

City Council Budget Work Session Transcript – 05/11/2016

Title: ATXN 24/7 Recording
Channel: 6 - ATXN
Recorded On: 5/11/2016 6:00:00 AM
Original Air Date: 5/11/2016
Transcript Generated by SnapStream

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May 11, 2016 Austin city council budget work session

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>> Mayor Adler: Today is may 11 of 2016. It is 10:10 I appreciate everyone's indulgence today. We did not rush to get to our meeting. I think we learned a lot from today. Lightning struck today quite literally, delayed the train for 40 minutes. So we're working through and accumulating data to see what we can learn and we'll see what else we can learn this afternoon. But I think we're ready, ed, if you want to start us off.

>> Yes, good morning, mayor and members of the council, ed van eenoo, deputy cfo and budget officer for the city. Today is our second of five policy work sessions we have scheduled through the month of may and into June with the city council. Earlier this morning we sent out, staff sent out, a summary of some of the comments we heard at our first policy work session so we intend to continue doing that after we finish a work session, we'll endeavor to summarize some of the comments we heard at the work session and put that out there so we kind of have a record of where different council members stood on different positions and different policy questions. I would stress we don't view that as being the only source of information we're going to receive from council throughout the year, so -- or throughout the budget process. So I wouldn't be overly concerned if there was something that you didn't get a chance to say, this is just a summary of things that were actually said at the meetings and we are fully aware that there will be other things said as we go through the budget process.

>> Mayor Adler: In fact, in fact, again, the council -- you're looking for input from the council as the manager is preparing the budget that he's going to bring at the end of July.

>> Yes.

>> Mayor Adler: And everyone recognizes that it's hard

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sometimes to be able to comment to something that we get the day before we talk or you see when you first come here. But the invitation and the hope is that council members will let the manager know what they're thinking or preferences are on

these questions. So don't -- not only do not feel -- it's stated affirmatively, I think that the desire is to have the councilmembers continue to give input, not only on what we're going to hear today but it is still timely to give input to the managers on the policy questions that were raised last week. And we should be continuing to pass those on to the manager.

>> Again, that summary was sent out early this morning. Our intent was to send it out last night but kind of got our wires crossed on that. We have hard copies coming down and have hard copies too in case you want to look at that summary of last week's meeting as we go through today's meeting. You -- all of you should have received one of these packets with a yellow tab and this fits neatly into the binder that you have. So for today, may 11, on our calendar is a discussion of funding for deferred facility maintenance. This is a -- an issue that we've had in the city, taking care of our many, many city facilities. This is not one of those topics that in past budget cycles has gotten a lot of attention from the city council, but it's a topic that staff feels is very, very important. In fact over the last couple years we've seen monies diverted away during our budget adoption process, monies diverted away from facilities maintenance to other priorities. So, you know, what we wanted to do on this first presentation is lay out some of those facility issues that we're struggling with throughout the city so that council is fully aware of those. Later in the afternoon, we will have a discussion about some of our growing information technology needs throughout the city. And just there's many of them.

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So here's the calendar. Then you can see what's planned for the remaining three work sessions on into the future. I won't go through all of those but I will say that on June 1 we added a discussion topic for the budget process because last week we heard from several councilmembers they wanted to have a discussion about our budget process before we got too much further down the road. So those had my opening comments. I do want to introduce then our first panel. We have staff, Eric Stockton, our building services officer, who is sitting in the second seat there. On his left is Walter drain, also from the building services department. They're joined by John Gillum from library and Marty stump from parks department. So these are four individuals who know a whole lot about what's going on in the city in regards to our facilities and deferred maintenance needs and the challenges that creates for both our employees but also our citizens who use those facilities. So unless there's questions for me I'll turn it over to Eric to start the presentation.

>> Mayor Adler: I think that would be good point I would point out that our colleague councilmember Gallo is speaking today at 10:30. That's why she's not with us now but will be joining us as soon as she can.

>> Houston: Excuse me, mayor. Just before we get started, when I left better all being collegial in the boards and commissions room and now we're being very corporate in the council chamber. I'm curious as to why the change took place. It felt more like we were having a conversation in the smaller room than here, where it feels like we're having -- making some huge decisions at this moment. Could you tell me why we changed from boards and commissions to the chamber?

>> Mayor Adler: I think that came up because there was some people on the dais last week that raised the concern about the inability for everybody who wanted to be able to participate to be able to be in the room. Some people are outside the room. But I think that there is a

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split of opinion on the council on that. So I think what we're going to do today is hold this meeting here today and everybody can get a feel for it. Then at the end of the day we'll take a vote or see what the sense of the council is to make a decision about where we are. Because there's a split on the council on that issue. We can talk about it today. But I think the staff was trying to be responsive to the concern that they had heard some of the councilmembers raise. I think that's why that -- I think that's why that happened.

>> Houston: And when we say people were not able to get in there, was it people that were going to be speaking or people that were just going to be listening?

>> Mayor Adler: I think they were people that were just going to be --

>> Press.

>> Mayor Adler: It was press initially. We created an area for press that further minimizes the space that was available for people that just wanted to come in and listen. I think it was more people coming in to listen than it was people speaking. But, again, there's a split on our council. So my suggestion is we hold this today, see how this feels and before we stop today let's have a conversation and give direction to staff on where we want the next meeting to be. Yes, Mr. Zimmerman.

>> Zimmerman: Thank you, Mr. Mayor. For what it's worth, I appreciate the opportunity to be here. The computer access to verify information is helpful for me to be able to Google quickly and get information to follow what's going on. I like being here better.

>> Mayor Adler: Let's have that conversation later after we see how this feels today. Mayor pro tem.

>> Tovo: I'll participate in that conversation later but I wanted to give my colleagues aheads-up that I am going to -- I am the council representative to the police retirement board which meets today as well so I'm going to slip out at some point probably closer to the lunch hour which I hope we're going to have. And attend that meeting. And actually --

>> Mayor Adler: Let's go ahead and set that. When does that -- when would you need to leave to make that?

>> Tovo: In the 11:30 range is when I -- is when the meeting

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starts.

>> Mayor Adler: Okay. I want to get -- have a meaningful opportunity to be able to start here. What would be a good stopping place do you think timewise look at the calendar?

>> We have two presentations so I think ideally if we could get through this morning presentation, have a nice lunch break and open back whenever you want to come back and we'll do the it presentation, I think that would work nicely.

>> Mayor Adler: Let's try and do that, hopefully we can stop 11:30, 11:45 for the first presentation?

>> I think that might work.

>> Tovo: I think last time we stopped at about noon and that felt right too. Don't worry about my schedule. I think it will work out so if it makes better sense to stop at noon.

>> Mayor Adler: Let's keep -- you have until noon as we work through this to make sure we have the time we need. Then we'll take an hour break and then come back at 1:00 to restart. Thank you.

>> Thank you.

>> All right. Good morning. We are, as ed mentioned, here to talk about deferred facility maintenance and city buildings. I'll start out with just sort of some context briefly. This is an issue or a backlog which has evolved over a long period of time. Several decades. And for several reasons. Competing budgetary priorities, program funding versus facility infrastructure is typically, you know, always a difficult choice to make sometimes. There's also been a couple economic downturns in the past 15 years which have put pressure on budget and the city of Austin is not alone with this. This is something that is also occurring in other cities in the industry, city of Houston for example, has around \$450 million and a bag log of deferred maintenance, city of Dallas thinks they have about 200 million.

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There's other industry indicators that show that this is a growing problem. It's also a problem about the national infrastructure. So this isn't unique to the city of Austin. So in 2011 we began look at this more carefully. City manager commissioned a strategic facilities assessment. Several outcomes from that. One of the key outcomes was identifying a backlog of deferred maintenance in city facilities. So at that time we began really focusing to create a major shift in the approach to looking at our facility infrastructure from a predominantly fix on failure type of model to a more proactive facility management type of model. So today what we're going to do is we're going to provide you an overview of some of these issues, show you a few examples. We're going to talk about a few strategies to deal with it. And then frame the question with respect to, you know, how much is appropriate to invest in reducing this backlog over time. So real quickly, an overview of the portfolio, the city has over 250 facilities that it owns. They are distributed across 300 square miles across the city. There's over 3.2 million square feet in these facilities. The oldest is, interestingly enough, at least 112 years old. If you think about that, I think teddy Roosevelt was president at that time. And the newest is four years old. So the types of facilities we're talking about here, we're talking about administrative office facilities, we're talking about warehouses, service yards, logics centers -- logistics centers, fire

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stations, ems statios, law enforcement facilities, couple large campus type facilities. So it's a very diverse portfolio of city infrastructure. When we talk about deferred maintenance, generally speaking what we're talking about are the major building systems like roofs, mechanical systems, plumbing, site work, elevators, fire equipment, fire suppression systems and each of these have basic life spans that range depending on the specifics of the equipment and the system. Which you see here in this chart. So I'm going to let Walter talk to you a lit about some of the hazards or consequences of deferred maintenance and letting it pipe glum good morning, Walter drain, the building services deputy officer. Certainly one of the major consequences of ignoring deferred maintenance is higher long-term costs. If you're fixing one of these components like an air conditioning system over and over again, we often find that it is cheaper to. . . It if we have the dollars available to do that. Instead of just

patching it up. Same with roof, that sort of thing. I think a greatest analogy is a car, if you've got 300,000 miles on a car and you are throwing \$500 a month to maintain it, you probably find you can buy a new one cheaper. The -- and that ties into the second item on the list, accelerated deterioration. It's kind of a rule of thumb that facilities deteriorate at about 1%-2% of their initial value over time. This goes up to 3%-4% if they have not been maintain trained so we're watching our city assets degrade at a much higher rate than they need to

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be. Another issue is service disruptions. We have a lot of facilities that operate 24/7, a lot of them are tied to emergency services. We just can't have disruptions at those facilities and having maintenance of the various components that comprise them leads to that. We also have many elevators that are very old, that were made by manufacturers that don't exist anymore and sometimes we will have an elevator that goes down that we cannot repair for a week or two because we're waiting to find a part that's been inventoried somewhere else across the nation because there is no longer a manufacturer for that. Certainly there's a negative impact on occupants. If you're in a building that has worn finishes, spotty air conditioning, that sort of thing, it does weigh on you. Conversely, as you'll see later on, as we show some before and after pictures of our fire department facilities that have been -- that have had deferred maintenance addressed, there's a huge positive impact on the occupants. Those folks are working and living in these facilities, and it's amazing the impact on morale that occurs when they have facilities that are comfortable and pleasant to work in. Certainly safety is impacted as well. There are trip hazards that tie to uneven surfaces that are because of poor drainage at some facilities and infrastructure improvements that need to be addressed. We have lead paint and asbestos issues throughout the portfolio that we're dealing with. It's expensive to remediate those facilities. And there's a very large environmental basket associated with letting -- impact associated with letting our buildings deteriorate to the point they are currently.

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Certainly newer hvac systems are more efficient, newer lighting systems, replacing insulation that's no longer effective. All of that ties into city properties that have a much improved environmental impact. There's a lot of opportunity out there for us to improve on that.

>> Okay. So next we're just going to kind of go through a few pictures, just some examples of deferred maintenance. This right here is service center 11, a fleet service center that supports Austin resource recovery -- works on their garbage trucks. You can see the outdoor workstation here. Well, it's not quite outdoor but it's open in the shop. And the air conditioning unit is the shop behind the seat. We also have an example of another workstation inside the shop office. Here is Rutherford lane, an example of parking lot deterioration. You can still park on it but it's ending the -- the type of thing that needs to be scheduled for replacement. On the right you can see recycling bins and trash cans set out in anticipation of that day's rainstorm for roof leaks. This picture is a shot of the chiller at bun Texas center, which is original equipment to the building. Which was built in 1983. It is about 13 years beyond its Normal life span. Still working. And we have plans underway for design and engineering to replace it. But more funding will be needed to implement the project. This is a

picture of roof deterioration. This is kind of a typical office building built-up roof. What looks like sand in the

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corner is actually particulate from the roof which is did he laminated from the surface of the roofing system and drifted over into the corner. Clean it up and then it will drift up again so this roof is at end of life. It's not leaking yet but it's an example of something that needs to be put on a schedule for replacement. And here is an example of one of our oldest facilities. This is a very old fire station, station number 4. It is, as you can see -- still has the bays for the horse-drawn fire apparatus. And it needs work on roofing, mechanical, interior construction finishes and those type of things. All right. So I'm going to turn it over to John from libraries and he's going to tell you a little bit about some of the libraries facilities.

>> Good morning, council members, mayor, city manager. I am John Gillum, library department's facilities process manager. The library department has always taken about a -- I guess it's a four-prong approach to being good stewards of our library buildings. We are intricately involved in the design and construction of our buildings with the idea being that we design and build just as well as we can, with the result being a low-maintenance building for us that we can maintain. Our next step is, when the building is taken possession of by the library department, is that we -- so we perform preventive maintenance. We have a very aggressive preventive maintenance product, routine and

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predictive maintenance, the idea being that we want to extend the life of the building elements and materials and systems just as long as we possibly can. As you heard from Eric, though, eventually major building elements wear out. The roof, the mechanical system. One of the large components of the building will eventually need to be replaced. I think an industry standard is you can expect to refurbish a building completely within 11-25 years after construction. We strive to get as close as we can to that 25-year mark. Often, though, the roof or the mechanical system will recovery us to do it at a 20-year interval. We're kind of in a interesting situation. Often the libraries in a community, along with the recreation centers, are the most architecturally significant buildings in that community and there's a great deal of love for the building and it's sort of a -- the community identifies with them. They're not shy about letting us know as our buildings become worn. On the other hand, they very much hate for us to take them off-line to renew them. What we try to do is, in the library, we try to get to that point where the roof or the mechanical system often both need to be replaced. And then we go in and we renew everything. We make it in this case, you know, a library for the 21st century and get it back in the hands of the public just as soon as we can. And for as long as we can. And we find that when we do that, the customer count can as much as double as soon as we get the doors back open because they're nicer and, you know, in better places to seek library services and we often approve library services while

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we have them closed. These photographs are just, you know, you know, examples of

the kind of things that will eventually wear out on your building. The insulation will wear out on your freon lines, mechanical yard, water quality ponds will stop functioning as well as they should, your carpet will get really worn out and not attractive and you can have foundation problems from washout. So these are the kind of things we take care of on a daily and yearly basis. Probably just to give you an example, probably the three biggest deferred maintenance projects the library is looking at right at the moment is the little walnut creek branch library, which has served the community around Rundberg lane and north Lamar since 1979 needs to have their assemble ramp -- accessible ramp replaced. It was built in '79. ADA didn't become the law of the land until '92 so it's not quite compliant, coupled right now with some foundation problems, with soil shifting and that -- in that picture on the upper left-hand corner is just the kind of cracks we're starting to see. So we need to take care of both some engineering problems and some accessible problems at that branch. The old quarry branch library has not been refurbished for a very extended period of time, over 20 years. We replaced the mechanical system about ten years ago, but that took all our money at that time. So we're hearing from the community that they would very much like a face lift. And the fox central library is -- needs to be rerefused because it's going -- roofed because it's going to become a archival repository as soon as we move to the new building and of course we don't want to

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lose irreplaceable archives to water damage. I'm going to hand it over to Marty stump from the parks recreation department.

>> Good morning, everyone, Marty stump, assistant director with parks and recreation department. There we go. Talking here this morning a little bit about the deferred maintenance on park facilities. John, was that you? Did you have one more? Okay. Like with the libraries, the facilities on parklands buildings are very special to the community and at parks we take a tremendous amount of pride and take very, very seriously our roles as stewards and custodians of these assets. On parkland we have community centers, museum, cultural sisters, administrative offices for staff. Again, when we speak of buildings that are aging, a none of the buildings on parkland are historical. We have a dozen buildings on parkland that are registered as historic buildings, and those types of buildings do require a very high level of preventive maintenance. Anyone who has lived in and maintained an old home understand clearly that it's a -- it is a daily responsibility and duty to maintain those facilities to keep them in a high degree of -- condition. On parkland, we have over 100 buildings as a department we maintain our own facilities, with a facility services staff. Including buildings maintenance as well as grounds. With facilities on parkland, it's very, very important that we maintain a level of service predictably for the community, zilker clubhouse pictured here is an example of a facility that is a reservable facility,

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and so folks will reserve this many months in advance of a special event, a wedding or a family function. And it is incumbent upon the department to make sure that we can provide that level of service when that date comes. So we cannot sustain a system failure in hvac or plumbing system that would take that facility off-line. Pictured here are a number of facilities, roof conditions, wood rot, all the sorts of things that do

become the byproduct of lack of preventive maintenance over time. On parkland, in addition to our major buildings we have a none of smaller buildings within the parks system we consider restroom buildings, picnic facilities, playgrounds and pools as facilities that fall under the duties and responsibilities of our facilities services team. Paving surfaces for us is very, very important to be mindful of maintenance and public safety. Sport courts and play facilities, if not maintained and resurfaced and coated and preserved will fall into a state of deterioration that ultimately requires full replacement when the time comes. As you can imagine this becomes a safety concern as well. Parking lots throughout the system, we have acres and acres of parking surfaces to support our facilities. When the pavement deteriorates due to lack of repavement or ceiling, chip ceiling, those sorts of things and the striping erodes or fails, then we can find ourselves out of compliance with both safety as well as Ada regulations so it's very, very important that those paved surfaces are maintained as well. And then lastly on parkland, you know, we do have facilities that house our staff, both administrative and office staff, as well as grounds maintenance and folks that are taking care of our parks on a daily basis. And we demand a lot of our staff and of the buildings that facilitate their daily activities and we jack a lot of things into buildings, old buildings, that ideally would

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be in weather-tight conditions. Staff locker space, break rooms, storage space, office space, equipment storage and those sorts of things. So as you can imagine, without the appropriate facilities, then the daily workings of the staff become more challenged. I know later in the presentation we'll show you some success stories of things that we've done, but I'll hand it back over to Eric at this time.

>> All right. Thanks. Whoops. Okay. So the slide that you see there is just simply summarizing the type of systems by the percentage of the total amount of deferred maintenance. So parking lots, site issues, drainage and so forth are about 18% of the total amount of deferred maintenance backlog that we estimate is out there. Hvac systems are 14%, elevators ten, roofing 9% and so on. Okay. So next real quickly talk about some strategies about how to address this. It's -- there's basically three parts. The strategic facility planning that y'all have had some discussions with strategic facility governance team in recent months, development advisors working on some projects that will ultimately replace some of these facilities and in so doing will address some of the backlog of deferred maintenance. There remains, however, a lot of facilities that are not going to be replaced through that method. Another part of this is addressing root cause, which is developing a very strong preventive maintenance program and also a strong capital renewal program. Life cycle replacement type of capital renewal program. So this chart you see here we have been working on the shift, as I mentioned earlier, from a fix on failure type of model to a more proactive

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asset-management model by shifting our percentage of planned and scheduled work from 9% in 2012 to 25% in fy15. We are approaching industry benchmark at 40% and our goal is to exceed that by 2020. The third part is a capital rehabilitation fund policy, which was approved last year and has averaged prior to that about \$1.4 million annually to support deferred maintenance in city facilities. The goal according to

this policy we'd set aside about \$5.9 million for this issue. And we will show you a model later in the presentation that kind of shows what the impacts of different funding levels are on this issue. Next we just want to show a few examples of what we're talking about in terms of facility rehabilitation, addressing deferred maintenance, some before and after shots. This is in parks so, Marty, why don't you --

>> So this is an example. This is a picnic shelter in Franklin Park, and as you can see in the photo on the left, the building, it's a wood frame construction, the posts -- posts supporting the building were rotted at the base due to both moisture as well as pest damage and so the building became structurally unstable and began to rack and twist and so with the -- the input from our facilities services team, the posts and the framing were replaced to extend the life cycle of this facility. So a couple of slides here of free-standing buildings within a park. Small buildings on parkland historically significant. This is what was historically a restroom building at the Oakwood Annex Cemetery.

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Really a building that was underutilized, fell into state of disrepair as you can imagine when the roof fails other things begin to fail as well. We'll go to the next slide. Through a partnering grant for historic preservation and through the ability to engage with outside contractors we were able to renovate this building. It now functions as a small storage building on parkland but a much more dignified structure for the city to have on a very special historic place.

>> Next slide shows you fire station 7 and this is a deferred maintenance rehabilitation project that we did. You can see the before and after facade front entrance on this facility and then interior, you can see the old corrugated roof which was rehabilitated and replaced. So these are some examples of before and after. Here is a kitchen and fire -- in fire station five, a before shot, prior to overall deferred maintenance rehabilitation project for this fire station. And here is the after shot, after we rehabilitated that kitchen and other parts of the fire station. All right. So what we have here in this slide is an example of basically three different funding levels for addressing the backlog of deferred maintenance. This is a model that is just developed to show impacts and sensitivity of how much money is set aside and what kind of impact it has on the backlog and I'm going to let Walter drain sort of walk you through the assumptions and what this represents.

>> The model starts at \$75 million -- there it is, okay, the model starts at

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\$75 million, the amount of deferred maintenance we identified in 2012 as needing to be addressed. And it is escalated at a rate of 4% a year, which represents the accelerated deterioration rate that occurs when you have deferred maintenance. It's actually conservative in that that does not include an inflation factor as well. The red line shows at our current \$1.4 million per year of capital that we've had for the last five years or so to address these items, we actually don't quite get ahead of it at 4%. We continue to fall behind and accumulate more deferred maintenance. At the fund -- or the financial policy amount of \$5.9 million, we do begin to pull that line down and can actually get on top of all this deferred maintenance by 2036. And of course if we were to have more, \$12 million per year, we could get on top of this by about 2025.

>> Okay. And so that takes us to our last slide, which is simply frames the question, which is how we balance funding going forward for deferred maintenance with other priorities in the city budget. And that concludes our presentation.

>> Mayor Adler: Any questions? Mr. Zimmerman. And then Ms. Garza.

>> Zimmerman: Thank you, Mr. Mayor. I was a very vocal critic of this huge library that's being built a block, couple blocks away here, and this is one of the reasons. It would take a lot of work and accounting and discovery to figure out why we have such a huge, huge lack bog of

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deferred maintenance but my speculation is that politically it's a lot easier to say, hey, let's go build a new library and it's only going to cost us this much money and to leave out the fact that there could be tremendous costs that you need to budget for so that you don't wind up in these deferred maintenance situations. Right? If you think about it, you're in control of your budgets. And you could budget for deferred maintenance items that you ought to know are going to come up. That new library has a roof on it. That roof is going to wear out in 25 or 30 years. Is there a deferred budget item right now that you're accumulating some assets over the years, knowing that you're going to have some deferred maintenance on that hugely expensive building? And I'd venture to guess the answer is probably not really or it's going to be insufficient so that 25 or 30 years from now we're going to have maintenance issues on that big new building and you're going to act surprised and say, well, do you want us to charge taxpayers more money or do you want the roof to leak? Those are the two options that will be given a council 25 or 30 years from now. So this is a management problem in my revenue it periods not a deferred maintenance problem. It is a management problem. You've got to have enough common sense to know that you need to but the some money away in every year's budget knowing you're going to have these maintenance items come up.

>> Mayor Adler: Mr. Van eenoo.

>> I can respond to that in the sense that we do have a thoughtful policy and part of the policy is up here. I think the relevant part of the policy that the city's financial policy is to set aside 25% of the annual depreciation expense for building improvements. As we do add new buildings to the city's inventory thatment will increase and we do have a financial policy for that. The struggle has been as other funding priorities, there are so many needs across the city butt up against this funding policy we've seen in the last couple budget cycles monies being diverted away from addressing this policy to

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other funding priorities. So that's not to try to measure one priority versus another but we do have a financial policy in place. Staff's recommendation would be to move towards fully funding it and we have not seen that level of support for this issue from council in previous years.

>> Zimmerman: Mr. Mayor? This speaks to my point, the fact that we have maintenance, deferred maintenance issues at the libraries. We could have made it our management -- our management could have made it a priority to take care of our existing libraries instead of insisting that we build an expensive new building. That was

a decision and priority made by staff. It wasn't made by me. It wasn't made by our constituents.

>> Mayor Adler: I think it was made by council as matters before us and we set those priorities, and I think the question coming to us today is to consider the priority. Right now the current budget practice has us spending \$1.4 million and the policy question before us as we look at other priorities is whether we increase that. And I understand the recommendation from the panel is that we do increase that.

>> Zimmerman: And when the prior council was presented with information to build a brand-new library, were they confronted with \$80 million of deferred maintenance? The answer is probably no. Was that part of the presentation of the new library to the prior council, that we had tens of millions of dollars of deferred maintenance that were behind on the library buildings we already have? Was that part of the discussion to build a new one and incur more liability?

>> Mayor Adler: Manager?

>> With respect to the library project itself specifically, no. But as you're receiving today, as part of the budget process, when we present information to the council, it would have been covered at that time as it is -- as it is every year. You know, the library project is the library project, and we presented all of the relevant information to the council. Now, this project started

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before I became city manager. It was part of the capital program. It was -- it was -- the scope of it was revised and expanded. All of the details associated with doing that were presented to the council, and they approved it. So I guess I'm just -- I'm a little bit befuddled by the connection that you're trying to make. The council had all of the relevant information, relative to deferred maintenance. It's given to them in the course of the budget process, and they had all of the relevant information relative to the library project at the time.

>> Zimmerman: So just one more comment on this.

>> Mayor Adler: If other people can get a chance to speak.

>> Zimmerman: Okay.

>> Mayor Adler: Ms. Garza was next if you want to speak, and then Ms. Houston and then the mayor pro tem.

>> Garza: My questions might be slightly off-topic. So this \$5.9 million request is from the general fund? Is that what we're asking for?

>> Yes. It's not -- it wouldn't be a \$5.9 million request. That's what the policy would call for. We're currently at about \$1.4 million annually so to get -- you know, and I don't know that we could get there in one year but our recommendation certainly would be to over some period of time to move closer to about \$5.9 million, \$6 million annually for facility renewal.

>> Garza: And this might be for you, Mr. Van Eenoo. I'm trying to understand, so the C.I.P. Budget is separate from the general fund and that is -- is that primarily funded by our bonds, previous bonds?

>> It is. And we do have, in a -- you know, for example, in the 2006 bond program, the same bond program in which the new central library was approved, there also was approved maintenance funds so both parks and libraries had significant maintenance funds approved by the voter as part of the bond program in addition to a new central library. Those issues were talked about during the development of the

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'06 bond. There are certain things that we're not going to use bond funds to replace. So things like hvac systems that need to be replaced, things like just replacing the carpeting in a building because it's 20 years old. Those things are not going to typically be things that we issue bond dollars for. You know, a major reconstruction of a branch library we might use bond funds for. But ideally we would be on top of this maintenance challenge so we're extending the useful life of those assets so we don't have to direct as many of our limited bond dollars towards routine maintenance needs that we're able to direct more of those bond dollars to new facilities that the public would like to see. So --

>> Garza: So there's maintenance funded through the C.I.P. As well as the general fund?

>> Yes, ma'am.

>> Garza: Okay. The reason I'm asking is because we have all received a bunch of emails and I know it dealer about women's bathrooms in fire stations, and so we asked some questions and I believe the response from staff was -- and this -- I hope I'm not getting this wrong, that it's in the C.I.P. Budget but funding hasn't been identified. And I'm not sure how -- or it's in some budget but funding hasn't been identified. I don't understand how that's possible. Maybe you can't speak to the specifics of that specific - - I'm just trying to understand how to address these concerns from these female firefighters.

>> I think I'd like to get a more thorough response to you from the fire department but a lot of the -- in fact I think the majority fortunate fire stations have been converted to have male and female longer rooms. There are some that are currently still in the pipeline. With dollars that we have in the C.I.P. Budget I believe that there's a few that -- there's, you know, for 112 year old facility, I don't know if station four is one of them but there's a few facilities where just the building limitations is creating challenges of whether

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it could even be done in those buildings or if the buildings will just have to be completely replaced but I think that's a very small number. We can get you a more thorough response through our q&a process.

>> Garza: Okay. Station four has --

>> Station four has one. That's a bad example. I do recall there's certain stations where actually doing the conversion is just problematic from an implementation perspective.

>> Garza: I'll ask it in q&a.

>> There's facility limitations.

>> Garza: Okay, thank you.

>> Mayor Adler: Ms. Houston.

>> Houston: Thank you. Could you give me any estimate of how many buildings still have asbestos in them or is that something that you can provide at a later date?

>> We'll go back to our asbestos group and make sure that we give you some accurate information on that.

>> Houston: And about the zilker clubhouse and some of the other historic kinds of deferred maintenance issues in parks and recreation, can you tell us, when were the last time they had major renovations or upgrades? You don't have to do it today but

just so that we know, is this something that's happening every 15 years, every ten years? This is a pretty old building so --

>> Yes, ma'am. We can certainly provide that information and oftentimes through the through the bond program and facility maintenance we're chipping away at the issues incrementally. Rarely do we have the opportunity to go in from top to bottom and restore a facility but I can certainly provide the historical spending that we've done in the past, say, ten to 12 years on our historic facilities.

>> Houston: Thank you. Just one last statement I guess, or question, is that just for the record, I did not support the library in 2006. But it's here. And we can't take it away. We can't make it makely go away. What I understand the issue to be, Mr. Van eenoo, is that we have been using some of the money that could have been used to defer the maintenance

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to attach or to -- to tackle the deferred maintenance that is needed. We've been using some of that money to fund other projects, and you're asking us, as a council, to make a policy to -- that doesn't look like what you're saying. So tell me what it is you're saying.

>> For example, last year, I think we recommended -- we recommended in our proposed budget last year an additional \$2 million so increasing this \$1.4 million to \$3.4 million. That was one of the council concepts, eliminate that increase in funding and redirect the fund to go other needs. It wasn't a one to one correlation about what that was used for but that was one of the actions council took, remove that \$2 million of increased funding for facility maintenance and to use those funds to address other priorities. And so -- and the previous year we had a similar situation. Where we recommended increasing the funding for these many, many needs and the previous council chose to redirect those funds to other priorities. So we certainly understand that there's a lot of community priorities, but we think this is a growing issue, one that's not going to go away, and one that potentially could result in facilities start having more down time if we're not able to replace, you know, for example, chillers that are 12 years past their end of life, you know, because then -- if that chiller goes down, one Texas center is going to be down for an extended period of time.

>> Houston: Okay. That helps. Thanks.

>> If you would come back and further draw distinction for the funding source for the capital investment for the construction of the library and deferred maintenance.

>> The majority of the library funding was through public improvement bonds that were approved by the voters. There was also a portion of certificates of obligation and then we did have a little bit of general fund dollars going towards the funding of the books that will go into the libraries. That was generally the funding plan for the new central library. Again, for the types of facility renewals that we're talking about here, you're

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generally looking at general fund transfers to our capital budget to address those various needs because there's certain things that are more appropriate and more logical to issue debt for, things that extend the useful life of a building, major renovations for a building, replacing insulation along a hvac pipe are not things we would tipped recommend issuing debt for.

>> Mayor Adler: Okay. Further questions? Thank you very much.

>> Casar: Just to weigh on policy side, I was actually on the [inaudible] Library on Friday and saw some of those cracks so I understand it may not always be the sexiest funding requirements to work on deferred maintenance but I understand and will be supportive of working on that issue with the staff.

>> I also wanted to speak to the policy question and I believe it's important for us to properly fund our facilities. I think it has all kinds of effects including morale of our employees, so I would support this policy goal.

>> Mayor Adler: Ms. Houston.

>> Houston: I too would support that because I've got so many cemeteries and they've done a wonderful job in rehabilitating the current structure that's there. If you had literally seen it, it was horrible. We have so many -- still not as many as we used to but still have a lot of burials in oakwood, both the primary and the annex as well as other places. So this is something that my

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parks, Loyola, the library, university hills, we've got things that need to happen and so we need to have money dedicated to deferred maintenance.

>> Zimmerman: Mr. Mayor? Zilker park Mr. Zimmerman.

>> Zimmerman: A final comment on the policy. I'm not singling out Austin management. This something I see in government politics constantly. What the government managers will do is they will spend millions of dollars on programs and projects that it's hard for people to even see that this money is being spent in the way they can discern and they will deliberately leave things like leaking roofs and broken windows that are very conspicuous and obvious, they will leave those things unfixed and spend millions of dollars on stuff that we don't need. And the political advantage of that is then you can come back later and say look at this elected city council, they want you to have leaking roofs and broken windows. I see this all over in government politics. So instead of wasting millions of dollars on stuff we don't need and can't even see that have any benefit, take that money and spend it fixing the roofs and fixing the air conditioners and fixing the windows. It's a problem all over government that I see in management. And it's up to us as an elected body to fix this because the priorities are being set by staff, they are not funding the deferred maintenance and these are very conspicuous items that it's easy to come back and say look at that city council, they don't want to fund fixing a leaking roof and I'm really weary of this and it's all over government, it's not limited to Austin.

>> Mayor Adler: I'm not sure that's fair. Again I think the council sets the priorities. The council, in fact the voters were asked whether they wanted to spend money on the library or not and it was satisfying set as a priority within the community. And again at these council daises and budget priorities how much we want to spend on this as opposed to other priorities. So I think that it's important

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for the manager to be able to set out what our options are, to set out what the needs are in the city to make a recommendation to us on how we should -- how he would recommend we prioritize the limited resources.

>> Zimmerman: The ballot language and the so-called educational information didn't include tens of millions of dollars of deferred maintenance. They didn't say would

you want to spend 100 million on a new library when we have tens of millions in deferred maintenance. That was not on the ballot language.

>> Mayor Adler: Nor did it say do you want to spend \$100 million on a library or this amount on southeasterly services or road projects. There were a thousand different ways that we spend money. But I think that those kinds of decisions are inherent in any budget process, we have to set priorities. Mayor pro tem.

>> Tovo: Well, I agree with the mayor and I -- you know, I think Austin voters are smart enough to know if we're asking them to approve spending on one thing that's spending we're not going to be doing on other things. And, you know, I just want to say in answer to the policy question, I understand exactly how we get to this place where you have a council that doesn't want to spend money on deferred maintenance because as soon as I saw that number I thought oh, my gosh, that's a pretty big increase and that's three and a half million dollars that we won't have available to spend in some other areas. You know, I agree that it's a critical need, but I completely understand how we -- how we as a council have likely made decisions in the past to take money that could otherwise be spent on maintenance and shift it into other areas because every year we're dealing with a large number of needs and very scarce funds. And so I appreciate those of you who work on facilities for doing the best with what you have, which is very limited. And urging us to reconsider

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that policy and provide you with more funding, more appropriate levels of funding.

>> Mayor Adler: Okay. Thank you very much. That's the first presentation.

>> It is.

>> Mayor Adler: Let's get started on the second one while we have the time. While they are coming up to the dais and we're talking about scheduling, I note that our next budget work session is set for Wednesday, the 18th. Mr. Van Eenoo, there are two things that are scheduled that day on the 18th. Zero waste initiative and health and human services. We're trying to schedule at the same time we're scheduling these opportunities to complete the discussion with the manager as well as the discussion amongst ourselves on priorities. It's looking like as a council we could be available to do that on the afternoon of the 17th, after lunch, it looks like people would be available on this Wednesday the 18th. I don't know if we need the full day to do the budget session. That would be a question I have for you. We also have a council meeting, we also have -- and on that Tuesday the 17th, by the way, we have a work session for the -- scheduled for the council meeting on the 19th. We also have everyone that's available on the 19th if we wanted to take that day and make that our review. So the other question I would have, manager, would be to tell us what the impact would be of taking the council meeting on the 19th and heaving up the schedule for the next council meeting. We're having great difficulty finding time when we can get together as a council, but it looks like there might be some opportunities the afternoon of the 17th. The 18th when we're not in budget session, which might be

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the afternoon, as well as taking all of the 19th or handling only those emergency items on the 19th in council meeting that have to be handled but try to free up as much of that day as we can. I would ask everyone to check their calendars and for the manager have staff take a look at those questions.

>> Will do.

>> Mayor Adler: Mr. Van eenoo.

>> The second presentation is kind of another area similar to building maintenance where the needs often run up against other funding priorities. And so I'm joined here today by acting assistant city manager mark Washington, chief information officer Steven Elkins, and Peggy MCCAL aluminum, the chief financial manager for the technologymanagement department and they are going to walk you through a presentation on some of the growing information technology needs we have throughout the city, drilling down a little bit more on a pressing need related to our human capital management system and then over the course of that discussion posing for you some policy questions for your discussion and comments. So with that I'm going to turn it over I think to Steven to start the presentation off.

>> So the presentation today, we're going to look at three areas. We're going to look at the past which is post-2000 -- so we're going to look at three areas, we're going to look at the past, which is post-2011, to today and then we're going to talk about the future. As we are all aware, the Austin community is a tech hub. The government that serves the community has lagged behind in technology. Last year when I was here there were a lot of questions about why the services that the folks experience at home are not the same as they experience with city government. So what were some of the things that happened in the past. And I talked about this a little last year.

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We had a policy that said replace on failure. What this meant is our pcs and laptops had an average age of greater than five years. We had old network hardware that was out of warranty, unsupported, which created security risks, and which caused high failure and in the end it cost more to support older technology than it does to replace the technology. We had no governance for technology priorities and we didn't have a way to figure out how to distribute the technology investments across the city. The other thing that we experienced was that the enterprise departments were early adopters of technology whereas the general fund departments lagged behind and in turn we would instead of buying solutions we would build solutions in in the long term are not supportable solutions in the long run. Here's a chart that was shown early on when ed presented some of the budget Numbers. And you can see from -- from fy 13 to fy 16 there's a gradual increase in the technology spend. What you don't see prior to this slide we were coming out of a recession and so there was no spend, we were pretty much flat. Coming into 2012, 2013 we were playing catch-up and we were catching up from a policy of replace on failure -- on the bottom which was added we talk about a radial tower upgrade, network upgrade. So we were starting to move into best practices and go to a life cycle replacement so we could become more predictable on when things needed to be replaced so we could budget and forecast. We add in the vehicle -- the public safety vehicles. The public safety vehicles today are pretty much a computer on wheels with the amount of technology that's

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added in those -- in those vehicles. And so again, we've started with making our infrastructure more robust to manage the city's business, to starting to add department-specific business needs. So I've talked a little about the life cycle replacement. Today our pcs on average -- pcs and laptops are right around three years

old. We upgraded our network to handle the amount of traffic that goes across our network. We put in place in 2011 a governance process to help us prioritize business needs, and that process is an internal process but it's an inclusive process that involves city departments as well as I.T. Leadership across the city. Annually we get about -- we get annually a lot of requests that comes in on technology needs from the different business departments. And if I say business, I'm pretty much going to be referring to the departments that ctm supports. Of these numerous requests that we receive, we -- we pretty much approve 10% of these requests. And so we go and we add in some technology needs for 10%. And then those -- those items are then pushed up to city management for approval which then gets added into the budget for council approval during the annual budget process. One of the ideals today on how beer going we're going to address some of the unmet needs or partnering with the office, the idea accelerator, ideas that city departments may have on how they can better do service delivery or improve efficiency Sitzman so we're partnering with them on that. Then there's another program

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called the fellows program which is a similar program but not the same as a code for America where we looked at skilled labor to come in and do some quick solutions to help with immediate business needs. Other things that we're doing, we're standardizing on -- what we're considering enterprise solutions so that we have a single solution for -- for finance. We have a single solution for H.R. We have a single solution for case management. So we're standardizing on these enterprise solutions that should scale across the whole city, and with that it makes it easy for us to do integration between these systems. And last talks about increased businesses effectiveness and efficiency, which also helps with managing and maintaining these solutions. We also have some public, public partnerships. That saves the city millions of dollars annually. The first one listed is the greater Austin area telecommunications network. Also referred to as the gaatn. This network has seven partners that share on the fiber that goes across the city. Some of the partners are aid, Travis county, university of Texas as well as the city of Austin. The next partnership we have is the combined transportation, emergencycommunications center, also referred to as ctecc. This houses the city's public safety organizations, police, fire, ems, while also housing Travis county, capital metro as well as Texas department of transportation. By having these organizations in the same facility and sharing information, it allows us to be more responsive and deliver better service to citizens in emergency situations. If, and just recent -- and

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gaatn as ctecc is looked as the industry leader and a week or two ago we had delegates from India to see the facility and how we operated and have these partnerships and these interlocal agreements that actually work. The last is the greater austin/travis regional radio system. There's four primary partners but scales across eight counties so it allows us to share the radio network with other partners and allows us to have inter operability as we go through counties. One of the savings I talked about in this space here, there was an up graded that needed to happen with the regional radio system, the towers themselves, which costs \$32 million which was approved several years back. This is something the city would have had to have

done anyway, but because we have the partnerships, the city's portion was 19 million whereas the partners paid the additional 11 million. Of these three programs listed here, the city is the direct support agency for these collaborative efforts. One of the questions that came up last year was about mobile apps, cloud solutions. One of the things that we're currently doing right now is we're rolling out office 365. And I think it happened here maybe within the last two weeks for city hall tenants. This puts our email in a cloud. It provides a ton of other tools which helps us with one of our initiatives which is we want folks to be connected any time anywhere. So now with office 365 not only do we have the email, we also have unified communication capabilities to allow video conferencing with mobile devices as well as the email piece, by having this as

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a cloud solution, we actually increase the size of the mailboxes and so we're no longer storing the emails locally but they are stored in the cloud. So again if you ever got the messages before your mailbox is about full, you shouldn't be seeing that again because we went to office 365. The other things we're working on is the Amanda permitting system which I think most of you are familiar are. The Zucker report identified some things that needed to be done to improve the experience for citizens and contractors and so we're continuing to make progress on meeting those business needs that were identified. We are adopting a philosophy of cloud first. When we look at business needs, we're determining if there is a cloud solution before we decided to something in-house. And we also want to make sure when we determine there's a cloud solution that it's a safe environment and that there's a way for us to retrieve our data if for some reason the relationship does not work out. And then a couple other things on here, the body cameras, which the council is aware of. The next item talks about open data. The city is recognized nationally as one of the leaders in the open data space and last year through the city manager's authority and leadership we actually increased our data set significantly by doing a sprint. We involved all city departments that identified data liaisons and each department was tasked with making data available. The one thing we found out was that we don't do a great job in communicating some of the things we're doing. There was a -- I think there was a couple citizens or business owners who talked to some of the council members about the city doing more with open data and we sat down with these folks and it was the capital factory, and once we explained all the initiatives we were doing around open data they were amazed and asked how they could help us do a better

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job of communicating our efforts in open data. They offered to host on their site, on their interoffice area information about our data portal as well as allow us to have hack-a-thons at their facility. We need to do a better job of communicating, but we've made huge strides over the last couple years. We're working on a flood early warning system which actually received awards nationally for its work. This slide here, I took from Gardner. Gardner is an information technology research firm recognized globally and this slide they created it February of 2016. And it basically -- if you look in the third box, the third set of bars with the rectangle around it, it pretty much says -- it looks what the digital impact on business is today and business being the departments supported by I.T. And so it says there's 39% of the businesses that has some form of digital impact. And then the green bar says two years from now that number is going to

grow to 60% and it says in five years, which is the yellow bar, that number is going to grow to 79%. What they are projecting is in five years the digital impact on business will increase -- will double in that amount of time. And if you think about it, if you look at -- if you look at home automation, the changes that are happening at home, that you are now able to do things today that you weren't able to do two to three years ago. Two to three years ago if you forgot to put the garage door down you may have had to turn around and make sure it's down or call a neighbor. Today you can look on the phone and see if the garage door is open or not and actually close it. And so -- and then from a city of Austin standpoint what does

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this mean if I can put this in real terms. If we look at what inspectors did 10 years ago, they would drive into the office, they would get their work schedule, they would pick up a clipboard, go out do an inspection, drive back to the office and enter information they got from their inspections. So today the inspectors, they have tablets, they are able to get their work schedule, they are able to go out and do inspections, they are able to use a mobile app, update the information, have it update realtime in a system, and because of the digital impact they are able to do more inspections without driving back and forth and also affecting the carbon footprint. So the last slide was sort of transitioning us to the future. Again, talking that the digital impact is going to double within the next five years. Some of the things we need to be aware of is strategies for future technologies. We see right now that individual departments are also looking at their individual strategies, but we want to make sure that we approach this as a citywide effort. And then the last bullet on here is a slide that is a bullet that came from Barcelona, which is looked at as a leader in a smart city space. Smart city uses information, communications and the internet to take on urban challenges. And so we want to make sure that that's part of our future strategy. So this next slide is just talking about the smart city's challenge, the city of Austin is a finalist, and the city has put a lot of effort in identifying what the strategy is for being a smart city. And if you think about it, that pretty much becomes a blueprint for where we need to go as a city. And so I think there was a lot

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of good work done to become a finalist and then that work -- you know, I'm hopeful that the city of Austin is going to be selected as the winner for this challenge, but if not, that work should not go -- it should not fall dead. It should be things that the city should still be considering and still doing because it was based on business needs. So if we look at what are some of the -- the components of smart city, there's the energy, there's water, there's waste, education, transportation, infrastructure. So I'm going to talk about a couple of these in the next couple of slides but just wanted to paint a picture of what things should be included as we look at -- continue to grow as a smart city. One of the things that should not be overlooked is digital inclusion. And so I'm not going to read this here, but this was an article that came out of the "New York times" and it just talks about the connectivity issues that some kids face. Before I used to say there were three components to digital inclusion. There was access to a device, there's connectivity, and then there's training. There is also a fourth module that I now think about which is mobile applications. And if the majority of the folks, if their device is a smart phone, we need to make sure that we're developing applications that allows

them to -- to do -- to do business with the city so, again, I think it's the devices, the connectivity, it's the training on a device, but it's also making sure that we have technology that's manageable with the devices. I'm going to click through a couple examples of what some cities are doing in the smart city area. The city of Portland, they have an air quality

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initiative. They have sensors where they are monitoring the pollution. The city of Austin, we have a smart phone app, 311 app that allows citizens to do realtime reporting, generate service requests and also track those issues realtime. In the public safety space, Seattle, Washington, they have an app that the neighborhoods can look to zoom into their neighborhoods and see the likelihood of damage from natural disasters. I'll add these all up. The last one I'll talk about is the city of Austin again in transportation. There's an advanced traffic management system which monitors traffic flow and changes signal timing remotely and immediately. So these are some things that we're seeing across the country that cities are putting in place to address urban challenges as was described in a previous slide. So if we look at the building blocks of a smart city, we're looking at citizen solutions, we're looking at the infrastructure and we're also looking at city staff. So on a citizen solution, at the very top it says open data. We need to continue to do more in open data. Yesterday I was here, there was a press conference I saw, several of the councilmembers here as well, yesterday morning, there was a company that came in, they took some open data, they built a solution that showed citizens the best -- not the best but options on what type of mode of transportation was available based on this location. So it showed if you wanted to take a bus, the bus would be here in X amount of time and it also showed where the different bus stations were across in the nearby area. It also showed how many bikes were available. So again, that was a use of open data. I thought it was timely there

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was this press conference and they showed how to use open data to build the process. We need to do more in the open space so we can engage with the entrepreneur community. The 311 mobile app, I talked about that already. I think that's an app that's at this point is where it needs to be, but we need to always continue to look at how do we continue to -- how do we advance and make sure it's continue to go meet the citizens' needs. Public wi-fi. Today we have public wi-fi in three small portions of the city. A little bit in east Austin, a little bit downtown and a little bit at zilker park. As I talked about the digital inclusion, this is something that we need to take on and figure how do we scale and extend the city's public wi-fi. The web redesign is something that we need to take on. The city put out a new web side in 2010-2011. Two years after it was released it was recognized as an industry leader. Best website for local government in the country. We're at that point now where we need to relook at our website and determine if it's still meeting the citizens' needs and what things do we need to do to keep up with the change in technology and the expectations that the citizens have with interacting with the city of Austin. And one of the future slides I'll talk about, you know, the focus on the citizen experience. And so the website is that tool that's going to help us with having a good citizen experience.

>> I didn't mean to stop knew the middle of a sentence if you want to finish the sentence.

>> The one thing I was going to say, I had a citizen come and talk to me and it was something I had not considered that as they engage with the city, that there's a log and a different identity is what hecalled it to do business with the city depending upon what department that individual is interfacing with. And so I think we can do a better job with a web redesign

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maybe to create a citizen portal so when a citizen comes in, it allows them to engage easier with the city.

>> Kitchen: My question was just to circle back to the community engagement task force because I'm not sure where that is in terms of giving us back recommendations. But I'm hoping that you are talking to them or can talk to them because one of the things that they are supposed to be providing back to us is information regarding what their thoughts are, you know, on how they can engage better. So I like what you are talking about, I think it's very forward thinking and really needed and just want to make sure your thought process and that task force thought process come together at some point. Do we know where that task force is in terms of when it's coming back to us? Anybody know? Okay. Maybe we can get a status update on that. That would be good.

>> Mayor Adler: Okay.

>> Kitchen: The community engagement task force.

>> They've been scheduled to give us a report, I think we've been talking about, report is in final stages and council agenda work session, in fact on Tuesday and I need to talk to the mayor about setting a time certain for that.

>> Kitchen: Great. That's wonderful.

>> Pool: That's been the case the last two or three meetings.

>> Kitchen: I know, I just didn't remember when it was. I just wanted to remind myself when it was and also have you all talked to the community engagement task force?

>> I have not personally. I don't know if someone from staff has talked with them but I will engage.

>> Kitchen: Okay. Thank you very much.

>> Mayor Adler: We'll go ahead. I'm going to hold my questions.

>> So the last bullet on here just says electronic plan review. We're looking at how do we make doing business easier with the development services area. You know, the plan is that you up load your plans electronically and then

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through work flow able to route and edit the comments and have faster turn-around time. And able to issue permits sooner. So again, on the investment side of this, we're asking -- we continue to invest in open government, which again is the data portal as well as the website redesign. We would like to develop a city dashboard for realtime information of traffic, air quality, public health, public safety events and service delivery. And invest in citywide wi-fi. On the infrastructure side, we need to -- we need to continue with our public-private partnerships. We need to look at more opportunities of public-public partnerships, as I described the three that we

have earlier. We need also additional internet capacity. And again, this is to support the demand for speed and security based on any evolving technology. We need a robust and reliable data center. And for the same reason we need a secure solution for that. And again, it's just we need to invest in our infrastructure. So again, it's just -- this here just repeats what I just talked about. Leveraging existing relationships and building relationships within a region. So on a city staff side, the H.R. Technology, mobility recruitment and talent, these are things that -- that need to be addressed also. So the first bullet talks about investing in a talent management program. You know, the idea here is that we attract and retain the best and the brightest. The challenges that we have here today is that we are a tech hub, there are a lot of

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tech companies. Our workforce is a tenured workforce and at some point those folks will retire so we need a strategy to bring in new folks but also a strategy what we're call flexible sourcing is that we don't expected to do a one to one replacement because today the market is just not there, so we're looking at alternative things such as cloud first so we off load some of the maintenance of the applications to a cloud provider. We're looking at managed service contracts. So again, that does not take the place though of us still needing to hire folks and retain folks. We need to make sure we have that in place. We need to continue to invest in web services. And I talked about earlier that we need to focus on the citizen experience and make sure we increase access to city services. And then the last bullet I have here is we need to invest in a human capital management system. Through our governance process that I spoke about earlier, over the past couple of years the city departments have identified this as a number one business need year after year after year. And so this here talks about having a single system of record for core human resources, the workforce management support and talent management support for staff development. And so I'm going to turn this over to Dr. Mark Washington to talk more about the human capital management.

>> Thank you, Steven. Good morning, mayor and council, manager. We wanted to share with you the importance of the human capital management, and as Steven said, essentially it is technology that supports our workforce. And our workforce is our most important asset in our municipal inventory in terms of resources that we have. And right now our workforce is

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primarily supported with a lot of manual processes that are bifurcated and have a lot of work-arounds. You may have experienced that in the on boarding of your offices when you came on. There were a lot of paper-based processes. Certainly that is not the workforce of the future or the present. And I'll talk a little later about some of the things that have already been discussed in public by various media reports about some of the deficiencies that we have in our technological capabilities. But we spoke of deferred maintenance earlier on the building side and Steven alluded to some of the technology investments that have been deferred. Will with, we've had a system called banner that is our human capital management system that we've had since 1997. And it was not intentionally designed to support a workforce of a municipality, and then not as large as we are now. It's primarily used in educational settings. But ideally what the chart illustrates is that a human capital management

system would have three tiers, if you will, if we look at the cake. The foundation of a human capital management system would be essentially to ensure that we have effective and consistent and reliableability to pay our employees a good payroll system. You have other aspects of employee administration around that. The second level looks at the workforce management needs. How do we schedule, how do we record time and attendance, requests for time off, and you get into the time sheet issue that you may have read about, having paper based versus electronic based and how do we manage leave. And the third area is how do we engage our talent, develop

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them and compensate them and evaluate the talent that we have. If you were to use this as a dashboard in your car and you would turn the switch on, you would be alarmed to see so many red lights. But that is the current state of our human capital management system. We had Gartner consulting group come in in 2013 and provide an analysis of our human capital management system, and as a result they identified several areas that lacked -- that had some deficiencies. What we can say is the reason why there is one green area on the chart is that we do have a good payroll system. We pay people on time and reliably based on the system's capabilities. If there are issues regarding payroll, it is not a systems issue, it is a human issue. But there are other areas that we can improve upon to improve the efficiency of our workforce and better use some of our human capital. Just to give you a background of the most recent discussions regarding human capital management, I mentioned in 2013gartner consulting came in to perform a feasibility study, and at that time we did brief the council after the completion of the study in February 2014, 2013gartner presented their results and we had a estimated range. If we were to update our human capital system it would cost in the neighborhood of 38 and 48 -- 39 million and \$48 million. We talked to other citiesbecause we found ourselves uniquely positioned to be so far behind the market where all of the other largest cities, the other ten larger

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cities than Austin had already implemented a more current and robust human capital management system and all the major cities in Texas had more emerging technology.We had a round table in Austin to figure out how were they able to prioritize that for their workforce. And how they were able to make those kind of investments. And one of the lessons that we did learn, Steven alluded to earlier, that as an I.T. Strategy moving forward to use more applications based in the cloud. Well, there were very fewsolutions in 2013 that were cloud based. It was really new for human capital management or for workforce solution. And we did see that once cities began implementinghuman capital management, the city of Orlando was one of the first municipalities to do that. And as a result we initially had some concerns about security because there's a lot of personnel and sensitive information in the cloud, but that has seemed to become a very emerging technology as there are other adopters and other public entities moving to a cloud based human management solution. What we learned when we began talking to the city of Orlando is that the same provider had also begun working with the university of Texas and they are moving from an on-site solution to a cloud-based solution for human capital management. And so as a result we did mention when this council did on board, we knew that this was a deferred need but there were

other competing priorities, but we were able to go back and evaluate the

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difference between what we presented in 2014 with the on-premise type of solution and ask Gartner to provide cost analysis and what you will see is that it is significantly more affordable for clouds based solution than on-premise solution, and from everything that we have been able to research, that all of our concerns regarding security and reliability have been addressed and we do think that it is very feasible to move forward in looking at a solution that is cloud based than on premise. What you see are the costs for both of those systems for five-year costs, and the 17 to \$29 million for cloud-based solution, if we were just looking at the first year's costs, it would be total around \$9 million and of that for all funds and for just the general fund, just to give you an idea, would be somewhere between the neighborhood of three to four million dollars for the first year's cost estimates. So we essentially have been able to look at something that is much more affordable than initial 39 to 48 million-dollar price tag that we had previously

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electronically then manually. And as a result because of the manual processes, we do experience, it is very labor intensive to be responsive to requests for information. We've also been advised by several audits from the city auditors of the various risks that we have, the introduction of human area when you have multiple system processes. There were specific audits that talked about our risk of not complying with not only city policy but also federal and state law. So these are pretty important things we could mitigate if we had a current system not to mention the need for eliminating redundancy if our processes. As I mentioned earlier, you are familiar with the news report that was made public earlier this year about the paper time sheets. We too are certainly not pleased to have such manual processes each pay period, but as I alluded to earlier this is not an inexpensive solution and it's something we've been looking at for some time and hopefully we are able to make more progress as we begin these policy discussions now and looking towards the fy 17 budget. I've talked about some of these risks or issues before and I just want to highlight again some of the benefits with having automation. We reduce the likelihood of having major risk and ensuring compliance. I think there will be a lot of satisfaction in terms of the quality and quantity of services that we could provide, and there's also an

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environmental benefit of reducing the amount of paper that we use within our workforce. And that ensures that we are able to be more efficient and demand less of our employees' times and producing routine requests for information and be able to provide more robust data analysis. And this would also assist in any responsive request that we might have for public information or even making our government more accessible to our community. So this is the last slide here, which is -- gets us to the policy discussion. We went through the past and now -- and into the future, so really the question is does the city council support us continue to invest in the future to meet the citizens' needs here in Austin.

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

>> Kitchen: I would just say on my part I'm very interested in -- I'm very interested in ensuring that we're a smart city. I think it would be helpful for us to understand some additional information about, you know, what are we talking about. Because I think it helps to have example -- you provided some examples, but I think it would be helpful to actually -- as we go forward thinking about what our investments are going to be, if we can connect the investments to some specific initiatives that we are going to choose to go forward with. Not that -- I understand once we get the infrastructure then we can use it for a whole lot of things, but -- but we need -- I personally would like to see the connection, you know, if I'm going to support putting additional dollars in for different kinds of infrastructure, I want to

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be able to also point to that this infrastructure is going to support this initiative, this initiative and this initiative that we're going forward with. Just because it makes it more concrete. It's easier to explain. And it's easier to say, okay, that's an initiative that we know supports our other policy goals. As you work through the process with the budget, and a lot of different departments are working on initiatives and I know the whole smart city will have initiatives in it. At the end of the day and we're thinking about the actual dollars we need, making that connection would be helpful.

>> We can certainly do that. I guess I would ask just so we're clear, would you agree that the presentation on the human capital management was an example of the -

>> Kitchen: Yes, I think this is an example. At this stage in our process, this is a good amount of detail for me. I'm just saying when we get down to the point where we're actually voting on the dollars, I would want additional level of detail.

>> Okay.

>> Mayor Adler: I had a question that kind of relates to that. Same thing, you went to capital factory and laid out everything you were doing and they were surprised and impressed and wanted to help. I would love to see that presentation too. What we were already doing and what challenges were being met by what we were already doing. So not only the perspective look but the respective look.

>> Absolutely. It was less of a presentation, but more of a discussion. And just making them aware of the things, but we could come back with an open data presentation.

>> Mayor Adler: I think that would be helpful so we would know what -- I would like to be able to talk about what we're doing in open data in the city. That would be helpful for me. And then mark, Dr. Washington, I didn't get the budget implication of what it was you were asking for. I saw the big number when you said this is the first thing and there was another look you took at it?

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>> What I was sharing on slide 23 that the cloud-based solution range of costs is between 17 and 29 million dollars. And that's a five-year cost number. And the first year for a total cost in the range of 9 to 14 million dollars, that is about three to four million dollar general fund impact.

>> Mayor Adler: Okay. Thank you. Further questions?

>> Houston: Yes, mayor, I have a question.

>> Mayor Adler: Ms. Houston.

>> Houston: And this is perhaps to you. Is it your expectation that everyone in the city of Austin will be able to relate to the city via technology? Is that -- is that the goal here?

>> Mayor Adler: That would be one of my goals. I think people can't relate because they don't have access and the like. Presents two questions. In the meantime, how do we enable them to be able to relate to the city, but as a forward-looking goal, I think for me I think it's important for us to set the goal to have everyone in our community able to do that. Because as long as they are cut off and don't have that capability, there are additional harms that are being created from that. So creating that digital -- dealing with the digital divide in this city I think is a real important thing. Which reminds me of the question, and I don't know if you have been plugged yet into the spirit of east Austin issue where we may have digital divide issues. The concept of expanding wi-fi capacity in targeted areas is something that I would also like to be able to see.

>> Houston: Well, that's the reason I asked you that question because that's a real laudible goal, but I didn't hear anything about how we

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create opportunities and cover more of the communities who don't have the access to technology. And so my question to you, sir, and I can feel your passion about this, mine is on another end is how do I get my community, the people engaged in what the city is doing and how they can relate to the city and interface with the city, not on that grand scale but just on their daily scale. So I guess one of my questions is are you mapping where there are gaps in services and how do you hope to address those gaps?

>> So the way I would answer it, there's a -- a city group that's working on the digital inclusion. We're working with them. And part of the -- you know, again, you talk about where I think the areas are which is the equipment and so I know that the Austin housing authority, they are actually repurposing their computers to underserved areas. We're looking at from a city standpoint how do we do the same thing, how do we repurpose our computers since we're on a Normal refresh and some of our computers are newer than nonprofits or where folks don't even have computers. So we're looking at that. I talked about us extending the public wi-fi, and the city %-has partnerships with agencies such as Austin free net to provide training. So those are some of the things I know the city is doing. I'm not leading that effort. I think that could be another presentation that could be made for the council which is the hole digital inclusion efforts across the city.

>> Houston: So is that in the things we're talking about now, are they clued in the digital inclusion plan, strategic plan?

>> I believe so.

>> And I could elaborate. Rondelo Hawkins from the

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regulatory affairs office oversees our digital inclusion strategy. And as we talk about smart city, that is to your point earlier, it's important to ensure that everyone has access to the technology. And some of you may have been over the public utilities may be aware of the current discussions about expanding the wi-fi capability in the downtown area. One of the things that we are looking at as part of that policy is to not only look at the capabilities of wi-fi downtown, but in those areas where there is a

gap in the community, and particularly in east Austin, and so our question as we evaluate that or as providers are coming in to try to expand the wi-fi capability in downtown, there are some that are also interested in also expanding that capability throughout the community.

>> Houston: So thank you, Mr. Washington. When I'm talking about me, I'm talking about the crescent from north to southeast where there is lack of amenities and where we always focus issues -- or improvements in a certain area without thinking about them. That never really comes to the forefront when we're having these kind of conversations, so that's why somebody on this dais usually has to bring it up because it's never the first thing we talk about, it's always an afterthought. We think somebody is doing it, we're hoping somebody is working on it. But I have another question about communications and technology. Are you over all of the communications and technology in all the departments or does each department have a different management group and somebody that's here in communications and technology. Their own group, convention center, do they have their own group? How is all that interconnected?

>> Sure, that's a good question. So I'm over the general fund

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I.T. Group. Also looked at as the city cio. Austin energy, convention center, the ones you just talked about, they also have I.T. Staff. And so through our governance process, we actually look at a centralized direction even if, you know, we are in a federated environment. So again, they do have their own I.T. Staff. I meet -- you know, the leadership from those teams, we meet monthly and we talk about -- we come up with a work plan for the year and we look at things, enterprise solutions that we would take advantage of together, such as hcm system. Austin energy would not go out and buy their own hcm system, not going to get their own financial system. The governance piece comes into place -- and I would expect this from general fund departments, we look at what our core systems are and we have a single system of record, but then for department's specific needs, they may have individual tools to help them with their line of business.

>> Houston: So how

>> Houston: How many specific I.T. Departments are there in the city?

>> So that's a tough question because some departments, they may have a business systems analyst that may help them with some reporting on their specific line of business, and so if I look at that, you know, would I call that an I.T. Department? I would say no. But if I look at department that have more than, say, ten people, there's probably, like, maybe -- maybe eight, eight departments that have I.T. Staff.

>> Houston: So you communicate with all of them?

>> I communicate with all the I.T. Staff monthly.

>> If I may, I just want to be careful about the wording when we refer to other departments or enterprises as having I.T. Departments. Just a bit of a misnomer there. We have departments and enterprise operations that have significant I.T. Functions.

>> Mayor Adler: Right.

>> -- Within the department,

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but not separate departments, per Se, as we're -- as you're talking about it, as you have been talking about it. So I just wanted to make that clarification.

>> That's correct. I am the I.T. Department, and the others have I.T. Staff embedded in their operation.

>> Houston: I'm glad for clarification, manager because what you've understood is each of those kind of worked independently and there's not a way that it's coordinated in a single focus. But now that I understand that's --

>> There is coordination, and, you know, Steve sits before you as our corporate representative for -- you know, for I.T., but there's no question that, you know, some of our business operations, business enterprises, like Austin energy, they have a significant, you know, I.T. Function. The law enforcement has a significant, you know, I.T. Function. There is this expectation, though, that enterprisewise, as a municipal corporation, that there is -- there is corporation, there's a synergy there. That's why they come together periodically to discuss strategy and long-term -- long-term planning.

>> Mayor Adler: And in that respect, one of the I.T. Issues that have come up to us over this year is the permitting department issue, the things that Mr. Gonzalez is working through. And I think a lot of people are look at the technology -- technological advancements as being one of the ways that we're going to be able to meet the goals. And I want to make sure that we're doing everything we need to do in providing the support necessary in order to have those folks be successful. That's one of our more outward-facing --

>> Yeah, the permit -- what's happening in permit is a high priority for us at this time, and the council approved a couple of rcas in the past couple months on us bringing in staff also advancing the technology for the Amanda system. So it's a high priority for

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us.

>> Mayor Adler: Okay. Do you see us using the Amanda system in permitting indefinitely?

>> Do I see it? I will tell you I looked at the new revision of the Amanda system. I thought the old -- the Amanda system of a couple years ago, the technology looked old. They've done a rewrite, and they've just released it, I want to say September of last year they had a release, and it's very modern. It looks very competitive with other products that are out in the market today. So I think we eventually move -- I think it's Amanda 7 or Amanda 8 is the new version, the web-based version, and I think once we put that in place, I'd have a better feel for it but I look at that, and it looks comparable to what I see the other leaders are doing.

>> Mayor Adler: Okay. Any other questions? Thank you very much for your presentation. Mr. Van eenoo?

>> That concludes our two presentations for today.

>> Mayor Adler: Mr. Zimmerman.

>> Zimmerman: I have a quick question of where we are. If anybody can comment on the Google fiber roll-out and why we think that is so far behind schedule. Again, that's not unique to Austin. I think Google tried to go into Kansas City and estimated at a certain time that they would be up and I think they were off by years. So is there any way we can find out where we are on the Google fiber gig bit rollouts and why it's been delayed so much, if we have information? Maybe we don't.

>> Houston: Mayor, as a part of that Google fiber also provided computers to all the housing authority properties.

[12:04:07 PM]

I think -- is that correct? So when you talk about the housing authority I'm confused because they're already supposed to have their upgrades and training. So the gaps I'm talking about are outside of the housing authority properties.

>> Zimmerman: So there's a slide here that talks about the infrastructure and public-private partnerships. Is the Google fiber considered one of those partnerships or is it just a private arrangement?

>> Well, the Google -- it is a public-private partnership.

>> Yeah, sure, sure. Good afternoon, mayor, counsel, rondella

Hawkins, telecommunications and regulatory affairs officer. Google fiber deployment is underway. I believe they started serving customers in southeast Austin and they are moving forward with building out their network. We don't have a time line or when the private company will be -- as far as their schedule, but they are working through permits and working with Austin energy. So they are moving forward. I don't have any more specifics other than that. That would be proven a better question -- probably a better question to Google fiber themselves. Google -- Google fiber themselves.

>> Houston: Mayor, could you talk when secretary Castro was here and their relationship, Google fiber's relationship with the housing authority?

>> Certainly. That is a program that we here in Austin are very proud of. It was a partnership called unlocking the connection between the housing authority, Google fiber, Austin community college, the city of Austin, whereby Google fiber will be providing free internet connectivity into the residents of the housing authority properties, all of them. And we have Austin community college that is donating some refurbished laptops and desktop computers, which is important in addressing the

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digital divide and finally the training component so that everyone understands, has basic technical literacy schools and that program was adopted by H.U.D. As the national initiative called "Connect home" which is being deployed in 15 cities throughout the U.S. And we have other programs or initiatives besides the unlocking the connection. We have public computer labs where we provide access to computers and the internet in underserved areas, primarily northeast, east, southeast Austin. So we have a long-time commitment to ensuring that residents have access and understand the relevancy of why it's important to be connected. And we're continuing to operate those programs.

>> Houston: Other than Austin free net, which is on rosewood and chestnut, I think it is, where else east of I-35 do you have public access?

>> Austin free net operates about 15 labs and besides the garden terrace, they're in arch, the homeless shelter, they're at St. John's neighborhood center south -- they're operating in a couple of our senior centers south. Then we also have another program, the grant for technology opportunities program, which is an annual grant that the city provides matching funds to nonprofit organizations for addressing the digital divide, and those are nonprofits that have specific, you know, clients that they're trying to serve. And they operate throughout Austin a lot -- primarily in east, southeast of springs,

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partnering with the elementary and with aid. So we have a -- I think a pretty robust program and support and we are recognized by many other cities as kind of like the best practice in working towards that.

>> Houston: Thank you, Ms. Hawk ins.

>> You're welcome.

>> Houston: Could you provide all the councils those locations by district so they know where those opportunities are for the constituents in their district?

>> I'd be happy to.

>> Mayor Adler: Okay. Anything else this morning? Then we'll stand adjourned.

>> Houston: Mayor, we want to talk about whether or not we want to --

>> Mayor Adler: That's right. While we're together, let's talk about whether or not we want -- next Tuesday whether we want to come back into this chamber or whether we want to go back into boards and commission room?

>> Garza: Who wants it in here? I'm just wondering.

>> Mayor Adler: I think -- I don't remember who brought it up at the last meeting. Mr. Zimmerman has expressed a preference to be here in the comments earlier today. I don't remember who raised the issue at the last -- last week.

>> Pool: Mayor? I was the one who looked at the configuration of the tables in the boards and commission room so I was the one that kind of raised the issue. It looked like we had lost seating for staff and visitors who wanted to be in the room with us when the corral was put in for the tripods for TV cameras and I floated the idea of taking one of the tables out from where we sit on the arms to -- back to the original configuration that we had so that we could bring back one or two rows of chairs for the audience.

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And there were a couple of councilmembers who specifically said -- I didn't know about councilmember Zimmerman, but two other councilmembers didn't either want to move the tables and put four of us in three tables. I think the front has five people at three tables and I thought on the sides we could put four of us on three tables but there was one councilmember who didn't want to narrow down the amount of table spot -- I mean, they are kind of shallow, then the other councilmember suggested that we come in here. That's pretty much the lay of the land. So I was the one that brought up the issue, and it was only to try to bring accommodations to the people who -- other than us are in that boards and commissions room and need to be in there either to talk to us or listen to proceedings.

>> Houston: Well, mayor? I'm sorry. I think if it -- that -- as I said earlier, that sense of collegiality is lost in this space, and we've got many options for people. My staff included can listen on the computer. They can come down here. Maybe we could live broadcast it in this room so they're close enough to us. They've got the bullpen. People who -- citizens who want to participate, they can either come in or not. It's live streamed outside. But I feel really far away from everybody, and on council meeting days that's one thing. And even with my limited computer access, I need to look up something, I know how to do that on my little laptop. So I can teach you, councilmember Zimmerman, how to do that. [Laughter] So I just think it

loses something as we're trying to have that -- a conversation and not be talked at or talking to some -- to staff. So I'm not comfortable with us staying in here next --
>> Mayor Adler: I also like the other room better just because we're closer, but I think that councilmember pool raises a good issue. I don't know. If you took the tables on the end -- I know we're trying to

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accommodate that. If you took the tables on the end and turned them sideways you would end up with a half a table as opposed to a full table at the end, and I don't know if that would give us an extra row of seats. I do know that you can't take the tables that are in there. I do know you can't take the tables that are in there and put them on their end because there's a vertical -- there's a diagonal bar that would stop someone's leg. So it might be that staff could take a look at that table situation and see if there's a row -- way to be in that room and take one of those full tables and make it a half a table. It would still be considerably greater room on the sides than there is at the horizontal piece, but it might give us one more row of people in that room.

>> I'll get with our building management, and we'll kind of play around with a configuration a little bit and give you guys some options.

>> Mayor Adler: That would be great. Anybody else want to be in this room next time? The mayor pro tem had also indicated a desire to be back in the other room. So.

>> Pool: And I do too.

>> Mayor Adler: We'll go back to the other room if you can help us with that configuration and we'll stand adjourned now. Thank you. [Adjourned]