

# Audit and Finance Committee Meeting Transcript – 9/26/2018

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[9:37:48 AM]

>> Troxclair: Good morning and welcome to this month's meeting of the audit and finance committee. It's 9:37 and we're going to get started. Is there a motion to approve the minutes of the August 14 audit and finance committee meeting? There's a motion and a second, and all those in favor of approval? All right. The motion -- or the minutes are approved unanimously. Item number 2 is general citizens communication and I believe we do have someone signed up. Julio Gonzalez, Al Ta Murano. Good morning.

>> Good morning.

>> Hello. Good morning. I'm a homeowner and parent that resides in the Bouldin creek neighborhood and I rely on cap metro and 105 for my daily commute. I want to request the city auditor -- the city of Austin will likely face a request for changes to the city's policy in 2019 as well as additional request for substantial investment in 2020. These requests are an expected recommendation of the current vintage of project connect. Recent weeks leadership has highlighted the promise of art. One powerful feature of Arter but it's most transformative feature is vehicle to vehicle communication. The theory, elongated buses very close to other elongated buses while traveling at high speed. This is a phrase you will hear a lot about in coming weeks, months and years.

[9:39:52 AM]

Platooning is theorized from economics. Almost as many people through a single cycle and art buses can drive in and out of routes adjusting to realtime demand and further reducing total system costs. When we closely inspect the capabilities of the five models highlighted by the CMT leadership, it seems this technology needs additional development. With the ass criteria autonomous connected proposed by staff, it becomes clear while these models have achieved some levels of success, there are no -- autonomous platooning. This year there was a successful demonstration of -- two miles per hour, but

the goal of the demonstration was to highlight a driver -- these so-called trucks still had drivers. This is not the art --

[audio difficulties]. And the importance to the future of Austin, this technology a special report. The report would answer questions how will the Austin transportation estimate the future of art. How will it assess art ridership from partner agencies, costs associated with platooning and what do independent experts currently estimate to be. A thorough, independent report by the auditor would augment trust in the rigging of decisions made by the city council, transit and policy investment. Thank you for your time and attention to this matter.

>> Troxclair: Thank you. Definitely something to consider.

>> Tovo: I wanted to ask our auditor to comment whether that would be within the scope of what your auditor's office could do or would that be an outside consultant or how would you handle that to do a special report on that subject?

[9:41:56 AM]

>> That's a great question. I think it's something we need to look at in more detail. Just looking at best practices and comparing what capital metro or Austin is doing would certainly be something that falls within our expertise, going more into the kind of technology and engineering aspects I think would be -- something we would need outside assistance for. Something that we'll also talk about as part of the

[inaudible] Discussion.

>> Troxclair: Thank you. Item number 3 is audit of cultural arts contracts which evaluated whether culture arts contracts are being administered and monitored effectively to ensure compliance with the contract requirements. I'll turn it over to the city auditor.

>> This audit, we looked at contract monitoring of cultural arts contracts and one of the things I wanted to say is with what we found we saw they had really robust monitoring practices in place and I know we're here talking about -- and we don't always say that. This was a really positive -- noted a few areas for improvement on the team. The managing manager and Sam Knight as the charge and walk you through the results.

>> Good morning, councilmembers. As Corrie mentioned and may I -- with the auditor. The cultural art division was used for cultural arts program in this light. Is city does enter a contract with artists and -- to promote and improve in Austin. The monitor of these contracts in compliance with the contract requirements.

[9:44:00 AM]

The staff performs basic review of reports for all contracts to ensure that -- agreed to in the contract appropriately. The staff performs an interview of selected boards to ensure that the costs are allowable, payments are made within contract period, and the -- categorize. While the contract is undergoing, the staff also -- to ensure compliance with the [inaudible]. We found that culture contract monitoring factors are generally in align with best practices, however, to improve the processes and verification of information. We also found lack of --

[audio difficulties] Which are followed by the staff. The staff does not -- how the contracts are selected for monitoring. The staff does not require -- confirm the numbers reported by contractors and if the contractor documentation. In addition we noted reported by the contractors for the department performance measure; however, the staff does not verify these numbers or note they are self-reported. For our second finding we find that in 2014, in response to the audit conducted by our office the law department developed -- culture template. We found that the division uses template to develop contracts but not for the other programs.

[9:46:08 AM]

As a result -- for these other three programs important clauses which includes clauses that the right to audit and procedure to terminate the contract. We have issued two recommendations for improving the monitoring practices and contract templates. The management agreed with the recommendations. This conference committees my presentation -- this concludes my presentation and I will take questions.

>> Troxclair: Members, any questions? Okay. It's nice to see a positive report. Thank you for the good work that's being done. We appreciate it. Mayor pro tem? Mayor, did you --

>> Mayor Adler: I just want to again say it is good to get a positive report. Obviously there have been some questions about the arts contract awarding that's happened recently, but that was outside the scope of this. We still have to address that, but just in case someone is -- the reason is not being discussed, that aspect is not being discussed because that is not the scope of this particular review.

>> Troxclair: Councilmember tovo.

>> Tovo: This relates to the question which also was probably outside the scope and that is whether you longed at the reserve policy -- looked at the reserve policy within the cultural contracts program to see whether that was best practices in other places.

>> No, we focused on the --

>> Tovo: Thank you.

>> Troxclair: Okay. Thank you. Item number 4, APD response to mental health-related incidents that looked at whether the Austin police department is effectively responding to incidents involving people with mental health or other specialized needs.

[9:48:17 AM]

>> While they are coming up, we need the cultural arts report.

>> Troxclair: Is there a motion to accept the audit? It's unanimously accepted with councilmember alter not with us this morning.

>> Thank you.

>> Troxclair: Okay.

>> Good morning, councilmembers. This 2008 APD report -- these calls may involve someone with a diagnosed mental health illness or acting different than expected. To evaluate APD response -- to evaluate APD response to these calls we used the crisis intervention develop -- cit international is a nonprofit organization recognized by law enforcement as the best practice for police based crisis intervention. The goal is to improve safety of the person in crisis and the officer and to redirect the person from the judicial system to the health care system. APD has organized their response to people experiencing mental health-related issues. Under the cit core elements as shown on the slide. We found that APD's model for responding to mental health-related calls for service alliance with some but not all of the elements of best practices listed on the side of the chart on the slide. We also talked to several peer cities to compare their crisis programs. A detailed chart is available as appendix in the report. As noted in the chart, we identified three years areas related to APD's training, response and evaluation of mental health-related incidents. Our first finding related to APD's crisis intervention training for officers and dispatchers. State requirements for crisis intervention training for all officers and provides the best practice recommended 40-hour training for crisis intervention certification.

[9:50:24 AM]

However, not all best practices are included in the certified training such as specialized -- and including direct interaction of the community served. APD reported these elements are included in the initial academy training. Additionally, APD does not offer regular trainings to update officer knowledge and skills. Without regular refresher trainings, familiarity with crisis intervention may diminish over time. 911 mental health-related received by APD go through the process shown on the slide. Best practices contain -- process. APD call takers cover size and symptoms of mental health and how to talk with callers in crisis. Call takers do not proactively ask if the caller needs mental health assistance or related resources. Best practices say that the nearest crisis intervention officer should be identified and dispatched to mental health-related calls for service. Referred to as mental health officers or mhos. APD calls to patrol officers who respond to assess the situation. Dispatchers do not assign M mho why is requested by the caller -- unless requested by the caller or dispatch. It is helpful for all involved if the officer knows information like the caller has a history of mental health illness or known to have weapons. However, conditions in APD make it difficult for the officers to have all the relevant information as they head to a call. Currently information can only be tied to a location or phone number, not to an individual's name, which can make it difficult if a person has moved or does not have a steady

phone number. Two peer city police departments reported having self-registry systems where guardians can provide information that could be helpful in a crisis situation.

[9:52:29 AM]

Practices state that certified officer or mho at APD should respond to all minute crisis events and -- unless requested by the caller or the responding patrol officer. Mho is requested when emergency detention is needed or help connect the person to community resources. We found mhos may not be able to respond to calls when requested. APD aims to have one to three -- on duty in each -- we compared mho staffing with calls over four days and found mho's were not -- 22% of that time. APD meets best practice by partnering with integral care's mobile out reach crisis team or emcot. In 2017, APD reported responding to 12,000 mental health-related calls and reported assisting APD on 3200 of those calls. Emcot's ability to respond to crisis situations is limited because they are not staffed 24 hours a day and they do not respond to high-risk calls such as calls where a person has a gun or other weapon. Some peer cities reported they used a limited co-response model of service whether police officers and mental health professionals respond together to priority mental health-related calls. Best practices recommend the departments measure the impact of crisis intervention programs and look for areas to improve. Our third finding looked at how APD is reviewing mental health-related incidents. APD and peer cities reported challenges in finding mental health-related calls, backing the number of calls. We also found that APD does not evaluate all of the responses for areas of improvement and APD management does not receive routine updates about these calls.

[9:54:30 AM]

During our peer city research for this audit, our Texas peer cities, Houston, San Antonio and Dallas, creating programs identify individuals with chronic mental health-related issues and police response, appropriate health care-related resources. We made two recommendations for this audit, that the chief of police should engage with mental health stakeholders for solutions that would benefit people with mental illness in the Austin area, implemented changes to the crisis prevention program. Management agreed with our recommendations. That concludes my presentation. Happy to take any questions.

>> Troxclair: Councilmember pool.

>> Pool: Thanks for this report. I'm curious, I'm looking at for slide 7 and 8, the second bullet, do call takers don't proactively ask if a caller needs mental illness assistance and 8, dispatchers do not assign a mental health officer to a call. So we're not actively looking to see if we need a mental health officer so that makes sense the statistics -- would be low and I also note that the first officer at the scene often isn't the mho anyway. It would be an officer on patrol, not a mental health officer. So in order to achieve some of the policy metrics that we're -- or performance metrics that our policy on mental health assistance the city have laid out, it seems to me we need to have better information to identify whether

a mental health officer would be helpful at the scene rather than assessing after the fact or only using the mental health officer when there are reasons to take someone into custody.

[9:56:36 AM]

So I'm wondering, since we lack the information to identify a mental health -- and our stats -- what can or should we do about that. You have two kind of broad recommendations. It seems to me that -- maybe this is something APD can when they come -- good morning, chief Manley, when they come to respond. The recommendation, of course, is a good one, but my guess is APD would like to take more immediate, stakeholder input is important, but I think we already know there are some deployment processes that we use now that could perhaps be addressed.

>> Good morning, mayor, council. Chief of police. We have already -- and now will call for a mental health officer to be immediately dispatched to those calls where we believe that it is at issue. As long as there's one available. And we will always dispatch an officer just to at least start making the scene secure, but we will now send an initial officer, officer who is -- I think in the past the -- the process that had for years was that the initial respond -- since all officers have training to make the assessment whether were the advanced skills that were needed. We have already changed policy and we are looking at dispatch protocols as far as the types of things that the dispatcher asks so we can maybe vet that out during the initial call. That part is actually just underway, but the policy as far as response is already in place.

>> Pool: My other questions are for a.p.d.'s so I think I'll wait until they make their presentation and ask if they are not covered.

[9:58:40 AM]

Thank you.

>> Tovo: I have questions, but I'll wait until --

>> Troxclair: Does APD want to come up and give a response?

>> It's good exercise.

>> Good morning again and assistant chief with me who oversees the -- the mental health units in the department and then assistant chief Justin new some. So we have had a couple of different meetings both with the auditor's office upon receiving this audit, as well as internally to look at the recommendations. We think this coupled with the discussion that took place during the council budget hearings and the money that was allocated to really take a holistic look at how we respond to mental health issues in our community, with the recommendation the auditor put forward that we put together a stakeholderrerr group. We are going to engage that process, have a stakeholder group put together by December that we will meet with regularly to look at opportunities to improve the program that we

already have in place and to look at national best practice models. I think also with the city taking the step to provide the funding for the integral care emcot program, I think we're going to see the opportunity to expand upon that partnership and continue to see improvements based on the work that we do with emcot. And then we will report back. We've proposed quarterly to show progress towards making change as we've shown with making an immediate change to the policy, we're not going to wait to implement things we think we can do on a more expedient basis, but we -- we are going to put together this work group so we ensure we bring everybody into the discussion and we identify areas for improvement.

[10:00:50 AM]

>> Troxclair: Councilmember pool.

>> Pool: Can you talk about the refresher courses? I'd like to understand the curriculum, my understanding is the refresher course kind of repeats the curriculum in the training, and we know that the -- the field of study for mental health issues continues to grow and deepen, and we would certainly want to take advantage of that increase in knowledge and have our officers, whether they be mhos or regular officers on deployment have the best information possible. So what are you planning to do with regard to your curriculum and maybe separating out the refresher so it's -- refresher, so it digs more deeply into issues as things change in that field.

>> Certainly. So when the officer chooses to become an mho, every officer has received the additional 40 hours and the training to be the mho a lot of that is reinforcement of initial training with a pretty heavy focus on the emergency detention process since that process is one that changes, and we want to make sure the officers fully understand that. As we work, again with our stakeholders, what we will identify is refresher training that will be given to our mhos to ensure they are up on, as you know, the developing body of research in response to knows in a mental health crisis, and we I'm sure have things we want to see absolutely included in the training and hear from our partners in the mental health community as well. There will also be stakeholders that are either mental health clients or family members of mental health clients and I think that's going to lead for on much better informed product we will be giving to officers to keep them up with their training.

>> Pool: It seems like one of the questions the stakeholders could help us with too is to give us -- point us in the direction of where the best training or best research that we can tap into might be available.

[10:02:54 AM]

Because they -- they would be experts or professionals in that area.

>> I agree, and we're fortunate that we've got the working relationship we have at integral care and also who couldn't be present is name and we work closely with name. They are part of our trainings so I

think we've got some resources already that we work with, but through this process we all identify others that can help us ensure that we're giving the best training possible.

>> Pool: And the last question I have goes to the swat team. Do they have a mental health officer part of that deployment and do they have deescalation training beyond first level?

>> Yes, that would be the hostage negotiating team we bring in, we bring in a hostage negotiator as well and that team gets advanced training in these areas.

>> Pool: Thank you so much.

>> Troxclair: Thank you. Mayor, did you have questions?

>> Mayor Adler: Just a couple, chief. First, I want to really thank you for being responsive and making that policy addition to really focus on trying to get a mental health officer just as a matter of course on things that look like they could develop into something with that expertise would be needed. From a resource and staffing point of view, if you could keep track of when you would have sent someone out but there was no one available to send out so that the council has a feel for when that's happening, how frequently that's happening. I think that would be really helpful because based on my sense of the dais, this is something if there were extra resources needed in order to make sure that was always available, you know, there's probably the votes on the council to make sure that that happens. The -- the question came up about the training program, and I'm happy you are taking a look at that.

[10:05:00 AM]

The way it was presented in the audit report, it very much tracked the 40 hours that the cadets got with a couple changes in it. And the consideration of whether or not there needs to be not just the refresher on that but almost a more advanced degree for a mental health officer with additional expertise or additional deescalation -- I don't know what it would be, but to take a look at whether there's something that we could incentivize or reward officers that were willing to really step up in expertise in that area. Probably also something else my sense is would have support. The hope would be, I think, is to really be able to accumulate enough data so that it would become predictive. So the protocols you are developing in terms what are the questions a dispatcher needs to be asking that are not maybe proactively asked now I think is really good, but also to try to get a feel for, in retrospect, what were the tells that would have indicated that a later challenge might have arisen so that we can recognize those tells. So as much data as you can collect in that regard so that we get a predictive model for how to avoid bad -- bad outcomes I think would be real important. And again, I commend you and your team for really pushing a policy of deescalation, and I know that's becoming really part of the culture in APD, which I think is real important. Adding to that, the culture of trying to find diversion opportunities so that people don't get arrested but they get treatment or they get put into a different place.

[10:07:05 AM]



So again, if you identify resources that you don't have that would help with either the deescalation or the diversion, especially in these instances, please come back because I think the will is on the dais to do that. And thank you, finally, for taking an active part in what's happening with the emcot team. It was real clear to us when we funded that that it was not their role or their scope to be front-line assistance in these crises. We put additional money as a council toward developing that component. And if we're going to fund 60% of this program, then perhaps that's a priority for us that was not a priority of the earlier scopers of that work, but now that we're funding that, that is a real priority for us. So please be a big part of that additional, as you indicated you would be doing. Thank you.

>> Thank you, mayor. And we took notes on the suggestions and we'll work on that data collection so we can have a better understanding potentially of the calls that we'll be responding to, but also of potential resource needs that we may have because we do know obviously that there are times -- you know, particularly evening and nights when the call load that may require the response of a mho will exceed the capacity.

>> Tovo: Thank you for the work of our city auditor and thank you, police chief and others for your responses. My first question is for the auditor. In your research of best practices, did you find other cities that provide ongoing mental health training for all officers or refresher courses for officers who are not among the mental health designated officers?

>> I believe we did.

>> Patrick Johnson, City auditor's office.

[10:09:05 AM]

When we were looking at best practice, we were focused on the certified training and so we were asking from a refresher standpoint, we were looking at is there refresher for that certified training. I believe those -- that's the core of the responses we got. I think we did hear some other things. I don't think we reflect that in the report.

>> Tovo: Yeah, I didn't see that information, but in your memory of it, some cities do have -- do offer that kind of refresher?

>> Yeah, as far as I remember, I think one or two of the cities did offer refresher trainings. I believe every two years for all officers. Not just their certified officers.

>> That's something we can certainly pull together and share.

>> Tovo: That would be interesting to know. Chief, have you given that thought to having refresher trainings for a broader swath of your officers?

>> I think that will be part of the discussion we have and we are on a two-year training cycle as well and I think there will be opportunity to build in additional training given we know the possibility will continue to exist that the first responding officer may not be an mho. So although I spoke specifically to additional training for our mhos, we'll look at the ability to roll that out to the rest of the officers as well.

>> Tovo: Thank you. It would seem to me to be a real useful idea to consider. Let's see. On page 7, I had a couple questions.

>> Page 7 of the audit report?

>> Tovo: I'm sorry, yes. So the auditor identified within the APD training, and I believe this is within the cadet training, in their words, limited number of trainings dedicated to mental health and deescalation topics. Specific to these mandatory trainings we found most officers attended but 5% of officers on average did not attend.

[10:11:10 AM]

I wondered if you could address -- address that point and talk about what -- what is the -- what are the consequences for officers who have missed part of the training. Are they afforded the opportunity to get that training, to catch up on that training? I imagine people get sick and various other legitimate reasons for missing the training, but if it's a required piece of their training and they are missing it, how are we filling that gap or what's the plan going forward for making sure they are filling that gap?

>> Frequently when an officer will miss a required training, they may be on a military deployment and they are with us at the department, we do have some officers that are on an F mla status or other reasons they are away. That is tracked. Particularly officers returning to the office commitment to the military, there's a protocol to catch up on significant trainings they missed, policy changes and other areas as well. So we do track the required trainings and officers may miss it when it's actually given as far as the initial rollout, but when they return to the department, whether an F mla return or return from military service, that's part of the protocol to getting them back up to being trained.

>> Tovo: For the city auditor, when you were looking at the 5% who had not attended the training, did you look at the follow-up to see who had not gotten it when they were back?

>> For the data we had we were looking at a specific time frame and we got records by that time frame. So for the people that we saw missed, we didn't see those. What we understood from training staff at the time people may be out, may be deployed somewhere and they would come back. And there were really sort of two methods to kind of track who received training. I think, you know, one was the -- whoever was teaching the course turned in some attendance sheets, and I think our initial -- when we initially got this information, we had kind of a larger spread when we went back and talked to training staff, they provided additional sheets.

[10:13:24 AM]

So that seemed to be part of the issue, but I think the 5% on average represents just people being deployed or sick or out for whatever reason.

>> Tovo: Okay. But your work, your research captured the absence, not necessarily whether or not they -- some of this 5%, maybe even all of it, did -- your research didn't -- can't tell us whether or not that 5% actually completed the training.

>> That's right. I think that -- I think coming back and taking that training would come at a later point than now.

>> Tovo: Thank you. Chief Manley, I heard you say that the training is, the protocol is they make up any significant training misses. Would this be regarded as a significant training miss that they are required to complete?

>> Yes, training in this avenue would be absolutely something we would have them complete upon return for whatever we put in going forward.

>> Tovo: Great. Thank you. And I saw some detail about the stakeholder group and the response in the letter that's included within the report. Can you tell me the extent to which that stakeholder group will either have representation from or include direct interaction with individuals experiencing mental illness? I think you made a reference to it, but I want to get more info.

>> Yes, that was one of the suggested groups that came from the auditor, we include either those experiencing mental health issues or part of the mental health clientele or their immediate family. I think there is valuable input that we can get from those groups so we will work to identify members that are willing to participate and provide input into the process.

>> Tovo: And might they be part of the ongoing stakeholder group?

>> Yes, and that's what I'm saying, this group that we put together, I expect them to play a role.

>> Tovo: Okay. As members or providing --

>> As members.

>> Tovo: Okay. Thanks.

[10:15:32 AM]

I have two more questions. Sorry. We covered some of mine. On page 7, the report also talks -- makes reference to APD in January 2018 revising its response to resistance program and starting a new training course, which I think, chief, you may have addressed that includes ten hours of deescalation training. It says all officers will attend this training. I assume that's all officers, we're not talking about just the cit.

>> That's correct. Every officer will go through that.

>> Tovo: Great. Thank you so much.

>> Troxclair: If there are no other questions, is there a motion to accept the audit? There is.

>> Pool: I'll make that motion.

>> Troxclair: Is there a second? There's a second. All in favor of accepting the audit? It's accepted unanimously. Thank you for audit and your response and work on this issue. Our next two items on the agenda both deal with the African-American youth harvest foundation, and I think it's probably best for us to take them up together. So we'll have both the auditor and the public health speak to their work on this issue. Oh, and I believe that there is a speaker. Yes. Mr. Lofton, would you like to come up and address us before we get started? Great, thank you.

>> Let me say thank you for allowing me to come here and speak today. I want to thank the mayor and everyone on the dais for recognizing at the last hearing that we attended that we really needed to have the audit at that point in time be tabled until we have time or there was time enough to investigate that audit.

[10:17:52 AM]

Because I think if you are a member, that particular audit showed that that was an overpayment of \$18,000. And since then that overpayment was found to be allowable, so that was not a charge from the harvest foundation. So I'm very thankful for that. And then before I get started, I wanted to thank the auditors from public health and also thank Matt and everybody for the audit that they have done because audits, in my opinion, only make you better. So therefore there is no animosity anywhere toward the audits. Let me just share this because I'm quite sure they will also cover this here, and that is during this last audit that we just went through, there was an initial -- I won't say finding or whatever, for about 12k, but after discussing with the auditors and everything, we're down to 6k. Really at the end of the day, I'm okay with the 6k so I have no argument none whatsoever with the results of this audit. But let me share something with you about the 6k for the most part. And I think the public health and the auditors will attest. This 6k basically came from one of my employees, the development director, whose time was billed to the city of Austin. And at the harvest foundation, we have all hands on deck policy because we don't have that many folks so it's not like, you know, an individual works directly with this, but I understand that, you know, at the end of the day the 6k for the most part was billed for development director. But during that time frame, I also would like to share that, you know, the September time frame, mayor, councilmembers, we lost another 175k from the African-American resource advisory commission funding.

[10:20:07 AM]

So when you lose the amount of funding that we lost, you know, in a given year, and I'm going to speak to one of the others, you go from -- you go from 18 down to four, five employees, that affects your ability for to have administrative staff. And so therefore when you go from 18 to five staff folks, and then you have contractor, and then you are then faced with six to eight audits inside of a given year, then that poses a problem. And especially an administrative problem. And I think some of the things you are going to hear, you know, from the auditors was there was administrative errors, things wasn't filed

and, you know, I'm not going to say that people misplaced or what have you because we've never had this type of situation, but when you lose 12 folks, then administratively you are going to have some paperwork management issues. But I think at the end of the day it doesn't show that we have a history of not doing what we're supposed to do, but we had a perfect tsunami this past year. When you take a look at -- and I'm going to speak to this because the audit speaks to it. The audit speaks to aid audit, which I'm going to address, and it speaks to the 49k. Let me put on the record that for the fact is we did not have an audit exit interview. Here's the deal. I can appreciate everything Laura did, miss Hayden's hole team did, because I appreciated having an audit exit because we got a chance to talk. And at the results of these audit exits, the 18k went away, the 12 went to 6.

[10:22:12 AM]

Had we had an audit exit interview with aid, we would not be talking about 49k, but we did not get a chance to discuss it. And I would debate what happened there, it happened and we're still addressing it. So the only thing that touches me about the audit that it mentions that we didn't have a chance to have an audit exit and that's the concern there. So last but not least, if I was to leave a couple things on the table, and that is to my understanding we may receive funding this year from the African-American resource advisory commission funding, which will, of course, help us with getting administrative folks back and to where we can address all of the items that is identified in the public health audit of the harvest foundation. And I will say this here, if we are going to have another full-blown audit from the city auditor's office, which I don't have a problem with that whatsoever because our goal is to do everything right and according to city of Austin request, but let us know well in advance so we can plan it because when you have this tsunami that we had, and then we are hit with six or seven audits, we probably spent close to 30, \$40,000 on audits, that's a third of the money that we are getting. And so that's a concern. And so if it's not planned, then it's hard to -- to handle that. And then the question is can we -- and I'll get with the public health, but can we bill labor hours toward our contract if we're going to have to go through these type of extensive audits.

[10:24:12 AM]

I don't have a problem with audits, but it keeps, you know, staff and folks from having to volunteer time and work, you know, hours during weekend, taking away from quality of life of -- to address these needs. And the bulk of the audit for the most part initially was to address some public health concerns and that type of stuff that's being the auditee. Put an undue burden of cost on us. So I'll close, I don't have a problem with the audit. I really appreciate working with the entire audit team, Larry Hopkins, I really appreciate everything, I don't center a problem. About out when you go to 18 to four and you have six audits it's hard to say all of my paperwork is going to be in order. Thank you for listening to me and really appreciate, mayor, your support so we can come back and it's gone. Thank you very much.

>> Troxclair: Thank you. Appreciate it. We'll turn it over to the auditor first.

>> Corrie stokes, city auditor still. And so what we wanted to do today, so this is an audit we presented back in may. It was tabled for Austin public health to do an indepth monitoring visit so I would like to turn it over to Austin public health to talk about that and then we can talk about changes we made to the audit as a result of that. Stephanie.

>> Good morning, Stephanie Hayden, director Austin public health. I'm going to just kind of walk through the process that Austin public health completed. We sent our contract compliance unit team out, as you can see, this is their mission ultimately to ensure contracts are in compliance with the terms and conditions.

[10:26:15 AM]

This unit was created back in November of 2011, and we have four staff that work on that team. Which includes a manager. Basically the monitoring scope, I -- I wanted to kind of pause for just a minute to let you know that this group does a risk-based monitoring process. So the African-American youth harvest foundation was already on our list to be monitored this year with the contract compliance, by the contract compliance unit. So after the meeting on may 23rd, we added the additional scope to -- to look for potentially unallowable costs of the 18,608 that was reported in the city auditor draft report. We monitored both contracts. The resource center as well as the conference program, and the period that we looked at was July 27 through June 2018. As Mr. Lofton stated, ultimately the 18,608 costs questions were identified. We were provided backup documentation in which our staff were able to walk through that backup documentation and verify that those were allowable costs. As I stated earlier, our team was already going out and so we continued our process to look at programmatic, administrative and fiscal, and during that time we did notice that there were unallowable costs of \$8,775, and 6,337 were deemed unallowable.

[10:28:27 AM]

And ultimately it was due to the insufficient documentation being available to our monitors. So one of the things that, you know, we have a section in our contracts that lists out unavailable -- unallowable costs and allowable costs. Some of the unallowable costs are sales tax, loan interest, fundraising expenses and gas purchased outside of Travis county. And so based on the terms and agreement in the contracts, these were -- these were the categories in which these costs fall. In addition to the findings that were noted for the unallowable costs, we also noticed opportunities to improve compliance over controls. We -- we look at employees' files as well as we look at what's going on with the board as far as their meetings, their minutes and et cetera. And so we did provide some information back to the agency as far as best practice of how to maintain the employees' files, as far as protection of confidential information in employee files so if there's a criminal background check that's run, a best practice of how to store that even if the employee is not hired. And then the board policies, when we reviewed it, we informed them that there was a little bit more information that is needed for their meeting minutes. So

ultimately, in general overall, management did agree with the ctu's monitoring conclusions, and I know, you know, the report is not finalized.

[10:30:32 AM]

We still have a little bit of potential lie kind of back and forth to do between the vendor. As Mr. Lofton stated, we do an entrance and exit and during that exit we do allow the agency to provide any additional information and documentation that would -- if we were to find unallowable costs, if they were able to provide that documentation to us within that time frame. Ultimately, the management indicated that they would like to continue to search for documentation of allowability of at least some of the wages. And so we have noted in our conversations with Mr. Lofton that there has been turnover in staff and there could be -- when you have a turnover in staff, when you are training new people, with coding and so forth. And so we have acknowledged that from him as well as in our conversations with his staff. At this point, that concludes my presentation. If you have any questions, I am available to answer those. Thank you very much.

>> Troxclair: Thank you. Councilmember pool.

>> Pool: I have a question for you. Thank you for that update on the monitoring and review. When a contract is signed with any of public health contracts, in they are signed, are there advisories in the contract that lay out what the expectations are for the fund recipient with regard to being public tax dollars and retention of provision of records and you mentioned meeting minutes and that sort of thing so that at the front end an entity receiving money from the city understands there are certain expectations and requirements?

[10:32:35 AM]

>> Yes, there is. We do it when the -- prior to the contract being signed, review information with the vendor to let them know the expectations of the contracts and unallowable expenses as well as allowable expenses. We emphasize the importance of communication because in some instances if the vendor were just to communicate with us to let us know what type of change they may need to make, then we just ask them to reach out to us. Some changes they can make with their budget and 10%, but they would have to let us know before they process the payment. In addition to that, there is an annual vendor training where we highlight and emphasize certain areas where we feel like that during the course of the year as a result of our monitoring where we've seen areas of either noncompliance or where we've made changes to the terms and conditions of our contract. So there's two opportunities, initially when you start contracting with the city, but then at the -- at the annual training, and then throughout the year you have access to your contract manager, so if there's any questions that you have, staff are available to answer those questions.

>> Pool: Do you feel like the training that we provide and the overview of the requirements on the grants paperwork is transparent and fully accounts for all the expectations?

>> I feel like it is transparent and yes, it does account for that.

>> Pool: Okay. Thank you.

>> Troxclair: Any other questions or comments? Okay.

>> Pool: I just have one other thing. What I would suggest, because I understand the monitoring is still ongoing; is that right?

>> Well, we have a draft report that we have, and Mr. Lofton has told staff he would like to look for additional receipts and backup documentation, and so, you know, we are allowing additional time to do that.

[10:34:48 AM]

But we would like to finalize this report by Friday of this week.

>> Pool: The moneys that may not have -- be eligible as part of the funds, is that expected to be repaid to the city?

>> The funds will be repaid back to the city. Typically what we'll do is in fy-19 we will work with the vendor in order to pay those funds back to the city.

>> Pool: So it's a reduction in future funding?

>> They have the option. They can either reduce and not, you know, pay us back the full amount that they would be eligible for reimbursement or they can just write a check payable to the city of Austin.

>> Pool: I do think it's important that we get to some finality on this case and that the books are clear and straightforward and accurate. And I expect Mr. Lofton and his staff, whether they be new or continuing, that they will be really diligent in making sure that the next time the city of Austin needs to come in and audit the books and review them for contract compliance that they follow the expectations and that we don't have the back and forth that I understand is taking Mr. Lofton away from the mission of his group that he would probably prefer to be working on. But it is also just as important for the reporting to be accurate and that the city has done due diligence in ensuring all grants and contracts are handled appropriately and that the recipients much those grants are following the rules and guidelines we have set down because they are the same for everybody. To the extent while the monitoring is still ongoing and you are working on additional contracts, I'm sure Mr. Lofton will find a way to identify and sequester the funds that need to be repaid to the city or rescope his future work in fiscal 19 so that the money can be assessed properly.

[10:36:54 AM]



And I thank you, Mr. Lofton, for the additional efforts, and hopefully when this comes around again because it is -- we review on a schedule, and I'm sure the city will be back at some point, that it will be an easier process for everybody going forward.

>> Troxclair: Mayor?

>> Mayor Adler: Just real quickly, I thank you for using the extended period of time to drill down a little bit deeper. I just think, you know, a few take-aways. There's the initial audit that was of the Austin public health department, that was the original focus of this. So it's good we have that audit and get the recommendations from there. I don't want to lose sight of that with this mention of the African-American youth harvest foundation. Are we going to be asked to approve that audit, and does that audit now reflect the change to or modification to reflect the additional work that was done so that that \$18,000 -- \$18,000 number doesn't live in something that we're approving, if it was in that initial report, just to make sure that there wasn't any mention in there that we don't want to memorialize this way. That's the first question. The second question --

>> Just to answer that first question, we actually -- instead of -- the 18,000 number is still in our report, however, what we know is in subsequent monitoring visit Austin public health staff were able to verify that documentation existed for that number. So that's the language in our report. We're not saying there's a deficiency. At this point we say, and we have broad language for that, that they found that it wasn't an overpayment and there were some other issues identified as a result of the monitoring visit.

[10:38:57 AM]

>> Mayor Adler: The report in a we would be approving, is it now -- is the language updated to reflect the additional information we have?

>> Yes.

>> Mayor Adler: So it has still listed the 18,000 number?

>> It does because -- because that 18,000 has been out there, it's been discussed, publicly, it's been in news articles, we wanted to say in the initial audit we identify this amount that was a discrepancy between the reporting and the payment. However, upon subsequent review, that number was eliminated.

>> Mayor Adler: Got it. Good. So if somebody just reads that report by itself, it's self-contained and they can see what happened. That's good. And it was good to know that even with the extended time period, so the review period was extended and the number that still needed documentation went down by a third -- by two-thirds. So that's good to see as well. I would repeat what councilmember pool said, you need to just expect that they are going to be auditing, and boy, it's a lot easier to keep up with that stuff realtime than it is to go back and re-create. So set up those systems to do that, but I also recognize there was this perfect storm of lost funding and losing people. So those were all the questions I had. Thanks.

>> Troxclair: All right.

>> So so I guess our ask of you all today is the acceptance of the original report which had two recommendations to public health, by Friday, to do that and identify discrepancies and seek repayment however appropriate. The other recommendation was kind of a longer-term look at the monitoring process. So we are asking for acceptance for that report.

>> Troxclair: There's a motion and a second. All those in favor of accepting the audit? And it's accepted unanimously.

[10:40:58 AM]

Thank you.

>> Mayor Adler: As an aside, chair, it's also my understanding that, you know, when you have an audit you try to learn their recommendations for you, recommendations for African-American youth harvest foundation, it's my understanding that there's nothing about this review of that foundation that would be held against them as part of a vendor in the future application process. Do I understand that correctly?

>> Each solicitation stands alone, so that would be an individual application coming in to the city of Austin.

>> Mayor Adler: So it would be judged based on that application going forward.

>> Yes.

>> Mayor Adler: There wouldn't be any negative impacts from what's happened here.

>> Yes. I will in full transparency, the agency does owe the IRS payroll taxes, and so the agency most definitely would want to ensure that that is taken care of.

>> Mayor Adler: I understand. Thank you.

>> Thank you.

>> Troxclair: All right. Thank you very much. The next item on our agenda is the proposed draft audit plan. I'll hand it over to Ms. Stokes.

>> All right. So our draft audit plan -- an extensive volume of slides. Just kidding. We have a few slides to walk you through the process. Basically last month we talked about this briefly. This is our audit plan for the proposed projects for fiscal year 19. In terms of -- I get a clicker even. We were required by city code to bring this to the committee. The committee is then to make a recommendation to the full council, and the ideas that we're listing out are project, what the objectives might be so we can come up with a list of projects for my office to work on.

[10:43:04 AM]

So this is tiny on here. Hopefully you have the larger version in front of you, but our proposed audits for this year, there are 15 audits. Two are standing, one is our ongoing follow-up. We try to select high-risk recommendations from prior years and follow up. We also have the lobbyist registration compliance required by city code, and we'll actually be bringing back this year's version of that next month, or at least one of the next two audit committees to share information what we've seen in that process and some improvements we might make. Beyond that 2 remaining -- the real estate mining -- the remaining 13 projects are all new projects. There are some other projects on the list. On the back of the plan document there's our carryover projects, which are the ones that we believe will have done hopefully early next fiscal year, and then we also have our priority replacement projects. The idea of this is sometimes we have an audit on the plan and get started and realize there's already a lot going on here or they just hired a consultant to do the same work we would be doing so we might defer something. Either timing is off or something else is going on. We'll step away and we'll look to the priority replacement list for other projects we can conduct. Admittedly we often find that we have more work than we can handle on the current year plan and never make it to the priority replacement projects but we like to have the option. Just a couple of things that have come up, so since we last presented, there's two topics we've received multiple contacts from the community about. So late in our process we get kind of consistently get audit plan ideas throughout the year. These are just two we've gotten multiple requests on recently so they weren't really in the hopper, so to speak, as we were drafting the plan the first is a residential parking permit program.

[10:45:08 AM]

My understanding that program run by the transportation department, there have been some concerns about kind of how that program is administered and kind of how neighborhoods are selected to participate. There's several concerns that came out there. I won't go through them all, but the -- that was a topic that came up, and the other one was the one we had a citizen present on this morning related to autonomous bus rapid transit. Specifically kind of the -- as I think the presentation was clearer than I will be on this, but looking at project connection planning and funding decisions and how autonomous bus rapid transit ties in, following best practice or is the version proposed following best practice. Those are kind of the new ideas and what we're looking for today as a recommendation on the -- to move the plan itself to the full council, and I believe we're at least tentatively scheduled for the October 4th meeting for full council discussion.

>> Troxclair: Councilmember pool.

>> Pool: I had a thought when I saw a couple emails about the autonomous bus rapid transit, the first idea is capital metro going to undertake a study like this? I know that the city is a partner with cap metro and everything, but they are autonomous themselves as an entity, and this is specifically about their a-number one current project. And if the answer is, well, we've tried but they are not interested, then I don't know how a study by the city of Austin can necessarily move that ball forward absent

conversations with cap metro and the board to try to change the fact that possibly there isn't an interest by cap metro. So for me the leading question on all of this is where is cap metro with regard to abrt, what is the status as far as policy direction for that for our public transportation entity, and then go from there.

[10:47:21 AM]

>> Troxclair: I would agree with that assessment. Mayor, did you have any comments or questions?

>> Mayor Adler: I do have just a couple comments. As I look at the priority replacements audits, there are some there that I would like to figure out if there's a way to elevate them because I think they are important relative to the priorities. The first is the tenant selection. Affordable housing tenant selection issue. There have been some resolutions that have come from council on this already to the city manager that speak to both identify where the opportunities exist as those units come up and having better tracking of that. And then in a perfect world, you know, actually knowing what people are ready and qualified to move into them so when something becomes available somebody gets the option to do that. I know there's some cities where those lists work together, and if you are the next person on the list you get first shot at the unit when it opens up if you qualify for it. So the tenant selection process is there. And I don't know if that is something that you do by way of audit or if the manager is already doing that in response to the resolutions that have been presented. So if the manager's office is already doing that work and coming back to us with a recommendation, then I'm okay with that happening, but I would like one of you to be taking a look at that because there seems to be a will on the council to do a better job at that intersection. The next one, the traffic signalization work is also I think of significant community interest. And I know that several years ago you had done a study that identified that we had an incredibly robust way to calibrate traffic signals in realtime way and multiple different settings and flexibility.

[10:49:26 AM]

But we didn't have the staff or the expertise to actually use the system we had purchased to its fullest potential and capacity. And I don't know if this is -- maybe this is a special request, and if it's a special request, then it would be my office's special request. If it's just looking at that and saying are we fully using it to the fullest capabilities kind of thing, but that may be that's how we get that one up, where it's not so much of an analysis as it is analyzing using the systems. I would elevate that and like to know we're actually going to take a look at that because that's a recurrent question I get as I go everywhere in this city on traffic signalization. The last one down at the bottom, the fleet decisions with respect to carbon reduction and electrification. We've gotten a report from had Austin energy that indicates that if we're going to meet our climate change goals, the first big area for us is power generation, but we seem to be on a path for that now to really do the things that we need to do. And the reports we got said that the next big area for us dwarfing everything else is transportation, and the key component on that is

electrification. The city is doing a lot on that with charging stations and the like, but I think there's real opportunity for this, so I would like to see that one elevated. When I look at the first page in terms of things that are on there that could be adjusted or moved, I don't know, but I look at number 3, tenant-based rental assistance. You know, if I had to choose, I think that's important too, but if I had to choose between rental assistance and tenant selection in that process, cat lagging units, -- logging units, I would go with tenant selection because the other is happening on its own.

[10:51:29 AM]

Again, it may be happening as a result of the mayor pro tem's ifcs, but if it's not happening, then that would be something that I'd like to discuss because I think that's really important initiatives. The public safety dispatch issue, my understanding is one of the things that's taking a look at is fire and ems and how we're handling medical dispatches and how that's working between the two. As the fire incidents go down and medical dispatch goes up for the fire department with ems and I hope that's a key component in the also because that's come up a couple years in budget and I don't know whether that needs to specifically say that in the description to make sure that we hit that, but I think that's a big part of that so I would consider actually noting that. On the number 10 environment sustainability, I don't know if that's a place to put in the fleet item from the next page, if that can go there as part of that, if that fits. On the social service contracting process, number 11, there are two questions that I hope that this encompasses. The first one is when you are looking at the needs of the community, I guess five years ago there was an analysis was done that indicated that we were underfunding relative to our peer city group. I hope that this analysis takes another look at that to see if we're falling further behind or if we're maintaining our place or catching up, whatever it is, but that peer city analysis, now five years old, I think really needs to be updated for us so we know that information. And then the second thing come opponent on this -- component about the contracting process, we have those contracts that have been excluded from the lobby ordinance applicability that we use everywhere else in the city, and I hope that the analysis takes a look at whether that's an appropriate practice to continue or whether these contracts like other contracts should be in that or if there's a reason why these contracts in particular should not.

[10:53:50 AM]

But again, you know, I would somewhere hope that we can document those two things as being things that would be covered in this so there's no question, but that they would be looked at. And then I'd like your thoughts on number 14, the labor registration compliance. I don't know how long that takes to do, and I don't know if that's something that we need to be doing on an annual basis. So I'd like you to speak to that. And I raise that only because there were some things I'm trying to bringing up from the second page and I'm looking at the first page trying to figure out where we might be able to pick up time if we needed to do that.

>> [Inaudible]?

>> Mayor Adler: The lobby registration compliance report, number 14. I just wanted the auditor to speak to that to see if there are significant changes in that. I don't know how much time that's taking. Is there a way for us to electronically do that? In my office we have that handwritten thing people write when they come in. I don't know what happens to that. I don't know how people access that. I don't know if we should all just be entering that electronically so that there's a data base that people can access that might help with the reporting on this and make it easier and more -- less time, but that was my thought.

>> Pool: So I think, if I could, and maybe corrie can answer this, is this the piece we have here that talks about lobbyists reporting on their -- they are registering and reporting on lobbying regulations, is that this?

>> So that's the requirement for the law department, and in fact they will talk about that in a little while, but that's the requirement the law department report on registrations and late payment and that kind of stuff that's part of the ordinance. There's also a requirement, and we're planning to present next month, likely next month on the result of our work on that.

[10:55:50 AM]

This is the first time we've gone through, so we're in process right now of doing the compliance work. It's the first time we've done it. It's probably taking longer this year than it will in future years, but we will have some recommendations and I think one of the ideas we would like to talk about is a last manual process. Because at least right now my staff are compiling pieces of paper from council offices as well as other city departments and really trying to see are we missing people that should be registering, kind of get some sense of voluntary compliance with the program. It may not always be something that we have to do every year, but I don't know if, one, I would say it's kind of a small project for us. This year, like I said, it's taken a little longer, because it's trying to figure out how to do the work, but in the long run I think it will be a quick check especially if we had a more automated system to capture the information in the first place. So -- but that's definitely one where if we brought back that information and y'all wanted us to skip a year in doing that work while we changed up how we're collecting information, then we could have that discussion when we bring it back.

>> Pool: So I think the history on this when we passed the ordinance to require that lobbyists sign a register in our offices, we were also implementing some additional expansion and changes that included more ftes for the selector's office and the -- city clerk's office and the dollar and the budget was starting to increase. So one of the things we did with this, I think it was the council's agreement because this was part of the campaign finance and lobbying ethics reform that -- that we undertook a couple years ago, was to try to capture it manually. Every office that had lobbyist-type people coming and lobbying and talking to them about issues they were being paid for, or not, were required to have the form available and have people sign it, hold on to them knowing that at some point the city auditor would request those so they could be reviewed and they would also be subject to any open record releases.

[10:58:04 AM]

And that, my understanding is from what I can tell in my office, that has been the case. We've held on to them and released them upon request for pairs, and then also to the auditor's office so that they can be scanned and then reviewed and try to extract some data and relevance from them. If, as you were talking about, and the mayor touched on, if there's a way to automate it, obviously that would be a really good approach and I think we would have done something like that at the beginning but we didn't know how we were going to implement so we started with baby steps and I think we're at a place we can expand and make it more streamlined and easier to get to the analysis without having to try to read handwriting that is often illegible, and so the data entry can be consistent and accurate, and then we can get really good information back from it. But I think the work that you all are doing to date and thus far on this, because it is the first time you collected them and reviewed them, will give us some good information about how -- how offices have kept track of all of the people who are coming to meet them because it's really important to do that for public information purposes. And then to see what we can do to improve the process. So I think I'm in agreement with the comments that are being made here, and I just wanted to kind of sketch out the reasons why it may not have been as easy an analysis and review this year as we hope it will be in the future.

>> Troxclair: Go ahead.

>> I was going to say I can speak to the mayor's comments on the projects individually. I think the low-hanging fruit, so to speak, the goals related to the fleet purchase and replacement, I think that could absolutely be rolled into the environmental sustainability that's on the front page of the plan.

[11:00:08 AM]

>> Troxclair: Do you -- sorry to interrupt. I would also be interested in kind of the -- the part of this audit on the back that said balancing department needs and costs. Would

>> I think that that would be a separate project, so I think when we were originally proposing -- or when the topic came up the idea was to look at the approach, the purchase and replacement as compared to other cities, and kind of the timing of purchase and replacement and what those schedules look like, whether or not it's cost-effective and matches up with other practices. So I think that is kind of a separate audit topic. We may be able to provide some information on that through a special request. I would say the same for traffic signalization. We may be able to collect some information on that, but we wouldn't be able to do the analysis that results in recommendations through -- through the special request format. So that's one that I think -- I actually -- we've done this in the past on a few different topics where we've taken on a topic like signalization and started out with a special request but then later done more audit work, and I think that format could work for this. Just depending on kind of what - what information you're looking for at the conclusion. So if it's just information about how -- how we --

you know, how many components are we using and how have we rolled out our system, that I think is a special request. If it's information on are we effectively running the signal system, then that's audit.

>> Got it. So I think the first thing with the -- just to take a look at it, if we're using the system we have to its fullest capabilities. I think that would be a good place to start. That would be a special request.

>> Yes.

>> Mayor Adler: Okay. On signalization.

>> Yes. And the last one that you mentioned from the priority replacement, the tenant selection. So that's one that's actually been on our list for a while as a potential topic, but I think what we know is that between the council, housing committee, nhcd, several resolutions from the full council, there's a lot of initiative in that area, but -- it's not really a great point to audit it.

[11:02:24 AM]

So we can audit it and say we don't have this, but we know we're talking about it, several committees have weighed in on it. We know there's some initiative under way. It's also not a great time to come in and say, you know, the department is not doing this, or not doing this effectively. I think it's a little early for us to talk about that. So that's why the tenant-based rental assistance, which is a little further along as a program by the city ended up as our housing department project. The other thing that's come up a lot, and this is not the first time we've had this, but there's a little bit of audit fatigue at the housing department right now, and it's not -- they're not the only department that that's happened with, but we -- we didn't want to have multiple audits at nhcd this year because we had multiple audits, we actually had three, maybe four. We still have two that are under way, the homelessness and the home repair audits that are wrapping up now. So we've had a lot going on in housing, and so that was the other concern, I guess, the reason why it ended up as priority replacement.

>> Mayor Adler: So in that respect, Elaine, if you could pass on to the manager that this came up again at the audit finance committee but that we did not recommend putting it on that list because in part we understand that it's already being handled in response to the resolutions that have been raised, but just so that -- that that interest is reaffirmed.

>> So remind me of the process, that we are passing this today on to the full council?

>> Yes.

>> So if we were going to make any changes now is the time?

>> Certainly, or in full council, but absolutely if you had changes to make we could take those into account today. But I do hear that the traffic signalization, we can address at least preliminarily as a special request. The electrification and electrical is related to fleet.

[11:04:24 AM]



We can roll into project no. 10 on the front page, and then the manager would address the tenant selection at least or is already addressing the tenant selection.

>> So -- well, I guess my only other change that I would like to see is to try to find a way to include the additional information about the fleet, either in a separate -- you said that it couldn't be included in the environmental sustainability part, which, you know, I think is also important, but I -- I guess I would welcome your thoughts or suggestions on getting the departmental needs and costs up into there. And I didn't know -- I mean, I know we've talked briefly about the no. 2 and whether or not that's -- that's really kind of pressing need and whether maybe the fleet audit could replace that or if you had any other suggestions.

>> I do think -- I mean, the property tax assessments is one of the audits -- that's some work that we did now ten-plus years ago, and given that we've increased some of our tax exemptions, we should probably go back and look at that, is it urgent? Really we'd be looking at the processes that the appraisal district has in place, or appraisal districts in our case, have in place to apply those exemptions. I don't know that I would say that there's an urgent need, but it is an area where -- that involves

[inaudible], so that's something we always want to keep an eye on.

>> Troxclair: Does it make more sense, considering that we increased -- that there were some changes in the exemptions again this year, does it make sense to do that next year?

>> I think timing-wise those increases would take effect within the fiscal year period that we're talking about.

[11:06:27 AM]

It might be later in the year versus an earlier in the year. But again, I mean, if the committee wants to move things around we're comfortable with that. I also think -- I mean, I do think tenant-based rental assistance is an important program for us to take a look at but it's also one where the -- it's a relatively new -- the volume I guess increase is relatively new for that program so that's one that could probably also wait, although I do like having a project that's looking at some of our initiatives to deal with affordability. What are some of the other ones there. I don't know -- I mean, besides that one, I really thing that the -- we -- I don't know. I like the list because I think it captures a broad area in the city without too much in one area and not enough in another.

>> Troxclair: But it sounds like -- it sounds like the property tax assessments is important in your opinion, but might -- but we could possibly do it at the beginning of the next year and make sure that the things that we put in place this year are being audited? I mean, I don't know. It -- that seems like it would make more sense to me since we did the 10% homestead exemption and a couple other changes. So my preference would be to probably move that one to the beginning of next year and move up the fleet audit that they could do kind of a more comprehensive look at that department. Are there any thoughts or opinions on that?

>> Mayor?

>> Mayor Adler: So if I'm looking for space to free things up, probably the one that you've identified is the one that I would put first up for moving back, so no. 3 would be that one. But I need to understand better -- when I was thinking about the fleet issue it was taking a look at the question that relates to sustainability and best practices and what does that look like.

[11:08:32 AM]

So what are the elements of the fleet conversation that would not be included in the roll-up of that item into no. 10?

>> So when we're looking at it from the environmental -- environmental sustainability lens, then we're looking at are we making decisions that contribute to our, you know, carbon reduction goals as a whole, and I think when we're looking at it -- and that's why I think the only piece of this audit, which is how fleet decisions contribute to that, that's really, I think, what we move up. But in terms of how the department overall approaches purchasing and replacing vehicles as effectiveness or efficiency kind of -- how effective and efficient is the department in purchasing -- identifying the need for new vehicles, purchasing new vehicles, replacing vehicles, that kind of thing, I don't think that's covered under the environmental sustainability audit. I think that's a look specifically at the kind of fleet department practices. So I don't know if that clarified the difference.

>> Pool: I remember reading a couple audits about fleet in the past and also getting some presentations during budget the last three or four years. Could you maybe shoot us a list with the various audits that you've done and the topics that you've covered and then maybe we can work on trying to drill down on that issue before we get to approving this or amending it on October -- I think it's October 4 that we're going to take this up?

>> Yes.

>> Pool: Does that sound like that would be workable, see what work we've done in the past?

>> We could do that. I mean --

>> Troxclair: Can you tell us -- I mean, if there is the -- it seemed like the mayor and I might be kind of on the same page, and it seems like if there is an opportunity for us to send -- to make a decision today and send something to the full council that we're all really feeling good about, it might cut down on the mlo discussion and the full time that the council spends on this.

[11:10:35 AM]

Obviously I trust your input. I know that we did -- what was it -- was it like oil change? We looked at --

>> We looked at -- has like 19 words in the title, but we looked at vehicle maintenance or routine vehicle maintains, for light vehicles, which are cars and trucks, not trash trucks, but regular kind of vehicles. So we looked at that. We looked at the public safety vehicles, repair -- repair and maintenance basically. We've looked a little bit -- we had -- we had three audits in a row, although it's been a while now, but on fleet-related topic, take-home vehicles --

>> [Inaudible].

>> Yeah, take-home vehicle -- or utilization of the fleet, and there's a third one that goes with that.

>> [Inaudible].

>> Alternative. Yeah, so we had a series, alternative fuel vehicles, the vehicle utilization, which is just how much are we using the vehicles in our fleet, and then take-home vehicle policies. So those are all within -- I would say those were around 2012 so they're all, you know -- those are getting older. The more recent one was on the light duty vehicle routine maintenance and then the public safety is somewhere between.

>> Troxclair: So do you feel like -- I mean, do you -- it sounds to me like this suggested audit would be more of a holistic look at, you know, is replacing vehicles every three years best practice, stuff like that. It would be more of a holistic --

>> It would be how we make the decisions, it would be a look at how we as a city make decisions how to repair -- to replace a vehicle or purchase a new vehicle. So how do we make those determinations. I think there is some information that we had in vehicle utilization audit that would -- I mean, collecting updated data, obviously not, 8-year-old data, 6-year-old data, but, you know, the concept of are we using vehicle utilization to help decision-making.

[11:12:39 AM]

How are we making decisions, basically, would be the focus.

>> Pool: Well, I might be willing to swap out that one for no. 10. If we did that, if the rest of our colleagues agreed to that, which I think is what you're talking about, right, to do --

>> Mayor Adler: I think there's two different things. I like looking at the city strategies to improve environmental sustainability and then taking a look at fleet, making sure that that's covered in that, how are we moving to electrification, how does that compare to other cities moving to electrification, how does that work, are we way ahead, are we way behind, and to really understand what it is that is our goal and plan with respect to that. So that I can --

>> We were talking about --

>> It's no. 2.

>> We were talking about potentially pushing the property tax assessments to next year or even -- I mean, we've been pretty actively making changes to our property tax exemptions and so it seems like it

would make sense to allow the city to get to a place of like more consistency there before you did an audit. That's --

>> Pool: Okay. Sorry I missed that. That makes -- that makes good sense. Are you also talking, mayor, about having that fleet focus included or a special focus in no. 10?

>> Mayor Adler: Yeah, I think what we just described in terms of fleet could be 10, part of no. 10. I'm still trying to get a handle on what it is that we would be doing with respect to fleet that would be substituted for no. 2, under the scope of that could be -- because it sounds like what that is is looking at what are the -- what is the thought process involved in the city in terms of fleet replacement. So how often are we replacing our fleets and what's the basis for that, and is that best practice/policy with respect to fleet replacement. And I guess at some point then you compare that to the electrification issue and you talk about whether a desire to do electrification becomes a factor that's part of the thought process in setting up fleet replacement plan and whether or not that is consistent with what would otherwise be absent that or whether because of that policy you want to increase the speed associated with that.

[11:15:10 AM]

>> That's actually why we included it when we wrote this particular objective separate, not thinking about audit 10, which I think would also encompass what we are doing in terms of electrification and other ways to reduce carbon reduction through your fleet. I think that's captured at no. 10 but I think as we were writing this we said, you know, it's not -- not just departmental needs and cost that we should be factoring in because we also have these other goals, we have other environmental goals that we're trying to address. So we didn't want to -- if we just came back and talked to you about kind of how we make those decisions based on cost and the need to replace, that we would be missing a piece of that. And so that's why it's written kind of more broadly, for that audit itself.

>> Mayor Adler: So I would support that. I think that's an important piece for us to take a look at. I understand the need to do the property tax exemption information. I think that's important too, but that's going to be a little bit in flux here with the legislature, seeing what they do. We have some policy decisions that we need to make with respect to exemptions on properties and some of the underlying policies or facts related to that are probably going to shake out over the next year as well. So it might be good to do that toward the end of the year, push that off. But -- but given the fact that fleet conversion to electrification is such a significant part of what at this point needs to be -- what at this point needs to be -- has been identified as a significant thing we need to do if we're going to stay on track with our climate change goals, it's going to necessarily beg the question of cost benefit analysis associated with that. So having that study done at the same time. So I probably would recommend moving that up to no. 2, but I -- but I would still have that component of fleet electrification in both 10 and 2.

>> Yes. It won't really be 2 because they're in order by council strategic outcome areas, so it will probably be 11 or something like that.

[11:17:14 AM]

But we'll -- we'll work that out, but we will move -- we'll take the fleet purchase and replacement audit and move it up to the current year list, move property tax assessment to the -- to the priority placement list, keeping in mind for an early project next year. Do that?

>> Probably, or at least to approve it with those changes.

>> Troxclair: So I'll say the mayor made that -- made that motion --

>> Pool: I have one question.

>> Troxclair: Okay.

>> Pool: Given the nexus between the two, the fleets and -- the fleet assessment on new vehicles and environmental sustainability piece, can you maybe do them at the same time?

>> I think we can. I was just thinking through that, I think we can either do them at the same time or schedule them in a way that one benefits from the other.

>> Pool: Okay, that would be --

>> We've had that happen quite a bit this year with a few different projects where like our homelessness audit is overlapping with looking at the mental health response at APD. So I think we can, yeah, keep those in mind as we schedule it.

>> Pool: I'll be happy to second the motion.

>> Troxclair: So a motion and a second to replace -- to move those audits around. All those in favor. Passes unanimously with two people off. But still gives you good direction.

>> Yes, it does, that's a quorum.

>> Mayor Adler: One additional request. I know that you've identified the council strategic outcome area. I think that's important. I think you should also note on here where the priorities are as the council has identified the priorities, because eventually as we hone this, in addition to just identifying the strategic outcome areas, we should probably be trying to direct our audits to those areas that are the highest priority listed within that universe.

>> Yes.

>> Mayor Adler: So as we migrate over to better aligning with the strategic planning process. So knowing whether or not that was identified relates to a priority area.

>> Right.

>> Mayor Adler: Would also be, I think, an important column to put on this.

[11:19:15 AM]

>> We will add that in and I believe as we were developing the plan that was definitely something that we were taking into account, so you should see things like the mental health services, I know, and actually the environmental sustainability, some of those topics that were the highest priority for the area, or one of the highest priorities for their areas would be what rose to the top of the plan list.

>> Mayor Adler: Let's give you credit for it explicitly.

>> Yes, I appreciate that.

>> Troxclair: Okay. Great. So now do you need a motion to -- to forward the --

>> To recommend it to the full council.

>> Troxclair: To recommend it to the full council with those changes. Okay. There's a motion and a second. All those in favor, please raise your hand. All right. We are forwarding it to the council with those changes. Thank you.

>> That's great. Thank you.

>> Troxclair: Appreciate your work on that. Okay.

>> Now you get to hear about lobbyist regulations again.

>> Troxclair: Yeah, item no. 9 --

>> Sorry, I skipped an item. No. 8.

>> Troxclair: Oh, yeah, presentation and discussion of the demographics of auditor investigations.

>> Hello, council members, my name is Brian Malloy, I'm chief investigations with the office of the city editor, here today to discuss the demographic breakdown, the subject of our investigations to help fulfill a request that was given to us by this committee. So to fulfill the request we looked at demographics both recent ethnicity of subjects as well as the gender of the subjects of our investigation and we focused on the three major stages of our investigations, which are the allegation stage, the case stage and the substantiated case stage. So just to provide a little background so you can see where those three major areas are in our investigation process, all reports that come into our office are logged in our case management -- case management system as allegations, so that's the first area we're going to show you a breakdown of.

[11:21:25 AM]

Once we get it logged in our system my team reviews it to determine if the -- if the subject matter of the allegation is within our jurisdiction. If it's not within our jurisdiction we refer it out to a third party that has appropriate jurisdiction. Once we determine it is in our jurisdiction we begin to look for in evidentiary basis to support turning the allegation into a case. If we can't find that evidentiary basis we can then again refer the allegation out to a party with appropriate jurisdiction after due diligence. If we

find that evidentiary basis, we'll turn the allegation into a case. That's our second major stage where we'll report demographic information on. Then we further investigate the case. If we find evidence to support there was a violation of city policy or city code, we have a substantiated case and that's our third area where we will provide demographic information. It's also worth noting that our office doesn't normally keep demographic information so we had to work with hrd to get the demographic background for the subjects of our investigation and once we got the updated personnel list with that information we were able to pair it with the subjects we have on record in our case management system. So the first area we'll go through is race and ethnicity. We provided two baselines for you to compare the demographics from our investigations to. The first one is all city of Austin personnel, and then the second one is all non-sworn city of Austin personnel, so that removes some police, fire and ems employees. Now, once you review those you can look to the bottom three charts on this slide, which are our three investigation stages. The first one is the allegation stage, where we had 596 identified subjects. The next -- the case stage where we had 85 identified subjects and the third one is the substantiated case where we're down to 35 identified subjects. You'll note that the percentages parallel the overall baselines fairly closely. The largest difference is the substantiated case level but at that we have some sample size issues because we're down to 30 subjects. So each subject has a value of about 3.5% so just a couple subjects can swing those numbers.

[11:23:30 AM]

So besides race and ethnicity we also looked at gender, again, we provide the same baselines, also all city of Austin sworn and non-sworn officers. We have the same 596 subjects, the case, will 5 subjects and the substantiated case the 35 subjects. You'll notice while the numbers do not parallel as closely, the largest driver of this change is the unavailable column. So in the information we got from hrd in the gender data set, either female, male, chose not to disclose or sometimes the box was left blank. Chose not to disclose. And the blanks together, and they are unavailable subjects, and just by way of the pool we looked at, 14 of our subjects at the substantiated case level chose not to share their gender with hrd when disclosing that upon hiring. So that concludes my presentation. I'm happy to accept any questions you may have.

>> Troxclair: Thank you for that information. Mayor, do you have any questions?

>> Mayor Adler: I appreciate you doing this. This is something that came up in our conversation at the last meeting where we asked the auditor to take a look at this, because there were some questions in the community. You know, the whole process here is something that is not entirely visible to the community, so there were questions that were raised. I've made a similar colleague's request like this of the city manager and hr to take a look at what the demographics are at each stage of that process, and, you know, Elaine, I know that there were some people that contacted the city manager asking about this question. I'll send it out to some people that I know have asked, but you might want to get this information again to the manager to see if he wants to send this to people, I think, that were raising that same question with him.

[11:25:30 AM]

But giving this information out to some of the people that have asked about it I think would be helpful.

>> It is posted, or will be --

>> It is.

>> Okay. So it's available on the

[inaudible] Web site.

>> Mayor Adler: I want them to know that it's there for them to pull that up.

>> Troxclair: I think this is really helpful information. Thank you. We don't -- you don't need to accept anything.

>> Informational only.

>> Troxclair: Thank you for your work on this.

>> Mayor Adler: Thank you.

>> And I probably should have said up front Brian Malloy is our almost brand-new chief of investigations.

>> Welcome.

>> Welcome.

>> He introduced himself but I'll let you all know.

>> Troxclair: Okay. Item no. 9 is the city attorney's report regarding enforcement of lobbyist regulations.

>> Good morning.

>> Troxclair: Good morning.

>> Little Carter with the law department. This is the quarterly report that's required under the lobbyist regulations. No action is needed on your part. Essentially these numbers, when you look at past reports show that there's been a slow climb in the number of registered lobbyists. We have 125 total individuals registered this time, the lowest point we had in the last four quarters was a hundred. But the last two quarters were 122 and 123, so that's in line with the last -- the last three-quarters have been approximately the same number. We've had a lower number of those who have failed to submit quarterly activity reports. Only five this quarter. And those have all been resolved, as have any for passporters. If you'll flip to the next page, annual registration fees. This has been an issue that's arisen the last -- arisen the last two quarters that we've had individuals who have not -- the annual registration fees are automatic and should be paid on the anniversary, and the city clerk allows them to do that prior to the next quarterly report.

[11:27:47 AM]



There were three last time that hadn't paid, two this time, and last time the law department sent out a notice letter that those were past due, and that resolved the issue. We'll do that again this time. Late fees, pretty much in line with what we've seen in the past, and those have been resolved to date. Any questions that you have? Council member pool?

>> Pool: Yes. So the people who didn't respond second time around, was there any overlap with the people who didn't respond the first time around or --

>> No -- are you talking about the annual registration fees?

>> Pool: Yeah.

>> No, the -- it's two new individuals, so the three who were due last quarter paid theirs after getting the notice, and these are two -- it's -- anniversary comes up each quarter, there will be different anniversary dates that will come up.

>> Pool: Oh, okay. So the three who were notified that they hadn't fulfilled the requirements of the ordinance the first go-round were good the second go-round or we just haven't collected their --

>> No, they did pay their annual registration fee.

>> Pool: Oh, good. And there wasn't any overlap and that's primarily because of the anniversary date when they do the reporting.

>> It comes up every year. It's based on the date that they originally registered.

>> Pool: Originally filed. Yes. Could you give us that additional little data point? What I'm looking for is the learning. It seems like if you don't know how to do the records or you miss a date the first time around after you all talk with the lobbyists and explain things, then they get into alignment with the ordinance, and that's the piece that I'd kind of like to track as well.

>> Okay. Yes, we'll be happy to. I can say that the city clerk's office sends reminders, multiple reminders, and we're not sure why those have been ignored.

[11:29:48 AM]

[Chuckle] On the registration fees as opposed to late fee notices, except the ordinance -- there is no late fee tied to your failure to pay an annual renewal fee.

>> Pool: Okay.

>> Now, your initial registration fee is part of your report, and so if you don't pay the initial registration fee, you can get a late fee connected to that. But the renewal annual registration fee, there is no late fee connected to that under the city code.

>> Pool: Okay. Do you have any other -- do you have any suggestions on how to improve the procedure that we have in ordinance or if you think of any, could you let me know? I would be happy to review them and see if that's an improvement that we might make to the process.

>> Certainly, and I think the city auditor may have some issues in the October report, with the city auditor's audit on process issues. Is that good? I'll look forward to that. My last question, the footnote on page 3 talks about the 19 complaints that were filed, and then they were satisfied, so they were withdrawn. Do you have any -- that was because people had either registered or paid the fee. And so this was --

>> This -- yeah, I'm sorry, I didn't talk about the third page, but this is the same as it has been previously, so the 19 were the attorneys who took the position that their client compensation was confidential --

>> Pool: Right.

>> -- Under the rules, and when they -- when the complaints were filed they decided to go ahead and disclose their compensation.

>> Pool: Right. Because they disclosed information at the state level.

>> They disclosed it at the state level and I think the city attorney's office took the position that when you are acting as a lobbyist, you are acting as a lobbyist and an attorney license is not required for that role.

[11:31:58 AM]

So there shouldn't be a separate requirement or a separate protection for attorneys, and you're correct, under state law they are required to disclose that.

>> Pool: Yeah, so -- and we tried to align this ordinance with the -- in fact, it's aligned in most respects with the state law.

>> Correct.

>> Pool: Great. Thank you so much.

>> You're welcome.

>> Troxclair: Are there any questions? Okay. Thank you very much. Did you have something?

>> Mayor Adler: One last thing -- we're done?

>> Troxclair: I think we're finished. Can we identify items to discuss at future meetings? Is there anything else you have to talk about?

>> Mayor Adler: In the discussions I'm looking forward to -- I understand that we're going to get a report on the minority and women-owned business, and that -- will go back to a regular reporting of that subject area. It kind of fell off the council's agenda as we were changing committees, but at least a

quarterly report from that department back to council, again to raise issues in that area. And the first one I think is going to be in October. So I look forward to that. Thank you.

>> Troxclair: Great. Thanks for mentioning that. Anything else that you have for us that we need to discuss?

>> I believe we're done.

>> Troxclair: All right. Wonderful. Well, we are going to adjourn this meeting of the audit and finance committee at 11:33 and we will see you all next time. Thank you.

>> Mayor Adler: Thank you.

[End of meeting]