they do that up and down I-35 and 183. So I haven't seen anything but a very client-sensitive manner in which they address cleaning up these camps.

>> Councilmember Houston, watershed has been talking with them and may actually partner with them to use their contracting mechanism.

>> Mayor Adler: Sounds good. The wording I have then for Casar is [indiscernible] Before an rfp is put out city manager shall give notice to council and then update on how and then it continues on. Is that okay, Greg? Okay. Then that's the language on that. Without objection? Those two things are included. Okay. Now that gets us to number 2 on your list, mayor pro tem.

>> Tovo: I'm going to move number 2, if anybody has any questions, these are two resolutions that we passed for which we do not allocate funding this time but I would like the staff to continue looking at them, especially with regard to the mortgage assistance program. I think a little bit more vetting is required and then to come to council with recommendations about whether to make proposed allocations from the affordable housing trust fund.

>> Mayor Adler: Okay. Staff is to continue vetting those. Any objection. Those are also then adopted by council. Number 3.

>> Tovo: So I know nobody wants me to speak in depth about this but we're moving forward with a resolution related to hotel occupancy tax and to asking the staff to come back with our spending plan rather quickly, and in addition to the projects they've already identified I'd like them to vet the four bulleted projects listed here to determine if those meet the state eligibility requirements. And those are Barton springs pool, upper dam feasibility study, carver museum center master plan, well, master plan we funded so genealogy center, wave finding along fifth street, and red river wave finding.

[4:58:08 PM]

>> Mayor Adler: By this you're not intending to pick these as priorities over others but there are open questions with respect to state eligibility and you want staff to vet them and tell us whether they're eligibility or not.

>> Tovo: Yes. I think this is red river's third time with this sort of budget direction but I hope we can get -
-

>> Mayor Adler: Any objection to this being included.

>> Tovo: Yes, no prioritization.

>> Kitchen: Mayor pro tem, would you -- I'd like to suggest a friendly addition to that list if you're okay with that. And that is the automatic love gardens, it's one we've asked for direction for many times. If we could put that in your bulleted list, that would be great.

>> Tovo: Glad to.

>> Mayor Adler: Anybody else have anything you can think of that you want eligibility checked on? Councilmember alter.

>> Alter: I just had a question for the city manager of who do we direct questions about eligibility -- I think the things that I have in mind are eligible. It's a question of them not being in the queue and trying to understand things. Who is it that is responsible for that at this point in time? Or you can tell me later.

>> Mayor, councilmembers, I'll get back to you on that. Some of them have been legal questions. Some of them have been questions with finance. So as we look to implement this program, we will make sure that there's a point person for you to work with.

>> Alter: Okay. Thank you.

>> Mayor Adler: Okay. Any other amendments?

>> Kitchen: Yes.

>> Mayor Adler: Yes, councilmember kitchen.

>> Kitchen: I passed out one related to the first response to mental health. You know, we passed the dollar amount earlier. On the back you'll see the scope of work for that analysis. And this is a -- or the planning process, I guess is the best term. This is a scope of work that was -- that was -- that was the result of a discussion between councilmember Casar's office, my office, integral care, and others, stakeholders.

[5:00:10 PM]

And so this is language that was all agreed to that was part of the resolution that we brought forward that was adopted earlier with the 75,000 for the planning process for the first response.

>> Mayor Adler: Does anybody have any objections to this being included? Hearing none, this is included. Any more of these things? All right. So those then represent the universe of budget riders or directions adopted here.

>> Casar: Mayor, I have a question, which is we still have Austin energy to go, so an Austin energy rider is later, right?

>> Mayor Adler: Austin energy will be considered later.

>> Casar: Just wanted to make sure I didn't miss that. I have one rider.

>> Mayor Adler: Is that right, Ed, we consider Austin energy rider when we consider --

>> If it's related to their fees, that item will be coming up next.

>> Mayor Adler: Related to fees?

>> If it's a budget rider, I guess it would be now.

>> Mayor Adler: If it's a budget rider it should be now. If it's a fee issue, fee related --

>> Casar: I think what I'm talking about is fee funded. Let me check. This one is for sure related to this, which is part of our economic development budget. This rider that I move, is that in response to last year's budget rider on equity related to the funding of the chambers, the staff Alabama came back and said there would be a chamber self-equity tool and I would like the manager to consider that this self-assessment tool should ask entities to describe how they're furthering strategic outcomes on economic opportunity and affordability, how they're furthering our equity goals in partnering with us to support our policies that relate to these issues. I'm supportive of -- by having voted yes on this budget and intending to vote yes on all these items, I'm supportive of this funding continuing. As we do equity analysis here I think it's important that we urge our chambers to support those equity issues internally and externally.

[5:02:13 PM]

>> Mayor Adler: Any objection to the manager being directed to consider these things? Hearing none, that one is adopted as well. All right.

>> Casar: So my question is if I wanted to make some direction related to how we handle --

>> Mayor Adler: You want to ask him now?

>> Casar: Should we wait until weatherization -- multi-family weatherization is related to a fee that we collect, right, either es or community benefit charge? So I imagine it's probably related to fees but I'm happy to let the staff answer that.

>> Perhaps we should get into the fee item and then if there's a budget rider related to the feeds I think you could just talk about it there still.

>> Casar: I just want to confirm that if it's related to multi-family related efficiency that is indeed a fee question.

>> Mayor Adler: Do you want to ask the question you want to ask and then we'll know.

>> Casar: Is the multi-family energy efficiency related to fees or is it budget? I can hand it out. I'm just trying to -- I screwed this up last year, and so --

>> Mayor Adler: Why don't you hand it out and then they can look at it and can tell you.

>> Casar: So part of our -- an issue and challenges that been brought up is that we haven't been hitting the budget for -- we haven't been spending the budget to address high usage multi-family properties through weatherization. We've been setting a budget but haven't been spending to it. My understanding that the budget this year is higher than what we've been spending but lower than what we've been budgeting. And so my budget direction is asking for us to -- in addition to rfp for a third-party provider to fix that problem, that we also include direct outreach to tenants to reduce their electric bills and to look at direct outreach that could be completed through contracts or partnerships with community orgs, tenant organizations and those folks that have a track record working with hard to reach folks I think Austin energy admits we have not been able to reach as well as we want to.

[5:04:29 PM]

>> I'm looking at this. We collect in the form of a tariff the energy efficiency services tariff as well as the cap tariff monies that provide for weatherization of both -- weatherization of both single family and multi-family properties. If I'm reading this correctly you're asking us as part of the rfp that we've planned to issue in the coming months to retain providers that have this experience, which is our intent and which would be to be accommodated within our existing budget that is collected in that tariff that applies to virtually all customers.

>> Casar: Then in addition to that, to give us a quarterly update on whether we are hitting the goal of --

>> And we are happy to do that. We actually provide that right now in the form of a quarterly report that is posted on our website and is made available to the resource management commission and any stakeholders. So it's posted on the Austin energy website so we'd be happy to specifically note that in that existing quarterly report.

>> Mayor Adler: So this is probably a budget rider, not a fee rider? So I think we could adopt that as direction now. And this just directs certain outreach and then reporting back to council.

>> I think that would just be budget direction.

>> Mayor Adler: That's what I thought.

>> There's no change to the tariff.

>> Mayor Adler: Any objection to this being included as direction? Hearing none it's included, that's the Casar budget direction. Mayor pro tem, you have also handed something out.

>> Tovo: But it is an amendment -- it's an amendment to the proposed fee change.

>> Mayor Adler: To the fee change.

>> Tovo: For Austin energy.

[5:06:29 PM]

>> Mayor Adler: Let's hold this one.

>> Tovo: It relates to the issue of councilmember Casar.

>> Mayor Adler: Okay. So, Ann, we have all the fees and things that we have to do today. I think there are, like, 11 or 12 things we need to approve. We also have a housing finance meeting set today. Is that on the agenda for tomorrow as well? Do we -- I guess my question is there anything that we -- one, we need to figure out how late you all want to work, how long. We could stop and pick back up tomorrow

or we could keep working our way through this and then be done. What are people's preferences? Yes, Mr. Flannigan.

>> Flannigan: Let's knock it out. Let's do it.

>> Mayor Adler: Knock it out. Yes?

>> Houston: Let's do it but not until 10:00.

>> Mayor Adler: Okay. So then let's go into the next one, see how we go. Item number 2, adopting an ordinance for fees, fines, other charges. We're now going to take up number 2, ordinance adopting fees, fines for fiscal year 2018-2019. Does staff have base motion to propose amendments to this item?

>> We do, mayor, going back to the presentation that should still be in your stack of papers somewhere and we're going to get it up on the screen here in a second the first item is just something we always put in in the event that there's changes and all the operating budget changes you made that require adjustment to fees. The only thing I can think of that you all did was the additional dsd positions may require a fee amendment. We would bring that back midyear if need be. The second item just has to do with the Austin energy's tariff change so you should all have a fairly thick document that lays out their tariff, ~~strikeout~~, underlined version.

[5:08:34 PM]

That's the tariff that resulted in a slight reduction in a typical ratepayer as opposed to what we initially thought was going to be a rate increase, that's just to get the ae tariff correct. The third item on this agenda is a recommended change to our fee schedule by our legal department to add this disclaimer related to depending on the form of payment that we may also assess a convenience fee. This is essentially related to the use of credit card payments and allowing us to collect the service charge. The third item is related to an ordinance that council passed June 28 for zilker botanical garden and the entrance fees and allowing in certain conditions waiver of those fees. We're adding this language to the fee schedule to allow for what you passed in the ordinance. That's just a correction. It should have been in our proposed document. On the next slide is just a few other legal changes and corrections to our fee schedule, just to remove some language that's no longer necessary and then to also in our planning and zoning department add the language related to document sales and that they are not eligible for refund but are subject to tax. This item has to do with our Austin public health department food establishment permit fees. You can see what they were proposed at. There was some concerns brought forward by stakeholders on those fees. Staff presented to the human -- health and human services council committee based upon those interactions staff is offering these revised fees as you can see in the approved column. We do have staff here from the health department but any understand is these changes address the concerns raised by the council subcommittee and supported by the stakeholders that raised the concerns.

[5:10:40 PM]

This next slide is also related to a council ordinance for the mobilization service fees. This was passed by council just on August 23, so to sync our fees up to you what council approved, that's what this item does. This is the second to last one, actually these last two are just corrections. You can see there we had a pretty noteworthy error in that one fee, put it in the schedule at \$1,376. It was supposed to be \$132 so that was a good catch by our development service department to get that one fixed. And then on this final slide are just some minor corrections as well. You can see where they talked about \$195 per phase. That's apparently supposed to have read \$195 per inspection. Similar story for reinspection fees. Those are all the changes and corrections we have to offer to our fee schedule. I'd be happy to answer questions.

>> Mayor Adler: Okay. Is there a motion to approve the ordinance for fees, fines, and other charges with the changes from staff incorporated? Councilmember Houston makes the motion. Councilmember Flannigan seconds. Discussion? Councilmember alter.

>> Alter: So I have a question and then at the appropriate time I have some direction related to these items. I just wantnd to -- if you go back to the slide with respect to the change to the P.U.D.S, I wasn't sure that I understood that.

>> To this one?

>> Alter: The one with the planned unit development where it's going down from 1300 per acre to 132. So what does that do to the total cost as they were -- there was a response -- I don't remember if it was my question or councilmember kitchen's or pool's question with respect to the fees structures, where they already looked like they were too low to me.

[5:12:47 PM]

Was that -- were those answers based on 132 or based on the 1,376?

>> I'll have to see -- here comes development services staff. I think they'd have to answer that.

>> Hello, mayor, council, Rodney Gonzalez. I was coming from the bullpen so I didn't catch the question.

>> Alter: So I'm just trying to understand. I was concerned. I wasn't going to question what I saw in here. I was already concerned that they were too low for the planned unit developments in terms of the cost service. I was trying to understand whether the answers that you provided Ms. Kitchen in her question number 32 included the 132 number or included the 1,376 number as their base.

>> So the change in front of you actually does not affect our revenue forecast at all. The P.U.D. Fees here pertain to P.U.D.S over 250 acres. We do not forecast for next year any P.U.D. Over 250 acres. So there's no revenue impact associated with the fee change here. However, when we applied this fee to large P.U.D.S -- we have some P.U.D.S that are being considered in the 2,000-acre range -- the fee is way more than what the cost of service would be. And so we applied the reasonableness to it. In some cases

it would be \$2 million for a P.U.D. Fee, and that is more than the cost of service associated with those P.U.D.S.

>> Alter: For how many -- I mean, so you're not anticipating next year any over 250?

>> No, we're not anticipating any P.U.D.S in our revenue forecast of 250 acres or more.

[5:14:50 PM]

So there will -- there will be nobody revenue impact associated with this. This is simply that we know that there are some P.U.D.S out there that are being contemplated, and if this fee doesn't get corrected, then we will be in a situation where we are charging more than cost of service.

>> Alter: So if I multiply 250 acres by 132 I get \$33,000. Is that the right calculation?

>> Yes, that's correct.

>> Alter: And it doesn't cost \$33,000 to look at a P.U.D.?

>> There's -- yes, go ahead.

>> Alter: Or is it just filing the initial paperwork and then there are fees all along the way?

>> Meredith, financial manager for the development services department. This is just for over 250 acres. There's also a base fee. Regardless of the size of the P.U.D. There's a base fee you would pay. Then if your P.U.D. Is more than 250 acres this is the additional that you would pay per acre over acres.

>> Alter: Okay.

>> If you were to give me a size we wanted to talk about we could run a calculation over what the fee would be for that particular size P.U.D.

>> Alter: If I had a P.U.D. That was 500 acres than the additional part I'm paying for that over 250 acres is 33,000 if I did my calculation correct. Is that --

>> Yes.

>> Yes. So I think the point we're trying to make is within the base fee, that's where we load in the majority of the cost because once you begin then adding acres, the majority of the expenditure or staff time is already there in the base cost.

>> Alter: Okay.

>> So it's those additional per acres that there's an assumption that, yes, it's going to add some additional time but it's not going to be that substantial in terms of time.

>> Alter: Okay. I'm going to trust you that you don't think we have these next year. If they do come forward I would really like to have these tracked in terms of the expenses and the -- and, you know,

where the fees are because I don't think the rest of the folks who are building should be subsidizing those folks' developments on a large scale.

[5:17:09 PM]

I don't do your cost of service, but some of this feels a little counterintuitive but since you're telling me they're not likely to happen next year and I think you probably have a pretty good idea at this point, I'm going to say yes to it at this point, but I --

>> Thank you.

>> Alter: I am going to want to see the data next year on that.

>> Sure.

>> Alter: If we can. Thank you.

>> Thank you. I think what might help council also is our P.U.D. Fees today are significantly more than what we used to charge for that very reason that P.U.D.S do take a lot of time. So we've calibrated the cost of time into the fee schedule that you have in front of you.

>> Mayor Adler: Okay. It's been moved and seconded. Mayor pro tem.

>> Tovo: So one of the fees that I think really bears investigating are the fees that we assess for short-term rentals. We have some properties that certainly in my district are requiring really extensive staff time every weekend from our inspectors, from others, from our administrative staff, and so I would ask -- and I'll provide this as direction today -- that our staff -- that our city manager take a look at those -- what I would call the repeat offenders of short-term rentals and make sure that our fees are actually covering the costs of enforcing our ordinance. I feel almost certain they're not in the case of a couple that I'm aware of. And so -- and as appropriate, I would hope that the city manager would return to us with a request for a fee amendment midyear if that's the case. And if you need -- city manager, if you need a formal council resolution to take a look at that -- I know you and I have had an opportunity to talk about this issue in past. If you need a resolution from council I'm happy to bring one forward. Otherwise if you would treat this as direction to take a look at those properties, just to -- you know, as some of you may have read in the statesman, one of the pairs to my office for a couple properties resulted in, like, 11,000 pages of emails.

[5:19:19 PM]

So that's the kind of correspondence that's going to our city staff about some of these properties.

>> Mayor, mayor pro tem, thank you for highlighting that, and, absolutely, we will be noting the direction you're giving today. If we need to come back midyear to do a fee adjustment, we will do so.

>> Tovo: Great.

>> Renteria: Mayor.

>> Mayor Adler: Yes, Mr. Renteria.

>> Renteria: I also ask that some of our small homes the developers are developing, you know, three or four or five bedroom houses, their fee seems like it's pretty high. It seems like they pay the same amount as someone that's making -- building 250 units. And I was wondering, I think Rhonda is already addressing that, looking into that issue. And I hope that we can get it to the point where it's a reasonable rate where it's really at cost of service and I would really like you to be able to come back and, you know, have a conversation with my office so that we can look into that issue.

>> Mayor Adler: Okay. Yes, councilmember alter.

>> Alter: I have several items of direction that I've already reviewed with staff, but I wanted to have them on the record. So as we discussed in work session, I'm very interested in setting appropriate fees so that pard is not paying out of its own budget for the development service that's it provides. We decided that we needed a little bit more complex formula for that cost structure so it could be more dynamic to the imposition that it poses on pard staff. So I wanted to ask that they work expeditiously to determine an appropriate fee structure to ensure that pard is reimbursed through development fees for the staff time they spend reviewing large development applications and other appropriate cases as determined by staff.

[5:21:23 PM]

I think they're well on their way to that and that would potentially open up flexibility in their budget for them down the line, but it was not something we were able to get finished for today. Then my staff had been working with atd about parking fees, and wanted them to explore adjustments for peak hour pricing and for areas outside of downtown. There's some changes to best practices in other cities that we have an opportunity to utilize in our system and they are already planning to do a cost of service on parking fees so I wanted to provide direction to move forward with that. And the last two are linked, and I think are part of a discussion that we are going to be having as a council over the next weeks and months, and that has to do with dockless fees. So a few months ago we adopted a fee of \$30 per scooter. I would like to provide direction to -- to look at our current fee structure of \$30 per vehicle to cover impounding and to cover other things, to see whether we can get a cost of service study to assess cost recovery for costs we are already incurring, such as increased bandwidth of our public safety forces and mobility service officers. So one part of it is the cost of service part because our fees are based on our cost of service and from what I'm hearing from the community and what I'm experiencing is that our ems, our fire, and our police, among others, are experiencing high rates of incidents with scooters that are not factored into our fees and that is taking time out of our -- their ability to deliver other services. There's a broader challenge here which we will have a much broader discussion but we need to have some data to understand what's going on.

[5:23:24 PM]

The other part is a market study on fines to understand the fines that need to be instituted and levied to encourage appropriate use of dockless technology and assist with systemic cost recovery incurred due to the implementation of this technology in Austin. So there's the what are the costs that we're incurring from these dockless technologies being in our system and then what are the appropriate fines? This was not something that I was focused on before budget to have it all ready, but I think that my conversations with the city manager, he is committed and aware that we need to find some proactive new direction, additional direction from where we are right now moving forward for our community. Is that --

>> Mayor Adler: We also have that set on our council for discussion on September 18th.

>> Alter: Right. I will unfortunately not be there that day so I also wanted to communicate that today.

>> Mayor Adler: Mr. Flannigan.

>> Flannigan: Just to follow up on that, I think, councilmember kitchen, we have that on our mobility committee agenda as well so we're going to be having these conversations in multiple venues and so staff knows that, you know, the council's concern. I think it's always important when we talk about these new devices to acknowledge that, you know, any time you introduce something new there's a period of adjustment for the community but had we the opportunity to -- or maybe we do, are not aware, to charge single occupancy vehicle owners the cost of service for our police, fire, and ems, I can only imagine what those fees would look like too. So, you know, I know councilmember alter you and I are always wanting to make decision based on data so I'm looking forward to seeing what that data looks like in context of all of the mobility options provided to our community.

>> Mayor Adler: Okay. All right. Are we ready? I think that we have a motion and a second for the fees, fines and other charges, as amended.

[5:25:31 PM]

Law requires this to be a record vote. Will the clerk be read the roll so each of us can state our vote?

>> Medical.

>> Mayor Adler: Yes.

>> Mayor pro tem tovo.

>> Tovo: Yes.

>> Mayor Adler: Councilmember troxclair.

>> Troxclair: No.

>> Councilmember Casar.

>> Casar: Yes.

>> Councilmember alter.

>> Alter: Yes.

>> Councilmember kitchen.

>> Kitchen: Yes.

>> Councilmember Flannigan.

>> Flannigan: Yes.

>> Councilmember Renteria.

>> Yes.

>> Councilmember Houston.

>> Yes.

>> Councilmember Garza.

>> Yes.

>> Councilmember pool.

>> Pool: Yes.

>> Mayor Adler: It's unanimous orbit -- I'm sorry, troxclair voting no. I missed that. 10-1, troxclair voting no. Gets us up to item number 3, wastewater impact fee land use assumptions. Does staff have any comments? Before we make the motion?

>> This is an item we have to do on an occasional basis and there was a public hearing at your August meeting on this topic so this is just to adopt the recommendations from the water utility.

>> Mayor Adler: Okay. Is there a motion to adopt the recommendation? Councilmember pool makes the motion. Councilmember Flannigan seconds. Any discussion? Yes.

>> Tovo: Very quickly, I referred to this once before. I distributed a letter on the dais, apologies when we converted it quickly today from email to word doc. I left off the author, Mickey Fishback who has served on our commission for quite sometime. They served on the joint commission that looked at financial streaks for Austin water utility during the period of time when we were in such a significant doubt that the water utility was having some budget constraints so she was one of the appointees to that board. As she traced this through, I thought this would be really interesting, when we considered in 2013 whether or not to raise impact fees, it was somewhat controversial but you can see just what effect that had in terms of really assuring Austin water utility's financial stability.

[5:27:49 PM]

I'll just jump to the punch line here, and she traces it through the various -- through -- she takes us through the -- all of the information to this conclusion, and as I understand this -- all of the data in here has been vetted with our financial staff and the water utility. But the punch line is that the residential rates would have been about 15% higher in fiscal year 18 if we had not been able to collect full cost impact fees, and she goes on to say in fact the recent midyear increases in rates were direct result

[indiscernible] Full cost impact fees. Again, as we consider some of those past council decisions to go to full recovery, sometimes we don't necessarily see what the impact would be for a couple years, but in this case it's had a really significant impact on water utility rates. So great thanks to all of our volunteer commissioners and our staff for working on

that>> Mayor Adler: Okay. Let's take the vote. Yes, councilmember alter?

>> Alter: Mayor pro tem, I think you were on the council partially responsible for that, so thank you for that. I'm hoping as we look at our street impact fees will lead to a similar positive result in the future.

>> Mayor Adler: Okay. Let's take the vote on the waste and water waste impact fee land use assumptions. These in favor please raise your hand? Those opposed? Troxclair voting no, the others voting aye. It passes. Items 4 through 6 can be taken up on consent. These are the fire department, police department and ems classifications and positions. This establishes classifications and positions in the classified service of the Austin fire, police and ems departments. Is there a motion to approve items 4, 5 and 6? Mr. Flannigan makes that motion S there a second?

[5:29:51 PM]

Ms. Houston seconds that. All those in favor of the motion to adopt the fire department, police department and ems classification ordinances, please raise your hand. Those opposed? It's unanimous on the dais. It passes. Agenda items 7, 8, 9 and 10 are reimbursement resolutions for general obligation debt, Austin energy, Austin water and austin-bergstrom international airport. Is there a motion to approve items 7, 8, 9 and 10. Councilmember Casar makes that motion, seconded by councilmember Flannigan. Those in favor of these items please raise your hand? Those opposed? It's unanimous on the dais for approval. Item number 11, this vote is in addition to and separate from a vote to adopt the budget. And the vote to set the tax rate. This motion must be made as we're going to do it here below. So we're going to consider item 11 to ratify the property tax increase reflected in the budget. This vote is required by state law. Council must make this vote separately to make clear that we know it will take more property taxes than the city raised last year to pay for the the budget that we approve this year. This is not a vote on the tax rate. We'll make a separate vote on the tax rate after the the budget is adopted. Is there a motion to ratify the property tax increase reflected in the fiscal year 2018-2019 budget adopted by the council today? Is there a motion? Councilmember Casar makes that motion. Is there a second? Councilmember Renteria seconds. Is there any discussion? Councilmember Casar.

>> Casar: Mayor, I just want to reiterate first of all appreciation for my colleagues.

[5:31:53 PM]

I know it's a long and hard day and everybody cares a lot, and thanks to the staff staff, but since we are voting on the tax rate I do want to state my opinion that regardless of what we do today, regardless of where we set it, I continue that the legislature will continue to place the blame on cities for the property tax burden people feel rather than appropriately on themselves because we know and we just need to reiterate again and again that so much of the property tax burden people feel is related to the state's inaction on funding our action and our schools appropriately. As councilmember Houston mentioned, the brunt of what people are going to feel coming up is going to be related to school taxes, but not because there is a lot more money coming in to help students in this community. And I also want to reiterate what councilmember Flannigan said, which is if the rules of the game change, if the way we can transfer money from our utilities changes, if a revenue cap comes in to change, then I think the rules of our budget will have to change and that certainly includes for me at the very top of the list the chapter 380 agreements that have been authorized in the past that have been honored repeatedly in the past, but things structurally change for our utilities, for Austin energy, for our revenue caps, then I think I think that that may be one of the very first places that I and many of us go. So I want to just make this call because it will be reported that we had a debate today to increase the amount of money for this many million or that many million dollars, but ultimately we were debating cents just of what would impact people a few cents a month when really people are going seeing \$400 increase that the legislature could get from a more Progressive revenue source, to get to the voters to get from corporate gross receipts or from those with much higher incomes.

[5:33:58 PM]

We are put in this very difficult box to have to fund important needs this way. And we're doing the best that we can, but ultimately no matter what vote it is that we take today, people are going to see a property tax burden increase because the legislature's decisions, not based largely on our own. And we can expect they will place the blame on us.

>> Mayor Adler: Councilmember pool and Garza and then Renteria.

>> Pool: Thanks for the comments about the 380 agreements and the changing how we may go forward on those. I endorse this that and have been interested in making changes to those in the past. It sounds like we may have even more reason to do that in the future. But thank you to both councilmember Flannigan and Casar for those comments. I agree with you.

>> Garza: I just want to underscore a comment that Jimmy made earlier and the ones that councilmember Casar just made. You know, when I've heard that there are members of our business community that have gone to the legislature to advocate for revenue caps, it's very concerning, especially when this budget includes contracts for businesses. And so every time -- we can sit here and pool every contract off of the consent agenda and ask them if they're okay with that tax rate because

I'm sure it helps their business, and helps them employ people here in Austin and helps them go with the incentives. It's very concerning to hear that we have some in our business community advocating for revenue caps, but we'll be coming back to us likely for tax incentives. So I'm glad we revamped our economic incentive policy, but that under the framework of where we are now in our ability to bring in revenue.

[5:36:05 PM]

And if that changes I don't see how we can continue to provide those kinds of incentives.

>> Mayor Adler: Mr. Renteria.

>> Renteria: Thank you, mayor. You know, we are seeing other surrounding cities having to raise their taxes higher than we're raising ours. There's these cities that are getting our population, our people that are having to move out because the state has crippled us on building affordable units and housing in the city. Every tool that we have thought of from homestead preservation to linkage fees, all of those the state has taken that ability for us to build more units here in Austin. And now the cities on the outskirts are feeling the pressure. They're having to build their infrastructures, schools. They're having to raise their taxes up. And that's the effect that's going to be happening if we don't do something here soon at the state level to help our cities so that we can retain our lower middle class and lower class citizens here in Austin where all the services are at, instead of them going out to the outskirts and where these small cities are having to provide the services that is needed. So I hope that the state is listening to us, the state legislators, and give us back our ability to keep our population here in Austin.

>> Mayor Adler: Further comments on this? Mayor pro tem.

>> Tovo: I just wanted to add my thanks to the city manager and all of our financial staff and the many other departments who have been involved. This is also a very time intensive process for all of you as you respond to our many, many questions. But thank you, I think that information has helped enhance our decision making here today and in the weeks behind us.

[5:38:09 PM]

So again, thank you, city manager, for listening to all of our priorities and proposing a budget that meant many of them -- met many of them. And thanks to my colleagues for the conversation we've had today. I think we've made some good decisions today and that this budget is one we can be proud of.

>> Mayor Adler: Ed, in terms of -- just quick question for you. This budget, if we adopt it if it looks like we're going to, if you look at the increase for the typical homeowner for property taxes and all fees that they see on their utility bills and the like, this year how does it compare to other years?

>> In terms of the -- I'm sorry, in terms of all the fees, the typical taxpayer --

>> Mayor Adler: Things we're approving, the fees and the property taxes and all that stuff.

>> So I don't have it based upon the 5.45, but based upon the 5.9% it was going to be overall a 1.8% increase in taxes and fees for how we define a typical Austin homeowner and taxpayer.

>> Mayor Adler: And you had looked at it at six percent and saw that was 2.1%, I think I recall.

>> Yes.

>> Mayor Adler: So it's going to be somewhere between those two. And then somewhere between those two it also decreases the electric rates, Austin energy rates, it decreases water rates. In fact, it holds the other rates equal except for one rate, which is the --

>> Transportation user fee.

>> Mayor Adler: So altogether when you add all those things together, the increase that folks will see in this city, how does that rate -- is it low or high? How does that increase compare to other years?

>> Certainly compared to other years in recent years, the only one we've had lower in my memory is in 2016 the first budget that the 10-1 council adopted where you implemented a six percent increase in the general homestead exemption and also we saw some significant reductions in ae costs for a typical ratepayer due to falling fuel prices at that time.

[5:40:23 PM]

>> Mayor Adler: So this is the second lowest increase in recent memory.

>> In my memory.

>> Mayor Adler: Looking at property taxes and fees. And the lowest -- the lowest one was what the 10-1 council did just a couple of years ago.

>> That's right.

>> Mayor Adler: Okay, thank you. The other thing that I would just like to conclude with too, and I know I say this a lot and other people have touched on it, but just the magnitude of the difference between us with the increases we're doing at just below or just above two percent per year to put it in perspective the state property tax, the increase that state is taking has increased 288% in the last five-year period of time. So when you compare -- it's not just that the state is going up more. The state is going up so many times more as to dwarf anything that anybody else is doing. So I would urge the state leaders and legislators to really focus on providing relief to the people that live here because really it's the only one that can provide relief of a magnitude, of a relative magnitude that people will feel. And in this budget I'm proud -- the budget that we're about to pass, it truly reflects our priorities and our values. It fights for affordability. We lower the tax rate. We decrease water, electric rates. We increase the homestead and senior exemption and still we have millions more for homelessness and affordable housing and more police officers, fire stations and wildfire mitigation, increased maintenance for pools and streets and parks and sidewalks and we even increased the city's living wage. I'm proud of this budget. I

recognize that probably some time in the middle of this year you're going to be having to come back to us potentially to talk to us about police as we work through those contracts and maybe some other matters, but from where we are today I think this is -- I'm proud to have been part this.

[5:42:29 PM]

And thank you for this effort and actually getting us to the place where it looks like we're going to be done in the first day. Anything else?

>> Alter: Councilmember alter thank you. This is my second budget and it's much improved over last year as an experience. And I think as an outcome. And I want to thank the community for engaging in the process and the staff, the city manager. This was an improved process and I want to also thank the strategic planning team, interim city manager hart for getting that started and setting us on the path for being able to focus our budget on our priorities. I'm excited with what we were able to achieve this year in terms of investments in parks and the environment and businesses and workforce development. I'm very much looking forward to next year, us really being able to move more of the ship than we moved this year towards our priorities and look forward to continuing that journey with you. I also want to thank the budget office for answering all of our many, many questions. It's very much appreciated. I think that where we are ending up today is a budget that we can all be proud of and it's the investments that we make in Austin in the places, in our buildings, in our people, that are what make Austin great and is what helps us to thrive as a community, helps us to lead not just Texas' economy, but the country's economy. So I'm very excited that we will be done today and that with the outcome as well.

>> Mayor Adler: Councilmember kitchen.

>> Kitchen: I just wanted to add my appreciation for all the work that city manager and our staff have done I'm very pleased and proud of the budget that we have in front of us. And I also appreciate all the efforts that all the staff have made with us on particular programs that are important both to the staff and to our constituency.

[5:44:38 PM]

And there's a whole range of those that we found a way to work on from an administrative standpoint that are aligned with our existing budget and with the city manager's budget and with our staff. So I look forward to pursuing those also with our staff. And I appreciate y'all's effort to work with us and say that these were the kinds of things that you were -- you could fit within your -- within your proposed budget.

>> Mayor Adler: All right.

-- Sorry, councilmember troxclair.

>> Troxclair: No problem. So I guess I echo everybody's appreciation for the work that went into this budget. I am excited that we are at a rate that's lower than an eight percent increase where we've been

in previous years. Overall even though our tax rate is only going up 5.45%, our total spending is still increasing at eight and a half percent, which is significantly more than population plus inflation. And when we talk about growth paying for itself and people being able to continue to afford to live here, the reality is that people aren't getting eight percent increases year over year in their jobs. So we ask them to live within our means and I think they expect the same as us. So -- the same from us. So I want to be able to support this tax increase today, and I will continue to support efforts at the state legislature to make sure that taxes at all levels of government, including at the city level, are done efficiently, responsibly and with the taxpayers who are footing the bill for all of this in mind. I just feel like I have to remind everybody that what the legislature is considering is not a cap. It just simply says that if you're going to increase taxes more than, you know, four or five percent or whatever they end up doing, that you just simply have to ask the voters to go above that.

[5:46:46 PM]

So if there is a need that the city feels like it can't fulfill within that existing tax rate, all you have to do is make your case to the voters. To me that is true local control. The local control is at the individual voter level, and all this would do would demand accountability and transparency and ultimately give the power back to the voters who will have a say on whether or not they want their taxes increased more for a specific purpose. So I'm hopeful -- and I know that as you learn more about the governor's proposal that actually over time it will -- it will help to address the inequity between local funding of aid and state funding. Schools are really -- are incredibly important and there is no question that our school funding formulas are broken. And the legislature has to do something to fix that and I think that some of the proposals that will be coming forward will do that, and I look forward to supporting those. So thank you. Thank you all for your efforts this year. I appreciate it.

>> Mayor Adler: Okay. We have a motion by councilmember Casar to ratify the property tax increase reflected in the fiscal year 2018-2019 budget and a second from councilmember Renteria. All those in favor --

>> Casar: Mayor, right before we vote I just have one question to really clarify. We are not passing a property tax rate increase, we're reducing the property tax rate, but the effective effective -- the the effective rates is higher.

>> Mayor Adler: That's correct. That will be the next vote. This vote isn't even to do that. This vote is just to reflect that as we said earlier, we have the statutory language that had us ratifying the property tax increase that is inherent in this budget.

>> Casar: But meaning if your property remains at the same value your property tax bill actually goes downward.

[5:48:51 PM]

>> Mayor Adler: Yes, if you have the same property value --

>> Casar: Your property tax would actually go down.

>> Mayor Adler: That's correct. Let's take a vote. All those in favor please raise your hand? Those opposed? Councilmember troxclair voting no. The others voting aye. It's ratified. So now we're going to take up item number 12 to approve an ordinance adopting a ad valorem tax rate for the city of Austin. Before I get into this and read the script I want to provide a clarifying note. In this script that I'm about to read, which is the script that's required by state law, the numbers that we're required to put in are the numbers that are the increase in the effective operations and maintenance rate as opposed to the overall rate. So the numbers that we have been hearing, we've been talking about, has been the overall rate increase, is that right? In other words, explain to us the difference between the 5.45 somebody that we've been focusing on that everyone in the community uses. There's a different number that the state has us put in the crypt script, is that right?

>> Yes. The number you're used to talking about, eight percent being the maximum, zero percent being the effective o&m rate and we've been talking about somewhere in between. You took action to adopt a budget at a 5.45% increase in the effective o&m rate. That rate is what all those roll back calculations is driven on. It's separate from the debt rate. This action you're about to take requires you to just look at your total tax rate, compared to the effective tax rate, which is different than the effective o&m rate. So the language you're going to be required to speak to talks about a 6.4% increase in that equation. It's what the state law requires, but it's different than what we and everybody else uses in regards to talking about your tax increase relative to, say, the effective rate or the rollback rate.

[5:51:00 PM]

>> Mayor Adler: Okay. And we're going to get law to give us a statement on this too. So we now take up item number 12 to approve an ordinance adopting and levying a property tax rate for the year 2018-2019. There's a short statement by law regarding the exhibits to the ordinance and then we'll make a motion that uses languages as required by state law. So is legal here to give us the statement?

>> Yes, thank you, councilmembers, city manager, city attorney. My name is Lela fireside, assistant city attorney for the law department. And this relates to the tax abatement for the historic properties. The ordinance you're adopting this year, as you have in years past, contains a finding and attachment. The finding is to the extent required by law, that the owners of the properties identified in exhibit b-2 have provided the city documentation that their properties are in need of tax relief to encourage preservation. The part of the tax code, 11.24, states that the official action has to be taken by you as a body, both for those sites that are designated as recorded historic landmarks and those that are designated as historically or arc logically significant and in lead of tax relief in order to encourage their preservation. Exhibit B 2 in the ordinance contains the listing of the properties that have been reviewed by staff and the landmark commission. They've been provided to you and are in the budget and have been there for awhile. And they meet the requirements of the tax code and the city's historic property requirements. You'll be approving them for a partial property tax exemption when you adopt the ordinance adopting and levying the city property tax rate.

[5:53:02 PM]

>> Mayor Adler: Thank you. All right, the motion to adopt a tax rate must be made using the words required by the Texas property tax code. The tax code also requires the vote of this motion to be a record vote. So when we say that we are voting to increase the tax rate, statute defines increase as the percentage by which the proposed tax rate exceeds the effective rate. Is there a councilmember that will move that the property tax rate be increased by the adoption of a tax rate of 44.03 cents per 100-dollar valuation? Which is effectively a 6.4% increase in the tax rate? Councilmember Casar makes that motion. Is there a second? Councilmember pool seconds that motion. Is there any discussion? Let's take a vote. We have a motion and a second that the property tax rate be increased by the adoption of a rate of 44.03 cents per 100-dollar valuation. Will the clerk please read the roll so each of us can state our vote?

>> Mayor Adler?

>> Yes.

>> Mayor pro tem tovo.

>> Yes.

>> Councilmember troxclair.

>> No.

>> Councilmember Casar.

>> Yes.

>> Councilmember alter.

>> Yes.

>> Councilmember kitchen, yes.

>> Councilmember Flannigan.

>> Yes.

>> Councilmember Renteria.

>> Yes.

>> Councilmember Houston.

>> Yes.

>> Councilmember Garza.

>> Yes.

>> Councilmember pool.

>> Yes.

>> Mayor Adler: The tax rate passes on a vote of 10-1 to let's now move up to item number 13. This is a resolution to appoint directors and officers to the Mueller local government corporation corporation. Is there a motion to approve the resolution?

>> Renteria: I move.

>> Mayor Adler: Mr. Renteria. Councilmember Renteria makes the motion. Councilmember Flannigan seconds. Any discussion? Those in favor please raise your hand. Those opposed? It's unanimous on the dais.

[5:55:06 PM]

So at this point I'm going to recess this meeting of the Austin city council

That puts us back in to the Austin city council meeting at 5:58. Manager, something you want to say?

>> So mayor, councilmembers, community, this was my first budget here in Austin and it was sincerely a pleasure to be working with you over the last several months to ensure that the priorities of our community and of this council were embedded into that budget that was adopted today. As I said on August 6th, this was a transformational budget for our community. We really thought differently about how we were going to organize our work based on the strategic direction. We are taking one giant step forward with that budget adoption today, but we have a lot more work to do. And I know that over the next coming months and years ahead that we will continue to refine the process and how we implement the direction and the priorities that are part of that strategic direction.

[5:59:15 PM]

Looking forward to that work with you and with the community and I know this is only the beginning. I did want to specifically thank and appreciate our staff. We have an incredible group of city employees that I have had the honor of working with since I arrived here. In particular the budget staff and through this process, but the incredible work of the entire executive committee, the department directors and all of our city employees who day in and day out do their best to ensure that we are providing high level services for our residents. I just -- this is really about how we can provide great support for them and this budget does that. So thank you very much for your adoption today.

>> Mayor Adler: Anything else before we adjourn? Prior to 6:00? It is 5:59. And this meeting is adjourned.

[Applause].