

MINUTES
COMMITTEE-OF-THE-WHOLE WORK SESSION
December 1, 2025
City Council Chambers

MEMBERS PRESENT: Mayor King. Council Members Jason Baskin, Oballa Oballa, Paul Fischer, Michael Postma, Rebecca Waller, Laura Helle and Council Member-at-Large Jeff Austin

MEMBERS ABSENT:

STAFF PRESENT: City Administrator Craig Clark, Police Chief David McKichan, Fire Chief Jim McCoy, Public Works Director Steven Lang, Planning and Zoning Director Holly Wallace, Library Director Julie Clinefelter, Parks, Recreation, & Forestry Director Jason Schon, Human Resource Director Patricia Wiechman, and City Clerk Brianne Wolf

APPEARING IN PERSON: Dave Unmacht and Laura Kushner

Mayor Steve King opened the meeting at 5:58 p.m.

Item #1 Organization Development & Culture Study Presentation – Dave Unmacht & Laura Kushner

Dave Unmacht and Laura Kushner gave a brief presentation and discussion of an independent Workplace Culture and Organizational Development Study they conducted with the employees of the City of Austin. They reviewed their findings, gave recommendations, and proposed timelines. Below is a summary of their report.

Study Overview

- Built on prior work by Sicora, Employee Strategies, and Peggy Young (strategic planning facilitation).
- Methods included:
 - Interviews with council, department heads, staff, city attorney
 - Staff listening sessions and leadership meetings
 - Review of prior consultant reports, labor contracts, policies, audit, and communications
- Consultants emphasized the findings are reliable and consistent with prior studies.

Core Findings

1. **Strong Foundation, But Misalignment**
 - Dedicated staff and leadership.
 - Lack of clarity around roles, especially the City Administrator’s authority.
2. **Workplace Culture & Trust**
 - Employees experience the culture differently than the culture they desire.
 - Trust issues are persistent and systemic.
3. **Labor Relations**
 - Labor-management relations “color everything” in the organization.
 - Perceived lack of good faith bargaining and role confusion (department heads as both managers and union members).
4. **Communication & Accountability**
 - Internal communication needs greater clarity, consistency, transparency, and follow-through.
5. **Consultant Fatigue**

- Staff skepticism due to limited visible action from prior studies.

Priority Recommendations

1. Close Out Prior Consultant Work

- Take visible action on this study to rebuild trust and credibility.
- Demonstrate follow-through to staff.

2. Council-Led Vision, Mission & Strategic Direction

- Council must lead the strategic planning process (staff participation is essential).
- Clarify long-term direction and priorities.
- Celebrate completion to reinforce momentum.

3. Update City Council Code of Conduct

- Reinforce expectations, behaviors, and accountability.
- Clearly define:
 - Council–staff boundaries
 - City Administrator’s role
- Align practice with stated values.

4. Improve Labor Relations

- Launch a labor-management best practices review.
- Clarify:
 - Good faith bargaining expectations
 - Roles and responsibilities
- Address structural complexity of department heads as supervisors and union members.

5. Build Intentional Workplace Culture & Trust

- Staff-driven identification of core values and expected behaviors.
- Develop a multi-year culture plan (staffing, training, communication, engagement).
- Focus on small, visible “wins” to show progress.

Mayor King thanked Mr. Unmacht and Ms. Kushner for their time. He stated the Council bears a lot of responsibility on the employee engagement side of things and they need to change for the better. He appreciates the guidance on this.

Council Member Baskin stated they need to celebrate the fact they are making progress on this. He believes they are in a better position today than they were a year ago. He stated they need a clear vision of where they are going and what their priorities are. They need to improve communication, clarity, and transparency. He believes it is time to take action. He would like to get the Council aligned on recommendations and see what their highest priorities are. They need to get a specific person assigned to these tasks and in charge of this, and he thinks ultimately it belongs to the City Administrator. He is interested in how they keep regular progress updates on these items. Would they have a written update on the first meeting of the month, or would they have it as a work session topic? He feels the mission, vision, and strategy statements are the most important in the short term. He would like to see if this can be completed by March 1st. He would like to start making progress.

Council Member Oballa would like to echo what Council Member Baskin stated. He thanks everyone for their work. He would like to move this into action.

Council Member Helle stated people care and want to do better and there is a lot of mistrust. She found the report very accurate. She found the report positive and it reinforces things she has already heard. She appreciates the action steps with the timelines. She would like to move as quickly as they can in the best interest of the Council. She would like to know how Austin compares to other communities they have had experience with regarding the labor negotiations piece.

Mr. Unmacht stated they didn't do a deep dive into this. He stated labor relations in any public sector are hard work. It depends on the culture, the foundation, the strategy, the vision, and the relationship between the people. They look at how a City can conduct a best practices analysis of what successful organizations do in the public sector. He stated it is more profound in Austin. He has spoken to the City Administrator about the importance of labor management relations.

Council Member Postma stated he is hearing the need from Council to speed up the timelines on some of the recommendations which he can get behind. He did state this would require more meeting times as he doesn't believe by sticking to the normal meeting schedule it will get accomplished. It's going to take a commitment from Council to do the work. He appreciates the recommendation for a best practice guide as it would hold the Council accountable.

Mr. Clark thanked Mr. Unmacht and Ms. Kushner for their work and outlining a plan. They have tangible items to look at, and he will work with Council to prioritize those and outline which ones they would like to move forward with.

Council Member-at-Large Austin agreed. Everything that was spoken about they have seen and now they know where to go. He thanked Mr. Unmacht and Ms. Kushner for their help.

No further action required.

Item #2 – Employee Attrition & Budget Discussion – Craig Clark

City Administrator Craig Clark stated they have a \$273,000 gap they needed to reduce to get the tax levy down to the 7.5%. They were awarded \$64,000 in Police and Fire aid. They had a resignation in the Public Works department that will assist in the attrition strategy as they move forward. They also had one application for the early separation incentive. He believes this will further bridge the funding gap without any layoffs. If Council is in approval of the attrition and early separation, he would request approval to move forward the final budget to the December 15th Council meeting.

Council Member Baskin agrees with the cuts through attrition and the voluntary early retirement versus any layoffs. He thinks this is the better alternative. He understands this will in a sense shuffle the decks but how can they look at this in a way that it will best serve the public, the employees, and give them an opportunity to think differently about things like technology and maybe get away from manual timecards.

Council Member Oballa agrees with Council Member Baskin and would like to move forward with this option.

Mayor King stated this is the best option.

Moved by Council Member Baskin, seconded by Council Member Postma, to move forward with the 2026 budget to include the employee attrition and early separation for adoption at the next Council meeting. Carried 5-2. (Council Member Helle and Council Member-at-Large Austin voting Nay)

The item will be on the December 15, 2025 Council Agenda.

Item #3 – Capital Improvement Plan Discussion – Craig Clark

City Administrator Craig Clark requested Council approve the final Capital Improvement Plan (CIP) and place it on the next Council agenda.

Council Member Baskin asked if they were going to go through the plan like they normally do where they can ask questions.

Mr. Clark stated they can table this and go through it line by line page by page but they didn't do this last year.

Council Member Baskin stated he would like to go through it and maybe at that time they would have a Finance Director in place. He believes it is worth a discussion to ensure they are aligned with their priorities.

The item will be on the December 15, 2025 Council Agenda.

Item #4 – Wastewater Treatment Plant Change Order #10

Item #5 – Wastewater Treatment Plant SEH Waiver Agreement

Item #6 – Wastewater Treatment Plant Professional Service Agreement, One Year Extension – Steven Lang

Public Works Director Steven Lang discussed Items #4, #5, & #6 together as they were all related. He stated change order #10 related to delays in the Wastewater Treatment plant project. By spring 2025, the contractor reported the project was approximately one year behind schedule due to multiple factors, including delays in electrical equipment. The original substantial completion date of September 26, 2025, is no longer achievable; a revised substantial completion date of October 31, 2026, and a final completion date of June 7, 2027, were proposed.

Under Work Change Directive 107 (included in Change Order #10):

- The contractor agrees to a time extension.
- The contractor will reimburse the city \$448,000 to help cover additional owner costs resulting from the extension.
- In exchange, the city will waive liquidated damages for the delay.
- The \$448,000 reimbursement will be applied as a reduction in project retainage at substantial completion.

The City's consultant estimated that the one-year extension would result in \$799,408 in additional engineering and inspection costs. The contractor's \$448,000 contribution partially offsets this expense, reducing the city's overall financial exposure.

The city negotiated a waiver agreement with its consultant under which the consultant will reimburse the city \$176,000. In exchange, the city agreed to apply this waiver to Change Orders 1 through 7, which contributed to the one-year project extension. To ensure the waiver applies only to appropriate items, several unresolved or known design-deficiency issues are explicitly excluded from the waiver, including:

- Noise issues at Structure 31 exceeding OSHA thresholds.
- Capacity deficiencies in Pipeline P48 (force main between Structures 60 and 61).
- Design deficiencies in Structure 61's domestic heat exchanger causing sludge plugging and operational issues.

These exclusions preserve the City's right to pursue claims related to those specific deficiencies.

The council also reviewed Amendment No. 1 to the professional services agreement (originally executed August 1, 2022). Under this amendment:

- The city will pay the consultant \$799,408 for an additional year of engineering services (July 2026–June 2027) due to the project extension.
- An additional \$240,592 covers engineering services for owner-directed design changes made during construction to improve long-term operations and maintenance. This cost is separate from the extension-related costs.

Financially, the agreements result in:

- \$448,000 credit from the contractor (Work Change Directive 107).
- \$176,000 credit from the consultant waiver.
- \$799,408 cost for the extra year of engineering services.

This produces a net cost of \$175,408 to the city for the one-year extension. When combined with the \$240,592 for owner-requested design changes, the total net increase in engineering costs to the city is \$416,000. The city has sufficient funding in place (loans, fund balance, and planned project costs) to cover this exposure. Staff stated that this three-part agreement with the contractor, consultant, and city is a reasonable and practical solution that avoids the risks, delays, and legal costs associated with pursuing liquidated damages.

Lastly, it was clarified that credits in Change Order #10 were applied entirely to the domestic side of the project because the city originally agreed to fund 100% of engineering services, while the industrial side was not eligible for state grant funding. Other work change directives were split between domestic and industrial components based on the facilities they serve.

Moved by Council Member Postma, seconded by Council Member Oballa for approval to move forward with change order number 10 for the Wastewater Treatment Plant.

The item will be on the December 15, 2025 Council Agenda.

Moved by Council Member Helle, seconded by Council Member Postma for approval to move forward with the SEH waiver agreement.

The item will be on the December 15, 2025 Council Agenda.

Moved by Council Member Baskin, seconded by Council Member Postma for approval to move forward with the professional service amendment, one year extension.

The item will be on the December 15, 2025 Council Agenda.

Item #7 – Administrative Report

City Administrator Craig Clark stated the Truth in Taxation hearing will be held on December 3, 2025 at 6:00 p.m. in Council Chambers.

Item #8 – Open Discussion

None

Moved by Council Member-at-Large Austin, seconded by Council Member Oballa, to adjourn the meeting at 7:02 PM. Carried.

Respectfully Submitted,

Brianne D. Wolf, City Clerk