



MEMORANDUM

TO: Mayor and City Council

FROM: Greg Meszaros, Director, Austin Water Utility
Sara L. Hensley, CPRP, Director, PARD

Art Acevedo, Chief of Police, Austin Police Department

DATE: March 27, 2014

SUBJECT: Resolution 20130808-048 First Tee of Austin

On August 8, 2013, the Austin City Council passed Resolution 20130808-048 directing the City Manager to work with First Tee of Austin to determine the feasibility of recreational programming in conjunction with the Parks and Recreation Department (PARC) and the Police Activities League (PAL) in return for use/cost of reclaimed water.

Staff from the Law Department, Austin Water Utility, PARC and PAL have analyzed the feasibility and determined that such an arrangement is not feasible for a number of reasons. First, the law prohibits Austin Water Utility from providing water services for free except to facilities operated by the City. Furthermore, municipal utilities are required to charge equally and uniformly for services. These requirements are outlined in Texas Government Code §1502.057(b) and Austin City Code §15-9-145.

While it is understood the payment would be made in exchange for services received, the services would be provided to PARC and PAL. In order to not violate the law that prohibits Austin Water from providing free utility service, PARC or PAL would be required to absorb First Tee's utility payment, which would require PARC or the Police Department to redirect general fund dollars from priority program expenditures to a non-City utility bill payment. The redirection of funding will negatively impact current program delivery by eliminating an established program or reducing the quality of a given program.

Furthermore, absorbing the utility obligation of a private entity sets a precedent that we believe cannot be sustained. In order to maintain consistent equitable relationships with all utility customers now and in the future, bartering a service for a utility payment is not recommended.

There is however one viable option to consider. PARC has discussed and is willing to discuss a public-private partnership with First Tee with regards to relocation of the First Tee program to an existing City of Austin golf course. PARC has met with First Tee representatives and proposed this concept in the past, but First Tee officials have declined such an arrangement. PARC

continues to be open to further discussions. Staff believes a well-designed public-private partnership will yield community benefits.

Daryl Slusher of Austin Water, Kimberly McNeeley of PARD or Philip Contatore of APD are available to discuss. Contact information is as follows: Daryl Slusher: (512-972-0218) daryl.slusher@austintexas.gov, Kimberly McNeeley: (512-974-6725) kimberly.mcneelely@austintexas.gov and Philip Contatore: (512) 974-4934 philip.contatore@austintexas.gov

cc: Marc A. Ott, City Manager
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