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Dear Client:

For the first time in recent memory, each member of the next Austin City Council will only be answerable to about one-tenth of the city's population. Yet, many really big problems have *citywide* impact. This could have enormous implications.

Only the mayor will be elected citywide in November, while ten others will be selected from individual parts of the city. **As the Council moves from six members picked by *all* voters to ten members selected by a *fraction* of those who actually bother to vote**, the issues seem to loom larger as the population grows (Austin is now more populous than San Francisco!).

Citywide issues such as traffic and transportation, water, electric utility rates, affordability, property taxes, the environment, etc., etc. are paramount and should dominate any debate. (But you will be able to vote for only one Council candidate whose views on these big topics most closely coincide with yours.)

The situation is further complicated by the likelihood there may be as many as **60 or more candidates** – it's a big guessing game -- for the ten seats. (Candidates cannot even file for a place until 7/21/14 and the filing deadline is 8/18/14) This is a rare election opportunity, **so it could be a free-for-all campaign period.**

So, how can all these candidates who are seeking votes in a narrow neighborhood be brought up to speed on the big citywide issues? Enter Leadership Austin and other organizations with a series of 6 pm Monday meetings called "Imagine OneAustin." The first session was held this week (on **demographics**), even before official filing begins.

The remaining sessions: July 7th, **city utilities, budget and capital planning ...**
July 14th, **economy ...** July 21st, **conservation, environment and recreation ...**
July 28th, **land use and transportation ...** August 4th, **housing, neighborhoods and public safety ...** August 11th, **health and human services.**

The free sessions, held at the LCRA Dalchau Service Center at 3505 Montopolis Drive, are **open to potential candidates, their staffers and the public.** City staff and community leaders will conduct these informative meetings to provide a baseline about the region's most pressing issues. Hopefully, this may help the successful "neighborhood councilmembers" to be **less parochial when it comes to making decisions on citywide issues.**

While it may not qualify as a sea change, state funds allocated to multi-modal and transit projects this week marked a dramatic departure for the Texas Department of Transportation (TxDOT), that for almost a century has focused on highway construction and maintenance.

Prior to the 1991 re-naming the Texas Highway Department to the TxDOT moniker, **the state was all about building and maintaining one of the nation's best highway systems. In fact, Texas was the envy of many pothole-peppered states.** And engineering grads from UT Austin and Texas A&M gravitated to the **DeWitt C. Greer** state office building in downtown Austin to enhance the state's well-deserved highway reputation.

Recognizing the expanding role of all forms of transportation in 1991 the Texas Legislature combined the highway department, the Texas Motor Vehicle Commission and the state Department of Aviation to create TxDOT.

But it has taken almost a quarter-century for the big bureaucracy to allocate major resources – millions of dollars this week to be spread over a 10-year period – for projects other than highways. And the Austin area was one of the beneficiaries of this largesse, in addition to some of the state's largest cities.

Capital Metro was awarded a \$50 million grant. It plans to spend \$28 million on four new MetroRail cars. This should double the system's capacity. The remaining \$22 million will be put toward the \$30-\$35 million anticipated cost to replace an existing temporary station with a new permanent station.

"It's encouraging that TxDOT is looking for and supporting multimodal strategies to help tackle our congestion challenges," said former Austin mayor and State Senator **Kirk Watson**. **"It's not possible to meet the demands of a thriving economy and fast-growing population by only investing in roads.** We need to embrace every available option to provide relief."

A regional transportation planning organization is gathering input for future projects. In the process, it's recognizing a Central Texas reality that has yet to be made official.

The Capital Area Metropolitan Planning Organization (CAMPO) is seeking public input to help it **prioritize future projects to help address Central Texas traffic needs.** Every five years, CAMPO is required to create a regional transportation plan for the next 25 years. No federal funds will be available for future projects unless CAMPO designates them a priority.

Interestingly, **CAMPO has added Burnet County to the 5-county metro region** of Travis, Williamson, Hays, Bastrop and Caldwell Counties. **CAMPO is recognizing a metropolitan reality** that has yet to result in the *official* expansion of the 5-county Austin-Round Rock-San Marcos area to include Burnet County. Hopefully, the feds will soon take notice of this reality.

Look for banks to push their services more and more through mobile marketing. Retailers are leading the way and banks can't be far behind. How will this work?

With retailers already gathering massive data on their customers and using that detailed info to push products, banks will likely link promotions to retailers. According to our friends at *Kiplinger Reports*, a bank might, for instance, **send alerts to customers browsing at Nordstrom or Neiman's and offer cash-back or double-reward points if they use the bank's credit card for purchases made in that store.**

This approach could easily progress to **competitive car loan offers when a customer walks onto a neighborhood car dealer's lot.** This is a bit more difficult (assessing the customer's creditworthiness on the fly, for example). And it involves a lot more data analysis than pitching a new necktie to someone who just bought a dress shirt. But, hey, the technology is moving at warp speed to make such scenarios likely sooner, rather than later.

Another report suggests you are becoming more reliant on your mobile devices in your daily routine – as if you haven't seen this happening all around you.

Bank of America released its inaugural *Trends in Consumer Mobility Report* this week. And it revealed that **47% of US adults admitted they would not last a day without their smartphone.** In fact, about 85% check their mobile devices a few times a day.

But look at the young adult demographic: **96% of adults between 18 and 24 years old believe using a mobile phone is more imperative than using the Internet, putting on deodorant and brushing their teeth!**

Rain sent more water into the Highland Lakes of Central Texas last month than in the three previous Junes combined. Good news. But still short of what's needed to break the drought.

The lakes Travis and Buchanan reservoirs were still only at 39% of capacity on 7/2/14. If they drop to 30% capacity during the hot, dry summer months, it could lead to a declaration of a Drought Worse Than the Drought of Record (DWDR). A DWDR would require cities, industries and other users of lake water to **reduce usage by 20% and some water customers would be totally cut off all water.**

There is a ray of hope. Remember what we have reported in previous editions (click on the "Archives" button at the top of the page and go to our 6/20/14 for the latest): The National Weather Service says there is a **greater than 70% chance of an El Nino developing and that could generate wetter weather this fall and winter.** Keep your fingers crossed.

The Fed keeps telling anyone who will listen that inflation is well below 2%. Try telling that to a senior citizen who retired about 5½ years ago, at the end of 2008, and has been earning virtually nothing on savings accounts, CDs or annuities.

Price increases on some essentials have been positively scary. Texas number-crunching guru **Mark Dotzour** points out the overall Consumer Price Index has increased by 13.2%. Put in plain English, a person on a **fixed income with a pension and/or social security finds this income buys only 87% of the stuff when the person retired in December 2008.** He scraped together the costs for specific items to take a look at how prices have changed.

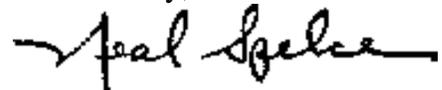
Check out these increases: **ground beef (+30.6%) ... bacon and sausage (+32.3%) ... eggs (+12.5%) ... gasoline (+117.3%) ... car insurance (+24.1%) ... homeowners/tenants insurance (+18.1%) ... airline tickets (+31.7%) ... restaurant tabs (+12.3%) ... prescription drugs (+19.6%) ... physicians' services (+14%) ... in-patient hospital costs (+41.6%) ... nursing homes and adult day care (+19.5%) and health insurance premiums (+9.6%).**

Sure, some goods and services are good deals. Check these good price changes: **TV sets (-67.2%) ... cameras (-28.3%) ... personal computers (-39.2%) ... toys (-25.1%) ... even the cost of pets and accessories (-3.2%).** And fun stuff is up only slightly, like **ice cream (+5.9%) and hot dogs (+10.2%).**

Dotzour places his tongue firmly in his cheek with these suggestions for how retirees can be really frugal: **“Never get sick. Never travel by car or airplane. Focus your diet on ice cream and hot dogs.** Buy a new television, camera and computer every year, because the prices fall every year.” **And above all else, he says “Don’t smoke.”** Why? Not for health reasons. **Cigarette prices are up 49.7%.**

Dr. Louis Overholster agrees with Marilyn vos Savant “That the essence of America is finding and maintaining that perfect, delicate balance between freedom "to" and freedom "from." Happy 4th of July!

Sincerely,



Editor/Publisher