

REGULAR MEETING OF THE CITY COUNCIL
OF THE CITY OF SAN ANTONIO HELD IN
THE COUNCIL CHAMBER, CITY HALL, ON
THURSDAY, APRIL 17, 1975.

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The meeting was called to order at 8:30 A. M. by the presiding officer, Mayor Charles L. Becker, with the following members present: COCKRELL, SAN MARTIN, BECKER, BLACK, LACY, MORTON, O'CONNELL, NIELSEN, TENIENTE; Absent: NONE.

75-21 The invocation was given by Reverend Claude Black.

75-21 Members of the City Council and the audience joined in the Pledge of Allegiance to the flag of the United States.

75-21 The minutes of the meeting of April 10, 1975, were approved.

75-21 MILLER CHILD DEVELOPMENT CENTER

Mayor Becker recognized a group in the audience from the Miller Child Development Center and welcomed them to the meeting.

Mrs. Hazel Miller, Executive Director of the Center, introduced several young men who were volunteers from Lackland Air Force Base, who come in one day each week to lend their support as "father" for the day to a child.

Mayor Becker thanked them for coming to the meeting and congratulated the men for their efforts on behalf of these small children.

75-21 COUNTY JUDGE BLAIR REEVES AND
COUNTY COMMISSIONER ALBERT BUSTAMANTE

County Judge Blair Reeves read a resolution which had been unanimously adopted by the Bexar County Commissioners Court commending Mayor Charles L. Becker for his many outstanding contributions to the City of San Antonio and Bexar County during his term of office. The resolution recognized Mayor Becker also for initiating closer cooperation with the County and consolidation of many services as a saving for taxpayers.

Commissioner Albert Bustamante read a proclamation naming Mayor Becker a Jefe Politico in honor of his many achievements while serving as Mayor of the City of San Antonio.

Mayor Becker thanked Judge Reeves and Commissioner Bustamante for honoring him in this way and expressed the hope that the close cooperation between the City and County continues.

April 17, 1975
nsr

Mr. Jim Gorman, President of the Fiesta San Antonio Association, greeted the City Council in the name of the Association and invited them to attend all of the coming Fiesta activities. He then presented each Council member with a Fiesta medal and urged them to wear these medals with pride.

The Clerk read the following Ordinance:

AN ORDINANCE 45,159

AUTHORIZING THE PREPARATION AND DEVELOPMENT OF PLANS, AND COMPUTATION OF COST DATA FOR CERTAIN IMPROVEMENTS WITHIN AN AREA KNOWN AS THE COLUMBIA HEIGHTS NEIGHBORHOOD.

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Dr. Nielsen stated that a group representing the Columbia Heights Chapter of Communities Organized for Public Service was present and wished to have a general discussion of the Columbia Heights' needs. He said that this area of the City has been sadly neglected for many years and needs many improvements.

Dr. San Martin said that in 1959 a complete study was made of this area and recommendations were to be presented at a meeting in Columbia Heights. The meeting was disrupted by one person and the project was never undertaken. He urged the citizens in the area to get behind the effort to improve the neighborhood and assure its success.

Rev. Black stated that he did not disagree with this Ordinance to provide for studies and analysis as well as cost estimates and time frames but that he did feel that there are other areas in the City that need to be included.

Mr. Teniente and Dr. Nielsen said that they felt that Columbia Heights presented an unusual problem and should receive top priority.

Rev. Black insisted that other areas be included also.

After discussion, Council agreed to add the words, "and other areas of the City with similar needs" at the end of Section 2 of the Ordinance.

Mrs. Janie Gonzales, represents C.O.P.S., reviewed some of the needs of the area for the Council.

Mrs. Cockrell said that she regarded this as a pilot project and hoped that techniques learned in this study could be applied in other areas.

After consideration, on motion of Rev. Black, seconded by Dr. Nielsen, the Ordinance was passed and approved by the following vote: AYES: Cockrell, San Martin, Becker, Black, Lacy, O'Connell, Nielsen, Teniente; NAYS: None; ABSENT: Morton.

75-21 The Clerk read the following Resolution:

A RESOLUTION
NO. 75-21-30

SUPPORTING THE UNIVERSITY OF TEXAS
BOARD OF REGENTS' EFFORTS TO SECURE
FUNDS TO CONTINUE OPERATION OF THE
INSTITUTE OF TEXAN CULTURES.

* * * *

The Resolution was explained by Dr. San Martin who said that this is a companion to a Resolution passed last week.

Rev. Black stated that Representative G. J. Sutton had requested all of the information that is available on this problem so that he can be more effective in working on it in Austin.

After consideration, on motion of Dr. San Martin, seconded by Dr. Nielsen, the Resolution was passed and approved by the following vote: AYES: Cockrell, San Martin, Becker, Black, Lacy, O'Connell, Nielsen, Teniente; NAYS: None; ABSENT: Morton.

75-21

SENATE BILL 413 - ACCUMULATED
SICK LEAVE FOR FIREMEN AND POLICEMEN

A proposed resolution was read expressing opposition to Senate Bill 413 requiring lump sum payments to firemen and policemen upon termination of service for all accumulated sick leave without limitation.

Mrs. Cockrell said that she thought there should be a full discussion of this resolution by both sides to get everyone's point of view.

City Manager Sam Granata said that he has been in consultation with the Police Department on this matter. He explained that presently firemen and policemen are paid for a maximum of 90 days sick leave upon termination. Other employees may accumulate 90 days sick leave but at termination are not paid anything for it. Under Bill 413, firemen and policemen would be able to accumulate unlimited sick leave and be paid for it when terminated. This would be an extremely costly item in the City budget.

Mr. Jerry Clancy, President of the San Antonio Police Officers Association, said there were several aspects of this matter to discuss and suggested that it be scheduled for "B" Session later in the day.

Dr. Nielsen also requested a "B" Session discussion.

April 17, 1975
nsr

-3-

815

After consideration, members of the Council agreed to postpone any further discussion until later in the day and asked that Assistant City Attorney Luis Garcia be summoned from Austin.

Later in the day the discussion resumed.

Mr. Luis Garcia, Assistant City Attorney, who is acting as lobbyist for the City while the Legislature is convened in Austin, said that before this bill went to committee he thought that the matter of accumulated sick leave for firemen and policemen was being resolved in discussion between the City Manager and the firemen and policemen.

Mr. Garcia stated that he thought there was an agreement between the parties when the bill came up in committee and was not aware that the firemen had not been in on discussions. He said that he did testify against the bill however. There was no one else to testify against it. Last week it was passed by the committee and recommended for passage.

Mr. Jerry Clancy discussed with the Council the savings the City could gain by passage of the bill by reducing "ride out time", elimination of payment of insurance while taking "ride out time", savings in pension contributions, reduced bookkeeping and others. He pointed out individual cases to illustrate the costs. He said that he felt it is fair legislation and urged the Council to endorse it.

Mayor Becker recalled the existing pension plan for firemen and policemen that is some \$70 million in the red and suggested that the plan proposed might become the pension plan.

A general discussion of the entire situation followed with all Council members taking part.

Rev. Black suggested that this legislation be made a negotiable legislation in which the firemen and policemen would have the right to negotiate sick leave with the City and that way put it in the framework of the City's budget. This would be in lieu of the legislature forcing an action on the City without providing a means to pay for it.

Mr. Morton questioned why this fringe benefit was negotiated through the legislature rather than through the City as other fringe benefits are. He agreed with Dr. San Martin that the Council should have been advised of the pending request.

Mr. Clancy said that this is a negotiable item but the Police Association is not qualified to negotiate until August 1, 1975. In the interim, he felt that the police officers should have this benefit which is why he went to the legislature.

After consideration, Mr. Morton moved to adopt the following resolution to include a modification that the legislation be amended to make it permissive and a negotiable local item and on that the Council would support the legislation.

The motion was seconded by Mr. O'Connell and on the following roll call vote the motion, carrying with it the passage of the following Resolution, was passed and approved by the following vote: AYES: San Martin, Becker, Black, Morton, O'Connell, Nielsen, Teniente; NAYS: None; ABSENT: Cockrell, Lacy.

A RESOLUTION
NO. 75-21-34

EXPRESSING OPPOSITION TO SENATE
BILL 413 REQUIRING LUMP SUM
PAYMENTS TO FIREMEN AND POLICEMEN
UPON TERMINATION OF SERVICE FOR
ALL ACCUMULATED SICK LEAVE, WITHOUT
LIMITATION.

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Captain Curtis Franz, representing the Firefighters, spoke in favor of the bill citing savings to the City, morale factors, etc.

75-21 The following Resolution was read by the Clerk and after consideration, on motion of Mr. O'Connell, seconded by Mrs. Cockrell, was passed and approved by the following vote: AYES: Cockrell, Becker, Black, Lacy, O'Connell, Nielsen, Teniente; NAYS: None; ABSENT: San Martin, Morton.

A RESOLUTION
NO. 75-21-31

SUPPORTING THE PROPOSAL OF MRS.
NANCY NEGLEY FOR HISTORIC PRE-
SERVATION.

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75-21 The following Resolution was read by the Clerk and after consideration, on motion of Mrs. Cockrell, seconded by Rev. Black, was passed and approved by the following vote: AYES: Cockrell, Becker, Black, Lacy, O'Connell, Nielsen, Teniente; NAYS: None; ABSENT: San Martin, Morton.

A RESOLUTION
NO. 75-21-32

REAFFIRMING PAST ACTION OF THE
COUNCIL REGARDING LOSS OF JOBS
AT KELLY FIELD AND OTHER MILITARY
INSTALLATIONS.

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75-21 O'BRIEN & GERE REPORT ON TELEPHONE RATES

The following discussion took place:

MAYOR CHARLES L. BECKER: All right, Adam, let's see your's. We have the Citizens to be Heard at 10:30 A.M., and we have, let's see, one, two, three, four, five, six, seven, eight, nine, ten. So, if we can make this as expeditious as possible then we can get on to their portion.

April 17, 1975
nsr

-5-

MR. ADAM KUBIK: Thank you Mr. Mayor. I will summarize the more extensive presentations previously given. We were retained by the City Council to review the filing for a rate relief by the Southwestern Bell Company in September. The filing as presented by Bell was compiled on the basis of standards for rate filings normally accepted by the Federal Communications Commission and most state regulating commissions. We have requested some additional data which in our judgment was necessary to complete the review. We received those data. We have compared the Bell filing with similar filings prepared previously in states which are regulated, in about seven states, and we have found that the filing was essentially consistent with the decisions rendered by several state regulating commissions.

The principal method which we utilized in calculating what might be the fair rate of return was the cost of common equity capital. This was done basically by comparing equity capital rate the rates of return which have been granted by a number of state regulating commissions and also by the Federal Communications Commission. We found that the average of prevailing return on equity granted was 10.96 percent. We have calculated the weighted average of the cost of common equity and the cost of long term debts, and we determined that the overall rate of return which appeared to be reasonable, fair and just to the company and appropriate as to the customers of the company was 9.07 percent. On the basis of this calculation, we then determined that in relation to the rate base of the company, reduced to the common base with other states which was the original cost less accumulated depreciation using that 9.07 percent rate of return, the fair and just amount of rate relief would be approximately \$5 million, let me make sure that I got the correct number, about \$5,200,000.

Now the original...the amount of rate relief requested by the company was \$5,700,000. We found a somewhat lower amount primarily because of making the above calculation plus two adjustments. Now the adjustments were..one was up and one was down. We found that the original filing did not include the effect of the added cost of electric and gas service experienced by the company pursuant to the rate relief granted City Public Service last June. Secondly, we have also adjusted the filing for the value of pre-payments made by the customers in connection with the service.

We then reviewed the rate design as proposed by the company. We agreed substantially with most service classifications except the residential tariffs so that we are suggesting the tariffs which are included in the O'Brien and Gere Report which are the suggested tariffs providing approximately a \$900,000 per year savings to the residential customers as compared to the tariffs which were originally requested by the company. In one service classification, two service classifications, two and four party residential services, we are suggesting no increase at all.

So in substance this is the summary of the report and of the two presentations which I previously gave on this subject in answer to a number of questions by the City Council. At this point, I would like to invite any questions which may exist.

MAYOR BECKER: Do any council members have any questions they would like to ask.

MR. GLENN LACY: Yes, I'd like to ask him a question. It all boils down to in truth you want the businessman to carry the brunt of the increase?

MR. KUBIK: Not really because the residential customers are experiencing an increase.

MR. LACY: Well, a very small one compared to the businesses.

MR. KUBIK: A relatively smaller one. We felt the cost of service, the cost of service would determine what is the fair amount of rate increase was such that it indicated a slightly higher increase to the businesses than to the residential customers.

MR. LACY: What specifically was the difference between residential... you're leaving a party line the same..but what specifically between the business and the residential percent wise.

MR. KUBIK: All right I have here typical monthly bills..for example, the present...I'll be comparing the present tariffs which are in effect to the suggested tariffs. The present flat rate business one party which is designated as SB 1, the present tariff is \$22.50 per month. The suggested tariff is \$26.00.

MAYOR BECKER: Now, what page are you on, Adam?

MR. KUBIK: I am on appendix F, table F-1 of the O'brien and Gere report.

MAYOR BECKER: Well....

DR. D. FORD NIELSEN: Well, what I think Mr. Lacy is really asking how much in terms of increased revenues will the eight something to nine something whatever it is of the single family, I mean, the one party residential rate, what was the increase in revenues at your suggested figure that would bring in. I cannot remember....

MR. KUBIK: All right, the flat rate residential one party, the present tariff is \$7.20, the suggested tariff is \$8.10. So the difference here is 90 cents on the basis of \$7.20, that's about 12 percent I would say.

DR. NIELSEN: In terms of hard dollars, somewhere in that report it reflected the total amount of estimated revenue increase that would come from raising that 90 cents.

MR. KUBIK: In the terms of estimated, again in the same table which I was referring, appendix F, table F-1, the last column estimated annual revenue increase that is \$2,405,358 from the flat rate residential two party. So you see that the bulk of the total increase is still from the customers that are most numerous.

DR. NIELSEN: Yea, about half....2.4 of the five million comes from this single...the increase of rate of single party service.

REVEREND CLAUDE BLACK: May I ask this question.

MR. KUBIK: Yes, Reverend Black.

REV. BLACK: Where you have kept the two party line at the same level at the present are you anticipating that it will continue to stay at the level of use that now exists or could there begin in our city a movement to get two party lines in an effort to absorb the problem of increased cost of living, you know, and would this impact be programed or at what level would it impact the program that has been devised for what you call a fair level of profit on the part of the concern.

April 17, 1975

-7-

mop

MR. KUBIK: All right, let me try to answer this question. The question actually relates to trying to anticipate the future.

REV. BLACK: Because what I'm saying is there might be a movement. If we are talking about increase, there could be a movement on the part of considerable number of people who decided they can get by...that they can't afford a single party line and will go into the double because I can remember in my own experience when a single line was a real luxury in some homes and was a sort of status symbol for that community, you know.

MR. BILL O'CONNELL: Rev. Black I think it's even more important than that. I think that we might suggest to some elements of our community. This would be a very smart, intelligent thing to do. We might, the City Council might in fact be encouraging people to go from the single to the two party line.

REV. BLACK: I just want to know what kind of effect it would have really on what you have proposed in terms of a fair profit.

MR. KUBIK: I'm going to try to do a little bit of educated guess work because you're really asking what might happen in the future. Now, the present cost, the financial between the two party and the private line is between \$4.90 and \$7.20. That differential would, under the proposed rate, go from \$4.90 to \$8.10, or an additional 90 cents per month, which is about \$10 per year. Now I think it is a question of how much the additional \$10 a year would create in the impact in the ..(inaudible)..of the number of customers. However, if it does that opportunity to the customer does exist to make a savings of \$10 per year. So a number of customers..there is no question about it that some customers would switch, but this is just one of those opportunities that would be offered under the proposed tariffs to effectuate the savings of another \$10 per year.

DR. NIELSEN: It would really be \$3 a month if I think I understand you correctly. Would you go at present from \$4.90 to \$7.20 that's \$2.30 alone before there would be an increase. So you've got 90 cents more, that would be \$3.10..then we're talking about \$36.00 a year.

MR. KUBIK: \$36 saving, but the incremental saving is about \$10. People that are already on two party lines presumably would stay there. People that are not on two party but on private lines would have an additional \$10 per year incentive to switch.

MR. LACY: One point. I believe you said that 9.7 would be a fair return yet the numbers that you set forth would actually be around an 11 percent increase rather than 9.7, wouldn't it?

MR. KUBIK: Well, it would be left 10.96 on common equity but...

MR. LACY: What's it all going to equate to when you put it all together? Everything is increased. Is it going to be more than 9.7?

MR. KUBIK: The overall is - oh, I see, what you mean. The weighted average of all increases is 9.7 but individual increases as between the service classifications very often don't. I don't have the....

MR. LACY: Wouldn't it all equate to 11. - what you suggested rather than 9.7 that you say is the national average?

MR. KUBIK: When I was talking about the national average, I think we have to...let me just go back to some of the terminology. I was talking about the rate of return of 9.07.

MR. LACY: Well, that's what this whole thing is all about is to get a rate of return that is compared to the national average.

MR. KUBIK: But the 9.8 is not the rate of return. The 9.8 is the average increase in the rates, the average increase in the rates is calculated by taking the amount of additional revenues in the percentage points which is over and above the present revenues. These are two different percentages.

MAYOR BECKER: What seems to be the trend nationwide with respect to granting or disallowing rate increase requests for the telephone company.

MR. KUBIK: We have compared that with the number of cities throughout the country and we have found that the proposed - that the suggested tariffs would fall about in the middle of the existing tariffs in a number of cities and this comparison does not recognize pending rate cases, only the existing approved tariffs. Now this is shown in Appendix F on table F-3. The national trend is such that the telephone rate increase request of about the amount which has been requested here are fairly common and are generally granted and readily found to be justifiable.

MAYOR BECKER: I read somewhere the other day where - and I know this isn't France but to show you what can take place - the installation charge in France I think was \$111 for a phone and now they raised it to \$244 and there's a two year waiting period to get a telephone.

DR. NIELSEN: It's \$75 in Denmark to install a phone.

MAYOR BECKER: \$75? The point I'm trying to make is that regardless of how painful it is and regardless of how onerous it is to contemplate rate increases for utilities, unless the various bodies that are responsible for making these judgements do it in the affirmative and do it also to the best interest of the citizenry by keeping the rate increase as low as is humanly possible, we're not going to have a telephone company in this country either American Bell or General or any others. We're not going to have utilities functioning in this country whether they be Con-Ed or City Public Service or any others. It's just a common fact of life that it takes money to make the wheels go around and when these companies come to the financial institutions to float a bond issue to pay for the equipment that's needed to keep the systems modern, up-to-date, complete, and technologically correct and all those things, if the financial institutions can't show the buyer whether you be an institutional buyer or a private citizen, a return on his invested capital, he is not going to buy that stock and the quickest way on earth to bring the house down is to not grant anybody any rate increases but expect them to live within the framework of what they're presently being allowed and not take into account any of the inflationary pressures that are going on throughout the world that affect not only individuals but corporation as well whether they be private or public or any other kind. That's just the facts of life. There's no way you can escape it. Any other questions for Mr. Kubik?

DR. JOSE SAN MARTIN: Mr. Mayor, I'd just like to know if he feels that the study that's being made by the Texas Municipal Utility study would be significant to your findings, Mr. Kubik? You're aware of that study?

MR. KUBIK: The study I am aware of, Dr. San Martin, is the study of the separation practices and methods. I'm not informed of the progress or status of this study but I do know that the study was commenced some time ago.

April 17, 1975

-9-

mop

800
MR. O'CONNELL: You don't know - you didn't answer, I was wondering. You don't know if found adversely or either way what effect would have on for instance, our particular rate, how much percentage it would have any way at all on our rate.

MR. KUBIK: I can comment on it to the effect that there is a separations manual, which is a joint publication of the Federal Communications Commission and the National Association of Regulatory Utility Commissioners. Now this publication was used by us in checking Southwestern Bell's calculations of the separation of the rate base as between the local cost due to the local exchange service and the long distance and Bell also used the same manual in preparing the separation and we found no discrepancy there so I would say that I would be startled if the results of that study had any effect on the findings of this report.

MR. O'CONNELL: Thank you.

MAYOR BECKER: Okay. All right, Adam, thank you very much. I don't think there are any questions at this time. Carl, did you have something you wanted to add to this report?

MR. CARL WHITE: Very briefly, Mr. Mayor, let me summarize the staff report. It basically is the same as the O'Brien and Gere report although it was done in a completely different manner, completely different approach to the problem. We determined that the Southwestern Bell Telephone Company is in need of a rate relief and as shown on Exhibit 5, which is the second to the last page in our report, there is a comparison there with of what Southwestern Bell requested, what our recommendation is and the O'Brien and Gere report. Ours came out to be just a fraction less or approximately \$200,000 - well, not quite, \$150,000 less than what the O'Brien and Gere report indicated it to be. Dr. Nielsen posed a question a few minutes ago, how much would I mean - asked the question of how much would the residential - the one party rate constitute of the increase and it would represent about 1.3 million dollars of the five million - 2.5 approximately would come from the industrial and commercial customers. The balance then would come from miscellaneous charges of the 5 million increase, if it were granted by this Council. There are basically three changes that we have in our report as compared with the O'Brien and Gere report. The first is that the one party rate instead of being \$8.10 as recommended by O'Brien and Gere, our recommendation would be \$8.05, a nickel difference. The second difference has to do with the.....

MAYOR BECKER: Where are you reading? Page two?

MR. WHITE: Well, this is page 2 of the recommendations, I'm kind of skipping around all over the place here.

MAYOR BECKER: Well, now whereabouts in the.....

MR. WHITE: It's right up front. It's on the second page in the....

MAYOR BECKER: Okay, I'd just to stay with you, Carl.

MR. WHITE: There is not a comparison in a columnar type presentation. The second change or difference is in the installation charge. We're recommending that the installation be charged all the way to \$18 for residential connection charge and \$30 for the business rate. Now this ties in with the third recommendation that we've made and that is that the franchise fee be increased from two percent to three percent. The increase here is to permit Southwestern Bell to recoup this cost. The reason for this is two-fold. First, when we go to compare rates, we always compare Houston, Dallas, Fort Worth and all the other cities with San Antonio. Well, if we're not comparing apples to apples, it's not a

a valid comparison. They're getting three percent. We ought to be getting at least the amount that the other cities are getting, Dallas is getting four percent but we're not recommending that we go all the way to four. We think it ought to be....

MAYOR BECKER: The more it's going to reflect in the rates.

MR. WHITE: Well, that's true.

MAYOR BECKER: It's not free.

MR. WHITE: It's just a pass-through, just like the other charge but the thing about it is the installation cost, it costs the telephone company about \$60 we're told to go out and make a call and if we're not charging somewhere close to the cost, well, that means that all of the other customers are subsidizing the business when he makes a telephone charge from one location to another or residence when they go to add another connection. So we think it's more fair and equitable to increase the charges and put it more in line with what the actual costs are. Now those are basically the three differences.

MAYOR BECKER: It may sound foolish perhaps, but is there any data that the Telephone Company has that indicates how often people request phones to be moved around in a house or a place of business or whatever? Are there some that just indiscriminately move the phones every three or four months? You know, it's conceivable that there are those kind of people.

MR. WHITE: Well, I'm sure that some of that occurs. I don't have those statistics. Jim Reed is in the audience and he's probably...

MAYOR BECKER: Jim, do you know anything about that? Would you care to comment on that?

DR. NIELSEN: And while he's coming, Mr. Mayor, I think it's significant in terms of the new installations which would certainly occur outside of the City of San Antonio, that will be reflected in the increased franchise fee to this City. In fact to help support some of this outside of the City development we have.

MR. JIM REED: Yes, sir. Mr. Mayor, in 1973 which is what our rate filing is based on, we installed seven telephones to gain one. So in other words, we had six people who either disconnected or moved from one location in the City to another location in the City. It's seven to one and there has been an increasing trend over the years. I think in our 1971 filing, it was around 5½ to 1.

MAYOR BECKER: What about moving them in the same house though if they stay in the same house, in the same place of business? Are they moving them around from the living room, the bedroom and all this kind of business?

MR. REED: There's not a great deal of that. There's more movement of one location in the City to another.

MAYOR BECKER: Just transient sort of moving?

MR. REED: Right.

MAYOR BECKER: I see.

MR. REED: Particularly the apartments, this makes it very hard on us.

804
MAYOR BECKER: What about - did you find out any more information about the extensions and the princess phones and all these dial touch-what do you call them....

MR. REED: Touch tones.

MAYOR BECKER: Touch tone and all that sort of thing in areas where obviously there could be economies affected if they were not desirous of having all of these types of installations.

MR. REED: Yes sir, we took the census bureau figures as far as identifying the lowest income area of town and that basically falls in our General exchange, a little bit in PErshing so we looked at both of those. We found that the average bill in the General exchange ran \$14.99 and that \$5.00 of that was long distance and the remaining \$10 was in local service. Now, of course, at 7.20 - \$7.20 a one party - the difference is made up by extensions and trimlines and touch tone and princess and things of this sort. By the way in that same exchange we found that 99.7 percent of our customers had one party telephones, only .3 of 1 percent had two party.

MAYOR BECKER: In the City?

MR. REED: In the lowest income area in town as indentified by the census bureau, that was our General and PErshing exchange. I'd like to answer Reverend Black's question, if I could. One of the other things I looked at was during our period of rate increases since 1971 and we increased our development in these parts of the City, in other words, had more households put in telephones that never had them before and that has continued to increase during our rate increase year.

REVEREND BLACK: I think, the telephone in many of the poor areas is really a status symbol and you will find they're purchasing phones that are attractive as a kind of status symbol within the framework of that community so they don't, I mean, it's not shocking to me for us to say that in some of your poorest areas you actually discover the kind of cost that you would not ordinarily expect because the telephone is a kind of status symbol among many persons at what we might call poverty level but one of the things that I'm concerned about - does this action take into consideration the kind of pay scale that the telephone company must meet. Now, are we to expect, the question I'm raising, are we to expect in the event there is any kind of change, you know, the telephone company keeps a - there's a negotiation going on every few years and whether or not the increase we're talking about addresses itself to the pay-scale of your employees or is it primarily geared to your capital needs?

MR. REED: Well, I would say both. In June of this year, we're in the end of the first year of a three year contract with escalator clauses during the contract and in June of this year it comes time for our contract to have the escalation clause applied, you know, rate increase or no rate increase. Now, last time that meant a million dollars additional to the payrolls in San Antonio. I haven't looked at it this time but I would assume that it's an equal type increase.

REV. BLACK: Could you give us some real figures on what it means, what this is going to mean to the employee any increase of pay based on the present contract that you have with the person, what it's going to mean in terms of increased pay. I would like to know that because it seems to me that this too, contributes to the decision of the Council in terms of his relationship to the company knowing also that we're not all just talking about hardware in the - for the company but we're also talking

about services and jobs to the community and I'd like to know what you're saying in terms of escalation of the cost and increase in pay among the employees.

MAYOR BECKER: Well, I'd like for Mr. Reed to point out something also while he's doing this, Reverend, and that is if you will reiterate those facts that he mentioned here the last time he was here and that is if this rate request or something similar to it is not granted the telephone company by necessity will be forced to curtail the expenditure of some \$43 million or whatever it was, I can't remember the figure exactly, but you had plans for substations and all this type of capital outlays improvements which would also do somewhat the same thing. It's all tied in, you know, it's hand in glove.

MR. REED: I just say this, since that - what the Mayor brought up is a two front squeeze we find ourselves in. One is the affect of the recession and a slowdown in growth of telephones which, of course, ends up in revenue coming in, additional revenue. The other is rate relief. Now, aside from this increase on a company basis, in fact on a nationwide basis, we went into bargaining on our last occurrence so we are committed in June to raise the occupational and craft wage scales in San Antonio as well as in the rest of the company. There's no more negotiations, that's been signed by both parties. Now, where it would affect us most is in our number of employees, the installers, the repairmen, the operators, this is the part where San Antonio is still been experiencing growth. Now there are some parts of the country that have not been doing that. This puts an additional burden on us here in managing the business to handle the growth and handle it efficiently. It's inevitable.

REV. BLACK: I understand that but what I'm truthfully saying is that you make it much - you make it possible for the Council to make what I think is a clearer decision when you not only talk about the capital, the right of certain capital with reference to operation but when you show also in the contracts that you have with employees of San Antonio, this also includes an increase in their salaries that amount to a given amount in terms of the company's expenditures because - you said a million dollars but what I'd like to know is whether or not you can establish that, if you're able to establish that not just in what you said it happened last time, but if you're able to establish it in terms....

MAYOR BECKER: What you're trying to find out is how much of that money would reenter the main stream in the economy of the City of San Antonio.

REV. BLACK: I think that's important to us. You see, when you began to talk about your business - how much of it gets back into the hands of the people.

MR. REED: Let me put it this way. I think it's important to remember that we're dealing with a December 31, 1973 earning statement. Anything that happened after that was not taken into consideration by either the City staff or O'Brien and Gere. Now, in 1974, six months after our earning statement our increase in salaries in San Antonio went up a million dollars now, that's not taken into consideration in this rate request that happened last June and it's, you know, that's after the filing, after the 12/31/73 earning statement was filed. Again, this year there will be another escalation which will be approximately a million dollars. I can find out the exact amount.

REV. BLACK: Well do you anticipate the fact that if that escalation must be met that you will have to come to this Council again for a rate increase based upon that salary increase? This is what I'm trying to get at, are we considering it right now?

MR. REED: If I knew what the economy was going to do I could answer your question more direct. I would say that if we continue in the double digit inflation I will be back before Council. There's no doubt about it. I would say this that if I were coming in now I would be coming in for a considerable greater amount than the \$5.7 million that I came in based on '73 because '74 we all know what happened there.

MAYOR BECKER: The banks are already talking about 1976 interest rates being 10, 12 and 14 percent. Now, the New York banks, they already recognized the fact that we're out of this recession that we're in now. They're worrying about the next one that's coming because of this tremendous demand upon the available funds by the Federal government to pay the interest on the current debt. So they know just as sure as we're sitting here and they're sitting up there that next year the interest rates are going to be right back where they were before they just started coming down which affects your business, our business, the City's business and everybody else so we're just going up and down like a rubber ball. It's a mess but that's what we're in and we're going to stay in it for some time. The prospects of not being in that though are even worse because if we just go completely kaput then we've all had it.

DR. NIELSEN: I just want to ask Mr. Reed, let's just assume that you'll be back next year sometime, would - well, six months I guess that's still this year, we'll paint this the bleakest possible - at that time would it be possible to look at other areas aside from, particularly from two party and maybe even single party, other sources of revenue but the fact right now we're getting roughly half of this increase from single party phones is there any - well you can't make any promises yet but are there other possible areas.....

MR. REED: That's a good question when our auditorium circle building is finished it will give us the capability to do some things in pricing items more on their cost basis. For example, directory assistance, which ran over \$3 million last year. Many places have gone to charges on this. More will go before I'm back again and we'll have quite a bit of experience on that. Several places have gone to 15, 20 or 25 cent coin telephones which require just a single slot telephone. We have about a 65 percent development of single slots and as we charge out we charge to them so that we don't run up a great cost of..(inaudible). So there will be some options available that are not available now when the new equipment is installed.

DR. NIELSEN: That is my major concern. We come right back to the same folks again.

MAYOR BECKER: That's one of the most unfortunate things about it.

MR. O'CONNELL: Jim, I'd like to ask you a question. I don't know if you've had a chance to see the staff report or not, have you seen it?

MR. REED: Yes.

MR. O'CONNELL: In there they recommend seven steps in here and those seven steps - page 2 - frankly, I can buy that, I can buy it because I see the need of it but I'm concerned as Dr. Ford Nielsen just said, how long do you suppose, look in your crystal ball, if the Council were to say okay, have at it, take these seven steps, we assume you can live with them when are they going to see you again? Now, that's important. I think that's a question everybody in town, I think everybody in town knows that everything is going up whether it be gasoline or whatever but they want to know when the next step might occur.

MR. REED: Of course, I obviously don't know the specific answer to that but I would guess that if inflation continues at its current pace and, remember now, we're dealing off a 1973 earning statement, a year and a half ago, that it will probably be next year around mid-year. Now, that's just my guess and I've not consulted with our rate experts in Dallas or anyone else but that's just my estimate. I think a while back we had to make a decision as to whether to come in more frequently for smaller amounts or less often for greater amounts. I worked in Oklahoma for a number of years and follow things there and just last week they were granted a rate increase and I believe it took the residence one party in Oklahoma City up to the middle \$7.00 and that was almost a two dollar jump.

MAYOR BECKER: One of the things that Jim's company is going to be faced with like yours and ours and the City's and everybody else's, the slow down in production, for example, in Detroit of automobiles and trucks is not going to make those cars cost less, it's going to make them cost more. That's something a lot of folks don't seem to take into account but the plant was built to peak out at a such and such a rate of production and everything we do in this nation of ours is based on volume, it's predicated on volume of production. We've lived this way since the beginning of the industrial revolution almost, so if Detroit is producing 70 or 75 percent as many automobiles and trucks as it was in '74, whenever all this good year was, the last one that they had. I don't care if all the material stay exactly the same, those ones they are turning out are going to cost more. Has to be because it just works that way.

MR. REED: You know, I have one other thought on Reverend Black's question. Western Electric, our manufacturing supply arm, reacts to our need and, of course, our needs both to growth and earnings have been down. In San Antonio, I'm talking about just San Antonio, over a hundred Western Electric people have been laid off. Now, that's gone unnoticed and they probably don't appreciate me commenting on it but it's a fact you all need to know because as I've said, it will have in effect and here's clear evidence of it that we're having to look at other projects mainly in the area of switching equipment for Babcock and Lehigh to see whether those should be slipped or not and in some cases, we made decisions to slip them for some months or perhaps into another year and these are critical decisions.

REV. BLACK: The reason I'm asking, personally, the question that I was raising was that I would not like to find myself facing you in which the rate increase would be fitted against the raise that men and women in your company would be getting. In other words, I'm trying to escape that, I'm trying to raise the question now so that we can try to do - deal with it, we're dealing, we've talked about a legitimate fair profit and I'm simply raising the question, does that legitimate fair profit take into consideration the kind of escalations that you have in your negotiations so that I would not find that we have a new ball game next year in which you are relating your request for increase

808
in cost to all those very fine telephone friends that I have out there in this community, you see.

MR. REED: Wages certainly are one item but we also have every item we buy particularly the copper items that we use in our cables is up 70 percent and so everything that we purchase, buy or need, polyethylene for the cables is up and wages are up and I assume they'll go up again in 1976.

MAYOR BECKER: Well, all of our foreign suppliers jumped on the bandwagon and stimulated the oil situation, Zambia, and Chile and all those sources of copper said look what's going on over there with all the oil if they're raising the price on that so why shouldn't we raise the price on copper, bauxite and every type of a thing that, mineral or ferrous metal or whatever that we import and we're being taken to the cleaners, there's no question about it but you've got to have copper and I don't think the United States alone produces enough copper to supply all the need, I don't know how much copper we export versus what we create at the domestic.

MR. REED: There was a trial on aluminum on the Southern Bell and it ends up in a disaster. I'm glad we didn't get in on that trial.

DR. SAN MARTIN: Mr. Mayor, I'd like to ask Carl White a question. First of all, I'm happy to see that you recommended that increase in the franchise tax from 53 percent. You know that you and I had talked about that for a long time.

MR. WHITE: That was in (inaudible), yes, sir.

DR. SAN MARTIN: Also, I would like to comment that you did it in the area where you thought that it needed to be done which is in the installation one-time charge, installation charges, I commend you for that. Even with that charge you were able to come in about \$140,000.00 under the O'Brien and Gere report, is that correct?in the page before the last you say, staff recommendation 5.08, Southwestern 5.7, you came in about \$140,000.00.....

MR. WHITE: Dr. San Martin, that's a little misleading in that the increase that Southwestern Bell would get from this installation fee would be passed on to the City in the form of this franchise fee so that it's a net. In other words, the increased revenue is not shown there.

DR. SAN MARTIN: In other words, the increase and the installation charge is exactly what one percent extra would bring into the City of San Antonio.

MR. WHITE: That's right.

DR. SAN MARTIN: Nothing from that goes toward this 5 million plus.

MR. WHITE: That's correct.

DR. SAN MARTIN: Okay, it's all taken care of. All right, how did you come in \$140,000 under the O'Brien and Gere recommendation?

MR. WHITE: Dr. San Martin, it's an altogether different approach to the way the thing was calculated and it - basically, when you're dealing with these large numbers, we're almost right together as far as the total dollars are concerned but this was an altogether different approach using the fair value as opposed to O'Brien and Gere using the original cost we used the same method that was used back in '72 when the staff or our Public Utilities Supervisor at that time made his report. We used basically the same approach as was used that time.

DR. SAN MARTIN: Now, nowhere here did I see a recommendation from anyway and it may not be the proper time to make this recommendation by anybody but no one said anything about when the new rate would be

effective, say 30 days after passage of the ordinance or the next day like we did in the CPS when they started sending new bills for service which was 30 days old already.

MR. REED: Well, the rate ordinance, when and if it is passed, would have to set the effective date and it would have to, I guess, I would assume that it would be effective with the first of the month.

REV. BLACK: No pass through charges, is there?

MR. O'CONNELL: Dr. San Martin, in line with your reasoning and your conversation, I would like to suggest that in doing such a thing as possibly will be done that there will be a time of 30 days because you remember that we asked the telephone company one thing is that as this thing hits, the impact hits, that the people who now have single party lines, the princess phone, things that they may need to bring down that they be given a period of 30 days to make this - to rectify this problem without a charge and the only way that I would consider voting for this would be to get something in that line along with the recommendation. I would not like to see us pass this thing on and approve it without some of those things in there because we're responsible to the citizens and they need to have, they need that relief.

MAYOR BECKER: I think you're point's well made, Bill, but I believe this, that if I were hard pressed as an individual, I would automatically be thinking of these things as to how to save myself some money by discontinuing certain of these frilles. That's what they are.

MR. O'CONNELL: I agree with you, Mayor, but you know the telephone company has been a terrific sales agent for these colored phones and you know, it's been like Reverend Black said, prestige. They've done a good selling job. If you've ordered a telephone, the gal on the phone or whoever answers is giving you the sales job, wants you to have one upstairs and one down here, too, you know.

MAYOR BECKER: Oh yeah, they'd like on in every corner of the house, you know, if they could but there are certain folks though that are going to find it difficult to afford these things and the American system has been, of course, that we want everything and we've had it up to a point many of us and some, of course, have never had it, unfortunately, but if I were hard pressed and a lot of folks are, I'd be thinking about how I could trim my expenses on some of these things that are absolutely superfluous. Now a telephone is necessary but I don't have to have a red one or a blue one or something like that and two extensions in the house and all that sort of thing. I could probably find ways to save money if I get right down to it.

REV. BLACK: It would contribute to the people of the City if there was expressed in an ordinance a period that would give them an opportunity to make an adjustment.

DR. NIELSEN: Can we perhaps set a full public hearing for next Thursday because I don't know that this has had enough advance notice.

MAYOR BECKER: Well, I would recommend that we either have it next Thursday or next week some time before Thursday because this world for me down here is going to stop as of 1:15 next Thursday, I can assure you that, win, lose or draw, and I won't be here that afternoon. So you all will be minus me, to say the least.

MR. O'CONNELL: Mr. Mayor, I would surely like to say that I think this Council needs to take the action. We don't need to pass along to the other Council.

MAYOR BECKER: It would be the easiest thing on earth to pass the buck to the next group, but I think it would be unfair as the devil to do it because I don't think one of us is unaware of the necessities of some of these type of things. Raul, did you want to say something?

MR. RAUL RODRIGUEZ: In my experience, the telephone company has dealt in extreme harassment to a customer. There are...many claims have been made which cannot be (inaudible) because they come from their own information. The public has no access to that information. It has surprised me greatly to hear them say that in the poverty areas, the majority of the people have single party telephones. I have a single party telephone, but it was forced on me. I was harassed into accepting single party line against my wishes. Like Councilman O'Connell said, the telephone company does a bang up job of selling, hard selling princess line and trimline telephones. I have read letters to the editor in the Action Line and other parts where people complain that they order black telephones, the cheapest one, and they were practically forced into accepting by trickery, princess telephones and trimline telephones. All right. Many claim that they have laid off 100 men. How do we know it's true. How do we know that they didn't let them off just to have a selling point.

All right. This we can only speculate on but they claim that most poor people have single party telephones because they like the prestige. In my case, Mayor Becker, I have had very bad service with the telephone company. My telephone was out of order for two weeks about six or seven months ago. People called me and thought I had dropped dead because nobody would answer, it just sounded busy. So we could (inaudible) from the Police Department. Nobody, the telephone company was called that something was wrong. They said we'll send a man, they never came. I had my telephone for two weeks I couldn't get any satisfaction from them. There was too many issues to fight over so I had to let it go. For example, they say that the poor people, the majority of them have single party telephones because they like to. It's not true. In my case, I have a four party telephone for many years, and we had good party line customers and good party line neighbors, and we had no trouble. But all of a sudden they started to call me, the telephone company, different people and tried to induce me to put in a single line telephone - single party. I rejected because my means are very slim and I have to watch every penny so I said no, I cannot afford it, I'm satisfied with what I have. Well, I had for several reasons I had conference with different people about half an hour on the telephone and so they said you must be a lawyer the way you talk. I said no lady it's just that I don't want to incur a liability to obligate myself for something that I can't pay for later. Anyway, seeing that they couldn't convince me to put in a single party line, they started harassing me. All right, the way they did it was say that I couldn't get my line. I'd call from outside and nobody wasn't home and the line was busy, busy, an hour and a half, two hours. When I was at home I tried to call out and the line was busy. They had people on the line that talked constantly. I thought it was a tape recording at first, but sometimes I very quickly asked me off the line that other people would like to use the telephone. Why don't you just wait your turn, we're busy talking. Talking about nothing just idle gossip. All right. It got so that I just had to accept the single party line. I believe they have people who are professionals who use the party line just to block the lines so you can't use it. You either go to single party line or go without.

MAYOR BECKER: I can't quite conceive of anyone harassing you or making you do anything against your will, Raul.

MR. RODRIGUEZ: Well, at that time I moved away (inaudible), my mother at that time was living there, then she took sick and my brothers would call in and I would call in and I was working on the telephone repairman, I had to be out on the streets to call in and I wouldn't get the line. My mama she died a few months after. But this is what they need. They would clog up the lines where it was impossible. I called there so many times, I had friends call and I wasn't home. I couldn't get the lines because I had people, relays talking in relays tying up my line. There is no way in the world that it could be natural. You know, I talked many, many times and you know I can be fairly convinced and reasonable. And I tried to talk to those ladies, please ladies, and tell them the situation, but they just wouldn't give up the

line. They would say, well, we have as much right as you and both of them would jump on me, so I wound up having a single party telephone line. It's getting to the point where I am thinking seriously of having this taken out because it's getting beyond my means. Now I believe the same thing happens to many, many people and like Reverend Black pointed out, people who go to two party lines, they increase, the sick will be lost. It would be a self-defeating move and then they'll come back again and rate the two party line.

MAYOR BECKER: You got that one party line and when you got into politics and became so affluent. That's the reason you got that line.

MR. RODRIGUEZ: No, sir, well, I've had the party line for about ten years, 12 years because they claim that they have to have, they were cutting off four party lines, they were cutting off two party lines that's what they told me because they have to go through long distance direct dialing. Well, I don't ever call anybody, for twenty years I haven't called anybody. I don't need a long distance line. Well, we have to do it. That was the coming thing and that was the argument that we had. You had to have, there was no two party, no four party, just single party. So, well, whenever you get to the point where you have single line, then I'll think of it but I hope that you don't pass this, you don't agree to this rate increase. Life is getting intolerable and very difficult for many people. I come here time after time to try to put this point of view across. There's a point, like I said, where you just don't have the money. You just can't afford it. I've been doing without many things that - the daily paper I don't buy because 15 cents I can't afford it. Multiply me by thousands and this hurts the whole community because we see. I don't buy bread, I go to the - where they have the bread at (inaudible) stores because sometimes, not all the times, it's tough to keep on eating and everyone of them raise 90 cents or a dollar or whatever it is and there's nobody to defend us but the City Council.

MAYOR BECKER: I understand, Raul.

MR. RODRIGUEZ: I hope that you don't pass it and wait for the next Council because the officers of the telephone company have to be looked into very seriously, very thoroughly to find out what the true state of affairs is.

MAYOR BECKER: Thank you, Raul. Now, let's see here.

MRS. LILA COCKRELL: May I ask a question of the staff?

MAYOR BECKER: Yes, madam.

MRS. COCKRELL: May I ask Carl White? Do you have any information about status of the rate increases in Dallas and Fort Worth? It was my understanding, and I may be in error, but I think that I heard that they were each waiting for the results of the Texas Utility Advisory Commission before they set their final hearing.

MR. WHITE: Mrs. Cockrell. That was my understanding too. I had talked with Bill Martin of the Texas Municipal League, who has been providing the secretarial support to the TUAC, Texas Utility Advisory Council. I apparently was given some erroneous information. We learned, although this is by telephone and I confirmed this, but we learned earlier this week that that separation study that the Texas Utility Advisory Council has been talking about now for three or four months has actually not gotten off the ground yet. This is contrary to information that I received from Mayor Dan Matkin from Irving back in January. At that time, they had received something like four proposals and received commitments from several cities and he said the study was imminent and was getting under way within the very next few days, within the next week or two, but from the information we just got - just learned this week, that study apparently has still not gotten off the ground and I think what they are going to do is come back to the

822
432
Texas Municipal League with a recommendation. I believe that's the status of it.

MRS. COCKRELL: Would the recommendation be that someone else do the study or what?

MR. WHITE: No, with the recommendation as to the firm and they're waiting...they have six proposals and apparently they've had these for some time. I don't know why they have not acted. Maybe it's because the League have not met and I don't know exactly how that operates. But Dallas and Fort Worth, they're waiting on their consultant's report. Now it could well be because both of them are participating on the studies that after they get the consultants report, that they will wait on this other study that's supposed to take about two months.

MRS. COCKRELL: The information that I have was that they did not expect to reach a decision until sometime in the summer and that was the information that I had. And I think their rate cases had been pending about the same length of time that San Antonio's has.

MR. WHITE: That or longer, that's right. Their reports are, I think due in May from their consulting firms. So I would think that they would take about 30 to 60 days to act after they get their reports. So sometime in the summer I think is about right and that should be, the separation study should be completed at that time.

DR. NIELSEN: But finally, regardless of the outcome of the separation study, won't it, in fact, still have a minimal effect on the decisions that are made regarding local rates. That's the impression I got even if the study shows, in terms of separation, a serious discrepancy, let's say, it still won't affect much the rate of return in terms of equity and the basic rate structure. That's my impression now, I could be wrong.

MR. WHITE: I don't think it would have a material affect.

MAYOR BECKER: In the scheme of things today, if you don't give the telephone company or the City Public Service or whatever these utilities are an increase today, they're going to have to come back next year or whenever it is and ask for more than they were asking for now. That is if the people want them to continue to stay in business. Now if they don't want them to stay in business, then shut them down. And just turn the tap off and by God, they'll dry up, they'll absolutely will dry up because they won't have any choice but to dry up. It's that simple.

MR. WHITE: We've looked at it as thoroughly as we know how to do so.

MAYOR BECKER: It's a sad thing but it's true.

MR. WHITE: The O'Brien and Gere firm has and all - everything points to the fact that the telephone company does need some rate relief. There's no question about that.

MAYOR BECKER: We're going to pull the whole nation down about our heads if we're not careful with all these kind of things that are going on. And I don't know, I appreciate the problems that everyone's having and I know about inflation and I'm a victim of it myself and everything else and the government here is but unfortunately, we don't make the rules. We don't make all the rules. We're not controlling the whole world and we're no longer in control of the world either and that's the thing that I think the average American public has not yet grasped. We're no longer the pre-eminent power that we once were.

DR. NIELSEN: Oh, I think man still has the capacity to make the proper decisions. I think more than anything the significance of a limited world of economic model is really what we're caught up in and sometimes in the near future, somebody's got to get their heads together to devise that.

MAYOR BECKER: Absolutely.

MR. O'CONNELL: Mr. Mayor, could we set up a public hearing say for Wednesday or so of next week?

MAYOR BECKER: Well, that's the day I was looking at here, if that's convenient with everybody. I know it's another day but.....

DR. SAN MARTIN: Mr. Mayor, may I ask the City Attorney if the time frame is within the Charter recommendations as far as setting public hearings. How much time do we have to give for a public hearing of this nature?

CITY ATTORNEY CRAWFORD REEDER: Doctor, I looked for that some time ago and I couldn't find any requirements that we even have to have a public hearing but I would strongly recommend you have one.

DR. SAN MARTIN: Well, I'm in favor of the hearing - I just want to know the time....

CITY ATTORNEY REEDER: Well, if there's not a requirement of the hearing, there's not any time requirement.

DR. SAN MARTIN: Any time you want, okay.

DR. NIELSEN: The main thing would be in terms of some general public notice that we're going to have a public hearing.

MAYOR BECKER: All right. What about next Wednesday, April 23rd?

DR. NIELSEN: AACOG's meeting at 1:30. Shall we do it in the morning?

MAYOR BECKER: If we can start down here in the morning at 9:00. Well, you know, I guess it could take a month if - but three hours or something should be sufficient for it.

REV. BLACK: I'm especially interested in this public hearing because I think one of the ways after we have listened to all of our consultants and after we have listened to the representatives of the industry. We are talking about a monopoly, we're talking about in terms of City services of the only service that the citizens of this community have. And we're talking about an opportunity for the citizens of this community to give us some input in terms of their ability to absorb this. Now we talk about the company's ability and its problem in dealing with this and I think this is proper. But we also need to hear from the citizens of this community in terms because we're talking about a public facility and if I can't get a phone from Southwestern Bell, I got a problem, I got a real problem. So when we have those kind of concerns, it means that we ought to have and ought to really project as strongly as we can public participation in that hearing. Now, I think that the Council has to reflect responsibility in the midst of the public hearing but I think at the same time it's the only way we can really get some understanding of the impact that any of these raises will make on the economy of the community.

DR. SAN MARTIN: Do we need a motion to set the hearing for Wednesday, Mr. Mayor, so I....You don't need a motion? Okay.

MAYOR BECKER: Well, let's just for the moment then accept 9:00 Wednesday, April 23rd, if that's agreeable with everybody. Is that agreeable with everybody? All right.

DR. NIELSEN: By the way, Mr. Mayor, I really was impressed with the staff's report. I think there's a lot of hard work done there. I remember about five years ago trying to get this sort of thing and, fortunately, it didn't happen but.....

MAYOR BECKER: They've been studying this thing now Ford, how long has this been going on here at the City about this - eight months, and you know, it isn't as if it just dropped in our laps yesterday, it's been around.....

MR. RICHARD TENIENTE: Mr. Mayor, I understand that all this has been slowed down by the studies and all and there certainly is a need to move on in this issue, however, my opinion is that the new Council coming in will be then answering that action which has been taken by this Council. I strongly feel that if the Council-elect people were to be given and furnished this information and if they were to be made available, I would feel that this ought to be put as one of the first items for the new Council so that they can - if this is something that they're going to have to face, this is something that they may as well address themselves to and show the citizens which way they feel because this is basically what we're going to be facing. I commend the present Council for wanting to accept all the flak that they will be - but they will not be here.

MR. CLIFFORD MORTON: You don't think that we're going to be loved.

MR. TENIENTE: I'm going to say that you're not going to be here to answer and then the people over here are going to say I didn't do it and that's not a good defense. I want them to have big broad shoulders if they're going to accept it, let them be right here to accept it. If not, why let them be the ones to tell the people.

MAYOR BECKER: I'm sure, Richard, that there will be plenty of opportunities for.....

MR. TENIENTE: I understand and I want this to be one of the first ones. I want this one to be.....

MAYOR BECKER: Well, that's admirable of you and very courageous and I appreciate that. I didn't for one though want to scratch a lot of our fleas and ticks off on the new Council for the simple reason that that's the way a lot of things were handed to this Council and we spent about the first six months or more, cleaning up or mopping up and straightening up and tidying up stuff that had been left over from the previous group of which I was one of them.

MR. TENIENTE: I think the people will realize that this is one of the situations that was not that type of a situation, Mr. Becker. I think that we're just going to have to look at it and let these people exercise some of their elected duties and this is one of them.

MAYOR BECKER: Whichever you all want to do is okay with me because I've been hung so many times now that my neck doesn't even know it's got a rope around, you know, so.....

MR. O'CONNELL: Well, there's a certain amount of briefings though that we've had that just don't go for naught. We've been through this thing, Richard, many, many weeks.

MR. TENIENTE: I understand, but you're not going to be here to take the briefings we're going to face when the citizens come back and I think that we owe it to the new people that are coming in to know what they're going to be facing and it's just another couple of weeks or so that we want and that's it.

MAYOR BECKER: I can only say one thing to you, Richard, and that is this, that we have stores in many areas of the City and I can honestly tell you if I told you what some of the best sellers are in the lines

of merchandise in certain parts of town, you would think I was lying to you when I tell you that the Premium products are the best sellers. In certain parts of town where you'd say that can't be so but it's true, it's true, because I know the movement record on a lot of these products. So with all due respect to what we hear and there are many, many people who are disadvantaged and I'm not demeaning that situation, I'm not unaware of it. I know very well but not everybody in San Antonio, you know, is right down on the flat of their back. I mean, it's just not the case and there are those who are...without a question of a doubt and they need all kinds of assistance. But most folks are making some money and most folks have a job and they're working and that sort of thing and well, I think the princess phones and all that kind of stuff is almost living proof of the situation. Straight lines and extensions around the house and all those kind of things.

MR. MORTON: Mr. Mayor, I didn't know that Handy Andy sold anything but premium quality products.

MAYOR BECKER: Well, I'm talking about such things as luxury items.

DR. SAN MARTIN: Gourmet foods.

DR. NIELSEN: Like escargot.

MAYOR BECKER: Gourmet foods. Well, I'm not talking about snails but I'm thinking mainly of certain beverages, liquids.

MR. MORTON: And I do not know what the legalities of it are since the Council persons that will form our new Council are elects or the more as opposed on this one, I wonder what would be wrong in having them participate in this hearing. They do not have to participate in the vote. They can express themselves publicly if they feel like it.

MAYOR BECKER: If they want to, I'd invite them.

MR. MORTON: I think that's - aren't you really saying that you want people whether they can officially go on record or not at least publicly go on record how they feel about it.

MR. TENIENTE: Well, I think it's that and then to be able to relate to the questions and problems that might arise from the actions of this Council so that they can better work in the future.

MAYOR BECKER: Well, we don't want to put you in a bind, I can assure you that.

MR. TENIENTE: When we accepted the job to run, you are in a bind in this sort of way. But nobody forced us.

MAYOR BECKER: That's correct.

MR. MORTON: Would that be satisfactory?

MAYOR BECKER: Yeah, let's.....

MRS. COCKRELL: I would doubt that anyone would want to express themselves if they had not been given all the briefing material and that kind of thing.

MR. MORTON: Again, let's let them have all the briefing material, let's let them be at the public hearing. I'm assuming at the start of this public hearing would be a brief briefing on the reasons why for the rate request.

MAYOR BECKER: Right. Okay. Will you all invite all the new incoming Council members to attend this session next Wednesday?

DR. SAN MARTIN: Are we going to subpoena them, Mr. Mayor?

REV. BLACK: Mr. Mayor, one of the things that concerns me, I can remember when we had our initial hearing on the City Public Service Board increase and there were a very few people even present. They were only present after the bills went out and then we had the expression of the people to come in in large numbers.. Now, I would certainly like for the press to present this matter in the press in such a way as to let the public, generally, know what the possibilities are so that we can have those folks before the action rather than after the action.

MAYOR BECKER: You had better hire the Mission Room or somewhere over there at the Convention Center to hold it there. Would you find out if that's available, Garland, on that morning? One of those big rooms over there because a lot of folks will probably come down and all that. So when you start into that thing, you know, there's an old joke about the guy that drinks so much. He's drinking to try to forget but he's got such a good memory that he can't. So let's not start about that thing. I've been trying to forget all about that, Claude.

Dr. San Martin welcomed a delegation representing the Mayor of Monterrey, Mexico, Sr. Lic. Leopoldo Gonzales Saenz and Sra. Elena B. de Gonzales who sent as their personal representatives two distinguished citizens of Monterrey, Sra. Guadalupe Villarreal de Gonzales and Srita. Minerva Gonzales Santos. He said that the purpose of their visit was to present a gift to Mayor-Elect Lila Cockrell.

Mr. Angel Toledo, who was escorting the ladies, said that they brought greetings from the First Lady of Monterrey who was aware that Mrs. Cockrell had just been elected Mayor of one of the ten largest cities in the United States. They congratulated Mrs. Cockrell and presented her with a gift from Mayor and Mrs. Saenz.

Mrs. Cockrell thanked them for their kind words and asked that they carry her greetings back with them.

CITIZENS TO BE HEARDMR. JOE MACHADO

Mr. Joe Machado, 227 Cavalier, speaking as a citizen and as a member of the Planning Commission, said that there have been numerous applications to rezone property in the northwest part of the City which is part of the recharge zone of the Edwards Aquifer. There were three such cases brought before the Planning Commission yesterday. He said that he had taken a hands off stance on these matters and has encouraged other members to do likewise until such time as proper safeguards are placed on this critical area. He asked the Council to adopt a resolution declaring a moratorium in this area. He also asked that the Council, Texas Water Quality Board, EPA, or any other appropriate agency enforce whatever safeguards presently exist to protect the recharge zone and to provide the Planning Commission with criteria to be used as a basis for considering rezoning cases.

Mayor Becker and City Manager Granata told Mr. Machado that certain criteria already exist which provide adequate protection. The State Legislature is being encouraged to establish an agency to have enforcement powers over the entire Aquifer.

Dr. Nielsen said that one point yet to be covered is that of flood water run off over the recharge zone.

Mrs. Cockrell said that this matter would have a first order priority with the incoming Council. The entire matter will be reviewed with the new Council.

MR. KARL WURZ

Mr. Karl Wurz, 820 Florida, made reference to comments made in a newspaper column concerning the "Citizens to be Heard" portion of City Council meetings. He expressed the hope that this feature will continue when the new Council takes over.

Mr. Wurz also discussed the new tax reappraisal and said that making reappraisals by a windshield survey is wrong.

Mr. Dick Miller, Secretary of the South Texas Health Education Center, spoke concerning a previous request for financial assistance from the City. He asked that a decision be made on the request of Dr. Fernando Guerra two weeks ago.

City Manager Granata read from a memorandum from John Rinehart setting out certain guidelines for programs to be eligible under revenue sharing. He said that this is a borderline case and could be construed as ineligible by a federal auditor. It was further pointed out that due to other existing conditions it may not be possible to fund this program. In the event the project is approved for funding the report recommended elimination of some items which would bring the request to \$10,724.

After discussion, the City Manager was asked to prepare an ordinance providing funds to be available June 1, 1975. Meanwhile, the staff is to be examining the program further.

75-21

MR. BOB SCHONOFF

Mr. Bob Schonoff, representing St. Anthony Church, said he wished to speak again in opposition to rezoning Case No. 5819. He said that he felt that the Council had made up its mind before hearing the Case.

75-21

LITTLE MIKE'S ICE HOUSE

Dr. San Martin requested the City Clerk to prepare a resolution to be considered next week expressing appreciation to Mr. and Mrs. Gabriel (Little Mike) Granato at Little Mike's Ice House for their kindnesses over the last two years.

75-21 The meeting recessed for lunch at 12:30 P. M., and reconvened at 2:10 P. M.

Mr. Stewart Fischer said that it has not been possible to get the City of Alamo Heights and the San Antonio Portland Cement Company to come to any final agreement concerning right of way for Tuxedo Avenue and Nacogdoches Road. A letter from Mr. Travis Moursand, Chairman of the Board of the cement company, dated April 16, 1975, was distributed to the Council members. The letter states the company's position in the matter saying that it is willing to dedicate 29 feet on Tuxedo and 14 feet on Nacogdoches but no more than that. (A copy of the letter is on file with the papers of this meeting.)

Mr. Fischer again reviewed the Council's position in asking that a sufficient right of way be acquired to widen both Tuxedo and Nacogdoches. It would require 49 feet on Nacogdoches and 39 feet on Tuxedo. This would permit a four-lane main thoroughfare, an 11 foot median and a 30 foot access road.

Mr. Bill Worthy, a member of the Alamo Heights City Council, said that Mr. Moursand and Mayor Gilliland had met since the hearing before the San Antonio City Council to discuss this matter but were unable to reach an agreement. He expressed the hope that an agreement could be reached but if not then Alamo Heights wants to reach an agreement with the City of San Antonio as to what is necessary to buy the right of way. He said that he was prepared to discuss this independently of the cement company.

Mr. Ronald Schmidt, Attorney for the San Antonio Portland Cement Company, appeared before the Council to address this problem. In answer to Mr. Morton's question, he said that he had no authority to negotiate - only authority to answer any questions concerning Mr. Moursand's letter. Mr. Schmidt said that in Mr. Fischer's memo of March 24th, he recommended a 29 foot strip along Tuxedo and a 14 foot strip along Nacogdoches as being adequate for these thoroughfares.

After a thorough discussion of this matter, Mr. Morton moved that this hearing be closed and that this matter be placed on the docket for next Thursday's Council meeting with the understanding that there is an agreement by Friday of this week from the San Antonio Portland Cement Company that they are willing to dedicate the right of way at no cost to either city that is covered in the ordinance passed on March 27, 1975.

MR. SCHMIDT: Do I understand then that if no agreement is brought before the Council, then the zoning is denied?

MR. MORTON: That is right.

MR. SCHMIDT: I want the City Council to understand that to get any roadway then, one inch of roadway, along Tuxedo or Nacogdoches, you are going to have to institute a condemnation suit. Do you understand that?

MAYOR BECKER: Well, that's possible, Mr. Schmidt. We were hopeful that we would be able to avoid all those unpleasanties.

The motion was seconded by Dr. San Martin and was passed and approved by the following roll call vote: AYES: Cockrell, San Martin, Becker, Black, Morton, O'Connell, Nielsen; NAYS: None; ABSENT: Lacy, Teniente.

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75-21 ZONING HEARINGS

A. CASE 6004 - to rezone the north 177.6' of the south 227' of Lots 1 and 2, Block 3, NCB 11257, 800 Block of Bynum Avenue, from "H" Local Retail District to "B-3" Business District, located on the west wide of Bynum Avenue being 137.5' south of the cutback between Bynum Avenue and S. W. Military Drive, having 177.6' on Bynum Avenue and a depth of 200'.

Mr. Gene Camargo, Planning Administrator, explained the proposed change, which the Planning Commission recommended be approved by the City Council.

No one spoke in opposition.

After consideration, Mr. O'Connell made a motion that the recommendation of the Planning Commission be approved, provided that proper replatting is accomplished. Dr. Nielsen seconded the motion. On roll call, the motion, carrying with it the passage of the following Ordinance, prevailed by the following vote: AYES: Cockrell, San Martin, Becker, Black, Morton, O'Connell, Nielsen; NAYS: None; ABSENT: Lacy, Teniente.

AN ORDINANCE 45,160

AMENDING CHAPTER 42 OF THE CITY CODE
THAT CONSTITUTES THE COMPREHENSIVE
ZONING ORDINANCE OF THE CITY OF SAN
ANTONIO BY CHANGING THE CLASSIFICATION
AND REZONING OF CERTAIN PROPERTY
DESCRIBED HEREIN AS THE NORTH 177.6'
OF THE SOUTH 227' OF LOTS 1 AND 2,
BLOCK 3, NCB 11257, 800 BLOCK OF BYNUM
AVENUE, FROM "H" LOCAL RETAIL DISTRICT
TO "B-3" BUSINESS DISTRICT, PROVIDED
THAT PROPER REPLATTING IS ACCOMPLISHED.

* * * *

B. CASE 5999 - to rezone the east 121' of the south 900' of Tract 3, NCB 7531, 3100 Block of Roselawn Road, from "B-2" Business District to "B-3" Business District, located on the north side of Roselawn Road being 1306.06' east of the intersection of S. General McMullen Drive and Roselawn Road having 121' on Roselawn Road and a depth of 900'.

Mr. Gene Camargo, Planning Administrator, explained the proposed change, which the Planning Commission recommended be approved by the City Council.

No one spoke in opposition.

After consideration, Dr. San Martin made a motion that the recommendation of the Planning Commission be approved, provided that proper replatting is accomplished and that a 75' building setback line be imposed along Roselawn Road. Mr. O'Connell seconded the motion. On roll call, the motion, carrying with it the passage of the following Ordinance, prevailed by the following vote: AYES: Cockrell, San Martin, Becker, Black, Morton, O'Connell, Nielsen; NAYS: None; ABSENT: Lacy, Teniente.

AN ORDINANCE 45,161

AMENDING CHAPTER 42 OF THE CITY CODE THAT CONSTITUTES THE COMPREHENSIVE ZONING ORDINANCE OF THE CITY OF SAN ANTONIO BY CHANGING THE CLASSIFICATION AND REZONING OF CERTAIN PROPERTY DESCRIBED HEREIN AS THE EAST 121' OF THE SOUTH 900' OF TRACT 3, NCB 7531, 3100 BLOCK OF ROSELAWN ROAD, FROM "B-2" BUSINESS DISTRICT TO "B-3" BUSINESS DISTRICT, PROVIDED THAT PROPER REPLATTING IS ACCOMPLISHED AND THAT A 75' BUILDING SETBACK LINE BE IMPOSED ALONG ROSELAWN ROAD.

* * * *

C. CASE 5995 - to rezone the southwest and southeast 200' of Tract A, NCB 13732, 14900 Block of Jones Maltsberger Road, from Temporary "A" Single Family Residential District and "R-3" Multiple Family Residential District to "B-2" Business District; and Tract A, save and except the southwest and southeast 200', NCB 13732, 14900 Block of Jones Maltsberger Road, from Temporary "A" Single Family Residential District and "R-3" Multiple Family Residential District to "B-3" Business District.

The "B-2" zoning being located 889.72' southeast and 893.39' southwest of the cutback at the intersection of Thousand Oaks Drive and Jones Maltsberger Road, having 200' on Thousand Oaks Drive and 200' on Jones Maltsberger Road with a maximum depth of 1185.42'.

The "B-3" zoning being located south of the intersection of Thousand Oaks Drive and Jones Maltsberger Road, having 889.72' on Thousand Oaks Drive, 893.39' on Jones Maltsberger Road and 144' on the cutback at the intersection of Thousand Oaks Drive and Jones Maltsberger Road.

Mr. Gene Camargo, Planning Administrator, explained the proposed change, which the Planning Commission recommended be approved by the City Council.

No one spoke in opposition.

After consideration, Dr. San Martin made a motion that the recommendation of the Planning Commission be approved, provided that proper replatting is accomplished and a 6' solid screen fence be erected adjacent to those lots platted for single family dwellings. Dr. Nielsen seconded the motion. On roll call, the motion, carrying with it the passage of the following Ordinance, prevailed by the following vote; AYES: Cockrell, San Martin, Becker, Black, Morton, O'Connell, Nielsen, Teniente; NAYS: None; ABSENT: Lacy.

AN ORDINANCE 45,162

AMENDING CHAPTER 42 OF THE CITY CODE THAT CONSTITUTES THE COMPREHENSIVE ZONING ORDINANCE OF THE CITY OF SAN ANTONIO BY CHANGING THE CLASSIFICATION AND REZONING OF CERTAIN PROPERTY DESCRIBED HEREIN AS THE SOUTHWEST AND SOUTHEAST 200' OF TRACT A, NCB 13732, 14900 BLOCK OF JONES MALTSBERGER ROAD, FROM TEMPORARY "A" SINGLE FAMILY RESIDENTIAL DISTRICT AND "R-3" MULTIPLE FAMILY RESIDENTIAL DISTRICT TO "B-2"

BUSINESS DISTRICT; AND TRACT A, SAVE AND EXCEPT THE SOUTHWEST AND SOUTHEAST 200', NCB 13732, 14900 BLOCK OF JONES MALTSBERGER ROAD, FROM TEMPORARY "A" SINGLE FAMILY RESIDENTIAL DISTRICT AND "R-3" MULTIPLE FAMILY RESIDENTIAL DISTRICT TO "B-3" BUSINESS DISTRICT, PROVIDED THAT PROPER REPLATTING IS ACCOMPLISHED AND A 6' SOLID SCREEN FENCE BE ERECTED ADJACENT TO THOSE LOTS PLATTED FOR SINGLE FAMILY DWELLINGS.

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D. CASE 5836 - to rezone Lot 14, Block 3, NCB 9203, 2104 Texas Avenue, from "B" Two Family Residential District to "O-1" Office District, located south of the intersection of Bandera Road and Texas Avenue, having 122.52' on Bandera Road and 50' on Texas Avenue.

Mr. Gene Camargo, Planning Administrator, explained the proposed change, which the Planning Commission recommended be approved by the City Council.

No one spoke in opposition.

After consideration, Dr. Nielsen made a motion that the recommendation of the Planning Commission be approved, provided that proper replatting is accomplished and that a 6' solid screen fence be erected adjacent to the single family residences on the west and along the alley way. Mr. Teniente seconded the motion. On roll call, the motion, carrying with it the passage of the following Ordinance, prevailed by the following vote: AYES: Cockrell, San Martin, Becker, Black, Morton, O'Connell, Nielsen, Teniente; NAYS: None; ABSENT: Lacy.

AN ORDINANCE 45,163

AMENDING CHAPTER 42 OF THE CITY CODE THAT CONSTITUTES THE COMPREHENSIVE ZONING ORDINANCE OF THE CITY OF SAN ANTONIO BY CHANGING THE CLASSIFICATION AND REZONING OF CERTAIN PROPERTY DESCRIBED HEREIN AS LOT 14, BLOCK 3, NCB 9203, 2104 TEXAS AVENUE, FROM "B" TWO FAMILY RESIDENTIAL DISTRICT TO "O-1" OFFICE DISTRICT, PROVIDED THAT PROPER REPLATTING IS ACCOMPLISHED AND THAT A 6' SOLID SCREEN FENCE BE ERECTED ADJACENT TO THE SINGLE FAMILY RESIDENCES ON THE WEST AND ALONG THE ALLEY WAY.

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E. CASE 5947 - to rezone the northeast 100.08' of Lots 25, 26, and 27, Block 3, NCB 11839; the east 100' of the remaining portion of Block 1, NCB 11844, 100 Block of Pike Road, from "R-6" Townhouse District to "R-3" Multiple Family Residential District, located northwest of the intersection of Eisenhower Road and Pike Road, having 100' on Eisenhower Road and 351.55' on Pike Road.

Mr. Gene Camargo, Planning Administrator, explained the proposed change, which the Planning Commission recommended be approved by the City Council.

Mr. Allen Ghormley, representing Denton Development Company, pointed out that the entire area surrounding this property is now zoned for multi-family residences. He said that this tract would be combined

with an adjoining tract that is zoned "R-3" and the whole area developed at one time. Mr. Ghormley had an architect's drawing showing the proposed development plan containing 48 units.

Mr. B. G. Taylor spoke in opposition. He had a chart showing where petition signers live nearby. He said their objection is based on increased traffic and the probable use of residential streets in the area. He asked that the Council reject the application.

Mr. Ghormley spoke again in rebuttal. He read a letter from Mr. Wilcox, owner of other property in the area in which he withdrew his objections to the rezoning. Mr. Ghormley said that plans for ingress and egress must be approved by the Traffic and Transportation Department.

After consideration, Dr. San Martin moved that the recommendation of the Planning Commission be overruled and the rezoning denied. The motion was seconded by Dr. Nielsen. On the following roll call vote, the motion failed: AYES: Cockrell, San Martin, Black, Nielsen; NAYS: Becker, Morton, O'Connell, Teniente; ABSENT: Lacy.

Mr. Teniente moved that the recommendation of the Planning Commission be upheld and the rezoning approved. The motion was seconded by Mr. O'Connell. On the following roll call vote, the motion failed: AYES: Becker, Morton, O'Connell, Teniente; NAYS: Cockrell, San Martin, Black, Nielsen; ABSENT: Lacy.

The rezoning was denied.

F. CASE 6003 - to rezone Lot 1, save and except the east 300' of the south 253' of the north 293', NCB 15284, 6600 Block of Five Palms Drive, from Temporary "R-1" Single Family Residential District to "R-4" Mobile Home District; and the east 300' of the south 253' of the north 293' of Lot 1, NCB 15284, from Temporary "R-1" Single Family Residential District to "B-2" Business District.

The "R-4" zoning being located on the west side of Five Palms Drive, being 121.23' southwest of the intersection of Five Palms Drive and Reefridge Place, having a total frontage of 140' on Five Palms Drive with a maximum depth of approximately 1637.5'.

The "B-2" zoning being located on the west side of Five Palms Drive, being 211.23' southwest of the intersection of Five Palms Drive and Reefridge Place, having 203' on Five Palms Drive and a depth of 300'.

Mr. Gene Camargo, Planning Administrator, explained the proposed change, which the Planning Commission recommended be approved by the City Council.

Mr. Jack Charles, 1802 S. Zarzamora, spoke in favor of the rezoning request. He said that he intends to put in a small strip center on Five Palms Drive and a mobile home park on the remainder of it. He described the surrounding area and pointed out the 40' utility easement on the north side which would act as a buffer.

Mr. Morton suggested that the "R-4" zoning stop at the west line of the "B-2" zoning. This would leave 50' clear on each side of the "B-2" zoning where mobile homes could not be parked.

Miss Christa Link, aide to Representative Frank Madla, submitted a petition opposing the recommended change in zoning. If possible, he asked that the matter be postponed until he could be present to speak.

April 17, 1975
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-31-

Mrs. Virgil Manning spoke in opposition. She read excerpts from her deed which restricted it against house trailers. She objected to the noise, dust and traffic which a trailer park would bring in.

Mr. Tom J. Manly, 114 Reefridge, also spoke in opposition. He said that the value of his property would be depreciated and that he would object to having a lot of trailers parked in the rear of his home.

In answer to Council's question, Mr. George Vann said that the applicant would have to abide by all of the requirements of the Mobile Home Ordinance.

Mr. Charles spoke in rebuttal. He said that under the City Code, he must comply with requirements for open space, sanitary facilities, and recreation areas. He intends the area to be a credit to the neighborhood.

After consideration, Dr. San Martin moved that the recommendation of the Planning Commission be overruled and the request denied. The motion was seconded by Mrs. Cockrell and on the following roll call vote, failed to carry: AYES: San Martin, Cockrell; NAYS: Becker, Black, Morton, O'Connell, Nielsen, Teniente; ABSENT: Lacy.

Mr. Teniente moved that the recommendation of the Planning Commission be upheld and the rezoning approved. The motion was seconded by Mr. Morton. On roll call, the motion, carrying with it the passage of the following Ordinance, prevailed by the following vote: AYES: Becker, Black, Morton, O'Connell, Nielsen, Teniente; NAYS: Cockrell, San Martin; ABSENT: Lacy.

AN ORDINANCE 45,164

AMENDING CHAPTER 42 OF THE CITY CODE THAT CONSTITUTES THE COMPREHENSIVE ZONING ORDINANCE OF THE CITY OF SAN ANTONIO BY CHANGING THE CLASSIFICATION AND REZONING OF CERTAIN PROPERTY DESCRIBED HEREIN AS LOT 1, SAVE AND EXCEPT THE EAST 300' OF THE SOUTH 253' OF THE NORTH 293', NCB 15284, 6600 BLOCK OF FIVE PALMS DRIVE, FROM TEMPORARY "R-1" SINGLE FAMILY RESIDENTIAL DISTRICT TO "R-4" MOBILE HOME DISTRICT; AND THE EAST 300' OF THE SOUTH 253' OF THE NORTH 293' OF LOT 1, NCB 15284, FROM TEMPORARY "R-1" SINGLE FAMILY RESIDENTIAL DISTRICT TO "B-2" BUSINESS DISTRICT, PROVIDED THAT PROPER REPLATTING IS ACCOMPLISHED, AND THAT A SIX FOOT SOLID SCREEN FENCE IS ERECTED ON THE NORTH PROPERTY LINE.

* * * *

CITATIONS AND RESOLUTION

Councilman Richard Teniente said that in the recent Golden Gloves Tournament San Antonio had some standout entries who reflected much credit on themselves and the City of San Antonio. He called these young men to the podium for presentation of Citations and a Resolution recognizing their achievements and read the Citations and Resolution after which he presented each of them with an official copy:

CITY OF SAN ANTONIO
(State of Texas)

Hereby Presents This

CITATION

to

ROBERT VASQUEZ

IN RECOGNITION OF OUTSTANDING ACHIEVEMENT IN THE SPORT OF AMATEUR BOXING. AS A REPRESENTATIVE OF SAN ANTONIO AND A MEMBER OF THE CITY'S DEPARTMENT OF PARKS AND RECREATION BOXING TEAM, HE DEFEATED FIVE OUTSTANDING OPPONENTS TO WIN THE 1975 STATE GOLDEN GLOVES LIGHT-WEIGHT TITLE.

HIS VICTORY IS A TRUE EXAMPLE OF WHAT CAN BE ACHIEVED THROUGH DEDICATION, SELF-DETERMINATION AND HARD WORK. THE ENTIRE COMMUNITY SHARES HIS PRIDE AND IS GRATEFUL FOR THE FAVORABLE PUBLICITY FOR THE CITY THAT HAS RESULTED FROM HIS PERSONAL ACHIEVEMENT.

* * * *

CITY OF SAN ANTONIO
(State of Texas)

Hereby Presents This

CITATION

to

ANTHONY BULLEN

IN RECOGNITION OF OUTSTANDING ACHIEVEMENT IN THE SPORT OF AMATEUR BOXING. AS A REPRESENTATIVE OF SAN ANTONIO AND A MEMBER OF THE CITY'S DEPARTMENT OF PARKS AND RECREATION BOXING TEAM, HE DEFEATED FIVE OUTSTANDING OPPONENTS TO WIN THE 1975 STATE GOLDEN GLOVES LIGHT HEAVYWEIGHT TITLE.

HIS VICTORY IS A TRUE EXAMPLE OF WHAT CAN BE ACHIEVED THROUGH DEDICATION, SELF-DETERMINATION AND HARD WORK. THE ENTIRE COMMUNITY SHARES HIS PRIDE AND IS GRATEFUL FOR THE FAVORABLE PUBLICITY FOR THE CITY THAT HAS RESULTED FROM HIS PERSONAL ACHIEVEMENT.

* * * *

CITY OF SAN ANTONIO
(State of Texas)

Hereby Presents This

RESOLUTION

to

MIKE AYALA

RESOLVED THAT:

THE CITY COUNCIL, ON BEHALF OF ALL OF THE CITIZENS OF SAN ANTONIO, EXTENDS HEARTIEST CONGRATULATIONS FOR THE HARD WORK, DEDICATION AND DETERMINATION IN OVERCOMING ALL COMPETITION TO WIN THE STATE AND NATIONAL GOLDEN GLOVES BANTAMWEIGHT CHAMPIONSHIPS. HIS EFFORTS HAVE BROUGHT GREAT CREDIT TO HIMSELF, AND THE ENTIRE COMMUNITY HAS BENEFITTED BY THE FAME AND NATIONAL PROMINENCE HE COMMANDS.

* * * *

Following the presentations each was congratulated and then personally greeted by the entire City Council.

75-21

SAN ANTONIO SPURS

Dr. San Martin asked that a resolution be prepared commending the San Antonio Spurs for their achievements during the basketball season just completed.

75-21

MRS. ALAMO CITY

Dr. Nielsen asked that a resolution be prepared honoring Mrs. Alamo City.

75-21

MR. RAUL RODRIGUEZ

Mr. Raul Rodriguez stated that as a result of the tax reappraisal program, his valuation has been increased 150 percent and stated that he agreed with others that it was improperly done. He asked the Council not to accept the reappraisal project because it is defective.

Mayor Becker assured Mr. Rodriguez that the assessment percentage as well as the tax rate will be adjusted so that the actual tax would not be out of line.

75-21 Mayor Becker was obliged to leave the meeting and Mayor Pro-Tem San Martin presided.

75-21 The following Ordinances were read by the Clerk and explained by Mr. Ron Darner, Director of Parks and Recreation, and after consideration, on motion made and duly seconded, were each passed and approved by the following vote: AYES: Cockrell, San Martin, Black, Morton, O'Connell, Nielsen, Teniente; NAYS: None; ABSENT: Becker, Lacy.

AN ORDINANCE 45,165

AUTHORIZING THE CITY MANAGER TO EXECUTE A STANDARD PROFESSIONAL SERVICES CONTRACT WITH TUGGLE & GRAVES, ARCHITECTS, AND JAMES E. KEETER, LANDSCAPE ARCHITECT, A JOINT VENTURE, TO PROVIDE ARCHITECTURAL SERVICES AND PREPARE PLANS AND SPECIFICATIONS FOR THE DEL ALAMO DOWNTOWN MALL AND APPURTENANCES THERETO.

* * * *

AN ORDINANCE 45,166

AUTHORIZING EXECUTION OF A STANDARD PROFESSIONAL SERVICES CONTRACT WITH KEN BENTLEY & ASSOCIATES TO PROVIDE ARCHITECTURAL SERVICES AND PREPARE PLANS AND SPECIFICATIONS FOR THE ROSEDALE PARK RECREATIONAL CENTER AND APPURTENANCES THERETO; AND APPROPRIATING THE SUM OF \$21,700.00; THE SUM OF \$20,350.00 PAYABLE TO KEN BENTLEY & ASSOCIATES AND THE SUM OF \$1,350.00 TO BE USED FOR MISCELLANEOUS CONTINGENT EXPENSES.

* * * *

75-21 The following Ordinances were read by the Clerk and explained by Mr. Ron Darner, Director of Parks and Recreation, and after consideration, on motion made and duly seconded, were each passed and approved by the following vote: AYES: Cockrell, San Martin, Black, O'Connell, Nielsen, Teniente; NAYS: None; ABSENT: Becker, Lacy, Morton.

AN ORDINANCE 45,167

MANIFESTING AN AGREEMENT WITH THE LITTLE COWBOY BOOSTER CLUB FOR THE USE OF CITY-OWNED PROPERTY AND FACILITIES FOR AN ADDITIONAL TWO YEAR PERIOD BEGINNING APRIL 15, 1975, AND ENDING APRIL 14, 1977.

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AN ORDINANCE 45,168

AUTHORIZING EXECUTION OF A CONTRACT BETWEEN THE CITY AND RIVER ROOST CORPORATION FOR USE OF A PORTION OF THE SAN ANTONIO RIVER IN CONJUNCTION WITH A RESTAURANT OPERATION.

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847

AN ORDINANCE 45,169

MANIFESTING A ONE-YEAR EXTENSION OF THE CURRENT CONTRACT BETWEEN THE CITY AND THE HILTON PALACIO DEL RIO HOTEL FOR USE OF 375 FEET OF CITY-OWNED PROPERTY ON THE SAN ANTONIO RIVER IN CONJUNCTION WITH A RESTAURANT OPERATION.

* * * *

AN ORDINANCE 45,170

MANIFESTING A ONE-YEAR EXTENSION OF THE CURRENT CONTRACT WITH RICHARD L. DYKES FOR USE OF A PORTION OF THE BEAUTIFIED SECTION OF THE SAN ANTONIO RIVER FOR A RESTAURANT OPERATION.

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75-21 The following Ordinance was read by the Clerk and explained by Mr. Ron Darner, Director of Parks and Recreation, and after consideration, on motion of Mr. O'Connell, seconded by Dr. Nielsen, was passed and approved by the following vote: AYES: San Martin, Black, Morton, O'Connell, Nielsen, Teniente; NAYS: None; ABSENT: Cockrell, Becker, Lacy.

AN ORDINANCE 45,171

AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONTRACT WITH THE HARLANDALE INDEPENDENT SCHOOL DISTRICT PROVIDING FOR THE CITY TO OPERATE AND MAINTAIN A RECREATIONAL SWIMMING PROGRAM AT THE McCOLLUM HIGH SCHOOL POOL FROM JUNE 2, 1975, TO AUGUST 3, 1975.

* * * *

75-21 The Clerk read the following Ordinance:

AN ORDINANCE 45,172

PROVIDING FOR THE PURCHASE OF THE EMERSON SCHOOL AND FANNIN SCHOOL FROM THE SAN ANTONIO INDEPENDENT SCHOOL DISTRICT FOR \$225,000.00.

* * * *

The Ordinance was explained by Mr. Carl White, Director of Finance, who said that the Ordinance provides for the purchase of two schools from the San Antonio Independent School District. He called attention to a provision that should the City ever sell these properties any profits realized from the sale would be divided with the School District on a 50-50 basis.

Also, is a provision that these facilities be used for public purposes. If they cease to be used for public purposes, they revert back to the School District.

The entire matter is subject to funding by HUD.

After consideration, on motion of Mr. O'Connell, seconded by Dr. Nielsen, the Ordinance was passed and approved by the following vote: AYES: San Martin, Black, O'Connell, Nielsen, Teniente; NAYS: None; ABSENT: Cockrell, Becker, Lacy, Morton.

75-21 The Clerk read the following Resolution:

A RESOLUTION
NO. 75-21-33

EXPRESSING SUPPORT FOR INCREASING
THE CITY'S CONTRIBUTION TO THE
FIREMEN AND POLICEMEN'S PENSION
FUND FROM THE PRESENT ONE TO ONE
RATIO TO A RATIO OF ONE AND A HALF
TO ONE.

* * * *

The Resolution was explained by Mr. Carl White, Director of Finance, who said that this matter was discussed in "B" Session last week when the problems of the pension fund were outlined. The fund has an unfunded liability of approximately \$90 million. This Council is recommending that the City begin on August 1, 1975 contributing additional funds on a ratio of one and a half to one. It will amount to an additional \$900,000 in the next budget year.

Dr. San Martin said that this pension fund problem has been worked on for over a year. He said that the professional advisors the fund employed about a year ago has shown good results.

After consideration, on motion of Mr. O'Connell, seconded by Dr. Nielsen, the Resolution was passed and approved by the following vote: AYES: Cockrell, San Martin, Black, Morton, O'Connell, Teniente; NAYS: None; ABSENT: Becker, Lacy, Nielsen.

75-21 Mayor Becker returned to the meeting and presided.

75-21 The following Ordinance was read by the Clerk and explained by Police Chief Emil Peters, and after consideration, on motion of Mr. O'Connell, seconded by Rev. Black, was passed and approved by the following vote: AYES: Cockrell, San Martin, Becker, Black, Morton, O'Connell, Nielsen; NAYS: None; ABSENT: Lacy, Teniente.

AN ORDINANCE 45,173

ACCEPTING A GRANT OF \$6,572.00 FROM THE
CRIMINAL JUSTICE DIVISION OF THE GOVERNOR'S
OFFICE FOR THE POLICE RIOT CONTROL EQUIPMENT
PROJECT IN THE POLICE DEPARTMENT AND APPROPRIATING SAME FOR EXPENDITURE IN THE PROJECT.

* * * *

75-21 The following Ordinance was read by the Clerk and explained by Mr. George Vann, Director of Building and Planning Administration, and after consideration, on motion of Rev. Black, seconded by Mrs. Cockrell, was passed and approved by the following vote: AYES: Cockrell, Becker, Black, Morton, O'Connell, Nielsen, Teniente; NAYS: None; ABSENT: San Martin, Lacy.

AN ORDINANCE 45,174

GRANTING THE PETITION OF MR. ALTON ECHOLS TO ERECT A 7' HIGH PRIVACY FENCE ON HIS PROPERTY AT 8227 BENTWOOD.

* * * *

75-21 The following Ordinance was read by the Clerk and explained by Mr. George Vann, Director of Building and Planning Administration, and after consideration, on motion of Rev. Black, seconded by Mrs. Cockrell, was passed and approved by the following vote: AYES: Cockrell, Becker, Black, Morton, O'Connell, Teniente; NAYS: None; ABSENT: San Martin, Lacy, Nielsen.

AN ORDINANCE 45,175

GRANTING THE PETITION OF MR. PAUL WILCOX TO RETAIN A CHAIN LINK SECURITY FENCE, APPROXIMATELY 7' IN HEIGHT ON HIS PROPERTY AT 1553 AUSTIN HIGHWAY.

* * * *

75-21 The following Ordinances were read by the Clerk and explained by Members of the Administrative Staff, and after consideration, on motion made and duly seconded, were each passed and approved by the following vote: AYES: Cockrell, San Martin, Becker, Black, Morton, O'Connell, Teniente; NAYS: None; ABSENT: Lacy, Nielsen.

AN ORDINANCE 45,176

GRANTING THE PETITION OF MR. JIM NORDHAUS TO ERECT A 9' HIGH SECURITY FENCE ON HIS PROPERTY AT 611 ORIENTAL.

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AN ORDINANCE 45,177

AUTHORIZING THE EXECUTION OF A LEASE AGREEMENT WITH AMERICAN ISSUES FORUM COMMITTEE OF SAN ANTONIO, INC. FOR A PERIOD ENDING NOVEMBER 30, 1976.

* * * *

AN ORDINANCE 45,178

AUTHORIZING EXECUTION OF A LEASE AGREEMENT WITH TEXAS HISPANIC-AMERICAN HISTORY INSTITUTE PROVIDING FOR LEASE OF SPACE AT HEMISFAIR PLAZA FOR A PERIOD OF TWENTY-FIVE YEARS.

* * * *

AN ORDINANCE 45,179

AUTHORIZING THE CITY MANAGER TO EXECUTE FIELD ALTERATION CONTRACT NO. 4 IN THE AMOUNT OF \$168,475.00 FOR ADDITIONAL CONSTRUCTION ON THE RILLING ROAD WASTE-WATER TREATMENT PLANT IMPROVEMENTS, SECTION IX, PHASE C WITH R. B. BUTLER, INC., AND APPROPRIATING AN ADDITIONAL \$30,000.00 FOR MISCELLANEOUS CONTINGENT EXPENSES.

* * * *

AN ORDINANCE 45,180

AMENDING ORDINANCE NO. 44481 AND AUTHORIZING EXECUTION AND SUBMISSION OF AN AMENDMENT TO THE VOCATIONAL EDUCATION PLAN TO THE TEXAS BOARD OF VOCATIONAL EDUCATION IN CONNECTION WITH THE CETA - MANPOWER TRAINING PROGRAM.

* * * *

75-21 The following Ordinance was read by the Clerk and explained by City Attorney Crawford Reeder, and after consideration, on motion of Dr. San Martin, seconded by Mr. Morton, was passed and approved by the following vote: AYES: Cockrell, San Martin, Becker, Black, Morton, O'Connell, Nielsen, Teniente; NAYS: None; ABSENT: Lacy.

AN ORDINANCE 45,181

DECLARING A PUBLIC NECESSITY FOR THE ACQUISITION OF EASEMENTS AND FEE TITLE TO CERTAIN PRIVATELY OWNED REAL PROPERTY AS WELL AS FOR TEMPORARY CONSTRUCTION EASEMENTS TO ADJOINING LAND, SAID PROPERTY BEING SITUATED IN SAN ANTONIO, BEXAR COUNTY, TEXAS, AND BEING NEEDED FOR A PUBLIC PURPOSE, TO WIT: THE LOCATION, CONSTRUCTION, RECONSTRUCTION, IMPROVEMENT, REPAIR AND MAINTENANCE OF PUBLIC FACILITIES IN CONNECTION WITH THE DRAINAGE PROJECT 58-C; AND DIRECTING THE CITY ATTORNEY TO INSTITUTE AND PROSECUTE TO CONCLUSION CONDEMNATION PROCEEDINGS TO ACQUIRE SO MUCH THEREOF AS CANNOT BE ACQUIRED THROUGH NEGOTIATION.

* * * *

April 17, 1975

NSR 857

The Clerk read the following Ordinance:

AN ORDINANCE 45,182

AMENDING ORDINANCE NO. 40321, AUTHORIZING
THE CITY MANAGER TO AMEND AND EXTEND THE
CATERING CONTRACT AT THE CONVENTION CENTER
WITH CATERING BY ROSEMARY, INC.

* * * *

The Ordinance was explained by Mr. Francis Vickers, Director of Convention Facilities, who said that Rosemary has been catering at the Convention Center since it opened in 1968 and is considered one of the best in the business. In 1972 she was given an exclusive contract for all foods served in the Convention Center. She has asked that her contract be extended to 1983 and that percentage to be paid to the City be reduced to 10 percent as she is going to take over maintenance and replacement of City-owned equipment in the kitchen.

Mrs. Cockrell paid tribute to Rosemary as being the finest caterer in the country and said that many compliments are received regarding her services.

Mayor Becker said that the City should retain the right to cancel this contract in the event of change in management since the extension is for a considerable length of time.

Mr. Morton asked that the contract be modified not only for change of ownership but also in the event of the disability of Rosemary.

City Manager Granata said that these modifications would be included in the contract.

After consideration, on motion of Mrs. Cockrell, seconded by Dr. San Martin, the Ordinance was passed and approved by the following vote: AYES: Cockrell, San Martin, Becker, Black, Morton, O'Connell, Nielsen, Teniente; NAYS: None; ABSENT: Lacy.

The Clerk read a proposed ordinance authorizing an agreement between the City of San Antonio and Bexar County in relation to the Alamo Manpower Consortium.

Mr. John Rinehart, Operations Manager for Monitoring and Evaluation, explained the proposed ordinance which deals with the make-up of the Consortium for the next funding year. There is an existing agreement with Bexar County and 11 outer counties which forms the present Consortium. The agreement with the 11 rural counties expires June 30, 1975. The proposed agreement excludes the 11 rural counties from the Consortium effective July 1, 1975.

Dr. Nielsen said that approval of this agreement will cause complications and, since he is a new member of the Council, asked that consideration be postponed at least one week in order to get more briefing.

Mr. Teniente said that he is in favor of concentrating on the local area.

Mrs. Cockrell expressed concern that the dropping of the 11 counties is causing some ill will toward the City. If it is possible to accommodate these counties then perhaps the Council should consider it.

After discussion the Council agreed to withdraw this item from consideration and to place it on next week's agenda.

75-21 The following Ordinances were read by the Clerk and explained by Mr. John Brooks, Director of Purchasing, and after consideration, on motion made and duly seconded, were each passed and approved by the following vote: AYES: Cockrell, Becker, Black, Morton, O'Connell, Nielsen, Teniente; NAYS: None; ABSENT: San Martin, Lacy.

AN ORDINANCE 45,183

ACCEPTING THE LOW QUALIFIED BIDS OF
ARMSTRONG INDUSTRIES, INC., ALL
ORTHOPEDIC APPLIANCE AND RESUSCITATION
LABORATORIES TO FURNISH THE CITY OF SAN
ANTONIO WITH EMERGENCY MEDICAL EQUIPMENT
FOR A NET TOTAL OF \$10,316.00.

* * * *

AN ORDINANCE 45,184

ACCEPTING THE LOW QUALIFIED BIDS OF
GOLDEN ENGINEERING INC. AND BANNER
METALS TO FURNISH THE CITY OF SAN
ANTONIO WITH PORTABLE X-RAY AND
ACCESSORIES FOR A TOTAL OF \$4,645.00.

* * * *

AN ORDINANCE 45,185

ACCEPTING THE LOW BIDS OF VARIOUS
COMPANIES TO FURNISH THE CITY OF
SAN ANTONIO WITH VARIOUS SUPPLIES
AND SERVICES FOR FISCAL YEAR 1975-76.

* * * *

75-21 The Clerk read the following letter:

April 11, 1975

Honorable Mayor and Members of the City Council
City of San Antonio, Texas

Gentlemen and Madam:

The following petitions were received by my office and forwarded to the City Manager for investigation and report to the City Council.

April 17, 1975

April 8, 1975

Petition submitted by Mr. Bobbie Warren, 515 Gulf Street, appealing the decision of the Home Improvement Advisory Board, in denying his application for a Home Improvement Contractor's License.

April 9, 1975

Petition submitted by Mr. Olan B. Clayborne, 4355 Treehouse, and signed by other citizens, requesting that Hailey Lumber Company, owner of property north of the 4300 Block of Treehouse in Pecan Valley Sub-division, cut down the grass, brush and trees in that area.

April 11, 1975

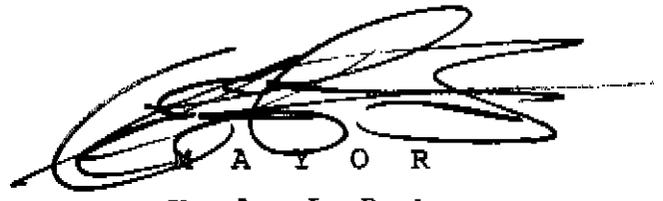
Petition submitted by Mr. & Mrs. Henry Rusch, 339 Bristol Street, requesting that diesel trucks owned by Joe Lewis and Company, 802 East Harlan, be moved from the area.

/s/ J. H. INSELMANN
City Clerk

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There being no further business to come before the Council, the meeting adjourned at 5:40 P. M.

A P P R O V E D



M A Y O R
Charles L. Becker

ATTEST:


City Clerk

April 17, 1975
nsr