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SPECIAL MEETING OF THE CITY COUNCIL
OF THE CITY OF SAN ANTONIO, HELD IN
THE COUNCIL CHAMBER, CITY HALL, ON
MONDAY, AUGUST 11, 1986.

* * * *

The meeting was called to order at 1:00 P.M. by the presiding officer, Mayor Henry Cisneros, with the following members present: BERRIOZABAL, WEBB, DUTMER, WING, MARTINEZ, THOMPSON, VERA, HASSLOCHER, CISNEROS. Absent: HARRINGTON, LABATT.

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86-37 The invocation was given by Councilman Joe Webb.

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86-37 Members of the City Council and the audience joined in the Pledge of Allegiance to the flag of the United States.

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86-37 SALE OF \$61,540,000 CITY OF SAN ANTONIO, TEXAS, GENERAL
IMPROVEMENT BONDS, SERIES 1986

Mayor Cisneros referred to the opening of bids in the City Clerk's office at 11:00 A.M. Five bids were received in connection with this bond sale. The best being the bid of Prudential Bache with a 7.602614%.

The bids received were as follows:

THE NORTHERN TRUST COMPANY

| | |
|---------------------|-----------------|
| Total Interest Cost | \$79,353,055.00 |
| Less Premium | 769.50 |
| Net Interest Cost | 79,352,285.50 |

Effective Interest Rate 7.6400%

SHEARSON LEHMAN BROTHERS

| | |
|---------------------|-----------------|
| Total Interest Cost | \$80,176,641.25 |
| Less Premium | -0- |
| Net Interest Cost | 80,176,641.25 |

Effective Interest Rate 7.719461%

MERRILL LYNCH

| | |
|-------------------------|-----------------|
| *Total Interest Cost | \$62,191,494.15 |
| Less Premium | 400.95 |
| Net Interest Cost | 79,231,316.55 |
| Effective Interest Rate | 7.6284% |

PRUDENTIAL BACHE

| | |
|-------------------------|-----------------|
| Total Interest Cost | \$78,964,405.00 |
| Less Premium | 1,375.55 |
| Net Interest Cost | 78,963,029.45 |
| Effective Interest Rate | 7.602614% |

THE MORGAN BANK

| | |
|-------------------------|-----------------|
| Total Interest Cost | \$80,367,225.00 |
| Less Premium | -0- |
| Net Interest Cost | 80,367,225.00 |
| Effective Interest Rate | 7.73781% |

(*Figure entered as submitted by Merrill Lynch.)

The Clerk read the following Ordinance:

AN ORDINANCE 63,417

AN ORDINANCE BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO, TEXAS, AUTHORIZING THE ISSUANCE OF "CITY OF SAN ANTONIO, TEXAS, GENERAL IMPROVEMENT BONDS, SERIES 1986", LEVYING A CONTINUING DIRECT ANNUAL AD VALOREM TAX FOR THE PAYMENT OF SAID BONDS; PRESCRIBING THE FORM, TERMS, CONDITIONS, AND RESOLVING OTHER MATTERS INCIDENT AND RELATED TO THE ISSUANCE, SALE AND DELIVERY OF SAID BONDS, INCLUDING THE APPROVAL AND DISTRIBUTION OF AN OFFICIAL STATEMENT PERTAINING THERETO; AND DECLARING AN EMERGENCY. (PRUDENTIAL BACHE)

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Mrs. Dutmer made a motion to approve the proposed Ordinance. Mr. Hasslocher seconded the motion.

Mr. Carl White, Director of Finance, spoke to the low interest rate and the low bidder Prudential Bache.

Mayor Cisneros stated that, to his knowledge, this is the lowest interest rate received in the past five years.

Mr. White noted that this was a good interest rate in view of the fact that the average life on these bonds is seventeen years and spoke to the AA rating we have received from Moody's and the AA+ from Standard and Poor's. He added that two of today's five bidders had been in contact with him prior to Saturday's spending cap election and he stated his belief that had the spending cap been approved by the voters, the bids today would have been higher.

In response to a question by Mrs. Dutmer, Mr. White stated that the bids had been received in the City Clerk's office at 11:00 A.M. today.

Mr. Wing noted that a recent trip to New York by members of the City Council and City staff had, in his opinion, been instrumental in the City receiving such excellent ratings.

Mr. Karl Wurz, 820 Florida, spoke against the sale of bonds by the City and in favor of a 'pay-as-you-go' system. He expressed alarm at the number of recent bond sales and spoke to the millions of dollars that will be spent on interest to retire these bonds.

Mr. Louis J. Fox, City Manager, stated that the City Council have not incurred these debts but rather the citizens of San Antonio have approved these bonds in previous bond elections. He explained the debt service fund and the proportion of taxes dedicated to debt service.

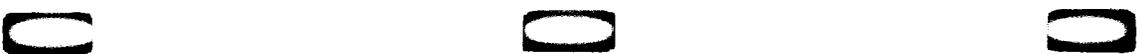
In response to comments made by Mr. Wing, Mr. Stuart Summers, Director of Budget and Research, spoke to the proposed use of these bond monies, i.e., street bridge construction, drainage program, Proposition I on the 1984 street improvements bond issue, 1985 streets bond issue, police substations, and library facilities improvements.

Mayor Cisneros requested that, in future bond sales, Mr. Summers list the items of the bond sale on the caption.

After consideration, the motion, carrying with it the passage of the Ordinance, prevailed by the following vote: AYES: Berriozabal, Webb, Dutmer, Wing, Martinez, Thompson, Vera, Hasslocher, Cisneros; NAYS: None; ABSENT: Harrington, Labatt.

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86-37 SALE OF \$16,960,000 CITY OF SAN ANTONIO, TEXAS COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 1986

Mayor Cisneros referred to the opening in the City Clerk's office at 11:00 A.M. of Certificates of Obligation, in addition to the General Improvement Bonds. Five bids were received in connection with this bond sale. The best being the bid of Prudential Bache with a 7.582321%.

The bids received were as follows:

SHEARSON LEHMAN BROTHERS

| | |
|---------------------|-----------------|
| Total Interest Cost | \$21,066,125.00 |
| Less Premium | -0- |
| Net Interest Cost | 21,066,125.00 |

Effective Interest Rate 7.699326%

THE NORTHERN TRUST COMPANY

| | |
|---------------------|-----------------|
| Total Interest Cost | \$20,847,956.25 |
| Less Premium | 507.05 |
| Net Interest Cost | 20,847,449.20 |

Effective Interest Rate 7.6194%

MERRILL LYNCH

| | |
|----------------------|-----------------|
| *Total Interest Cost | \$17,228,177.00 |
| Less Premium | 30,737.00 |
| *Net Interest Cost | 20,935,113.00 |

Effective Interest Rate 7.6514%

THE MORGAN BANK

| | |
|---------------------|-----------------|
| Total Interest Cost | \$21,235,088.00 |
| Less Premium | -0- |
| Net Interest Cost | 21,235,088.00 |

Effective Interest Rate 7.76108%

PRUDENTIAL BACHE

| | |
|---------------------|-----------------|
| Total Interest Cost | \$20,746,475.00 |
| Less Premium | 485.20 |
| Net Interest Cost | 20,745,989.80 |

Effective Interest Rate 7.582321%

(*Figures entered as submitted by Merrill Lynch.)

The Clerk then read the following Ordinance:

AN ORDINANCE 63,418

AN ORDINANCE AUTHORIZING THE ISSUANCE OF "CITY OF SAN ANTONIO, TEXAS COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 1986"; PROVIDING FOR THE PAYMENT OF SAID CERTIFICATES OF OBLIGATION BY THE LEVY OF AN AD VALOREM TAX UPON ALL TAXABLE PROPERTY WITHIN THE CITY AND A PLEDGE OF THE PLEDGED REVENUES; PROVIDING THE TERMS AND CONDITIONS OF SUCH CERTIFICATES AND RESOLVING OTHER MATTERS INCIDENT AND RELATING TO THE ISSUANCE, PAYMENT, SECURITY, SALE AND DELIVERY OF SAID CERTIFICATES; AND PROVIDING AN EFFECTIVE DATE. (PRUDENTIAL BACHE)

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Mr. Hasslocher made a motion to approve the proposed Ordinance. Mr. Thompson seconded the motion.

Mr. Carl White, Director of Finance, stated that Prudential Bache had turned in the lowest bid for these certificates of obligation.

Mr. Stuart Summers, Director of Budget & Research, spoke to the work to be done with the sale of these certificates of obligation, i.e., three additional fire stations, work on the Tiendas del Rio Mall, Westside Freeway land acquisition, San Pedro Creek improvements and other park improvements.

Mayor Cisneros requested that information sheets providing information on these projects, i.e., when they will be let out for bids, etc., be routinely provided to the Council.

After consideration, the motion, carrying with it the passage of the Ordinance, prevailed by the following vote: AYES: Berriozabal, Webb, Dutmer, Wing, Martinez, Thompson, Vera, Hasslocher, Cisneros; NAYS: None; ABSENT: Harrington, Labatt.

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CANVASS OF BALLOTS - SPENDING CAP ELECTION

Mayor Cisneros ordered that the official canvass of votes of the Special Election of August 11, 1986 (Spending Cap) take place.

Members of the City Council and City staff then canvassed the election returns.

The Clerk read the following Ordinance:

AN ORDINANCE 63,419

DECLARING THE CANVASS AND RESULTS OF THE SPECIAL ELECTION HELD ON AUGUST 9, 1986. (SPENDING CAP)

* * * *

Mayor Cisneros stated that there had been some errors committed on the part of the election judges when adding up the total number of votes cast but that these would in no way affect the votes for and against the spending cap.

Mrs. Dutmer made a motion to approve the proposed Ordinance. Mr. Webb seconded the motion.

Several council members expressed their appreciation to the Mayor, fellow council members, City staff, local groups and organizations and the community in general for their cooperation and hard work in assuring the defeat of the spending cap.

Mrs. Dutmer spoke to the need for more participation by the citizens of San Antonio in the voting process. She noted that in her district only 20% of the voters had turned out to vote.

Mr. Martinez expressed concern that those precincts where votes are cast at different locations each election show a lower voter turnout than those where voters have been voting at one certain location for many years. He spoke to the need for establishing permanent polling places.

Ms. Vera noted that the hard work and leadership demonstrated by leaders in each of her precincts made the difference in the vote on Saturday.

Mayor Cisneros thanked the council members for their hard work and read a letter he had written to the citizens of San Antonio (a copy of which is filed with the papers of this meeting) asking everyone to work together to help create opportunities for this city and to make it better.

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After consideration, the motion, carrying with it the passage of the Ordinance, prevailed by the following vote: AYES: Berriozabal, Dutmer, Martinez, Thompson, Vera, Hasslocher, Cisneros; NAYS: None: ABSENT: Webb, Wing, Harrington, Labatt.

Mr. Hasslocher thanked the staff of the City Clerk's office for their work during the election.

Mrs. Norma S. Rodriguez, City Clerk, expressed her appreciation to the staffs of the Information Resources, Planning, Police and Public Works Departments for their assistance and cooperation during the election process. She noted that it takes a lot of people working together to have a successful election.

Mayor Cisneros and Mrs. Dutmer both spoke to the message sent to the elected officials by the citizenry who expect their leaders to be fiscally responsible and to continue to eliminate any wasteful practices which may still exist in City government.

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There being no further business to come before the City Council, the meeting was adjourned at 2:25 P.M.

A P P R O V E D

Henry Cisneros
M A Y O R

ATTEST: *Norma S. Rodriguez*
C I T Y C L E R K

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