

Austin City Council Budget Work Session Transcript – 8/9/2022

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Part 1:

Let's go ahead and convene today's um, uh, city council of budget work session.

Uh, the time is 10 0 8, uh, tuesday, august 9th, 2022.

We are in the, uh, city council chamber, uh, colleagues.

We have some, a budget presentation that had been prepared for us by, uh, staff that have been, uh, emailed out to everybody.

Uh, we also have a, uh, memo from staff that, uh, addressed, uh, some of the questions that were raised, uh, last week that they would, they would be our day to discuss them.

We'll also go into executive session, uh, briefly, uh, to potentially discuss some matters.

And, uh, the county judge and i are going to enter an emergency order on, uh, monkeypox today at 1130, uh, which needs to be broadcast.

So we're going to have a required stop at 1130.

That should take us about 20 minutes.

We can either break for lunch at 1130 and come back, uh, or take a 20 minute break and come back.

But we'll decide that question, uh, at 1130.

Okay.

So with everybody here who i'm present, uh, i think we can, uh, begin carrie.

You want to say hi to everybody and tell us what we're looking at today? Sure.

Good morning council.

Um, carrie lang budget officer for the city and the financial services department.

Um, thank you for your time today.

As the mayor mentioned, we have, uh, prepared three departments for presentations.

We'll be here in person.

Um, hrd will be speaking on living wages and compensation, parks and recreation will talk to us about, uh, the parkland dedication, uh, fee as well as their budget and several items within their budget.

And then austin energy will give us clarification on their rate case, uh, process as it, um, is determined and how it influences the budget approval process.

Um, we also have staff here.

We want to set a good amount of time for discussion and question and answer.

So we have staff prepared to, uh, have those responses.

Most of the staff will be remote.

And so as we're preparing or asking those questions, we'll just need a little time to make sure the staff is able to get online and moved over for those responses.

But, um, we are looking forward to a robust discussion today.

And with that, i will turn it over to director julia hayes with the, um, how human resources department to be in their presentation.

That's good.

And it is ms. Hayes is coming up.

It seems to me that one of the threshold issues we have in front of us is how we're going to treat the, uh, uh, the, the, the payment of the, uh, uh, judgements in the police review cases.

Um, whether we're going to, uh, use reserves for those or whether we're going to pay for them.

Otherwise that's a conversation i think will elevate at the end of this so that we can be, that's kind of a threshold kind of question for us to consider.

So just putting everybody on notice, i'm sorry, edward, tova mary we're elevating that conversation in open session, or are we having executive session first? I think open session, unless there's a request to, to consider parts of it and executive session.

I did ask, um, mr. Van nano to follow up on a question i had, um, yesterday i had asked him yesterday and i think he was going to check with, with law on it.

And so that may be something that we need to, i can probably get the answer outside of, um, outside of the formal session.

And i think it would be easy to do the executive session.

I think probably we have the presentations here this morning, so it might be right after lunch that we would be getting to that place.

So we took my do that executive session in between that way we have that freedom.

Okay.

Depending on chief financial officer staff would certainly be prepared to have that conversation today, but we would suggest having that conversation on thursday, we're going to get an important additional piece of data tomorrow in regards to our august sales tax payments.

So we'll just have more information about funding sources and how we can address some of those issues on thursday.

But certainly if the staff's will to talk about

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It today, staff would be prepared just without that additional data point.

Okay.

That's good to know.

We can, we can figure that out, uh, after the presentations.

All right.

So let's gear up is hayes.

Well, we'll turn the floor over to you.

Thank you very much.

Good morning.

Joy hayes, director of human resources and director of civil service.

I'm joined today by rebecca britt, britton kennedy.

She is our assistant director, um, um, overcompensation.

And we have the benefits team here as well.

This morning, as we transitioned to the powerpoint, uh, we did make some changes from the one you all received.

Um, there were some blanks in the one you all were provided from cities that we did not get information from until this morning.

Um, and so i will share with you that the provide the slides we are providing, or are from the updated presentation, and we can talk through any changes, uh, from the one you received.

But i do believe we're trying to make sure you get that updated presentation, um, as we move forward to the next slide.

Um, one of the things that i would like to discuss is just making sure we walk through what we identified to be some of the primary and consistent concerns we've heard from all offices related to the proposed, a living wage, and 4% increase specifically as we talk about the living wage.

Um, we've received some questions.

We provided some answers, but we want to give a more comprehensive overview as to the process we follow for addressing compression, understanding how we define compression on the methodology on costing, how we re how we got to the costing amounts that we did.

Um, and then some comparisons in the last couple of weeks, you have seen, um, some information in the media about, um, other entities that are looking at increasing living wage.

And, and, and we want to kind of show you where we are versus where some of those comparables are.

Um, and then show you a little bit of benchmarking.

We've also had some questions about what have we done as it relates to trying to retain employees, uh, dealing with the turnover and hiring.

We worked not recognize that, you know, these are issues that we are definitely facing as a city.

These are issues that all of my cohorts around the country are dealing with.

And so we want to talk you through what those strategies have been to date, and then provide you an opportunity to ask questions related.

Um, as we move to the next slide, when we talk, when we talk about compression, um, compression happens in a variety of spaces, and i think some of these are of concern to you.

And we'll kind of walk you through some of that and add to what we've already provided you in the budget responses.

There is a compression happens when there is little difference in pay between an employee and their supervisor.

So when we make adjustments, um, and the hr goes through several different processes to evaluate salary, and they're not exclusive to each other.

So there are times when every three years we do a market analysis where we go out and we, um, we compare our positions to other positions in similarly situated organizations to determine if our pay value is equivalent to what we see in the market.

Um, independent of that, there are times in which we have a need to rezone what we look at employees within a work group.

The pay grades are appropriate based on market, but there may be some reason why we need to look at rezoning.

Those employees and rezoning simply says that we get the opportunity.

If i've worked here, i came in my salary was based on my experience.

When i came in, i sit in that position for 10, 15 years.

There may be an opportunity to look at that pay to determine if i were to come in in today's market.

Would i be where i am? Um, that is a much more labor intensive process usually assign in smaller groups when there is some concern that employee salary has not kept up with the market.

Very seldom do we redo rezoning because with our incremental pay increases across the board every year, it usually ensures that we stay in a space that keeps the positions competitive, but we can, and sometimes do do that.

Um, and so when we find spaces where employees are making add, or right below supervisors, we may look at that to determine if there's a compression issue.

I want to qualify that though.

Sometimes we put someone over a group and that person's position is much lower.

And so by putting them there that may put them in a position to be making.

So there could be some variables in place besides just inequity in salary that we evaluate.

Another reason why we look at, um, how we define compression is when there is a minimum wage increase where the pay scales are impacted on levels of coverage.

And so typically when we look at living wage increases, it's done on small incremental amounts, and we make adjustments to the pay grades that are continuing to exist to ensure that we take that into consideration.

I got some examples for you today, just to kind of visually show you what it looks like.

Uh, but basically, um, if we have positions, we create the pay grade based on the market.

But if, and when council decides of sydney manager that our living wage needs to increase,

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We adjust those pay grades.

Not because there's a market change, but because we're now trying to accommodate the new base, which was, which will be the living wage.

And so we want to make sure that those situations are impacted.

Another definition is when the market rate of a job increases and their employers bring in new employees, close to the higher close to are higher than the employees than the manager earns.

And so that's something we look at also, the market rate for starting salaries increases faster than the organization can afford to give raises to existing employees.

Okay.

So those are the spaces in which we do, um, living wage.

Um, as we look at the next slide, we talk a little bit about methodology.

Let me put this in context.

What i'm sharing with you is really not only how we fix the pay grades when we, when we increase the living wage, but how the methodology by which employees are impacted in terms of their salary movement when the living wage is completed.

So in the fiscal 23 budget, which includes an increase of \$18 an hour for regular employees, because that we have provided to you includes the difference between their current pay and the entry of their pay grade.

Um, in some cases, this is increased due to job pay grades.

So let me put that in everyday language, we've got 37 pay grades.

We moved the living wage up.

The new living wage is so much that some of the lower pay grades are not needed anymore.

So for instance, if i got a pay grade that goes from \$15 to \$18, their pay grade is no longer necessary because we began at \$18.

And so we will drop pay grades out, and then we will make adjustments to the entry of the zones that are impacted, um, beyond that.

And i'll give you some, some real life examples and i'll show you what their pay grade looks like in just a moment.

Um, and so in that case, that's what we do for regular employees for payscale starting at \$18.

We must reconfigure to allow for sufficient, sufficient differential between the grades.

So when i give my new entry level to the new pay grades, we have to make sure that there's enough, enough space in salary between the pay grades to ensure that there is no compression.

So there's a scientific or methodology to increasing those pay grades and setting those new pay grades.

And this answers many of your questions as to what happens to an employee salary, when that, when that, that new living wage is put in place.

So in this instance, as we went to \$18 an hour, and i will share with you from 15 to 18 as a 20% increase in salary.

So this is probably more of an impact than you've seen in our traditional increases, because we do that incrementally over years.

If you remember, in the last living wage exercise, we started out at \$11 and we incrementally moved it up to 15, that small incremental step allows less impact to the existing pay grades, right? But

when we go from 15 to 18, it is a much more extreme need to make adjustments to the pay grades that exist.

And so we have to make sure we do that.

And in this case, i'll show you how we dropped the bottom to break two pay grades.

Um, and then also we want to make sure that you recognize, and we'll show this to you in the next line that temps do make up the majority of those in this cost of living wage increase from 15 to \$18.

Um, i have that before you right now, want to give you some understandings as to what you're looking at.

We provided you in one of the, the questions for the budget, a little bit more detail about those between making 15 and 22.

This one specifically speaks to where we are and how we break down those numbers of employees and their salaries between \$15 to 18.

Now, let me just qualify in the first one.

When we say up to, and including 15, you see a number of 1060.

I don't want you to see that and say, wait a minute, are our regular employees making under 15? We were completely under the assumption that they were, and they are, we do have however, summer youth that make up a large component.

I think of that 1060, about 680 of those employees are summer youth.

Um, and that is a conversation.

And certainly you all can't have, i know we've had some questions relative to whether or not we need to go up and pay and those positions, and certainly the health department can speak to it for the purposes of this presentation.

We just wanted to clarify that a little bit over 600 of those in the temporary position are reflective of those who are youth who are interning with the city for a particular period of time.

Um, but you do see that as we go up, um, we have a number of employees that are temporary, who make between 15 and \$16 an hour.

And, um, we also have seven part-time employees who make that amount.

Um, we also, as you can see, have about 499 temps, just 137 employees who make between 16 and 17.

And so the argument

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Could be made that there are minimal impacts to going from 15 to 18 related to our regular employees.

But we also recognize that 106 people matter too, right? And so being able to fix that at the regular civilian level is important, but you also recognize that there is a larger portion that we are impacting with the temporary employees by making this adjustment.

Now, when you, when you take out the summer youth from this scale, regular employees impacted by \$18.

An hour is 990.

And the number of temporary employees impacted it's 2,130 employees with the \$18 an hour.

Excellent.

And so as we look at this particular slide one, this is our pay grades right now we're at two to 14, that will be impacted the total number of grades pay grades right now it's 37.

Is that correct? I mean, 29 completely off 29 pay grades currently right now of those 29 pay grades two through 14 are impacted by the \$18 hour from 15 to 18.

If you could look at this chart, pay grades two and three begin with \$15 and 1548.

Now on this chart, i'm just giving you what the current entry of those pay rates are.

Please remember that in every pay grade, there are four zones.

The first zone represents those who have zero to four years experience.

The second zone is four to seven years experience.

Third zone is seven and 10 years, and the forest zone is 10 plus 10 plus years of experience.

So when we look at the second column, this simply reflects what the entry of that zone is.

That is important because now that we are moving to \$18 an hour, we are dropping pay grade two and pay grade three because those salary bands represent below where we are, because we are now dropping those.

We now have to move the entry of the four through 14 pay grades, higher column.

Two shows you where those pay grades will now begin.

So for example, if you look at pay grade six, it now begins at \$17 an hour.

It, it will go to 1922.

So if an employee isn't paid grade six and they're currently making \$18 an hour, which is a question that we've had, if they're in pay grade six, they will automatically go to 1922 because 1922 is now the entry of zone one.

So that is a natural movement for that employee.

Then we would add the 4% to that 1922.

Okay.

And so some of you all have asked me very direct questions.

If an employee is making 1860, where would they go? We cannot give you an exact answer for every individual employee, because we don't know the years of experience that they bring to the table.

We don't know what zone they're currently in the process for increasing the pay grades it's to address the change in the living wage.

It's not a market change is not a rezoning is not.

It is simply to say the council has now determined that the base salary will be 18, and we will adjust all of the pay grades to ensure that 18 is the minimal amount that is made.

There is percentage between the pay grades and that every employee in that pay grade is making at minimum the entry to the zone.

Um, and so that is what we're trying to really kind of show you here.

Um, and, and every scenario would be based on that experience and what pay grade they were in, what i wanted to do.

And rebecca is gonna walk us through it is to give you some examples, cause there's been a lot of questions of how is this going to impact those who are making at, or around the current, uh, living wage of 18 prior to this decision being made.

And i didn't want to just show you the good examples of where they're moving up, but also for those who have experience where they're not moving up as much before the 4%.

And so, as we move to the next slide, i'll ask rebecca to kind of walk you through those.

So we have three examples of, if you'll go back one, we have three examples here about, um, employees who are impacted within those first 14 grades.

So in the first example, if we have two public event workers, they're both in grade four.

Now one has one year of tenure.

The other has three months.

You'll see that their current pay is different.

And then as we move forward to that entry of zone four, our proposed our person who has been here for one year will get \$18.

And then they are also eligible for the 4% across the board.

So their proposed pay for would be \$18 and 72 cents.

Our second employee who has not been here long enough to qualify for

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The 4% increase would have a pay rate of \$18.

Looking at our next example of the library associates and pay grade six.

We have one individual who's been here for three years, making \$18 an hour.

And another one who's been here for seven months.

However, when they started with the city, they had more experience than the person who'd been with us for three years.

So they were zoned higher and are making a higher salary at 1915, both moved to the new entry at 1922 and then received the 4% increase because they both qualify for that across the board.

And so you'll see how, like Julia mentioned, we had two individuals making, uh, a different salary beforehand, and now they're making the same salary at 1999.

And for our last example, our heavy equipment operator to the, this position is in pay grade 11.

We have one employee who's been here for five months and another who's been here for 15 years.

You'll see that our employee who's been here for 15 years is making, um, more than the one who's been here for five months.

The new entry of this pay grade is 2263.

So our first employee would move up to that amount.

Our second employee is making well above that amount and will receive the 4% increase.

And so you'll see that differential remains with those tenured employees.

And so when you, when we talk to you all individually and you asked the question about employees that have come to you and saying, I'm making this amount where I'm going to be, this is really an example of, we can not give you a across the board answer without taking into consideration the variables that we've tried to discuss with you today when council makes a decision about the living wage.

And when council makes a final decision and approves the across the board, this is the exercise that must take place in every department.

Hr begins with changing the pay zone entry to the zones.

Then we go about the first process of moving people to that, and then the process of adding the 4% if they qualify for it.

So those two activities must take place to truly understand the impact that every individual employee will have when we come to you and we give you ranges of what a cost would be.

So if you ask me how much it will be for \$19 an hour or 20, we give you a range because this process has to take place to really understand better what the cost and financial impact will be for those decisions.

So with that being said, as we move to the next slide, we've had questions.

We've had more time to do the due diligence.

We're not done.

We still need to work with every department on the \$18 an hour.

Um, and as asked me, we'll share with you, when we go through this process, there may be one offs or people that are not paid appropriately and the department or others will bring to our attention and we'll have to address those if you know, and there's been some questions from council, office staff.

And so we wanted it to give you some information for your deliberation.

If the council wants to look at \$19 an hour, i believe some officers are wanting to do that.

Then we would, we would say at this point, and again, we would have to do additional work.

We just got these questions this week, but we want it to be as thorough as possible.

We'll also have to confirm with budget that we believe it's from 6 million to 10 million for the, uh, for the \$19 an hour versus the \$20 would be an 8.9 to 14.1.

Now, of course, with time and opportunity, we can go in and try to figure out more what that looks like to be more specific as we are with the \$18 an hour.

But for the purposes of you getting ready for the next two weeks, we just wanted to give you some idea since we have had requests to look at costing for the 19 and \$20 an hour.

Um, so that's that that's information that we just wanted to make sure that we shared.

May i have just a quick clarifying question on these numbers, ms. Hayes, does that include the, um, additional contribution to retirement and taxes and everything? Or is that a factor that is above that that would be added to whatever these ranges are? I had to look back at our compensation manager and he's telling me, yes.

Thank you.

You're welcome.

May i have a very quick question specific to this patient? And then we'll come back, we'll come right back, but we're going to have three presentations today.

I think the best thing to do is just to go through the presentations, then we'll open it up for questions.

This is very, very specific.

I'll be very short, but once we open that up and it's just impossible for me to be able to run the meeting that way, but we'll come right back to you right away.

As soon as he's done, we'll come back to you first, ms. Hayes want to go ahead and finish? Yes.

As we move to the next site, um, there's been a lot of conversation about our competitiveness specifically as it relates to our local community and areas.

This is the slide that i've updated from the one you all had in your, in your, where i've, i've given you the additional information.

[00:25:01]

Just want to be very transparent with what proposed minimum wage changes you have seen and talked about.

I know acc was a big one that came out in the media last week, uh, travis county.

And so what you'll see there are current minimum pays.

Now, if these cities on our first column have decided, or looking forward to making some increases, we have not seen or heard that decision as of yet.

So i have them in that column simply because we believe that these positions are at where they will be in terms of their minimum wage.

We have received some questions relative to capital will metro in multiple spaces.

I will tell you that the capital metro \$22 an hour for bus drivers is a union contractual agreement.

And so they did go into negotiation to, uh, to come to that price.

But even though the rest of them are not negotiated, i thought it would be fair to at least place that up there, because i know that in context of some of the decisions that you're wanting to make, that it's certainly a factor that you're looking at.

Um, and then we have the proposed changes that we know are going to be an increase from what we saw last year to include aisd at 16 city of austin at 18 travis county at 18 and acc, um, at \$20 an hour, as we take this a little further on the next slide, um, there were quite a few questions about acc and how we connect to the dole salaries and the concern of competitiveness.

Now, of course, many of you probably already recognized.

We have far more, uh, titles pay grades and people than austin community college.

And we have far more positions that would fall below a value of \$18 after city that you will not see and the acc population, but for the purposes of comparison, what i asked the team to do, and please excuse us, we literally started this on thursday to get it for you today.

Um, and so based on what we were able to ascertain, if we look at positions that are common to both the city of austin and to acc and how those salaries compare based on the proposed \$18 an hour.

So custodian building and grounds assistant, we are proposing \$18 an hour.

Um, and with the, uh, 4%, it will be 1872 compared to \$20 at the aacc.

So what you see in column two and column three is a representation of the living wage increase and the potential for 4% across the board.

So the final column represents a comparison between what our salaries would be and what they would be for austin community college.

And that's just, again, because we know that that's been a big one that has come up, we were trying to really connect apples to apples, to give you some indication as to our competitiveness in the most recent recommendations for paying increases from those that are around us.

Um, this concludes the information on the pay and compensation.

We do have two slides, three slides relative to our strategies for recruitment and turnover.

So if you'd like us to just get through those three slides and then we'll openly answer any questions about any of the topics that we've brought up beginning in february 22, the human resources department and in collaboration with the human resources teams of the departments really looked at multiple strategies to increase retention, compensation and satisfaction amongst our departments.

Our strategies have included increasing the entry rate of pay for some areas.

Many of you all, as we worked with our nine 11 call takers and other areas where we increase the ability for departments to pay, hire within those zones so that we can recruit and reach more people.

We have done some recruitment incentives.

Every department has a different budget.

I think this was a question that came from council as well.

Every department has a different budget, has a different capacity, and every department has been impacted differently by positions that are hard to recruit.

We have some departments where the majority of the department is facing tough recruitment times where they must put into place strategies for bonuses, strategies for recruitment incentives to try to do that.

Austin resource recovery was one, well was the first department who was significantly impacted by the competitive nature of today's market and were losing their cdl drivers and others to other private sector groups.

They were our first department to create not only an incentive plan to hire people, but an incentive plan for those in two plus years in an effort to maintain those employees working for the city.

We also did some collaboration with consultants.

One of those consultants reports will be coming out very soon to talk about what is the rest of the world of public sector doing to recruit and retain, to ensure that we stay up at or above the strategies that other people are putting in place.

The auditor's office also provided a report a couple of weeks ago, maybe, maybe a month ago, that talks about some strategies that they have seen.

And we have been in alignment with what we've seen our industry doing in these areas.

We've also tried

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To come up with more stipends.

I continue to articulate, and I understand that you have to balance this with the other priorities of council, but one of the uniquenesses of the city of Austin, that's different from our private sector is that private sector can pivot and change their salaries.

They can lay people off, hire them back at a lower wage.

We've seen even in the last six to eight months, places that were hiring people at 18, \$19 an hour and fast food are now moving to 1617.

There may be some other examples where you've seen those numbers go up.

They have the ability to fluctuate in their salaries, understand that at the city of Austin, when we provide an MCS employee, the property right of an increased salary, there shouldn't be any instance where we take that money away from those employees.

So as private sector adjust themselves to the market and to the economy, we will maintain and continue to increase those salaries, which simply means we have to do our due diligence to ensure that the salary increases that we have are sustainable long term, so that employees don't get laid off and we can continue to stay at or above the market as this council sees fit.

And so with that being said, we have pushed for stipends or additional pay for particular reasons, and you can turn those stipends on and off.

You can leave a stipend on for five years, you can turn it off in six months.

And so it allows additional salary, additional competitiveness without impacting your pay grades or impacting the overall budget that may fluctuate from year to year.

And so you will see in this example that we have provided different certification stipends, licensed stipends, and safety stipends to allow different departments, ways to increase salary, and to be able to increase that bottom line dollar without a permanent increase to future salaries.

The last slide that we want, well, two more slides alternative pay.

HR has received requests from 14 departments for alternative pay plans.

These plans vary based on business need and include items that include retention, referrals, recruitments, stipends, and incentives.

Every department has not had the opportunity to do this.

Every department doesn't have funds human resources, I'm losing rapidly in certain positions.

I don't have the ability I gave her \$250 stipend.

Yay.

Just to say, thank you for staying, but that doesn't compete with an Austin Energy arson resource recovery, losing at a much massive level with different impacts to the city, with different budgets, eight of the, the requests for alternate pay.

The departments are listed there before you have been approved and six of the departments, which i've listed before you are pending other plans.

And so we're moving very quickly to try to approve these plans.

In addition to the regular work that these, that this compensation team does on a day-to-day basis.

Um, and my last slide just talks about recruitment strategies.

And i'll let rebecca kind of walk you through some of the strategies that we've put in place thus far.

We've worked with departments and know that, uh, we are much more supportive of flexible work schedules than we were before the pandemic.

And that has been a big question.

We've gotten, uh, uh, new employees coming to the city.

Um, we've developed checklists for departments that talk about where are you having your problems in getting qualified candidates to apply are where, where are the issues that you're finding? So we can give some suggestions on ways to mitigate, uh, the issues and to get more people to apply for our positions.

We've developed standard profiles that departments can use.

We are attending career fairs and really trying to engage in social media.

Um, we've hosted some different types of career fairs.

We've really found some success in virtual career fairs.

Um, we were able to hold our in-person community expo in may.

Um, we have two fairs upcoming, our 50 plus job fair and our community job fair that will make sure we get more information out about so we can really advertise and try to get more people, uh, into apply for our jobs.

Now we've answered a whole lot more questions in the question and answer both formal and informal, but for the direction of the day mirror, we were asked her specifically speak to these compensation-related issues and the retention and turnover strategies.

Thank you so much for the opportunity to present.

And we've completed the information we prepared to share with you today.

Thank you, mayor.

Um, just, just a quick question to make sure i'm understanding correctly.

So, uh, within the, uh, pay grades themselves, i think you mentioned zones, right? The four zones.

So as part of this exercise are the zones being raised also are just the zero to four years of experience.

The zones are increasing as well.

So not only is the entry, but the different markers for the different zones are increasing.

Okay.

And so the, the funding that we're talking

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About, um, allows for that, the reason i asked for that, because it seemed like one of your, um, examples, uh didn't um, didn't raise the person that had the experience and they ended up making the same amount as the person at the entry level.

So did, did, can we go back to your examples? So if we can, i think what you're asking for a week in the process of making adjustments for the living wage, we do not rezone every single employee at the city.

So the process that you're describing, which is, can i evaluate this one employee to say, if we were to rezone you, where would you fall in the news zones? That is not a part of the process of making the adjustments for the living wage.

That is another process we can do if asked by certain departments.

Uh, but that process does not always yield itself as one that creates more pay.

I mean, we can provide you some examples of how rezoning doesn't always address that either, but what you're describing as a process of rezoning.

Well, so in this exercises, the departments have the funding to rezone.

I mean, it is, is, is what you know.

So we've got funding in the budget to take to 18 at entry level.

So, or we also have in the budget sufficient dollars for rezoning, if it's, you know, if it's appropriate for a particular employee.

So if there is a issue of an individual issue of rezoning departments, have the ability to bring that to us.

And we will look at it, the exercise of going through every employee in every department to rezone those funds are not included in these projections.

So, so our departments may not have the funding that they need to raise people within a zone.

And we would not recommend that that process just automatically happen as a part of the i'm not suggesting, i don't, i'm not suggesting that would be automatically happened.

I don't mean that at all.

I just want to know what we're doing with our budget money.

That's all.

So, so say, for example, the example that you have up here right now with the library associate, i thought you said maybe i heard it wrong, um, or no, maybe it's the, the heavy equipment operator with the 15 years of experience.

That's at 27 0 9.

Um, they're not, they're not rezoned within the, um, pay grade.

They're just getting their 4%.

But the question is, and i understand that's your process and that's fine.

Uh, but the question is, does that department have the discretion to say, because this person has 15 years of experience, we're going to put them in the zone four and zone four has some adjustment to it just like the entry-level has.

And that specific example, the salary of the, that 15 year employee was above zone four.

And then in the adjustment for that pay grade, it would, they would also be above zone four.

So the, the longer tenured employees would primarily see the across the board increase, but they would not be impacted by the fluctuation of that zone or that grade.

What it does give them though, is the potential to earn more over time because they won't, it's increasing basically the top of that, what they're eligible to earn in that pay grade, but if they were, if their pay was less than the zone, so, okay.

So you're taking a pay grade and you're adjusting the entry-level, uh, you're adjusting all four zones in the entry-level.

You're not just, you're not just adjusting the entry level.

Okay.

So in the instance of an employee who happens to be because of their experience, their current, because of their experience, their current, uh, pay level is lower.

Then the, the rezoned amount, is there money in the budget for the department to adjust that person's salary up to the zone four level? Does that make sense when i'm asking? It does.

Okay.

As, as i discuss it with brian, the process that we follow to adjust living wage, i'm not asking about the process.

I understand that.

I want to know if there's money in the budget.

I understand your question.

I'm about to answer.

Yes ma'am.

So when we adjust the living wage to 18, that does not include the process nor necessary funding for a departmental or even divisional level rezoning.

Now, individuals, if they come to us as an individual, they can, but this budget and this process does

[00:40:01]

Not include full rezoning for all employees who fit into those predicaments in that space.

Does that make sense? Oh, it doesn't answer my question.

I, I get what you're saying, but so, or maybe, maybe it did answer my question, so there's not money in the budget, so, but I thought, I just heard you say that the pay rate, you're not just adjusting the 18, you're just in each zone amount.

It's just that there's no money in the budget for the employees that have more experience, uh, that might, that might be less than his own level to get that higher zone level.

What we're saying is in this process, when we adjust the pay grades, the action that we take is to ensure that all employees are making at least the minimum of the first zone.

That is the process a process of then evaluating the potential for rezoning is an independent process.

That is not a part of this and not included in the budget.

Okay.

So there isn't money in the budget and it may not be that many circumstances, but there may be some circumstances where an individual is because of their level of experience.

Okay.

I think, I think I understand what you're saying, but, but, but we will know what those zone levels are, right? Because you're setting them, we just don't, don't have the departments, don't have the dollars to, to raise people if they, if it's dollars and it's the time for the process is the time to look and evaluate all employees.

So it would be both of those processes that, that the department would have to go through to make that determination.

And if it, if a department chose to do that, I'm not asking for what you all do.

But if a department chose to do that for an individual, for individual employees, they don't have the funds to pay for it.

No.

Okay.

That's what I wanted to clarify.

And mayor, if i could and, and wait, let me ask another, i'm sorry.

Not quite finished.

So the range, the range that you've identified, like the six to 10 million, for example, or whatever the range is, is not a sufficient range to do what i just asked.

It's only a range of the estimate for starting at the zone.

One in the pay rate, pay grade.

I believe that to be true, this process and this money is just for ensuring all employees meet the minimum of zone one before the 4% is applied.

So yes, if this is not money to execute a rezoning and do that.

Okay.

So then my last question, just to make sure i understand.

So if a department has identified an individual that, um, uh, has the qualifications for zone four, for example, uh, but their current pay is lower than the, the reset zone four.

And they come to, if they, and they request that that person be raised to the zone for, they can only do it.

If they've got the money in their budget, they would also have to receive approval from hrd.

Well, yes, i'm assuming that i'm assuming that approval because they meet because they meet that, um, experience level because that the zones are led at are set out.

Yeah.

Okay.

And when employees are in those first 14 zones that are impacted as they move up, one of the things that we also have to take into account is where their supervisor is and would that be moving them above the supervisor pay? And so there's a couple of complexities that we would have to do.

And that's why one of the things that we, why we aren't doing that just automatically is because as julia mentioned, we would want to talk to those departments, see where there might be those issues so we can address them individually.

Yeah.

That all makes sense.

To me.

I'm not suggesting a different process.

I'm just asking it at the end of the day after you follow your process, if it is appropriate within that process for a particular individual, is, are we going to run into a situation where that can't happen for that individual? Because we haven't put the money in the budget for it.

That's really what my question is.

And i think i hear you saying yes.

Okay.

Thank you.

Thank you, mayor.

I have a couple of questions.

I appreciated the slide that talked about other cities and then compared them to other publicly funded entities like the county and the school districts.

Yeah.

We're going to get to it.

Yes.

Perfect.

Um, i have two questions.

One is the cap.

Metro line identifies the \$22 an hour for bus drivers.

Do you know what their rate is for people like mechanics or administration or other folks within cap metro? Are they below that rate? This is brian door.

He's the one that does the money, the crunching on the numbers and actually contacts the individuals.

If you want to go to the money.

[00:45:01]

Explain good morning.

So for my understanding, a lot of those are, um, uh, those are negotiated positions, but the rates that we got this morning showed rates for various jobs as low as 14, \$15 an hour or so.

So i'd have to look for equipment operators for example.

But i was asked earlier to look at, for example, dispatchers, and that those are much, much lower than the \$22.

Okay.

Thank you.

And then do you have an estimated head count for the other entities? Mostly the school district.

Um, our head count, travis county acc.

I'm just curious with those rates about how many employees are impacted by those minimums. We can, we can do something similar to what we did for eight.

Y'all hear me.

Okay.

We can do something i've never been told i was too low.

So this is really exciting.

So we can also look to see a same comparison that we did for acc with capital metro, in terms of what positions are equivalent to ours.

Did you all did, was that helpful in terms of seeing that we can do the same for cap metro? Um, we were focusing on capital metro because based on the conversation we had with a council member relative to particular positions, we were already looking at them.

And so i can certainly get that for you and then try to get the size of their population so that you can compare.

Okay.

That would be really helpful for me to be able to evaluate that.

And then i just wanted to draw to your attention, um, as i posted on the message board shortly before this meeting, but i'm going to ask a couple of questions that are identified on the message board about other retention policies that the city has like, um, when the service incentive pay kicks in personal holidays, you know, winter bonuses, just some of the other things.

Um, i know they're not in the qa yet, but i will make sure that they're in there.

Um, just so that, you know, absolutely.

And we'll be responsive.

We did have a question i believe from customer point test requests, number six, that talked a little bit about the benefits, um, and holiday pay for temps.

And so we have put some of that information in the, in the questions already, but we'll, we'll be responsive to what you have.

Okay, perfect.

Thank you.

Okay.

Cause remember, uh, went this, ain't got to remember pool.

Thank you, colleagues.

Uh, just wanted to first start off by reminding folks that we pass a resolution of unanimously passed a resolution committing to reinvest in our city's workforce as our top priority for as one of our top priorities for the budget and, you know, really recognizing the staffing crisis that we're in with over 1900 vacant positions that we have across, uh, departments and recognizing a 17% city-wide vacancy rate, um, for the city.

And so knowing the staffing crisis that we're in knowing the cost of living that we have here in this city, um, it was wonderful that we all unanimously agree that reinvesting in our city's workforce was the key strategy and how we get back to basics and deliver the fundamentals of city government from ensuring that we have crossing guards to get our kids safely to school, to lifeguards for our pools, uh, to keeping our libraries open on, on sundays.

Um, as well as, you know, making sure that our trash is picked up on time, really the basics of city government.

And so i am grateful for city manager for proposing a, a budget with an \$18 minimum wage.

Um, but i don't think that is sufficient to meet the scale of the crisis that we're in when it comes to staffing and to help our lowest wage workers be able to afford and live in the city that they serve.

So the questions i have are really anchored on digging down on how much it would cost to get us up to \$20 per hour.

I think that would be a more competitive wage for the city and would actually, and would do more to help our city workers and being able to live in austin.

Thank you for highlighting some of the other entities that have gone to \$20 per hour integral care has gone to \$20 per hour.

Um, cat metro, as you shared is over 24, their bus drivers.

I know that the city of dallas in their budget proposal also has an \$18 minimum wage increased or \$18 minimum wage.

Um, and that's an increase they were at, they were below \$15 a mayor, uh, poised to pass it at \$18.

So, you know, what's to stop a city of austin employee for moving to dallas, uh, to take the same job and in a place that is, uh, more affordable to live in, um, is a lens that i'm taking with this conversation.

So the questions i have are around the, the cost amount that you have included for us, um, on how much it would take to go to \$20 on that amount you have between 15, you have between eight to 14 million for that cost.

And in the memo that you provided director hayes and option one, it had us have for fiscal year 25, the

[00:50:01]

Cost to go to \$20, there's 3.6 million.

And so can you share a little bit more about why if we went to \$20, an fy 23, why it wouldn't be the same cost? Um, if you can share any details on the projections of the amount that it would take to get to \$20 in this next budget cycle versus having it paced out two years from now, hold on one second.

As we pull up the numbers, um, when we do the incremental cost amount each year, it gives us a better opportunity to address the compression and address the impact to the pay bands.

If we go back to the slide with the pay grades, um, and rebecca is pulling up the numbers now, um, if you go back here, if we were to go to 19, if you'll look here, that would probably, um, eliminate another five pay grades maybe for at least up to six or seven, because then those pay grades no longer unnecessary.

And so then we will have to compress the remaining pay grades to address that.

And more people will be impacted.

I'll let rebecca respond to the, to the financial numbers and justifications for, so in the memo on option one, the cost that you see, um, those are, are focused on the general fund and those are costs over what was in the previous year's budget.

So that's why it grows incrementally.

If we were to do things now, that's why it's almost like where adding everything together that we've, we put in the budget for this year versus several years out.

And this, with the, just going back to the conversation, you have accounts from our kitchen, the bigger that you shared on, on the powerpoint.

Um, you said that that didn't include the, i should ask it this way.

Does this figure include compression for the living wage? I don't know what pages is not.

Um, it includes bringing employees to the entry of the, the, the grade.

It does not include rezoning.

It is not.

Okay.

And so how much of that then, so then how much did it cost for us to get to the 18 million minimum wage? What, what was, what was that cost factor to the \$18 living wage that cost us 3.7 million okay.

And that included compression, it included bringing people to the entry of their new pay grade.

So it does not include the rezoning.

Okay.

So for us to get to 20 at an entry base level, the cost estimate not including compression is 8.4 million to 14.1 million.

Is that right? Uh, we've had some time to work on this a little bit longer.

So what we are showing now is it's between 8.9 million and 14.1 million.

Okay.

So minimum minimum 8.9 million, correct.

Okay.

That's the marginal or is that just to get from 19 to 20 or 18 to 20? What's your question? Can you repeat it again? I'm sorry to interrupt, but it was, is right on this.

Um, i'm trying to understand if it's 3.7 million is what we paid to get it to 18, and then we need to pay six to 10 to get to 19.

And then we have to pay 8.9 to 14.1.

Or is it if i want it to go from where we are in the budget from 18 to 20, i have to pay 8.9 to 14.1.

Or is that what i have to pay overall, including the 3.7.

And thank you, council member for autism.

Sorry to so on this slide, i think the question was to get to \$20 is an 8.9 to 14.1 million on top of our original estimate.

No, this is the full cost for .

So if we were trying to get to 20 million now it's that, that nine to \$14 million figure.

Yes.

So if we wanted to get to 19, then we only need 2.3 to 6.4.

That's another three to 6 million.

Yes.

Okay.

And that is if we applied it across the board, including youth temporary and full-time, and that includes the adjustments up to the patient, not summer youth, summer youth are not included in this

[00:55:01]

Summer.

Youth are not included in this, but they were included in the 18.

No, we just say, we just included them in the number of temporaries, but the summer youth are not included in any of our projections.

Okay.

Thank you.

So yes.

Thank you, mayor.

You said something, i just want to clarify.

So for us to get to \$20 minimum wage for all employees, excluding the summer youth program employees, that would be 5.2 million on top of the manager's budget.

So we would have to identify 5.2 million in ongoing funds.

And that is yes.

And that will be to ensure that we follow the same methodology, which would be to take every employee under 19 to 19, make adjustments to the drop, be additional pay grades, make adjustments to the existing pay grade and ensure that every employee is making the entry of that pay grade.

That is what that amount looks at.

Thank you.

I really appreciate this conversation.

Um, i think that i really want to work with, with our colleagues and identifying that 5.2 million ongoing funds.

Um, in addition to what is in the manager's proposed budget in order to start our minimum wage at \$20, i think that would go a significant way in addressing our vacancy rates that we have across the city.

Um, and it would also help ensuring that more austinities can afford a place to live here.

And by going to \$20, that would impact an additional 775 employees and lifting their wage.

Thank you so compression.

This is, this is the part about salaries that, that i've been talking about the most and the part that is the most difficult to explain and the hardest to calculate, i would guess, and staff didn't have enough time.

I'm guessing to determine how to raise every salary in order to maintain the same distance in the zones, which i'm calling compression.

You're calling rezoning, i think zoning and housing, uh, terminology.

But is it, is that right? I mean, you've had like two weeks in order to get to a degree.

This is the process we follow.

Every single time we have raised living wage.

We get people to the entry.

What i'm hearing from council is the potential, which is not this process, which is what was rezoning, which would be, for instance, if we go from 15 to 18, that's a \$3 increase.

We could look at making a \$3 increase for every single employee to ensure that there is equity between everybody as it was prior to the increase of the living wage, a process like that would cost another 20 million at that.

Right.

Cause i'm throwing it out, looking at the numbers person.

But so that's not a process we followed.

It's not that we didn't have the time now.

Now would it be difficult to do that? Right? Because that's a monumental process.

But what i think i'm hearing you say is that you want something different.

You don't want the normal process of raising the living wage and ensuring everybody is making that and making adjustments to the pay grade.

What you're really wanting is to ensure that every single employee, when you raise the, the, the, uh, the living wage has the same opportunity to receive those funds across the board.

There are different methodologies that we've never done before that would reach that, but it would require more time to figure out that impact with a population that's big or it, and it would inquire a great deal, more money.

Um, now some in some space and i'm just going on what i'm hearing, right? You may say, hey, we're doing from 15 to 18.

I want pay grades, you know, two to 14 to receive everybody in those pay grades to receive a \$3 increase.

And then we would have to deal with the compression that goes back to compression of where you stop giving that \$3 and where you start particularly given a percentage.

So for instance, you may say, we give particular pay grades \$3, and then at a certain pay grade and up, we give percentages that cost with would be more, and those are getting the 4% would not be getting \$3 an hour, you know, as it compares to 4% to what they're getting.

So there are different methods by which you may be wanting us to move towards.

Those methods have not been utilized before in living wage.

And those projections of costs would take a considerable amount of time to calculate well, during this whole discussion, i've been trying to get my arms around the actual, complete, comprehensive, every little bell and whistle comprehensive impact on the budget, which is why i asked earlier is it doesn't include the increases

[01:00:01]

To retirement and taxes and, and deferred compensation.

And all the rest is, is the disconnect here that we are talking about nominal dollars, \$3, \$5.

Well, as opposed to 20%, 25%, if we were to go in and look at the total amount of money that the city spends today on salaries and benefits, the entire compensation package and raised it 20% or 25%, that's the number that's in my head for what i'm hearing is up for debate on the day is how much is how much general revenue do we have across the board for everybody, including all our enterprise funds to raise the salaries, not just the 20%, which was the, the, the 15 to 18, but if you go up to 20 or pick a number, and everybody benefits from this increase because compression and rezoning is an issue for me that goes to retention, not just recruitment, because we want people to build their careers here.

Can you guys come back on thursday or maybe this after some time, get us a number that gives us the reality that, of the impact that we're looking at.

We would not be able to create that calculation with some level of integrity in that quick of a process.

And let me tell you why, what, what you're recommending and what you're asking is not just projections.

It's an entirely different methodology.

So we would have to figure out the appropriate methodology to do that correctly, and then associate with a cost to it, what i'm trying to do.

And let me know if i'm missing anything is really understand what you're trying to accomplish versus what we've done for you thus far.

What we did for you thus far, our council member pool is, is making sure that everybody makes \$18 an hour and that everybody who's in a pay grade makes the minimum after those adjustments.

What i hear you wanting is for all employees to have some systematic impact to that change, that, that, that carries all the way across.

Um, and there some challenges to that methodology because dollar amounts assist those at the lower level, because that dollar amount will be a higher percentage.

Then when, you know, if you have an executive, who's making 4%, that's going to be a completely different dollar amount than the employee at the lower end.

And so that's why we have to play with the thresholds of dollar versus percentage.

So that even though it's equitable, you don't want, you're not, i don't hear you on, in your executive salaries to increase at that level either.

I think you're trying to target a particular group of population within the city.

I was thinking director and below, not the senior staff.

Got it.

Correct.

But i think this is important information and it also maybe can help, um, all of us up here with some frustrations that i i'm feeling we may have with regard to trying to figure out what is the dollar impact on the budget, and can we afford it including sustaining it going forward? I will, if you'd allow me to add in giving you that answer this year, he would be another piece that i would, i would say, if you create a methodology that now allows an annual rezoning, then that cost will continue to be quite exorbitant because you're trying to reevaluate people, 14,000 people based on where they are and all transparency.

I do believe you will have employees, particularly those who stay in a position for a long time.

If you leave your position and go to a assistant manager lead every time you come back into that space, you are getting the benefit of that current market.

And we give you, uh, the, the, the value of the experience you bring to the table.

And so every time you're able to move within the organization, we give those factors and that, and those factors are taken into consideration.

The real population in this methodology that you may be concerned about are those employees who stay in position 15, 20 years, they don't come back out and get an opportunity to get the benefit of the experience they've built while in position towards the next position.

And so i would want to look at that as well.

Is this a full city issue, or is this just a concern you have for people who've been in position long term that don't necessarily benefit from moving and changing into new positions? We would look at that.

Um, and i would want to do that before i come back to you and say across the board, because i don't want you to pay more money to people who are now in competitively positioned positions.

They're not having a hard time recruiting and they're getting additional pay because they fall within a space where there are other concerns from council that need to be addressed.

Does that make sense? It,

[01:05:01]

It does.

Um, and it highlights how tricky, um, compensation conversations are and the act, the actual impacts of them.

Um, and it brings to the four questions that the city and the council may have thought were already decided and determined.

So, um, i, so for me, this, however, we proceed with all of this.

We have to bear in mind that we're really only touching just this year and, and there's much more work ahead and it's going to be difficult work, i think, um, and not everybody wants to advance, you

know, some people get to a job that they really love and they're committed to, and they want to stay in that position.

They, there are ways to reward that there are others with different kinds of ambitions and intentions, and we have to have pathways for them as well.

And the key to a really vital, i think on robust human resources, policy and philosophy is acknowledging all of the individual circumstances that are involved that takes time.

And it can not necessarily be reduced to an algorithm is what i hear.

Yes.

But i also want to create a positive balanced narrative because i'm very open to speaking to the, to the perceived fallacies.

I will share with you.

We are benchmark for most of the state in terms of our advanced, uh, methodology that we constantly reevaluate and put in place.

We are one of the highest paid market cities in the state.

Um, we were, but to council member points as, and others concerns in this unique space in an attempt to get more people to recruit and retain more people.

It is a very unique space.

And so i just don't want the narrative that we've got a broken system, um, that, that needs repair.

I think we have a system that has been proven and its methodology being very progressive, but it is being challenged because we're in an unprecedented time of trying to recruit and retain employees.

And we're figuring out ways to fix this immediate problem without creating an undue hardship financially for the city moving forward.

Thank you.

Thanks mayor.

I think council member, andrea has his hand up first.

Okay.

Um, a couple of quick questions.

One is, i want to say the last piece that you were talking about, director hayes, i think is really important to make sure that we're, that individuals who are staying within their jobs, um, that we have a methodology that considers them and, and make sure that, uh, that they're not losing ground compared to individuals who are, are circulating into the system or moving into different positions.

Are you able to hear me? Yeah.

And i wanted to make sure i got a piece to what you just said, because one of the things that i think i was missing and brian just pointed out is that every year, which is not common in every city or across the boards help to alleviate the perception that those that are in their positions long-term are not staying with an ad market.

And so one of the other variables that speak to the more positive in is if you've been in your position, long-term your ability to receive your, um, service and pay incentive.

At the end of the year, you being here, you get the higher amount and the across the board increases that we give every year, provide us an opportunity to ensure that those employees who've been in a position long-term still get incremental increases that keep them at or above the market.

Sure.

Yeah, no, those are, those are really important details to mention, i guess i just see sometimes, you know, even in the positions at city hall, that it's as the market changes outside of, of the city, sometimes those newer jobs are paying more.

And so it's just challenging to, to make sure that our existing employees aren't really keeping up with those newer.

And i know you do your best with market studies and other things.

And, but i, i appreciate that part of the conversation.

I wondered if, so i am i'm supportive council member, fundus of your measure and intend to support it as we move forward in the budget, in the back and forth, especially with council member kitchen, we were talking about compression and kind of what that would look like.

And she asked the question about whether departments have that existing funding, or will have that funding to be able to adjust within there.

But it makes sense.

I know that you said you haven't had the time to assess them with a city as complicated as, as ours is.

And the number of employees would it make, we don't necessarily, you don't necessarily know what that number would be to adjust for compression within individual departments.

Would it make sense for the council, if we're able to, to identify kind of a pot of funding that could be made available to departments that don't have the existing funding and their proposed fy 23 budgets to, to address some of those compression issues? We could, i think the bigger piece is going to be committing to doing a city ride rezone, right?

[01:10:01]

You don't want to start doing this in some departments and not others.

And so i think, you know, and that takes a lot of time, a lot of energy, a lot of staffing.

I think if you're really looking to evaluate that, brian, when's the last time we did a full wide rezone 20 18, 20 19.

So we can do another rezone that, you know, not this space, but maybe if you want to earmark money for us to take time in the next year to do a citywide rezoning that will address those questions, address those issues.

And that would take into consideration rezoning after whatever your living wage is and whatever your across the board percentages for 2023.

And then that money could be earmarked for that purposes of ensuring that we did that.

I think that was probably, or more systematic approach.

It allows us to look at the entire city, um, and then in laos allows us to ensure, and we can begin that process with departments that have identified themselves with long-term employees, um, departments that we've had a hard time to recruit so that we can start those processes in areas that would be impacted most in this, in this unprecedented time.

That would be my recommendation for methodology and identification of funding.

Thank you.

Uh, can you give some thought to what, how much funding we would want to identify for that things? Not by thursday next week.

Okay.

Thank you.

Um, and i just wanted to address that summer youth.

I know that that you and i have had conversations about the summer youth program and i've had an opportunity to get some information from dr.

Um, chiquita, um, eugene as well, dr.

Eugene, and this is something i'd like to address.

I don't know what that number would be, but i do know that we want our summer youth program to be competitive enough that that youth of, of all income backgrounds have an opportunity to come and participate in those jobs here at the city of austin.

I think that's another way that we, you know, really build, build excitement about and build, um, a cadre of future public public sector employees.

And so, you know, just in, in the very limited research i did this summer looking at, i think there was an article in the austin business journal about teen teen wage increases, um, citywide, and, you know, just looking anecdotally at what say p terry's is paying and target and other places that are, are trying to recruit our young people.

Um, i don't think we're remaining competitive at our current rate of what i believe is \$8 an hour.

Is that, is that correct? I believe that's correct.

Um, but i believe that population is mixed.

Some of those in those young people are not eligible for jobs at target and other places by age.

Um, and some of them may be even older.

So i definitely think there may be some opportunity.

I know when that group was under me, i spent a minute since they've been under me.

We also had some, some mutual agreements like with acc and others where the salaries were set based on the university's piece.

So there are some other components to that, but we will certainly be willing to work with the health department, um, in identifying the potential to raise salaries in those areas and take those recommendations and project some costs to it as associated to the health budget.

That would be great.

And again, i don't know, you know, as i think about, uh, where we are this week and where we might be next week, um, i do plan on bringing forward some budget direction.

I don't know whether it will be a budget amendment, but it will, it will at least be direction to, to our relevant departments to really address this going forward for certainly for next summer.

But i know some of us have, have youth who work here city throughout the year, but definitely by next summer, i'd like to see us be more competitive, but thank you for that distinction that we might, we might want to make several different categories of, of youth payment based on what, uh, what they might be eligible for in the private market.

But i think it's really important that we, that we make sure that the jobs here at the city of austin are, are appealing to and are able to, that people have an opportunity that, that youth have an opportunity to participate.

Um, if especially, you know, i know many, many young people are, are working to help support their families, and we want them to be able to come work at the city of austin.

So thanks for, thanks for all the work on.

And i just want to make sure i connect with, with director adrian d to ensure that i'm articulating.

So i'll yield to her and work directly with her to, to bring some information back.

That sounds good.

Thank you.

And again, if all we can do right now is direction, i think that's fine.

Um, but if we could work to, to a solution for next summer, that would be great.

Sorry, we're going to go to council member rent the rio.

We have to stop here and like three or four minutes, cause we need to turn the tv screen over to the press conference.

So i'm going to recommend that we break for lunch.

We come back at 1230 and we'll pick this conversation up then, but you have the last three minutes cancer surgery.

Uh, i know we'd been talking about the general fund.

Do they, enterprise departments contribute the money to the general fund that we give, we pay their salaries to

[01:15:08]

No, this, this conversation has been focused on the general fund impact, but there is a enterprise fund impact that's separate from that.

And so we would have to look at, um, what those total amounts were right now.

We're estimating about \$25 million for all the enterprise funds.

And so that would definitely impact their rates and fees.

And we would have to go back and see what those impacts would be, how they would have to increase their rates and fees potentially to address, um, getting us to the \$20.

And that's what i want to see also is, uh, when you come back for the, for the \$20 on the enterprise and what kind of feeds are gonna, uh, are going to be needed and increase, and we will start working with the team to see how we can, um, the departments to start costing that out, to see what that costs.

Yeah.

Cause i don't want to see the fees go up too high on our, on our customers, you know, and uh, basically my congestion wouldn't because we're low income and those are fixed costs, right.

You know, and, and once they start seeing the utility bill go up and up higher and higher, they're going to be a lot of questions i ask them is why are we paying this amount, but, and we need to make sure we're transparent and discuss with them that, you know, we need workers out there and your cost is going to increase.

Thank you.

Thank you.

We're going to take a recess now.

We'll be back here at 1230.

The time is 1124.

Hi guys, i think gives us a quorum.

So we're going to go ahead and reconvene the, uh, uh, meeting here on, on tuesday, august 9th, 2022.

Uh, it is, uh, 1240.

Uh, and we'll continue in the meeting.

We were, uh, asking staff questions about the presentation they made on recruiting and retaining employees.

I think there were a couple more people that had raised hands mayor pro tam.

You want to ask some questions? Okay.

Thank you.

Um, so i appreciate this information.

That's helpful.

And, and i'd say, we'll say that it seemed to have addressed compression more than i had anticipated.

So i appreciate seeing some of that, some of that detail.

Um, i want to just sort of summarize my understanding of where we're at, um, with respect to the costs of raising the living wage.

Um, if we look on your slide that has living wage fiscal year 23 costs, um, and i'll take this off so you can hear me better.

So we have said that for the general fund departments alone, it would cost 3.7 million to reach 18 and that's already in the base budget and it's already in the base budget for what it needs to be for enterprise departments to get to 18.

Correct.

Then if we wanted to get to 19, the anticipated general fund total cost would be between 2.3 million and 6.4 million, which is just subtracting out the 3.7 million for the general fund.

This point in time, we don't have the estimates for the enterprise funds or how that would impact fees.

Is that correct? Correct.

And then if we wanted to go to \$20 an hour, that would be between 5.2 million and 10.4 million additional.

And this is all ongoing money just for general fund.

Plus we have to add the enterprise, um, departments for that.

That was correct.

Um, when you gave us the numbers for the number of impacted employees, was that across all of the departments or just general fund, you're talking about on the slide where we talked about the impact of living wage.

I believe that is for all employees.

Okay.

Um, and that doesn't include payments for summer youth, but their numbers in there for the temporary year.

Chart on slide five.

When i gave you the current emp employee impact, we just cooled those who were making up to 15 and included all employees in the system.

And then i just clarify that the 680 of those are, uh, of a summer youth.

So, um, let me just say that i was, um, kind of underwhelmed by the city manager's plan of how we get to \$22 an hour.

And when that happens, um, i don't have those numbers in front of me, but, um, was to serve, to see that the two options, there's only one option that got us,

[01:20:01]

Um, you know, to 20, the one option was, you know, 22 and 27.

And that seems quite far, far off.

Um, you know, i never really thought it was possible for us to get much past, maybe 19 this year.

Um, but i still have the goal of getting us up over time.

So i want to think about how we do this over time, recognizing that at this point in time, we have no money that we've identified, you know, to fund how we would move from one to the other.

But i did want to, i did want to introduce some ways to think about some of the things that have come up where we've talked about, um, having needs with respect to retention, for instance, um, and raising the living wage is not the only way, not the only tool it's not even necessarily, i think what our hr department is recommending.

Um, so if part of what we want is to make sure that our employees who have been here a certain amount of time, and i don't know if that's five or 10 years or eight years or whatever, um, are being renumerated and recognized for their service.

Um, you know, it is possible to do one time stipends.

Um, it's possible to do one's time, time stipends that say, like, if you're making under a certain amount, uh, we did this, i think last year, um, where we said, if you were making under \$80,000, we want to give you another stipend of x amount.

Now we happen in this case to be doing a \$1,500 stipend this week for most of those people.

Um, but there's nothing to stop us from saying, hey, and you know, you're in february, we're going to give you, i don't know what the right amount would be or what it would cost, but if you're making under \$80,000 and, um, you're, full-time, um, for x amount of time, we are going to give you a stipend of whatever that amount is.

Um, so i want to just, i want to flag that i do have reservations about increasing the percentage, um, which was kind of raised before.

Um, i think that we do start to have people who are making larger and larger amounts and that percentage favors those who are on the higher level.

I think that while we want to make sure that we are addressing compression and that we are addressing, um, particular employees that we have, um, concerns about the needs for, um, introducing those changes in that percentage, as opposed to doing a stipend or a wage increase doesn't necessarily get us where we want to go and those amounts add up quickly.

Um, so i wanted to add, add those things in there.

Um, and the other thing that i wanted to ask is what is the best practice in doing a wage increase across temporary? And full-time, um, i have no idea what the implication is on and you didn't provide us with specifics on who our temporary were.

And i know we have expressed a desire to resolve the lifeguard issue and they tend to be temporary, but i want to ask this question to get a sense, what is the best practice? Can we, you know, could we say, we want to raise the living wage for full-time employees, both the full-time and the temporary have a slight difference.

Um, is that, i mean, where does that fall in terms of practices for hr? So i will say in the last four years, we've seen more of a desire goal and emphasis from council to evaluate ways to ensure that our temporary population has some focus and some equity to ensure that the living wage is considered because they typically are at the lower end of the pay scale.

Let me say this and answering your question on temporary employee is not required to pay the automatic 8% in retirement that you see for full-time employees.

And so often there are some employees who would, who would rather stay in temporary spaces because ultimately their take-home salary is going to be higher than someone making the same rate that they're making in a full-time fte position required to pay the retirement.

And so, as you speak to me about best practices, i think one of the things that i would point out is that there are some benefits to temporary employment in terms of their take-home pay that that regular ftes would not directly answering your question.

What is best practice? I think the intent of temporary positions as it originally was done was to compensate for areas where, where departments did not have adequate ftes to do that work.

And so best practice would be increasing your fte so that departments can absorb those responsibility into full-time positions, whether they're getting the full salary across the board increases and the benefits across the board.

Um, when you look at temporaries individually, we can certainly continue to advocate to ensure that the that's a raises that we're giving

[01:25:01]

Our temporary employees keep that living wage in consideration, but just know the more we give in that space, they are really receiving the opportunity to take wages home at a higher rate than an fte employee who's at the same pay.

And so in saying that i would just take into consideration and recognize also the process for a temporary employee.

You don't have to go through a competitive process.

You don't have to go through an interview.

And so sometimes our regular employees are saying, wait a minute, they're making as much as me.

They don't have to be zoned and they're taking home more pay, and they're not having to go through the same competitive process.

Now on the temp side, those temps are, are, can be let go without due process the way mcs does.

So in answering your question, council member, i would just suggest that we take into consideration that for our regular ftes, there is a higher burden of accountability and their pay that is not existing in temps.

And we create opportunities where possible to increase our fte so that those, those positions can be absorbed in terms of the work with people who are equitable to those other employees.

And we minimize the use attempts to only use it in those cases where we're not able to get ftes and the work responsibilities are higher, um, as it relates directly to pay, i don't want anybody to think that hr doesn't support the needs to create and sustain equitable and competitive pay for our temps, but not at the cost of not recognizing that monies need to also be put in place.

And as we took a break, i got people that are calling in texts and saying, don't forget, we're losing engineers and absorbing and rates.

We're losing other professional positions.

And so, as you're looking at innovative ways to create pay incentives, i think stipends are a great idea because again, it doesn't impact the budget.

It doesn't create new methodology that will be hard to sustain over time, but it also incentivizes them in a space where you do have the money and you can cut those on and off at your discretion.

So, um, if you could get us a sort of, some kind of breakdown of the temporary employees, like the type of employees, um, cause sometimes we have temporary, like we do for lifeguards, cause it's only a temporary job.

And then sometimes we haven't, they're, they're working all year round and, um, and, and so it'd be helpful to have a little bit more information.

I will give you from side five, the breakdown of times as identified from those from 15 to 18, that, that, that chart that I gave you, I will break that down in terms of where those employees are.

Is that helpful? Yeah.

And, and I guess I don't, I don't know what the right answer is, but I want to just throw out the question that, you know, we don't have to raise it equally for, for full-time and temporary.

If, if we found that that would be a good choice or we can do, you know, increase the stipend for longevity pay or do other things.

Um, if we have money, um, to allocate, um, to raising the resources, I appreciate all the work that you're doing on the, on the salary and retention issue.

Probably some more information on this is going to be important because my guess is there's going to be a will on the dias to do something.

I think people are trying to figure out what that something might, might, might be.

Um, and it may be, you know, leaving this actually then and thinking about what might be the, the paths forward, uh, and then getting information associated with that.

Um, you know, there, one of the troubles we had, um, uh, going back and looking at, uh, employees six, eight years ago, where the number of temporary employees we had, where there was almost an incentive to hire the temporary employees.

They didn't cost as much and they, the other advantages, there are disadvantages too.

So when we wanted to take the benefits and start raising the compensation, paid to the temporary employees, it was really expensive to do because we were in essence, incentivizing, hiring temporary employees by making it less expensive to do so.

It made it harder than to go to the ftes by, by keeping the, the, the salaries fairly equal temporary versus permanent.

I don't understand.

There are also mitigating reasons to do otherwise.

It's also easier to go to the ftes and it may be that, uh, you know, uh, periodically, uh, future councils ask you to take a look at all the temporary employees.

And I know you've kind of done this for us in the past to see where it is that there might be opportunities to move to ftes and to the end, the temporary employee relationship in certain departments, or for certain jobs, which is going to be easier to do if there's not a, a huge price tag associated

[01:30:01]

With it.

So I hear everything that you said and everything you said was absolutely valid.

It's just another issue to kind of weigh in to the counts of our pools point and your point through the years, this is all much more complicated, and there's just so many moving pieces that, that, that, that move, uh, on the, the chart where we have the pay grades two through 14, and we have current proposed and the percent difference, i don't know if it's possible to know the number of employees that we have at those different pay grades.

So we could just see what the universe of people are impacted by that number, uh, that chart, you know, to have the number of employees, if it's a hard thing to do and not trying to create work, that's, that would be difficult to do, but if you already have that kind of, that might be helpful, and to see the same chart as you orally described it with a 19 and \$20, uh, probably 22, just for illustration, but to be able to see how that changes, because it's because of the work you do with compression, it's not only adjusting for that initial salary, but there is some work and some employees that get moved as you do the compression work.

So in those grades two through or six through 15, there's a there's there's there's movement there.

I would like to better understand what the strategies might be with stipends.

Uh, you know, if there was a will desire to go to 22 and we couldn't afford to do it, maybe we could go to 19 or 20 and then do stipends for what the balance of that that work would be.

Um, and i don't know what the right strategy is because we do have engineers that are, we're having hard to fill, and i'm not sure we reached the engineers with any of the work we're doing here, uh, as we do this work.

So, would it make sense as we're looking at the dollars to just approve a, an amount to say stipends, and then say to your office strategically, go use this to, to plug the, the most important holes or the most significant gaps or where we're, where we're really, um, being, uh, where we're the most vulnerable.

And it may be that you don't know that now, and you would take several months to do it, but there would be some kind of corpus that would be available for that purpose, if that was the, the better, better practice, uh, than trying to get to 22.

I mean, obviously what you'd like to do is get to 22 and do stipends to make sure that we were fully hired out, but an event we can, we're going to have to make choices.

And i want to make sure that each of those options is it has its best foot forward in terms of being able to, to compete with, with, with other things.

So i think that that would be helpful.

I'd like to know from, from ad, not necessarily now, but just how do we, or carrie, how do we deal with a range? I mean, if we wanted to go to 19, do we use the, the, the 2.3 number, or do we use the, the, the, the six point, um, uh, four number, cause there's a range.

How will we in the budget process do that? It would be our recommendation to use the higher range as we're preparing the budget, because what we could do is after the analysis is complete, we can make an adjustment and, and, um, require savings for that adjustments.

After the, after we find the final, excuse me, after we complete the final analysis, but my concern with going with the lower range as if, if the analysis comes back higher than we would have to see how we would need to adjust the budget to address that higher wage for the employees.

Okay.

Okay.

That's helpful.

Thank you.

And then the last thing that to address the res, i had indicated to my colleagues a year ago with respect to council offices, and council, uh, uh, uh, salaries, that's obviously a hard thing to, to hit just politically it's hard, but i think it's important that we do.

So i appreciate the work that you and your office did.

And looking at the market study with respect to council, office staff support, uh, and, and i support the, uh, the increase that was indicated, i guess, just the general increase the council offices, uh, staff would, would get, uh, as well as the market adjustments that you found were necessary in the marketplace.

I do want to just address and colleagues were like, you know, some indication at some point in this process from, from you all on, on, um, um, whether i should, uh, uh, seek sponsors and make an effort to raise council's

[01:35:01]

Salaries.

I would propose probably that it'd take effect in january.

Uh, so it would take effect after, after i was gone and, and some of my colleagues are, are gone that are, that are moving on.

Um, but i noticed it in the market analysis, it was dyed hard to get comparisons in cities.

The cities we were compared with were smaller cities, uh, the, the job as a, as an austin city council person probably now, which was at one point intended to be a part-time job is now a one and a half or two jobs, uh, for, for the council members.

And those that, that i, that i work with in terms of the time people, uh, span.

And i'm looking at the compression issues, uh, in the council offices, uh, because it looks, uh, it seems to me that that in many of the offices, the staff will be making more than the council member will be making.

Uh, and so there are compression issues there for, for them as, uh, as, as well.

So i just mentioned to my colleagues that this is probably something that i'm going to be taking a look at and seeing if there are some folks that would, uh, join me, uh, on that i saw that the travis county commissioners, uh, got a pretty significant, uh, uh, pay raise.

I know those guys work really hard.

I know they don't work any harder than we do, um, uh, in terms of time spent.

And i'm not suggesting that we try to get council salaries to the same place that, uh, county commissioners are, are paid.

Uh, i am open and amenable to trying to do something that will always make it so that they, the, the, the best pool of people, uh, uh, are able to consider, uh, running for, uh, council, uh, uh, offices.

So i'll probably follow up with some questions on that, because we're about, can i appreciate the, the presentations, uh, very helpful.

I do want to, uh, both sit on the message board, but, uh, the \$20 an hour rate, i am very supportive of that.

Uh, it is \$800 a week before taxes and other deductions, you know, once you factor in the cost of living transportation, you know, other expenses childcare, uh, it, it, it really is, uh, not in any way, an excessive wage on the contrary.

It's really, to me just right about at the minimum kind of livable wage, honestly, i hadn't thought about the temporary, uh, permanent distinction, um, distinction.

Uh, that's an interesting, uh, idea.

I don't have strong feelings on that, but i do really want to get to a \$20 an hour wage this next budget cycle, a great respect for acc that, uh, you know, they went to that level, you know, city of austin, i think of as a, you know, it's the big dog, you know, in the local government world.

And i think if we go out there and set that level, uh, it will have a ripple effect, uh, and it will hopefully pull up wages really region wide.

Uh, so in, in many different, i think from an equity point of view, you know, a lot of our lower level, uh, wage earners are, um, are black and brown are, you know, coming from, you know, households that have struggled, uh, that have, are, are trying to come up.

And, uh, i want to give them that, you know, that, that opportunity.

So i just wanted to, uh, express my strong support for the \$20 an hour, uh, level.

And again, i appreciate the numbers.

I think they're, they're doable.

They're tough.

I think it's a tight budget if we go to that level, but i think it is absolutely doable on the another point.

The, um, the memo that y'all sent, uh, was the date on that august 8th, august 3rd, i'm sorry.

August 3rd, the 2022, uh, memo looking at the impact of the wage.

There was mentioned in there of the 135, uh, assumption of 135 added police positions on page five of that august 3rd memo.

Where is that? Where are those numbers coming from? If your expenditure projections reflect all known and anticipated baseline cost increases such as wages, health, insurance, fuel, and utilities, as well as the addition of 135 sworn police officer positions in the latter years of the forecast period, to address the austin police departments approved staffing plan.

[01:40:01]

Um, where is that? I mean, in terms of the approved staffing plan, when was that approved? Um, and i'm assuming, of course, that's not going to be binding, uh, on council moving forward.

Uh, i'm assuming that's a recommendation.

Yeah.

That's that document that you're looking at as a memorandum that was a collaboration between hrd and budget.

And so i'll refer to budget to speak to that component.

Thank you, council member.

I was looking for the resolution and the respondent, um, apd staffing plan.

I don't have the resolution number in front of me, but i'll get that.

Um, but it was, it was a resolution that was, um, approved by council to look at a new staffing plan for the public safety departments.

And then that, um, police police department indicated a need to begin a staffing level.

Um, they said they could begin in 25 with a need for increased staffing based on the number of vacancies they have currently.

And so that is an inclusion of though, that staffing plan beginning in fiscal year 25, based on the response, the member response that staff sent to council, and i believe june of this year in response to that resolution.

Okay.

I just, i would like to see what the wage or what the budget, the, the, of projected, uh, expenses would look like without that staffing plan.

I mean, i'm assuming that apd is not the only agency that has some kind of, you know, long-term staffing plan.

And i'd like to kind of look at it at a more apples to apples comparison, as opposed to adding those 135, uh, into the formula, you know, just what a straight \$22 an hour wage or 22 or whatever the calculation may be looks at with just the compression, you know, with those kinds of elements factored in and not including, uh, cause i think that does skew the numbers a bit.

Anybody else on this topic? Remember what this, thank you.

Thank you, colleagues for today's conversation.

Um, just wanted to reiterate my support for us identifying a, a pathway to get to a \$20 minimum wage starting in october.

Uh, i will be bringing forward a budget amendment that proposes to set it at that rate for city employees.

Um, and i also want to draw your attention to the q and a, i asked question question number 14.

I asked staff to list out the vacant positions that we've had for the last three to 5, 3, 4 and five years.

And based on the list that was provided in the response, there's at least \$5 million at least that, um, have that could be identified as a savings, um, should we remove those positions? And so that's another potential revenue source.

I appreciate that staff did provide a status update on each one of those positions.

That was very helpful information.

Um, but i think we should be looking at our vacant positions.

We should be looking at reprioritization of the budget, you know, potential areas that we could reprioritize.

Um, and then of course, any other revenue sources.

So i look forward to the continued conversation, okay.

Was one of the tovo and i council member, kitchen council member apprentice.

What number is the budget, which is the budget question that you decided 14.

And i think it was, i think it was a question that you submitted to the q and a that asked, that talked about ways to recruit back former city employees.

Do you happen to recall, which i had a question about that, but i can't quite put my hands on him immediately.

It was, i had a question about a couple of the provisions you talked about in it.

And i wanted to ask director hayes about it.

Somebody does that ring a bell with anybody, which budget question that was comes from umbrella.

It doesn't, but i know i have some points about this also on the message board that i'm glad you flagged that for me to look at your answer if you've got it yet.

Cause i know there are some strategies about enticing people to come back to the city that do have some of that institutional knowledge.

So maybe that was, it was not a question i submitted.

It was a question i was reading.

I just can't quite remember where i read it, but council member ls, maybe i read it in your, in your message board posts.

It was talking about, um, continuity of service restrictions.

Anybody remember submitting a question about that before we move on from this topic? I wanted to ask a question.

So if somebody else has one, maybe we can come back to me and i'll, i'll look at it in my book and see if i can find it.

Okay.

Um, i just wanted to, um, uh, i'm not sure if i was clear before, but just wanted to express my support for, um, uh, raising the minimum wage to 20.

Um, i, uh, am signing on as a co-sponsor

[01:45:01]

To the budget rider that council member of winters is bringing.

Um, i think the 5.2 million is doable and i think it's important that, um, we get folks, uh, to that level.

Um, i also wanted to say that, um, you know, the call takers takers is something that i've been, um, uh, working on and you know, this, this council passed a resolution, a number of months back about really taking a look at the call-takers, um, salary levels.

My thought is that that will probably, that should be, um, addressed, um, if we can get everyone to 20, uh, as the base, because that will we'll establish, uh, a, um, i think an appropriate starting salary for the, um, call-takers, i'll do a little bit more research with the, um, with apd, um, cause they call takers are part of apd they're civilian, um, workers in apd.

So, um, i'll be confirming that with, um, uh, with the chief, but it seems to me that that, uh, can address those issues at least for now, uh, for those of you who i just want to remind everyone that we have about a 41% vacancy rate in call-takers, which is not sustainable.

Um, there's been a lot of effort, uh, over the last few months to, um, to address what the combinations of, uh, combination of, uh, recruitment and, uh, raising salary and stipends.

Um, and now w if we can do this, raise this minimum wage to two, um, 20, i think we've got a chance i will be bringing a budget rider that is just in the nature of direction, most likely for call takers to take another look in about 6, 3, 4 months, about where we're at on the vacancy rate to make sure that all the measures that have been put in place are producing, um, the level of, um, applications and, um, and, um, uh, new employees that we can address that vacancy rate and council member.

If i could just add the, the hrd com is very committed to both call takers and dispatchers to ensure that every three months we will proactively provide that data.

As we committed to you all, um, with, with no action, we were ready to prepare and collaborate with the, the police department to give you updates on where we are with recruitment based on the strategies that have been put in place.

That's excellent.

I think the writer is something that, um, it's, it's not that i feel like you wouldn't be doing that.

It's just that putting that in writing is very helpful for the public to understand.

So thank you.

And i really appreciate the work that you all have done and the work you've done with the, in the work the chief has done, um, and his staff has done to try to address the culture issue.

So, okay, cool.

The conversation about the minimum wage to 20 is, is a good conversation.

I worry that we're not including, um, the retention piece that is really important, um, to me and i think all of us.

And so i want to make sure that, uh, compression and retention are also, um, part of the continued conversation.

I don't want to lose that off on the side.

Um, council member front, is, is that something that, that you're also looking at the numbers have been in flux, and since today we had a much more accurate depiction of how much it would cost to get to raise the base wage.

That's certainly something that we can add in, of course, yes.

And i will add customer pool proactively as i continued to communicate.

I think our goal in hrd is to not only look at that living wage, but to also look through the out the entire population equity in salaries.

I don't want to not advocate for those positions within our scales that are not at the lower end, but there were losing across the board.

One of the things that i think as an exercise, not by thursday, but an exercise that i will certainly attempt to do is to evaluate where we're losing people in terms of our numbers.

And to point out those areas in which these strategies not may not be addressing.

Um, but just as a methodology explanation, when we did the 18% plus a four, which is a record number of percentage increase, one of the reasons why we did the 4% was to ensure that those who were in the middle of those pay grades would see a substantial increase in where they are right now.

So that the balance of going up to 18 and getting the 4% in addition to the potential stipends could collectively address both retention, um, both recruitment and just making sure that we stay competitive.

And so, um, as you look at this at the budget, i think those pieces independent, including the market study, we'll definitely do it, but we will be more strategic in looking at where we're, where people are leaving to ensure that we've created and sustained plans that would address those in addition to what the council is proposing right now.

That sounds really good.

And i think that's what we all

[01:50:01]

Want for city of austin.

Employees is, is the heart piece, which is the individual needs.

Um, what i think it means is if we go to 24, the minimum wage, then the 4% is probably not adequate.

So the 4% would need to be re um, assessed and would be something higher than a 4% to ensure that the compression is supported.

Thanks as a member alice than the mayor pro temp just wanted to circle back to the continuity of service.

And just for the folks who haven't seen the message board.

Um, this morning, i did post about employee recruitment and retention, and it talks about incentivizing experienced former city employees to come back and also to incentivize current city employees to stay longer.

So it takes a few years for people to be able to qualify for the service incentive pay.

And i want to look at being able to offer that sooner.

A lot of people don't stay in the same jobs for five plus years in a row.

Um, and so we want to make sure that if people are starting here and they decide to go take another job, but they want to come back to the city that we're ironing through, um, people who would essentially be reset with their city service, um, and then making our benefits package more attractive to current and potential city employees, um, such as holiday pay or tuition reimbursement.

So it's on the message board.

I will formalize it into the q and a, um, so that we can get those answers back.

And some of the last questions that you're asking are already in some of the other questions.

So we can certainly combine that.

I'd also like the opportunity to explain how some of those processes work.

We have tuition reimbursement.

And so if there are specific desires to tweak what's existing versus creating something new, you have the full scope of information to make, to, to make that determination, because i do want to brag on what we've done and what we have to see if that meets your needs.

All right.

Hang on one second.

You got a question about that.

Hang on what you say.

Yeah.

Thank you.

Um, that was the, that was the piece.

I had a question about council member Is, and i couldn't remember whether it was in a budget question or in your posts.

So thanks for mentioning it.

Can i, can i ask you to explain what you mean about the continuity of service? I know you just explained it, but, um, i'm not entirely following.

It's my understanding that when people depart this city, a lot of their vacation leave and eligibility for service, incentive pay gets reset.

So for instance, if someone's here five years and they start to get the incentive pay and then they depart, but they want to come back a few years later, that five years doesn't count.

So they would have to wait another set of years to qualify again for the incentive pay.

Is that the service pay accrual formula or is that the continuity of service? So that's the continuity of service with regard to vacation leave.

And you're asking, so you're asking hr to take a look at, at that piece, whether they could come back and still have access to their body of vacation leave, but also whether there's a way to have them come back and get service incentive pay as if they never left.

That's the idea is to put distilled that information so that we can all have it for the review, but it is to look at both.

Can you clarify currently when an employee leaves, we pay out the vacation, so they get actual payout for that, but i do hear your perspective relative to our sip program that basically says, if you work here, i've done work here for five years.

You leave when you leave, you're getting the 5% service and incentive pay.

But if you come back, you'll have to work on an additional five years just to get back to where you were.

So sip is not calculated currently, based on the totality of your years of experience at the city, it's based on your current tenant term tenure, as it relates to the number of years.

So i could have 20 years total, but that could be broken down into three different times, working for the city and for each time that pay.

So we can certainly look at what the cost would be.

And i think that's what you're trying to get to a council member in terms of that continuity of being able to get that pay and benefit based on your total time work, not on your current tenure for the position that you're in.

Yes, i think so.

And i would understand, you know, as it was built that if circumstances were different, it makes sense you want people to stay, so you wouldn't necessarily want to encourage them to leave and come back.

But in the given situation that we're in right now, trying to, you know, maintain our level of institutional knowledge, there may be folks out there that have left the city that wouldn't consider coming back unless there was this type of incentive.

So i think just given the circumstances, if, if we need to switch up how we're doing it, i just would like the information about what the cost would be and you know exactly how those programs operate so that we could address it during the budget.

Yes, ma'am.

Now thank you.

I think i'd want to think about that for just the reasons you suggested that if it's an incentive to kind of reward employees who are sticking with the city, do we

[01:55:01]

Undermine that incentive by having, having people be able to come back and get the same benefits as if they never left? If, if that's, if that's a direction we go, we might also want to consider having a sunset on it for a year or two until, until there's sort of a more higher, a more stable hiring environment.

Um, but i also, you know, at the same time, i think that the state may do this.

Um, i'm not sure that the state it's been a long time since i worked for the university or the state, but it seemed like when i re-injured, um, i did, i accrued, um, vacation and sick leave and whatnot at a higher level because of my previous service.

So it might also be interesting to know how some of the other public entities here do that, because i think there's some extent of what you're describing of being able to go back and get that accumulated service time counted towards that.

I'm happy to give it to you if currently, if you leave the city, we don't pay out for sick leave unless you been here before i think 87 or 85, but if you get sick leave and you come back within six months, you're a sick leave.

We were able to give back.

Um, we do have challenges on keeping up with individuals.

We don't have the system in place now to just automatically know, so that would take some work.

And so certainly to the answers, to the questions of how we do it and what we do right now, i don't know if you all realize it before our temporary employees, if you work for us.

Um, and then you transitioned to, to full-time employment, then you get, you get the accrual of what you would have gotten.

Had you been in that fte full-time.

And so it's an incentive to get people to want to go from temporary to full-time work.

Um, if you, if you would have a crew 300 hours of sick and vacation at the time you were attempt when you come into your regular position, um, and you get past that probation, you are then awarded all of that time that you will have received, um, at the, so when you were a temporary employee.

So i think it's going to be critical to give me, for me to give you what we do now, to answer your questions about costing.

If we are able to figure out what it would be to give you that informed information for your decision-making purposes and director, here's what i was.

Thank you for that.

And i was just suggesting that it might be if there's a very quick and easy way to figure out what, like the state does and the county and agency, because i think, i think there may be some element of what council member ls was describing now by thursday.

No, no, i just mean when at the, again, if it's, if it's easy measure.

Okay, thank you again, say one last thing when we wrap that up, um, and the vacation accrual, i know that that reset.

So even though you pay out the vacation, when somebody leaves the number of hours they're eligible for, when they come back, would start back at your, your one essentially instead of versus starting over.

Yes.

I understand that to be your perfect.

You want to make sure everybody else understood? I know we're part time.

Thank you.

Um, i appreciate that there's additional money and the market study that i initiated for the nine 11 call takers in the last budget, um, you know, he's making progress.

I'm not sure that \$20 an hour fixes anything more within the call-takers because as i recall, it's the compression issues that are happening for those people who have, who are either in management or who are, have been there for many, many years.

So i would ask that, um, you provide us, you know, an example in that case of, of how the \$20 would pay out, because i think we need to be careful in what we do to make sure that if we think we're adjusting things in particular departments where we know we have a really high need to fix the pay in order to recruit people for really key, essential jobs that we're actually solving that problem.

Um, so i would like to see the numbers.

I could be wrong.

It's been a little while since i looked it in the detail that council member kitchen has lately.

Um, but i, but i, for when we got this study back, et cetera, i think that it's not clear to me that that would really fix some of the problems because of the compression.

It just would contribute to more compression.

So in my conversations in the last two weeks with that group, as we prepare for other council members questions, i did speak directly to the hr team responsible for the work as they communicated to me.

And i'll certainly check this and give you the data to support what i'm saying now.

But my understanding is that the supervisors and leads were at a comparable space.

The concern was the long-term call takers dispatchers who had long tenure, but were in those positions.

And in that space, the department requested that we look at those particular employees for potential rezoning.

And so i think the combination of what is happening with the raise of the living wage, which was then create increases to the four zones.

In addition to a rezoning for those specific employees would address both the retention issue, the long-term employee issue and the, the, the wage, uh, issue as well.

Also, as we share it with the customer kitchen, um, there are some strategy changes that can come where we, instead of just paying everyone at the, the, the entry

[02:00:01]

Of the range when they come in, if we zoned the new dispatchers, if they come to the table with four or five years, zoning them versus bringing them in at the entry, or would also allow us to assist that in making sure that there's no compression with those new employees.

So i think there are a couple of strategies that we can still put in place.

Um, because i understand that there's a complexity of issues with dispatchers to include those who are coming in competitively, those who feel like there's zoned appropriately within, and the management that feel like they're competitively paid in comparison to other managements in similar cities.

And so we are looking at those differently, um, and i'll get you more details as to where we are with that right now and where we feel like we're going.

That'd be great.

Cause i, i remember there was the range of the issues and that didn't seem like the \$20 would, would fix that.

So i appreciate that.

Um, a couple other questions, um, we are now going into a period, we just declared a health emergency for monkeypox.

Um, we do not have covid or monkeypox leave at this point in time.

Is that correct? We do.

We still have.

So the incentive that i brought to you last time that we, we, we put into place, we'll be here through october.

We are looking at him, um, updating that policy because as you recall, when we first created the covid incentive pay and last year's budget, it was to incentivize people to get the two vaccinations, to be fully vaccinated.

And you wanted to ensure that we cover it for families as well with the advancement of covid.

We are looking at updating that policy and the health department, um, adrian and i are also looking at establishing a policy for amongst monkeypox.

Now, as we look at that policy, we really are focusing on those key areas where there would be an increased exposure, um, based on the criteria of the close proximity to that.

That's not going to be a general population issue as much.

So we're looking at the sworn departments and we're looking at other departments that have the interface with citizens that may give them extra increased exposure to include the health department and pard.

And so we are in the process of establishing the monkeypox procedure, in addition to updating the covid procedure that would potentially be in place for another fiscal year, so that we can do this on an annual basis to determine what those leaves are.

So we are still utilizing the current covid leave.

Um, the current covid leave is giving 10 days, whereas cdc is saying five now, but we are encouraging that and incentivizing those that are fully vaccinated.

Um, some of the things that we're looking at is that fully vaccinated continues to change.

When we put the policy in place fully vaccinated was two vaccinations.

Now it's an encouragement of at least three.

And so those are some of the nuances that we're working directly with the health department to figure out how to update, but we're certainly not in a space based on the, um, the guidance from the city manager's office to eliminate any policy at this time.

Great.

Um, i'm really pleased to learn that and maybe would ask that we can, um, as, as you finalize the modifications, if we can do another round of advertising, but that's available.

And then i do, you know, want to just put a plug in for our lifeguards, um, with respect to the monkeypox the ones who are, you know, who are working, um, you know, past the summer season piece, but then we have some of them that are temporary.

And i just, how is that covid leave in that monkeypox leave, apply to them.

So for instance, our lifeguards at barton springs that are not yet full time.

So as identified by the health department part is one of the departments that we're looking at to cover.

We don't, we don't expect a monkeypox policy at this time.

Do we want for all employees based on how it, how, how it's, um, how you get it.

But i do, we do are, we are looking at adding part to that review in terms of the policy, um, and employee right now, temporary is, do have the ability, um, to utilize the current leave as long as they meet the qualifications of vaccination.

Okay.

And then there was one other issue with the fluctuating, um, timing, if, if you, for the health insurance, how does that work? Cause we had, it was waived.

There were some requirements that were waved over the last couple of years in order to keep your health insurance, if you were working 30 hours a week.

But like, if you happen to have covid and you were out for two weeks or something, then you end up losing your health insurance if your temporary.

So we held the rates for our temporary employees two years ago, so that they did not have to requalify based on the number of hours they were working at the current point.

And i'd like to introduce you to our newest, uh, assistant director, uh, lynn brenham of whom came from austin independent school district.

And we're excited to have her lynn, can you come up and talk a little bit about where we are with our temporary rates being held for our, for our attempt? Thank you.

We are, um, we have asked for the rates to continue to be held for a third

[02:05:01]

Year for temporary employees because of the extended extenuating circumstances of covid.

And for those temporary employees, some of them not being able to work at the number of hours too, um, because the rates fluctuate with they work 20 hours or 30 hours.

Um, and so not having to meet the hour requirement, we're asking that those rates, um, be frozen again for a third year.

So you're asking of that in the budget.

So that's already in the base budget.

We don't have to take any steps to make that happen.

We don't have to take any steps to institute the monkeypox policy that you're talking about.

No, ma'am okay, great.

Thank you.

Anybody else have anything else on this employment stuff at this point? I'm sure there'll be more conversations on this as it develops.

All right.

Thank you all very much.

Sorry to send you away with so much work still to be done.

This was a represents a lot of work.

Thank you.

Uh, Carrie, do you want to call based on staff availability, whichever presentation you want to bring next? Yes.

Thank you.

Um, next we'll have Austin Energy come forth and talk about the current rate, um, case as well as the impact to the approved budget process.

We don't have your microphone on, I don't think.

Good afternoon, mayor and council members.

I'm mark dabrowski.

I'm the chief financial officer for austin energy and i'll be presenting, um, on our budget today.

So as always our disclaimer, that this based upon our forecast, uh, using the best assumptions we have available and to always for actual results, go and check, um, our annual report at this website.

So first i wanted to provide some, some clarity around the interaction between our ongoing base rate review and the budget.

So it is graphic what i've done.

I've, i've outlined sort of the timelines here.

And you can see, uh, in the blue section below on your budget timeline, that we're currently on track to have the budget adoption on august 17th, 2022.

And, um, on the schedule above, you can see that we have a parallel process for base rate review, and, um, that is slated to come for a public hearing on november 17th.

So well past the date that the budget gets adopted.

And so, um, that's that really is a separate action and approval and adoption of the proposed austin energy.

Uh, fiscal year 2023 budget is not an approval of the 2022 base rate review.

Um, the tariff that's included in this budget for your view contains our existing terrorists that you've already approved.

It does not change tariffs, uh, either instructure or the cents per kilowatt hour.

So we are not changing that in the budget and a little bit more clarity.

So the, um, the base rate view, uh, you'll hear us use the term test year, uh, and what that represents is that physical year, 2021 actual revenues and expenses, and we make adjustments based upon what we know when we set those proposed rates, which was in early 22, and that's called our test year.

And really the only purpose of that is to try to determine what our rate should be based upon that, um, historical data, um, the actual revenues and expenses and the fiscal year 2023 budget is what we reasonably expect based upon our assumptions to happen, uh, for year ending september 30th, 2023.

And so it's really important not to confuse the two, one of the historical year in one is a forecast year.

Um, and as with any forecast, reality will be different.

Um, and when that happens, we'll manage that at austin energy by do want to take a time to mow that there is a key assumption in our budget for fy 23.

And that is that we assumed that a new base rates would be adopted effective january, 2023.

[02:10:02]

And what that assumption does, it produces about \$40 million of additional base rate revenue.

And the reason why it was important for us to make that assumption is had we not done that our financial forecast would have shown us not compliant with our financial policies and perhaps some of our bond covenants.

And so it's important when you have a forecast and you have these indicators indicating that some action needs to be taken, that, that, uh, that forecast assumes those actions are taken to prevent that undesirable situation.

And so, um, that base rate revenue is an assumption in our forecast, but you are not approving the rates.

It's simply that an assumption i'll show you that here in a minute.

So here, i'm showing you the fund summary for austin energy, uh, with our proposed fyi 23 budget, as well as the three-year trend.

As i stated earlier, that the only real impact of our ongoing rate review, um, on the budget, isn't that number circled here are our revenues 1.57, 7 billion.

And so we've assumed that those revenues will be approximately \$40 million higher than under current rates.

Um, and the result of that really is that, um, it substantially reduces our projected, uh, deficiency there.

It would otherwise be a deficiency of 48 million, but instead it's a deficiency of 8 million because we assume that those rates would be effective in january.

So we don't get a full year of, of new rates.

And then the following year, um, we would be in full compliance and have a balanced budget.

Um, but again, you are not adopting rates.

This is just a revenue projection assumption.

Um, the other thing i wanted to point out to you is, like i said, we, uh, we prepare this budget earlier in the year, usually around, um, february, march timeframe.

And i have another number circled there that \$417.9 million of the power supply expense and that power supply expense.

That's a significant component of our power supply adjustment rate.

And, uh, like i said, back when we developed this forecast in february and march, um, we used, uh, the best data and sources we had available to come up with that estimate.

Um, but what we've seen since that time is a significant change in the ERCOT market.

So that's the market we buy and sell power in.

And, um, just for example, for FY 22, through the end of June, um, our current power supply expenses are about 32% higher than we had forecasted.

And so that's an indication.

Um, and I think most of you heard this on our, on our news.

Uh, power is very expensive and, um, uh, we expect that to continue, uh, through the rest of the year.

And I'm sure July and August will only expand that, that difference that we're seeing in the difference between our budget and the actuals.

Um, and you know, the thing we did with the power supplies remember last year when we set the power supply adjustment, um, Austin Energy had a approximately a hundred dollars or a hundred million dollar positive revenue as a result of winter storm.

And so we use those funds, um, and, um, pass that through to the customers, those earnings, uh, through the power supply adjustments will be lowered that PSA last year significantly.

And you can see that in an FY 21 number it's \$281 million is our power supply expense, a mess.

Cause we had over a hundred million dollars of revenue that came in from winter storm.

So, um, we'll be bringing you, uh, like we did last year in September, those pass through charges.

And that allows us to collect data for July and August, which were very volatile as you know, um, people are using a lot of energy now to, to cool their homes with HVAC so that consumption can really drive, um, um, uh, those future, uh, power supply costs for us.

And so the longer we can wait and get actual data, the better our estimating capability is for that power supply adjustment.

And we'll bring that to you and we'll make amendments to this, um, uh, fund summary once we had those actual numbers.

And the other thing to take note of is you'll see, um, FTEs or full-time equivalent.

Uh, this is the number of positions that are authorized.

Um, over the last few years, we've been adding a significant number of, uh, equivalents, uh, because of the growth of our customer base.

So, uh, we have to add additional, uh, like, uh, electrical workers, uh, customer service reps, accountants, uh, those type of folks in order to, to, to accomplish all the

[02:15:01]

Work we need to get done.

Um, but as a way to try to control spending and because of recognition that we have, um, almost a 14% vacancy rate at austin energy, what we've elected to do is not add any additional ftes and really focus our effort on filling the existing vacancies.

Um, as well as the number of vacancies that were created when we closed the decker power plant, uh, many of those folks decided to retire.

And so we took those positions and redeployed and throughout the utility, uh, to better serve our customers.

So, um, we are forecasting, i said about \$1.6 billion of revenue for .

And we're assuming that our, uh, our customer growth continues to grow at about 1.7%, uh, per year, which is a historical trend we've seen over the last, uh, 5, 6, 7 years.

Um, but our energy sales are going to grow at a smaller 0.6%.

And again, this is recognition of the energy efficiency we're seeing in our customer base that, um, through, uh, a number of means that customers continue to, um, uh, use less energy, uh, on an average basis.

And so that revenue does not grow at the same rate as the customer count.

And again, that number of that base revenue, uh, that has \$40 million of, uh, revenue assumption associated with, if we, uh, approve our proposed base rates effective january, of course, the power supply adjustment number is 469.3 million.

Um, again, we'll be, uh, revising that in september we get the actual results.

Um, and those are really designed just to recover the cost of what it, uh, uh, costs us to provide that power to our retail customers.

And i'll note that the reason why that power supply adjustment number doesn't equal the four 18 that i just presented you on the fund summary is if you'll remember that we also recover the cost of the nacadocious power plant, um, through the power supply adjustment.

And so the cost of that is added to that power supply adjustment revenue number, um, and finally the regulatory charge, which is what, um, we assess on our retail customers.

And that's the cost associated with using the ercot, uh, transmission grid, um, as well as our community benefits charge, we will update and bring that back to you in september to set those final, uh, final numbers and our requirements.

Um, again, as of approximately \$1.6 billion.

And one of the things that we did this year is we took a hard look at our own spending, um, versus our budgets.

And so, um, for fyi 23, our onm budget is about two and a half million dollars less than it was last year.

And really what that does is align it with the spending rather than, uh, like i said, that budget prior trends.

But, uh, even with that reduction actual budget authority that still allows for an additional \$45 million of spending by the utility, uh, in fyi 23.

So we're comfortable that we can accomplish our mission with that level of onm spending.

Um, i said we're requesting no, no new, uh, positions in the budget.

And so those laboring benefits are for the 1,867, and that does have the, um, uh, those benefits of 4%, uh, cost of living adjustment that, uh, ms. Hayes just spoke, spoke to you about.

And that's about, i believe it's about \$7.6 million of that 200 days associated with that cost of living adjustment and for our five-year, uh, capital improvement plan, a total is 1.1, two, 5 billion.

And the majority of that spending is really in that distribution and substation transmission level.

And that's really to address a system capacity and reliability requirements.

And we have three new substations, a plan for the austin energy service territory, as well as transmission improvements to import more power into, uh, austin.

Um, on our district cooling, you'll see a, what looks like a drop in, uh, in 2023, but only what that is, is, um, we had a additional district cooling plant at, uh, miller development that we have elected not to construct.

Um, what we have found out is the existing capacity of our plant.

There is able to add those new customers.

So, uh, that as our focus and we won't be building that plant in this five-year time horizon, and we'll continue to watch growth in those areas to see if we do need to build a future plan.

[02:20:01]

Um, and then the general, uh, cip, um, you'll see, um, some spending there in, uh, 23 and 24, and that's associated with a construction of a new warehouse, uh, as maybe no, we've been working for several years on, uh, consolidating our warehouse and our lay down spaces that we have scattered throughout austin.

And, um, a couple months ago, uh, we came to you with a request to, um, negotiate with a local developer on a warehouse.

And, um, during those negotiations that cost to that warehouse more than doubled during negotiations, and we felt it wasn't prudent to move forward.

So we bombed back out and issued a request for proposals.

Um, and we anticipate constructing that new warehouse and moving in fiscal year 24.

Um, that's gonna allow us to, uh, completely vacate the site at, uh, ryan drive and the crestview neighborhood, as well as vacate, uh, some lease space we have over on todd lane and several, um, uh, warehouse spaces along lamar.

And we expect to fund this capital improvement plan with about 50% debt and about, uh, 50% cash with that.

That's my presentation.

I'd be glad to answer any questions you all might have.

Um, thanks very much.

That's very helpful.

I want to, i want to just make sure i'm understanding a couple of things.

So the tariff that's in our budget is the approved one, not the proposed one, correct.

The rates are the existing rates.

Um, the fund summary on page 222, doesn't break it breaks down the expenditures, but it's not breaking down the revenue sources is that, is, is there information somewhere else in the budget that you're, is it on a different page or is it, i mean, you've done, so you've broken it down for us on slide five, but i'm just wondering if i'm missing a section of, of the budget that breaks down the revenue.

I see the total revenue, but i'm not saying that right.

So that, that, that, that the pie chart is a sources of the revenue that comprise at 1.57, 7 million.

I don't have that broken down at a fund summary level.

And some of these revenues are usually combined in that fund summary.

So this is a little bit more detailed level.

Um, i'd be glad to provide that to you in a fun, no, this is fine in here.

I'm highlighting this because i know a couple of us have talked about kind of information that would be great to have in the budget that sometimes had been included in the budget in the past and is not in, in the level of detail in this times budget.

So i'm really highlighting that for, for some of my colleagues that, that the fund summary identifies the expenditures, but it doesn't identify the funding sources.

Um, just the one.

And i think especially right now, because so, you know, i think, especially because we have a rate proposal before us, i think it would be helpful to get, um, uh, uh, some information in the q and a that basically just returns the answer of this slide.

Is it somewhere else? Yes, it is a budget.

I'm not sure what the page number is there.

Page 3 99 and it has it by, uh, those, i call it the larger slices of pie in that pie chart.

I said some of these are combined, um, and are in that chart, but page 3 99, i believe it is.

Okay.

So it's not in the fund, it's not in the fund summary for austin energy.

It's actually in the, you have to go to the different descriptions of the funds.

Okay.

That's the large document.

I can't remember all the components of, yeah, i, i, i agree.

Um, okay.

So i still think it would be helpful if, if we treated as a budget question, what the sources of revenue, what the proposed sources of revenue are, so that we can get this pie chart into the, into the budget q and a, but the upshot is i, if i understood your presentation correctly, that your budget is built on an assumption of a \$40 million increase in revenue, that's correct.

It assumes that the rates that we propose in the april 18th package, uh, were adopted as proposed, and that would become effective in january of 2023, which is our plan.

And that would increase our revenues by \$40 million for fyi 23.

And so if, if there are alterations to that rate proposal, which i suggest that i suspect there probably will be, as it goes through the different processes and makes its way to us.

I know there are several elements of concern that, that have come up in the process.

And several of us have raised those concerns, including about the increase in the base rate for all customer, then the customer charge.

Um, the options then would be to one, still end up with 40 million, but distribute it differently so that it's not coming from the same components as proposed, but still totals out to a projected \$40 million

[02:25:01]

Increase or, um, to amend the budget.

Right? So when we, when we come back to you in november, depending on, um, your decision, uh, we may very well amend the budget and you know, that amendment would really be limited to those revenues.

Now it wouldn't necessarily, you wouldn't necessarily have to amend the budget because of the revenues, because those are really a function of weather and rates and everything.

Uh, but we may do it just in order to align that, so that when we report our variances, we don't have to account for the differences.

Uh, but adopting the rates, as i pointed out is simply what is the charge we need in order to collect for costs, the costs themselves wouldn't change because of the budget.

Okay.

Um, and you talked about, you know, if, if the council did not approve the, the rate proposal or a rate proposal, that's expected to yield an additional 40 million, then we could be out of compliance with financial policies.

I know that we haven't, we haven't really jumped into the rate proposal discussion in any detail here, but at the appropriate time, i'd like to know exactly which ones, which ones, austin energy, um, believes we would be out of compliance with.

That's correct.

So we set those to meet those financial policies, as well as our bond covenants, which are obligations we make to the pukes that buy our bonds.

I guess i'd like to know exactly which ones we would be out of compliance.

Right.

And, um, we, we will cover that with you.

Great.

Um, and then i heard you say, and i see in the, in the fund summary that you're adding proposing to add 84 new employees, but i missed your explanation about which, which elements, which, which areas.

So we are adding no new employees.

Um, we're keeping it at 1,867, um, ftes.

Um, and the logic behind that is while we do have growing needs, uh, we have about a 13.9% vacancy rate austin energy.

And so what we focused our efforts on is trying to fill those, those vacancies first.

And as you remember, during, when we closed decker, a number of those positions were employees that elected to retire.

So we've redeployed those, those, uh, we call pcs position control numbers, to other areas of the utility that could use that additional support.

And they're hiring those positions and we classified them as different types of, of employees and we're hiring those.

So that's really going to be our focus in is to try to reduce that vacancy rate.

So the budget i have, the fund summary i have in front of me, it says 1897.

Did i hear you just say 1867? Um, i, you are correct.

That's 1,997.

I was incorrect in sabre.

And so what you're saying is that's how many you currently have so last year.

Gotcha.

Thanks.

Do you know how the rate proposal was handled back in 2013 when there was, you know, the first big rate proposal process? Do you know how it interacted with that year's budget? Um, was it handled in other words, was it handled the same way or, or did the budget that was passed that previous summer? And i've forgotten the timing of that rate proposal, but did the budget was the budget that was passed that previous summer based on any assumptions about, um, council's approval of a rate proposal? Uh, i don't recall that right now.

I know that, uh, uh, we didn't have the process that we have today.

We use that, uh, back in 16 and this year with the independent hearing examiner, all that.

Right.

Um, um, i don't remember what they had in the forecast assumption.

It is very typical for us that if we see revenues falling short and i, you know, in a long-term forecast that we assume that we'll adjust those rates.

And in fact, our financial policy state, we will.

So, um, that's one of the things we do to make sure that our forecast is compliant with those financial policies, but i would have to go back and look to see what we did in 12 and 13.

Yeah.

Because the budget passed.

I mean, the process was already underway and there was already a proposal underway in that spring.

And then the council approved a budget that summer, and then the rate proposal wasn't finished and finally voted on until the following fall.

So i'm just wondering how, and it was appealed.

Right.

And it was appealed to the, uh, public utility commission.

So that also also delayed the implementation, but i'm wondering how in that summer budget, how it was handled, how, how assumptions about rate increases were handled in that budget.

So if i can go back and do some research and find out for you.

Okay.

That'd be great.

Thank you, mr. Did you have questions first? No, i was just going to say thank you to questions.

I think those were the ones that we all walked in with.

So, um, i just want to make sure that i'm clear and, and

[02:30:01]

I forgive me a council member topo.

If i, i go over ground, you already went.

Cause i want to make sure that i'm understanding this.

So the fee rate that we're passing in the fee adjustments is the existing set of rates, the budget, and i'm playing.

I can't quite hear you.

I'm sorry.

I'm so the fee that we are, um, adopting in this budget, as in the supporting documents section for the fee adjustments, is the existing tariffs, not the proposed tariffs.

Yes, that's correct.

So there are, um, um, the tariffs, the amount we charge for our electricity are the ones that we currently have that have been approved by, um, uh, by the city councils of adi.

We are not proposing any changes to the tariff rates in this budget document.

There are some fees that we have proposed changes, and those are mostly associated with, uh, re uh, pole replacements.

So like when a car hits a pole, uh, we make a claim usually against her insurance company.

And those are based upon what our actual replacement costs are.

Um, but there are no tariff changes in the budget document.

Thank you for that additional, um, nuance.

But yet the, that is forecast in the budget includes an assumption that a new tariff will go into place in january based on the april, uh, filing.

Exactly.

Yes.

Okay.

And if we fail to adopt that completely, um, there's a \$40 million gap th that correct.

If you don't make any changes to the rates, it would be a \$40 million gap in our revenue, uh, something.

Okay.

And presumably we're not lowering rates when they're proposing.

So it's somewhere between zero and 40 million, depending on where are we going? That's correct.

Okay.

So i guess, but we're spending, assuming we have that money, we are using cash, uh, for ongoing operations.

And we've been doing that for the last three years.

And that's when, the reasons why you've seen this reported in our quarterly briefings where our cash balances have decreased over the last three years.

Um, and so, um, our, our policy, we try to target 150 days cash on hand.

And, uh, as of the end of, uh, june, we were at 141 days.

So we're below that target and we continue to get below that target.

Um, as a result of our, our, our rates are where they are now, that's in the wrong direction.

Okay.

Yes.

All right.

Um, so we have revenues projected higher.

I mean, there's this 40 million extra of revenues that's in there.

And if we don't do it, you're saying we're in violation of all sorts of policies, but the expenditures you're basically saying, we're going to do those.

We have to do those anyway.

Right.

So, um, and our expenditure side, um, thinking about on this side, you can see the breakdown much of these, um, requirements are what i call non-discretionary.

So for example, a debt service, we've already issued those bonds in commercial papers.

So i have to pay that a power supply that really respects the cost or the net cost of providing power to our customers.

And we can get them to conserved on a high price, ours that's good, but we have to pay that bill, um, transmission expenses for using the ercot grid.

And that's based upon puc pricing.

So there's not a lot that's discretionary and really what it is is with an o and m number, as i was pointed out, a lot of that is labor and benefits.

We need those employees to operate the utility.

The contracts are, the contracts needed to, um, repair and replace a lot of our equipment demand.

Um, uh, our call centers, um, and commodities are, are, you know, small, a small piece, but again, they're also necessary.

So, you know, we don't have \$40 million to remove from that spending.

Um, if those revenues don't show up, so we'd have to use the existing cash balances we have, um, to absorb that, that, that delta between, uh, expenditures and revenue.

Okay.

So you would come back to us after the rate case, if there was not enough money and then do a budget adjustment, both on the expense and the revenue side to reflect where we're at, if necessary, right.

We would look for opportunities to spend less on a utility.

Um, um, we would also probably come back with counsel with another, uh, revenue requirement rate review almost immediately, um, because, uh, we have to be able to sustain that utility and that, that requires us to

[02:35:01]

Recover the cost from our customers.

And when there was the adjustment since april in the proposed, um, rates, is that reflected in this budget? Or is it the april, i think has first party question.

So i understand there were some adjustments that were already made to the proposed rate, um, which would affect the revenue.

Is that what is reflected in the budget or is it from the initial? Right? So what we do is, um, um, we assume the rates were reflective.

And so we take all of the consumption, um, that kilowatt and kilowatt hours that people use energy by, for january through september 30th.

And we used the new rates for that consumption, who said, that's what the revenue would be if we implemented these new rates.

And that's what created a revenue requirement in here.

I know i'm asking you what you used for that calculation, because i understood that there was a change in the proposed rates between april and now those are the rates, um, that were in our april 18th, 2022 rate proposal of which was a total of a \$48 million increase in revenue requirements.

So those are the rates that we used in this forecast that was prepared back in.

And what was the change in forecasted revenue from the change that happened from april to now? I went to 35.7 revenue estimate.

Correct.

And so now, um, we're hearing examiner's report is, is going to, uh, becoming that's the next phase of, of april report, um, at this current period where at \$35.7 million of additional revenue requirement, uh, that we have agreed and verizon for making an adjustment, and that's not reflected in the budget.

That's not reflecting like it needs to be reflected.

Well, it should be, but i said, this budget was paired back in march, april, and preparing to pass it.

And it'd be, yes.

Okay.

So is that something the budget office is working with to no, that's something austin energy would do, but we have not yet done that.

Um, and that's a part of the, the hearing process.

So, um, we can come back, um, and we will come back with, with updated rates based upon, um, uh, those appropriate adjustments to our revenue, to our revenue requirements.

Okay.

And then you mentioned earlier that there was a 14% vacancy rate, um, the onm of the 456.8 million.

What does that assume for a vacancy rate? I i'm having a hard time hearing you, uh, what, uh, i'm not sure there's not, um, what is the vacancy rate assumed? Oh, so we assume a 10% vacancy rate.

And so what that does is we take the, uh, as if every physician was filled and we, uh, we moved 10% of that, those labor costs that, um, salaries and benefits, except for medical, that's always paid at a hundred percent.

And so that is baked into our assumption.

Um, and given just natural attrition, um, we think 10% was a reasonable assumption to use, um, as we, uh, try to get that vacancy from 14 down to something less than 10, and then we evaluate that for the budget.

Okay.

Um, i just want to express, that's kind of confusing to explain to our constituents, because we're not adopting the rate, but you're counting the rate in our taxpayers impact, which is a huge part of the taxpayer's impact, but it's not actually passed yet or finalized.

And then we have a budget that has a rate that hasn't passed.

I mean, it's, it's, i mean, i'm basically hearing that, well, there's a \$40 million difference and we have the cash on hand.

If the worst thing happens or we'll come back in november and make a change and just does not very transparent.

Um, i don't know what the solution is, but i'm, i'm trying to get my head around what we're, what we're doing here.

Um, and, and, and there's a piece of this that i just find is confusing to be able to explain to someone because we haven't adopted the rates.

Um, and yet we're, we're presenting those rates and the rates that we're presenting are not even the most recent rates that are on the table.

And, and so we're overestimating the taxpayer impact from where we are at in the negotiations.

And it's just all very, um, non transparent in my view.

And i don't, i don't know what the next, i don't know what the next step is.

Um, it seems like you're saying that there's not a cause to worry about this because you'll come back and adjust it in november and we can do that, but, but there's something here that does doesn't feel kosher to me.

Hmm.

So let me ask a follow-up question in, in this light, that would be helpful.

I think, um, in the, um, um, table where we show changes in fees and expenses, there's an

[02:40:01]

Austin energy line item cause it's one of the fees and the utility bill.

Then i think it was showing that the proposed rate was just over a hundred dollars for fiscal year 2023.

Does the change in the revenue estimate as part of the rate process, change that, uh, just over a hundred dollar number or, um, median homeowner expense, right.

So adopting the budget as we presented would not change rates.

And we had a lot of discussion about that bill impact table.

That's a normal part of our budget.

So we could have used, um, the rates that were as a part of the budget, but we felt that was not reflective of the revenue requirement number because that assumed we did change rates.

And we said, well, should we put the changed rates in there because it's not a part of the budget.

So we weren't quite sure exactly what number to reflect, but in an effort to be transparent, to understand what we were using, we put those proposed rates in that bill impact table, because that's what the revenue requirement assumes.

Um, so i, i, you know, i guess we could've gone either way, but we elected to show the number that we had proposed.

So the budget itself that we're passing has the rates, the table associated with the budget, we're presenting assumes passage of the new rates as you proposed, is that yeah, so the, the, the only impact from the rate review is contained in that line that says revenue, and that's simply an assumption, and there's a number of assumptions that are baked into a budget.

And on that revenue side, we assume like a normal weather year, right.

Um, so it's an average of the last 20 years.

Uh, i don't know what the weather's going to be like next year.

Um, if you look at this year, our weather is much warmer than normal.

And so we have much higher revenues during the summer months.

Um, so there's a lot of assumptions that go into that.

And one of the assumptions on here is that we have higher base rate revenue starting in january, but that's the only way only place within the budget that that assumption, uh, appears, but it does flow through.

And really it flows down to the bottom line, which is, are you going to have an excess or deficiency? And with that assumption, our deficiencies, uh, 8.4 million, and we not assume that we would have had a deficiency of 48.4 million, okay.

Stick with me here just for a second.

So we have, we approve a budget and you're saying in the budget that we're approving, we're approving the rates as they currently exist, not as they've been proposed to change.

That's correct.

Okay.

There was also a table that is prepared by our, our finance folks that demonstrates to us in the community, what the impact is on fees and expenses of the budget that we are approving.

And, and, and the impact of that, that table takes into account the fees as, not as they exist the rates, not as they exist, but as they're proposed beginning in january, the proposed rates, that's correct.

It doesn't impact the budget.

It just impacts this one reporting device, which is the all fees and expenses reporting device.

That's correct that demonstrative that's prepared to send to monster then.

And the question i have with respect to the monster thing, it's a projection, so it could be high, or it could be low.

I understand that.

And we make that projection every year and that table gives us prior years and to tell us, this is what we were projecting.

And in those years for it to be, i think the question is in coming up with that projection, did you use the, the, the 48, um, a million dollars, which was the initial, um, uh, revenue, the 48.2 initial revenue number? Or did you use the \$35.7 million revenue number that you changed it to after looking at, uh, and visiting with some of the participants? I used the 48.2, because that's what was known at the time.

I didn't know that.

And so the question i have is if we were to true up to the best information we have at the time that we're doing this, you're still going to make the same assumptions you make about whether and, and those kinds of things, those wouldn't change based on anything.

Those would be still the same assumptions you would make.

Right? Well, i think the right would certainly change because we have less revenue requirement and revenue requirement.

Yet i was talking about weather or weather, right.

Whether we, but what would change would be the assumption with respect to revenue? Because at this point you're suggesting

[02:45:01]

That it shouldn't be 48.2, but it should be 35.7.

Would that change the number in that demonstrative tool if you use the 35.7? Yes, it would.

Is it hard to do that calculation and give it to the finance people in the ed? So as we pass this budget, we're using the best information available to us today.

Is that a hard thing to, i'm trying to figure out the volume of work associated with truing up to where we are today? No, it's not hard.

I can do that.

It'd be about a \$2 difference.

Um, but we can certainly run those numbers for him, but again, we have a hearing examiner report and it was kind of out, so that 35.7, the hearing examiner might have a different recommendation than that.

So we just don't want to have too many numbers floating around, but that's, that's the reason why, yes, i can do that math for you.

Okay.

I go back to the airport 10 minute or come to kathy.

Thank you.

Um, and the amount that's on that sheet is \$186.

And the total impact that's projected as 120 point 81.

And so we had a \$2 plus per month change for people, which is what i'm assuming if almost a quarter, um, that can put us almost below a hundred for impact.

So, you know, we'd like to us to be there.

I think we also need to have some sort of asterik in there that explains that we're going through a rate case, frosted energy.

Here's how to put your word, you know, your, your voice in, or an, and no changes are projected before january 1st.

And that tariff something has got to be there to be more transparent, um, because it's extremely, um, confusing.

And that these are based on where we are at this point in time in that radius.

I know that adds to the, to the page and makes it less pretty, but i would rather go over to a second page and be more accurate, um, because 186 is the, you know, the largest impact of anything, you know, on our impact statement.

And we very may well need to do an increase.

I'm not, i'm not arguing the merits of that.

Um, but it, this just doesn't feel like we are, we are being accurate and transparent about where we are in the process and what we're doing.

Um, so i would definitely want that done.

And then i had one other question.

So i would also join in with the mayor pro tem and say, let's use the best information that we have.

And because this is a contested issue, and we don't want to imply to people on something that we've already decided to question.

I also believe that an, because it just says, this is the city's current proposal effective january or something like that.

And then i think we're using the best available information we have at the moment, recognizing that it's a look forward.

It could change.

We will work with ms. Lang on that.

And great, thank you.

Um, the other question i had is that, um, you know, if you look in the supporting documents at the financial policies, and obviously we've gone over this multiple times, um, in the austin energy oversight committee, um, you know, the one set of fiscal financial policies that we're not following have to do with the cash position, um, for austin energy.

So, um, while we're on the topic of your budget, if you could just go through why we're not following those policies and why that's not a problem, does it, the capital reserve and the contingent, right? So, um, there's a couple of dynamics there.

So, um, the financial policies that were out of compliance with one is, uh, the day's cash on hand where although the 150, uh, the other one is our debt surface coverage that we target 2.0, where at 1.9 now.

Um, and then when you're referring to, we have, um, uh, for, uh, for reserves contingency, reserve, power supply reserve, uh, capital reserve, um, oh, and working capital.

And so for our contingency reserve, we are, uh, below that target as well as the capital reserve.

Um, but for the total cash at that time, um, uh, we had enough cash it's just residing in working capital as opposed to transferring over to those individual, uh, reserve buckets.

And so we were complying with, uh, the total cash on hand, um, uh, up until this, this last quarter.

Um, and so, um, but now we're not doing that either, right? So our, our, our current budget, um, has no, uh, transfers to, uh, to reserves.

So the working capital is higher above than that.

How much we'd have to put in the contingency and cash reserve.

Is that still true? Right.

So, um, our, our current, uh, forecast for 23 would be, we'd have \$184 million in working capital, which the minimum is one 18.

Um, our contingency reserve would also be one

[02:50:01]

18, which is about 60 days of operating cash.

It'd be set up, it's set at 1 0 8, which is what's currently in there.

Um, our power supply stabilization reserve target is 1 0 4.

Um, it currently has 110 in there.

So we're, we're not going to change that.

And then the capital reserve, which represents 50% of our depreciation costs, um, it should be at 140, uh, we actually have 70 million in there.

And somehow that mean somehow that has gaps all add up to be less than the difference of what you have to have in the working capital.

I not sure i had all those numbers, right.

So, uh, according to policy, we should have \$479 million of total cash and reserves.

And at the end of 23, uh, what this assumed base rate increase of the 40 million, we'll have 472 so slightly under, uh, that, that total target amount.

Okay.

So up until now, we've had enough in the cash to offset what we should've had in the contingency, in the other.

We just didn't transfer it in there because it was in another pot.

And you're saying that by the end of this fiscal year, not currently, even with the rate case, um, we're not necessarily going to be there for that, for the, um, for the cash reserve, total amount across all of those.

That's correct.

Okay.

And then what was the 150 days that we were at 1 41? What was that one? Yeah, so a really between the working capital and contingency, we target having 150 days of working capital on hand.

And so, um, if you take our total expenditures for the year, um, it comes out to about \$3.2 million a day is what we spend, um, on the, on the utility.

And so we try to keep that much cash on hand, um, for, uh, for emergencies.

Um, and so, uh, for example, if for some reason, um, uh, we had a cyber attack and we lost our billing system.

God forbid that ever happened.

We couldn't bill, but we'd still have to keep paying the bills and buying the power that would allow us to do that.

Um, if there was some sort of emergency provides a cushion for us, if we couldn't send out bills.

Um, so that's just prudent financial management and 150 days is it's not a magic number, but it's on average what good utilities have, uh, based upon the fitch peer review.

Okay.

So w what are the consequences of not, i mean, cause now we've added another policy, the other ones made sense.

This one, this one's now deviating from our policy in a way that we're not compensating in some other way.

What are the potential consequences of being out of line with the policy? Now, we obviously made up the policy in the first place.

So it's our own policy, but what is the, what are the perceived consequences of deviating from that? For the, for the working capital, i believe are our policies that you've adopted for us are reasonable.

And i, you know, so it gets packed.

The point was when we set a forecast, if you're not in compliance, the question is what are you doing to get in compliance? And so that's why we've proposed base rates.

When we, when we did to get us back into compliance.

And if you look at beyond fyi 23 and 24 and 25, you'll see those financial performance metrics start to improve, um, because we have those base rates, um, um, in place for, for the entire year.

Okay.

So the proposed base rate increases are addressing this particular problem in part, i mean, there's other things that they're addressing, but one of the things that would be fixed by this is where we would stand.

And this year we can't get there because we're not, we wouldn't be starting to january, but you'd have a full year now would makeup.

And there's also the impact of, of inflation.

Most of you have heard about these really high inflation numbers that we've seen recently.

Um, our, you know, all indications are that while it's certainly significant now, um, we expect those inflation numbers to decrease.

So, uh, we hope that that will tame and that will help contribute towards our ability to control those costs.

Okay.

Thank you, council member tovo yeah, i think my comment will be taking us back a bit, but i wanted to underscore the need for a caveat.

I know we talked about that in our, in our budget, um, hearing the need to make sure that people understood that this was not a certainty.

Um, and so the mayor pro tem indicated, you know, one possible option would be to ask her to put an asterisk next to it and explain that these are just proposed rates.

It seems like the other option, which is maybe not a good one either would be to, to take out the 44 million adjust the proposed impact, because this is not, this is not a proposed, this is not a, this is not a approved rate increase.

And so one of the reasons why i'm really eager to see how it was

[02:55:01]

Handled in that budget is to see what we did so we can be consistent.

You know, it does seem a little bit odd to me to say, to tell people that there is a proposed, that there is a taxpayer impact for a rate that hasn't been approved on the other hand, likely some increase will be approved.

So saying it's going to stay stable is also not, not terribly transparent.

So i don't know what the right answer is, but again, i think it's helpful to see what that, whether that taxpayer impact statement in that same budget year, how it was reflected.

And i just want to say, you know, i think i've mentioned this before this council, by the time the council finished its deliberations, the rate, the revenue requirement in 2012 was lowered significantly and the rate was cut almost in half.

And i think there was significant concern expressed by austin energy, um, that we would need another rate increase right away.

And then the revenues came in so far in excess of what had been proposed, that it never became necessary to go back and revisit it for many more years.

So, you know, i just, i do want to caution us again, as we're talking to constituents, i think it is really important that they stay engaged in the rate proposal process because, you know, we it's, um, this is, this is what has been proposed is not, is not yet approved and maybe a significantly different, i, i, there was one slight difference in that revenue requirement and the 12 rate cases.

I'm sure you'll remember.

It was that there was a significant, uh, component that rate was designed to recover, uh, reserves.

Um, so we were actually charging customers and taking those monies and putting it into reserves because they utility had gotten so depleted the cash that's different in this case, we have no dollars associated with that.

So we're not assuming any reserves.

We're just assuming that we have, uh, our normal margins in operations.

So that's a significant difference between 12 and now thank you.

That is an important distinction.

I believe the custody, the base customer charge though is also higher from the proposed, from the proposal to what was finally approved if i'm remembering correctly.

And i think maybe some of the tiers were different as well.

I, i, i believe that they had proposed a larger, uh, customer charge and we settled on \$10, which is where this today.

Yes.

Thank you.

So can start over, i'll be interested in seeing what you find on that historical deal based on all the, yeah, i mean, i'm interested in hearing what that answer is to the question that you've asked from the different options available to us.

I'm comfortable as the default right now, going with the best information and using the 35 xi.

So i think it'd be hard to explain a \$40 million gap.

So among the choices i'm comfortable with that with some kind of asterisk that knows to it may i think i was there when it was on, i thought you had called on me.

Okay.

Just real quick.

I'll be very, i'll be very quick.

I just wanted to reiterate what you all are saying that, um, and i wanted to be a little clearer for the public.

We're talking about the taxpayer impact statement, which is this, which is the document that shows the public, what the net is of what we're doing, because it shows the property tax impact and the impact for each one of the fees.

So i agree with what you said, mayor, i'd like to see that adjusted.

Um, and if i'm understanding correctly, that will most likely sh uh, i want to see it adjusted for the 35.7 million that you're referring to mayor.

And if i'm understanding, understanding correctly, that'll be about a \$2 difference.

So the 186 that the mayor for tim was referring to would go down to about 194 or something like that.

Did i understand that correctly? That's correct.

I've got to run the exact math, but i know the difference is about a 2.2% reduction in regular harm between the two.

So i would assume the bill would go down about that much since a hundred dollars, \$2 is 2% a hundred.

So that's where i'm coming out with my math, but, um, we'll have to run the exact calculation for you.

Okay.

Thank you.

I do.

I do want to point out quickly.

So you brought it up on this, um, uh, tax payer income state, or impact statement.

As i pointed out that that power supply expense will also change in september.

Um, and that's because of the extraordinary, uh, changes we're seeing in ercot.

So i don't have a good number for that, but it can tell you based upon what i'm seeing now, it's power prices are about 32% higher than we had forecasted.

So that psa is going to go up.

I just don't know how much we'd really want to see what happens in, uh, in august four.

I come back and give you a number because that's going to have a big determination, and i'm fine with you using the same protocols you use every year, because to a large degree, we're comparing years to years.

So as long as we keep doing it the same way we've done it in past years, we're still comparing apples to apples.

Yes, how's it.

Pool? Yeah, that's, that's what i wanted to weigh in.

Um, we, we need to be as transparent and

[03:00:01]

Accurate with our, um, with our information, with the information that we put out.

And so if it's looking like the 40 million is now really closer to 36, then that should definitely be in the documentation going forward.

I would not support removing it entirely because that leaves a big gap and we know it's going to be something so as close as we can get with all the standard caveat saying, that's still an estimate.

There are more actions and decisions that will be handled before the end of the year.

And additional information will be made available as soon as we have it.

I think that that tracks with keeping the trust with the community and giving them the information, which is the best that we know it.

So i wouldn't want us to, to, uh, adjust those numbers in ways that that would also be harmful to the, um, austinites understanding what we're dealing with.

Okay.

If we're ready to move on to the, to the parks presentations.

Thank you very much for being with us today, carrie.

Yes.

That's over toba.

We have time at either today or on thursday for a super quick executive session.

Yeah.

My hope is today.

We'll be able to touch base.

Let's see if we get there.

Why don't you call the last presentation can you hear me? Okay, thank you.

Next we'll have a, um, kimberly mcnealy with the parks and recreation department.

She's going to speak through the parkland dedication and then, um, her proposed budget as well, several areas within her budget.

Thank you.

Um, so, uh, council members, kimberly mcnealy, serving as the acting director, please know that my colleagues, liana calla voca, and randy scott will be here to provide the parkland dedication, uh, presentation.

And then i will, uh, follow them with the, uh, additional information that you've requested about parks.

So randy and leanna good afternoon.

And thank you for having us here to talk about parkland dedication.

Next slide.

Can you pull the microphone a little bit closer to you or point? Yes.

Thank you very much.

Perfect.

Thank you.

So parkland dedication is a city development requirement and directly accounts for the impact of new projects on park services.

I would like to highlight the intent that, um, was expressed by council when, uh, the ordinance was approved and the city code amendment was, um, completed in 2016, which, um, asks to maintain the current quality of life and park level of service by, uh, requiring land, to be dedicated as parkland and or collecting the pld fees to cover the cost for acquiring a development and developing the land.

So the parkland fees allow the city to keep pace with growth, prevent overcrowding of parks and expand park access through opposition and land development.

Every year, the department proposes a fee schedule from the requirements established in code new developments may either dedicate parkland or pay fee in lieu, or, um, do a combination of both.

The level of service has been set to 9.4 acres of parkland for every 1000 new people.

Next slide, the calculation, um, maybe better understood, um, in this formula, which is fairly simple and it has only, uh, three parameters.

Um, but the most important thing is that the fees are tied to the cost of purchasing new parkland, which is the parkland cost factor that you see in the formula.

And the city code requires, uh, that we use the average cost of purchasing parkland over the past five years when creating the proposed fiscal schedule this year, that value is about 365,000 per acre.

And that parkland cost factor is then divided over the current per level of service.

And effectively with that way, we are finding the cost of maintaining a consistent park service

[03:05:01]

For every new user of our park system.

Next slide, these are the fees and you have the proposed fee schedule.

And we also have the, um, in black, there are the fiscal year 23, uh, fees.

Um, and we also have last year's, uh, fees in red for, for your reference.

And, um, below that we have the proposed commercial fee schedule, and these are subject to city council's review and approval of the council, the draft commercial parkland dedication amendment.

I would also note that smart housing affordable housing units are not, are exempt from pld fees.

So for a development that has, um, 20% affordable housing, um, the pld will be calculated for the remaining 80%.

If the development is a hundred percent affordable, they will have, they will pay no pld fees.

Next slide.

So should council wish to make changes to the fees.

We have outlined, um, options as we understand them.

So the first option would be for city council to make changes to the proposed fee schedule during the budget approval process, this would require changes to the code or the parkland dedication operating procedures.

Option two, um, city council would initiate changes to the operating procedures to modify the formula's parameters by which the department proposes the fee annually.

And this would require a pro change.

And in option three counsel could initiate code changes to the overall formula by which we calculate the, um, proposed fees every year.

And that would require a code amendment.

The new methodology and formula must follow the legal framework of being roughly proportionate to the impact of the new development.

There are primarily two ways of achieving this.

Currently the code uses a city-wide fee based on the average actual cost of purchasing, um, parkland.

And, but, but another way would be for the codes to be tied, um, to tie the parkland dedication fees directly to the appraised value of the land, uh, which will be evaluated on a side-by-side basis.

This method is more accurate in terms of rough proportionality, because it accounts for the increased cost of acquiring parkland in areas with high land value.

But we understand that the impact on the phase will be greater that way.

Next one with the pros fiscal year 23 fee schedule part anticipates that it would receive approximately \$18 million in pld and fee in lieu of parkland, dedication part would be better able to pay for parks growth with proposed fees, reducing the reliance on bond funding as represented by the charts on the right of the slide, should council wish to modify the fees.

They would no longer be tied to the cost of service part would be attempting to keep pace with growth, using fewer resources and becoming more reliant on bond funding, fewer park acres per 1000 people result in a declining quality of life, perpetuate historic disparities in park investments and represent lost opportunities to close gaps in green bellies and provide connectivity part would be required to supplement the increased demand by taxing existing residents with additional bonds in order to pay for growth.

And i believe we have one more slide that might answer some questions as regards to a comparison of, uh, the five-year average of 10 year average, uh, the appraised t value here as well, uh, in the travis county appraisal district, uh, in 22 reports that the average appraised value per acre of land is \$973,463.

And travis county now part is, uh, utilizing, uh,

[03:10:01]

I believe \$366,000 per acre is what the average of the last five years it has cost hard acquire parkland.

So i could now i believe we're open for questions.

Thank you guys.

Probably pool randy.

Thanks for that last graph, mr. Scott, over here, do you have, if he could put that back up, the, the gold bar at the very right was the t cad valuation per acre, and it's just shy of a million dollars.

Do you have it for the other fiscal years? Because it's only in the fiscal 22, you look like you were ready for that question.

Well, we had looked for that information.

Uh, i asked for that information where we have been unable to find it yet, but, uh, i'm sure we can give it more time.

We can find that those numbers.

Well, i think it'd be really helpful because it would give us a sense of what we're dealing with.

And i suspect it has, you know, we'll show sequential increases over time, but maybe if you call directly to, um, the central appraisal district and talk to marissa, kriegler, she, she could help with that because i think you're right.

You have to get back into their historic files.

We would be happy to do that.

That'd be great.

I think it'd be helpful to us here today, or as soon as you can get.

Thanks.

Okay.

Yeah, i think you, and also when i asked you a question, uh, the last time i had a piece of land and wanted to give to the, to the city, it was, uh, it was about a lot.

And i said, you got told me, didn't need land there because you had surplus.

And i just looked right down less than about a mile down the street from here.

And, uh, where are you buying all this expensive acres that you're talking about? Can you tell me where the recent purchase or it had been downtown is a density.

Are you looking at just a density downtown and it using that money to buy it up in a district where no one can go and if they can get in a car? No, it's, it's, you're asking where we buying parkland.

We've bought parkland all over the city.

Uh, we have a map, uh, we've mapped out, uh, every acquisition that we use over the last five years to come up with the appraised fee and it's represented, uh, pretty evenly, uh, pattern all over the city.

Uh, i'll be happy to provide that map.

I would like to see that, cause i believe y'all guys told me that y'all have surplus that this is a surplus area downtown, where all the density is occurred.

And i mean, i, i'm kind of confused why or where are you buying all this expensive acre of land? And if you're not paying that much out in the outskirts, uh, i believe every district council district is touched with an acquisition, uh, over the last week or so.

Uh, well, we've already produced that map, so i'll be happy to provide that memphis.

Yeah.

I'd like to see, i guess, uh, i mean, the way the rate of this increase is going on, it's adding a lot of money to parkland dedication that, uh, i'm pretty sure here in the central area is pretty maxed out, you know, and, uh, and you'll be competing on buying man their victim land because of, uh, the increased costs it's causing basically in my district where it slowly income.

And, uh, i am becoming really concerned that increases are adding more and more to the cost of renting out apartments.

And that's what my concern is.

And is it really a big need right now in order to increase this fee to the point where, you know, our people that live outside of town now could come over in the weekend to enjoy some open land, but i'm pretty sure if they're living outside our city limits, there's a lot of open land out there also.

So i really want to see some really justification on why we need to increase this and not just as three page four page report.

And if i may add to that, the parks, um, long range plan is providing some guidance as to where, uh, we would want to acquire land.

We also have the, uh, goals from city council for all residents to be within walking distance from a park.

And right now we are at 68%, um, accessibility, which means that 32% of the city is not within walking distance from a park and

[03:15:01]

By acquiring land core with, through parkland dedication, with new developments, we are, um, this is the main goal for, for the department.

Um, thousands of, uh, being white between 35 frontage and the railroad tracks.

You'll see a lot of no part.

And if you're really looking for equity, i would like to see that increase.

And instead of buying land out there and there's outskirts where you need to get jump in your car, that's not walking distance, you know, walking distance to me, it's half an half a mile down to, to the park.

And if we're not buying within the half a mile, then that's not walking distance.

Now you're encouraging people to get in their car and drive to.

And we're seeing a lot of that happening.

You know, if you go on the weekends, you went to oak park, you see all the cars down there, parking, competing for parking space.

So, you know, i, it's very frustrating to me to see all this increase going on and our cost for apartment and people are having to move out of town because they can't afford to live here.

And then we're spending all this money on parkland, that vacation, where we're forcing people to get into cars, to go and visit their park because there's not within walking distance.

So very noble girl go, but i just don't see it accomplished in the inner city.

Completely agree.

We will.

And we will provide the information.

Thank you.

That's when we were coho, i wanted to understand, um, thank you, council member renter.

I think it is important that people are within walking distance.

And i was trying to remember, and i've, i'm sorry, you may have mentioned it in your presentation.

What is the, what is the goal that the city has set that we're falling short on in terms of a distance? I thought it was to have, um, everyone within walking distance, correct.

And that is within a quarter of a mile for the urban core and within half a mile elsewhere within the city.

And right now we are at 68% of meeting that goal.

Whereas that has gone up a little bit, a few percentage points during the last three, four years because we were able to acquire land.

Um, thanks.

And i think it, it might be helpful depending on, on the other questions.

Um, it might be helpful.

I know you have that interactive website that shows the most recent acquisitions and shows where they are.

And, and i'd like to suggest as we have this conversation, that it might be useful to actually bring it up and take a look at it together.

Maybe not at this moment, but at some point in our conversation.

Um, and as i'm remembering the, the parkland dedication fee, it has to be spent within close proximity to where it was collected, right? So if you have a new development in one part of town, the

funds that come from parkland dedication have to be spent within, within that area, within that immediate area.

So that the people, the idea is to make sure that, that, um, those new residents have access that discotheque to that parkland.

Thank you mayor.

Before we conclude this, if we can take a look at that, if, if it is appropriate from staff's perspective to take a look at that information, i think it would be good for us to see it together.

Okay.

Council member harper, madison.

Thank you.

May i approach, uh, give me just a moment.

I have to turn something off real quick.

I'm sorry if there's another colleague with a question, um, please go ahead.

But otherwise i'll just be saying the 9.4 acres per 1000 that was adopted by ordinance.

Where does that number come from? What's uh, the, the basis for that calculation.

So that is the, um, total acreage for parks in the city, excluding district parks, metro parks and golf courses.

So this includes the, um, the neighborhood parks pocket parks, the everyday parks that people go in there close to their homes and that, uh, acreage and the population, uh, at the time in 2016, defined that 9.4 acres per thousand.

Okay.

So we, again, excluding our larger, uh, parks and our golf courses, uh, and looking at more of our neighborhood pocket parks, uh, we calculated that there were 9.4 acres per thousand people in the city of austin, uh, presumably in 2016 when the, when the ordinance was passed.

Yes.

And is there some kind of

[03:20:03]

Baseline for that say, you know, larger cities of how many acres we should have per thousand or something to that effect? You know, in other words, they're kind of a guidepost that we're looking at.

I am not aware of that.

And i can certainly imagine that dense cities like new york or, um, maybe chicago, they have something that's.

I would like to point out that that already has a discount, the 9.4 acres per thousand.

And my understanding is that it was the level of service and the quality of life that city council wanted to preserve at the time.

And maybe randy can help me on that.

Th it comes from the us supreme court ruling, uh, parkland dedication ordinances have to be roughly proportionate to your current level of service that you're providing.

Hmm, sorry.

We lost you.

We lost your volume next city of austin's current level of services, uh, 18 acres per thousand.

And that includes all our park system.

Um, at that time in 2016, uh, we through negotiations, uh, had recommended that we exclude metro parks and district parks, golf courses, and those are usually large park items, usually funded through bond acquisitions, um, and parkland dedication would provide those, uh, greenbelt connections, those neighborhood parks, those pocket parks, and that total of 9.4.

So that was our level of service, uh, national averages, uh, have just whispered my ill ear, uh, that, uh, a national average was anywhere between five and 10.5 acres.

Okay.

So the 9.4 was essentially to preserve the status quo, you know, to, to keep them the same level of, uh, park service, uh, as existed in austin today.

Um, you know, we're, we're not, um, are, oh lord.

And a word is failing me, but, uh, we're not, uh, expanding the city limits, uh, in ways that we were, you know, prior to the last decade because of various legislative change and all that.

Uh, does that factor into the, to the calculations at all? I mean, in terms of, i would imagine, for example, like in the more kind of around the edges of the city, there's going to be less parkland than, you know, in the older areas of the city.

I mean, is that, is my perception correct? Or, or have we done through development rules and requirements, a good job of getting parts out in the kind of periphery of the city? Oh, over the years, we've done a pretty good job of getting, uh, uh, you know, our methodology in the past as the city was growing, uh, was go out and buy parkland in front of development and wait for development to occur in those areas.

Uh, that's no longer really the path that we're moving forward.

Now we're moving forward and trying to go back into the current city areas where we are parked deficient, where there is a lack of a park and, uh, acquiring parkland in those neighborhoods that are parked efficient.

Those are expensive acquisitions.

Uh, we're also trying to build connectivity through our greenway system.

So, uh, building connections.

So you would have nodes along your greenway system where you have more active place.

So a greenway would lead a neighborhood to a more active park.

And i appreciate that, that, uh, explanation and that distinction, because honestly our, our transportation network is very similar where, you know, we want to kind of put our, our light rail where the activity is.

It's easier to build it on and more empty area, but it doesn't get the use in the ridership as it does when you put it right through the heart of the city.

So i do sympathize, uh, you know, from the parts point of view where, you know, when you want to add anchorage in, you know, your core parts of the city, that's going to be a more difficult and more expensive proposition.

Um, in terms of the money generated from, uh, parkland dedication ordinance, are, is there a formula for how the funds can be spent in terms of both, you know, acquisition versus development of existing parts? Yes, there is.

There's a, there's the parkland dedication ordinance has made up of two fees.

One is parked development and one, the larger one is land acquisition.

Uh, the, the portion for land acquisition is to be used towards land acquisition.

So that can in district four, for example, we acquire georgia

[03:25:01]

And acres park through parkland, dedication funds, uh, uh, that st john's, um, well, st john's as well, but, uh, like i can't think of the name of it right now.

Um, the st john's park, the one that, where the baseball fields were, where the optimist baseball fields, where is that? The one you're talking st.

John.

Yeah.

St.

John's, uh, the, the, the little, uh, the entrance there was acquired also through parkland dedication, but there's a new one just north of 180 3, uh, route the road.

Yeah.

Brownie a brownie was on me, right? Ronnie ronnie park.

Oh, no, there was a newer one that was just, just came to council.

Uh, i'm getting texts here that is telling me the name of it.

Let me know it may look and make sure, uh, jamestown okay.

Uh, was recently acquired.

And in terms of the division of the parklands, a dedication fee, how much goes to parkland acquisition and how much goes to parkland development in the formula? Uh, the percentage of the fee breakdown 80, 20, 80% land, 20% park development.

Hm.

So one of the, and again, i'm going to have to go with anecdotes.

I just don't know the, the answer to the question, but is that my sense is that we have a lot of, let me back up size of the park, to me is sometimes secondary to the quality, uh, you know, of the park.

So my kind of intuitive sense would be, i'd rather enhance some of the existing parts.

You know, i'd rather kind of shift a little bit more money to development of existing parks than to necessarily acquisition.

I mean, obviously both are important, but, uh, uh, what is kind of the, the thinking, you know, on that? Cause i know the other thing being that i know we have raw land that, you know, the, that we're holding right now that has not been developed into parts for, uh, you know, lack of, uh, of funds and hearing the 80 20 split, i guess, concerns me in the sense of, you know, when we are, when are we going to have funds available to develop kind of, you know, vacant acreage, uh, in just its kind of natural state to, um, you know, a nice neighborhood park.

Th there, there's a couple of replies here that, uh, i guess that were points i wanna make, um, for one, the fee in lieu of land, that portion that 80%, uh, must be used to try to acquire land for the first year.

Um, if we're unable to find land or buy land within that first year, those dollars may be spent towards park development.

So, uh, hope that eases some of, some of that concern.

The, the other one is that, uh, uh, we, we buy, we do buy land and it looks like it may sit there for a while, but it also, it takes us a while to, to go through the public process, to meet with the public, for, to see what they want in their park, uh, secure the fundings funds and then go through the development process as well.

So that those are usually, uh, a couple of year process just to, you know, to go through that.

And with regard to the not having, have we have those acquisitions funds not been spent and then rolled over into the development funds? Has that happened since parkland dedication fee started regularly? Yes.

Okay, good.

Uh, i don't wanna take, uh, you know, all the time, but the, the, the big question i think would be in terms of, you know, housing impact, uh, the, you know, proposed amount would be about \$7,000, i think, right.

\$7,000 per unit for the residential, a parkland, um, you know, uh, dedication fee.

Um, again, i know that's outside of, of parts, you know, i know you all are doing your job and, you know, focused on your goal, um, and, um, very supportive of it, you know, that said, uh, i do have concerns with the, the rapid increase in the fee and it's, uh, its impact on projects to on supply.

I mean, just to be frank, i mean, there's projects that may not kind of pencil out

[03:30:01]

Once that, that, you know, uh, fee is, uh, is calculated in a, and i do, uh, appreciate council member, uh, harper madison's, uh, you know, uh, proposal, uh, to, um, you know, to try and cap it, uh, as well as, as a appreciate, you know, potential adding the commercial parkland, dedication into the mix as well, because i don't think there's any question that, you know, people at work sites, you know, use parks.

Also.

I did that when, you know, i've had different areas that, that i've worked in the city.

And, uh, i, i do think it's important that we role the kind of commercial, uh, uh, development of land into the parkland dedication fee ordinance.

So i'll, i'll, i'll leave it at that.

Thank you.

Ma'am that's where we're hopper medicine.

It's a little hard to hear you may, or she may not have heard you.

Yeah, i was a member of harper madison.

You ready to go up? I am.

Thank you.

I appreciate it.

And thanks for your patience.

Um, i have, uh, several questions, but i guess i would be remiss to not kind of preface my questions with, um, kind of just generally where i am on the matter and, um, uh, the rationale for some of my questions.

So, you know, austin has some of the highest per unit development fees in the entire state of texas, um, which obviously, excuse me on, uh, forgive the noise, which obviously affects our development cost and the rate of speed with which we are able to get things done and get things developed.

So this is, you know, a huge contributing factor to affordability in our city.

Um, so when the developers are charged more than \$40,000 in development fees, they don't swallow that cost.

They add and pass it on to the eventual buyer or renter, or they reduce the number of units that they produce in a project.

Um, in which case, i think mixed income projects result in fewer affordable units, just based on the numbers alone, you know, and so last year, our parkland dedication fees double this year, it set to double again, um, adding up to an extra \$11,000 per unit cost to the cost of building housing.

Um, i've said that i said this rather before, uh, that one of our most important obligations as a municipalities to provide that adequate open space for our residents to enjoy.

Um, i think it is our existing, i think rather than our existing dedication feed balanced, coupled with bond resources, leave us in a good position to continue to execute, uh, on that obligation.

Uh, but, but based on stakeholder input, i also think the rapidly rising fees really create challenges for people who are trying to build homes, um, homes that none of us can argue that we don't really desperately need.

So our site planning process, for example, you know, literally takes years and that's already a difficult situation for those mixed income, uh, projects that include affordable units subsidized by the market rate units.

So their margins are much tighter to begin with.

So having unpredictable and really, really significant, uh, fee heights can really change a lot of the initial math and either come with a loss of affordable units or the loss of the project altogether, which i've seen happen in district one on more than one occasion.

So i think we can strike a balance where are not in fact putting housing against parks.

Um, that would be shortsighted on our part.

I instead, i think we can create an environment where we don't have to exacerbate rising housing costs so that more residents can have access to those great green spaces.

In which case have compiled a short list of questions.

A few were answered by way of, um, the questions that you asked council member vilas.

So thank you for daylighting some of my questions as well, but, um, what is the remaining balance of the 2018 bond funds dedicated to, um, our planned acquisition? I have some of these numbers in front of me.

So for the 2018, um, for parkland acquisition, we had 45 million.

And out of that 22.8 million has already been spent.

We have under contract 0.2, 3 million.

So together about 23 million, it's about 51% of the total has already been spent or is under contract.

And the meantime, um, there are multiple, um, potential acquisitions that are worth more than 50 million that are being actively negotiated now.

And,

[03:35:01]

Uh, uh, but they are not under contract.

And, uh, which means that this along with, uh, parkland dedication will, um, spend out the entire 2018 bond.

Does that answer your question? It does, but it, it gives me another question that i'm going to figure out how to articulate and then ask the question in the q and a, um, uh, but yeah, so far it answers my question.

Um, so what would be the total costs then, um, to, um, to improve and program and maintain all the parkland? Um, the city of austin has acquired to date so the, this forty-five million is for parkland acquisition.

The total bond for the parks department was 149 million, and the rest is divided on parks on facilities.

Um, and that is both primarily actually for maintenance and improvement, not for maintenance, for improvements of existing, uh, parkland and existing facilities.

And we can provide the numbers as to whether to how much of that has already been spent, but i can, um, i have some general numbers in front of me, which is that about 37% of the total bond has been spent already.

A lot of that has also been planned on projects that are currently in process.

They may been designed, but have not gone under construction yet mayor pro tem, this is kimberly mcnealy where you asking us the cost of programming and maintaining.

So i think that that would be dependent upon, well, i'll repeat the question in case it's helpful and also just sort of lay out if it's, if it's not a question that you can accurately and comprehensively answered today, i'm happy for us to pick it back up on thursday, but the question was what would be the total cost to improve program and maintain all the parkland that the city of austin has acquired to date was the question.

So i think we'll, we'll need more time.

That was gonna, yeah, we're gonna need more time to be able to provide you.

Yeah, always completely understand you guys saying i need some time to go look into it.

I'm just posing it as a question.

Um, and then do we have a financing plan or a strategy to really sustainably fund parkland improvements and maintenance for all of our current and future parkland acquisitions? And that question is about a financing plan or strategy as opposed to specific numbers.

So hopefully you guys can give me a little bit of insight there today.

Well, i would say that, um, we do have, um, maintenance plans.

We do have asset management, um, approach where we, um, make sure that everything that is in our parks, um, is being actively maintained.

This is where our general fund dollars are, are going.

Um, i'm not sure we can provide a more detailed, um, response, but, um, at this point i think that would be pretty critical for us to really make a, an accurate assessment as to whether or not we're moving in the right direction.

You know, the, the question was, do we have a financing plan and a strategy to sustainably fund, you know, and in this conversation around the budget, um, i, i think it's totally appropriate, um, to determine whether or not we're moving in the right direction.

So that's my question.

It feels like, yes, now i understand, and we can provide more information on how our maintenance, um, portion of our funding is being spent in order to maintain the line, the land that, um, and everything that the department, um, programs and, uh, operates there is also, um, as you, you are aware, we also have partnerships that are also, um, assisting the department in maintaining, um, and programming some of our parks as well.

So, um, the

[03:40:01]

Department is looking at multiple different approaches on how to address what you're bringing up, which is quite important.

Absolutely.

And i really look forward to, to hear what it is that you guys have come up with when you say multiple approaches.

Cause i think just, just like with everything else, given some of the difficulties that we're going to be bumping up against, i'm happy to hear that.

It sounds like the process is relatively fluid and that we can roll with the, with the punches, so to speak.

Okay.

Okay.

Uh, colleagues, i would point out i'll come right back to you.

Uh, the parkland dedication issue is, is on our agenda on thursday.

Uh, we don't have to take action on it that day.

Uh, but it said to take action because it's set to take action.

Speakers are going to be allowed to sign up to speak.

Uh, people will not be speaking on the budget generally, cause we're not noticed for action on the budget.

Generally we're noticed in the action only on the parkland dedication matter in front of us.

Um, so, uh, i tell the people in the community, they can come testify, but just on that issue would also point out to the planning commission tonight, as on their agenda, the commercial parkland dedication.

I want to thank that body for meeting quickly on this matter.

And certainly we want to have as much, uh, advice or counsel or input.

This is a, obviously a tough question and it's frustrating for it to come back to us again in a way that always feels like we're talking about affordability versus parks.

Uh, and that makes the conversation, uh, hard and, and, and, and really not right, uh, in that regard, um, uh, we've sat as one of our goals to improve parkland.

That's one of our strategic goals.

In fact, we have, uh, uh, one of our indicators is looking at the score of the, of the trust republic land index.

And i think we're ranked like 39 on that.

So the staff of this department are doing the work to, to give us exactly what we asked for and the strategic direction that we, that we, that we set, uh, at the same time, we also have the strategic direction for harper madison.

We can hear you okay.

At the same time.

That's okay.

Uh, at the, at the same time, uh, uh, affordability is probably the biggest crisis that we have with rents going up and housing prices going up.

Uh, and i think there's a lot of work for this counselor, the next council to do with respect to fees generally in this city, which are, which are out of line with other cities.

And i hope that the fee discussion is, is, is taken up more broadly than just looking at the parks fee.

I think that's be the most appropriate way to address affordability issue that offset what is in front of us right now as a parkland dedication fee and it's equation.

And, um, uh, and i hope we take a, take a look at that.

Uh, i, it was a year ago or two years ago, i went through in some greater detail on the formula itself, pointing out the challenges.

I thought the formula had, um, the, the one savings grace and the formulas that people agreed to it.

Uh, and that it seemed to be the answer that i got, that even if there were infirmities with it, it was something that people agreed to.

Uh, and, and, and it should be, and should be used.

I'm not going to go back through those, but the question i would like to ask relative to what i understand, uh, council member harper, madison, is talking about bringing to the council for consideration, um, in looking at affordability issues and housing issues.

There's some question about adding some measure of predictability to someone when they start a project, and then also financing questions with respect to when is it that's paid and does some, a developer have to go out and borrow the money to pay the fee, to get, uh, um, uh, paid back, uh, much later in the project.

So those would be the two things i'd like you to comment on that i think might come up.

One of them is, uh, when someone, uh, the rules that are in place when someone initiates their project and is going out and doing their pro forma and figuring out what it is that the great i have to spend on parkland dedication, or what will be exacted from that for parkland dedication.

Uh, one concept for us to consider is to set that point in time, and then that project works by those rules as it moves through the balance of the project.

And then the second thing i'd like you to comment on also dealing with those kinds of development issues is the concept of, of, of whatever the fee is that has to be paid, charging it later in the development process, so that someone who's developing property doesn't have to go out and borrow the money to pay the fee, but it comes closer to when income is going to

[03:45:01]

Be realized on the, on the property itself.

So not where it's charged right now, but maybe charged later with a building permit grant or something else.

Can you comment on those two things? I don't know who would be appropriate on that? Uh, i can come in on him.

I'm not prepared to give a definite response on either one of them today, but, uh, as far as w i agree that, uh, if a site plan is submitted in april and they pass the fiscal year and new fees, um, are adopted by council, that those should not be applied to that, that site plan that's already in process and already has something i know last, uh, september, uh, we were up all night weekends and trying to process fees to before the fiscal year hit.

Uh, i believe so.

I think that is a fair way to, uh, administer all fees, basically.

Uh, as far as involved in the site plan process from the day they're submitted as the effective date of the fees, uh, i don't, i think there's a little research that i need to do probably only, uh, i believe it's been suggested on the permitting stage collecting fees, uh, fee in lieu of, for parkland dedication rather than at site plan approval.

Uh, is that the second item that you were here? Yeah.

I don't know what the appropriate place would be, but the first question would be, should be a more appropriate place.

And what might it be? Yeah, it was relayed to me as building permit and, uh, right now we are not involved in the building permit.

Our, our review process ends at site plan stage a would do subdivision site plan and make comments on zoning to make council aware.

Um, so it would expand our review process into the, the, the building permit stage or later into the process.

I need to see what that entails as far as, as time, but i, i, i, you know, i don't believe that there's a, it would be a huge disadvantage to doing something like that.

And i don't think it would necessarily require another review.

You could set it still at the same time because the rules are, would potentially be set in place.

There would be a number and a determination.

It just that they wouldn't have to write the check to later on, which could almost be a check-off at that later on process, as opposed to another.

Yeah, thanks to work out would be like, if, if you require a partial land dedication at site plan, so you get land at site plan, and then there's a remainder of fees to be owed.

Uh, usually those are paid before the site plan is approved.

Um, so i think that the suggestion is to move that remainder fees later in the process.

And, and i don't know how that splitting that would work, but we can definitely look into it, try to figure it out.

And then the last thing to take a look at, uh, and i don't know if this is applicable or not.

There have been some to make sure that the parkland dedication fee does not add costs to affordable housing.

So there's a specific exception for smart housing, uh, in the parkland dedication fee.

Is there other affordable housing that is not smart, affordable housing, uh, that the fee gets charged against? Do you know, uh, smart housing is the only housing that's exempt from parkland dedication, a certified smart housing.

And currently we have a last year or two, we've had a big issue with, with developments going all the way through the process, uh, certified smart housing then decertified actually, uh, and, and going back and trying to, uh, administer the parkland dedication on, uh, an exempt project, basically.

Uh, so that's been an issue of light for us the last couple of years, but there are no other, um, housing units that are exempt, uh, that, that actually came from the diocese, uh, southern queensland in 2007.

I apologize.

It was a little bit different and i just don't know the answer is whether or not there is affordable housing that we would also want to exempt as affordable housing that is not smart housing.

Is there a category of other affordable housing that should have also share in, in that exemption? And that's a question probably to ask the development services or the housing people,

[03:50:01]

But i'm just throwing that out to my colleagues is something else.

It would be a policy decision could be add.

Yes.

Hi, it's rosy true love, um, housing and planning.

I did want to add that, uh, while most of our affordable housing, most of our income or have been affordable housing units are smart, certified.

Occasionally there are units that come from say a density bonus, uh, that are not smart certified, and those units are not exempted from parkland dedication.

Okay.

So i'd like a mature book to follow up with that issue with you and your staff, just to see whether that's something that we should do something about.

And also what i'm saying this, i do not think we should be exempting, even affordable housing projects from the requirement to dedicate land in those situations where it's necessary to complete a trail or to, to provide a missing physical piece that would otherwise be, be lost, uh, council member entity.

Thank you.

It's true la.

And if you can, you know, if you can also give us information on how long do you have to hold on to that dedicated fun parkland purchase to the dedication funds, uh, is that because of state law, the

way it's written that you have to do it, or can it be used for, for maintenance purpose or for general service to do improvements? Uh, i would like to find out more about, do we have to hold on to the 80% or can we use it because we do have some parks out there that need a lot of service and help.

And i was just wondering if we could, if there's a possibility where we could transfer the, uh, that money into the so-called 20% part of it, increase it more.

Yes, councilman, that there is no requirement hold on to the parkland dedication fee in lieu of funds.

Um, we only appropriate them once a year in october.

So we collect, uh, fees from october to basically around may.

And when we bundle those up and say, these are the fees that we're going to appropriate this year, uh, we send them along with the budget and those are fees are appropriate.

And once they're appropriated, they they're put into two different categories.

One is for park development and one is for land acquisition.

Uh, those funds are then available right away for parkland development and land acquisitions.

So who makes the decision to go ahead and you get for parkland that development, uh, the fee in lieu of land, uh, must be, you know, once it's appropriated from, uh, the date it's appropriated, we must try to buy land for one year.

And then after that one year, uh, those fees may be used towards park development.

So if it based on need or based on need in a, in an active project.

Yes.

Thank you.

You, thank you, cats, our kitchen.

Um, i would have a little bit different question.

Thank you for all this information about the, um, the parkland dedication fee.

Um, um, i have some questions related to the development of parkland.

I guess, development is the right term.

Um, i'm wondering, uh, in this, in this world, we're in right now with the, uh, the climate issues that we have, it's been brought to our attention and it's of course, something wherever, wherever ourselves about the, the difficulty with heat and the difficulty using our parks, uh, without shade.

And so i am wondering whether we have any, as a, you know, as a department, have you all addressed, have you thought about addressing that issue? Do you have a plan for shade structures in parks? Um, is it something that you, you have a systematic view of our parks about this issue, or do you

address them as issues come up? Can you just speak to that for a minute as part of the development of a park, we quite often provide shade structures, either above pools or, uh, courts.

So this is part of what we regularly evaluate for, for all of our parks.

Of course, um, a healthy tree canopy is yeah.

The first, uh, consideration.

Um, but yes, more and more we see, especially with impervious cover and the, the heat that we have here that this is needed.

And, and it is part of the regular development process

[03:55:01]

To evaluate, uh, the, the installation of shade structures.

Is there a list of parks that are, um, uh, is there a list of parks, um, that have been identified as needing shades shade structures, uh, in your cip, i guess it'd be in your cip budget or, um, yes.

I can tell you that this is part of, uh, every park development project, whether we, uh, this is prioritized as part of the, um, outreach process with the community that is a side issue, but i can provide, we can provide a list of, um, parks that were developed within the last two, three years where shade structures, um, are being provided.

And also what is coming up in the pipeline, if that, what i'm interested in.

I know we've had some testimony about at least one area that doesn't have shade structure, and i'm trying to determine where in the list of, of addressing, you know, where in the list of projects would that particular park fall, and, you know, i'm wondering, you know, do we have a list as prioritized? Um, or do we, you know, do we have a list at all? You know, in terms of the next up areas that we're going to address shade structures, there are a number of different criteria and a process that we use in terms of developing parkland and within those projects, um, shade structures are being considered and we can provide that.

Okay.

And do you use the fund? You had mentioned, we were talking earlier, a council member bayla was asking about the use of the funds that some portion of those funds are used for development after a certain period of time for those funds used for that shade structures they could be used.

Yes.

Okay.

All right.

I'd just like to get that information.

It looks like, i don't know.

Yeah.

I just wanted to add to the conversation that this seems similar to me when we had the same conversation, some of you might remember about lighting and lighting in the park system.

And so i think sometimes what happens is, is that we have existing parks that probably could use shade, but right now we're in the middle of developing or putting renovating major spaces, which are getting the shade.

And so it might be worth us putting together our inventory like we did for lighting.

And then on an annual basis, you would know how we prioritize that and provide that information.

So this, this conversation just reminds me of the lighting conversation.

Is that something that i don't know how much work is involved with that? Is that something you could do for us now? So that we'd have it for this budget? We'll do our best.

I don't want to commit i can't a hundred percent commit, but i want to, cause i think that it's a worthy cause we'll do our best to see what we can do, um, by the end of the week.

Okay.

So we had testimony from, uh, you know, about a particular park.

I'm sure it's not the only one.

Uh, but about the, the structures at bartholomew park and had testimony from, uh, someone who's involved with a, you know, with a roller derby and the difficulties of, of using that space.

So i'm trying to determine if there is, if there's a plan that would address that issue at some point in time.

So that's what i'm trying to understand.

Okay.

That's great.

If you could put that together for us mayor pro tem and then that's where we're at ellis.

Thank you.

So i think this is a really important, um, discussion that we're having.

Um, i think everyone on this diocese would agree that, um, we want to advance affordability and we want to advance quality of life and that we want to improve and retain our services for our parks.

I think we all share, share these goals.

Um, so what i want to do, i don't know if it's so much a question as, as, as a comment first, i want to, um, just remind us the processes that we have before us and the decisions that we have before so that, um, we keep, keep them straight in terms of order of operations and what we're, what we're looking at.

So, um, this spring, this council unanimously, uh, supported a resolution to introduce the commercial parkland dedication portion to our parkland dedication ordinance.

That process is, is going, we'll have been through the process.

We have the planning commission, um, seeing it tonight, that is an opportunity for us to, um, make sure that our workers have access to parks, but also to make sure that our commercial, um, developments are paying their fair share towards our parks.

Um, i believe this is a really important step,

[04:00:01]

Um, for making sure that we have the trail connections.

We've put in a lot of mobility connections, council member ellis led us on a proposition b with that mobility bond.

There are pieces that are urban trails, et cetera, that we are not able to get without this, um, commercial parkland dedication ordinance that we've missed or that we need need to be able to get.

Um, this is also, as i mentioned, an opportunity for the commercial to pay their fair share.

We are scheduled to be able to vote on thursday or we'll be able to vote next week, depending on where we're at.

We don't know what the planning commission is going to come tonight.

So with tonight, so i don't want to assume that we'll be ready on thursday or not.

I just want to be clear on that.

And i think we have gotten feedback on a lot of places and i'm not trying to get a ton of people here because i want us to be able to actually work on the, some of the, some of the issues here.

Um, so that is one vote that isn't a vote to add a commercial parkland portion to our parkland dedication ordinance.

Nothing happens in terms of fees for that until we set it in the budget, which is why this timing is twinned separately.

From that, we have a question of how we want to address, um, where the fees are at for the residential parkland, um, ordinance, which as has been pointed out are doubling again this year, um, that is not a function of the formula.

That is a function of the land prices in our city.

That's a function of the cost of it is to us of purchasing land for our parks as well.

What we have to decide as a council is whether we are comfortable with doubling it two years in a row.

And if we think that that is the appropriate, um, approach that we want to take, given our balancing that we're trying to do with affordability, i believe that, um, we can, um, provide residential relief.

I believe we can provide residential relief without cutting funding to parks.

Um, i think that we should be making sure that we can access the trails that we need and the pocket parks from the commercial and make sure that the commercial are paying their fair share.

I believe that if we adopt the commercial fee, it creates the space to provide the residential relief.

And i am open to solutions that achieve the goal of reducing the residential burden and not cutting funding.

Um, and i think we need to explore those and think about those.

I don't think we're actually enormously far apart, but we have to think about if we add little tweaks here and there, those reduced funds, and we're going to have to make some choices about streamlining processes and changing processes, you know, versus reducing the fees.

Um, but again, you know, we are dealing with a unforeseen, you know, huge spike in our land costs that we're all facing, but the city also faces that for purchasing.

So, um, i think we can, i think that we can get somewhere with this.

Um, if we put our heads together and we, and we do that, i'm looking forward to the recommendations from the planning commission.

In addition, i just want to say as someone who is a parks advocate and cares about parks deeply, and i'm sure everyone on this diocese does as well.

Um, we do have work to do, to sustainably fund our parks.

Um, but you know, the, the steps that we take with respect to parkland, dedication really helped to determine our ability to do that.

These funds are absolutely necessary for that.

We think about the buckets of funds we've already had, you know, that discussion we have to have land, we have to acquire it often the process for acquiring land and getting to a park that people can use takes years.

It has always done that if people hadn't invested, um, you know, money in purchasing, um, different parks along the way, we wouldn't have the opportunity to develop them.

People wouldn't have access.

We have to make investments for now for access, but also for the future, if this land gets developed, it will not be there for parkland.

Similarly, we have to invest in park improvements and the park improvements can be done in part by the parkland dedication.

If the timing is such, they also can be done, um, by bonds, by, um, by the community.

And then we have the o and m.

And one of the things that we've been asking the budget office to work on with part is making sure that that o and m is matching up with the capital that have been approved in the bonds and other things for what's copying online and that's not been happening at the level i would like to see.

So there is a lot of work that we can do as a community and as a council to improve the funding that goes into our parks.

We all know that our community loves our parks.

I was at barton springs, um, yesterday, uh, for a ceremony that a council member kitchen was leading, recognizing the 30th anniversary of the soe s ordinance.

[04:05:01]

Our parks are part of who we are in austin.

Um, and we have an opportunity to do a win-win here.

We do need to take care of affordability, but we also need to take care of our parks.

I think we can do that.

I invite the real estate community to partner with us, um, and help us to shape austin to be the place that people want to come.

We all know that the parks are key to that.

Um, and, and we ignore them and we disinvest in them at our peril.

Um, so i hope as a diocese, we can work together, um, and think through these issues.

Um, again, i don't think we're we're as far apart as it might seem.

I don't think anyone on this diet is saying that we should go up to what is currently in the proposed budget.

Um, we have a proposal to freeze it there's somewhere in between there where we can land, um, that gets us, um, a real win-win for everyone.

And that i think achieves the goals, um, that we all care about.

Mary.

I want to say, you know, and that's, that'd be great if that was true, but, you know, i went begging for a canopy for almost four years.

I had to convince my colleagues to put \$80,000 just so i can get a canopy at mint, kitty pool there at the splash pool.

And, and i mean, it's great if that was true, that we could do all of those things, but it seemed like these thoughts that would keep getting neglected would that i have to go back and beg for money to get a canopy.

I've been begging for eight years now to get a canopy over there at the mexican american cultural center.

And we can get that done.

I mean, how long do we have to keep on begging the city while we're getting all this dedicated funds? And it's going to great things, but it sure is not according to the east side, as much as we can get it, it should be getting, and that's big in my big complaint about the whole process.

And if i agree with you, we need to think god, mr. Zilker with gave that park out to austin years ago, and we have such a beautiful pool.

You know what they did that he dedicated that park.

We didn't buy it from him.

So those are really great things.

I appreciate.

I love my parks.

I love my trails, but why is it so hard for us to keep begging for money to be invested in the east side? When you know, we know we give them this money, i have more office buildings here being built down on sixth street right now, up and down, that money should be dedicated to that area.

We can't spend it on parkland buying, purchasing parkland.

We should use it for improvements.

And that's all i asked for.

I asked it for that money, just get started investing over toward the east side of town, where it had been neglected over the years in years.

And we could work that out.

I i'll be more than happy to increase the feed.

All you want, council member alice, i'm going to jump in here.

Thank you.

Um, i am also very curious about, you had said the number earlier that 80% is for land acquisition and 20% was for, uh, i guess, developing the space or activating this space.

Is that a hard set rule? Like, is that a departmental policy, a council policy or a state law that kinda tells you, you have to look at acquiring the land before you can spend the money on other improvements.

Um, there were, the question was asked about a percentage of the total collected, how much was for park development, how much was for land acquisition? The parkland dedication fees are made up of two different fees.

They're separate, calculated separately.

Uh, one's based on land value and that's the land fee and the other one's space.

How would it cost us to develop a neighborhood park, typical neighborhood park? Uh, so there are two, actually two different fees.

Okay.

Um, one is about 20% of the other.

That makes sense.

And then my next question would be somewhere along the way i saw a prioritization list of starts with acquisition.

And then there's maybe a couple of other things that you can spend the money on.

I'm i am very curious about this conversation around, you know, we need to buy the land so that we have something to activate, but it does seem like the activation never gets prioritized enough to actually be realized.

It's sometimes feels like a slow process, uh, on my end as well.

So, um, yes, the, uh, uh, you have to acquire the land to have something to develop in the future, uh, land bank land, and eventually

[04:10:01]

It will become a developed out park.

Um, there, there is a community input, like i've mentioned earlier, as far as development goes, there's a community input process that we have to go through, uh, to develop all our parks, uh, that process can take about a year.

And then, then we have a site plan approval process, which can also take about a year.

So, uh, then hiring consultants to develop that site plan and go through the development.

So it's a multi-year process from after the, after you acquire the land before it becomes a fully developed out part.

Okay.

And i know there is an online tool that shows you on a map where the fees were collected and which acquisition or, um, or project they might be invested in.

Can you remind me, is that on the pard website or is that somewhere else? Yes, it is.

It's on the parks and recreation.

You go to, you can just google city of austin, parkland dedication.

It'll take you to our website and there's a pld story mapping.

It has a link and it shows you where all the fees, parkland, dedication fees have been collected over time.

And, uh, it will tell you if they're available, spent, uh, or the project is in process.

Thank you.

And i would be remiss not to take a moment to also appreciate our private partners that help us, you know, we all know after acl fest, the austin parks foundation is able to, you know, contribute quite a bit of money into improving parks spaces in austin.

But we also love our conservancies that get active on the local level and really try to find ways to come up with money and come up with ways to activate those projects.

So i know people do love our parks.

Uh, we want them to have all the funding that they need, but, um, i also do need to calculate the balance of making sure we actually realize the park improvements rather than having a fee that ends up making a project, not work.

And then we don't get the housing or the commercial space or the park space.

And so i think that's something we all just need to be mindful of over the next week that we have that right balance and trying to make our park spaces.

Great.

Great.

I just want to add to that, that in many those development projects, in order to become viable and happen, they need to be there month.

The funding has to be combined with bond funding.

So depending on how large that bond funding is and where we have the parkland dedication funding, it it's sometimes it takes a little bit more, um, coordination in order to be able to get to, to the right project and be able to have that, that development.

And the only other portion that i would, um, highlight here is that portland dedication funding has to go towards new recreation.

So it cannot be used for maintenance projects.

That's correct.

Is there a list anywhere of the difference? You know, where's the line between the maintenance and the new construction, because there may, there may be some instances where i wouldn't know which category that falls in, so i'm just not sure if that information exists already.

Yeah.

We kind of use, uh, the test of expanding recreational value.

So, um, for, for example, uh, uh, i'll use, uh, tennis courts.

As an example, we had a big long list of tennis courts at the surfaces were failing them and we could not use, uh, parkland dedication funding to go in there and just resurface and, and fix those courts back to tennis courts.

Uh, but if we expanded the recreational value by adding pickleball a very up-and-coming popular activity sport, uh, we could utilize those funds.

So we added pickleball lines and, uh, and we're able to use parkland dedication funds, uh, to, uh, repair those, those, that infrastructure that was failing.

Uh, but we added recreational value by adding pickleball tennis, sometimes foursquare, uh, maybe a basketball goal or something like that.

I think in, in council district three, we have a roller derby, pickle ball and a basketball all on one court.

No, it was redone.

I appreciate the creativity, uh, with regard to the use of those funds.

Uh, i just want to reiterate, uh, cosmic kitchens comments about the shade structures.

Uh, there was one thing that we could do to improve the usefulness and the quality of our parts.

I think that would be it, uh, i mean, that was

[04:15:01]

Probably true 10 years ago, but it has become just glaringly obvious after this, you know, horrible summer.

Uh, so i would completely support the prioritization honestly, and, and down the road, uh, i mean, we'll see what we can do, you know, this cycle, but down the road, i think we absolutely need to provide funds for that type of, uh, improvement to, you know, all our parks.

Um, uh, i would just want to be clear that would be an eligible project, including shade structures with parkland dedication funds that would expand the recreational value the time you could stay out there in that area.

Plus that would be, that would qualify on, uh, you, the, the, with the funds that were, we're talking about the park land dedication, correct.

Uh, so, uh, switching gears right quick, i have a couple of lifeguard, uh, questions, uh, and, uh, let me, i'll actually hold off on those questions for the next set of folks.

Okay, thanks.

Um, a couple of quick questions.

We've had a lot of discussion about shade structures, and if i understood what you just said, randy, that is an eligible expense within parkland dedication.

And so that seems to me like maybe a good example of a budget direction that somebody might want to bring to have to ask our staff, um, in conjunction with, with our approval of the, the parkland dedication fee structure, um, to ask staff, to take a look at, at some of the highest priorities shade structures, um, at parks throughout the city.

And i think, i don't know if somebody wants to commit to doing that.

Otherwise i'll try to pull something together.

That sounds great.

Council member vela.

I would definitely support that.

Um, the other thing i just wanted to before it passes, you know, since we're having this conversation, i think, you know, i would, i would say everyone on this council, and frankly i know from my discussions with our park staff really shares, shares a commitment to making sure that we have parkland throughout our city and that we, that we really invest, um, especially in areas that have been under invested in, in the past.

And i thought i remembered hearing a statistic for how, how our parkland dedication acquisitions, um, had been, had been spent, especially with regard to east austin.

And so, randy, i just wanted to invite you to talk about that if you have any information or if you could get back to us with that, because i think that's, i think that's a really important, um, an important commitment that i know you all have prioritized and have emphasized in our conversations around parkland acquisition and parkland dedication fee.

Yes, i can expand on that.

We also have a map on our, uh, our website under the pld story map that shows, uh, acquisition here history since 1998, um, which is just a little bit after i got here to the parks and recreation department and, uh, the bomb packages that i have administered for the parks and recreation department through those years.

And, uh, since 1998, somewhere about 90% of all acquisitions have been purchased in the eastern crescent with those bond funds.

Thank you for that information, but i wrote down, thank you.

Um, you know, i think one of, one of the things that's unique about the parkland dedication funds is that they do require the spending to be within a certain radius, so where the growth is happening, um, those investments get made.

It does take some time because it also costs so much more than the amount of money we're taking in to purchase.

So it does take some time to accrue enough money to actually purchase because we're not doing the right the level that would match, um, the costs.

So that, that does happen.

But, but i wanted to ask, where would we find kind of the money that's being spent on improvements? Um, you know, once it's determined that a land acquisition is not going to happen within the timeframe, or there's not a land acquisition larger that you're, you're kind of planning within a timeframe, where would we see, um, those that, that information i've seen the maps with the, where the, where the land is, but where would we see kind of where those improvements have, have been over time? I needed my glasses for that.

Um, it would be, uh, on our same, same website.

We have a map for, it shows all park improvements as well.

Uh, there is a, a map that shows every point of where pld fees were collected.

If you click on the little dot of where those pld fees are, uh, it will tell you where that has been assigned, what kind of project it has been gone to.

Do you think you can send us out, you know, some of those

[04:20:01]

Links and help us get right to that place, because we got a lot on our plate right now.

And if people do understandably wanna, you know, look at where this is impacting and how, how you know, it's playing out.

Um, i think that'd be really important cause i think the questions that council member on to reraise are important.

I think we don't always know, you know, how all of these things are spent because it's a new thing, but it, it may be a small thing and we just, there's only so much money that's going in.

And, and until recently the levels were pretty low of what was coming in.

And so what you can buy, you have to, you really have to accrue it.

And those shade structures, they cost a lot of money.

It was the one we did at ramsey was \$50,000, you know, six years ago.

So i can only imagine what they are now.

So it does take, take a lot to get there.

So if you could provide us with those links, i think that would help us to navigate and for folks, um, to know that, and, and then i would just underscore that if you are looking to help a park group or work

on a park project in your district, um, it's perfectly fine to reach out to part and, and ask them, you know, help me understand what this pot of money is.

What do you have at dedicated for an, and be able, um, to do that? I've, i've done a part project here in, in austin that benefited from some parkland, dedication improvements and, and in, and in madison before that.

And it really does help to leverage other funds.

I think a bunch of our austin parks foundation projects, we've been able to combine that we've been able to combine things with our, with our bonds, for those, i would be happy to share that link and not just want to, i think looking at that map also helps kind of picture that this is not one pot of money.

Uh, this is, uh, individual projects that had to pay a fee in lieu of land dedication, or a fee in lieu of park development.

And it's located in a specific spot of the city and we need to expend those fees to benefit those residents that generated that fee.

So we need to expend it in that general area of the city.

So i think over the, the afternoon here has been talked about a pot of money, a pot of money, but it's, it's individual little fees scattered throughout the city in all different areas.

So i think looking at that map might help give you a better idea of, of where the fees are and where they're being generated.

And if there's a, a fee that's collected in a spot where you know that there's a shade structure needed, uh, uh, my numbers, you know, i'm, i'm always available.

So please reach out.

Should we have a staff go to the next, uh, presentation on parks, councilmember ls, just one quick thing to flag as, um, we were talking about the two different types of, of fees that are applied here.

I just wanted to bring to folks' attention that we should just think about right now, the way the fees are proposed to increase the fee in lieu of land.

And the ratio of park development fee is actually more steep than 80 20.

It's now looking more like 90 10.

So i realized the both pots of money are getting bigger, but over the next week, we should probably just think about that's what the formula is spelling out to be right now.

So even though a number of us said, we wanted more than 20%, we've got to figure out how to balance this out.

All right, let's go on then to the next presentation.

Thank you both.

I'm sure.

There'll probably be more questions on thursday.

Thank you.

Thank you.

So council members and mayor, uh, kimberly mcnealy serving as the acting.

No, i guess i did that before.

I'm not acting, um, maybe i have imposter syndrome anyway, i'm here.

I'm going to be discussing aquatics, uh, the austin civilian conservation corps rangers.

And just touching a little bit on homelessness.

Next slide please.

So the purpose of these slides are to try to address some of the questions that came through in preparation for today's presentation.

So one of the questions was about, do you plan to have some extended pool hours for the summer? Interestingly enough, as i was sitting behind you, uh, in, from the national recreation and parks association came in and tire article that talked about how the country is struggling to keep their swimming pools open even for the season.

And so this is not a unique issue for, for the city of austin.

We are extending pool hours for the pools that are listed there on august 15th to september 5th.

And i was just told today that based upon the responses that we are receiving from our lifeguards, we will likely be able to also keep garrison and northwest pool open through to september 5th.

I'm going to say that with a caveat, that it depends upon

[04:25:01]

Our lifeguards being able to actually come to work, but that's our plan, um, as of today.

So you can add those two swimming pools after september six, it looks like are available lifeguard availability, that lifeguard availability when the, our staff stud that they can work will only allow us to open up the five seasonal pools.

Next slide, please.

So i just wanted to help you understand that a little bit more.

I'm not going to read this slide to you, but this particular slide outlines the survey that we did among our workforce and what our workforce told us that their availability would be.

So even though we may have 150 lifeguards by way of example, for our public pools, only 25 of those lifeguards that i can work.

Anytime you want me to work.

And the rest of those individuals have said, i can only, i have limited availability, or i can only work certain times during the week or perhaps on the weekends.

And the same is true for barton springs.

Next slide.

Uh, one of the questions that you asked us about was about bonuses and whether or not, um, the 2023, whether or not we believe 20, 23 bonuses would make sense.

And so i wanted to provide you a bit of information about the 20, 23 proposed budget, which includes an increased hourly rate.

But at this particular time, we don't have bonuses incorporated into, um, our, uh, our incentives for next year.

We may have other incentives that we've tried in the past where individuals can earn certain things, um, as they go through, but we don't have that funding incorporated in our budget this year, we used a vacancy savings and we don't anticipate having vacancy savings of that amount next year.

And so if we were interested in trying to implement bonuses, there's obviously the dollar amounts here for one set of \$500 bonuses.

It would be about 375,000.

If we had the second set of bonuses at the end of the swim year, then we're looking at about, we're looking at another \$375,000, and the difference would be next year, as we would implement the bonuses a little bit differently to be able to encourage individuals to come on board a little bit sooner, um, what we are doing right now to make sure that we're prepared for the 2023 season, is that we are continuing to hire, train and retain our lifeguards as we speak right now.

Uh, we are also looking for opportunities to improve our, our hiring process.

So we're working directly with our friends in hrd to make sure that the process is less cumbersome as we have received that feedback.

Uh, and we intend to begin recruiting and hiring like we have done in years past pre covid, where we will actually begin our classes in november for lifeguarding, certainly at the end of this presentation, we'll answer any other aquatics questions that you might have.

Next slide, please.

So we had some questions specifically about the civilian austin civilian conservation corps.

So i've listed here, uh, what the budget is.

So you can understand from a parks and recreation perspective, the money that has been dedicated to this pilot program, 3.2 million in general fund stabilization, uh, funds, and then 1.8 million in arpa funding.

And that is going to a number of programs that are listed actually in the last bullet, which we have categorized in internal city services and pathways to employment, af external pathways to partnerships and to employment, and then capacity building within the program.

I have a lot of details that we're able to provide for you, which we can send to you and back up, but it'll give you actual details of every single program that is incorporated in the triple c.

Um, compliment, please know that there are no, this is a pilot program.

And so there is no dedicated staff to this.

No full-time dedicated staff that are on a permanent basis.

Instead what the parks and recreation department it is.

We have taken two full-time staff members and we have reassigned or read re uh, classified them to, to work specifically in the triple c program.

We took, uh, an individual who was formerly or who is a ranger, but has been reclassified or re designated to this program.

And somebody who is part of our land management program, uh, lavonne, who is here to help answer specific questions who is serving as the program manager or the program director.

And we've, um, we're having them temporarily serve in this role, as we determine the sustainability of this particular program.

Okay.

Uh, this is the only green job program in our workforce green job program, uh, to our knowledge, next slide, please.

There was some basic conversations or questions about rangers and how we dedicate our funding for rangers.

And so it's important to let you know that rangers, um,

[04:30:01]

They are the ambassadors to our community.

Uh, they provide services that promote safety and security within our park system.

They also provide some, uh, parkland preservation and land management, uh, uh, tasks.

And they also are part of our environmental stewardship program and our outreach programming for environmental education.

And so i've outlined on this particular slide, uh, in, in more plain language, exactly what it is that our, our teams do, the amount of staffing, and then the amount of funds that are dedicated to that.

So you'll see we have an administrative arm there, the policy, the procedure, um, the, the standard operating procedures that are the, um, gis folks that are helping us to track things.

Um, they're the individuals that are doing the management of, of the other three programs. And then of course we have the conservation or the public space management, and those are individuals that are helping us with, um, land management tasks, um, things that are dedicated on our land management plans, which, um, we are not as effective outlet right now because they're also supporting, uh, what we're calling public space management, which is helping to determine, uh, an assess encampments that are on parkland and then provide the notifications that we're going to be able to, or we're going to have to clean those spaces up.

We have our trail side or our park rule of voluntary compliance or enforcement units.

Those are the individuals that are visiting our 17,000 acres of land 300 plus parks.

And being able to ask people to follow the rules as are written either by code or, uh, in our park rules, uh, it is voluntary compliance.

So we are not ticket writers with the exception of parking.

And we do write some parking tickets.

Um, our rangers have that authority.

And then the last arm of this particular program is the outreach and education.

So these are our park rangers that are going to in various locations throughout our park system and some of our facilities and helping children learn things that are all about nature.

So they might help with, um, archery.

They may help with fishing.

They may help, uh, with flora and fauna education in a fun way that might not sound fun, but i guarantee you that any child who gets to spend a day with the park ranger comes back very excited.

And so that's our education and outreach as it relates to park rangers.

Okay.

Last slide, there were some questions on homelessness, and i might see you tomorrow too, uh, uh, related to this same subject, but in 2022, we have a budget of \$374,000, which, uh, provided one person and some contractual dollars to be able to help us do cleanups.

So one person, uh, who we have as a, what we call our homeless outreach individual, uh, he has some contractual dollars that come from austin, public health that help us with some cleanups and then other, other monies that are dedicated specifically to, um, helping individuals experiencing homelessness, resolve their re self resolve.

Uh, we used this approximately \$700,000 from our vacancy savings, um, in additional cleanup crews and additional cleanup this year.

And that came from vacancies vacancy savings, which we will likely not have next year.

And then of course we have about another \$275,000 from our vacancy savings that we invested in security or over time, um, to deal with issues that were very specifically related to encampments within our park system.

Next year, we'll have that same approximate with the, uh, uh, living wage and some other, um, base cost drivers we'll have 200, \$380,000 in our budget, uh, to support that same homeless coordinator and support some of our contractual obligations.

And then w uh, austin resource recovery has committed approximately 1.2 million in their clean community fee to help us clean up encampments throughout the park system.

And then also aph has committed \$200,000 in arpa funding to help us with increased staffing, to be able to go out and address, uh, in camp min assessments and or provide, um, communications with individuals who are living within the park system to help connect them to resources.

And that concludes the presentation.

And we are happy to answer questions.

I have three staff members with me today to help answer more detailed questions on aquatics.

Uh, jodi j who is our assistant director, um, but formerly was a division manager for aquatics lucas massey, who is here to help with, uh, ranger questions and or individuals experiencing homeless.

And then also have a miss lavonne tucker, who is the program manager for the, a triple c program colleagues

[04:35:04]

Ellis.

Thank you so much for the presentation.

I know that we've asked a question about, uh, continuing the bonuses for the lifeguards.

And i was just reminded that last time, i think we did them for camp counselors as well.

Um, so i understand that those come from vacancy savings.

Do you know what time of year you can best assess whether you'll have those vacancies to be able to do the bonuses next year? So the executive team meets on a quarterly basis to, uh, to determine what it is that we have spent and what it is that we're expecting to spend, what sort of unfunded things are coming up.

So the, the, after the budget is passed in october the best next time that we would have an idea of how much vacancy savings would probably be mid january.

Okay.

And then i had asked about park ranger vacancies.

My understanding is there's currently six vacancies.

Does that sound, i believe the last time i checked, there were two vacancies, two vacancies.

Okay, great.

I know in years past, i've, i've done budget amendments to increase the capacity of the park ranger program.

And i had looked at doing that again this year, and i wasn't sure if it was a high priority for the department or if there was a need there, but just wanted, if, if you want me to try to get you some more park rangers, i will try to help you.

Um, and then i know that i've met with some folks that have talked about, um, your need for building security, kind of to have like a main point person to make sure they've got all the keys for everything and the, um, person.

Is that still one of the highest priorities that you think the department might need this year? Yeah.

When the parks and recreation department set their priorities this year, we took a look at, um, things that would provide multiple outcomes and things that were, uh, related to safety and security.

So one of the things that we hear often through 3, 1, 1 concerns, calves, uh, and our own staff being able to report to us is that safety of the facilities or the parks throughout the park system is something that's important to them.

And while we have an individual who is able to, uh, help with employee safety, very specifically, osha regulations, making sure training, making sure folks have their safety gear, goggles, boots, those sorts of things.

We don't have something for general safety and security of our facilities or our parks.

So we, um, are really more reactive when it comes to something like that.

Something happens.

And then we go out and we try to assess the situation and determine, oh, it would have been great if we had cut back these bushes or if we had more light or those sorts of things.

And so the answer to the question is yes, but i wanted to give you some context behind that.

That's great.

And then i know we're also looking into doing some more nature play programming.

That's something that i've seen be successful in pease park and at the wildflower center.

And so i really want to see if there's a way we can do more nature play.

I think the cost of doing those is usually less than, you know, a formalized playscape.

And i just think kids generally learn really well in nature.

They, you know, sometimes have just as much fun playing on natural elements than they would on something that's more structured.

So we're, we're looking into those needs for you.

And if there's any other requests that come up, you've probably got a lot of open ears up here.

Okay.

Thank you.

Thank you, mary.

Not hired really kind alarm, uh, that you have to spend so much resources on having to clean up, uh, from a bike park because of the homeless situation.

You know what i mean? Um, it's, there's a lot of, uh, i've been getting a lot of calls from my constituents about, you know, the problems are being created and i see that you paid some youth about \$649,000 to your, of your vacancy money to handle these types of situations.

Um, is that w where did you get the vacancy money from? Where, where would that, where did it come from? Yeah, so when we, uh, when we were in covid, we had a situation where we had a hiring freeze and, uh, when we were given the opportunity to, when it made sense budgetarily, it was fiscally responsible for us to begin hiring again.

Uh, it took us some time to be able to, um, to rehire all of those space, those individuals back into there into jobs, because we had systematically people had vacated their, their jobs.

And of course we are, we, we have already heard from our hr department that we had the, what they're calling the great resignation.

So most of those came from personnel.

Yeah.

And, and i'm sure that you're not going to be facing that kind of situation here in the future, as much as i hope not, you know, but you're not going to have that kind of vacancy money available.

So is that gonna be a, like an ongoing expense because of, uh,

[04:40:01]

The, the situations that we are we're facing right now with the homeless population and some of the big, bigger, larger parks that you're having a very difficult time, you know, providing security to some of the residents they use, or some of the parks, and, uh, we're here where i'm personally receiving a lot of reports that, you know, they're dangerous to go to our parks, and i'm trying to figure out how and what we're going to need to address these kind of issues, because it was very alarming for me when i can't have, you know, family members or friends that are afraid to go to our parks.

You especially liked these large ghetto park carry assembly where they can't even use the disk ops course, because they're afraid to go in there and be confronted by, uh, a violent person that's camping out there.

So i'm just wondering if, uh, carrie, i really looked into seeing what you're going to need in the future to address these type of problems. So that's the beauty of our austin resource recovery

colleagues who worked very collaboratively, collaboratively with myself and with the whole homeless strategy office, to be able to find that \$1.2 million.

I also have to think, um, my acm, uh, hayden howard, who also, uh, assisted in locating and identifying that as a funding source.

So the 1.2 million is absolutely going to help us with the cleanups, with regards to security.

We always evaluate that on a case by case basis.

So, um, it's hard to determine exactly how much security may or may or may not be needed, but to, uh, the question that council member alice asked, that's why we do a quarterly review of our funding and determine how can we use any sort of savings we might have to address those sorts of issues that we know are probably going to be there, but will not be a constant.

We don't know if we'll spend a hundred thousand or if we'll have to spend 300,000.

So that's how we plan to address it as i'm just wondering if you're going to need some extra money for that kind of service, that i'd be silly if i said, i didn't need extra, well, we're gonna really look at this.

So, you know, cause it's a very alarming day to have a department, you know, use this type of an expense where they could be using that for programming for children.

Yes, sir.

I do also want to give a shout out to our friends in apd who have very much helped us, uh, with, uh, resolving issues at roy g. Guerrero and certainly council member.

I can give you an update as to, um, how we've been able to with our homeless strategy office and with apd, um, systematically address those issues.

I'll take this off, cause i guess it's hard to hear me in this mike, um, good afternoon.

Good to get to see you.

Um, i have some questions.

I think they may be from ms. Tucker, but you can try to answer them with you on, um, good afternoon, milan.

Um, so as you guys know, um, hlc is a, is a project that we started in, in 2020 and that, um, we funded with arpa many that really invest in, uh, pathways for green jobs, provides a living wage.

It provides training and it puts people to work, doing things that matter in our community.

Many of the things that we've prioritized like wildfire mitigation, building our parks and trails, um, and many other programs that we're working on.

Um, the hlc provides staffing.

It also provides, um, mechanisms for our departments who are looking for people to fill jobs, trying to do so equitably, um, helping, uh, source some of the people who could go into those jobs.

Um, there's been no some shift in how they're thinking as the austin climate equity plan was passed.

It is the key and only frankly, um, model that i, that i've been able to come up with of where we are advancing the strategy of green jobs, um, within our budget period.

Um, and so i wanted to invite, um, ms. Tucker, if you could speak a little bit on sort of the green pathways and the opportunities, um, and why it is important to have the two ftes and as, as ms. Mcneely noted making these, um, two ftes here does free up, um, a position in the park rangers and a position in the land management, which are areas that we we care about as well.

So, um, if you can speak to those broader broader questions, uh, thank you, mayor pro tem alter.

I definitely appreciate the opportunity to talk about the work that the accessibility conservation corps is doing.

Uh, we have three main facets of our program.

It's our internal pathways, which are partnerships with many departments to look at workforce needs related to green jobs.

[04:45:01]

That includes our forestry and land management, our green storm water infrastructure, which is a partnership with our watershed protection department as a, in addition to environmental education and our museum and culture programs. So we have consolidated some of our workforce development opportunities that have previously not, uh, coordinated well together to expand and to examine green jobs.

Uh, we also are investigating food systems and gardens, which is a major part of the climate equity plan to see how we can best invest in the landscape around community gardens as well.

Uh, our external partnerships, uh, include, uh, american youth works, which i think many of you have heard, um, them come before you and talk about the important work that they're doing on public land.

Uh, we have crews that we're running through american youth works that are a triple c crews, uh, which are the eastern crescent crew, which focuses on areas in the onion creek area, uh, but also, uh, recruits from that area, our parks and preserve crew, which, um, is focused on a really natural areas and preserves, uh, within parkland and focusing on making sure those landscapes can exist the generation and generation, which includes fire resilient landscapes.

And we also just recently wrapped up a wildfire mitigation crew, which, um, all of these crews we're hoping will feed into the city's workforce and our partner workforce as well.

Our last facet is the research and capacity building arm.

And this is really, i think something that austin stands out for.

Uh, we are a national leader and partnership with our, uh, local, uh, conservation corps, but also the city's responsibility and weight behind green jobs.

So we have our green job accelerator, which is open right now, which is really seeking partnerships with nonprofits and social profits to really innovate around, uh, green job creation so that we can identify future areas of investment, uh, for green jobs.

And then we also have completed some research with the ut school of architecture's community and regional planning, which we hosted here, um, to really look at the forecast of green jobs moving forward, and to highlight through a photo, voice research methodology, um, who we impact the most when it comes to green job.

So those two full-time positions really allow us to continue to build this capacity and continue to build in line with the climate equity plan.

Uh, my role previously was under the land management plan, um, that is focusing on land management planning for our natural areas, including fire resilient landscapes.

And, uh, my colleague kirson johanson helped to coordinate the park ranger cadet program, uh, which is a partnership with akins high school.

So we're hoping to be able to continue which both of those are critical to expanding workforce development.

And so having two new positions help us to continue to partner with departments and with external workforce providers, but also to build the capacity for park rangers, um, as well as continue our land management planning efforts.

Thank you.

Um, can you speak a little bit to there, there was the ut study on green pathways.

I don't know if it actually officially came out.

Can you speak a little bit to the findings and how a triple c is a key way for the city to, to achieve our green job training goals? Yeah, so that's going to be released actually tomorrow on our website so that you can have a chance to all look at it, but it really positions austin conservation corps as a unique opportunity and a unique program, uh, to really tie together, um, workforce and equity.

So we know as green jobs continue to grow that, um, equity, isn't always at the forefront of how green jobs are assigned.

Um, so we're really, um, we partnered with, uh, the ut school of architecture to really forecast where our green jobs going to be, uh, in the next coming decade, uh, as well as, um, recommendations to our program to make our jobs more accessible and to really align with the current workforce, uh, landscape as it stands.

Thank you.

And, um, this program won an award from a national organization.

Can you share what that award was? Yeah, so we'll be honored, um, on august 16th by the national or the coordinate work with partnership with american youth works for, and the project of the year, which highlights our a triple c cruise with american youth works.

Uh, we were also one of the few, um, pro conservation corps that were called to testify, uh, in front of the house, natural resources committee around the discussion around a climate corp.

So, uh, people are looking at this program as a national model of how to better partner with organizations and the city for green jobs.

And i think one of the things, you know, we've seen, um, the county is looking at, um, rolling out a model.

Um, congressman doggett is interested in this program.

Um, we have not yet tapped the full potential of this program, you know, for additional grants and for other things, but even internally, um, you know, we want to talk about this as a green job program, but it's also a recruitment, um, opportunity at a time when we're having

[04:50:01]

Difficulty recruiting folks.

Um, and at a time when we have certain populations that we know we need to provide skills for and pathways for, um, and the city is a great employer, um, and this can solve some of that problem.

They, they help take care of the recruiting.

So the individual departments don't have to do it.

They provide, um, some of the work on a seasonal basis, a temporary basis while providing, you know, pretty much a full-time job for pokes with benefits, which allows seasonal jobs, which is often what happens with conservation.

Um, but you know, we have contractors with our vegetation management program that can't hire people to do the wildfire mitigation that they need to do for the utility, you know, and this creates, you know, a pipeline of folks that then even contractors can use for some of this work.

And it's sometimes not work that people, um, are always familiar with.

And so it opens up, um, those pathways and, and they're, they're able, you know, often to do work in their own communities.

Um, so in my mind, you know, we can think about this as two full-time for a triple c, or we can think about this as an additional, uh, park ranger and additional person to land management, all of these fit into priorities that we've expressed.

Um, you know, this was obviously passed, um, unanimously in our original resolution.

It was also passed, um, in our climate equity, um, resolution.

So i will be putting forward, um, an amendment, um, for the two fte.

Um, and i welcome folks who want to join me in that again.

Um, i don't really care how you look at it, if you want to make them two full-time for a triple c or adam, and we're also would be adding them for the other two.

I think it's, it's super, super important.

And, um, something, i think we have a real opportunity to advance and once again, be a leader in, um, while we have part here and i just want to flag for our, for my colleagues that i will have another, um, amendment that will be focused on signage.

Um, i think i have a way to provide, um, the person for the signage and the other funding and working out some of the details on that.

Um, but i think that, um, i think that there's a way for us to do that, to use the temporary person, and then add about 50,000 in general fund and then pull from the hot and the tough and pld to get the startup costs.

Um, so i think that we would be able to provide the signage.

And then obviously from our earlier discussion, i would like to see us, uh, adopt the commercial parkland dedication ordinance, um, and, and provide some relief to our residential.

Thank you.

Thank you.

Uh, comes to our kitchen.

Um, thank you, mayor pro tem.

Um, i have a question for you on the signage.

Could you, um, provide a little more information about, um, what you're thinking in terms of which, which kind of signage and stuff, um, does the little details i may have been, oh, i will provide a little bit, and then i'd just invite ms. Mcneely or any of our staff who want to add anything.

Okay.

So for, i don't know, for pre covid, anyway, they part initiated a process to improve their wayfinding and signage in their parks.

So that can be the sign at the front.

It can be the sign, that's the trail of how to find stuff, um, realize i didn't have a, a, a concrete plan.

Didn't have, um, a set of standard operating procedures.

They've been building towards that.

Um, they are now at a point where they need to augment the staff to make, i think they have the manuals ready, but now they need to augment the, the, um, the staff.

So that there's somebody whose is it.

We have, i don't know how many parks and i can't, i've lost track, but how many parks and spaces like 303 engine something.

And most, a lot of them have signage.

That's not up to date and, and, and helping people, um, you know, really see it clearly.

Um, so there's a portion of it.

That's an fte that's needed.

And then there's a portion of it that sort of startup costs for doing the additional signage.

And i believe the startup costs can come from a combination of small contributions from tough pld and from hot, if we can figure out how to do the hot part, but i'm just going to put it in a bucket and say, find it from here to the city manager, but for the ft, i think we can, there's already a temporary person who's working part-time that if we can take that money and combine it with some additional general fund money, we can make that into a full-time position, which i think would, would be a good step forward.

Um, if folks want to add a full ft and not do the combo with, with the half, i'm open to that too, but i was trying to do my best to find money, to do some of our priorities.

So, so can, would you consider, or maybe, maybe this is a question for staff, i'm not sure, but, um, i have been thinking there is a need for signage related, related to campaign in the parks.

And, um,

[04:55:01]

Of course that's not, that's not going to resolve all of the issues that we have with the encampments.

And the bottom line of course, is we need more housing for unsheltered folks, but, um, but i do think it could be helpful.

And unless you all think otherwise to have signage, particularly in the areas that, um, i think a few of those areas may have been, um, considered for heel and other was considered particularly dangerous to, um, camp in.

And so i would like to suggest that as part of the signage, i think wayfinding of course, is very, very important portrayals and to actually use the parks.

But i also think it could be helpful to consider signage related to, um, eh, the no campaign in certain areas in particular.

Is that, what, what are your thoughts on that, kimberly? So the program that, uh, mayor pro tem altar described is really about wayfinding and identification signage.

It's not about enforcement signage, but i hear you loud and clear.

And certainly if, um, if the council was their will to support something like the way finding signage, we would also be including that would be something that has multiple outcomes in that it would be, uh, allowing us to also, um, work through some goals that related to, uh, our language access plan and making sure that individuals throughout the park system can read signage and see things in their native language.

Um, i think the camping signage is a, is a different, a different issue, but it doesn't mean that i'm hearing you, that we couldn't be creative, uh, given a couple of days and figure out how to address both issues.

Yeah.

And i'm not thinking of, uh, you know, in enforcement, no camping sign.

I'm thinking like, you know, this area is not safe for camping or this is a area that floods or, you know, or something along those along those lines, which certainly doesn't handle.

I'm not looking to that as a solution for the issues related to, uh, to camping in the parks.

But i think it could be useful.

I mean, we've, we've started down the road of thinking about how to do, how to work with public space management.

And we haven't gotten very far with regard to encampments.

So yes, if you could consider that, um, that's the kind of signage that i'm talking about rather than, uh, you know, enforcement per se type of signage.

Thank you.

I think that, uh, that kind of signage also would be helpful.

So i would go with that.

I think that ultimately in, and i think the issue was raised a second ago, about how much money is being spent in, in the parks to, to, to, to clean up and other activities.

Um, ultimately we have to get people off the streets and out of tents and into homes and that's the long-term strategy for this and, and which is why we have to keep pushing that way, because if we don't, as we've seen in other cities, we don't get to that place.

There will always be this kind of issue in parks and other places they'll always be money that has to be spent that way.

And, and eventually that will just overtake an entire budget.

So the fact that, uh, um, the, the, the program and finding home etx and heal and the other work that, that director gray, uh, and restless staff is doing it actually solved the challenge, i think, is real critical on the austin civilian conservation corps.

You said you were going to put some additional information in that backup.

I think just to be able to assess the program.

I think that would be really helpful, uh, proud to be part of, uh, initiating the pilot, but we'd like to see, uh, the number of people that have gone on to get jobs with the, uh, city, uh, the things that we had laid out as the, as the goals of the, of the program, to see how we're doing relative and with numbers and performance, how we're doing relative to the goals, creating the green jobs, uh, putting

people in those green jobs, expanding how many new city employees have come on to the permanent payroll, those kinds of measures that would enable us to, to measure the success of the pilot.

So i appreciate that mayor in, uh, one of the budget questions that we answered about a triple c, there is an attachment.

So it's not in the body of the question.

It's an attachment, which outlines everything that lavonne said and succinct paragraphs about each portion of program.

I'll send that to your office separately, but for the rest of the individuals who might have printed those, that's where you that's where that backup is that.

And does that have the quantitative information? In addition to the qualitative information, all the qualitative information, you give me the quantitative information.

That's what i'm missing at this point.

Thank you.

Yes.

That's coming from at this.

Yes.

Um, so

[05:00:01]

My question is in the proposed budget, is there any funding to administer the program because mayor pro tem, you mentioned that you'd be been bringing forward an amendment that has two empties, and i'm assuming that would be to manage the program in addition to funding, to, for the individuals who participate and do the workforce training.

So can i get some clarity on what that looked like? Yes.

Ma'am.

So there are two ftes that are part of the parks and recreation department right now who formerly served in a park ranger role or in a natural resources role taking care of land management.

We have re allocated them or move them from those positions in order to be able to manage the h triple c program.

We, we found that to be worthy enough, which means that if this program were not to continue, these individuals will now would move back to their previous roles.

Once this pilot program was, was complete.

So basically what i'm saying is, is that in order for this program to happen, there's two holes somewhere else in our, in our org chart that are experiencing less staffing to be able to meet their goals, but we are successfully being able to run a triple c program.

So in the proposed budget, there is funding for the programmatic side of, for the programmatic side, right.

For the contractor to be able to partner with other individuals there's \$3.2 million in here.

I'm going to let lavonne answer that.

Yeah.

So there's 3.2 million in arpa or in a general fund reserve from 2022, uh, there's nothing in the new budget, um, and related to atrial policy, uh, we've requested to encumber that and hold that over so that we can continue program imaged administration through 2023.

We also have arpa funding about 1.8 of american rescue plan funding, uh, that can be administered and has to be spent by 2024.

And infant number can be used, uh, if it's already contracted until 20, 26.

So there's nothing in the currently proposed budget of 20, 23, uh, related to funding for a triple c it's just encumbering 20, 22 funding, if that makes sense.

Gotcha.

Yes.

That makes sense.

Thank you so that i understand, so there's \$5 million that you have in reserve to be able to spend you, haven't had to spend that so far.

We spent a portion of that, and currently that's a contracting as well as internal pathways and temporary staff.

So we have the pathways that i listed earlier.

Um, the contracting with american youth works, uh, with the accelerator program as well, administration, all that's currently coming out of general fund reserve.

Um, but there again, no funding for permanent staff to continue to administer the program.

And i got the ftes of the \$5 million for programmatic.

How much of that have you already spent? So about a 2 million is encumbered currently to contracting, to continue crews through our youth stewardship contract.

1.8 is still in discussion possibly to go to creative sector and i'll let, uh, economic development to talk about that aspect of it.

Um, and then we're looking at continuing the investment with internal and future pathways with green stormwater infrastructure as well.

So that's what we're trying to continue to budget for moving forward, which includes leveraging other dollars from other departments that just don't have the capacity to continue coordinating workforce development, um, in this capacity as well.

So right now, what that would mean, is that the amount of money that you have from those earlier allotments funds, the contract worked through fiscal year 23? Yes.

Correct.

Okay.

Yeah.

So if there's something that points out the, the, the arts program and the other program and those kinds of things, richard should have with respect to that budget, that'd be helpful to see two, thank you, customer tobo and then mayor pro tem.

My questions are about previous topics.

I didn't have an opportunity to ask questions about, so i don't know if do you have more about this topic? The only, the only comment i wanted to make about this one is that, um, i support this measure.

I think it would be good to have more funding and i'd like to see this program continue.

I think it's, uh, a very successful when mayor pro tem.

I appreciate your leadership on it.

Um, just anecdotally, i wanted to mention that when i was in hot springs, arkansas, recently, they had a junior conservation corps and it would be great to see if, um, at some point in the future, this might be a way to, we might invite some of our youth summer program folks to participate if it seemed aligned.

Um, if you don't mind, if i come in on that hoc before you ask your other question.

Um, so i just want to point out that, you know, in, in essence, we would be funding another park ranger and another person in the natural resources.

And, um, while there is, you know, a limited

[05:05:01]

Amount of uncertainty about the future of the program, the opportunities that there are with all of our departments to solve their problems. Once we have the, the ability to set up the pathways, that's an ongoing source of funding to be able to do that work where we're not going to be done needing to mitigate our wildfire risk.

We're not going to be done needing to do, you know, our parks work.

Um, and right now we're operating in an environment where it's challenging to get people to do this kind of this kind of work.

So, you know, obviously we need to put work into ongoing and other kinds of things.

Um, but the worst case scenario here is that we have an extra person to work in the park rangers and that we have an extra person to work, um, in, in, um, the natural resources.

And that's a bet that i'm totally completely comfortable making, cause it would be, you know, additional positions in part that are desperately needed as we've been talking about in a lot of different ways.

Um, so i think that this, this program has the potential to really, um, change that way.

We do a lot of our workforce for development and, um, the other things we've as a council committed to the austin climate equity plan, and it is the only investment, um, and that is being made for the green jobs strategy, which is key, um, to how we, how we do that.

Um, and we have great leadership.

This wouldn't change the leadership.

This would simply make sure that, um, you know, there was, you know, it signals a commitment to try to make this be longer term, which we had already agreed that we wanted.

Um, and it allows those other staffing needs and the park ranger and the natural resources land management to, to be addressed.

And it's my understanding is there's people who would want those jobs, that those are not jobs that would be, you know, impossible for us to hire, um, because they're desirable green jobs.

Anyone else questions about the parks or we have staff here.

Yes.

Yeah.

I mentioned i had some that were not on this topic, but if anybody else has one on this topic, i just have a handful of love, lifeguard, uh, related questions.

Uh, so i, and again, please just correct me if i'm wrong in my understanding, uh, right now all of the lifeguards are, uh, classified as temporary, um, employees, uh, is my understanding.

And i believe that in the proposed budget, there were four, uh, full-time lifeguard, uh, positions that are going to be created again, you know, full-time with benefits.

Is that, is that correct director? Yes.

Just one caveat.

We do have individuals who are able to lifeguard that are full-time, but those individuals are managing our facilities and also providing the training component of, of lifeguarding.

So i don't want to mislead anyone and to think we have no lifeguards on staff except for temporary, but the, those individuals who can lifeguard are, are also assigned other management or administrative tasks, and i've spoken with some of them and, you know, they're assigning people, they're covering people, they're communicating with people, they're doing maintenance of facilities and, you know, those kinds of things like that with my, my understanding.

Uh, and so i conceptually looking at the, uh, at the lifeguards, i would like to get a, a core of full-time permanent life cards so that they are available to keep the, our, our, our year round pools open and staffed, but then also available to be a, uh, in leadership and training, uh, capacities when the summer comes around and we open up the entire kind of, uh, gamut of, uh, of neighborhood pools.

Um, is that kind of, you know, i know, i believe that y'all were asking for 24, uh, uh, full-time lifeguards in the budget.

So at one time there was a question that came to the department about what would be the number of full-time lifeguards that would, um, be able to allow you to run efficiently and to maintain swimming pools, to be open.

And we had run numbers for anywhere between 24 and 30.

So obviously we have been running pools for a number of years with temporary lifeguards, but if we were talking about maybe, um, eliminating some of the challenges that we, we have, um, experienced over the years, those that's where that number came from.

Okay.

And that would be my goal, uh, to facilitate the operation of the pools of both, you know, the year round pools, and then to have that kind of core group of staff ready to go when, uh, y'all go to the, your full compliment of pools.

Now i would the money assuming, uh,

[05:10:01]

There's a budget amendment for, you know, the 20 additional, uh, full-time permanent lifeguards.

What would my sense is that the cost would just be benefits or is there something i'm missing there? Well, it would be a little bit more than benefits.

And the reason why is because we still need to hire a 700 and some odd lifeguards in the summer time.

So if we're, if we're subtracting 24 full-time individuals, right, that are going to take over those summertime, some of those summertime hours, and they're going to be doing some other things we're still going to need, you know, 700 of those individual 726 of those individuals to be able to, uh, to, to help us run our seasonal program.

And maybe do some of the things that you're asking us to do, like extend the hours of the swimming pool.

So we're looking at, uh, additional 20 lifeguards is approximately \$1.2 million.

And if we took some of the money from our temporary savings, uh, very conservatively, i would like to run these numbers with our, with our budget department, but back of the napkin, if we took about 125,000 and was able to, um, utilize that out of our own budget, then we're only looking at like a \$1.1 million investment in new staffing, which i think, um, again, i need to run those numbers to see if, if th if we could actually, uh, take more money from our temporary dollars to be able to, um, lessen the, the amount of increased needed.

Oh, okay.

I'll go ahead and, uh, post that as a, as a question on the, the, uh, budget board.

Uh, but again, that was my sense.

Would that be, it wouldn't really be a pure additional costs.

It would be kind of shifting from some temporary employee costs to some, uh, to a full-time costs, but, uh, i'll follow up on the message board, but it just a heads up that i, i do plan to bring a budget amendment, uh, creating that kind of core permanent lifeguard group.

Thank you very much.

That's very cool.

Thank you.

Um, council member, bella, i'm trying to remember if i saw question in the q and a about the cost of that.

Did you, did you submit a email? I know council member quantas submitted some questions about lifeguards.

Maybe there's an, maybe there's one on that topic.

So i have the, that information in, in front of me, at least all the questions that i think, and none of them, um, get to the question that council member bella is asking right now, but there are other questions that are answered.

So we're happy to assume that you're going to enter that and start working on it right now.

Yeah, it'd be good to have a sense.

Um, before we embark, before we consider that amendment, it would be good to have a sense of what the cost is.

Yeah.

Um, council member fuente, sassa so about some uniform costs, assuming the uniform class, she also asked us about, um, lifeguard, uh, i think bonuses.

Um, yeah, so certification in, i just don't remember seeing one about a permanent full-time.

Yes.

The cost of that.

I had, uh, also one question about lifeguards, and then i wanted to shift gears to talking about encampment cleanups.

Um, when you say that training is going to start november, which is terrific.

Does that also include the re-introduction of the lifeguard classes at area high schools? Uh, i'm going to ask jody to come up and ask or to answer that.

And i think honestly, that's going to be dependent upon aids his capacity to have us, but, um, she can tell you what our intentions are.

So we started swim atx is the program that you're, uh, referring to.

We started a swim atx again, last year at the end of last school year.

And, uh, we will participating with akins i school.

Um, and that right now is the only high school that has been able to, uh, they have staffing issues and they're not able to staff any other high schools at this time.

So we are going to be doing it in aiken this summer, or this fall.

Can you remind me which, which high schools participated in the past? I thought there were several lbj and northeast.

I used to be ready again.

You are faced early college prep, prep.

I can't remember the last time.

Thanks very much.

Well, i'd love to see.

I mean, i know you probably would love to see more expanded participation too.

So what you got about 30 lifeguards through the program? Wonderful.

Well, that is terrific.

What's the, what is the barrier? So i'm correctly.

The barrier at this point is aids staffing.

Yes.

And what departments do you work with at aids to have those conversations? We work specifically with each school and each principal.

Oh my gosh.

That's challenging.

Okay.

I think that this is something, um, colleagues on a joint subcommittee that we should raise as part of our joint subcommittee meeting.

I think council member frontalis and mayor pro tem alter.

And i are on that.

I think that i think we should surface

[05:15:01]

This because it was great to have those other schools participating in the past and would be great to have them again.

And, um, because of the way asd continues to do some of their decisions facility by facility, there's not been, it sounds like there's not been continuity to that program, which i think would be a benefit real benefit to those students, but also of course, to the city.

So it was a really good, good program.

Well, thanks for that.

Thanks for all of that.

And i'm glad to see akins is going to participate.

So back to the encampment cleanup, i thought that there was a question in the q and a, and i just went through and couldn't find it again.

But what are the challenges in understanding this continues to be that it's kind of department by department? I know i've had conversations with our city manager crunk and, um, and our acting city manager.

Um, and morgan, i know you and i had an opportunity to talk about this recently.

You know, i, i'm glad that those other departments are, are contributing to this, but i still see if i'm understanding your, your presentation here today.

There's still about 337 or something like that.

Coming straight out of parts budget for those encampment cleanups, is that accurate? So i believe that th the 337 that you're referencing has to do with our security issues.

So that's not, it's not specifically about, um, encampment cleanups, but it is about, um, it's 275,000 and it's it's specifically about security issues.

So i was looking down below and it said part, part homelessness response, fiscal year 23, proposed budget 380,000.

So that 380,000, that includes our already existing full-time fte, which is, um, uh, what we call our homeless outreach person.

It also includes, uh, the contractual funding that we have from aph, which helps us with our workforce for first program.

And then there's another a hundred thousand for something else that i just have to find, cause it's in my notes here.

And i apologize.

So unless lucas knows right off the top, yeah.

The remainder is contractual is the commodities which were used for materials tools, um, miscellaneous expenses like that, sorry, that's one fte, one fte, our homeless outreach, uh, money that goes to for workforce first program that helps us to find the workforce first program.

And it specifically comes from aph that they allow us that authority within the contract.

And then the remaining approximately a hundred thousand dollars goes to contractals and commodities of things that we might need a trash bags or other things, tools, equipment that we would need to actually perform the cleanup, but, but specifically associated with homelessness.

Yes ma'am.

And, and that has already been in, in our budget, was in our budget in, in, uh, fy 2022.

It's just with the base cost drivers.

It increased to 380 from 374,000.

Okay.

So some of them, my understanding, i'm sorry, i'm not just not following is some of that 380,000 originating.

An aph is budget, uh, money that comes from the workforce first.

I'm sorry, their allocation for workforce first program.

So it's our authority that we use that aph allows us to use to be able to, uh, help fund the workforce or help fund help engage or contract with procure the services of the workforce first pro.

Yeah.

Okay.

So it is money that you had in your base budget last year, increasing this year, but allocated exclusively for homelessness encampment responses.

Yes.

So i guess i would say city manager, this continues to be something, you know, as i'm not sure how close we are to that streamlined process, but it, it occurs to me that we're still, it seems like we're still not really clear on how much we're spending in which departments are involved.

And my guess is that there's still, there's still funding and watershed protections budget for encampment cleanups.

And i'm not sure where else, but to really understand, to really understand how much we're spending on homelessness, encampment, cleanups.

I think we would, we would need to have some kind of, we would need to know exactly which departments have funding within those.

And that's just three and there probably are more, yeah, i asked for, i did a budget question asking, asking, asking to outline just what you're asking.

I thought i saw that and then i couldn't find it again.

I don't have an answer yet to know what number it is.

Um, council members, if i may, tomorrow, there will be a presentation related to, um, homelessness services that, that, that our homeless strategy office thursday, i'm sorry, i'm losing, i got everything right.

I think that many of your questions will be okay.

Very good.

Thank you.

Um, and then i guess my last one at the moment about this subject is just,

[05:20:01]

Was that fte in your budget prior to say five years ago? Or is this a brand new fte last year? Was this a basically, was this a staff member who was doing other work before the camping ban was lifted? We believe that it was in a place in our budget in 2019, so maybe not five years ago, but more than a few more than just last year.

Okay, great.

Um, thank you very much.

Kelly's any other questions about parks? All right, staff, thank you very much for, for that colleagues, that it is a quarter to five.

I'm going to recommend that we leave, we go into executive session because i think these are relatively short and that way we don't have to pull it back up on thursday, which could be a, a more, uh, a longer, uh, uh, executive session for us to, to, to deal with.

Um, we can, pre-do the executive session remotely.

So that folks that are not here have the ability to be able to, uh, to, uh, to call in, uh, and, uh, yes, no.

What, what are we going to do the executive session on now? We're going to do second extradition right now on budget matters.

And on the election question, i think there are two pretty distinct kind of questions.

So i don't think it's going to take us that long.

Yes.

Pro tem.

Um, i just wanted to call folks' attention to a memo related to the police economic research forum.

That's in your box.

Could you to read that, but i going to let you know that i'm already working on the amendment, that's necessary for that, um, along with the saki counselors for safe.

Um, and if anyone's interested in joining on that, let me know.

Um, but, but that memo is in your, in your box, but i just wanted to let people know that i was already drafting the related amendment.

Okay.

Thank you.

You have to remember this and then i'll come back to council member pool as about, yes.

I just wanted to share with, with our staff on thursdays work session, if we can, um, come prepared and thank you for providing in the memo, carrie, you provided a email yesterday at memo that held some additional information on some of the priority projects that we had vocalized.

There was information included on the goodnight ranch, fire station, fire and ems station.

I'd like for us to have a conversation as a day is on how we can proceed with the construction of the good night.

Bye, goodnight, ranch, fire ems station.

Um, so if we can have that conversation on thursday, that'd be great.

Okay.

Uh, hang gets our cancer pool, um, for the executive session because i have to split right about five o'clock.

Um, just one of those days.

Um, could we take up the election piece first? Yes.

Is that okay with you? Yes, we'll do that.

And hopefully we'll get over there real fast and maybe we can get a book done by five, uh, casper, october that because of our kitchen, i hope i, i'm not sure if this will be possible given that we might have speakers and we're going to have potentially a commercial parkland discussion and we also have

other items, but i hope that we might be able to reserve some time for just kind of short q and a with stat with staff.

I have about a zillion questions and i know probably my other colleagues do.

And just, i think our ability to really have that kind of question and answer with, with our finance staff or others, and also with our colleagues is, is going to really help our budget sessions next week.

And i'm not, we just really, haven't kind of built, built that time in to this process.

So if we have some time for thursday, that'd be good programmed that way.

I think that's real important.

Uh, and then again, to the degree that your questions haven't already been surface so that they have a chance to have already thought about it, please get them to questions.

So that on thursday it moves most efficiently, uh, just quickly on thursday.

I, for those who want to do this, i would love to just have a list or just give people a few minutes to list the, uh, items that they anticipate bringing, um, you know, understanding that they may not know everything by thursday, but, um, that would help me a lot.

I mean, i appreciate people have been telling us so far, that's useful.

I've been posting stuff on the message board, but it would be great if we have, if we have the time to just kind of run down the dice and let people spend a minute or two or three, just listing out for us, what they're bringing, we'll absolutely do that.

And i remind everybody that things that are posted by close of business on friday, you're going to get priority next week.

Uh, as we go through things, as we had discussed as a, as a council earlier, um, as october mayor, just out of fairness, i think several of us express that the timetable was very short and that, that was, you know, that's a standard that's going to be really challenging, especially with as many questions as some of us have submitted and the staff need time to respond to them.

And so, you know, i just,

[05:25:01]

I would urge my colleagues to consider, consider the items on their merit and how well-vetted they are.

Um, even if they're coming in after friday, i think there's, there's still important work to do.

And this has been an extremely, it feels like an extremely abbreviated budget process, at least abbreviated in terms of our amount of time to, to really talk with one another.

Okay.

And then on thursday, one of the first things i want to talk about, you'll have the additional numbers by them, and i want to hit the threshold question of how much dollars are actually going to be in front of us, which relates to the reserve question and the police judgments.

Yes, very quick.

Last thing, the senior tax exemption, i'm still waiting for numbers on that.

So i'm hoping on thursday.

I know that that one of the questions or they out now, i think they were in the, uh, uh, memo that came out.

Okay.

Okay.

I'm sorry.

I missed a miss that i'll look for it.

I'm pretty sure that i did.

I saw that one this morning.

Okay, great.

Thank you.

Okay.

Yes.

Uh, city council now go into closed session

And take up two items pursuant to 5, 571.

The government code city council is going discuss legal issues related item to budget matters.

Three, the november elections without objection, uh, here at, uh, 4 49, we're going to go up there and i am literally going to walk up to my desk and start the meeting.

So let's go that fast.

So you guys, uh, in, um, we are out of closed session and closed session.

[executive session]

Part 2:

We discuss legal issues related to items two and three, uh, with that that's all of the business we have today.

So at here at 5 51, uh, on, uh, august 9th, 2022, uh, this meeting is adjourned.

Thank you.