



# Austin City Council MINUTES

For JUNE 22, 1990 - SPECIAL CALLED MEETING - WORKING RETREAT  
HISTORY CENTER - 9:00 A.M.

Council Chambers, 307 West Second Street, Austin, Texas

---

Mayor Cooke called to order the special called meeting of the Council, noting the absence of Mayor Pro Tem Urdy, who arrived later in the day. Mayor Cooke announced the meeting was the second day of the Council's working retreat.

The Council viewed a video presentation by the Municipal Court Cler, followed by a brief discussion. The Council then heard presentations by the following departments regarding the policy budget: Health and Human Services, Aviation and Water and Wastewater.

## SCHEDULE FOR CITY COUNCIL BUDGET PROCESS

The Council, on Councilmember Barnstone's motion, Councilmember Nofziger's second, adopted a resolution approving the recommended schedule of events for 1990-91 City Council Budget process, with the addition of a meeting on July 17, 1990 for Issue Paper Presentation: Personnel. (5-0 Vote, Mayor Pro Tem Urdy absent, Councilmember Larson out of the room)

## COUNCIL SUBCOMMITTEES AND GOVERNING BODIES

The Council, on Councilmember Carl-Mitchell's motion, Councilmember Nofziger's second, adopted a resolution approving FY 1990 City Council subcommittees and governing bodies. (A list of the assignments is in the City Clerk's office.) (5-0 Vote, Mayor Pro Tem Urdy absent, Councilmember Barnstone out of the room.)

## KEY BUDGET DECISIONS

Council discussed key budget issues and made the following motions concerning approval of budget decisions.

## Debt Issuance, Electric Rates, Water and Wastewater Rates, Hospital Rates

### Motion

The Council, on Councilmember Nofziger's motion, Councilmember Barnstone's second, adopted a resolution approving of #'s 2,5,6, and 7 as follows: (6-0 Vote, Mayor Pro Tem Urdy absent)

**2. Debt Issuance**

- . Issue \$25 million in general obligation debt to meet the objective of stabilizing debt levels
- . Revenue bonds issued only for Water and Wastewater activities in the amount of \$46.1 million
- . No revenue bonds issued for Aviation
- . No revenue bonds issued for new Electric projects
- . Refinance short-term utility revenue notes of \$144.3 million

**5. Electric Rates**

- . Electric rates will not change
- . A portion of Brown and Root proceeds will be used for defeasance of debt to avoid a rate increase
- . Change in rate structure could trigger a rate appeal

**6. Water and Wastewater Rates**

- . Water and Wastewater rates will not increase
- . One time revenues used for future debt service
- . Reduce future debt issuance by deferring low priority capital projects

**7. Hospital Rates**

- . Hospital rates are to increase by 10%
- . Uncompensated care is anticipated to be 17% (\$25 million), a decrease of \$4 million over current budget
- . Financial Management Policy limits absorption by direct care revenues to meet policy
- . General Fund transfers are \$18.5 million
  - \$2.1 million loan repayment from investment pool (current balance \$32.1 million)
- . \$5.6 million for catastrophic care
- . \$7.5 million for Medical Assistance Program
- . \$3.3 million for Physician Services

Annexation

Motion

The Council, on Councilmember Barnstone's motion, Councilmember Nofziger's second, adopted a resolution approving the budget decision concerning annexation (#11) as follows: (6-0 Vote, Mayor Pro Tem Urdy absent)

- . Annexation of the North Central Austin Growth Corridor MUD #1
- . One time General Fund revenue of \$1.2 million in FY 1990-91
- . Long Term benefits for the City utilities

Resource Allocation

Motion

The Council, on Councilmember Larson's motion, Councilmember Nofziger's second, adopted a resolution approving the following concerning resource allocation, (#9) with a friendly amendment from Councilmember Epstein that Police, Fire and EMS shall remain the same: (6-0 Vote, Mayor Pro Tem Urdy absent)

- . Estimated requirement needed to maintain the current service levels exceeds the projected General Fund revenue by approximately \$1.6 million
- . Departments are between .05% and 3.0% below estimated requirements
- . Further reductions will require a decision on how to allocate the loss

Utility Transfers

Motion

The Council, on Councilmember Larson's motion, Councilmember Carl-Mitchell's second, adopted a resolution "to look at a modification of the transfer both in electric utility and water and wastewater different from the formula that is adopted by City ordinance, and different from the "cap" that was put on by the Council, \$49.7 million dollars, two years ago; and this should not conflict with Item 5 and 6". (This is #8) (6-0 Vote, Mayor Pro Tem Urdy absent)

One Time Revenues

Motion

The Council, on Councilmember Carl-Mitchell's motion, Councilmember Nofziger's second, adopted a resolution approving one time revenues (#4) from current savings of \$9.1 million with flexibility for their use up to 20%. (6-0 Vote, Mayor Pro Tem Urdy absent)

-----  
At this point, Mayor Pro Tem Urdy entered the Council Meeting.

Wage and Benefit Levels

Motion

The Council, on Councilmember Larson's motion, Mayor Cooke's second, adopted a resolution "to protect the benefits as presented (#3) at \$1.8 million dollars, and to look at flexibility on wages that would be given by performance-based mechanism that the City Manager would present to the budget", with a friendly amendment by Councilmember Epstein to exempt retirees. (7-0 Vote)

(Benefits as presented are \$1.8 million for increased health benefits costs; 1% increase in General Fund wages = \$1.28 million; 1% increase in Enterprise Fund wages = \$1.27 million; pay options; reclassification study.)

Property Tax Rate

The following motions were made concerning Property Tax Rate (#1):

Motion

Councilmember Barnstone made a motion, seconded by Councilmember Larson, to approve a .555 tax rate.

Substitute Motion - FAILED

Councilmember Carl-Mitchell offered a substitute motion, seconded by Councilmember Nofziger to keep the current rate of .575. Motion FAILED by a vote of 3-4 with Councilmembers Epstein and Larson, Mayor Cooke and Councilmember Barnstone voting No.

Roll Call on Main Motion - FAILED

3-4 Vote, Mayor Pro Tem Urdy, Councilmembers Carl-Mitchell and Nofziger, and Mayor Cooke voted No.

Motion

The Council, on Councilmember Larson's motion, Councilmember Barnstone's second, adopted a resolution approving a tax rate of .560. (4-3 Vote, Councilmembers Carl-Mitchell and Nofziger and Mayor Pro Tem Urdy voted No.)

EMPLOYEE RETIREMENT SYSTEM APPOINTMENT

The Council, on Councilmember Larson's motion, Councilmember Barnstone's second, approved the appointment of Councilmember Epstein as a member of the Employment Retirement System Committee. (4-2-0 Vote, Councilmembers Nofziger and Carl-Mitchell voted No, Mayor Pro Tem Urdy abstained)

**CONCLUDING REMARKS**

Concluding remarks were made by members of the Council and Mayor Cooke.

**ADJOURNMENT**

Council adjourned its meeting at 3:30 P.M.