

City Council Budget Adoption Reading Transcript – 09/13/2016

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[10:03:19 AM]

>> Mayor Adler: City council chambers. We are continuing in our council meeting. Not continuing, we're continuing the same task as yesterday's council meeting. Jannette has sent us all an email that contains language about the votes that are required. And it is consistent with what we told you yesterday. It takes six votes to pass the ordinance on a reading on a day. If we are going to try to do two readings or more on any given day, that requires seven votes. And at this point, we're going to have to do that either today or tomorrow. But conceivably, we could vote today to pass something on first and second reading with seven votes today, and then to approve it tomorrow on third reading only with six votes. So we could do that. We're not required to do that, that's just one alternative. The other thing that is not here on Jannette's email is that when we pass the budget, we have to pass the tax rate necessary to deliver our budget. And under state law, that's going to require us to use a vote of seven people. If we set the tax rate at anything north of the effective rate, which we're going to be doing. So whether we vote today to approve the tax rate or tomorrow to approve the tax rate, that vote's going to require seven affirmative votes, okay? So, that then gets us to the budget for today. We have a budget on the dais which are the manager's budget as changed by the staff issues yesterday, and simplified or narrowed at least physically on a piece of paper with the budget that was entitled the Sunday, September 11th budget.

[10:05:40 AM]

That, as we all recall, actually doesn't balance. And I was told yesterday -- I told you yesterday that it was \$107,000 off. Mr. Van Eenoo told me it's -- when you put in the reserve fees to support the budget that was presented. So the budget on our table is down \$167,000. Is that right, Mr. Van Eenoo?

>> Yes.

>> Mayor Adler: Okay. See how easy the questions are today?

>> I appreciate that, thank you.

>> Mayor Adler: Okay. So, I think that we were talking yesterday about a way to proceed. And it may be -- the suggestion was made, and I think it's good -- for us to focus first on revenue source items to see what revenue sources -- revenues we can turn up. The ground rules as we have all discussed is that we're going to be comfortable with taking revotes on things later in our process if, as it turns out later in our process, there's a critical mass of people that say, boy, I'd like to revisit that earlier vote we took on

this issue now that I see how things are evolving. So that's the other ground rule that we have. So what I would do -- and I'll open this up to the dais here in just a second -- is I would ask for motions on revenue.

>> Could --

>> Mayor Adler: But before we do that, let's have a conversation about if anybody wants to do a different kind of procedure. Councilmember Kitchen.

>> Kitchen: I think that we never voted to start from the September 11th.

>> Mayor Adler: We did. I asked if there were any objections on the dais. There were none.

>> Kitchen: Okay. But I want to revisit that today.

>> Mayor Adler: Okay.

>> Kitchen: And that would be the first thing I would want to revisit. And I'm fine with starting from this. There's only one item I want to pull off on the revenue side, so I am happy to make that motion, and we can do it that way.

[10:07:46 AM]

But I don't want to assume that everyone's -- well, I am personally not comfortable with everything that's on the Sunday, September 11th sources of funds side.

>> Mayor Adler: No. And I think the understanding was when we put it on, the conversation we had is that no one was saying that they were comfortable with everything on there.

>> Kitchen: Okay.

>> Mayor Adler: And that was not the issue.

>> Kitchen: Okay.

>> Mayor Adler: Nobody was endorsing that because it contained what they wanted it to contain. In fact, I'm not sure that anybody on the dais --

>> Kitchen: Okay.

>> Mayor Adler: Believed that what was laid out represented their personal views of what should be on there. So today we'll now go through this.

>> Kitchen: I don't care what order we go in. If you want to take other ideas first, that's fine. I just wanted to signal that at some point, I want to get to this one.

>> Mayor Adler: I'm fine, you're talking about the senior exemption. I'm fine having that as our first discussion and vote.

>> Kitchen: Okay.

>> Mayor Adler: Because it is a revenue source item in this budget. So I'm real comfortable putting that up first. But I think that's where we are.

>> Kitchen: Okay.

>> Mayor Adler: We'll start calling up some of these line items.

>> Kitchen: Okay.

>> Mayor Adler: And let's discuss them and then vote on them.

>> Kitchen: I'd ask to wait until councilmember Gallo is here. That was her item.

>> Casar: Mayor.

>> Mayor Adler: Yes, Mr. Casar.

>> Casar: I think that for me, the process that would work best is -- my preference is since we are, right now, in our base motion, 167 in the hole, that we take as many votes as we can that would put us into the black first. Because that will help me on my votes later on how much to spend. So, for example, I have a concern with the \$50,000 less in the downtown Austin community court, less than is in the manager's budget. It's not a cut to the downtown Austin community court, but there's a \$250,000 increase and this would be \$50,000 less. I have that concern. But I would prefer to not debate that

motion to restore that until we've gone through everything to put us into the black so I know how much we're dealing with.

[10:09:58 AM]

If we have 50,000 we're in the black at the end of this -- I hope we have more -- I can prioritize whether I want that to go to S.N.A.P. Or to go to the community court. But if I'm in the hole right now, it's -- I'm kind of voting in a void. So I would like for us to get as into the black as possible and then take votes on any spending choices.

>> Kitchen: Okay.

>> Mayor Adler: That would be fine. So that would have us focusing first on revenue-type issues, things that add to the revenue. And on the -- and that -- we're not limited to just the things that are on the pages that were handed out. Anything and everything is in play by way of revenue sources. Yesterday there were three documents handed out that had revenue sources. Most directly, I think there might have been one or two other ones on the -- kind of the base place we were on. Obviously, there was two pages to that, one thing on the sources of funds, and one was uses of funds. On the sources, mayor pro tem handed out a list that had sources of revenue. There was also the sheet that came from staff that had \$3.8 million of additional things. Our base budget right now that has the list that I handed out yesterday on the dais that totaled 1.1. Those were also all additional sources of revenue. Everything is in play. Councilmember pool. No, we're ready to . . .

>> Pool: I wanted to check with staff on the additional cuts that were made to see if the one long-range planning position on volume one page 251, \$84,679 spot, I'm thinking this is a vacant planner position.

[10:12:03 AM]

And I'm wondering if maybe one of the other vacant planner positions could do the long-range planning. And so, was this fte one of the ones that was offered up for a cut? And if not, I'd like to put that on the table. Volume one, page 251, third from the bottom, a nine-month funding plus associated onetime cost to add a position to long-range planning. And my ask is, was this included in the cuts that were done in the most recent round, and if not --

>> Mayor Adler: Hold on, mayor pro tem, do you want to help us?

>> Tovo: So I'm just looking at the mayor's -- what I've named the mayor's picks, the things that the staff had brought forward that the mayor included in that 1.2. It appears to me it was not included.

>> Pool: Okay. So I would like to put this on the table for a recommended cut. I'm thinking the long-range planning can be done by an existing planner position, we have several vacant.

>> Mayor Adler: Which line item was it on the staff, so we're all looking at the same thing.

>> Casar: It's on the back of your second page.

>> Tovo: About mid-way through the page.

>> Mayor Adler: 84,639.

>> Pool: That's correct.

>> Mayor Adler: Item.

>> Zimmerman: Mr. Mayor, a point of order. It sounded like that was a motion made, amending that budget item. Was that -- I think that was a motion made. I'd like to second it.

>> Mayor Adler: I think --

>> Zimmerman: If it was not, I'd like clarification. Are we making a motion?

>> Mayor Adler: She asked a question. It may turn into a motion, but I think the question was about the \$84,639 associated with the nine-month funding, plus associated onetime cost to add one position to the long-range planning issue.

[10:14:26 AM]

Do you want to talk about that?

>> Yes. Greg Guernsey, planning and zoning department. That is in the memo that Ed van eenoo sent out on Sunday. I don't believe it's on your list at this moment. You are correct, it is for \$84,639, for a long-range planning position, in the proposed budget.

>> Mayor Adler: Okay. Can you talk about how -- you said it was long-range planning to support small-area planning and support the ongoing mapping of the new development code. That's the codenext process?

>> Yes, it's a position the city manager put in the budget to assist with the planning. We're going to change, basically, our tact in how we're going forward in neighborhood plans, and would be a part of the mapping process. When I speak to the mapping process, under codenext there were two pieces. One piece is actually drafting the code and the second is how you would apply that to the city. So we would be rezoning the city. And this position would help us inform the mapping process looking at the plans and how they would apply throughout the city and how we would apply the zoning under the new code to those different tracts of land in the planning area.

>> Pool: And so my question for Mr. Guernsey is could we use one of your existing planner vacancies to shift over to long-range planning and free up one of these ftes?

>> I have some vacancies, if there's a council desire, I would certainly do that. I anticipate as we get closer to the mapping process, I'll be maybe shifting some of my staff from their duties temporarily just to assist with the mapping process, because there's going to be a great demand on making sure that we get that right throughout the city.

>> Pool: That's great. Thank you so much.

>> Mayor Adler: So the question I have is, one of my priorities is to go through this budget process, is to make sure that we have the resources put to the codenext process as necessary in order for that to be able to be delivered.

[10:16:36 AM]

I think that the sooner we can get that process done, remove the unknowns for the community, it's important. And I'm not sure there's much the city is doing long-term that's more critical than the codenext process. So the question I have that corresponds to the question that councilmember pool gave is, obviously I'm all in favor of finding money and turning up money for projects. But I want to make sure that we're not prejudicing the codenext process. Is this a deletion that you're comfortable with in still being able to deliver codenext?

>> I am comfortable with the council's understanding that I'll probably divert resources elsewhere in my department to make sure that task gets done. So there may be some other task within the department that may be delayed in order to make sure that I can deliver codenext on the timelines that I have already stated.

>> Mayor Adler: What kind of --

>> Pool: And that would be my hope as well, which is why I was asking if we could shift the vacancy that is currently listed as planner and maybe shift this long-range planner so the work can be done with existing fund you have in your department, covered with a position that is not yet filled, essentially, or shifting the new responsibilities onto a vacancy that hasn't been filled.

>> That may be done, but the activities they would've been doing otherwise may be delayed. So I might be taking that from the zoning section, or the annexation section. Somewhere else with the department,

I'd have to draw upon to make sure that I have adequate resources to do the mapping, the rezoning that's necessary under codenext.

>> Pool: That's good. I think we are prioritizing the codenext work.

[10:18:37 AM]

>> Mayor Adler: So councilmember pool moves to add the additional change in revenue by adding \$84,639 as per the discussion we just had on the long-range planner. Second to that, Ms. Kitchen. Any objection to that?

>> Casar: I don't have an objection, but I do have a question.

>> Mayor Adler: Okay.

>> Casar: Would we have to -- would it be useful to leave the position authorized, is it helpful to be authorized such that you could move the funds over, or do you already have that title available in the department?

>> Well, as I said, this is a new position. I would be reassigning an existing planner within the department to take on those responsibilities.

>> Mayor Adler: I think Mr. Casar's question was more a logistics question. Do we need to authorize the position, but not necessarily fund? What is the logistics involved in adding a new position when we're not actually . . . What we're doing is we're changing the responsibilities, potentially, for somebody. What kind of direction do you need from us in order to effect this?

>> If I'm following your question, director Guernsey would have more flexibility if you choose not to authorize the funding, but still authorize the position. Then you would have more flexibility as the year proceeds to hire that position if he ends up having savings elsewhere in his budget. That would be part one. Then part two is, as staff is doing our work to look at the downstream effects of your decisions, we would load the cost into the fiscal year '18 budget. If you approve the position but don't fund it this year, we assume it's going to be funded in '18, so that would be have an fy18 consequence. If you just cut it, I wouldn't vote it into the '18 forecast. I want to keep bringing this back to, how do our decisions affect future budgets.

>> Mayor Adler: Is it an option to authorize this position and cut the --

[10:20:41 AM]

>> The funding.

>> Mayor Adler: Some other position? We could authorize it and not fund it, but that leaves you with two ftes authorized, the issue you just talked about. The other option would be to authorize it, fund it, and fte.

>> You could, but if they're both planner twos, it doesn't matter. You'd have one funded planner two in the budget. If you cut an existing vacant one for some other function and add this one for this function, that doesn't give any different -- you know, discretionary authority to the director.

>> Pool: It's the same amount of money.

>> Same amount of money.

>> Pool: The and the same classification.

>> Casar: That was my question.

>> Mayor Adler: That's what Greg's question was. I don't think the intent is to have two ftes authorized, but to have only one. Greg's question was, do we need to authorize the new one to move to that, or is the action we would take just to not add an additional fte, a planner two position.

>> I think the action is to just not add the additional position, knowing that director Guernsey has the ability to reclassify other positions in the budget if he needed this function done. He has quite a bit of discretion to manage his budget throughout the year.

>> Pool: In the budget-writer, we'll have language that specifies the long-range planning for codenext is a priority, and we would ask that it be a priority for filling when director Guernsey is in that position to do that.

>> Mayor Adler: By way of nomenclature, I know we're going to talk about this and have it tomorrow, budget writers mean certain things to different people because they have a long history of things. So I think we should not use the word budget rider, because people will think we mean different things. There is a section of this budget that we've discussed where we're going to give direction to staff.

[10:22:42 AM]

And we're going to talk about those wordings tomorrow. It's been suggested that we try to do those things in policy statements as opposed to management kinds of statements. But the policy directive that we want an emphasis to be on codenext, I think will be appropriate for us to do. So let's call these rather than budget riders, which mean things to people, let's just refer to them ourselves as directions. And let's make a note of that. So tomorrow when we have the longer conversation about that, we'll bring that up. But we'll note that as an additional thing to consider as part of that -- by way of direction. All right. It's been moved and seconded to increase revenue in this budget by removing one of the planner two positions. Any further discussion on this issue? Mayor pro tem.

>> Tovo: While we're talking about this planning position, I'd be interested in just getting Mr. Guernsey. I guess I shouldn't really do this, because it's out of order. But the next one, it seems to me, quite similar. And I'm wondering if there's an option for doing the same thing, of just redirecting staff to these important priorities.

>> The second position is a position that is identified more for GIS skills, doing more of the technical mapping. It's not one that is looking at the plan so much as it is actually assisting with changing maps and then looking at those areas. So it wasn't directly as related to our existing plans.

>> Tovo: All right, thanks.

>> Mayor Adler: Okay. Yes. Mr. Casar.

>> Casar: And of all of the things presented in the staff cuts, this and the downtown community court were two that I put stars next to that I thought I would be least comfortable with cutting, because I really want this emphasis on mental health, and then also on our long-term urban planning which helps with our long-term fiscal health, along with other things.

[10:24:53 AM]

But with Mr. Guernsey's statement, I feel comfortable right now just doing this one. But I would reserve my right to, over the lunch break, circle back with my staff and see if I understand it well and potentially change my mind. But for now with Mr. Guernsey's new information, I think just this one is somewhere that I'd be comfortable voting for with those reservations.

>> Mayor Adler: Okay. Yes, Ms. Gallo.

>> Gallo: I'm not going to support cutting this. I think that as we talk about our concerns with the codenext process, we talk about a land development code that we are our previous land development code was implemented. And we talk about the management of a department that certainly in district ten we know has spent an incredible amount of time and energy on zoning cases, that I think when that staff, that department director comes forward and needs additional personnel to help manage that department and do things in a timely -- mapper and make sure the codenext process comes forward, we

need to listen to those requests and I would not support pulling the money from the budget for those positions.

>> Pool: Mayor.

>> Mayor Adler: Yes, Ms. Pool.

>> Pool: I just wanted to reiterate this is a new position that we're shifting over to encumber the funds that exist for a planner two position that's already on the books, and that has not been filled. So any intention here on the dais is to prioritize the codenext work. I don't think anybody here is talking at all about reducing the number of people who would be directed to work on the codenext project. I think we all understand it's going to be a huge effort next year.

[10:26:54 AM]

>> Zimmerman: Mr. Mayor, I'd like to be recognized to call this to question, if we could vote on it.

>> Mayor Adler: Okay. Any further discussion? Seeing none, those in favor of adding back -- adding revenue in this 84639 number, please raise your hand. Those opposed? Gallo voting no, the others voting aye, troxclair off the dais. That's back in. That's in. Mr. Zimmerman.

>> Zimmerman: Thank you, Mr. Mayor. I'd like to present budget amendment two, if we could. We have an overhead to put up. I left a copy on the yellow sheet. It's titled budget amendment two, Zimmerman. Cut any funding to lone star rail from the 16-17 budget, expected to save 49,500. So I wanted to make that motion.

>> Mayor Adler: Okay. Is there a second to the -- Ms. Houston seconds that. Mr. Zimmerman.

>> Zimmerman: So, Mr. Mayor, I went to the campo meeting where there was an extensive, several-hour discussion. I agreed with county commissioner Gerald Dougherty that we should go ahead and end the project. I think we lost about \$30 million on the lone star rail that may not have even been a valid project from the beginning, because there was some dispute over whether union pacific really did have a commitment for that. So there's nothing we can do about the 30 million that's been lost, but this looks like low-hanging fruit that we should recover. And we should put this back in our available budget. And let me make another quick comment. I'll just make this one time. My aim here was to return money to the taxpayers. I don't have the votes to do that on the council, so I want to acknowledge that my colleagues have the right to redirect the spending.

[10:29:00 AM]

I'm going to be voting to cut expenses where we can. And it's up to my colleagues to determine where the money goes. And if they choose to spend it on other programs, that's their prerogative. But let's find some money for councilmembers to direct. This is a good place to start.

>> Mayor Adler: Discussion on this? Ms. Gallo.

>> Gallo: Mayor, could you update us? I know as part of the campo discussion, there was a delay in making the decision to pull out of lone star. And it was, I think, giving San Antonio the opportunity to have their meeting. And then come back with the results of those. Could you update us on that? I apologize, I was dealing with car issues last night, so I could not get to that meeting.

>> Mayor Adler: That's okay. So my understanding is -- and we have other campo board members here with us today -- and I have concern about this change. And I'll explain to you why. I think that having a commuter rail system that connects Austin to San Antonio and the cities in between is an important thing for this region to consider. I think over time these cities are going to be drawn closer and closer together. The population of both cities is rising rapidly, as is the cities that are in between. It is pretty clear, I think, that lone star rail as we see it is not going to continue. But that does not mean that the concept or idea of having the commuter line goes away. So what campo has done is it has begun to set

us on a path that would no longer be funding lone star rail, but having the environmental impact statement associated with that picked up up -- by txdot to be able to handle.

[10:31:06 AM]

And part of the question is now what happens to that environmental impact statement, because the preferred option, the one that involves union pacific, is on its face not something which seems viable at this point, because union pacific has walked away from the table. But rather than taking that action to start down that path, campo has delayed that decision until August. And right now, there are people that are involved in considering setting up or organizing a meeting with the union pacific, and those people in this region. And conversations have been had with the administration in Washington about seeing if there's interest or desire to weigh into that conversation. There are different other kinds of ways that that commuter rail could also -- service could be provided, potentially with amtrak or other options. So my only concern with taking this -- I think the point is well-taken from Mr. Zimmerman. My guess is these dues do not actually get paid to lone star rail, because I'm not sure that lone star rail as an entity continues. But I'm concerned about sending a message that we're no longer interested in that concept. And if there's activity to be able to further that or push that forward, I think there very well might be a need for some funding associated with that. But I think that that would be the current status. Now, what have I left out on that? Other campo members? Ms. Kitchen.

>> Kitchen: Yes, I sit on campo and the lone star rail board. So, this is in flux in terms of what eventually happens to the lone star rail board and the whole project, or some other type of project that accounts for high-capacity transit between the corridors, Austin and San Antonio.

[10:33:09 AM]

I think that this -- it's premature at this point to take this amount out of the budget. I think it's something that we can certainly revisit, you know, in December. Because by that time, all of these things would've shaken out and we would know where we're at. And as the mayor mentioned, most likely we are not talking about these dollars going to lone star rail, but we may need it for other associated projects to continue the Eis. So -- and because the amount is so small, if it was a larger amount then I might say let's take it out now and find something else for later. But it's a little less than 50,000. At this point, I think we should leave it where it is.

>> Tovo: Councilmember Houston.

>> Houston: Thank you. I, too, agree that we need to have high-capacity rail. Could we just change the name, leave it as a placeholder for high-transit rail? I don't want people to think we're still contributing it to lone star rail, although I support that, because I need some of those dollars in -- for -- to help with campo. No, capital metro and the green line, trying to get some light rail into downtown so people don't drive their cars in. But if we just said high-capacity rail, I would be happy in keeping that in as a placeholder in case something comes up. And then we revisit that next year. If something hasn't come up, I think it needs to be freed up.

>> That's okay with me.

>> Tovo: That's a good suggestion. After I call on the others who had their hands up, maybe you'd like to revise the motion. Councilmember Renteria, I think I saw your hand.

>> Renteria: Yes. And I'm also in support of keeping that money in there. You know, there's a lot of uncertainty going on. But there's -- you know, I feel like what the mayor has done, and with the discussions with the transportation department and D.C. That we could come up with a solution, that we're going to be facing major traffic jams up and down 35 from here to San Antonio if we don't do something to alleviate that traffic by rail, then we're just going to be stuck with that for years to come.

[10:35:32 AM]

So my recommendation is keeping that fund in for rail.

>> Tovo: Councilmember Garza, did you have your hand? No. All right. Councilmember kitchen, it looks like you had some -- an addition.

>> Kitchen: No. That's all I had to say.

>> Tovo: Councilmember Houston, did you want to -- so we've got a motion and a second on the floor. And then I think a suggestion, potentially, to alter it.

>> Houston: Councilmember Zimmerman, would you be amenable to striking lone star rail and say be it resolved the city council will hold the 49.5 in the proposed 16-17 budget for light rail, or urban transit?

>> Zimmerman: I'd be happy to strike lone star rail. I think we probably need two votes. Let's vote on the money and do a separate motion to change the budget name, the line item name. Because it looks like the -- my amendment to save the money is going to probably fail. So after that fails, if you just make another motion to strike lone star rail from the language in the budget, I will support that.

>> Houston: Okay.

>> Mayor Adler: We're going to take two votes. The first vote is to strike the 49.5 from the budget. Those in favor of striking the 49.5 from the budget, please raise your hand. Mr. Zimmerman, the others voting no. And for the record, councilmember troxclair is not with us today. I'm not going to keep calling that out at each vote. If she comes back I will announce that. But otherwise she is off the dais. Those opposed to taking the money out of the budget, raise their hand. Did I just call for that? We've done that? Now we're going to have a second vote, which is to rename the line item.

[10:37:33 AM]

>> Houston: Correct.

>> Mayor Adler: To the --

>> Zimmerman: Just strike lone star rail.

>> Mayor Adler: Okay.

>> Zimmerman: And I guess replace it with -- what do you want to replace it with? Commuter rail or something?

>> Houston: The city will maintain 49.5 in a . . . What did you all call it? Urban . . .

>> I think we called it a high-capacity commuter. I think we need to be clear that's the direction. It's not light rail or alternatives, but it's really the heavy rail commuter.

>> Houston: That's why I was asking, because that's not mine. Let's make sure we have the name of that right.

>> Gallo: What do you think?

>> Houston: High-capacity --

>> Mayor Adler: Commuter rail. Okay. Those in favor of making that language change, please raise your hand. Those opposed? It's everyone, so we'll make that change. Okay. Ms. Kitchen.

>> Kitchen: All right. I have a question. And this relates to . . . This is request number 224 that councilmember Garza asked a while back. And we had some conversation about it. And that has to do with our new ftes. And my question relates specifically to exploring if there's a number of these areas where we can move to six-month funded savings instead of the full 12 months. And so the one I'm curious about is the fleet services. We have a number of new -- I think it's six new positions all starting -- funding to start at 12 months. According to this sheet, if they started at six months instead of 12, if I'm reading this right, that would be a savings of 623,916. So I have not talked to . . .

[10:39:33 AM]

Actually, if I read that right. So maybe I'm not reading that right. No, it's 234,498 would be the savings at six months. So I haven't talked to fleet services to see what the impact might be, so that would be my question, if that's an area where we could move those new -- I believe they're new ftes. If they are, if it would be possible to move them to six months instead of 12-month funding.

>> Mayor Adler: Okay. We have fleet services staff with us.

>> Mr. Mayor, council, I'm the fleet officer for the city. There would be some impact. It's difficult to determine at this point exactly what that impact would be. Obviously, these are based on the growth of the fleet and our trying to keep -- up with that growth, keeping up staff to keep the fleet operational and available to the departments that need it. I guess it's important to note that you're not appropriating funds directly to the fleet department. The fleet is an internal services department. So the funds are actually appropriated to those departments that we provide service to. All of our revenues are based on services that we provide to those departments. So I don't think it would make any direct difference to the appropriations that you're doing out of the general fund or enterprise funds. I'd ask Ed to clarify.

>> Kitchen: If we don't fund those ftes immediately, we would still fund them. That's still \$234,000 that somebody would be paying less of until they started. And it may not be in one department. It may be across several departments, wouldn't that be correct?

>> Not actually, because we charge for the services that we provide on a monthly basis.

[10:41:37 AM]

And it wouldn't change the amount of service that those departments were asking from us. That service is based on the size of the fleet and on keeping the fleet available. So what we would wind up doing if we don't have those positions, we would wind up probably using more overtime, or you sending more equipment out to the private sector for maintenance and repair rather than doing that as a Normal routine with not using overtime. So our goal is to keep the fleet available 95% of the time. If you don't reduce the size of the fleet, then the demand for service does not reduce, and that's what the cost is based on. It's not based on -- you don't reduce that demand for service by eliminating those positions.

>> Kitchen: Well ask Mr. Van eenoo, because the memo we have shows a savings if we move to six months. So, Mr. Van eenoo, perhaps you can clarify. Maybe I was reading this wrong. But I was thinking that that 234,000, that meant that that would free up 234,000 for another use.

>> I think for all these positions -- I mean, what stuff

-- what staff does is to show you if the six positions were delayed for six months as opposed to three, that is \$234,498. What we don't get into in these responses, because of the amount of time, and we don't have the ability to respond to the directors on these questions is, what would they do to adjust. By not having those positions, I think you just heard that there would be increased cost for outsourcing of some maintenance functions or overtime costs. And that's often the case of delaying the hiring of positions. But it's a case by case basis for some departments. I think they would have that circumstance. And for others, they would not.

[10:43:38 AM]

>> It's also important to note that if our level of service to those other departments falls off, if we're not able to keep that fleet available to them, then that has a carry-through impact on their efficiency on those other departments' efficiency. You have to remember that a vehicle or piece of equipment is just a tool that you're putting in the hands of an employee out there so that they can do their job. If that tool

is not available, then you have reduced those mission departments as I refer to them, those front line departments' ability to do their job and made them less efficient and as a consequence, run up their cost.

>> Kitchen: These are listed at 12 months. Are you expecting to hire these on day one of the fiscal year?

>> We would start recruiting for them as soon as we have them approved, obviously. There is a lag time between advertising a position and getting it filled. But we would start trying to recruit for those positions as quickly as we can get them authorized. We currently have, I think, four or five technician positions vacant that we're already in the recruiting process for.

>> Kitchen: I'm a little frustrated. I understand what you're saying, but I'm a little frustrated because I'm trying to determine -- there's got to be some way in which this translates into us spending less money. I understand what you're saying, but I find it frustrating to say that we can add this number of new people or not add this number of people and it doesn't make any difference on our fund cost.

>> The only way to reduce the cost of the fleet is to reduce the size of the fleet.

>> Kitchen: Okay. Okay. So I'll take a look at that.

>> Mayor Adler: Okay. Mayor pro tem.

[10:45:38 AM]

>> Tovo: I don't want to move on too quickly. It sounds like there's some thought continuing.

>> Kitchen: I don't know what the right question to ask at this point is. So I guess I'll have to consider that. I'm feeling like what we were just told is, it doesn't make any difference how many ftes that we have in fleet services, we still can't save any money. So -- which I find frustrating, because I'm not quite sure -- I'm sorry, I don't mean to be flippant. I know the work they do is very important. I'm just a little frustrated, because I'm not hearing how we could -- I'm also feeling like the delay in ftes still gets us where we're going to go, because we're still recognizing a need. And we're saying that we will meet that need, we're just going to meet it a little bit later. And to my mind, six months is not that much because it takes a while to hire anyway. But I'm not hearing a path towards taking some parts of the memo that was prepared for us, and that councilmember Garza asked for -- certainly not all departments. But I would think that there might be a few of these departments where we might be able to make some adjustments to six months without substantially impacting our services. So.

>> Tovo: I agree.

>> I have a question.

>> Mayor Adler: Yes. Yeah. Yes. Delia.

>> Garza: The response was if we delayed hiring these positions, it could cost us more because then we would have to outsource that work.

>> Yeah.

>> Garza: I would assume that that contingency plan would be covered. Is there another line item where we budgeted for that contingency plan? So if, let's say, they can't hire one fte that's supposed to do whatever, so now they have to outsource that, is that outsourcing budgeted in the current budget?

[10:47:46 AM]

>> Elaine hart, chief financial officer. They do have some outside contracts for work that they use on an as-needed basis. I think I'd like to respond to try and clarify for councilmember kitchen.

>> Kitchen: Okay.

>> To the extent that the funding for the positions would change from 12 months to six months, there would be savings.

>> Kitchen: Okay.

>> To the fleet fund. But they would not -- because of that -- recalculate their rates that they charge to the department.

>> Kitchen: Okay.

>> So the savings would accrue in that fund and be used in the following year to affect rates, albeit -- you know, it would be a reduction in their cost, but that would be combined with any other savings they would have and affect their next year rates that they would charge. So you're right, there is a savings if you change to six-month funding, but that doesn't translate to a savings immediately to the general fund, because they service all the departments.

>> Kitchen: Okay. Okay.

>> Casar: Mayor.

>> Mayor Adler: Yes.

>> Casar: I guess my followup to that question, though, just because I see the department director is in the back. So I guess I'll play devil's advocate on this. I think what his concern was is if we try to provide a savings by reducing ftes, in fact, it may not provide a savings if the reduction in service results in overtime or outsourcing. So us cutting the ftes, we would hope would provide a lower rate next year, but if it's running optimally right now, we may actually, ultimately, have to provide a higher rate next year if it's covered by overtime and outsourcing as opposed to optimization. Is that correct, is that sort of what he was saying?

>> That's correct. It would depend on how he would address the service need of the departments.

>> Casar: And I think ultimately the challenge here is just, if this system is flowing at optimal level, then that's where we wind up stuck.

[10:49:49 AM]

>> Mmhmm. Okay.

>> Casar: Another way of saying stuck is that it's being done well. I would hope that it is and that's working.

>> Mayor Adler: Gallo.

>> Gallo: I know the -- talking, but currently there's five vacant ftes in the department. So it seems like that we certainly could have the conversation about removing those from the budget, because they seem to be operating without those right now.

>> Mayor Adler: Let's do this.

>> Gallo: So --

>> Mayor Adler: Because they really need to be hearing this. So let's move off this one while they're talking. Let's move to a different topic, and we'll come back, then, to fleet.

>> Gallo: Okay.

>> Mayor Adler: Mayor pro tem.

>> Tovo: I'd like to move one of the items from my list. Let me just say two things. One, I thought about updating this because one of the things that happened, of course, is that from the time that I drafted this list to the time that we got the updated budget that we voted on yesterday, several things dropped off, one of which is the affordable housing trust fund money went down. Childcare wasn't on there. So there are some things on the back in terms of additions that aren't on the sheet. So I just wanted to make that point. On the front there are some cuts. And I want to say, I have no pride of ownership. As we're going through the day, if anybody else wants to advance them, please do so that it's not just me talking. I'll kick it off by saying I move that we remove the customer survey, \$55,000. This was not just on my list. It was also one of the items that appeared on the staff's list of identified possibilities. I want to be clear, they weren't recommending it, it was just on their identified list of possibilities. We had a conversation about it yesterday. It sounds like it's a useful thing to do. I hope we have an opportunity to

do it in the future or can do it more cheaply. As I weigh and balance the priorities, I would like to see that trimmed.

[10:51:52 AM]

And there are, you know, any number of programs on the back of mine that are leading me to do that. One that comes to mind is the one councilmember Casar just mentioned, which is a \$50,000 reduction over the city manager's recommendation in services for those at the downtown community court, which is around the same amount. I'm not doing a cut this and add that at this point, I'm just saying that's the relative balance in my mind.

>> Mayor Adler: So, repeat the motion, please?

>> Tovo: Sorry, I talked too much and lost the motion. To remove the annual customer survey in the amount of \$55,000 from development services.

>> Zimmerman: I'll second that.

>> Mayor Adler: Okay. It's been moved and seconded. I spoke in defense of this yesterday. I speak in defense of it again today. I think that one of the things that the community wants us to do most is to fix the permitting process in the city. And I think that we're investing a lot of money toward improving the permitting process. And I think that this is our best way to be able to -- or one of the best ways to be able to measure whether the money we're spending is, in fact, effective in doing the work that the community has asked us to do. A real high priority from the community. And I think this is a quality control element that shouldn't be cut given how much money we're spending and how important this is to the community. Ms. Gallo.

>> Gallo: And mayor, I agree with you. We fund through the city budget lots of surveys, lots of consultant studies. And the focus of trying to improve our permitting process is one that's really substantial. The Zucker report indicated that we needed to direct a lot of attention to that. I think as councilmember Houston has mentioned, the calls to our office have diminished because of the attention the department is focusing on.

[10:53:52 AM]

But what I think we also need in conjunction with that as we move forward and continue to spend resources to try to get all of this resolved is an independent outside survey. We do customer surveys in many of the departments that are generated by the departments, and this would be an independent way of looking at what's happening just to make sure that we're moving in the right direction and the department is moving in the right direction and there are not some things that we're missing that we need to focus on. So I would not support removing it from the budget.

>> Mr. Mayor.

>> Mayor Adler: Yes. Ms. Kitchen.

>> Kitchen: I have a question. So, I'm wondering if this might be one of those items that could be picked up by the department by moving around just a slight bit their funding for their new positions? The document that we have that speaks to the new positions in this department, there are quite a few new positions. And I certainly don't want to cut any of those new positions. They're needed. But they include things like 18 positions for expedited permitting and some other positions, too, that right now I think are funded at seven months, if I'm correct. If just one -- or just a couple of those would change to six months from seven months, you could probably cover the cost of this 55,000. So it seems to me that if we talked about moving that -- if it was -- if it worked for you guys to do something like that, then you could keep the customer survey, perhaps with moving things around a little bit? Let me just ask if that's possible.

>> Mayor and council, Rodney Gonzalez, director for development services. Mayor and councilmember Gallo, I agree with you that this is our best way to determine the qualitative job that we're doing with regard to improving the department.

[10:55:53 AM]

You may recall that we had developed in concert with council the success metrics from August and September. And there were a lot of qualitative metrics in there. And so we do intend to use an independent source, if you will, for performing this polling in a very scientific manner using very good methodology that is already used with the citywide survey. So to respond to your request, councilmember kitchen, we do want to do it. And I think that we would have the discretion to maybe move one position back a month such that we can do it. We certainly want to do this. And we would certainly implore council to keep the funding intact so that we can do the survey not just one year, but annually.

>> Kitchen: So if we were to, say, reduce your funding by 55,000, but authorize you to find another way to pay for it, could we do something like that?

>> It's my understanding that yes, that the department would have the authority to find that money some other way.

>> Kitchen: Okay. Okay.

>> Mayor Adler: I appreciate your support in this, so long as it happens, I'm fine with cutting out the \$55,000 in order to be able to ensure that that still gets done.

>> And, of course, next year, with the positions, even though we may delay it next year, we'll come back with the full year's funding of that position.

>> Kitchen, of course.

>> Mr. Mayor.

>> Mayor Adler: Hang on just one second. Let me just ask the question. If we wanted to execute what was just discussed, Ed, how would we do that as a budget item? In other words, we wouldn't be cutting the poll, because we would still be doing that. But the department head would be finding the money in the budget to do that. So how do we do that?

>> I think you would just make a motion to cut \$55,000 from the planning -- or from the development services department budget, and we will do that, and Rodney will need to manage the budget.

[10:57:56 AM]

And I think the direction is clear that y'all still want the survey done.

>> Mayor Adler: Okay. Mayor pro tem, is that an acceptable rephrasing of your motion?

>> Tovo: I'd like to hear from some of my colleagues. I think we're going to have this conversation, you know, throughout a lot of the day. I think all of these are worthy inclusions in our budget, or our staff wouldn't have brought them forward to the manager, and the manager wouldn't have forwarded them. While it sounds like an extremely useful tool, I'm not sure it rises to a high priority level for me. If it's still a priority to the department and they want to shuffle their funding, I'm not sure they need direction from council to do that. But, again, I guess I'd like to hear from others across the dais. I guess I would say if there are possibilities for shuffling their funding, I would rather see them do that and pick up one of their staff positions. So, you know, I don't know that I would rank the customer survey higher than some of the positions we'll be discussing potentially cutting today, you know what I'm saying? It's just of those potential cuts in development services, this to me is the easiest. But, again, if there are significant concerns up and down the dais about not providing direction to do that survey, or not seeing that survey go forward this year, then that's a different consideration, because I'd like to save that \$55,000. I

will say, we hear pretty -- I mean, people do not hesitate to pick up the phone when things are not going well with permitting and development services. And as you all probably know, back before the first time that the council did a big influx of staff and resources, we were hearing multiple times a day, it seemed like, from developers, from property owners out in the field, and Mr. Guernsey was providing us with updates about the progress they were making. So while I appreciate the need to do a scientific survey, I think we all will get an indication, and are getting an indication of the changes that are being made and how it's impacted service.

[11:00:11 AM]

And frankly, now I do -- I probably hear more often -- well, I don't know if I can say that. But let me just say, I think we -- people will pick up the phone and call if there are concerns, and I think we're keeping on top of communication well enough that this isn't critical to me.

>> Can you --

>> Mayor Adler: My hope is that we keep this in. I think we're spending so much money to improve the department that actually, to be able to make it data-driven as opposed to anecdotal-driven is an important thing for us to do to make sure we're spending money in the right way and in the right places. Mr. Zimmerman?

>> Zimmerman: Thank you, Mr. Mayor. I want to go back to the Zucker report of 2015. My support for the mayor pro tem's efforts here, it's my understanding that we have not engaged the Zucker group to do annual checkups? You know, they did a very extensive report, they have a nationally recognized firm, and to me, the only way we can really track our progress is to have the same group doing the same kind of statistical survey and analysis independently. Was the Zucker group going to do this survey for the 55,000? I thought that it wasn't.

>> Mayor Pro Tem: No, it was somebody else.

>> Mayor Adler: My concern in having the Zucker report do it is that that was anecdotal as well. But your concern about having a replicable benchmark, that was exactly what the intent of this was.

>> Zimmerman: So you're saying that you don't believe that the Zucker report was adequately like scientific? I'm sure we could pay them, because they're professional consultants. They know how to do professional surveys, statistically relevant surveys, I'd like to see that happen. If we brought in the Zucker group to track our performance, I would support paying them to do that. But I don't see that's what's going on.

>> Mayor Adler: My understanding is the staff's going to come back to us with the questions. I think if you wanted to talk about a different entity doing the work, it could be -- if you want to talk about Zucker.

[11:02:17 AM]

>> Zimmerman: I want to talk about the summer group because they -- Zucker group because they did a very extensive survey.

>> Mayor Adler: My concern is having the money in the budget.

>> Zimmerman: That's why I'm voting against this money because I want to see the Zucker group observe a scientific poll, then I would support the spending. We can do that later. But right now -- [lapse in audio] --

>> Nothing prevents a department from reallocating however they choose after we finalize the budget. Is that right?

>> Yeah.

>> So this is going to be a really long day if we have to -- we give direction to staff on every single thing.

>> Yeah.

>> I think the point is, we're cutting this moneyedding, the director has said he's going to make it a priority.

>> Yeah.

>> I just think we need to move on to the next option.

>> Mayor Adler: So the motion on the table is to cut \$55,000 from the development services budget. All those in favor of cutting 55,000, please raise your hand. Those opposed? Mrs. Houston votes know, Mrs. Gallo votes know, Mr. Renteria votes no. The other voting aye. 55,000 is cut. Thank you. Next item?

>> Mayor, I thought you were going to wait -- I thought we were waiting for councilmember Gallo to get here to talk about the -- >> Mayor Adler: Mrs. Kitchen, do you want to tee up or Mrs. --

>> No, I'd like to finish talk about some of the other things we talked about first.

>> We kind of put a pause on them.

>> Mayor Adler: Is fleet here?

>> Yeah.

>> And so.

>> Mayor Adler: We were continuing to have the conversation while you were meeting in the back, so I cut it off because you weren't hearing what was being discussed up here.

[11:04:20 AM]

But now that you're back, let's have that conversation.

>> So my question was, as we're looking at the five -- the requests in the budget for the five additional equipment technicians and one service center supervisor for a total of 554,000 plus dollars, we're looking at six positions currently being vacant. You know, this -- my comment is going to touch on what councilmember Houston mentioned a little earlier, which is the concern that I have when we partially fund a position -- new positions for the next budget year is then the following year, we're funding the full year of positions. And so my -- my thought would be that I think it is better from a fiscal standpoint to actually cut the funding for positions rather than half fund all of the positions. And so that would be my recommendation is that we look at removing the funding for the five positions that were vacant or three -- half of those positions, or some amount. And I would certainly be interested in the conversation on the dais. But that would be my preference, is to actually cut positions versus half fund positions.

>> I would support that.

>> Mayor Adler: Okay. Did you come up with a different solution? Is there any additional information for us? Do you want to react to that proposal?

>> Again, what I'd like to reiterate is that the workload that we have to react to doesn't change by cutting these positions or cutting the funding for these positions. Our performance metric is set. We try to keep 95% of the fleet available at all times to the user departments. And a whole lot of what we do, obviously, is reactive as vehicles break down, as units break down and they're brought into us for repair or service. So when a unit is brought into us, one of three things can happen.

[11:06:23 AM]

It can either sit until we get to it, which means that it's not available to the department to use. It can be sent out to the private sector for repair at a much higher cost, or we can do it in-house, either using regular time or overtime. And if we do not have the staff available and we don't use the overtime or send it out to the private sector, then our performance metric falls off. That means that the unit is not available to the department to use. And that, obviously, engenders a different availability to the cost because that lowers their efficiency. The fleet has grown about 45% since 2002, I believe it is. And

we have not -- the growth in the staff has not kept up with that. So we are falling behind in terms of the ratio of the number of technicians that we have to the number of units in the fleet. And the workload remains there, whether we have the staff to react to it quickly and to maintain our performance metric or not. So the result of not funding these positions or not including these positions is that parks or fire or police or whatever just is not going to have the units available -- [lapse in audio] -- Cost for the private sector or using overtime.

>> Mayor Adler: Mrs. Gallo?

>> Gallo: So thank you, I have a follow-up question actually from budget. So is the current budget that's proposed, does it include the unfilled six vacant positions?

>> The currently vacant positions?

>> Gallo: Right. So we're looking at a budget that's been proposed. We're looking at six positions that are vacant. Does the current budget include those positions being filled in the budget?

[11:08:26 AM]

>> You're talking about the memo I sent out I think on August 3rd where I detailed all the vacant positions.

>> Gallo: No, just from understanding the budget -- the amount, the city manager's budget as it was proposed. Yeah, so I'm reading from the budget highlights. So the city manager has proposed a budget. This department has currently, my understanding, six vacant positions. Does the city manager's budget include the monies allocated to fill those positions?

>> The budget does include -- the proposed budget does include funding four vacant positions, and it also includes vacancy savings, like I was talking about yesterday, this negative dollar amount, this money we take out of department's budgets to reflect vacancies that we anticipate occurring throughout -- throughout the year.

>> Gallo: Okay. All right. Thank you. And so when we talk about the ability of the department to maintain and be productive and get the vehicles, we're already -- you're already looking at a department where you have vacancies, and then you're asking for an addition of six new positions, and I guess where I am in this thought process is that you have the ability within the budget to fill those vacancies that you're missing, and that it seems like that that will put you in a better position than you already are as far as getting the work done, but then we look at the capacity and ability to maybe reduce down some of those new positions, because there -- you're operating currently with vacant positions.

>> Those vacant technician positions that we have all became vacant during the month of August. We do have quite a bit of turnover among those technician positions because of requirements and so on, so, yes, we're attempting to fill those vacant positions right now. We're in the recruiting process for those. We're using the internship program that I mentioned earlier and incorporating both school-level interns and we've just started using military -- we've brought our first military intern on as part of that program.

[11:10:30 AM]

But we try to keep those technician positions filled as quickly as we can recruit for them when they become vacant. The ones that are vacant now all became vacant during the month of August.

>> Gallo: And so during the rest of the year, there were not any vacant position? You were 100% staffed?

>> I don't believe that there's been any point in time during this past year when we didn't have any vacant positions. There is a constant turnover among those positions. Technicians, auto motive and fleet technicians are about the second or third most difficult skill set in the country to hire right now. There's about a 40 to 50% shortage of them in the market nationally.

>> Mayor?

>> Mayor Adler: Yes, Mr. Casar?

>> Casar: So my staff has reminded me some of the work we did on this, and I think the challenge that the council is presented on this with any savings that we accumulate would be from efficiencies within the departments between this year and next year, not necessarily through positions. And I don't feel comfortable trying to determine for the department director right now what would result in efficiencies, because I'm not managing the fleet. And so if we could figure out potentially, just in a quick skim, it looks like there hasn't been a recent audit since maybe 2010, to figure out if things are running optimally, to figure out where the savings are. But what I'm hearing from the department is that cutting these ftes may not result in the efficiencies that we want, it may not result in a lower cost next year. So if we can't save money this year, then we're taking a vote hoping that we can adjust the budget to save us money next year. But what I'm hearing from the department director is that we may not save money next year by having fewer ftes. And so I would like -- I think for this point for me, I would like for us to move on and see in the next year if we can find either through the auditor or working with the department directly, if there are ways to optimize our fleet services or purchase cheaper vehicles or make sure that vehicles are better utilize so that we result in savings.

[11:12:45 AM]

But I think the challenge is, my understanding is that I have to trust our department director on this, providing -- [lapse in audio] -- Cost that fleet services charges our department. I don't know what would, and I don't know if we're going to figure that out on the dais today in our budget session.

>> I have a question, when you're --

>> Mayor Adler: Yes, Mrs. Kitchen?

>> Kitchen: Were you done? So you were helping us understand earlier the relationship between the fleet size and the staffing that you need. So this additional staffing, is this in response to -- to additions we're making to our fleet?

>> I'm sorry. Say it again.

>> Kitchen: So, you had mentioned earlier, you were helping us understand that there's a relationship between the number of folks that you need working and the size of the fleet. So with the addition of these ftes of six or whatever number it is, I'm assuming that that's in response to we're increasing the fleet this year?

>> It's in response to growth -- anticipated growth in the fleet, but it's also in response to previous growth in the fleet that we have not kept up with. There's been about a 45% growth in the fleet.

>> Kitchen: Uh-huh.

>> Our staff has not grown accordingly. So subsequently, we've been falling behind and more outsource work to try to keep up with that performance metric and keep that fleet available. And we're behind. We've fallen behind during the last several years. We're trying to keep up with the growth of the fleet. And it's an ongoing process. The fleet grows every year by two or 3 percent.

>> Kitchen: So what is the growth this year in the fleet?

>> I don't -- haven't calculated. I think the fleet is expected to grow about two or 300 vehicles this year. I don't know the exact percentage off the top of my head right now. I can get that number for you.

>> Kitchen: Okay.

[11:14:46 AM]

So let me make sure I'm understanding, just so I'm understanding where we're at. So what we're saying is then that -- that what you're trying to help make up for issues that have been accumulating, because

you haven't kept your -- the size of your personnel hasn't kept up with the growth in the fleet, and so you would like to be able to do that this year, so that -- so that you can -- I guess, have you not been able to meet the metrics in the past, is that it or...

>> We have fallen behind the metric by a percentage or so over the last year.

>> Kitchen: Okay.

>> And we've -- in the process of keeping up with it, we've used about \$450,000 worth of overtime.

>> Kitchen: Okay.

>> -- This past year, and we react, we adjust by sending more or less stuff out to the private sector for repair.

>> Kitchen: Okay.

>> Anything you have done at the private sector is inherently more expensive than it is to do it in-house. It costs more. Their labor rate is much higher and they're making a profit. So it's more expensive to send something to the private sector than it is to do it in-house. And we try to adjust constantly, because the workflow is not steady. It's -- there's an ebb and flow to the workflow on a fleet.

>> Kitchen: Uh-huh.

>> So we can't staff for that peak workload or we'd have people standing around doing nothing part of the time.

>> Kitchen: No, I understand that.

>> We try to staff for the average workload and adjust using overtime or the private sector as we need additional work to keep in with what's coming in to us on any given time.

>> Kitchen: Just one last question, and I think you said you weren't sure about this, and that would be -- so you think maybe we're increasing the fleet by two or 300 vehicles this year. Maybe I can get that number from someone else, if that's available.

>> I can get that number. I'll just have to check with my staff kichedz okay.

>> --

>> Kitchen: Okay.

>> When we did the calculations, we didn't have all of the information in the enterprise fund.

[11:16:49 AM]

>> Kitchen: Thank you.

>> Mayor Adler: Manager?

>> Councilmember, I certainly appreciate the interest in trying to drive down cost in this area, but Jerry's responsible for an internal fund, not only that, but an internal service operation, and really the only way to put any downward pressure on his budget is to reduce his service level, but there are serious implications with doing that, as he's been, I think, trying to point out. And a reduction in his service level to the rest of the organization goes to, you know, the efficiency of operations in most of our departments that utilize vehicles. And so to the extent that they become less productive, there are cost implications associated with that as well in addition to productivity issues not being -- not being as efficient. So there -- I don't really see the avenue for cost savings here, because a reduction in staff means a reduction in the level of service that he's able to provide to a growing fleet, which has implication -- operational implications for the rest of the organization. They will -- [lapse in audio] -- Is that correct, Jerry.

>> Absolutely, sir.

>> Mr. Manager, I appreciate that comment, and I hope you don't take this as something about your performance, because we certainly appreciate the work that is done.

>> Absolutely.

>> Kitchen: We certainly do. But we're in an exercise where we have to look at the policy priorities. And so we're doing the best we can to ask for questions. And, you know, the work that the fleet services provide is based on some fundamental assumptions that maybe we need to start revisiting. You know, because if we're adding two or 300 vehicles a year and we're continuing to grow at this rate, we need to start asking ourselves, are we growing in the direction that matches the policies priorities that we're trying to address.

[11:18:51 AM]

So I -- please don't -- I certainly understand the importance of this division, the work they do, and nobody here wants to do anything to cut the efficiencies of our staff or to hobble them in any way, so -->> No. And my comments weren't intended to suggest that. Just -- we are where we are in terms of the fleet and the range of services and programs that we provide across the organization. So I wanted to make sure we understood the implications of a reduction in service relative to a growing fleet. I think those questions that you talked about in your comments, I think those are questions that need to be raised and need to be talked about at the policy level for sure, because the implications are very broad.

>> Mayor Adler: Mrs. Gallo?

>> Gallo: You know, and the difficulty that we have up here is consistency in questions and messaging. We just had a discussion to cut some of the positions in development services. And so it's frustrating for me because we either are going to take what the departments have proposed to the city manager and the city manager has proposed to the city council, and not question that the departments have put forth what they need and the city manager has vetted that and feels that that's what they need, or we're not. So we have -- we just took a vote to cut positions in development services, and now we have councilmembers who don't want to take a vote to cut services -- I mean cut positions in this department. And I guess I'm just -- I'm just not understanding how -- how -- where we have any consistency in how we're viewing this budget process. So --

>> Mayor?

>> Mayor Adler: Yes, Mr. Renteria.

>> Being a shade tree mechanic, there is a lot of work that needs to be done to keep vehicles out and running. And I would hate to think that, you know, we're going to be cutting back on vehicle maintenance and keeping cars broken down in the garage while we have a big need.

[11:20:55 AM]

I hate to see -- you know, having police cars and ambulance and fire trucks waiting to be serviced because we don't have the personnel to fix it. So I can't support cutting the budget here, because this is a very important service for our town. And it's a service -- it's a tool, really. You know, we couldn't survive to get here without a vehicle, so, I mean, it's needed out there. And I would hate to see that just by cutting this budget just to fund another project that you have and we're going to go down the road where we're going to need a lot of maintenance, a lot of more workers, or we're going to be spending a lot of overtime. So I hope we don't go that way looking at cutting all these departments that are really in need.

So... >> Mayor Adler: Mr. Zimmerma N?

>> Zimmerman: Thank you, Mr. Mayor. I want to speak in cutting these positions. I appreciate councilman Renteria that we drive vehicles here. The vehicle that I drive here is nearly 10 years old. It has 150,000 miles on it. The maintenance on that vehicle has been oil changes every 5,000 miles and one set of front disk pads. 10 years, 150,000 miles, oil changes and a pair of front disk pads. Now, the reason that that takes place is two things: I buy a quality vehicle and I take care of it, because it's my

money on the line. Now, if you're the city government, the opposite is true. You can just go to the taxpayers and take as much money as you want and need, buy a new vehicle every few years. Why take care of it? Why maintain it properly? So I just -- it just really upsets my constituents that we don't have a sense of fiscal conservatism in this city. We spend way too much money and fleet services is another place where we spend way too much money.

[11:23:00 AM]

Spending is out of control in this city. I want to urge my colleagues to vote to -- [lapse in audio] --
>> Houston: Thank you, mayor. I'm not going to talk about my 20-year-old Honda, because we're talking about different vehicles, right? We're talking about heavy-duty vehicles, we're talking about police, fire, else. We're -- ems. We're talking about huge trucks that Austin Energy uses. So we're not talking just your typical run of the road Prius that's on the road that you all work with. You all may have some priors, I don't know, that's not my issue. But I think we have enough heavy-duty vehicles in the fleet, and I think I heard you a couple weeks ago that it's not on a five-year rotation. You try to maintain some of those cars over that, so we're not getting cars in the fleet or vehicles in the fleet every five years. You're looking at them and you have some kind of metrics that you use before they're replaced or before they cost us too much. So I'm going to be supporting keeping those fleets in the budget because I -- you know, I go by my location on Hargrave, and I see the people working in the heat trying to keep the -- all those cars and trucks operative so that everybody's safe. So what do you call those? Sanitation trucks, I mean, you all have a large fleet of very different kinds of cars, and I'm going to be supporting the increase -- the maintaining the number of fleets.

>> Mayor Adler: I'm going to vote to maintain it, because I don't think there's a cost savings, but I come to the microphone only because I hope we're not going to have a repetitive message after each of these about the need for this city to be able to cut. I recognize that some of us are in the middle of a political campaign, but I would point out that this council has done that.

[11:25:03 AM]

We have, bending the cost curve in this city. If you look at the last five years in this city with respect to the all-in charges, the taxes, the fees that the city accumulates, this council in its last two years, this year and last year, if we stay balanced where we are right now, has cut the increase in spending by 30% in this city. So this is a council that is bending the cost curve, and what we're looking at here probably will be the lowest percent increase in all -- in expenses that this city has had over the last five years. And I limit myself to five years, only because that's as far back as the data that was available to me. This council is doing, I think, good work, being stewards of the public money, is making a lot of decisions to cut funding, to not be exorbitant in how we spend, and I think that our budget and how we've handled them is replete with examples of that. So I just push back at the narrative, because this is a council that is, in fact, bending the cost curve for the citizens in our community.

>> Before we leave this topic, I just wanted to try to prepare council and manage your expectations, that I do this -- think this is going to be a case-by-case discussion, so when you're looking at vacant positions, you're going to hear staff, well, if we cut those vacant positions or those positions are being proposed to be added, you're going to see fewer permits processed, which is going to be less revenue, so we can cut the positions but we'll also cut our revenues, but that doesn't help. We've talked about the fire department in the past, trust me, cutting vacant positions in the fire department won't help you, because all those seats get backfilled on an overtime basis, so the vacancies are a bad thing.

[11:27:14 AM]

They cost us more money. Even in the case of Mr. Guernsey with the planner position, what you heard from him, if we cut that position, I'll look at my other vacant positions and we just won't do something else because code is such a high priority. That may result in phone calls to the council office, hey, I thought we were going to get this other thing done and now it's not getting done. I'm not saying it will, I'm just giving examples. Broadly, you're looking at cut something and have a service impact, or we're going to cut something and do what Jerry says and I have these vehicles that are in my yard, and they're either going to sit there not getting fixed, or I'm going to ship them out to an outsourcing agency, which we've currently be N doing, -- been doing and it costs us more in a lot of cases than having in-house staff there. I apologize if there's not a consistency here, but these departments are all unique op operations and they all have unique circumstances.

[Lapse in audio]

>> Mayor Adler: Okay. Is there a motion on fleet service to be made?

>> Mayor, I would move to do what we just did with development services conversation, to remove one of their positions. I would make a motion to remove one of the positions.

>> I'll second that.

>> Mayor Adler: Ith been moved to cut -- it's been moved to cut one of the positions in the fleet services. Mr. Zimmerman seconds that. If there's no further discussion, we'll take a vote. Those in favor of cutting one position in the fleet services, please raise your hand. Garza, kitchen, Gallo, Zimmerman. Houston. Those opposed? The balance, it's five-five. It does not happen. Yes, Mrs. Houston?

>> Houston: So by cutting one, how many does that leave fleet services?

>> We didn't cut.

>> Mayor Adler: We didn't have the votes to cut it.

>> Houston: I'm just asking.

>> Mayor Adler: We can ask that question. Staff -- I guess you're asking, what is the overall fte number in the department?

[11:29:18 AM]

>> We have a total of six positions in the budget, six additional positions. One of those is a supervisor and five of them are technicians, that would leave us with four additional technicians and another supervisor.

>> Mayor Adler: Okay. Yes, mayor pro tem?

>> Mayor Pro Tem: I'd like to talk a little bit about the supervisor. Is the supervisor necessary to supervise those five employees or is that supervisor anticipated to supervise other positions as well? Could we -- is it possible, I guess, to downgrade that supervisor to just a technician?

>> By adding that supervisor position, we're going to add a shift at one of our service centers. We currently work a single shift that's split at service center 13. We're going to expand the hours at that service center to two full shifts and add a second shift at that, that would require a supervisor at that service center.

>> Mayor Pro Tem: Is service that services our emergency vehicles?

>> It's the one at Kramer lane. They're primary customer there is the police department. Their north substation.

>> Mayor Pro Tem: Thank you.

>> Mayor Adler: Okay. Any -- next motion on a revenue item?

>> Houston: So mayor --

>> I'm sorry. Go ahead.

>> Houston: I'm going to start this one, because it's going to be probably a long one. On page 17 of 46, it is ps1- 02, development -- contract for services with esd no. 4.

>> Mayor Adler: Okay.

>> Houston: I'd like to -- I move that we remove that \$124,000 from the budget.

>> I don't think it's in it right now.

>> Mayor Adler: I'm sorry?

[11:31:18 AM]

>> Houston: Oh, I was looking at my concept map.

>> Mayor Adler: That's okay. We're going to figure out how to do this. Tell me what it is you're trying to do.

>> Houston: I'm trying to remove the \$124,000 from the concept menu.

>> Mayor Adler: And which item did you have?

>> Houston: That's ps1.02.

>> Can we put that on the overhead?

>> Houston: Yes, before?

>> Mayor Adler: Which page was it on, Mrs. Houston?

>> Houston: On page 17 of 46. Do you just want -- I thought we were just reducing the amount of money, so...

>> Mayor Adler: Developer contract services with esd no. 4. Was this what we did yesterday?

>> Houston: We talked about it, I don't know if we ever took a vote on it.

>> We talked about it.

>> Mayor Adler: We talked about it?

>> We talked about it. Excuse me. So it was a concept add-on, so if we're talking about removing right now, then the time I think to talk about this would be when we talk about the ad-ons. But what we talked about yesterday is the chief has graciously agreed to make sure there is funding within her current budget to -- to do the half. And so it would be half of this amount. The full amount of the 124 would be for both Travis county and the city of Austin and Travis county has agreed already to pay half.

>> Mayor Adler: Remind me, Mrs. Gallo. My understanding of the conversation we had yesterday, we're going to have a conversation at the end of the budget to talk about what is the best overall game plan with respect to esd no. 4, and should that conversation determine that the best thing for us to do is to join with Travis county with that initial payment that would cost us approximately 60, \$70,000, if that conversation turns out that way, then the chief has said that she has that money in her budget and would hold that money available for that use if that's how the conversation -- [lapse in audio] --

[11:33:20 AM]

>> Houston: But when I saw the 124, that's different than the 60 -- our part of the contract.

>> Mayor and council. I know this is a bit confusing, but I believe that that 124,000 was the total amount of which we were dividing that with the county. So the county contributed their 62,000 and something, and we are allocating -- we're going to just ear mark, if we want to use that word, we will have that money, if it's needed, we will take it out of our existing budget.

>> Houston: Thank you. I just want us to be clear that it's 62, not 124.

>> That's correct.

>> Mayor Adler: That's correct. And we have that covered now.

>> Houston: Okay.

>> Mayor Adler: Any other motion on revenue sources? Mr. Zimmerman.

>> Zimmerman: I believe this is from councilmember troxclair, who isn't able to join. I don't have the page number, but under code compliance, there's an advertising and marketing promotional budget. It's in the budget at 212,000, and I propose that we reduce the budget, the advertising and marketing budget, promotional budget by 150,000.

>> Mayor Adler: By how much?

>> Zimmerman: By 150,000.

>> I would second that.

>> Mayor Adler: Out of the 212.

>> Mayor Adler: Is there a second to Mr. Zimmerman's motion?

>> Pool: Second.

>> Mayor Adler: Mrs. Pool seconds that motion.

>> It was actually Mrs. Gallo.

>> Mayor Adler: Mrs. Gallo seconds that motion. We just cannot have you guys sitting next to each other on the dais, you know.

>> But even if we don't sit next to each other.

>> Mayor Adler: Okay.

>> You want to repeat --

>> We need name tags.

>> You want us to repeat it?

>> Mayor Adler: There is an advertising budget in development services. Advertising and what?

>> Zimmerman: No, no, this is code compliance. Code compliance budget item.

>> Mayor Adler: Code compliance has \$212,000 for advertising and what?

[11:35:26 AM]

>> Zimmerman: Advertising, marketing and promotional activity.

>> Mayor Adler: And the motion is to reduce that amount by \$150,000 out of the \$212,000 budget.

>> Zimmerman: Yes, reduce it.

>> Mayor Adler: It's been moved and seconded. Mr. Zimmerman, would you like to address it?

>> Zimmerman: I'd like to hear from my colleagues as to why they think we should have such an exorbitant and advertising budget. I think it's way too much. It's way too rich. Let me hear what my colleagues thing. >> Mayor Adler: Mrs. Kitchen

>> Kitchen: Let me make sure I'm understanding. This is the budget for code compliance marketing, right?

>> Zimmerman: Yes, code compliance.

>> Kitchen: So it's limited to the marketing that code compliance does.

>> Zimmerman: They advertise, they produce videos and.

>> Kitchen: Yeah, I've seen it. So this would take it down from what to what? Say that again. From 200 something to one...

>> Zimmerman: It would take it from 212,000 down to 62,000.

>> Kitchen: Okay. I can support a reduction. In my mind, the -- the marketing that code compliance does is not integral to their work, and so I think a reduction in the amount of dollars they need in that is appropriate.

>> Mayor Adler: Is there someone here from code compliance that can talk to us about this? I will say generally at some level, if we're going to go through and be cutting 50 and 60 and \$70,000 out of budget items, I'm just -- I just don't -- that doesn't feel right to be the function of --

>> It doesn't to me either, but what is our alternative at this point?

>> Kitchen: That would be my frustration because there's some high-priority items that relates -- I'm sorry. I won't be the one that does all the speaking. Just for me, there's some high priority items that relate to health and human services, for example, and some other matters that if I have to go through and piece it together \$50,000 at a time, because I don't have another option.

[11:37:36 AM]

>> Houston: Mrs. Wright is coming in from code.

>> Mayor Adler: Thank you, Mrs. Wright. Would you please speak to us about the advertising, marketing budget and the impact of going from \$212,000 down to \$62,000.

>> Good afternoon, mayor and council. Cora Wright, interim director for the parks -- excuse me, for the code department. To discuss advertising and printing, I'll share with you that department-wide, we have an advertising and publication budget of 224,000. That's our current year. We're proposing a reduction of about 77% in that budget to 51,000 -- [lapse in audio] -- Our current budget is 115,000, and we're proposing a 66% reduction to 39,151. And in terms of education and promotional budget, we have 70,000 -- excuse me, I'm out of breath. 78,000, and then proposed for '17, 53,000, which is a 32% reduction.

>> Mayor Adler: Thank you for running over here. Mrs. Garza?

>> Garza: I'm trying to understand. Did you just outline.

>> This is department-wide. So everything that I've mentioned has to do with how we integrate our public notification. As you know, in code, we issue notices of violations and we have follow-up advertising that we need to do when we're doing property or when we're implementing the orders from the building and standards commission. We have to do notifications.

>> Garza: I'm trying to understand, right now there's 212, and you're saying that 212 was originally significantly more?

[11:39:37 AM]

So now it's -- I thought the -- there's 212,000 budgeted right now for marketing, is that correct, councilmember Zimmerman?

>> What I shared with you was the department-wide dollars that we have assigned to advertising and printing. I think we have maybe a two-part question during the council budget questions. There was a question about what we had consolidated in our marketing and public information office, and then there was a question about how we're budgeted across the department that supports our advertising and publications for the code mandated requirements for what we do. So, again, we are proposing in the '16 budget a significant reduction in our advertising across the board, and also within our consolidated public information and marketing unit.

>> Garza: I'm still confused on what the numbers are --

>> Zimmerman: I'm trying to find the exact page in budget 1. I'm also there. Let me give you that exact page in a second here.

>> Houston: And I have down that code had 224, 316.

>> That's correct, department-wide. However in the '17 budget, we're proposing a significant reduction for that amount across the department.

>> Mayor Adler: If folks have their council budget question at their computers, it's council budget no. 133 that lays out the number director Wright was just going through.

[Lapse in audio].

[11:41:44 AM]

>> Ed, could you repeat that number one more time.

>> That is budget question no. 133. And on that response, you'll see two different charts. One reflects the department-wide budget, both for '16 and '17, and the other reflects the public information unit within the departments' dedicated resources.

>> Zimmerman: So could you help me out with the -- we have a -- you know, six, seven, 800 pages. I'm struggling to find in volume 1 where that detailed information is. There's supposed to be some detail, right, for the code compliance department.

>> Yes.

>> Zimmerman: I think budget question 133 is the best place to get information, but I was trying to find that back in the original budget, and I'm struggling to find it.

>> The code compliance department begins on page 73 of volume 1, and --

>> Zimmerman: Okay. I'm there. And where are some of those details on our marketing and promotional expenses.

>> I think if you look on page 79.

>> Zimmerman: 79.

>> It's lumped up with some other things, but on page 79 is where we lay out some significant changes.

At the bottom one of the significant changes was a pretty significant department -- [lapse in audio] --

The reductions that director Wright just got done talking about are part of those department-wide reductions that they already made as part of this fy '17 budgets to their contracts and commodities in an effort to keep their portion of the clean community level, which they did.

[11:43:52 AM]

They had no increase in their clean community.

>> Zimmerman: Let me follow-up. I see that on page 79, it says reduce expenditures and it's got a value of 971,000. So reduced from what? So if it's reduced 971,000, what's remaining?

>> We could provide you that.

>> Zimmerman: Okay. It seems really important, you know, to have that information. I see a reduction, I'm happy for the reduction, but I'd like to know what we're totally spending. In other words, I just don't see the information here, but thank you for the budget question 133. That was helpful.

>> You're welcome.

>> Mayor Adler: Okay. Is there a -- I guess the motion in front of us is to reduce the budget from 212,000 to 50,000? Any further --

>> Zimmerman: To 62,000, a savings of 150,000.

>> Mayor Adler: Correct, from 212,000 down to 62,000, savings of 150,000.

>> Zimmerman: Thank you.

>> Renteria: Mayor, can I ask a quick question.

>> Mayor Adler: Hold on, please. Mr. Renteria?

>> Renteria: What would happen if we did reduce that? What would be the consequences, if any?

>> You're proposing to reduce it 262,000?

>> Renteria: The way the amendment is to reduce it to exphat -- what is it.

>> 62, I think.

>> Renteria: 62,000.

>> I'm concerned that that level of reduction will directly impact our ability to do notifications for code-related activities, which means that property owners may run the risk of not either getting information in time or we'd have to revamp how we do notifications, which are codified.

[11:45:57 AM]

>> Renteria: So I'm kind of concerned about that, because, you know, here there's a potential that residents could get fined and then not knowing anything, not getting the information in time, so I won't be able to support this cut.

>> Thank you.

>> I'm sorry.

>> Mayor Adler: Mrs. Garza then Mrs. Kitchen.

>> Garza: I was considering an amendment to the motion, that it wouldn't be so significant, but after seeing what they've already cut, I couldn't support it because code violations really affect low-income neighborhoods a lot. If they don't -- many families don't know that they're not complying with code, and sometimes -- you know, I feel like our education outreach should be even more. So -- and then when they get hit with these violations, it's extremely expensive for these families to try to come into compliance, so I won't support further reductions.

>> Mayor Adler: Okay. Mrs. Kitchen?

>> Kitchen: I just had a question.

>> Yes.

>> Kitchen: I'm sunsing what you're saying that 62,000 would put some basic functions in jeopardy, but the starting point is I think 200,000 or 210,000, something like that. Is there a number somewhere in between that you would still feel comfortable that you could carry out the responsibilities for notifying individuals?

>> Honestly, at this point, I would not feel comfortable with additional reductions.

>> Kitchen: Okay.

>> We really feel like the level of notifications are just critical.

>> Kitchen: Okay.

>> And beyond that, when we're doing work within the community, that really is around community engagement and education about codes, and the desire for the community to be proactively compliant, then I think we will start to be impacted on both ends of the spectrum. One, the legal notification, and then on the opposite end the proactive approaches that we would use with the communities to be informed.

[11:48:01 AM]

>> Kitchen: Okay.

>> Without really having a sense of that, I think we would be putting the department and our property owners at risk.

>> Kitchen: Okay.

>> Mayor Adler: Mrs. Gallo?

>> Gallo: And I really appreciate your comments, and I really, really appreciate the fact that you have stepped into this interim position --

>> Thank you.

>> -- And are going your best and concentrated effort to get the department improved and efficient and moving in the right direction. I'm going to withdraw the second, because it looks like from the standpoint --

[lapse in audio] -- reductions that you've proposed as part of your budget, that you really have a handle on those and you're really going to be focused on the community outreach, specifically, and then also the notifications.

>> Thank you.

>> Gallo: So I will withdraw my second.

>> Mayor Adler: You can't withdraw your second but you certainly can vote against it. At this point, the motion belongs to the dais. Mr. Casar?

>> Casar: I think that what might be helpful for us before making more decisions on this particular item is if the department could provide us how much of that 2112, 200 odd is for notification versus proactive, and I think that would help me make a decision about whether or not to not support or to amend or what to do. If that's already readily available, then we could hear it now, or I could get the information later, but it sounds like those are two separate --

>> Zimmerman: And if I could just clarify, I'm not sure where the 212 originally came from, but the total budget that they have for fiscal year 2017 is \$173,000 so any cuts would be from that.

[11:50:10 AM]

>> Mayor Adler: Manor pro tem.

>> Mayor Pro Tem: I like that suggestion. Are they informational flyers, or are they ads on the sides of buses, just so we have a sense, or the videos that were referenced earlier.

>> I can -- we'll be happy to bring more information back to you, mayor pro tem, but I can say that none of those dollars reflect ongoing advertising on buses or videos. That was a one-time contract, and so those services have been completed.

>> Mayor Pro Tem: Okay. Thank you, and I apologize if you explained that to the dais when I stepped off.

>> No problem. Thank you.

>> Mayor Pro Tem: And just to clarify, you've answered the question. I don't need that additional detail.

>> Thank you.

>> Mayor Adler: Okay. So we need -- we need to change the motion, right, because we don't have 212, we have 143. So you're going to get another chance to either second or not second.

>> Zimmerman: What I'd like to modify here, a year ago, I objected to the television ads that code compliance was playing. But do we know how much we're spending on those educational videos, are any of those put into the budget, the so-called educational video, you defined them on yiesh you can find them on YouTube, Facebook.

>> To my knowledge, we're not doing any active video campaigns so we're not spending any dollars in that regard.

>> Zimmerman: So is there some other information missing that breaks out, you know, what exactly is metropolitan by the advertising, marketing and promotional budget? Is there a further detail that's available that I just haven't seen or haven't found? Because that's great news, by the way. I would be happy to know that we're not doing those educational videos. They were -- a lot of people criticized them as being ridiculous. But if I had that breakdown and I would know that information, I may not have even brought this up. I just don't have that information.

>> I think we can get that for you fairly quickly.

[11:52:10 AM]

We don't present the budget that granularly how much is for public noticing, but I'm sure we can circle around with code compliance staff and get that to you before the day's out.

>> Zimmerman: Mr. Mayor, I'd move to table this until I get that data until I get exactly what it means, advertising promotional marketing budget. I'd like to see that. I'd like to table the motion I made for the cuts.

>> Mayor Adler: At this point, even just tabling, let's pull it down. It doesn't make sense right now. But you certainly will have the opportunity, as will everyone, to make proposals going forward that they want.

>> Zimmerman: Thank you.

>> Mayor Adler: We're still in the revenue section, mayor pro tem.

>> Mayor Pro Tem: This is a very small one but I think it will be easy and maybe it will kind of get us all moving. And that is to move 5,370 to the proposal fund which would result in a savings to the general fund. Obviously we've got a lot of revenue to identify if we're going to hit our priority needs and this is an extremely small one. But I'm going to do it anyway, because one of the goals I have is to identify other eligible expenses within the city budget. I don't think we've quite gotten there today and are prepared to make that for others, but I think it should still be an ongoing goal, and this is something the staff have told us is eligible. So that is my motion.

>> Mayor Adler: Okay.

[Lapse in audio] --

>> Mayor Pro Tem: So I do not know what the actual expense is, but councilmember Casar, I believe, asked the budget question, asked the staff to go through and look at the city budget and identify expenses that are eligible for tourism promotion fund that are currently being funded through other means, mostly, I guess, through the general fund. The answer came back that there was a small portion that was eligible for cultural arts funding within the tourism promotion money, and that this was eligible for tourism promotion fund money.

[11:54:14 AM]

It is -- I really -- I look forward to the further conversation about what other particular expenses might be -- I mean, I've raised some and I'm going back and forth with staff about that. I think we're going to find some other expenses within our city budget that are eligible for funding. This is the only one we have so far, and, again, it's not going to get us to our financial goals here today.

>> Mayor Adler: Right.

>> Mayor Pro Tem: But I just believe we need to continue this process of identifying things we're currently paying for out of our city budget that are eligible for funding through the tourism promotion fund, and this, though it's a very tiny step, begins that process.

>> Mayor Adler: So does this mean that something that was being funded with the \$357 is no longer funded with that.

>> Mayor Pro Tem: It could woman out of the tourism promotion fund dollars, and those are the dollars that we held back from the acbd contract from our last meeting or two meetings ago. Though are typically all of our tourism promotion fund dollars have flowed to the ACC B, so even if it's an increase to the hotel/motel occupancy tax, the council has traditionally voted to just move those to the accb. We have held that back with the understanding we were going to see what's available within the city budget and other requirements that fit the state requirements for that money and try to expand our ability to meet community needs through that means. And, again, this is a tiny portion, but it is eligible, and so I think we should do it. It's something within the parks department. And it is the subject of a budget question I'm going to have to look and see what budget question number that is.

>> I apologized, I stepped out for a minute. If you want to rethink of what you're thinking of spending the hotel tax on.

>> And the question is 228.

[11:56:17 AM]

>> Mayor Adler: So there's a -- for me, there's a bigger question here, which is what do we do with respect to the tourism promotion fund? And my recollection was that -- and I really appreciate your leadership in bringing this question to the council, because I think it's something we need to address. We have the entities that receive the funds, they have a budget, it's based on a certain assumption of what happens with increased revenue. My understanding is that if they exceed that anticipated budget, it just automatically goes back to their budget, and I think the conversation that you've raised is an important one for us to have, which is should that happen that way. Should that excess over what was anticipated automatically go into the budget. So my comments do not diminish my joining with you on that effort or wanting you to lead us to that conversation. But I'm concerned that -- and for \$5,370 I would vote yes on this, just so we pass by this, but my expectation is that there may be more of these, and I don't understand what the ramifications would be with respect to a budget that was already set, that was anticipating spending that money somewhere, because I don't know what that impact would be on that budget. So a \$5,370, I'm going to assume, is something that they can just handle, but if we're going to come back with larger pieces on that, then we need those folks here to tell us what that impact would be.

>> Mayor Pro Tem: Yeah. And I believe that we have -- we have very little time, but we have time beyond this budget to have that conversation, and so I'm not -- I certainly don't want to invoke that conversation in the midsts of our budget process. So, again, this is a small amount, so it seemed reasonable, but if -- if it will provoke that bigger conversation, I'll just hit something else on my list.

>> One last question, then I'll leave it alone.

[11:58:17 AM]

>> Mayor Adler: Okay.

>> My understanding, this wouldn't have -- this is not a cut that's something going to happen, it's just switching out revenue sources for it, right?

>> Mayor Pro Tem: I believe -- so I think that gets to the bigger conversation that we're going to have to have as a council.

>> Kitchen: But what I'm saying, if this is an item that's eligible to be paid for out of tourism and promotion fund, it would still be paid for, it would just be paid for out of a different pot of money than the general fund.

>> Mayor Pro Tem: Yes, I think that's true, but I think the accb -- [lapse in audio] -- They would likely make a case that that's funding they won't have available to them.

>> Mayor Adler: And that was the question I was asking. If we're not going to be doing -- if the others of these are going to be held in that broader context and not trying to be done during this budget session, then I'm going to vote yes on this 5370 just to express that interest and to send that message that we're going to have that larger conversation. And so that we can move on to other things

>> Tovo: if you're asking me for a commitment that I won't bring forth any others during this budget process I can say at the moment I don't have any intentions of doing to.

>> Mayor Adler: Okay.

>> Tovo: If there's something else. Let me say my staff are actively looking for items that we think could be eligible to help offset the funding in the general fund. We have raised multiple ones already, but haven't -- they haven't made the list or they haven't been able to stay on the list, as is the case with the move the waller creek controversy funding to the tourism promotion fund. I can give you a tent assist yes at the moment, mayor.

>> Mayor Adler: I'll take that.

>> Tovo: I'm actively engaged.

>> Mayor Adler: My acquiescence shouldn't be taken as I acquiesce on others should they come back, I'm ready to vote yes on it. Ms. Garza.

>> Garza: I have a budget question. Are you --

[12:00:18 PM]

[laughter] My recollection was there was the hot tax brought in -- I forgot what it was and then we ended up approving a budget, a lower budget, and I might be thinking of acvb and I might be getting things confused here but my question is whatever this number is, could it essentially be absorbed into that extra revenue that was not spent? Does that make sense?

>> Yes, Carla with the convention center. I believe the mayor pro tem's plan would be to fund this \$5,300 out of the 1.9 million that was withheld cvb based on action council took.

>> Garza: So it is just moving it from the general fund.

>> Mayor Adler: What we don't know -- so they've budgeted that million nine so there's something that they budgeted that dollars for that now they will not have the dollars to do. I just don't know what that is. But I'm willing -- but I'm ready to vote yes on this and say they're just gonna have to figure that out even without knowing what it is because it's only \$5,370.

>> Garza: But I thought we already -- they may have budgeted 1.9 but we did not -- we didn't fund it.

>> Mayor Adler: That's correct. And we said we would have a larger conversation about that, and they could come in and say this is what we were intending to do with the million nine, this is the impact of you cutting that out but they know that they don't have it to spend until we have that conversation until they come back.

>> Garza: Okay, got it.

>> Mayor Adler: All right. So the motion has been moved to make this change with the \$5,370, any discussion? Those in favor please raise your hand. Those opposed? That passes.

>> Just to remind you, council will be approving acvb's budget on September 22.

>> Mayor Adler: Everybody needs to be prepared to have that conversation.

>> Zimmerman: Mr. Mayor, it's about 12 noon.

[12:02:19 PM]

What do you want to do for a lunch break?

>> Casar: Do you want to do one big one before then, something with real money.

>> Tovo: Two more votes.

>> Mayor Adler: Do we want to pick a big one? What big one do you think we should bring up.

>> Casar: I want to bring up a bigger cup, the senior exemption issue as with others I don't think are ripe for me until we've gotten significantly to the blank. So why -- I'll make my motion first. I would like to have -- cut in half the proposed expansion for third-party plan review from 450 to 225.

>> Kitchen: Which one is it now?

>> Casar: That is on the mayor pro tem's list of potential cuts, I believe. It may also be in the staff's but I'm just looking at hers.

>> Kitchen: Okay, this one.

>> Casar: I'll just leave it at that and wait for a second.

>> Kitchen: How much?

>> Casar: That is reducing to half of the expansion in third-party plan review so that it goes from 450 to 225.

>> Kitchen: I'll second.

>> Casar: Again, just like with anything else, I think it's very important for us to address these sorts of backlogs but I've got to balance it against other needs and I think this is still significant amount of money to dedicate to this purpose with 225,000 left.

>> Mayor Adler: Okay. So that would -- that's, what, Rodney?

>> We heard about this yesterday.

>> Casar: I think this was discussed yesterday. I'm happy to have the director here to answer questions, but I heard him out yesterday and I -- I concur it's an important need but we've still got some money to make up.

>> Gallo: Excuse me. That's q&a 210, is that correct? I want to make sure -- this is the first one under development services under mayor pro tem's?

[12:04:25 PM]

Thank you.

>> Tovo: Mayor, I'll say I'm supportive of this. I believe we -- you know, we may need to circle back and look at that additional 125 but I certainly think 225 is a reasonable step and happy to support that.

>> Casar: Yes, to clarify on the mayor pro tem's sheet, it's reduced to 100,000 but I thought that we should start out with half and work our way from there.

>> Kitchen: I'm sorry. So how much are we cutting off?

>> Casar: So the mayor pro tem's suggestion was to go from 450 to 100. I think it's a good first step to just do half.

>> Kitchen: Okay.

>> Which is?

>> Casar: 450 to 225.

>> So it would be at 225.

>> Mayor Adler: I'm just trying to find it here, if I'd bear with me for a second. This is the -- and now I'm back to my base document, Mr. Casar. Which one of these is this this was the third-party? Which -- this was the third-party review? Okay. I'm gonna vote against this because the staff was tasked with getting us to the place where the permitting process worked. This is what was nose get the on-time residential review plan performance. This was one of the significant elements of the Zucker report that we paid and asked staff to execute and work toward, and, you know, there are needs all around our city. This is a council that has invested real substantially in lots of areas in our city and some more than others. And -- but this is one area that, in addition to the health and human services and the social services, this is something that is important for our community not only because it's such a large issue in our community, but because I think that the failure to our -- to the permitting process, development services to work, one of the reasons why we have affordability issues in this city and if we're gonna build the supply we need and to have the city function well we have to go to staff and say we gave you a job, you said this is what we need to do in order to be able to do that job, they've come back to us.

[12:06:52 PM]

This is not everything that they would like to have in order to be able to do that job. So for all the reasons, because if we start making these kinds of cuts, then staff, I think, will come back to us and say we can't meet the goals that we set and let's set new goals with respect to the permitting process, and I think we've promised the community we're gonna drive to reaching those goals. So I'll be voting no on this. Ms. Gallo and then Ms. Pool.

>> Gallo: Mayor, thank you for those comments and I'm gonna vote against it for those same reasons but also want to make the point that we as a council and we as a community are addressing affordability

and affordability and housing means that we have to have a supply that exceeds the demand and we are not there and we're far from it. And I think everything that we can do to improve the efficiency of our permitting and building inspections will allow us to put housing on the ground faster and in a more cost-effective way which will hopefully pull some of the prices down on housing. So I think any impact that we have to your department in this way will affect affordability because it will affect the length of time it takes to get more housing and more supply on the ground.

>> Mayor Adler: Ms. Pool.

>> Pool: Yeah I just wanted to point out, I think what councilmember Casar is doing is simply delaying or -- delaying the implementation by about half.

>> Casar: No. It's an independent contract so it would be --

>> Pool: If it were reduced by half, what impact would that have?

>> Casar: I think that's probably better answered by --

>> It is a question for us. Rodney Gonzalez, director for development services department. If I can echo what was recently said, we certainly are charged with a large task, improve the development process.

[12:08:54 PM]

I'm glad to hear calls have been reduced to each of your offices. I think that's indicative of the work staff has done to make the changes required. We're by no means done yet. The work is not even halfway there. The key positions that are instrumental to helping were hired as of April this year. You've got more positions that are being requested for fiscal year 16-17 and as I pointed out yesterday there's more positions in 17-18 we need to hire to really get the job done. We welcome the accountability. We certainly embrace it. We understand the charge but we need the resources to be held to that standard so that's what you have in front of you, are the resources that are required to meet the performance goals that the council would like us to achieve. Specifically with regard to inspections, our goal was to reach 90% next-day inspection, and we're already, as I pointed out, exceeding our -- not exceeding but we are seeing increases of 60% in the last year. We can't just absorb that. That's why we have position requests for permanent positions, and that's why we've brought forward the request for third-party inspections as well. The impact would likely be that we would have to -- we would have to move that to 90% next 2-day inspections verse 1-day so that's gonna impact residential customers specifically who have counted on us being able to come over the next day and what they can count on then is for us to come over sometime within the next two days. The third party will also impact our ability to process residential plan reviews, both technical and zoning reviews. And that's really important because, as I pointed out yesterday, the number of applications that we get continue to increase. And it's not just from new population coming in to find a house but it's existing homeowners as well that are seeking to remodel. Homeowners that want to do an accessory dwelling unit perhaps on their property that are going through the process and looking for us to hit the time lines that we've committed.

[12:10:57 PM]

Currently our time lines for residential review are five business days. It may that be we have to increase our review time line to ten business days or 15 business days so that way we can continue to at least hit a certain target and our customers know what time line to expect. Because right now when we tell them five business days and we're only achieving that 30-for the % of the time, it's not really fair to our residential customers who are counting on that time line to be met. So we want to be honest with them. We want to tell them up front what the review time will likely take and so by of course not having the funding for third-party plan review, it's likely that we're gonna have to adjust our time lines as well.

>> Mayor Adler: Yes, Ms. Garza.

>> Garza: Is this amount funded through the general fund?

>> Our department is in the general fund. So, yes, it is a general fund item.

>> Garza: So I guess my -- I would -- why wouldn't fees -- if somebody comes from a plan review and why wouldn't the fees cover that?

>> Our fees already incorporate this and so this is where we're not doing the work but the third party is doing the work on our behalf so the fee already covers it.

>> Garza: Okay. I'm trying to understand.

>> So either we do the work or the third party does the work, and in either case it does have to be paid for. And so what they're cog is they're doing work that we normally would do on our behalf and so the fee covers that work that's being done. And as was pointed out by Ed van eenoo earlier, the other piece of this that we haven't talked about is the revenue piece of it. Because of course we anticipate the X -- the increase in volume being processed through our department, which is an increase in from fees and if we don't have the resources to process the volume, then that's an impact to revenue as well.

[12:13:01 PM]

>> Garza: I'm trying to understand, do the fees offset the cost of what this is? So if it costs ten bucks to review a plan, they pay the \$10 and we use that \$10 for them to review the plan. Is that how it's done? Or there are general fund dollars in addition to that \$10 that review that plan?

>> Yes, you're absolutely right on the first part. So somebody comes in, they pay us and it's -- it's more than \$10 but they pay the \$10 for the plan to be reviewed. So the cost is either for our staff to review it or for the third party to review it. And the revenue that we collect because we're in the general fund goes to the general fund. We're not an enterprise fund yet. That's our plan for '17-'18 but currently the revenue we collect goes to the general fund.

>> Garza: Okay.

>> Mayor Adler: Because there's a corresponding impact on revenue that would be an additional reason why I'll be voting against this. Mayor pro tem.

>> Tovo: I guess I would really question that. I appreciate that plans and inspections won't happen as quickly if we don't fund this contract to the files extent that's been proposed -- fullest extent proposed but those fees will be paid based on their project and I don't really believe that people are going to abandon their project because they have a 2-day turn-around instead of a 1-day. It's hard for me to connect that dot between making this change and losing revenue from projects. I don't believe we're gonna lose -- I don't believe with people are gonna decide not to pursue their project based on a delay. I guess I also feel about this the way I do about some of the other conversations we had.

[12:15:05 PM]

I think we are investing -- I would just remind everyone again of the conversation we had yesterday. We are investing a lot of money in this budget in continuing to support development services and improving the processes for developers and for the owners in this community. The suggestions that are on my list that are coming forward from others as well are not about cutting services, cutting back on staff. They are about making some amendments to what has been proposed for really significant investments. At the end of the day, we will still have made really significant investments in development services in response to the importance of that work and the way it helps fund our -- you know, keep -- improve our tax base. It will be in response to the constituents we've heard from within the development community and others. We will at the end of the day have made very significant investments. We're just talking about lowering that really significant investment by a very small%.

>> If I can clarify on the inspection, the inspection is part of the plan review fee. So if somebody comes in and pays their fee, we will of course review that application and if it's approved and if it's constructed, the inspection is part of that cost already. So the inspection will happen. It's just a matter of timing. Will it happen between 24 hours or will it happen within 48 hours. With regard to our current budget, we've estimated that our volume will increase by 2.8% and that with the new positions and with the third-party plan review that we can accommodate that increase of 2.8% in activity. In dollar terms that 2.8% equals \$1,043,000. So if we of course don't have the staff of course to process an incoming application, that's where I'm coming from, is if we can't even touch the application, we can't collect the revenue. We've got to be able to take in the volume just like you make any product, you've got to be able to take it in and make that product in order to charge the revenue.

[12:17:06 PM]

So we certainly anticipate that we can take in the new 2.8% activity provided the resources that we're given, including the third-party plan review and inspections.

>> Renteria: Mayor.

>> Mayor Adler: Yes, Mr. Renteria.

>> Renteria: I have a lot of concern about that because, you know, the fees are the -- the residents here and the developers or the customers are paying for this service, and we're -- you know, we've been getting all these calls about the delays and how long it takes to process these development, these -- what -- you know, and by taking this money away from and delaying some of these services that they could provide to citizens of Austin and developers, I have a lot of concern because they're actually paying for this service. And we have been beaten up on this department here for -- because of the delays and the long time it takes them to review all these developments. So, you know, as a person that went through and built a garage apartment it took me two years and it was frustrating because all the inspections that had to come in, unless you paid for a high-dollar construction company or something, that you couldn't do it by yourself. You know, we did it, and it took us two years. So the delay, it really affected us and the costs and the contractors and it was just one big fiasco. When they asked me if I'd ever build something in Austin, I told them I would never build anything here in Austin and go through that process again. So I do have concerns about, you know, taking money away from this department.

[12:19:07 PM]

>> Mayor Adler: And any further discussion on this? It's been moved to cut \$225,000 out of the third-party plan reviewer.

>> Casar: To reduce the increase. I think we should --

>> Mayor Adler: Sorry. I didn't mean anything by that.

>> Casar: I know you didn't mean it.

>> Mayor Adler: To reduce the --

>> Casar: I'm trying to please myself to.

>> Mayor Adler: Reduce by \$225,000. Those in favor please raise your hand. Garza, kitchen, Zimmerman, mayor pro tem, and Casar. Those popped please raise your hand. Rest of the council. Doesn't have the six votes.

>> Zimmerman: Five to five.

>> Mayor Adler: We go on to the next item.

>> Zimmerman: Lunch.

>> Mayor Adler: Do we want to do lunch or another big thing? Ms. Kitchen?

>> Kitchen: Okay. I'll go ahead and raise another one of my fte questions. I think I've learned something. Anyway, there's a group of -- there's one item that is on the list that the -- that we received back from the staff and the memo of potential reductions and that relates to some funding in hrd for a position. And then there's a set of positions for human resources, financial services, the city clerk, building services, and the office of real estate. And so my question really relates to whether it would be workable for these five departments to take these new positions -- it's a total of 13 new positions -- and move them all to six months as opposed to 12 months. Some -- a few of them -- well, none of these are at 12 months at the moment. Some of them are at nine months but some of them are at 12 months. So that -- I'm sure that's a different question for each department. And then the related department for human resources might be whether or not it makes sense to move all four of their positions to six months or just to remove a position, which is what's on the suggested list of reductions.

[12:21:20 PM]

So, Mr. Mayor, I don't know how you want this -- this impacts five departments. I don't know how you want to address this but I wanted to signal to people that the total amount identified at six months, if that's appropriate for all these departments is 419,000. And I believe these departments -- none of these departments are the kinds of -- I don't think these are the departments that we ran into the same issue previously in terms of them being enterprise departments.

>> Mayor Adler: What are you reading off incentive I'm sorry.

>> Kitchen: I'm sorry. I'm reading off of -- there's a document. It is request number 224 that councilmember Garza requested.

>> Mayor Adler: Okay.

>> Kitchen: It's a listing of all the new positions, and what the reduction in costs would be if they were started at six months versus five months versus four months.

>> Mayor Adler: Got it. So since that involves multiple departments do we want to take that up immediately after lunch.

>> Kitchen: That would be fine. I wanted to signal that was a question.

>> Mayor Adler: That's question 224 so we'll pick that up first when we come back from lunch.

>> Kitchen: I'm only talking about the departments on page 5, human resources, city clerk, building services, and office of real estate.

>> Mayor Adler: Okay. And you're -- you would want to address both delaying them and or delaying a --

>> Kitchen: Well, there was one --

>> Mayor Adler: Fte.

>> Kitchen: For one of them, the human resources department, the other list that we have that I believe we got from the staff of potential reductions had identified one of those positions as just being eliminated as opposed to being started at six months. So I don't know if that's a preference on the part of that department to just take away one of the positions as opposed to pushing them all back or not. So that would be the discussion with that department.

>> Mayor Adler: Do you know where that was on the --

>> Kitchen: Yes.

[12:23:20 PM]

These are not -- I don't have page numbers on this.

>> Mayor Adler: What are the letters out to the left?

>> Kitchen: It's ss -- ss fund department hrd. And it was omitted from what you put together.

>> Mayor Adler: Okay.

>> Kitchen: It's the next-to-last page.

>> Mayor Adler: Next-to-last page at the top. I see it.

>> I could speak to two things on those positions.

>> Kitchen: Okay.

>> Council budget question 224, human resources, financial services, city clerk, building serveses, office of real estate positions. Those are all in the support services fund and so any of the savings related to those dollar amounts shown -- roughly half would accrue to the general fund, other half would ghost to the enterprise department because of how our allocation works. I know our department directors could speak more to this but many of those departments are related to ordinance that's council passed during the year for for instance hiring, living wage, campaign finance and the staffing needed to enforce those ordinance changes. And, again, they would be the experts to come and talk to you about those positions and what they would be doing but if you were to remove those positions or delay the hiring, about half of the savings would come to the general fund.

>> Kitchen: I'm just talking about delaying.

>> I'm sorry.

>> Kitchen: In other words if we -- I'm not suggesting it's appropriate for them but if it were to be --

>> Mayor Adler: Would we want to ask them? Because they're here, I think. Can you tell us what these positions, since they're here already --

>> Kitchen: My question is on human resources, specifically, I'm looking at the four new ftes and three of them are funded at 12 months and one at nine months. And so I have two questions. One question is, what would be the impact and would it be something if you could manage if they all were started at six months? So that would be one question. The other question is on our document that had a list of potential reductions, there was one of -- one of those positions was identified as just, I think, eliminating the position.

[12:25:33 PM]

So and that was the -- what -- I think it was the human resources consultant. So my question simply is, what would be the impact to y'all if we either pushed those four positions back to start at six months as opposed to 12 months or if instead we just eliminated the one position?

>> As identified in the -- Julia hays, department of human resources. As identified in the budget information that you received from Ed if having to prioritize we would recommend taking away the one consultant position. Now, I will share with you that is our position to assist with our criminal background investigations. We currently have two employees doing it. Our increase in the number of cbs that are having to be done for new employees, transfers and volunteers to support groups such as animal services have increased over 35% in the last three years so I don't want to miss this opportunity to go on record to say we are definitely in need of hiring additional person to support that current workload. However, the other three positions that you see in our budget are to create and sustain the fair chance hiring office which was just passed as an ordinance so having to prioritize that we would definitely want to begin as soon as possible with the hiring of the staff so that we can go about executing the fair chance hiring so we would want to have those as soon as possible so I would definitely say for those three positions, in order to do justice to the ordinance that has been passed we would want those positions for 12 months. And we could wait for the cbi position, but if I had to prioritize overall to your question, I would rather eliminate the cbi position and then be able to sustain fair chance hiring, knowing that able returning next year, requesting that cbi position.

>> Kitchen: Let me ask you about the fair chance hiring, start date for it. Obviously that's a priority, something the council passed and it's a priority for myself and for others.

[12:27:37 PM]

So the 12-month funding, does that mean that you guys are prepared to start that program immediately?

>> Yes. We've already developed an rfq to make sure we were prepared for that piece. We need staff. I just don't have the infrastructure to support it. So if given the opportunity we will begin immediately to identify those who can come and so we can begin that process of developing that office.

>> Kitchen: Okay. That answers my question.

>> Mayor Adler: Okay.

>> Kitchen: Then --

>> Mayor Adler: Do you want to talk to any of the other departments?

>> Kitchen: That answers -- with regard to that department, the only thing I would be offering would be the one position. I wouldn't be offering to push back.

>> Mayor Adler: Okay. So the motion from councilmember kitchen is to say -- is to get revenue by not funding the cbi position, which would take 41,827 to the general fund.

>> Kitchen: I do have one question about that. This identifies 41827, but on the memo I thought it looks like nine months is 76,054. I may be reading this wrong, but --

>> And I suspect that the difference between the two is the number I'm including also includes computer and equipment for that position, whereas the question was specific to the staffing costs.

>> Kitchen: Okay. I would want to include the total fte cost, which I think is actually 96,675, if I'm looking at it correctly. For that one position.

>> I think that is the -- that is the annual -- that's the annual cost but the amount in the budget for fiscal year '17 is the 76.

>> Kitchen: That would be the item -- the number that I'd be talking be.

>> Mayor Adler: What would be the number, Ed, 76?

>> That's the amount that would be cut from the human resources department, 76 -- it's actually gonna be my -- gonna be my number on this sheet, take that 41,827 and double it, that's the amount that could be removed from human resources budget as a result of this reduction because we of course would not need to buy the computer and office equipment.

[12:29:55 PM]

>> Mayor Adler: Did you say double that number?

>> Yes, the 41,827 is just a savings to the general fund, which is half of the total cost of the position and the equipment for the position.

>> Kitchen: So it would be about -- 41,827 times two?

>> Yes. But in terms of the exercise we're going through here in trying to find general fund savings it would just be the 41,827. When we come back to you we're gonna have all the budget amendments and one of the amendments would be to cut that position, the reduction to the human resources department's budget would be whatever that is times two.

>> Kitchen: Thank you.

>> In terms of us tracking general fund savings to looking to fund other priorities it's gonna be the 41,827.

>> Kitchen: Where would the other 41 come out of?

>> It would come back to the enterprise departments. All city departments contribute to.

>> Kitchen: But it would be a savings across all departments then.

>> Yes.

>> Kitchen: So it's still a savings.

>> Mayor Adler: I guess ultimately the way it would ham is conceivably if it was big enough it could indicate fees associated with that enterprise department.

>> Conceivably if it was quite a bit bigger than \$41,000.

>> Mayor Adler: Is there any way for us to realize that savings in the general fund? I understand 41,827 in the general fund, there's also 41,827 in the enterprise fund. Is there any way for us to get that savings put into the general fund rather than having it credited to the enterprise fund?

>> Only if the general fund service or activity you wanted to fund was appropriate for the fees that are being assessed by that enterprise. Which is generally gonna be no. For example, the savings that would accrue from this department for the aviation department absolutely can't be used for general purposes. Savings accrued from Austin energy would only be appropriate to use for general fund things if they were appropriate within Austin energy's rates that they charge. A shorter answer would probably just be no.

[12:31:56 PM]

I don't think you're gonna find any case where's those enterprises should be paying for general fund functions.

>> Mayor Adler: So the motion at this point is to credit an additional 41,827 to the general fund by making that change. It's been moved by councilmember kitchen. Did I get a second on that before? Is there a second on that? Mr. Zimmerman seconds that.

>> Casar: I'll just explain briefly that I appreciate that the motion is not for the fair chance hiring employees and I would speak vigorously against those but since this is really the human resources department's only other request apart from those three and they've really prioritized that council work, I don't feel comfortable trimming this one just yet but I might be able to come back to it.

>> Kitchen: I'm not gonna bring it up again. I mean, we're engaged in an exercise --

>> Casar: I understand. I'm just presenting my reason for voting no briefly. That's all.

>> Mayor Adler: Okay. Those in favor of making this cut please raise your hands. Garza, kitchen, Gallo, pool, me, Zimmerman, mayor pro tem. Those opposed raise your hand? Those three. So that one gets add.

>> Those three without a name.

>> Mayor Adler: I'm sorry?

>> Speaker1: It's those three, mayor.

>> Mayor Adler: Houston, Renteria, and Casar. By my calculation I think at this point we have -- we've -- we're working with a balanced position at this point. Is that right?

>> Kitchen: No, no. We have more than a balanced. We have more than a balance.

>> Mayor Adler: No. We have a little bit more.

>> Casar: 240k to the good by my count.

>> Kitchen: Mr. Mayor, I wouldn't characterize it that way.

>> Mayor Adler: You tell me the words you want me to use.

>> Kitchen: At this point --

>> Mayor Adler: At this point working in front of us there are more sources of resources than there are expenses --

[12:34:03 PM]

>> Kitchen: I don't think we should compare that because we have not voted for all the expenses. At this point we have accumulated an additional X number of reductions.

>> Mayor Adler: At this point we've accumulated --

[laughter]

-- A net positive place.

>> Kitchen: I don't know what the number is.

>> Mayor Adler: Whatever words you want me to use. I want everyone on the dais to know we've accumulated by my numbers -- you tell me, I see us about \$20,000ish to the accumulated net positive place, about \$20,000.

>> Gallo: He's still finagling that.

>> Kitchen: We've added 180,000 give or take some cents because we -- to the list of --

>> Mayor Adler: Ann, I'm just trying to let people know where we are on the dais.

>> Casar: You're right. I was wrong.

>> Mayor Adler: We're still working. Nobody has approved anything. The number is about 20,000ish. Whatever that number might be. Let's -- is now -- it's now 12:35 do we want to come back at 115? Can we do this in 45 minutes?

>> Garza: Hard 1:15.

>> Mayor Adler: We have a lot of work to do. We're in recess until 1:15.

[12:36:20 PM]

[Recess]

[1:48:46 PM]

>> Mayor Adler: All right, council, are we ready to bring us back up again? I think we're all here. Ms. Kitchen, did you --

>> Kitchen: Yeah. Let's see. I've got a couple of things, but let me just start with --

>> Mayor Adler: By the way, before you begin, I want you to know that I found a million dollars. Someone -- as I was walking up here today, someone made a donation to the city. As best as I can tell it says a million bucks on it and I'll be bringing this to you here in a little bit. We can't count this quite yet, all right, until it's been cleared.

>> Zimmerman: Mr. Mayor, I thought you finally found the money tree so our problems are solved.

>> I have a shoe box of those up in my office if anybody else needs one.

>> Kitchen: I had asked a question about a policy that -- and I'm going to get it wrong, but it has to do with how we handle our capital improvements. And so I asked a question about some dollars that if we -- it would be changing our policy this year, but perhaps we could push that change back to next year and save us, you know, seven or eight hundred thousand.

>> We talked about this when we presented the proposed budget total council on July 27th, but you may remember referring to it as an accounting change and in how we fund our capital projects management fund. Right now the way we fund it is through staff charging their time to capital projects, so essentially it's the capital projects that end up paying for the staff. In some cases we think that makes sense, but there's also a lot of administrative costs that get loaded into that charge, overhead costs. And so what we recommended to council in our proposed budget was to move away from that practice for the administrative costs and treat the administrative costs via an allocation, the same way we allocate financial services staff and city clerk's staff and other administrative functions, we allocate out to -- departments.

[1:51:05 PM]

We are proposing to allocate out the administrative costs associated with our capital project delivery to the departments as opposed to having those administrative staff, quote unquote, hit the projects and have the project fund them. You know, the reason we were recommending that is because when those administrative positions hit the project, that leaves less money to do the capital projects and also if it's a capital project that's being funded with that, then you essentially are debt funding these administrative positions. So you know, we think long-term financial strategywise we think that makes sense. In terms of the general fund, though, it's a shift. It's a shift of about \$876,000 that used to hit our capital budget that would now hit our general fund budget. And so we've talked with our assistant director of public works, the person over the capital project management fund and we would certainly recommend making that shift in regards to our enterprise department, but, you know, if council wanted to delay us making that change until next fiscal year for the general fund, it would free up \$876,000 this year, but we certainly would continue to strongly recommend to council that we make that shift at some point. We think it's a better financial model long term, but it certainly doesn't have to be done this year if council chooses not too.

>> Kitchen: Okay. I would move that we change -- that we work towards that shift next year and we not make that shift with regard to the general fund this year which would free up 876 --

>> It's 873.

>> Kitchen: 873.

>> 573.

>> Kitchen: I'm sorry what?

>> 873,573.

>> Kitchen: I'm just going to say 873. I'll make that motion.

>> Mayor Adler: It's been moved to move from the general fund to the cip the general allocation -- the allocation of some cip projects to the tune of that 873 and change.

[1:53:17 PM]

>> And I would just say that for our accounting of this, we would like to account for that as a one-time source of funding, hopefully getting council support for us to continue to pursue this change in fy 18. We do think it's a better financial model long term.

>> Mayor Adler: And my understanding is this policy that staff is advising us to move to, we're partially moving that way because we are moving to the new policy as concerns the enterprise accounts. Is that correct?

>> That's correct.

>> Mayor Adler: Okay. So it's moving to it halfway. It's been moved by Ms. Kitchen, seconded by Ms. Pool. Discussion on this item? Mayor pro tem.

>> Tovo: I just want to clarify with staff, does this move -- does the shift to the cip displays any cip projects in this next year or is it simply an accounting issue?

>> No, it won't displays any cip projects. I mean I think it's a good question, but there will be additional charges, additional dollars would be getting amount to these cip projects. And so, you know, if you are looking at -- I'm trying to think what a good example would be, but, you know, I think the answer is actually yes we would have to think about that on the cip side what would we not be able to if these costs hit the cip. Unless somebody knows the answer to that.

>> Tovo: So there is a possibility that projects might be postponed because of this shift? Do you need to get back to us?

>> With that shift we wouldn't have any projects delayed for any of the general fund departments. It would be -- the allocation would be spread across to where it could be absorbed and there would be no delays or impacts as far as project delivery.

>> Tovo: Great. Super. Thanks. That sounds like a great change. Thank you.

>> Mayor Adler: It's been moved and seconded. Any discussion? Those in favor please raise your hand. Those opposed? It's everybody is in favor. So that one is now done.

[1:55:20 PM]

Ms. Kitchen, do you want to go ahead and tee up one of the big ones here?

>> Kitchen: Well, there was a couple -- I want to let that side of the dais, I think they had something they wanted to raise first and then I'll come back.

>> Mayor Adler: Okay. At some point we should get to things like the senior exemption. A lot of things are riding on those kinds of issues.

>> Kitchen: I'll do that first but I would like to defer first.

>> Zimmerman: I would like to propose a \$100,000 reduction in the Austin traffic department bicycle -- the bicycle path -- the bicycle infrastructure management. It's on page 285 of your volume 1. And I have an over head I would like to put up and if I can get a second I'll go into that, but I think we can --

>> Mayor Adler: Ms. Houston seconds the \$100,000 cut in --

>> Zimmerman: Page 285.

>> Mayor Adler: -- Funding transportation department for what?

>> Zimmerman: So let me draw attention quickly to some numbers and figures that I just can't make sense of this. I want to call attention to three columns here. Actually the 2014, 2015 actual. And if you look at the total requirements, that's 560,000. And then there's 2015, 2016 amendment, just market out the estimated column. That's a duplication. If we get rid of the estimated college, look at 2015-2016 amendment, and the 2016-2017 proposed is 1,037,729. So what bothers me about the slide if I look down at the performance measures, the miles of new bike lanes was listed at 11.5 here for 2014-2015. Then it's listed as ten years after that. But if I go down to where it says total miles of arterials, bicycle lane, protected bicyclist shared use path, it shows we increased from 116.5 miles to 135 miles and we're project to do have 135 miles going forward for the next year.

[1:57:35 PM]

So in other words, we've increased spending by 477,000 and what we have to show for it is 18.5 miles of bike lanes and six fewer bicycle facilities. We've gone from 44.3 down to 36, down to 30. And one more kind of goofy thing. I think the numbers are confusing because in the performance measure it says miles of new lanes, but if you look down to the fourth line, it says total miles. And you see the total miles are not increasing from 135. They should be bumped up to 145, 155. So something is wrong with these numbers here, but I think we should easily be able to get \$100,000 out of this budget.

>> Pool: I have a question.

>> Mayor Adler: This \$100,000 change in revenue has been moved and seconded. Ms. Pool?

>> Pool: I'm looking at the -- the line that Mr. Zimmerman was talking about. It's the new and improved - new and improved on-street bicycle facilities. Is that the line? 44.3 and dropped down to 30?

>> Zimmerman: Yes, total new and improved bicycle facilities and then total miles of arterials with bicycle lanes. The bottom two lines.

>> Pool: So I wanted to ask our transportation department, when you identify total new and improved, is that the total number entirely or just the new ones we are putting on the ground and accumulated total?

>> I believe that -- Robert spiller, transportation department. Councilmember, I believe you are talking about the annual increment as opposed to cumulative. Meaning cumulative over the number of years.

>> Pool: Okay. So if -- so how many would we have had in fiscal 14 versus how many we will have in fiscal 17 once we're done?

[1:59:44 PM]

>> I don't know that number off the top of my head, but I can get that for you.

>> Pool: Let me try it this way. If in fiscal 14 we had 44 and in fiscal 15 we had 36 do we add the two together to make 80?

>> We built 44 one year, 36 the next. But it goes on to a base. I don't know off the top of my head.

>> Pool: That's fine. What I thought I was hearing was that we are having fewer of these and yet we're paying more money. It sounds like we're simply adding making it a little bit opaque is we're also transitioning from when our budget was mingled with public works. There used to be a transfer from one to the other. Now we need to rectify that the funds are totally within transportation.

>> Pool: I remember that. How many years has it been --

>> We finished our first financial separate year.

>> Pool: That was an initiative the city manager organized about two years ago or something?

>> Zimmerman: If we could put the slides back up. It didn't make sense, because of the line that says total miles, those miles are not increasing where it says the new miles are increasing year over year. So it is not consistent.

>> I can appreciate that. If I could see it again.

>> Zimmerman: If we could put that back up, please. So if you look at the top row, miles of new are protected, buffered bicycle lanes. Down where it says total miles which should be accumulated, it doesn't make sense.

[2:01:47 PM]

It also says 11.5 miles, but I believe 18.5 miles were added between 2014-15, and 15-16. It is 18.5, it is not 11.5 miles.

>> Mayor Adler: Can you move that up on the screen so we can see the bottom half of the document?

>> Zimmerman: Oh, I will give you the original.

>> Councilmember, I'm sorry. Your question again?

>> Zimmerman: Could you explain how the math works? There was a question from councilmember pool about whether the numbers were accumulated totals or incremental increases?

>> The first column is 13-14, and next is 14-15, and the third column is we're estimating what we completed in 15-16. We go back and amend that after the year, and then we propose for the following year. So then --

>> Zimmerman: Then why aren't the numbers increasing when it says total miles? It should be 135, 145, 155, et cetera.

>> I see. It looks like that's a mistake, a math mistake. So let me find out what the actual numbers are, and I'll be happy to get back with you.

>> Zimmerman: Thank you. So I still would like the council to consider my motion, because spending increases are dramatic, that is a very dramatic spending increase. I don't see that we're getting our money's worth out of that.

[2:03:48 PM]

>> Mayor Adler: Moved and seconded to get additional \$100,000 in revenue here. Further discussion? Ms. Gallo?

>> Gallo: Can I get a clarification on the income mobility fund? Could you explain the mobility fund and where that's coming from? So I see expend -- under requirements I see expend refund requirements and a term that's called "Mobility fund"?

>> Right, mobility fund is the transportation department's portion of the tuff, and any additional funds that we get authorization to move from our other resources, like [indiscernible] Or fees to support the parking and pedestrian environment.

>> Gallo: So are we -- is that fund scheduled to be increased this year?

>> Yes, it is.

>> Gallo: Remind me again, what the increase -- what it was last year and increased to again this year?

>> Zimmerman: If I could, the numbers say 9 million 300 up to 37 --

>> Gallo: Part of that is from the transportation user fee? Am I not looking high enough?

>> Councilmember were you asking about what the transportation user fee itself, the fee is increasing by.

>> Gallo: I started with the question on the mobility fund, where they money came from.

>> Mayor Adler: Right.

>> Gallo: I think I heard it is funded from a portion of the transportation user fee. And so then my next question was, what was that fee last year and what is it projected to go up this year.

>> Mayor Adler: And it's projected to go up \$1.75 this year.

[2:05:49 PM]

It is a single fee that funds two departments. The total fee will be \$9.77 to \$11.52. That is \$1.75 increase. 50 cents of that is for transportation functions and flows into the mobility fund, and the remaining \$1.25 is related to public works department functions and flows into the transportation user fund, the public works department fund.

>> Gallo: So one of the opportunities for being able to do reductions also would be to deal with, as we talk about fees, and I assume -- this is a budget question. So when we're talking about the different fees, that's a separate discussion from what we're doing here; is that correct? We're going to go in, help me understand the process. We're actually going to go in and talk about increasing fees or decreasing fees.

>> Mayor Adler: I believe it is item three on the agenda would be where you adopt the fee schedule included in this budget, we will take the necessary actions before we get to item 3 to sync that up to any changes you made here that affected it. Hypothetically, if you were to make reductions to the transportation department, the resulted in a lower fee requirement, we would tell you now what that would be, but we would have to come back on item 3 with an amendment to make the fee adjustment.

>> Gallo: So if we were interested in having a discussion about not increasing the fees from last year, then that discussion would be appropriate now or when we take up item 3.

>> No, I think it needs to happen now, because given the level of expenses. The first item you are approving is the operating budget, which sets the level of expenses for the department, and you wouldn't want to adopt a fee that is below what the necessary requirements are. If your goal is to have no fee increase, you need to have the discussion now about what level of expense reduction needs to be made to achieve that.

[2:07:49 PM]

We would sync it up on item 3, depending on what you decide.

>> Gallo: Thank you.

>> Mayor Adler: Ok. Further discussion on the \$100,000 revenue change? Ready to take a vote? Those in favor of this one hundred thousand dollars change from Mr. Zimmerman, raise your hand. Gallo,

Zimmerman, and Houston. Those opposed, raise your hand. The rest of the dais. It does not pass. Thank you.

>> While we have Mr. Spiller here, I was going to propose --

>> Mayor Adler: Ok. We will stay with revenue sources. The fee, I believe gift that could be transferred or we could move one of the proposed transportation fees that would free up I think it is \$100,000 to the general fund.

>> Yes --

>> Mayor Adler: Do you recall that.

>> Yes, I defer this to the budget officer. The money that was identified -- I know there was some confusion for the 1 fee in transportation. Were those transportation dollars or general funds identified for that.

>> They were transportation department ending balance. So the way it was proposed, I think on the menu before us right now, the position in the transportation department, we envisioned adding a PCN, adding a position and simply reducing the transportation ending balance. Most enterprises lower the ending balance. We wouldn't recommend changing the fee. I know there was a discussion instead of doing that, using a gift position to fund it, but that still would be within the transportation department. It wouldn't free up any general fund moneys.

>> Councilmember, I can clear up the confusion. When you suggested this, you proposed \$100,000 general fund upon I think staff looked at this and said in advance we don't need to general burden the general fund with this.

[2:09:59 PM]

This is the confusion yesterday councilmember Garza.

>> I'm not understanding how that does free up \$100,000 in general funds.

>> Mayor Adler: Because it is not a transportation function, it is general --

>> That extra thousand dollars has been absorbed.

>> It has never been on the concept fund, it has never been a general fund expense.

>> Mayor Adler: The question is, can we remove this item, this transportation fund person, if we remove it from this budget and instead take one of the existing positions in the transportation department and say, take one of those existing positions and have them do it? So in essence, we would be changing the function of one of the transportation department fees, which would result in this line item, this use of \$100,000 just coming off the budget.

>> Right. And so you're actually down on the uses of funds section, where it says position and transportation department --

>> Mayor Adler: You are saying, because it is not showing coming out of general fund?

>> Right, your list shows one column. I have a list of three columns, that item is not a general fund item. It is an other fund item. In terms of the list you have, if we lower that by \$100,000, back up on the sources of funds, there is an item that talks about -- I'm trying to find the exact item. It says draw down of ending balances by 300 or \$310,000. Part of that draw down of any balance is to fund that position in the transportation department. It was drawing down the transportation ending balance to fund that position. If we cut the position, we also cut the draw down or ending balance and you're still in balance.

[2:12:07 PM]

>> Kitchen: Basically -- I'm sorry.

>> Mayor Adler: Go ahead.

>> Kitchen: Basically, it would ... It never came --

>> We have a source of fund that is \$100,000 that came out of the transportation department and we can redirect that in the transportation department, but it doesn't result in any other savings.

>> Kitchen: Ok. So if we really want the function done, we have to keep it the way it is --

>> We don't keep it, we transfer the use.

>> Mayor Adler: I mean, we keep it as it is set out in this budget.

>> Garza: I withdraw my suggestion.

>> Kitchen: But we still move forward with the transfer of the functions.

>> Mayor Adler: I understand.

>> Kitchen: Ok.

>> Mayor Adler: My understanding there is not a transfer of function because we are drawing down, we are creating a new function, right? Because we show the source of income from the draw down of the funds, which means that we're not redirecting somebody we're creating a person to do that. They will have a gis person and --

>> No, no, no, one position.

>> Garza: He can fund both -- yours and what he wanted.

>> Mayor Adler: The way to fund the second one is with the draw down of the end of the year balance.

>> Mayor Adler: And the other had to --

>> Kitchen: The draw down we can't use anything else?

>> Mayor Adler: It has to stay within the transportation department thank you.

>> Sorry about the confusion.

>> Mayor Adler: Looking for more motions and things that will drive greater funds available.

>> Houston: Just a question, if it has to stay in the transportation department, can it be used to reduce the transportation user fee?

[2:14:08 PM]

>> Mayor Adler: Any cut we make to function in the transportation department could be applied to a lower user fee. I don't know how significant \$100,000 would be in terms of that fee. But certainly cuts in that department could result in lower fees within that department.

>> If I may clarify, maybe I can help us get there. Here's the path that you all took. You came up with an idea to say shouldn't we have a position dedicated to seed grant funds.

>> Right.

>> You thought it would cost money to do that. It was going to be an increase, working with Mr. Spiller, what he came up with -- one of the positions I asked for in the budget, the new position, I will use that new position for that. It doesn't increase the tuff but it doesn't decrease. It doesn't say the general fund but it doesn't require the tuff either. He will use an analyst he asked for in his budget for this function.

>> Mayor Adler: Hack -- hang on a second. One of the sources of income was for end of year balances.

>> To stay in the tuff. He will use one of his -- his new positions for that function.

>> Mayor Adler: That's the question. Right now on the budget, it shows the end of year balance. If that's what we will do, we should change the source of fund number to reflect that we're not going to be drawing down that end of year balance by \$100,000.

>> Correct.

>> Mayor Adler: That right.

>> That's right if you want to do it the way acm good there would be two changes to make to the menu you're working off of. Remove the \$100,000 as use of funds and in the source of funds lower that by \$100 thousand dollars.

[2:16:14 PM]

You're still in balance. If you want to add the position, you leave it alone.

>> Mayor Adler: So you don't want the gis position?

[Laughter]

>> Mayor, if you are willing to give me a second position, I will take it, and I will pay for it. Then it will draw down the budget.

>> Mayor Adler: That's how it is written right now. The way the budget is written right now is you have both of the positions and drawing down the budget by \$100,000. The question is should we change that? If you don't, there is the \$100,000 draw down.

>> Yes, sir.

>> Mayor Adler: Without anybody changing anything, that is how we will stay, unless someone wants to change it. Ok. Thank you. Who is next up? Mayor pro tem.

>> Tovo: I'm going to work my way through some of the items on the list. I want to revisit -- not revisit, but I'm making a slightly different motion for a subject we talked about before. I would like to and the council to consider reducing the funding for the third party plan reviewers in the amount of 235. An amount that was different from the motion we made earlier. If I could get a second.

>> Mayor Adler: This is instead of reconsidering the vote we did earlier?

>> Tovo: That's right. A new motion.

>> Mayor Adler: As I recall, it is 450. You say to reduce by how much?

>> Tovo: To reduce to their 35.

>> Mayor Adler: We had earlier voted to reduce it by 225 and now going back and reducing it by 235. The other.

>> Tovo: The other direction. Leaving the amount of 235.

[2:18:16 PM]

>> Mayor Adler: Ok. That is 215,000. Ms. Pool, you had indicated you wanted that, you were considering -- I mean --

>> Tovo: Is there a second.

>> I'm sorry, councilmember Houston. You want to speak to it first?

>> Tovo: I don't need to add to what I said earlier. I would surge my colleagues to think about this -- not as a reduction, but not investing at the highest level we have been asked to.

>> Mayor Adler: Ok. I will vote against this for the same reason, I think, with respect to -- I think we made a commitment to the community to try to push for higher standards. We heard that the standard will have to change, that we set out as a goal. I would rather not have development services come back with changed goals after the community asked us to set them and we did. Any further discussion on this?

>> I would agree the community has asked for higher standards and the additional funding does allow them to provide faster service. So it is not -- this is not cutting back what is currently -- it is still provides additional funding so they can get through the permitting they need to get through.

>> Mayor Adler: The other thing I would point out it was also told to us it didn't really result in a savings, because this work all gets paid for. It would process the more things and -- is that correct, Ed?

>> I think I would like somebody from planning and zoning to respond, because I'm a little confused about what the revenue implications of this item might be.

[2:20:24 PM]

>> I think we talked about these things, could we vote.

>> Mayor Adler: Is there a revenue implication on this? I would like to know. If I'm wrong, I'm wrong. There are people shaking their head and I would like to understand it better.

>> There certainly could be revenue implication and service implication as I stated earlier. I'm not sure if you have the graphs from yesterday with regard to the number of inspections that we -- let's start with the number of residential inspections and number of building -- residential applications and building inspections that we have. Let's see if those are up there. As I mentioned yesterday, we continue to have month over month increases in residential applications and month over month increases in residential inspections. And what we have proposed to you is not of course to just meet the target it is identified back in the Zucker report, but we have continued increases -- so earlier, when I talked about the residential inspections when trying to do 90% within the next business day, that is absolutely difficult to maintain in this growing economy. Our inspectors are doing from 20 to 30 inspections every day. We -- I am concerned they will sort of in terms -- suffer in terms of quality. I am worried that will suffer, we do power and gas inspections. They will suffer because they're on the next inspection to hit the 90%. More than likely what we would want to do is reduce that target to 90% within the next two days so that way they can focus on the quality and don't pass over those applications. That is residential applications, part of the third-party plan review is to do plan applications for residential review.

[2:22:24 PM]

You can see month over month increases and we have spikes. For example, when you see the March 2016 spike, we could have easily handled that without going into backlog situation by invoking third party plan reviewers. Same thing, we experience that periodically. Our staff is currently working numerous amounts of overtime during the week, on the weekend, our commercial plan reviewers worked a series of six Saturday days, I believe to clear a backlog. Or they will find another job where they don't have to work as much overtime to keep up with the increase we have. We are the fourth fastest growing metro in the U.S. We have to find a way to accommodate the applications coming in. They're not just from new residents but existing residents that are either planning to make modifications to their existing house, they may want to create a new accessory dwelling unit to help them afford the current mortgage rate. When we are late with plan reviews, it impacts the revenue stream to the department, impacts the city's property stacks revenue stream, impacts the city's tax revenue stream. We want to facilitate those that are coming through. Anything else?

>> Zimmerman: What are we voting on?

>> Mayor Adler: A proposed change in revenue in the third party review in the total amount of \$215,000.

>> Mayor, I'm sorry, the total amount, the reduction would be total amount of \$235,000 from the 450, taking us to the remaining piece in the budget.

[2:24:32 PM]

>> Tovo: I'm sorry. I may have misheard it.

>> Mayor Adler: It is 235 --

>> Zimmerman: I have two years, but one brain.

>> Tovo: You were asking what we're voting on. It is similar to the motion we made earlier which you support which is the reduction.

>> Zimmerman: I gather that.

>> Mayor Adler: I change in revenue of \$235,000 in the third party review. Any further discussion? Ms. Gallo.

>> Gallo: I will vote against this for the same reasons that I stated before. But, you know, once again, we just had a lengthy discussion with the fleet director who said that we needed not to reduce his budget, and reduce his opportunity to make sure the department operates effectively and efficiently. We have tasked the services to fix our inspection and processing, per the Zucker report. We have to allow that department to have the resources to do this. And so I think it is the same conversation. We want to keep our fleet operating and fixed and I think we want to keep our permitting departments operating and fixed and deal -- with the Zucker report it says this is a way to move forward with that. I will vote against this.

>> Mayor Adler: Ms. Kitchen.

>> Kitchen: I want to say I will support this. I think that I definitely support the work you all are doing. I know you are doing a great deal. I just want to echo what mayor pro tem said earlier, we are putting a lot, a lot of resources into this area. And this may reduce the target from one day to two days in terms of residential inspection, but given the environment that we're working in right now, I think it is something that we have to do. So ...

>> Mayor Adler: Any further discussion? We'll take a vote. Those in favor of the \$235,000 change in revenue, please raise your hand.

[2:26:33 PM]

Garza, kitchen, pool, Zimmerman, mayor pro tem and Casar. Those opposed, the rest of the dais. That change is now incorporated. Ok. Anybody else want to present -- something else?

>> Mr. Mayor?

>> Mayor Adler: Yes, Ms. Kitchen?

>> Kitchen: Ok. I have a few more. Did you have -- ok. Let me just start with one of the smaller ones to put to bed what I raised earlier. We had city clerk, office of real estate, I have talked with our city clerk and I believe if -- if y'all want to ask her any questions, I believe we could move one of those positions, the public information specialist to start at six months instead of 12 months. The other one, the assistant city clerk to start at nine months opposed to 12 months. It keeps all the positions. It pushes them back a little bit, and again, I -- I wouldn't even suggest this, except that there is some additional dollars I think would be helpful for us, so I will leave it to our clerk to answer questions people may have.

>> Mayor Adler: Would you help me again? I missed that?

>> Kitchen: Well, there are three new positions. We would continue to fund all three. One we continue to fund at 12 months. That is the one that is the I.T. Application developer. We would continue that as proposed. The public information specialist we would start at six months instead of 12. There is an implication to that, which our clerk can explain. And the assistant city clerk we start at nine months.

[2:28:35 PM]

Delay that one by three months and delay the other for six months.

>> Mayor Adler: What -- what is the budget question number was? Do you remember what the budget question number was.

>> Kitchen: Oh, yeah. That's --

>> Mayor Adler: 224.

>> Kitchen: I don't know the exact dollar amount. It would be about, I don't know, 75,000 something like that.

>> Mayor Adler: Ok. Do you see the changes that were proposed here?

>> Yes, I see them. We just got to add them up here.

>> Mayor Adler: Ok. Is there a second to Ms. Kitchen's motion. Ms. Houston seconds that. You want to tell us what the implications are?

>> Sure she's were requested and added to support a number of new initiatives that council has asked the clerk's office to do such as campaign finance, the lobbyist registration that is coming for you next week, I believe along with other things, in addition to things like the additional council meeting you all are having. Because where you know, there is a quorum of you so shall we go. You know, just like every other department director that has come before you, you know, I'm concerned with burnout, we're working overtime, we don't have an overtime budget, so the staff that's working overtime are not getting paid for that because they are but, you know, we do need the additional resources. The impact would be by -- with the public information specialist or that position, things that council wanted, like the customized reports on the web for campaign finance and lobbyist registration, customizing a more user-friendly web site for those data portal sites would be delayed.

[2:30:40 PM]

I just don't have the resources to develop to those without this position. You know, we're willing to, you know, play our part and help out where we can, but like every other department, we are struggling along with you. The programmer is the key, because without it we cannot continue.

>> Mayor Adler: Okay. Thank you. Ed, do you have a feel for what the revenue change is associated with these proposals? , This proposal?

>> We'd go with \$80,000. I got to get into the -- you know, it's about \$80,000, there may be some equipment costs in there that I've missed, but I think we can do \$80,000.

>> Mayor Adler: Okay.

>> Again, we've got the same dynamic on these positions, that only half of those savings would accrue to the general fund.

>> Mayor Adler: Okay. Is there any more discussion on the changes in revenue in the clerk's office? Yes.

>> So I just wanted to reiterate, there are three positions, and the first one, which is the data --

>> It's the I --

>> It application developer senior, and there's no change to that.

>> No change to that.

>> And that's in at 12 months, public information specialist would go to six months --

>> Six months.

>> Delay, and the assistant city clerk?

>> Nine months.

>> Okay.

>> So that would give us a couple months in between each of them to go through the hiring process.

>> Pool: These are hard cuts and I appreciate your willingness to help. They're really hard cuts.

>> I would just ask you all to remember this if we start getting complaints about the web sites not being pailted updated and the reports are not out there, there's a reason why, and it's not because we're not doing the work.

[2:32:45 PM]

>> Mayor?

>> Mayor Adler: Yes.

>> Renteria: This is very sad and unfortunate that, you know, we're mandating our staff to do a lot of things up here on the dais, and then they go and listen to us and implement their plan and then when they're ready for us to support them and fund them, we end up cutting them back. So I hope that when -

- in the future when we're passing all these resolutions and ordinances about creating all these programs, that we take into consideration how we're going to fund that.

>> Mayor Adler: Okay. Any further discussion? Those in favor -- I'm sorry, Ms. Gallo.

>> Gallo: Quick comment. I'm going to go back to my concern that I think when we in this budget fund a portion of the year salaries, that it puts us in a worse position next year because then we are -- we have already hired the people and they are -- we are then looking at full-year salaries. So I'm not going to sport -- support this for this reason. I think if we want to cut back, we cut out ftes rather than manipulate budget. And I understand we're all struggling with trying to find places, but I think we're running into that this year where we had half-year positions that we did last year and all of a sudden this year we're funding them at full year. So just as -- as council member Renteria said, we're producing policy off the dais that is instructing staff to go out and do certain things and then they come back and let us know what staff that they need as part of the budget process and then all of a sudden we're cutting back, and it just seems like a really difficult circle that we're pushing ourselves into.

>> Mayor Adler: Okay. Any further discussion on the proposed cut?

>> And mayor, if I could, just to keep everything precise, the exact number is 39,451.

>> Mayor Adler: How much?

>> 39451.

>> Mayor Adler: Not 80?

>> 39,451, for the general fund.

[2:34:46 PM]

>> Mayor Adler: And 39 four --

>> 39,451, for the general fund. Double that for the whole citywide.

>> Mayor Adler: Any revenue discussion on the revenue change of 39,451. Those in favor of the changes for the city clerk's fte, please raise your hand. Garza, kitchen, Zimmerman, Casar and the mayor pro tem.

>> And pool.

>> Mayor Adler: And Ms. Pool. So it's six. That one happens.

>> Mr. Mayor, I have another one.

>> Mayor Adler: Okay.

>> Kitchen: On the senior exemption, I would like to change -- what we have stated here, we have a -- I don't know exactly how to --

>> Mayor Adler: Hold on because it was reminded to me we're going to try and do all the revenue items first.

>> Kitchen: This is a revenue item. This is a revenue item that's placed in at a certain amount that I don't want to continue at this amount.

>> Mayor Adler: No, no, and you'll get a chance to do that, but first thing we're doing is trying to see how much revenue we can add to the budget, and we're going to come back with those things otherwise. Additional increased revenue items to be considered? I have us at this point at roughly about a million 150 in undesignated revenue. Is that about right?

>> Kitchen: I have a million four.

>> We have \$1,170,703.

>> Kitchen: Can I ask a question about that? So perhaps I have the numbers down wrong, but I had approximately 39 that we just talked about for the city clerk, approximately 235 for the third party, approximately 873 for the cip, 41 or so for the hrd position, 55 for the customer servers and then 84 for a planner.

[2:36:55 PM]

Yeah, I didn't count the 5,000. So isn't that 1.4?

>> Casar: Did you isn't the 164 that -- subtract the 167 that we started in the hole?

>> Kitchen: Let me check. 1.3 is what I have. Did I not do that right?

>> Casar: Council member, did you subtract the 167 we started in the hole?

>> Kitchen: No, because that -- we didn't start 167 behind.

>> Mayor Adler: We didn't.

>> Casar: We didn't? Okay.

>> Kitchen: We didn't. I'm just -- all I'm talking about is what we added.

>> Mayor Adler: It's the same number. The piece of paper in front of us has -- unless we make changes, we are -- we are 1.17, roughly, undesignated at this point.

>> Kitchen: But that's -- my understanding was that what we were doing is we were adding additional reductions, and we weren't applying those reductions to anything in particular. We were just adding them up. And so the numbers I just --

>> Mayor Adler: We have a base budget that we're working off of that balanced, and to that we're making changes. Now, you can make whatever changes to this you want to, but that -- but that's where we are at this point.

>> Kitchen: Okay, because I don't accept the base budget.

>> Mayor Adler: I understand, and let's keep making changes to it.

>> Kitchen: Okay, well, I would like to make my senior change now.

>> Mayor Adler: But I think a majority of the council wants to stay trying to generate as much revenue as they can generate before we start trying to spend the undesignated revenue. We can put that to a vote if you want to, but my sense is that's where the dais is displace that's fine. I won't --

>> --

>> Kitchen: That's fine. But you did take some of this and designate it to balance this budget. But that's okay. Go ahead.

>> Mayor Adler: Are there any other things we should discuss about changing additional revenue, getting additional undesignated revenue?

[2:38:57 PM]

Mayor pro tem?

>> Tovo: Yes, and I really meant it earlier that I would be happy and would welcome other people advancing some of these on this list, but I'm happy to do it. They're already out there. I would move that we -- we can take them up one at a time -- convert the planning officer that is currently within -- so basically there are two development service positions that I am going to propose that we cut. We have two housing positions that are planning in focus, one -- and we can get more details about them if anybody wants to talk about them again, but they are within -- they are within housing. They are being proposed to be funded through the affordable housing trust fund. And so this motion -- and we can take them up one at a time, would in essence eliminate the two positions in development services, would move the two positions out of the affordable housing trust fund and into an hcd, and they would be funded through the money that we're saving within development services. So we're -- that's why I've listed them as conversions. It would result in -- it would effect several changes, it would reduce development services ftes by two. It would move two positions out of the affordable housing trust fund and it would result in a net savings to the general fund of approximately \$53,000. You see the figures there, 35,758, and then the second would be 17,312. These are -- there is backup information and budget questions, 164, 175, 209, as well as the memo that we received from development services in response to the mayor's question to development services. So I will make a motion on the first one to do

that, to convert the planning officer to the fte that is currently within the affordable housing trust fund, and if I get a second I'll -- I'll offer a two-sentence rationale in addition to what we talked about yesterday.

[2:40:58 PM]

>> Mayor Adler: Is there a second to that? Mr. Casar.

>> Tovo: And so again I would say really the same discussion we had earlier. It is clear that if we put more resources -- the more resources we put in different departments, the better they'll perform, and so again, I'm very supportive of increasing our resources within development services. I would just remind my colleagues that they are -- the proposed -- the city manager's budget, god bless you, that came forward, had 38 positions in it. I believe we trimmed one earlier today. This would trim an additional two. In addition to that, we are providing new funding for the third-party review. We're providing \$125,000 for temporary employees, an increase in their existing budget. They probably have money for temporary employees in their existing budget, but this would provide for 125,000 that exist of increased funding for temporary employees. It would provide the ability to have two expedited teams. There are a various -- a myriad of ways in which we are increasing our resources. This simply eliminates two.

>> Mayor Adler: Okay. Is development services here? Would you talk briefly about the function we would be losing with the development planning officer and the community information manager?

>> Certainly. And, you know, one thing that's interesting about our department is we have several different functions for several different things that we do. We brought forward positions for residential plan review who do residential plan applications that come in, who are specifically targeted for that. We brought forward building inspections positions who do, of course, inspections on the work that's done. The planning officer is for our land use review section, and that specifically is for the large site plan and subdivision applications that we get.

[2:43:07 PM]

And those are very difficult because, of course, we work with 14 other department city partners who also implement code and policy that have been adopted by council, and I don't have to tell you this, that the code -- there are too many conflicts in the code. There are too many ambiguities in the code, that we have to interpret as staff, and sometimes it's not unusual for us to have a conflict with water or for us to have a conflict with parks or for us to have a conflict with watershed protection. And it's during those conflicts that of course these projects get stalled in the process. Usually when we have conflict like that things get elevated to senior management so that way we can interject the final interpretation that is made, but unfortunately there aren't enough senior-level decision makers in the staff currently, and so that's what this role would serve, is a senior-level decision maker, so that way we don't have as many of those site plan and subdivision plans stuck in the process. So you're absolutely right, we are bringing forward a number of different resources, but they are for the different areas that we serve in our review, some for residential, some for building inspections. This one specifically would be for site plan and subdivision. So it may seem like we're bringing forward a number of positions, and we are, but they are for different functions that we perform.

>> Mayor Adler: Okay. That was the plan, manage -- and the community information manager.

>> Officer. That was the planning officer.

>> Mayor Adler: What about the community information planning manager that's the other part of the motion?

>> Certainly. Community information planning -- community information and planning manager is funded through heritage -- or through the trees fund, and so it's not a general fund impact. That one is the one that's funded through the trees fund.

>> Mayor Adler: Do I have that wrong?

>> Tovo: Perhaps my sheet has listed the wrong name. It was not intended to be that one.

[2:45:09 PM]

Let me double-check.

>> Mr. Mayor?

>> Mayor Adler: Hang on a second.

>> Okay.

>> Zimmerman: I have a separate point of inquiry.

>> Mayor Adler: Let's find out what we're talking about first.

>> Tovo: It's going to take me a mind to go through my binder.

>> Mayor Adler: Okay, Mr. Zimmerman?

>> Zimmerman: Mr. Gonzales, I wanted to speak to your point about the conflicting ordinances. You're absolutely correct. We have way too many ordinances. They're very complicated. They run into each other. May I ask quickly, would you please bring back to us some of the worst conflicts and ask us to resolve them, you know, so we don't have these perplexing, you know, ridiculous problems, because these cause -- it causes trouble for the community as well, because they don't know how the rules are going to be interpreted. So it would be a big help if you would bring back those conflicts to us and let us help resolve them.

>> I agree with you completely, and that's exactly what we're planning to do. We have a number of staff dedicated to the codenext process, specifically targeting those conflicts in the code, so is that way as the draft is prepared, it comes to council so you can make those decisions of conflict. The other thing that we have is a lack of priority. The council has adopted a number of codes, of which there is no priority. We don't know if trees trumps utilities and we don't know if utilities trumps sidewalks, and so we need those priorities provided to us.

>> Zimmerman: Excellent point. I'm willing to jump in front and help on that, but don't wait for codenext. Let's start now. I mean, we can start fixing the current code before we wait for codenext. Some of my colleagues -- some of my constituents call it code never, it's a joke out there. They're skeptical if we're ever going to see it. Let's get to work sooner rather than later.

>> Mayor Adler: Do you want to start with one?

>> Tovo: I think it's possible. I think I made a mistake on that. Let me double-check our nusms.

[2:47:09 PM]

Nusms -- numbers. The planning officer -- I believe the planning officer does have the right salary.

>> Mayor Adler: So this would be to -- to defund the -- well, no, it would be to supplant and move one of the ftes to the --

>> Tovo: To housing.

>> Mayor Adler: -- Planning officer position.

>> Tovo: Yes, and let me just say that unfortunately -- the information I have is in a variety of places, so now I am not completely confident about that general fund savings. I think we'll need the staff to let us know, but I think the point still remains -- the intent of the motion is still to eliminate that planning officer fte and to use that fte and funding for one of the positions that is currently within the affordable housing trust fund, and I'll need to revisit what that savings would be, if there is a savings, for the

general fund. But I believe both of the positions within the affordable housing trust fund were set at rates that were lower than the development services salaries.

>> And just to be clear, the planning officer is funded, of course, through the general fund. Mayor, you had asked about the community information and planning manager.

>> Mayor Adler: We don't need to on that because I think that --

>> Sure I.

>> (Indiscernible).

>> Mayor Adler: Because that one -- the only one that's in play right now is the -- the planning officer position. And the question, Ed, is if we move one of the affordable housing trust fund ftes, funded ftes, to that position, so the net effect would be twofold. We would -- we would not have the planning officer position, and we would move the -- the function that was being paid by the housing trust fund into being paid there, thus freeing up the money in the housing and trust fund.

[2:49:18 PM]

Is that right?

>> It would free up --

>> Tovo: Correct, and I think that -- if I'm looking -- I believe the planning officer salary and benefits is 82,771. Is that what you're finding, Mr.-- so I apologize for that error on the list.

>> Mayor Adler: Okay.

>> Mayor?

>> Mayor Adler: Are you still helping us find out what it is we're talking about?

>> Tovo: No.

>> Mayor Adler: You can hang on one second?

>> Absolutely.

>> Mayor Adler: So the net effect of this is it would be freeing up money in the housing trust fund; is that right?

>> Tovo: Correct. There may also be a small general fund savings, but it does -- there apparently is not. Is that right?

>> The net result of this would be to free up \$118,842 in the affordable housing trust fund that currently goes to fund staff, would be available for affordable housing projects, but in order to move that position, that neighborhood housing position, in order to move them into the general fund, you would have to -- you're going to be increasing your general fund by 36,000 and \$71, because the position we're looking at in dsd is funded at a lower level than the housing trust fund.

>> Tovo: It's my understanding there are four positions that are proposed for the affordable housing trust fund, two of which are planning related.

>> There's several, I don't know if it's four or five.

>> Tovo: And so I may have gotten -- to the -- our budget materials provide the housing trust fund the -- the salaries within the housing trust fund all in one lump, but I thought we got breakdowns from our staff for those positions that -- one I think is related to the density bonus program, another is a planning function. I see Ms. Truelove, maybe she can clarify what the salaries are for the two planning positions -- two of the four positions within the affordable housing trust fund. I think one is an existing position currently funded through the affordable housing trust fund.

[2:51:22 PM]

One would be a new position, but it seems like we may have some contradictory information about what those salary amounts are.

>> And just to -- the numbers I was reciting are coming from your sheet, which --

>> Tovo: Are incorrect, I believe. I think I have some incorrect -- I think I have some incorrect salary numbers on this sheet.

>> Mayor Adler: So the question, I think, is, is there a lower salaried housing trust fund planning employee that is closer to the 83,000 salary planner that would be substituted for?

>> So there -- Rosie true love, interim director of the housing department. There are four positions that are currently funded in the housing trust fund, one of which is a new position, which is a planner senior. The new position is estimated with benefits to be around 95,000. The existing planner senior that's in -- that's a filled position that we currently have, the pay with benefits is around 83,000. So that might be a more equitable switch, if we use the existing position, not the requested position.

>> Tovo: I see, yes. And so -- so there is a differential and it would actually result in a positive -- in an increase in the general fund budget, but it would get that position -- give that position about a thousand dollars.

>> From what it sounded like she was saying, the other existing positions, \$83,000, in which case it might just be an even swap.

>> Tovo: Almost. I think it's slightly -- slightly less. Shall we just come back? Do you want to just come back to this or should we follow this one through?

>> Mayor Adler: Either way. It sounds like we found the place. It sounds like you'd be swapping out -- you'd be taking the funding for that and -- we'd be funding that planner too out of the development services instead of the planning officer.

[2:53:26 PM]

>> Tovo: I see the quption. The base salary for the planning officer is \$82,659. It was my understanding based on the figures we got that with benefits, that equates to \$118,842. And so that was the number that's reflected on my sheet. So I guess that is accurate once you're talking about benefits. And the affordable housing trust fund base salary is 83,084. So that the incorrect number I have here is the savings that would accrue to the general fund because it is -- there will not be a savings, I assume, there will be a slight deficit.

>> The 83,000 -- so just to take out the base salary conversation, if you're looking at the salaries including benefits, the proposed position is \$95,675. And the existing staff member that's a planner senior is \$83,084.

>> Tovo: With benefits.

>> Including benefits, yes, ma'am.

>> Tovo: Okay. So actually there is a savings to the general fund.

>> Yes.

>> Tovo: Okay. I apologize. There were no errors in that sentence.

>> Mayor Adler: Looks to be about 12,000 in savings to the general fund.

>> Tovo: I actually think that's -- I think the savings are 35,758. No?

>> Mayor Adler: The spread between the 95,675 and 83,400. Is that what the savings would be?

>> The budgeted amount -- the pay and benefits of the dsd planner?

>> Tovo: The figures I have, pay and benefits for the planning officer, are 118,842. The figure I have of the existing senior planner, who is currently within the affordable housing trust fund, pay and benefits are 83,084. So it would be the difference between 118,842 in dsd, and 83,084 within the affordable housing trust fund.

[2:55:33 PM]

So it would free up that capacity within the affordable housing trust fund and result in a small net savings to the general fund.

>> Yeah, about 35,758, if I did the math correctly.

>> Mayor Adler: Okay. So the 118 -- the 95,675 is a different position not involving those two.

>> Tovo: Right, it's a different position and it was the next one on my list but I think I can -- I incorrectly thought that was within the general fund and it's not. We're only talking about --

>> Mayor Adler: The solution is to take the planner position that's in the housing, fund it with the funding that would have otherwise paid for the planning officer in development services, resulting in a gf savings of the 35, \$36,000, and not having the planning officer position.

>> Could I ask a question?

>> Mayor Adler: So that is the motion. Ms. Pool had wanted to talk and I stopped her from talking before. Do you want to talk?

>> Pool: I have a cut to offer so whenever you're ready.

>> Mayor Adler: We'll come back to you. Ms. Kitchen.

>> Kitchen: So the impact of this on the housing trust fund, so that would free up approximately 118,000 in the trust fund?

>> Tovo: It would.

>> I'm sorry, it would free up approximately 83,008 4-dz.

>> In the trust fund.

>> In the trust fund.

>> Kitchen: So that in effect adds 83,000 to the trust fund for use purposes. That's all I wanted to understand.

>> Yes.

>> Mayor Adler: Any further discussion on this item? I'm going to vote no again for the same reasons I discussed earlier with respect to having capacity in the development review section.

[2:57:37 PM]

Any further discussion?

>> Casar: And I seconded this and vote yes because the council took some really important steps to increase the amount of funding in the trust fund for specific purposes, like affordable housing in the gentrifying areas of the housing preservation districts and integration in areas of town where we don't have much affordable housing, and I would really like for us to fund staff as much out of general fund dollars and for that housing trust fund to be put to work for the purposes that the council debated pretty extensively in the last year.

>> Mayor Adler: Any further discussion? Mr. Zimmerman?

>> Zimmerman: I'm going to be voting with mayor Adler on this because I don't like the cost shifting going on here, and I'd like to subsidize house -- the subdiced housing department to pay its own way. So I'm going to be voting against on this one.

>> If I could clarify before you vote. I see now the confusion we've been having is that the \$118,000 that we've been talking about, that's the cost of the position, but remember that all of the development services development positions in the fiscal year '17 budget were only funded for seven months, and so that's where I kept coming back to 82,771. That's the amount that's in the budget. The full year cost of the position Rodney wants to add is the 118, but the money in the budget is the 82,771. So if we do this swap it really will be just a wash.

>> Tovo: Mr. Van, in question 209 by no means am I going to question your math, but I would just say that 209 does indicate that the annualized position -- the annualized cost for that position was 122,212. And so again I assumed that that 82,771 was just for benefits -- was just to not include the benefits.

>> Mayor Adler: Which never -- which was this?

>> Tovo: 209.

>> Mayor Adler: Thanks.

>> Tovo: I would say even if it's a wash to the general fund, I would still support doing it for the reasons that council member Casar said we were.

[2:59:41 PM]

It is a goal to get that funding at the level where our council set it in terms of the resolution - two resolutions we did to put the proceeds of particular kinds of projects to the affordable housing trust fund, and that money helps us build housing, and as much as possible, and I'm going to pass out my budget directions later, one of them applies to the affordable housing trust fund, and as much as possible I don't believe we should be funding salaries through that trust fund. I think we should be building houses, helping people stay in their houses through rental assistance and other kinds of -- other kinds of

>> If I might point out, on question 209, the last paragraph, we had said the fiscal year '17 cost would 82,771. The fy '18 cost, which isn't this year that you're considering, but the following year, so we had acknowledged this 7 months of funding.

>> And I think so the motion is to -- is to take the trust fund position and move it into the funding and development services into lose the planning officer position. With relatively wash effect on -- any further discussion?

>> Generally speaking, I just want to remind, I know these are very difficult votes to take where we're cutting positions that have been proposed, and I understand the strain on our staff and the positions this puts them in, but I want to point out all forecasts point to us cutting jobs, cutting jobs in about two years, so I know these are hard decisions to cut brand-new ftes, but we either -- if our forecasts are right and our cost drivers are right, we're either making decisions to not add someone new now, or we're making decisions later to lay people off, so just want to add that for perspective.

[3:01:49 PM]

>> Okay.

>> Thanks, mayor. Okay. This one is easy.

>> Hang on. We have to take a vote on this one first.

>> Oh.

[Laughter] We're almost there.

>> I hope it's that easy. I'll come to you next. Any further debate on this? Then let's take a vote. Those in favor of that what we just discussed, please raise your hand. Those opposed, Simmerman, Adler, Houston and gallow, other voting aye, it passes. Okay. All right.

>> Okay. This one is easy. And this one is kind of a two step and we're going to take the second step first. The mayor pro tem had identified some lighting for parks, in a discreet part of time, and later I will offer up some -- a change to the Austin energy ordinance so that we can make this shift happen to the service area lighting. It's a \$50,000 ticket that moves from general fund, with hard, over to Austin energy so that the lighting for the parks in this small area will be covered by the community benefit charge. I have a motion to the rate schedules for Austin energy. I'll offer that up, I don't know, mayor, maybe tomorrow, because what we have to do is change the definition and the language in the ordinance so that we are able to cover the certain lights owned by the city of Austin and operated on behalf of the city's parks and rec department, and I have talked with Mr. Dombrowski with Austin energy, he did tell

me informally yesterday that this shifting of \$50,000 into their budget to cover, they would be able to accommodate that.

[3:03:58 PM]

So that is a \$50,000 cut from general fund in the pard budget, to return that money to the general fund and have the charge come out of Austin energy.

>> Okay.

>> Mayor, I support that. I believe it may already be in our base budget.

>> Mayor Adler: I think it was my recollection. So it's on the source of funds, pard park lighting paid by utility fee, \$50,000, it's that incorporate certain lighting in the community benefits charge. So that \$50,000 is shown. On the source of funds, it is done bow low affordability audit, you see pard.

>> So then the only thing that we need to do if this is included already, if the shift has already been included, we do still need -- I need to make the motion tomorrow to change the ordinance to accommodate those.

>> Okay. Even easier than I thought.

>> Okay.

>> Great. Thank you. Okay. Additional revenue increases that people want to lay out? Mayor pro tem?

>> Mayor, yesterday we had an opportunity to talk about the three items up under economic development. I know we've all had an opportunity to read e-mails about this, about these items and others and think about them, I'm willing to make a motion for these. If council would like to consider it. The first motion would be to remove the \$70,000 worth of general funding for the Austin technology council. Want to just say what I said yesterday. I think all of these organizations are doing great work. This in no way expresses concerns about the work they're doing, or the importance of the role that they play within the city.

[3:06:03 PM]

Again, for me, I'm just looking at trying to identify enough funding to fund things like the snap program so we can pull down that funding to fund the child care so that people who are looking for jobs can have safe places for their children to be while they're seeking employment for things like our -- the increased, the costs that we're going to need to find, the funds we're going to need to find to keep the services going at the level proposed in our downtown community court. So those are the balances I'm striking. I know we won't all agree on those priority, but again, I want to be really clear that this is in no way a reflection about how I feel the work these organizations are doing, or the work our staff has done in building those relationships. The mayor pro tem moves a \$70,000 change in revenue concerning the Austin technology council. Is there a second to that? Mr. Zimmerman seconds that. Is there discussion on this? Ms. Fall -- gallow.

>> Gallow: It seems like yesterday was for ever ago. Can you help me remember, there was an amount in the budget initially that was 200 and something, help me understand a little bit of the history, because there was an amount of funding and then there was an increase in amount in funding, so is this just the decrease in the amount in funding for this year, and what will the balance be left that is allocated to the Austin --

>> Councilmember gallow, I would look to the staff to confirm, but question item -- budget question 157 lays out the amount Mr. Johns can lay out the history. Just to be really clear, this would mean that the city council is not providing any allocation to the Austin technology council this next year. I think that's accurate. But, again, I would look to Mr. Johns to kind of talk us through the various funding relationships that the city has had over the last several years.

>> Thank you, Kevin Johns, director of economic development.

[3:08:06 PM]

This contract, the Austin technology contract for \$70,000 is one of the two contracts with the -- also the university of Texas Marshall center that it's our part of the spirit of east Austin. We have two projects, colony park, and then we have this project, which is to work with the 83 title I schools to motivate all of at least 300 high tech companies to begin to tutor the children of poverty. So this is \$70,000 for the Austin technology council for part of that process.

>> I'm sorry. And so are there additional funds that the city is providing for the Austin tech council? From other resources? Or is this the only funding that we would be spending this year?

>> This is the only funding.

>> Yes. Ms. Kitchen?

>> Kitchen: Just a question, is that the Einstein project or is that a different project?

>> It is. It is -- the project that we're doing for the spirit of east Austin is called the Einstein project, and it includes two pieces for a total of \$170,000. It's the Marshall center contract with the university to measure the effectiveness of all of the companies going to tutor the 40,000 children in poverty, and it is the Austin technology council that is mobilizing its 280 members to do grades 4 through 8 in the title I schools, with the end objective of trying to -- it's a tenure initiative. I realize we haven't done anything like this before. It's a ten year initiative to try and move a out of poverty and into jobs. We had the economist do a return on investment for this.

[3:10:09 PM]

And he has calculated that the revenues that would be increased to the city after ten years of doing this, would be \$37 million a year net new revenues because these children would have moved out of poverty into jobs that pay at least the average wage for Travis.

>> So the 100,000 is with the ray Marshall to measure the result, and the 70,000 is to do the program?

>> Pool: Pretty --

>> Pretty much. The Austin technology council is focused on the grades 4 through 8, mobilizing the 280 technology companies to interact with the title 1 schools. The ray Marshall center is looking at the entire spectrum to find out where there's gaps, where there's no volunteers, where there's no stem work, and to put together quantitative metrics to measure what occurs every year to show that we're actually making progress toward eliminating poverty in those kids and getting them moving in the direction of their careers.

>> Okay. So the 100,000 to the ray Marshall, is that an annual cost?

>> 50,000 of that would be an annual cost.

>> Okay so --

>> It's a one year startup for the ray Marshall center.

>> So this is the first year we're doing it?

>> That's right.

>> This is -- the first year we're doing it is 100,000, then it would be 50,000 every year afterwards.

>> For ten year.

>> Houston: For ten years to support measuring the results?

>> That's right.

>> 50,000 a year to support measuring the results?

>> Of moving the 40,000 children in poverty --

>> I understand the program. It's a great program. I just -- that just seems like a lot of money to analyze the results. It's almost as much as the program costs itself.

>> Well, the impact of moving a generation of kids out of poverty means there's 40,000 kids that won't need affordable housing.

[3:12:10 PM]

>> I think it's a great program. I understand that. I'm just wanting to understand the money so, okay, thank you.

>> Thank you.

>> Mayor? Mayor?

>> Mayor Adler: Yes, mayor pro tem?

>> Tovo: I want to be clear about what we're considering here. We're considering -- and I have confused things because I put funding available in 2016 budget for the Einstein project. We had a vote about the Einstein -- about the contract for the ray Marshall and it failed in part because there were concerns about what it's actually doing and it sounded like it was primarily doing a survey of programs and looking at -- at -- I mean I'll just tell you why I wasn't able to support it. It looks like it's looking at the work that's going on and doing data analysis for researchers at U.T. Thank you, Mr. Johns. I know today you sent me a revised scope of work for the ray Marshall. I haven't had an opportunity to look at it. But at the time, I expressed a concern that because of the difficulty of this budget cycle, I just see our expenditures with regard to studies and data collection and whatnot as not as impactful right now as direct services. The Austin technology council, I think what I'm struggling with, I want to get 10,000 kids out of poverty. Absolutely. I am not hearing a program concept, though, that is as fully vetted as I feel like we need to have before us, and I -- I am really struggling to understand what the Austin technology council's piece of that is. We got a communication yesterday that talks about the deliverables as being six regional data collection products. One stem marketing campaign. 12 public private stakeholder data introduction and strategic planning events. One online mapping resource. It's hard for me to understand this contract as direct services. Mentors, kids, people going in and doing programs with youth, and --

[3:14:13 PM]

>> I'd like to clear that up.

>> Tovo: We're at a fleshed out and it's not consistent with the kind of contract we've had with the Austin technology council in the past. That's not -- we've not provided them funding for youth programs or for programs with youth, as far as I've been aware. So that is why I've -- that is why I have introduced this as a potential cut. It didn't appear to me to be a youth, you know, a youth program that we have vetted against other youth stem programs and have agreed, you know, that it is doing exactly what we want it to do in this space with youth, working with youth. I may be wrong, but, again, we haven't gotten any data really laying out what we're hearing now about particular schools and the spirit of east Austin initiative. This is all pretty well beyond the information we've had before us.

>> Can I respond to that?

>> Yes, the information that mayor pro tem and the mayor and council received from the Austin technology council is for the proposed increase of \$225,000. What I'm talking about and what you have proposed is to -- what you have proposed is to eliminate the existing \$70,000 contract which is to mobilize the 280 companies and the 60,000 employees to work with grades 4 through 8 in the title I schools mostly in east Austin. So that the proposal you've received is, it's a little confusing, but that is for the proposed budget. It is not for the existing program.

>> Tovo: Mr. Johns, is there somewhere we can read about the construct.

>> I'll make sure that it is on online. If it isn't clear, I'll make sure that it is available.

[3:16:16 PM]

>> Mayor Adler: Mr. Zimmerman.

>> Thank you, Mr. Mayor. So once again, I will -- I want to ask my council colleagues if we could have one ph.d economist from the opposite school of thought who could argue and present data that shows this kind of money is a waste, because we can find that kind of ph.d. Economist that has a diametrically opposed view, that this \$70,000 will disappear into a black hole like hundreds of millions other taxpayer dollars. Doesn't accomplish what was said. It will be a failure. There will be a demand for more money next year. Ten years later. We have to stop this, and I object to having this one-sided lobbying coming in front of the council. Got to spend the money. Return on investment. It's sales talk, Mr. Mayor. I don't see any balance in what we get from the other side of the dais. If we had a balanced view, I think this council would easily strike down this money.

>> So this is the money that mobilizes the Austin technology council members, companies, to go into classes, that's what this 70,000 is for?

>> That's correct.

>> And I support this being in the budget. There are -- there are way too many things for us to do all the things that we need to do. But living in the city with Austin that has this resource available to us to bridge that with the community to start drawing connections between these people and these schools. These people and civic involvement in Austin, because we're trying to get these folks more and ever more involved in this municipal challenge I think is a real advantage, real opportunity that we have in this city and for \$70,000, I think I'm going to vote for this because I support the impact that this could have, and the program that could be built around it.

[3:18:23 PM]

Further discussion?

>> Mayor, thank you, Mr. Johns, for all that you do. Trying to gin up technology and stem programs for title I schools. We've had this conversation before about the need for the kids in my title I schools to be able to see reflections of themselves not reflections of the other that are in the schools, and to me it seems like rather than paying people to do this, this should be part of their civic responsibility, and so if technology council could get all of these 4,000 new startups to be able to go into the schools and talk about the value of that, but I'm -- next year they're going to come back with another ask for another 70. It doesn't seem to stop. We see -- we see that it's a startup, and then it becomes an entitlement. I've said that before and I'm going to say it again. You know, I'm just -- there's kids -- there's some children in those title I schools that I try to represent that -- that need so much more than this tech ability. They need how to be skills that are not being taught here. And they're people who want to do those kinds of things, but there's no funding for those. Again, people from community in the community who look like the kids that we're trying to reach who are not in a separate niche than the tech group, and there's no money to fund those because we're giving the money to other people. So I'm going to have to vote against this today, and I'm sorry, because you've spent a lot of time on this, and the Einstein project, but I'm concerned about the end users and how not just a plan, but how do we actually get something to the kids.

[3:20:23 PM]

Everybody is not a tech kid. Everybody is not a science kid. So how do we get to those kids that fall in the cracks? And I'm not hearing anybody come, because tech is now the new sliced bread. So I need to focus on the kids that are not going to be able to do that. So how do we get funding to help them. So I'm going to have to vote against the \$70,000 for the technology council.

>> Mayor Adler: Okay. Move to add 70 in revenue by removing this program. Any further discussion? Those in favor, please raise your hand. Kitchen. This is removing. This is removing the \$70,000 program so as to free up 70,000 in revenue. It is kitchen. Pool. Zimmerman. The mayor pro tem. Ms. Houston. Those opposed raise your hand? This one is -- is not approved. Next item? Mayor pro tem, you want to just work down that list?

>> Tovo: Sure, these are also within economic development. These are the two contracts with U.T. Austin, you know, I'm struggling with these as well. They're clearly these institute organize research units of the university are doing great work. It sounds like we've got a long-time relationship with them. I think, Mr. Johns, you mentioned ten years in the weighing and balancing, I'm just pretty solidly of the belief that the work they're doing will continue without our portion of it, because it must be quite expensive to do the kind of work we're doing, and ours is just one -- one slice of their funding. I think you mentioned yesterday one of the -- one of the individuals connected was in New York raising funds for their work. So I am torn because I think, like with the Austin technology council, we get a certain amount of leverage from our dollars and having that relationship, but again, I'm going to propose that we -- that we eliminate these two contracts from our budget.

[3:22:27 PM]

Mr. Johns, maybe you can speak to whether a smaller dollar amount would still be -- would be a possibility. Can we lower the amount of the contracts rather than just eliminate them? Is that something you think these institutes would be open to?

>> Could I raise a point of order. If you make a motion, I'll second. Could we do that? You'll make the motion.

>> Tovo: I'm somewhat interested in knowing whether we can lower the amount.

>> He may be able to better answer those questions.

>> With me is my colleague at the Austin technology incubator. I think the question on the table is the funding that comes to U.T., and it's really to -- yet to Austin technology, we are a part of the university of Texas, but remember, we are a nonprofit organization that gets no funding from the university of Texas. Zero. So what we get from the university of Texas is the connection with faculty, students, who work with us at the university of Texas to look at technologies and to commercialize these technologies out of U.T. That's about half of what we do. The other half of what we do is working in this five county region with entrepreneurs, and I've been doing this since 1989, by the way, to work with these entrepreneurs to create their companies in biotech, clean tech, high tech, it, cybersecurity. We just launched a water incubator. These are important companies that are inventing new products around huge problems that we have as a city and that we have as a country. We are a nonprofit organization. We get funded by the city of Austin. The state state of Texas through the state energy conservation office.

[3:24:28 PM]

The department of energy. We won a grant as one of the top clean energy incubators in the country. And that was a three-year grant. We have a total spend of \$1.5 million, so \$300,000 actually is very significant to our budget. It is not insignificant at all. So I want to make sure you understand the balance of what this means to us, if this got eliminated.

>> Tovo: I think that's very helpful. You're speaking on behalf of both contracts.

>> I am.

>> Tovo: Okay.

>> One contract is for our it and wireless contract. The other is for our biotech contract. The only thing I would say about biotech is, as you know, we are -- the biotech incubator started in 2008. We now have a Dell medical center which is just coming into play. There's going to be a tremendous amount of commercialization that is going to be coming out of this opportunity. We are partner in that. They give us no money. But we do want to work with them to commercialize technologies. These are life saving drugs. Medical devices, diagnostic equipment, that companies have -- in fact we've raised over -- last week we had a graduation that the mayor referred to, 19 companies that graduated over the last couple of years, six of those companies were biotech companies. Prior to that graduation, one company was a biotech company, so our biotech industry is growing very quickly, and it's not as big as the high tech community, it's not as big as the clean tech community that I run, but it's a big part of where the city is going, and in terms of economic development, companies that are raising money, spending money in Travis county, the jobs that are created, these are thousands of jobs that are created every year, the dollars that we get from the city of Austin goes right back into the city of Austin in terms of jobs and taxes over the last ten years, \$20 million worth of taxes have gone back into the coffers of the city of Austin.

[3:26:32 PM]

So in terms of return on investment, it's a pretty good investment.

>> Tovo: I appreciate you taking the time to come down here today and provide us with some of that information, without understanding the size of your budget and the significance of this contribution, it was a little hard to put that in context so thank you.

>> Welcome.

>> Mayor Adler: Further discussions? I was -- I was at the graduation earlier this week, the 19 companies were there. There were people from all over the country that attended that. You know, there was one company that just had an ipo at about \$200 million, and for the first time that company is staying in Austin. That gets that ipo money and that investment reinvested back into our community the things we're doing here, if we stopped now, this budget is phenomenal, by that I mean even the budget proposed to us was a wonderful budget, we're around the edges on this, so I no we'll make it better. I just hope that when we're doing this, we look at the complete picture. This is something that also is a real important part of a healthy economy and community and opportunity in this city, so I would -- I would be voting against cutting these two things.

>> Mayor, is there a motion on the table in this one.

>> No, there's no motion on the table.

>> I spoke yesterday that I was interested in some of this, but understanding this is something like a fifth of the budget for an incubator nonprofit, not to the university itself. I wouldn't support a motion to make a reduction in this, but I just wanted to see if there was a motion on the table anyways.

>> Mayor Adler: I don't think there is a motion on the table.

>> Tovo: No, I don't intend to make a motion. Again, I appreciate the additional context. It sounds like the return on investment is worth -- worth continuing.

[3:28:37 PM]

>> Mayor Adler: Any other -- yes?

>> I guess I don't -- I know there's a lot of hard work being done, but I don't consider what we have so far wonderful just yet. I think there's some significant additions we need to be making as far as health

and human services and quality of life issues. I would also just add, I think I understand what -- what this investment does. I would hope that -- I'm not sure if there's any requirements for like a contracting with minority contracting, I would hope that we could somehow implement whatever this nonprofit does, make sure that there's some effort to help startups that are led by minorities and women, and I don't know if that's part of the equation now, but I would hope that we can move there.

>> Mayor>> I think that's a real good point. If it's not addressed now, to come back to it at some point, to the degree to which we could leverage these opportunities to promote diversity, promote -- I didn't mean for you to have to come down.

>> That's fine. We do not have any --

>> Go ahead.

>> I want to get the mayor's attention when you get done.

>> We don't have anything in the contract that specifies diversity. We do work with other incubators and accelerators in town, specifically the bunker, which is a fairly new incubator in town, which is specifically for veteran startup community. The urban colab which is at the intersection of 12th and Chacon, that is run by Natalie Cofield is a former executive director of the black chamber. We don't have formal agreements in place with these organizations, but as a -- as an ecosystem, we work with -- and there is probably now a dozen or more incubators and accelerators in town that including capitol factory and others that have a niche.

[3:30:45 PM]

Our niche in town is very I call it deep tech. It is the hard sciences, clean tech, biotech, cybersecurity. Water tech. These are very hard problems. These are not apps that are being created by 22-year-olds. Nothing wrong with that. We need that as well. But these are really hard problems that we are solving through solutions via entrepreneurs. Part of that, our team, by the way, we only have I think it's eight or nine paid people at the Austin technology incubator. Four of those are women. So we don't have an expressed in contract diversity, but every -- and we do a lot of events, by the way, we're partners with south which southwest eco, every panel that we do, we make sure we have diversity not only in terms of gender, but in terms of race. It was very important.

>> I don't think the question was talking about necessarily contract terms, although it could evolve that way. I think the question is, and I would be interested in having, for you to go away and think about what could be done to maximize this tool and this opportunity to help promote not only in terms of what else is happening in this city, but also to see if there are opportunities to be able to leverage these participants and these folks to contribute, to that diversity or exposure issues.

>> Sure. Would be glad to.

>> Anything else on this.

>> Yes, before we leave this, again, referring to Q and a. Budget request number 157 originally by councilmember Houston, this itemizes about 4.5 million of expenses here for economic development, and I move that we strike 118,750, the item of U.T. Austin bioscience.

[3:32:45 PM]

I move that we strike that 118,750.

>> Mayor Adler: Is there a second? Okay.

>> I'm going to second it, so Mr. Zimmerman can have his conversation about that, but this -- I need everybody to understand that this is getting very tedious, because no matter when things are suggested and it's not going to have a real impact on a budget, then we vote it down, and so the most recent example of that was \$100,000 from the bicycle fund out of one million and some dollars. And so those

things are very disheartening to people as they try to see how we can find the revenue to be able to then turn around and fund some of the programs that the people that we're talking about now, and they do good work, are not reaching, but we can't ever get to that point, because we can't find the resources from other places where there is money available to be able to build those in between places where we don't have any problems saying, yes, we support the technology center, and the university, and they've been doing this since 2009, but yet, there are people in my community that those -- those organizations don't reach, and I feel completely helpless. I was going to use another word, but I thought that was probably not the right way to go. So I'm not sure what to do about process, mayor, but it doesn't seem like we're really getting much bang for the buck here.

>> Mayor Adler: And I agree. I think we're all frustrated to -- on that issue. And we've talked about getting into next year's budget process beginning in November, and -- and has offered to help us walk through a process that enables us to do that, and I'm really looking forward to us doing the budget process differently going forward.

[3:34:56 PM]

>> Houston: And I understand that. But the whole process -- we don't even talk about equity anymore. The equity of how we're distributing resources and where they need to go, and who they need to go to, and sometimes we're giving to those that have a lot at the expense of those who have none. So the whole equity piece, and we talk about viewing this through an equity lens, of course we don't have that tool yet, but that's not even a conversation up here anymore.

>> Mayor Adler: I would disagree, Ms. Houston, I think a lot of things happening in our budget are focused on -- on those equity issues. I think a lot of what came in the manager's budget that was proposed to us went to that, and I -- I think that there are more of us on the dais that are there also trying to drive to that. So I -- I hear you and I respect you a lot, but my -- my perception of that is different.

>> Mayor, if I could add --

>> I think I wanted to be next, if I could.

>> Sure.

>> So Mr. Mayor, I think the word that councilmember Houston was looking for is powerless. You know, we have voters in the city who elect city council members with the presumption that we'll have spending authority and we can set the priorities in the city, and I think the frustration is here we are, scraping the barrel to get 70,000, 100,000, hundreds of millions of dollars are very been spent by the unelected city staff. Here we are scraping for 50,000 or 100,000. Frankly, I think it maybes this council look weak and impotent. It's an embarrassment, I think, to the community, so I feel the frustration. I'd like these savings to be returned to taxpayers, but if my councilmembers want to spend the money in other ways, that's their prerogative, they're elected by the people. We have no spending authority here. I want to encourage U.T. Austin, great university, and that's hard to say for a Texas aggie, but great university, one of the wealthiest universities in the history of the world.

[3:37:03 PM]

They don't need 118 -- they're getting about a million dollars, the number came back, the total number that city taxpayers are giving to the university of Texas, the world's richest university, is about a million dollars. Everybody know that? A million dollars of taxpayer money is going to U.T. Austin. We're not spending that. That money was determined by other bureaucracies. This is just getting embarrassing. So please, would you please just give us this \$118,000 back? Our elected city council could do that.

>> Mayor Adler: Manager? Did you want to say something?

>> I did. It's a little out of context now in light of those comments. In regard to those comments, I would say this is a manager format. I don't think I have to remind council, but I think it's worth saying you all have been in office about a year and a half, I mean when you arrived the circumstances under which, you know, this government was operating, I mean it took a long time to get to that place, and it was just in my tenure, based upon many, many decisions in regard to a whole variety of things that makes this city government work by previous councils. And I understand that when you came to office, even when you were on the campaign trail, that you brought values that were different, and I think that, you know, you -- you made progress I think the very first time, the very first budget that you were involved in in terms of applying those values and that imprint is on the budget. The current budget. This current fiscal year. And I think if you -- you know, if you really look at the budget recommendation that's in front of you, you would -- you know, it's really the case that we did listen, and that this budget reflects as much as we could given the fiscal constraints we were under, we were indeed under them for a variety of reasons that were explained to you by Ed and by Elaine at the start of this process, but that notwithstanding, this budget reflects many of the things that we heard you say as we worked hard to, you know, to shape and sculpt the budget recommendation that we put in front of you today.

[3:39:40 PM]

In fact, we could even be more deliberate about that. I think there's in the area of 14, \$15 million worth of things that we put in this budget in direct response to things that we heard you say, even going to your retreat that you had a number of months ago. You know, we listened very carefully. We took good notes and we saw where there was consensus, you know, on a number of different items, and as we said, when we presented this budget to you, this budget came to you reflecting those things that we heard you say during your budget retreat. But I just think it's important to remember that it's going to take some time, you know, for this budget to reflect the range of values that exist, you know, on this dais. It's just going to take some time to do that. We talk about wanting to have time to talk about, you know, equity, as part of the conversation on an ongoing basis. I think you're poised to do that. I think the mayor alluded to cfo heart's desire to engage you in that kind of conversation early on. I imagine that will occur before this -- before this year is up. That's an opportunity to do that. It's an opportunity to discuss a variety of things. You know, you can talk about what your priorities are for the subsequent, you know, for the subsequent budget year, but it is going to take some time to do that. You know, the decisions that were made with respect to this -- to this budget, this current fiscal year, you know, were involved as you well know, a lot of spending. We dealt with, you know, we dealt with property tax exemptions, and you know what all of those things are. We amended the budget mid year. We did a lot of things that -- that took away the kind of surpluses that the city of Austin had been accustomed to coming out of the recession, and so we're feeling that pressure. We talked about when we were preparing this budget. We talked about the impact and subsequent years. You know, when we would have to annualize some of those costs.

[3:41:43 PM]

Well, they're analyzed -- annualized in this budget. You're feeling that pressure now. That's why Mr. Evino is being so careful as you make these decisions to talk about not just the implications in the budget you're considering, what that is going to mean in your 2018 and 2019, so there are no surprises relative to the impact of the decision you're making now in future years, but it's going to take time. You've been in office about a year and a half. You've done some significant things. The current budget I believe reflects your values. And I can see that you're trying to do that again, but this year, there are some limitations because the revenue isn't there, and that's the struggle and the frustration that I hear

you all having, but the reality is what it is. It is what it is. It's not for lack of trying, not on the part of the staff and clearly not on your part. But we only have so much revenue to work with. That's just the reality. I think I heard Mr. Evino saying that to you the other day. He was trying to manage expectations. He was right to do that. There is only so much revenue here, you know, and if you want to free revenue up, it is -- you know, we're talking about, we're having a conversation in the context of a \$3.7 billion fiscal proposal, right, at the object code level, is that really where we should be having this conversation? I think not. I think not. I think our conversation should be more elevated than that. But that's where we're at, you know, and there's risk associated with trying to evaluate and make decisions in the context of 3.7 billion, and to some degree at the object code level. I can't do that intelligently. My acms can't do that intelligently.

[3:43:49 PM]

Associated with making decisions at that level. So it's going to take time.

>> We're looking for changes in revenue. Increases in revenue, someone want to propose something?

>> Can I bring up my exemption now.

>> Let's see if anybody wants to bring up revenue items. Anything else to bring up?

>> The point of order, I think there's a motion and a second.

>> That's all right. We had a motion for 118,000.

>> Mr. Zimmerman moved and Ms. Houston seconded a motion to generate another 118,000 of uncommitted revenue and how was it that you wanted to --

>> It was from the economic development department. U.T. Bioscience.

>> It was the bioscience, been moved to cut that. Or to not designate funds for that. Any discussion? Those in favor please raise your hand. Mr. Zimmerman, Ms. Houston, those opposed? Ms. Kitchen abstains, the others voting aye, that's not passed. Thank you.

>> I'm sorry, what?

>> Voting nay, not voting aye, you said voting aye.

>> Mayor Adler: Other revenue items that people wanted to go? Are we ready to move to the senior exemption? Mayor. I think you had mentioned when we were talking about choreography that once we got through getting into the black that we might take a short breather to hear how much revenue we have and breakout how much we can go on.

>> I don't think we finished, because the senior exemption is a revenue item.

[3:45:51 PM]

The only reason we haven't talked about it is because it's all this.

>> I think the difference for me is between a revenue -- it's not about a revenue item versus an expense item, it's about whether or not something frees up money or costs us money. I would like to know the total amount that we were in the black so we can go and pencil out what our priorities might be in this round of votes.

>> The objection was to get as much undesignated monies as we could and then to start designating.

>> Okay. That's fine. Except I don't consider the amount in here for senior designated, I've never agreed with it ever.

>> No, no, we know that. So when we talk about designating undesignating monies I promise we'll start with that before we do any other one. But I think it is mid afternoon. How about if we take a break until 4:00. Can we do that? All right, recess until 4:00.

>> Thanks.

>> And would know what the number is at this point.

>> Of undesignated funds in front of us.

>> And I would like to say, and then I will be quiet, but assuming that the original 150 or what we found was designated for this, I don't think it's appropriate. I think we should --

>> You can cut any one of these you want. We can cut any one of these.

>> You're not understanding my point. My point is that we went through a process of identifying additional information and I thought that that process was to identify additional information, not to take some of it and use it for something, so --

>> I understand.

>> We should leave this unbalanced and just list everything that we came up with.

>> I concur with that, Mr. Mayor.

>> Thank you. All right, we're in recess, we'll come back at 4:00. Do you have a number, roughly, Ed.

>> \$1,170,000 looking at it your way, million \$340,000 work looking at it councilmember kitchen's way.

[3:47:52 PM]

>> Mayor Adler: If I thought to articulate it that way, I would have done it that way too. We'll come back.

[🎵 Music playing 🎵]

[3:57:08 PM]

[Music]

[4:25:38 PM]

>> Mayor Adler: . .

[4:34:41 PM]

>> Mayor Adler: I'm getting close. All right. Who are we missing? We're missing councilmember kitchen and councilmember Zimmerman. Okay.

[4:36:41 PM]

So now we're past the revenue-finding part, at least momentarily. Obviously we can go back and revisit any of those things. Now we're gonna talk about revenue stuff. And by way of kind of, you know, paperwork for revenue stuff, since we can't vote on everything all at the same time, it's entirely possible that I could vote for revenue for something and then find out that there wasn't enough money to pay for it and revisit it at the end. In other words, there can't be a winner because of the order that we have. So we're gonna go through revenue stuff and vote on the revenue stuff that we want with the understanding that once we do that and we see how many things we've added we may have to go back and take a look or -- or change. Does that sound right? Okay. So yes?

>> Tovo: [Off mic] I have done too much talking, clearly. Can we just get clarification about how to do that absent or short of reconsidering votes? I agree and I want to be able to go back and revisit decisions if we need to along the way, but will we need to reconsider some of those votes?

>> Mayor Adler: I think it's still in play. We said it's working so votes could be reconsidered but we don't have to go through a formal consideration.

>> Casar: Makers how about we take a vote to suspend the rule that anybody can make a motion to reconsider a vote and if anybody starts abusing that we can vote to change the roll back.

>> Mayor Adler: I think that's right.

>> Tovo: Is that all right with you, Ms. Morgan.

>> Absolutely.

>> Mayor Adler: We can do that. Even Roberts allows for us to do that.

[4:38:42 PM]

Okay? All right. So, Ms. Houston, you look confused.

>> Houston: I have an unreadiness about that because it sounds like at somebody's whim we can change it back. We need to be consistent in the way we cast these votes or inconsistent. So anybody can do it but then if this doesn't work we can change it back. Who makes that decision?

>> Mayor Adler: Collectively, ultimately we make that as a group because the majority of us can decide at any time how to act. It's consistent with what we announced early in the day in that sometimes -- I may vote to put funding in for something, but when I voted yes to all the things I could vote yes for, I'll find that there's some money left over and maybe I voted no for something that had I known there was gonna be money left over I might want to vote yes on it. What we agreed was we could be constructive with each other and allow for that kind of --

>> Houston: That's not the part that I'm concerned about.

>> Mayor Adler: Okay.

>> Houston: It's the part then if at some point we can just decide to change it back where we're not going to be that constructive. So I think that that needs to be some consistency to the end of the process what we're gonna do so that we're not making one decision now and then later we decide to change that rule and say, no, we're not gonna be able to have those kind of conversations and make those motions.

>> Mayor Adler: And as from the -- from the beginning of our time together, I will endeavor to use this chair position as fairly throughout the possible as -- possibly can. Okay? So we're now gonna talk about things that are potential revenue increases. In the budget. So that we can start looking at things that we might add in terms of -- cost of stuff. Do we want to start with the senior exemption? Okay.

>> Gallo: And I think I will start that conversation. We passed and I believe unanimously -- it's been a while, couple of months -- back in either may or June a resolution to direct the city manager to come back and give us the dollar amount that we would need to increase the senior and disabled homestead exemption to compensate for the appreciated values.

[4:41:03 PM]

And that dollar amount was 11,000, so we would need to take our senior exemption, which is currently at 80,000, and bump it up to 90,000. So I'm gonna make a motion that we increase the senior tax exemption to 91,000 and it's going to be -- it's going to be addressed in a couple of places. 85,000 was included on the manager's proposed budget. On the mayor's source of funds, it showed that it would be deleting that and pulling it down \$700,000, the city manager's would be a cost of 800,000 but it was in the city manager's proposed budget and it would bring it down, the mayor's proposed source of funds deletion would remove 700,000 and only leave a hundred thousand in to increase the senior exemption. And I'm not sure what the calculations are, but I doubt that that would even get it to 81%. You might -- I mean, 81,000 from the 80, but you -- budget might help me with that. Then the other place is we had a concept item to increase the additional amount of spending of funds to be able to get us from the 85, which was in the manager's proposed budget, to the 91,000, which was the amount that would place

seniors in exactly the same place they were last year. So what we're trying to do as we talk about seniors being able to age in place and stay in their homes, I think the other day I mentioned that 75% of the seniors in our community own their own homes and the affordability issue of increasing taxes, property taxes, the increasing utility bills, their cost of living increases because of medical and service needs that they need help with, I just feel like that as we talk about quality of life, we talk about aging in place, that it's really important for us as a community to be committed to not letting the senior and disabled population get further and further behind on their ability to pay their property taxes.

[4:43:12 PM]

We have a chart that we can put up on the overhead that shows the different taxing jurisdictions, their homestead and their senior disabled, and I think it just shows us that most of the major cities -- let's wait and put that up.

>> Mayor Adler: While waiting for that to go up, council, I would point out I think we have a stop tonight in 45 minutes. So we're gonna try and get through as much of the budget as we can in that 45 minutes.

>> Gallo: And I would also say that the Austin mayor's task force on the aging report's recommendation noted -- and this was from 2013 -- noted that property taxes rose 38% in the ten years prior to the report and cited that continued increases in property taxes is one of the challenges to the goal of many seniors staying in place. Perfect, okay. It's a little shaded. Can you guys see that? So it starts with Dallas. Maybe move it over a little bit just so the counties -- there you go. But you'll notice that all of the large entities, including Travis county, have 20% homestead exemptions, with the exception of city of San Antonio and Bexar county. Then all of the entities also have senior disabled. So even though if we were to increase Harris county senior disabled is 160,000, but even if we were to increase the city of Austin from 80 to 91, you know, I would mention that we have as a council have only note -- voted to increase our homestead exemption to 8% so we're well under the 20% that most of the other large cities and communities in this city.

[4:45:13 PM]

So that's my apply for the senior population and disabled population in Austin, that if we are truly committed to affordability and committed to them being able to stay in their homes and age in place that I think at the very least we need to be able to keep their property taxes from increasing each year. And this movement and this addition of the 11,000 to put it at a 91,000 homestead exemption -- I mean, property tax exemption would only get them to the same place that they were last year.

>> Mayor Adler: It's been moved to increase the senior exemption up to \$91,000. Is there a second to that? Mr. Zimmerman seconds that. Any discussions or amendments to that? Then let's take a vote on the senior exemption to 91,000. All those in favor please raise your hand. Kitchen, Gallo, Zimmerman. That's insufficient number to move it on.

>> Gallo: Then I'm gonna try again, and I would make the motion to leave the senior tax exemption as it is in the city manager's proposed budget and I appreciate city manager for you being responsive to our seniors and their needs in affordability and that would move the senior tax exemption from 80 to 85,000.

>> Mayor Adler: It's been moved to take it from 80 to 85,000. Is there a second to that? Mr. Zimmerman seconds that, going from 80 to 85. Ms. Pool.

>> Pool: Real quick question if it's in the base budget do we have to put it back in.

>> Mayor Adler: We do right now because the base budget we're working on only has us going to one eight so this would be a \$700,000 increase to get us to the full 85. Mr. Casar.

>> Casar: Mayor, while I certainly support the goal of blunting property tax increases because of rapidly increasing valuations in the city, especially for those of that trouble paying for it, the 700,000 I can't support because it would eat into the majority of what we have worked to get into the black on.

[4:47:33 PM]

And so for me I could support a smaller number, but this number of a \$700,000 dedication of the 1.1 million or so that we've scrapped, scrapped out, I can't -- I can't do that because I think that there are some other really critical needs for affordability and taking care of vulnerable populations, and I'd be willing at a lower number but not to a \$700,000-degree.

>> Mayor Adler: Ms. Kitchen.

>> Kitchen: Depends on how councilmember Gallo would like to proceed, but I'm prepared to offer an amendment or a separate vote depending on what we need to do to get it to 82 and a half, which is half the way to what's in the city manager's current budget. So --

>> Mayor Adler: So an amendment has been offered --

>> Kitchen: Again, I want to ask councilmember Gallo. She can accept it as a friendly amendment or I can bring it later.

>> Gallo: I think I would like to have the vote at 85, which was the city manager's proposed budget and putting the money back in.

>> Mayor Adler: Ms. Kitchen withdraws her amendment. Any further discussion on the -- taking it to the 85,000? Ms. Houston.

>> Houston: Yes. Could -- Mr. Van eenoo, could you tell us what the reduction to the general tax fund will be at that amount?

>> Mayor Adler: An additional \$700,000 above where we are right now.

>> Houston: Okay.

>> Mayor Adler: To take it to 85.

>> Casar: With all due respect to councilmember Gallo, to expedite the process I would like to make an amendment to bring it to 82.5% for a \$300,000 change.

>> Mayor Adler: Okay. The amendment is in order. Is there a second to the order to take it to 85, which would be a \$300,000 increase to the budget? Ms. Garza seconds that amendment. Is there any further discussion? Mr. Zimmerman.

>> Zimmerman: So, Mr. Mayor, I guess for the purposes of intent, I guess because we had a vote that was only 7-3, to try to get it moved up to revenue neutral, I guess I still wanted to have that vote at the 700,000 relief level.

[4:49:48 PM]

Is there no way to have that vote? I'd rather vote against this because I wanted to have a chance to vote on the 85,000 number. But I guess I don't have that opportunity?

>> Mayor Adler: That's correct. We have an amendment on the table.

>> Gallo: So who made the amendment?

>> Mayor Adler: Mr. Casar made the management.

>> Gallo: Was there a second.

>> Mayor Adler: Second by Ms. Garza.

>> Gallo: If the --

>> Gallo: If the amendment fails.

>> Mayor Adler: If the amendment fails we're back to the 85,000 numbering. Those in favor of the amendment to tang it to 82.5, please raise your hand. Casar, mayor pro tem, Zimmerman, me. Those

opposed? Those abstaining? Ms. Houston abstains, others voting aye. That amendment is adopted. Now we have a motion to take it to -- to make the change to our budget by adding another \$300,000 designated for taking it up to 82.5. Those in favor please raise your hand. We voted on the amendment. Now the main motion has been amended. Now we have to actually vote on the motion itself. Those in favor of the amendment itself please raise your hand. This is to add 300,000 to the budget. It's everybody on the dais. Okay. So we've made that change. Yes, Ms. Garza.

>> Garza: I appreciate councilmember Gallo starting her discussion on the senior exemption with the fact that there was a resolution that was voted on, and so I'm gonna move and I'll wait for discussion after I move this, I'm gonna move that we add 300,000 to health and human services for capacity, an increase in the capacity of the contracts.

>> Casar: I'll second that.

>> Mayor Adler: It's been moved, 300 additional, Mr. Casar seconds that.

>> Garza: So I can finish talking about that.

[4:51:50 PM]

>> Mayor Adler: I'm sorry? Go ahead.

>> Garza: I just want to point out that it's with great disappointment that I make this motion, but I understand the predicament we're in. There should have been 6.8 million added this year to get us to where the previous council had committed to adding additional funding, where this council had committed to adding additional funding. So where we are now does not get us to that 3% capacity, unfortunately. It's about two point something. So I hope that we can, you know, pass at least this. This is a huge, huge compromise to what should have been added and how we should be investing in our health and human services. But understanding the position that we're in, I hope we can support an additional 300 for capacity. And so right now there's 800. 500 of that is just to keep baseline of an additional 500 that should have been added, the 2014 council committed a million. Right now there's 500 of that funded. The additional 800 will help us with that additional 500 to get us to the million that was already funded. Nothing increased. And now this additional total 600 -- I don't know if I'm making any sense right now, sorry. With this additional 300 would give us 600 more, I believe, to add to the capacity. It should have been 800 but we're at 600. So that's all.

>> Mayor Adler: So in essence then that line would go to a millionsome one on that line -- million one. I really appreciate the effort to compromise for us to be able to move forward on this. I'm gonna support this. It's been moved and seconded. Any discussion?

[4:53:56 PM]

Those in favor please raise your hand. Those opposed? Zimmerman voting no. Others voting aye. Mr. Casar?

>> Casar: Mayor, I'd like to make a motion to restore the downtown Austin community court to the full amount in the city manager's proposed budget so that's a \$50,000 return of funds. I believe those 50,000 were reduced in the staff cuts that you handed out, mayor.

>> Pool: Mayor, I'll second that.

>> Mayor Adler: I'm sorry.

>> Pool: I'll second that.

>> Mayor Adler: Okay. Which -- where is that line?

>> Casar: If you go to your -- to this thing you did.

>> Mayor Adler: Okay.

>> Casar: If we were to raise 1.1 million, there is a \$50,000 reduction in the increase for the downtown Austin community court's rehabilitation services.

>> Mayor Adler: On top of page 3.

>> Casar: This motion is to restore that. I think I got a second from Ms. Pool. I'll speak to it very briefly. While there's been a lot of really good work done over the last few days to add to the manager's budget, I do want to speak to some of the great stuff that was in the original budget that our manager presented but was really put together by all of our staff. I think it's important to recognize what was already in it. We had a major increase to housing first, a record amount dedicated to housing trust fund, a living wage increase automatically built in, body cameras, dedication to our sobriety center and \$250,000 to the downtown Austin community court's rehabilitate services and this motion would restore all of those pieces included in the base budget presented by the manager and I want to take this moment to thank our staff for having brought those components forward. While I think we've made this budget better, all of that I think is really critical and shows the dedication of our team here at the city to trying to shape a Progressive budget that think about public safety not just in terms of enforcement but in terms of providing housing, mental health services and great things like the sobriety center.

[4:56:09 PM]

So I'd like to restore -- I take this move to restore that important work that was done before the budget was presented to us.

>> Renteria: Mayor, what was the amount again? I'm sorry, I didn't catch it.

>> Casar: It's \$50,000 to restore the appropriation to the court.

>> Renteria: Thank you. And I'll be supporting it.

>> Mayor Adler: Again, subject to dollars at the end of this day, I think that's an important thing also to have. I'm gonna support that. Discussion? Those in favor please raise your hand those opposed? Mr. Zimmerman votes no. Ms. Houston votes no.

>> Houston: No, no. I was voting yes. Just want to be recognized.

>> Mayor Adler: Ms. Houston.

>> Houston: Thank you, mayor. As we look at the quality of life ask I'd like to restore \$300,000 to the asian-american, African-American and Latino quality of life initiatives to fund most of their -- at least more of their requests. These are -- these are requests from the people who live in the community about their community, and somehow it got dropped to 700,000 each so that means a lot of the things they were hoping to get funded in this cycle were not funded. And so that's my motion. An additional 300,000 to each of the three quality of life commissions.

>> Mayor Adler: It's been moved to add an additional 300,000 to the quality of life commissions. At this point I think I need to see how this is going to break out on the dais for me.

[4:58:11 PM]

There's 2.1 that's in that right now. So --

>> Houston: Mayor, I'd like to understand how you got to 700,000 except -- just trying to make a balance.

>> Mayor Adler: And really it was trying to weigh competing stuff. But you're entitled to make your motion. I'm now gonna ask for a second. Is there a second to councilmember Houston's motion? Okay. There is none. But subject to seeing how the rest of this works out. Is there another motion to be made? Ms. Pool.

>> Pool: I would LE to move that we add 175,000 to the child keratin women. This is a -- child keratin women. The middle option is one we had indicated an interest in, which was 500,000. Travis county has

come in at I think 225,000, which is option one, and it looks like we may be able to fund a portion of our support at 175,000.

>> Mayor Adler: Okay. Is there a second to that motion? Ms. Garza seconds that motion. Is there any discussion on this item? Okay. This is something that was earlier on the base budget and fell off, I think. So the motion has been to put in child care at 175,000. Those in favor --

>> Garza: Just because you made -- it fell off and we're adding back at a lower rate. So it's not even at the original requested. I just wanted to point that out.

>> Mayor Adler: Say that again.

>> Garza: It was on the base budget at 235.

>> Mayor Adler: Right.

>> Garza: And I'm just pointing out that now we're not asking for 235. It's 575.

[5:00:11 PM]

>> Mayor Adler: 175, okay. Those in favor please raise your hand. Those opposed. Mr. Zimmerman voting no. That change has been made.

>> Pool: Mayor?

>> Mayor Adler: Ms. Pool.

>> Pool: I have one additional one to make. Our hard working employees have a pay for performance increase of 2% that is set for January. It's about a \$250,000 a month item if everybody receives the pay for performance, which isn't necessarily the case, but that's the top end. So \$250,000 if we move that to December 1 from January 1. It's 500,000 if we move to November 1. I'd like to move that remove it to December 1 so it would be in time for year end. In their paychecks.

>> Mayor Adler: There's been a motion to accelerate the pay for performance to December with an additional \$250,000 cost. Is there a second to that? Yes.

>> Tovo: Mayor, can I get an accounting from our financial staff? I am really interested in supporting our employees to the fullest extent we can, but I am a little concerned about having what I would regard as a couple priorities -- other priorities still remaining.

>> 345,000.

>> Tovo: 345.

>> To the good.

>> Tovo: So, you know, some of the things that I'm realizing we haven't yet addressed are snap and I have a proposal to bring forward with regard to that. As I mentioned yesterday, the costs that we currently we have on our base budget and I'm thrilled that we, do the funding of a permanent restroom. We don't have temporary restrooms on there.

[5:02:14 PM]

I think I have another way to potentially achieve that, but the permanent restroom we have not accounted for all the costs so we would need to add additional costs in if we're actually going to achieve that this year. And I know councilmember Garza has talked about the healthy food initiative and restoring that funding so I'm -- I just really -- while I'm really supportive of this, I haven't figured out how we would get there at this point and achieve some of those other --

>> Pool: Mayor, what I could, do I'd like to have it out there and have us think about it and if you want to move on some of the other items that we had already been talking about, that's okay too but I do want to place a marker down so we do take into account the work that our workforce that we depend on every day is out there and would appreciate the --

>> Mayor Adler: Okay.

>> Pool: Consideration.

>> Mayor Adler: Let's bring that up potentially. Let's hold it out there. Is that okay.

>> Tovo: I don't want to direct how we do that. I'm just telling you my struggles with supporting it at this point.

>> Mayor Adler: I'd like to move the --

>> Gallo: Can I ask a question for clarification on that? So the part that is in city manager's budget that is -- that has stayed in the budget at this point to start that as of January 1.

>> Mayor Adler: Correct.

>> Gallo: Okay, thank you.

>> Mayor Adler: So I would like the council to consider approving at this point the 2.1 for the quality of life initiatives. There are 75 several things I think that fall within that bucket that I think we've discussed in that context. That I would propose that we designate as part of that 2.1 dollars and with the balance of it being handled consistent with a rider that we would hopefully or a discussion we would do tomorrow, but the three things I would pick up in that 2.1 bucket that I think have been addressed in those would be the snap \$300,000, the affordable care act work at \$300,000, and the language work that was at \$250,000.

[5:04:36 PM]

But that would be my motion, to -- it's in there already at 2.1, but I would have us refine that by designating those three and then with a direction that we'll talk about tomorrow. So I would make that motion. Seconded by Ms. Pool. Ms. Kitchen.

>> Kitchen: I can support that. I would like the direction to be broad enough to include a range of things for the quality of life. For example, I had proposed senior transportation needs and that was a recommendation of the Asian quality of life so I would like the quality of life to -- just to be -- you know, the block grant part? To be broadly enough stated that that could be considered.

>> Mayor Adler: We'll do that and I'll bring language to the council tomorrow. I think working probably with the mayor pro tem on language to be considered for that. That's my motion. It's been seconded by Ms. Pool. Is there any discussion on that?

>> Tovo: Mayor, I want to be really clear. I think it's very great to put some -- I'm very supportive of putting some real clear -- those -- calling out those programs specifically and do I understand your motion to be at those particular amounts that you specified, which I just want to be sure I have right, snap at 300, affordable Karen rollment at 300 and language services at 250?

>> Mayor Adler: That's correct.

>> Tovo: Thank you.

>> Mayor Adler: Those were among the first one or two, I think.

>> Tovo: On your list.

>> Mayor Adler: On the list. Mr. Zimmerman.

>> Zimmerman: Thank you, Mr. Mayor. Just to remind everyone again we have an affordability crisis in the city. These expenditures are not core services, and the money should be refunded to taxpayers so I'll be voting no.

>> Mayor Adler: Okay. Any further discussion? Those in favor of what I just proposed seconded by Ms. Pool please raise your hand.

[5:06:39 PM]

Those opposed. Mr. Zimmerman votes no. The others voting aye. Yes?

>> Gallo: I'm sorry. I had previously committed to be someplace at 5:30 for a panel presentation so I'm gonna have to scoot out but I passed out something that basically should hopefully not have an impact on the budget but moves an fte. As we've talked about our audit department and we've talked about the great audits that come out of it and the process for -- this is a department that the city is responsible for hiring the auditor and overseeing that, in the discussions with the audit department, there is a substantial need for an additional fte to be able to make the process more transparent, and so I've passed out something that's got a lot of information on it. But one of the things is that there is a team central, which is an online mechanism for tracking and recording on the status of recommendations. And it's included as one of the modules of the teammate audit management system that's used by the office of the auditor but it's not been implemented to date due to resource constraints and this is the ability for the audit department and the city to get out audit information publicly to where it's easy for the public to be able to review the audits, to see what progress has been made, and really help increase -- as we talking about increasing transparency in our community. So my motion -- and I apologize it does say budget rider instead of budget discussion but my motion would be that we take -- that we create an fte within the office of the city auditor by reallocating the vacant fte from the finance office of accountability to the city auditor. And that would be my motion. And I assume that there would not be a budget impact on that.

[5:08:45 PM]

>> Zimmerman: I'll second that.

>> I just want to say I don't know that could be done through a budget rider process. If you want to take a vacant position from one department and put it in another department you would do a budget amendment to do that position.

>> Gallo: Then I will do a budget amendment to move the position from the vacant fte in the finance office of accountability to the city auditor's office.

>> Zimmerman: I'll second that.

>> Gallo: Is that the appropriate language? No --

>> It is. We'll actually change the budget. We would have to move a position and the funding from one office to the next.

>> Mayor Adler: So it's been moved to move the fte -- is this an existing position in the finance office?

>> Gallo: It is a vacant position that has not been filled yet.

>> Mayor Adler: So it's a vacant position that you're moving to the auditor's office for the purpose of being -- are you -- for --

>> Gallo: The auditor's office has expressed to us that due to staffing constraints they're not able to implement the system which would allow for transparency of audit findings and the process of completing and complying with audit findings so it allows the audit department do -- with an additional employee resource be able to work and implement that team central, which is the online mechanism for tracking and recording on the status recommendations. It's -- it was part of the discussion of -- you know, we do audits. We as the city council determine and also with the audit department, we do audits and there's good information that comes out of the audits and the departments work with audit department to comply. But there's not a really good resource that is publicly accessible in a very transparent way for the public to be able to track the progress of those audits and then complying with the recommendations of those audits.

[5:10:50 PM]

So this would help with that. And I just feel like that, you know, as we talk about transparency and we talk about the importance of doing audits and the results of those and making sure the departments are working on them and the public understand that's our city staff is working hard to comply with those audits, that this would be a way of increasing that transparency to the public.

>> Mayor Adler: Okay.

>> Mayor.

>> Mayor Adler: It's been moved and seconded by Mr. Zimmerman. Do you want to talk to us about that vacant position?

>> I just wanted to answer your question. It has been vacant and we have advertised it and are currently reviewing the resumes to schedule interviews but it is currently in our budget and is vacant.

>> Mayor Adler: Can you talk about what the function of that person would do and what the impact to your office would be of losing that position?

>> That person helps with the goals of the office of performance management. That work includes not only our business planning for our departments, which was formally in the budget office, but it also reviews our performance measures, works on our departmental reviews that we started last year, as well as does consulting work for the departments. We're doing some consulting right now for the parks department on improving their lifeguard hiring process. So that's the kind of work that they would be doing and strategic planning work.

>> Mayor Adler: Okay. Any further discussion on the motion to move -- to -- to strike that position and create a new position in the auditor's office? Any discussion?

>> Renteria: Mayor, is this neutral?

>> Mayor Adler: It would be budget neutral as it would change the function.

>> Zimmerman: I'd like to speak in favor of this. I have appreciated the work that our audit team has done. I think they do an excellent job, and I think they are worthy of this additional resource to help us keep track with how the audit results are being followed up on so I definitely support this.

[5:13:10 PM]

>> Mayor Adler: I'm kind of torn. I like the new position but at the same time I just don't know sitting at the dais that I'm ready to reach down that way and take a position out of the finance department. So I'm probably gonna vote no. Which is not to say I don't think that's not a good position and depending on where else we are on the budget maybe there's a way to come back to look at that. Any further discussion on this? Those in favor of the motion please raise your hand. Ms. Gallo, Mr. Zimmerman. Those opposed? It does not pass. Ms. Garza.

>> Garza: I would like to move that we restore the funding at the file level for the healthy food retail so that would be an additional 200. I'd also like to add that we've learned that 100 of that additional 200 would be matched ten to one by people fund, which would be a total of about a million dollars for the -- I believe it's the -- the incubator but I'm not sure but a hundred of that 200 would be matched ten to one by people fund.

>> Pool: I'll second that, mayor.

>> Mayor Adler: It's been moved at 200,000 to which -- to the -- to the healthy food initiative, which had 200 in it already.

>> Garza: Yes.

>> Mayor Adler: Where are we, Mr. Van eenoo.

>> Garza: 345.

>> Mayor Adler: 345. This would take 200 of that. It's been moved and seconded. Is there any discussion.

>> Zimmerman: Thank you, Mr. Mayor. I'd like to speak against this because, again, not only is this not a core service of city government, but it really smacks of this kind of nanny state where city government thinks that they know more than grocery stores like HEB or Randalls and they -- we as city council think we can control people's life habits, what they consume and eat and health habits.

[5:15:18 PM]

It's just not reality. It's terrible, terrible policy. I'll be enthusiastically voting no.

>> Casar: Mayor.

>> Mayor Adler: Yes, Mr. Casar.

>> Casar: I'm going to support this. I think the work has just begun on this front. And I look forward to seeing what those groups can do in this coming year. Since we're at 345 and this brings us down to 145 I was hoping to be able to figure out how to get to the 250 that councilmember pool indicated to get our employees some money before Christmas, and so I'll support this and then after that I would really like to think about how with that remaining 150 potentially -- for just my vote, to try to find the last hundred to get that to 250.

>> Mayor Adler: Okay. Ms. Kitchen?

>> Kitchen: --

>> Pool: I'll second that. Do we need a second.

>> Casar: That was just my comments on this one.

>> Mayor Adler: The motion on the floor is to add 200 to the healthy food initiative. Ms. -- Healthy food initiative.

>> Kitchen: I'll be supporting this one. I do think it's important. I do want to signal there's about 45,000 left out for the victory tutorial program. I'd like to speak to that. It's an afterschool program that exists with regard to aid. I'd like to be able to find the dollars for that. It was on our concept menu so. . .

>> Mayor Adler: And the tutorial was 50,000? 40?

>> Kitchen: [Off mic]

>> Mayor Adler: Okay. I haven't made that motion yet. I didn't hear that number. The motion on the floor is to add 200 to the healthy food initiative. Any further discussion? Those in favor please raise your hand. Those opposed. Mr. Zimmerman votes no, others voting aye. Ms. Gallo off the dais. So that one is changed.

[5:17:21 PM]

>> Houston: Mayor.

>> Mayor Adler: Ms. Houston?

>> Houston: Ot1.05 to create a department of neighborhoods, this has been something that our neighbors have talked about since 2007, 2008, when city manager mentioned that during public outreach with neighborhoods to discuss at their budget priority, the number 1 priority ten years ago was a neighborhood ombudsman and to be funded and for that office to have four full-time employees. At that time they had two filled positions until 2009 and still we have two full-time employees. So now that I know the language, Mr. Van Eenoo, I'd like to do a budget amendment to move staff from -- to staff, the two people who are currently in I think it's called neighborhood assistance center from planning and development into this new department for historic preservation office that has four full-time budgeted ftes into that department so that that would be budget neutral. We probably would have to have a department head at some point, but this is something -- people in the neighborhood feel totally helpless when something comes up about new development. They don't have anyone to go to to help them negotiate the process. They've been asking for this as far as neighborhood plans,

development, and so this is one way to give them someone to go to to help them understand the process and what they can do to mitigate some of the concerns that they have. So that's my motion. To create a department of neighborhoods by moving positions from planning and zoning, the neighborhood assistance center, historic landmark office, into this new department.

[5:19:40 PM]

And I guess other people don't get calls from neighborhoods saying how do we negotiate this process? We just got noticed of something, and like a plan unit development, what is a public improvement district? I'm getting those calls, maybe because I have more land than other people and they're trying to understand what's going on and who do they go to and there's nobody on the staff that they can go to to help them understand the process.

>> Pool: Mayor.

>> Mayor Adler: Yes, Ms. Pool.

>> Pool: I don't know if -- I was gonna make a comment but I don't know if it needs to be seconded before I make a comment.

>> Mayor Adler: Is there a second to creating a neighborhood department by taking two ftes out of planning?

>> Pool: Because I'll go ahead and second it.

>> Mayor Adler: Ms. Pool.

>> [Off mic]

>> Mayor Adler: Two from planning and four from --

>> [Off mic]

>> Mayor Adler: Historic landmark office. Ms. Pool?

>> Pool: And I second it for purposes of discussion. I think my feeling on this, it may be a good idea, and I have seen some about creating a department of neighborhood affairs or whatever it would be called, but my concern is this is a -- it's a big conversation and I don't know if we have vetted it ourselves sufficiently. I know I don't know enough about it to know whether shifting our landmark preservation, our historic preservation into a neighborhood department would be a good idea or if there are other staff that should go along with them. I just don't know enough about it. And even if it were budget neutral, which it may or may not be, I don't know that I'm ready to make that leap without having a filer conversation about it. And I do note -- I do -- I do think that you may be hearing some things that the rest of us aren't, which makes me want to expand the conversation so we all can hear the concerns.

[5:21:48 PM]

>> Houston: , Well, councilmember pool, thank you for seconding this motion. I'm also hearing it from people in your district, when the grove first started. They didn't know what to do. Their floundering because they don't have the expertise in planning, and so they don't have urban planning, so they don't have the skill set to be able to mount a campaign. Your district happens to have some expertise and so they were able to come together, and councilmember Gallo's. But in some districts they don't have that expertise, and so this is a way to provide some planning expertise to those families and people who feel like they've been inundated by development and they don't know what to do.

>> Pool: I think that is an entirely laudable goal and one that I think we should absolutely talk about. I guess my reluctance is I just don't know right now, here and now in the budget process, where we haven't developed the concept more fully, is the best place to do it. I would love to pursue the concept more fully.

>> Mayor Adler: Ms. Kitchen?

>> Kitchen: Independence if I missed this, but what is the budget impact?

>> Houston: It's budget neutral until we have to have a department head. Head of a department. And then it's about -- what's -- 85,000. Mr. Van eenoo, what --

>> With the two position that we would move? If you simply moving two positions from one department to some new department I don't think there would be a dollar impact. There was a council concept where the council looked at what do -- they need printers and equipment, if you're going to actually truly set it up as a separate office in the concept menu, it's \$422,814, which would be about what you would expect for a small office with an officer and a three or 4-person staff but just moving two positions from one organizational unit to another wouldn't cost anything.

[5:24:00 PM]

But --

>> Houston: And I think the reason that neighbors are concerned about it being in the same structure, which it could be if it had some identity on its own, is because they don't trust the system already to be able to negotiate for them and advocate on their behalf. So that's why why we were trying to to pull it out. If there was some way to form a group inside that system so that they have that integrity of being able to help people understand the process, then that's fine. Then we don't have to have a director.

>> Kitchen: And I apologize. Did you say two positions or six positions?

>> Houston: It was two positions from the neighborhood assistance center, which are already in place, and then because of so much there in historic landmarking, and they're having more community focus than planning focus, would move those folks as well.

>> Kitchen: Okay.

>> Mayor Adler: Ms. Garza.

>> Garza: I think I like the -- the idea because I do agree that -- agree that some of us have -- represent districts that my understanding is folks in the grove instance were able to hire a traffic engineer to do a traffic count, and I know that -- I guess I'd just be -- I think it's a good idea. I think it needs to be vetted a little more. I'd also be concerned about the city possibly giving legal advice to folks and I don't know where that -- or any kind of advice to advocate -- I don't know. I think it's -- I like the idea. I don't know if this is the best place to create that.

>> Houston: If I may, mayor, it's not giving legal advice. It's giving the same kind of advice that developers get when they go into our 1-stop shopping center and say how do we make these plans work?

[5:26:01 PM]

We, staff, give them that kind of information and assistance all the time. People don't have a place to get that kind of support. So it's not about legal advice. It's about navigating the systems so that they have a better outcome.

>> Garza: But those developers are usually represented by lawyers and lobbyists who are going and getting those answers.

>> Houston: Right. And our people don't have those millionaire lobbyists and agents so that's why this would be a place for them to go and get that assistance.

>> Garza: I guess I'm concerned about the city acting as their lobbyist, but I understand.

>> Mayor Adler: Ms. Tovo.

>> Tovo: I'm really interested in this idea. I've been part of the conversations about -- was part of the conversations about creating a neighborhood ombudsman person which became the neighborhood liaisons. I too hear interest and feedback in creating a department of neighborhoods or a division of

neighborhoods, and I hear all the time from, you know, ordinary people who need help navigating the system who would like for that kind of a resource, who I think would benefit from having that kind of resource. I guess my question to staff is must this be done in this process or is it something we could take a bit of time with and create after -- outside the budget process? I know that typically those kinds of restorations happen -- reorganizations happen through the budget process, but what are our other options.

>> We could certainly do it outside the budget process. In fact the last two offices I can think of, the innovations office came from a council initiative and equity office came from a council initiative and staff went off and came up with a plan and reported back to council about what those new offices would look like, how they might be staffed, worked, and funded. So we could do that work. And council can of course if it's just a matter of moving positions around from one area to the next, that could be done easily enough midyear through a midyear budget amendment.

[5:28:05 PM]

Of course it's harder if there's new money needed it's harder to do that midyear but if it's just moving the deck chairs around that's easier to do midyear.

>> Houston: Thank you for that. I saw Mr. Guernsey come up. Did you have something to share with us?

>> Mayor Adler: That's what happens when you walk up.

>> I sat back down too, Greg Guernsey, planning and zoning --

>> Mayor Adler: That doesn't count.

>> I want to make sure it's understood that all the ftes in historic preservation office, of which there are four positions, they're part of planning and zoning, as well as the two that the councilmember had mentioned, the neighborhood assistance center has two planners as well. So it's a total of six positions within the neighborhood -- within the planning and zoning department.

>> Houston: Thanks.

>> Mayor Adler: I'm intrigued by the idea as well. At this point there's just too many moving pieces for us to do this as part of that, but I hope, councilmember, that you bring that back up to council and we could certainly ask staff to begin a process to look at that question to determine the best way to handle it.

>> Houston: We'll bring it up to council.

>> Mayor Adler: Are you okay with just handling it that way?

>> Houston: Sure.

>> Mayor Adler: It is now almost 5:30.

>> Casar: Mayor, I have one more mention to make quickly.

>> Mayor Adler: Okay.

>> Casar: I think it can be disposed of very quickly. I'd like to thank councilmember pool for bringing up the fact that our employees aren't getting their pay for performance until after the holidays, and \$127,500 dedication would bring it up a pay period to before the holidays so I'd like to move to include that.

>> Kitchen: Mr. Mayor.

>> Mayor Adler: To what.

>> Casar: To move the 2% pay for performance date up from the beginning of the new year to one pay period up so it will be right before the holiday.

[5:30:11 PM]

That's 127,500.

>> Pool: 825,000.

>> Casar: 127,500 for that one pay period. And that's -- the reason I make that motion is because right now, that would keep us in the black in this budget.

>> Mayor Adler: Yes,

>> Mayor Adler: Yes, Ms. Kitchen?

>> Kitchen: I have some concerns. I think I'd like to think about this a bit. We just went through the process where we cut three positions that were hard on our staff, that totaled up about that same amount, and as much as I'd like to support our staff, when I weigh the two, we cut -- we delayed two positions in our city clerk's office, we took out a position in our human resources, and now we're asking for another 127,000 just to -- it's all a worthy cause, but when I balance those things, that's out of balance to me. Signed I don't want to be in a position of voting against our employees. I would never want to do that, but this is the first -- this is the first I've heard of this. It's not on the -- you know, it's not --

>> Casar: On the concept menu, I did put it on the concept menu.

>> Kitchen: I apologize.

>> Mayor Adler: There are several things people have mentioned, one option for us, since it's 5:30, is to stop where we are, and then start up tomorrow morning after people have a chance to think about this tonight or post things on the message board if we wanted to -- what's the number -- what do we have right now?

>> 145,000.

>> Mayor Adler: That would be an additional option. But at the pleasure of the council. Mayor pro tem.

>> Tovo: I have a couple questions that would help me know where we are relative to one of the items, and so if I could -- if I could ask those questions before we conclude, that might help me know. And I appreciate -- I appreciate that work. I, too, would like to provide for that raise before -- before the holidays and would have liked to be able to support the 250,000, but as I mentioned earlier, I really wanted to see some of those additional funds -- some of those additional priorities be met.

[5:32:29 PM]

But I certainly support waiting until the morning and seeing if anybody else has any -- any other potential cuts that would allow us to do -- to do all that's been discussed, that is remaining. But anyway, my question is, we've gotten various estimates -- well, not -- various pieces of estimate -- various pieces of information related to the restroom, and I don't know if -- if I could ask questions both of our health and human resource staff and also a question about the impact fees. And so this is for Ms. Hayden. The cost that was presented to the health and human service committee ranged from \$90,000 to 140. And currently in our budget -- and that does not include impact fees and also installation fees, I believe, and the cost of operating it. So, unfortunately, it looks to me as if the funding that we have right now in our base budget wouldn't be enough to actually complete that project. But, the variance between 90,000 to 140 could be very significant. And so I just wanted to invite them up to see if they have any information about that. And also, because a component of the costs involve impact fees, whether we would have the ability, if we waived those, that would, I think, bring the project in within the existing funding.

>> Casar: And, mayor --

>> Mayor Adler: Please.

>> Casar: I did make a motion. I don't know if these questions maybe could be questions that could be asked as informational questions for the mayor pro tem to decide on, unless there isn't a second for the motion, which is fine, but I just did want to see if --

>> [Off mic]

>> Mayor Adler: Okay.

>> Tovo: Sure, that's appropriate, yeah.
>> Mayor Adler: So is there a second to --
>> Tovo: I derailed the process, sorry.
>> Casar: No, but I think these are appropriate questions for you to decide how to vote on this motion.
>> Tovo: No, it actually has nothing to do with this motion. It was just another -- I thought if we were wrapping up for the day I would ask them, but if we're going to vote on the motion it has no bearing how I'm going to vote because I'm going to support it.

[5:34:37 PM]

>> Mayor Adler: Mr. Casar has moved this addition of the 125, it's been seconded by Ms. Pool, and I'm trying to get a feel for where the council wants to go. Do we want to act on this now, or do we want to vote on these things tomorrow morning? And what is the pleasure of the -- of the dais? Ms. Pool?
>> Pool: I would suggest that we table it and bring it up first thing in the morning, and then we can think about it and settle in on all the other things that we've done today.
>> Mayor Adler: Okay. That's kind of -- I'm getting nods at the table. Is that okay with you, Mr. Casar?
>> Casar: I can handle it.
>> Mayor Adler: Okay. So, with this regard, it would be helpful if people had ideas or things that they wanted to do with that last money, or if they were supportive of this, if you could let people know on the message board that might be helpful. Second, we're going to be talking tomorrow about directions to staff, so people could draft those and also post those on the message board so that people could see those. We have at this point a budget that has made a lot of changes to it, and it's about \$140,000 to the good. Do we want to approve this budget on first reading only, or do we want to wait for tomorrow?
>> Houston: Well, mayor, I have yet another budget that I want to add from a concept meeting.
>> Mayor Adler: Okay. Well, let's just hold off taking any votes that we're ready to do did the it's going to be seven votes, regardless. Is there anything else for us to can discuss what I will we're together as a group before we pick back up at 8:30 -- 9:30 this morning? Ms. Kitchen.
>> Kitchen: There's another proposed reduction that councilmember Zimmerman had raised that I would like to discuss tomorrow.
>> Mayor Adler: Which one was that?
>> Kitchen: That one relates to the ctm budget. That I know we already realized some of it, but I have questions about whether there's any remaining amounts to realize. We can talk about it tomorrow, but I just wanted to flag that for people.

[5:36:40 PM]

>> Mayor Adler: This is the ctm budget item that's currently in our budget. As I recall --
>> [Off mic]
>> Zimmerman: Mr. Mayor, entitled budget amendment one, be it resolved, city council cut 5% of information technology from all city of Austin departments.
>> Mayor Adler: Okay.
>> Kitchen: My question simply relates to whether there's any more dollars there that might be something that's workable.
>> Mayor Adler: Right. So what is existing in our deal right now was the \$520,000 reduction, which was to push a portion of the data center to fiscal year 2018. The question that Ms. Kitchen has given us notice she wants to discuss tomorrow is, is there more there.

>> Houston: And I'm going to put up on the message board, this is a request for two code positions, for an issue that's been vetted since 2009 to be able to license and inspect board and care homes -- yeah, board and rooming homes that have heretofore not been inspected or registered, so ...

>> Mayor Adler: Okay.

>> Mayor Adler: Yes. Ms. Garza?

>> Garza: I don't know if this is the same as councilmember Zimmerman's that we're going to talk about tomorrow, but the data, if that's the ctm, it's about 2.7 million so I would like to know if we can increase that 520 by any amount.

>> Mayor Adler: Okay. Whether there's additional savings associated with the data center move.

Anything else before we stop? Yes, Ms. Kitchen?

>> Kitchen: I think I already mentioned this, but that relates to the 45,000 related to the victory tutorial. And then I also have a number of budget directions that have no budget impact, and I'll post those.

[5:38:42 PM]

>> Mayor Adler: Okay. And again, I think everybody did great work today. I think we moved through a lot of issues today. I think this is a really strong budget that does lots of things. And I don't tell only does it do those things, I would point out again that if this budget went into place, now that we've talked about this rates and everything at this point, if we stopped here and balanced this budget, we would have slowed the rate of increase in government, this council, by 30% in the last two years relative to what it was in the three years prior to that, by 30%, and the rate of increase this year would be the lowest that the city has seen in the last five years. And that's all bills in property tax payments, fees, utilities, all those things. So I think we're doing good work here. That said, we'll pick back up at 9:30 this morning. So we are recessing the budget part of the meeting, picking back up tomorrow.

[Adjourned.]