



## MEMORANDUM

**TO:** Mayor and Council

**FROM:** Ed Van Eenoo, Deputy Chief Financial Officer *EV*

**DATE:** June 17, 2016

**SUBJECT:** Budget Policy Work Session Feedback

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Attached, you will find a table summarizing Council feedback from the June 1 policy work session, which focused on a potential Mobility Bond, Public Safety staffing levels, and discussion about the budget development process. My apologies for the delayed distribution of this summary. The summaries from the policy work sessions on May 4, 11, 18, and 25 are also attached for your convenience.

xc: City Manager  
Assistant City Managers  
Chief of Staff  
Chief Financial Officer

Topic	Question	Adler	Casar	Gallo	Garza	Houston	Kitchen	Pool	Renteria	Tovo	Troxclair	Zimmerman
Mobility and Traffic												
	Questions about Mobility and Transportation public engagement?		Encouraged that public feedback indicates a willingness to change commuting methods. Noted importance of involving Capital Metro in mobility discussions. Would like to invite Capital Metro to Mobility Committee.		Concerned about lack of engagement from District 2 and lack of consultation with Capital Metro. Concerned that prioritization of potential projects and bond programs has been skewed by short public engagement process.	Concerned that survey questions did not allow respondents clear opportunity to identify specific priorities; noted that District 1 prioritized sidewalk improvements. Emphasized need for diverse feedback during master plan implementation because plans were created on an at-large basis. Noted importance of involving Capital Metro in mobility discussions.	Noted importance of involving Capital Metro in mobility discussions. Will look into inviting Capital Metro to Mobility Committee public hearing on June 14th.	Noted that public feedback indicates a willingness to change commuting methods. Supports improving safety and convenience of walking and taking public transportation, especially for families.				
	Questions regarding the Funding Options/Bond Capacity Analysis/Value Capture?		Would like to discuss the amount of bonds Council will save for issue in 2018.				Council should carefully consider when to issue debt, given that the next major bond issue was targeted for 2018.					Concerned about accuracy of projected interest rates, and concerned that any bond issue obligates taxpayers to repay debt regardless of whether markets are favorable. Would like to prevent creation of any new TIFs and would like to know the process to end Lone Star TIF.
	Questions regarding the Project and Potential Bond Programs?	Would like to invest in corridor plans in support of CodeNEXT, as well as in East Austin sidewalks to improve safe routes to schools. Wants to leverage spending to drive down transportation costs and change transportation habits. Prefers spending strategically using corridor plans rather than giving money to all districts equally, as was done previously. Favors a bond election in 2016, but only if Council can reach a consensus in the time available. "Mobility costs and housing costs are really intertwined with each other, and we have an opportunity to...fundamentally change how we live in the city."	Favors funding that at a minimum addresses safety improvements including safe routes to schools. Favors "transformational investments" suggested by Mayor Adler. Prefers a bond election in 2016 to capture high voter participation. "We have to have a shift in the way we get around the city, and I want it to be a shift in the way all kinds of different people at different incomes get around the city."		Concerned about geographic equity of spending in potential projects and bond programs. Supports funding safe routes to schools. Favors possible recalibration of priorities as set by previous council, especially with regard to sidewalk plan.	Emphasized importance of improving mobility plans based on current traffic congestion data. Favors funding transportation options and infrastructure improvements for East Austin. Does not support a 2016 bond election at this time. Favors moving Colony Park from preliminary report to design. Favors public transit and sidewalks over bike lanes; concerned that bike lanes impact vehicle congestion.	Favors proceeding with major work on corridors, but not to the exclusion of other priorities. Encourages careful consideration of 2016 and 2018 bond elections to allow for thorough strategic planning. Would like a geographic equity performance measure as part of strategic plan. Wants to look at mobility in connection with affordability and affordable housing priorities, as well as safe routes to schools.	Would like to consider acquiring rights to state-owned roads assuming accompanying state funding. Interested in analysis of impact of bond issuance for I-35 improvements on City's bond rating. If there is any bond proposal, would like to see it prioritize shovel-ready projects and small projects with large impact. Would like to see a citizen bond oversight committee for any 2018 bond offering.	Favors \$250M potential bond option and prioritizes corridor improvements.	Interested in acquiring outside funding for safe sidewalk routes to schools (ex. federal grant funds).		Would like to give the public an opportunity to vote on favored modes of transportation during the bond election. Believes it might make sense to wait a year or two before bond election in case of new city management. Favors vehicle congestion relief (particularly on 620 and 2222) and opening green spaces to bicycle routes.

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Public Safety Staffing Levels												
	Does Council support the concept of Community Policing, which includes the concept of uncommitted time to determine future Patrol staffing?		Yes. Supports the idea of more officers to allow for more uncommitted time. <i>"The concept of Community Policing is something that I, and I think the majority of Council, support."</i>					Yes. Interested in seeing a timeline that shows how current vacancies will be filled by current cadets before considering new positions.	Believes that Community Policing is effective in preventing crime.	Hopes that continued Community Policing will support efforts to help homeless population.		
	Does Council support adding additional detectives and civilian staff to improve crime clearance rates?		Would like more information about case clearance trends before considering additional positions.		Would like more information as to how hiring more detectives will improve crime clearance rates.		Interested in analysis of whether process improvements might improve crime clearance rates without hiring additional staff.	Would like more specific information about what civilian staff might be needed.				Favors crime solving as community policing, without necessarily hiring additional detectives and civilian staff.
	How does adding Fire Stations compare to other Council funding priorities?				Believes the additional tax base from annexing and development should fund additional fire stations. Prioritizes funding HHS and preventative services rather than reactive emergency services. <i>"Public safety agencies are why cities were created."</i>	Interested in possibility of using city-owned land for new fire stations rather than buying new land. Hopes to reduce expense and time associated with Police, EMS and Fire responding to the same calls.		Interested in the possibility of improving response times at lower cost by pooling services with ESD4.				Interested in the possibility of improving response times at lower cost by pooling services with ESD4. "Deeply concerned" about fire risk in wildlife/urban interface areas.

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Budget Process												
	Is August 22 an appropriate cutoff date for budget questions and concepts?	Concepts should be submitted before August 22.					Supports August 22 as a cutoff date for questions, but would prefer a few additional days.					
	How many Council members must support an item to add it to the concept menu?				It should take 1 sponsor and 3 cosponsors to add an item to the concept menu. Concerned that lingering or extra items might be confusing for the public.		It should take 2 or 3 members to add an item to the concept menu.	It should take 1 sponsor and 3 cosponsors to add an item to the concept menu.		Would like to discuss number of cosponsors in light of lack of Council time to collaborate outside meetings and the messages the concept menu sends to the community.		Would like a two-member minimum for adding items to the concept menu.
	How many Council members must support an item to remove it from the concept menu?				<i>"To make it easier to put it on, but harder to take it off...means you're forcing...six of your colleagues to vote against something that one person put on."</i>			It should take less than 6 members to remove items from the concept menu.				
	Staff time and budget questions	Staff should bring time-intensive budget questions to Council work sessions to confirm substantive political will before beginning work on them.					Believes that Council should retain the ability to ask questions without necessarily adding an item to the concept menu.			Council should be mindful of staff time required to answer budget questions, especially later in the budget process. More complicated questions requiring extensive analysis should have substantive political support.		Council submits several rounds of questions because one question often leads to more questions.
	Other comments	Concept menu should be kept in one place and kept up to date.					The Council should be responsible for deciding what is a concept and what is a budget question. Would like to see all concept menu items before any items are removed.			Would like a standardized form for providing rationale and details for proposed concept menu expenditures.		Would like the budget presented earlier, at the end of June.

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<b>Tax Rates, Utility Rates and Fees</b>												
<b>Property tax</b>	Does Council have a goal for the overall FY 2017 change in the tax and utility bill for a “typical” City of Austin tax and rate payer?	<i>“If there’s a way for us to spend our city resources in a way that fundamentally bend the cost curve with respect to home ownership, transportation, and child care, what would that be and what would the impact be?”</i>	Favors using City tax and utility rates to reduce cost of living cost drivers. Favors additional services for homeless population. <i>"If we can effectively use our city budget to lower [living] costs in smart ways I will be looking to do that."</i>	Favors tax bill remaining the same or decreasing. Favors exemptions for senior and disabled citizens.			Interested in examining existing taxes and fees for efficiencies. Favors tax bill remaining the same as much as possible. Favors additional services for homeless population.	Favors tax bill remaining the same as much as possible. <i>“I’d be looking for predictability and ease of understanding what we are charging and what for, and also to reflect in our tax rates...the values of the community.”</i>		Favors tax bill remaining the same as much as possible. Favors additional services for homeless population.		
	Does Council have any guidelines in regards to the level of the property tax rate for FY 2017?			Supports a property tax rate that keeps the tax bill static from FY 2016 to FY 2017.							Favors doing everything possible to reduce the tax and fee burden on the average Austinite.	
	What is Council’s preference in regards to the percentage level of the general homestead exemption?			Supports raising the homestead exemption to 20% within four years as was discussed last year. Supports a 6% increase this year.	Does not support the homestead exemption. <i>"I still believe it's a regressive tax and it reduces the tax burden on the people with the highest ability to pay."</i>		Supports the exemption as one of the only tools the Council has to supply economic relief, but is also looking for other ways to have major impact on other costs. <i>"It may not be the best tool but it's the tool that we have and it does help people, particularly if you look at the cumulative effect over time."</i>				Supports raising the homestead exemption to 20% as soon as possible.	
	What is Council’s preference in regards to the flat dollar amount of the senior/disabled exemption?			Supports increasing the flat dollar senior/disabled exemption amount to equal the increase of the median value that has occurred FY 2016-FY 2017		Expressed a concern about property tax exemptions for seniors that are discontinued after death, making it impossible for heirs to retain inherited property.						
<b>Sales Tax</b>	Would Council prefer that staff project sales tax growth for FY 2017 more or less aggressively than the 10 year compound annual growth rate of 5.1%?	Supports a sales tax projection at 5.1%. Would like to discuss a possible increase in reserve levels.								Supports a sales tax projection at 5.1% or lower if a lower rate would not impact the City's ability to provide services. Would like to discuss a possible increase in reserve levels.		Offered to recommend more conservative economists to use for forecasting.

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Tiered Fee Structures	Does Council support the tiered rate structures used in Austin Water and Austin Resource Recovery that incentivize water conservation and recycling respectively but negatively impact revenue stability?		Supports tiered structure and is open to adjusting number and level of tiers as appropriate.					Supports tiered structure. <i>"I absolutely support tiered structures to encourage conservation."</i>		Supports tiered structure.	Expressed concern on behalf of constituents who were surprised by high water bills.	Expressed concern on behalf of constituents about tiered rate structure for Austin Water.
Drainage Fee											Expressed concern on behalf of constituents (a church, residents in developments who owned their own drives) who saw drainage fees dramatically increase.	
Staff Pay, Benefits												
Employee Wages	What should the City's role be as an employer of choice in a competitive market? Should our market position and strategy be to Lead, Lag or remain at the mid-point?							Favors being at mid-point or slightly above. Interested in financially rewarding staff in addition to across-the-board increase.				Noted a purchasing resolution that relied on Bureau of Labor Statistics wage data to support contractual increase.
Living Wage			Encourage Council members to pay their own staff no less than \$13.03/hour.				Supports raising staff salaries to \$13.50/hour prior to applying any across-the-board FY 2017 increase.					
	Should there be Performance Based Pay for 2017?	Expressed interest in hearing the staff recommendation			Expressed concern regarding consequences for workplace safety and equitable application across departments.		Favors mixed compensation system. Expressed concern regarding equitable application of performance based pay across departments. Expressed concern about Convention Center and Aviation gain sharing.	Favors mixed compensation system. Expressed concern regarding equitable application of performance based pay across departments. Expressed concern about Convention Center and Aviation gain sharing.		Expressed concern regarding equitable application of performance based pay across departments. Expressed concern about Convention Center and Aviation gain sharing.		
	What is the balance between competitive medical benefits and affordability for the city and employees? Discuss employee engagement and the wellness program.	Expressed support for wellness programs and a culture of health and wellness. Interested in seeing data regarding their effectiveness over time.					Interested in seeing data regarding the effectiveness of wellness programs over time.					

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Building Services												
Deferred Maintenance	Does Council support moving towards the adopted funding goal for the Capital Rehabilitation Fund? (Current level of funding: \$1.4M, Goal amount for FY17: \$5.9M)	Noted Council role in directing funding toward priorities other than deferred maintenance.	Acknowledges importance of deferred maintenance as a funding priority.		Acknowledges deferred maintenance as a funding priority and its impact on staff morale. Supports moving toward funding goal.	Did not support the new library project in 2006. Supports moving toward policy goal. Noted importance of historical Parks and Recreation and Library buildings and cemeteries.				Noted Council role in directing funding toward priorities other than deferred maintenance (ex. new library).		Expressed concern that the current backlog of deferred maintenance might indicate insufficient oversight by City Management. Requests that financial staff highlight future deferred maintenance costs when proposing new projects.
Communications and Technology Management												
Information Technology Needs	Does the City Council support further investments in Smart City initiatives?	Interested in expanding Wi-Fi in targeted areas and bridging the digital divide.				Interested in increasing opportunities for citizens in low-connectivity areas.	Supports Smart City initiatives. Requests that staff bring information about possible Smart City initiatives supported by proposed IT infrastructure investments.					Interested in reasons behind Google Fiber rollout delay.

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Austin Resource Recovery												
Waste collection and diversion	Does Council support current Zero Waste Master Plan goals with diversion program enhancements?			Supports recycling.		Supports Zero Waste Master Plan goals with diversion program enhancements assuming appropriate public engagement and education initiatives. <i>"Everybody in the City supports recycling as a value, I do...but many people don't know about it...I think education is the piece we've been missing."</i>	Supports Zero Waste Master Plan goals with diversion program enhancements.	Supports Zero Waste Master Plan goals with diversion program enhancements.	Received constituent feedback in favor of Zero Waste.	Supports Zero Waste Master Plan goals with diversion program enhancements.	Received feedback from constituents who were unable to express their opposition to expanded recycling and curbside organics via the online survey.	Expressed concern about survey effectiveness.
	Does Council support full implementation of an organics collection program? If so, is a 5 or 3 year rollout preferable?	Believes the Council is receiving holistic information from both staff and community members. Noted that additional cost of organics collection is a small percentage of median family income.		Interested in an opt-in (or at least opt-out) organics program; noted that organics can be diverted with home-based composting containers. Concerned about over-regulating citizens and about costs for those who don't use the service. Noted that although additional costs are a small percentage of median family income, they are costs the City can control.	Noted that additional cost of organics collection is a small percentage of median family income and that the benefits outweigh the costs. Concerned that unsustainable practices will disproportionately affect lower-income districts.	Concerned about waste diversion and composting in City Hall. Places a priority on education prior to rollout of new services. Invites ARR representatives to participate in town hall meetings and connect with other district representatives. Looking forward to the new Reuse Collection Center.	Supports full implementation in a 5 year rollout. Interested in information about opt-in or opt-out option; concerned about costs and wants to give citizens as much control over their costs as possible.	Supports full implementation. Would prefer a 3-year rollout, but is comfortable with a 5-year rollout depending on budget constraints. Does not want to roll out in any longer than 5 years. <i>"This is a program that the City supports and believes in and I am very happy to lend my voice to that support publicly from the dais."</i>	Uses organics collection in his own household and is pleased with the results.	Supports full implementation. Interested in seeing costs of 3-year implementation in comparison to 5-year implementation. Noted that savings will be captured because additional landfill space will not be needed.	Concerned about any additional city-wide cost of living, no matter the amount. Interested in the possibility of graduated fee structure, opt-in/opt-out options and possibility of reduced cost of waste and recycling collection by outside entity. <i>"I am really concerned about the additional cost of living that this is going to put on everybody city-wide."</i>	Believes that costs could be reduced if waste and recycling were bid out to an outside entity. Expressed concern that staff might not be giving comprehensive, holistic recommendations for the City's trash collection services.



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Health and Human Services												
	How should enhancements in service areas be prioritized relative to other funding needs?	Proud to be part of a city that is prioritizing Health and Human Services. Interested in staff opinion regarding prioritization of funding areas for proposed \$8.3M funding.		Places priority on areas supported by data.	Interested in staff opinion regarding prioritization of funding areas. Would like to see funding to bridge gap in federal child care funding on priority list.	Would like to see creative options for employing the homeless population.	Would like to see services provided to homeless people outside the city center in addition to those downtown.	Enhancements should be prioritized comprehensively.				
	Does Council want to stay on track in the FY 2016-17 budget with adopted funding goals?			Values the work of the Health and Human Services department, and would like to see them continue to partner with other community service organizations. Interested to know what funding and services Travis County provides.	Supports Health and Human Services as a priority while acknowledging current budget challenges. Would like to come as close to proposed \$8.3M funding as possible.			Supports staying on track within the larger budgetary picture. Wants to sustain past progress as much as possible.				

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Equity and Affordability												
	What is the appropriate level of funding to combat poverty and rising cost of living?		Supports providing affordable housing. <i>"Recent steps being taken to dedicate more funding towards affordable housing in the General Fund is of utmost importance to me."</i>	Would like to see a report of the City's current total affordability funding portfolio as well as a report of total current funding by nonprofits, private partners, and other public sector entities.	<i>"With regards to funding, I think funding should be at the same level that we fund other areas. Equity and affordability are just as much a part of public safety as is having a fire truck show up to your house when you need help."</i>	Would like to see Council evaluate and focus on specific methods to combat poverty and rising cost of living. Supports providing affordable housing. Supports permanent supportive housing. Would like to see a report of the City's current total affordability funding portfolio.	Looking for a different balance of investments, prioritizing investment in social services instead of spending on public safety or reactive services.	Supports programs (including HHS programs) that improve economic resiliency in the community.	Would like to see a list of city-owned land that can be used for affordable housing.	Would like to see results of Affordability Audit; would like to see a report of the City's current total affordability funding portfolio.		
	With regards to other council priorities, where does this rank in importance?		Interested in hearing staff priorities for maximizing effectiveness of social programs.	Would like to prioritize spending in ways that promote and enhance partnerships with other service-providing entities.	<i>"Equity and Affordability issues rank #1 on my list of priorities."</i>	Poverty, education, lack of employment opportunities are priorities.		<i>"For me this is a high, or highest, priority."</i>		<i>"I think this is one of our most critical issues here in Austin and for me, I would rank it as the highest of the priorities."</i>		
	Are there specific areas in which Council would like to see additional investments?		Would like to see investments to help all who are challenged by homelessness, especially to divert individuals toward social services instead of public safety services. <i>"If we see our budget as a moral document it's important for a part of that to be dedicated to making sure that all different kinds of people can enjoy the city."</i>		Interested in seeing additional investments in continuity of care, the equity tool, food access, and missing middle housing.	Would like Turner Roberts Rec Center clinic services to increase and include evening and weekend hours. Would like the City to ask for more financial support from the tech community to expand digital inclusion. Would like to explore collaboration with the State of Texas in providing inpatient and mental health care.	Council should think at a more strategic level about how the City can address affordability, including the work of the Regional Affordability Committee. Regional Affordability Committee considering use of Equity Atlas used by other cities. Agrees with other members with regard to helping homeless populations.	Would like to see investments to help all who are challenged by homelessness, including providing more case workers. <i>"Our Health and Human Services are most critical, with the highest need, and I'm looking to support issues of education and to help families who are homeless, primarily through expanding our case managers."</i>	Would like case workers to collaborate with public safety staff to prevent crime by those challenged by homelessness and mental illness.	Supports providing access to affordable, quality child care. Would like to see investments to help all who are challenged by homelessness, including providing more case workers. Would like to see additional funding for the Sobriety Center and the Homelessness Outreach Street Team (HOST). Would like to continue funding for social service programs at AISD.		

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General Fund Transfer Policy												
	Does Council support ~15% of total General Fund sources as a reasonable level of reliance on Utility transfers?							Would like to wait and see what funding needs are before making a decision about reducing the AE and AW transfers.		Would like to maintain the current General Fund transfer level. Noted that a Navigant study found Austin Energy's General Fund transfer rate to be within a reasonable range.	Interested in analysis of reducing General Fund transfer 1% over 5 years instead of 1% per year for 5 years.	
	Does Council support maintaining the existing transfer policy and rate for Austin Energy's General Fund Transfer?							Generally yes, but would like to wait and see what funding needs are.		Yes		
	Does Council support maintaining the existing policy and rate for Austin Water's General Fund Transfer?							Generally yes, but would like to wait and see what funding needs are.		Yes		
Economic Development												
	Does Council support the current cost sharing funding model for funding Economic Development?					Yes, as long as development is spread equally across Austin communities. <i>"Economic development is a great asset to this community...I think it's time for economic development to begin to shift outside of downtown and high tech and begin to look at other kinds of economic equity opportunities for parts of the community that have no jobs."</i>		Yes. Supports expanding support for musicians. <i>"I support the work of our staff in that department. I think they do good work...I'm not at all interested in abandoning that effort."</i>		Yes		Does not support current cost sharing funding model. Is not in favor of having an Economic Development department.