

SPECIAL MEETING OF THE CITY COUNCIL
OF THE CITY OF SAN ANTONIO HELD IN
THE COUNCIL CHAMBER, CITY HALL, ON
MONDAY, JULY 20, 1970.

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The meeting was called to order by the presiding officer,
Mayor W. W. McAllister, with the following members present:
McALLISTER, CALDERON, BURKE, JAMES, HABERMAN, NIELSEN, TREVINO,
HILL, TORRES; Absent: NONE.

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PROPOSED 1970-71 BUDGET

MAYOR McALLISTER: This is a special meeting of the Council called
for the purpose of finishing the budget and taking up such other items
as may be proper. Okay, Mr. Henckel.

CITY MANAGER HENCKEL: We have finished our presentation, Mr. Mayor,
so we will try to answer any questions that the Council may have.

MAYOR McALLISTER: Does the Council have anything that they want to
ask?

MR. HILL: I have a few. On page 40. (Referring to the published
printed budget.) Jerry, on page 40 - you show an increase in revenue
from other agencies - Library, Aid from Bexar County, Welfare - Aid
from Bexar County, Health - Aid San Antonio Metropolitan District,
\$20,000. Why this year over last year? I'm just curious.

CITY MANAGER HENCKEL: Carl, do you want to answer that?

CARL WHITE: Each one of these revenues from other agencies is based
on various formulas.

MR. HILL: Just basically, why do you expect more increase this year
over last year from these particular agencies?

CARL WHITE: Well, with regard to the Bexar County Library Aid, this
is a contractual agreement for two years. This \$110,000 is what they
have already agreed to pay.

CITY MANAGER HENCKEL: Now, the difference in the library is a simple
one. The population change is the reason that we have the shift.
The formula is based on the County paying us so much populationwise
and, as a result of the new census, there are more people in the
County and less in the City, so we are picking up some change from
it. Is that right, Carl?

MR. HILL: How about the \$8,000 in Welfare Aid from the County?

CARL WHITE: Well, this last increase, they agreed to pick up part
of that last increase. This is what they have agreed to do. The
same is true with the Metropolitan Health District. That is based
on population. There is a formula there that brings population into
play.

MR. HILL: Okay. On page 41, under Health Inspection - we are down
from \$75,175 to \$34,500.

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CARL WHITE: That is meat.

MR. HILL: Don't tell me that our meat inspection ordinance did this.

CARL WHITE: Well, the State did it when they preempted the field.

MR. HILL: Is this the reason for the reduction?

CARL WHITE: You are talking about the total for the Health Department?

MR. HILL: Yes.

CARL WHITE: Yes, sir, that is right.

MR. HILL: In other words, we lost \$41,000.

CARL WHITE: Yes, that's right.

MR. TORRES: Well, it was my understanding that when we adopted that new meat inspection ordinance, Jerry, I specifically asked if the inspection fee was coming to the City and it was my impression that the City would acquire the benefits from this new meat inspection fee and due to the fact that we were going to provide additional services to the licensees. Is that not the case?

CITY MANAGER HENCKEL: No, sir. Is Dr. Ross here? He will be here in a minute.

MR. HILL: Page 44. Jerry, have you made an adjustment on admissions to HemisFair Plaza, as a result of our recent action?

CITY MANAGER HENCKEL: No, I have not. What I plan to do is not make an adjustment in the budget. First of all, the loss, because of the dropping of the admission charges, is an "X" factor. I say it's an "X" factor, because we do not know at this time - No. 1: How much additional revenue we will receive from the concessionaires. We feel that there will be an increase, but there is no way that we can adequately forecast what that will be. Secondly, we feel that no admission charge will bring in additional concessionaires, which will also generate additional revenue for us. My thinking at this time is to leave it in the budget as is. We really won't be able to tell until the end of the fiscal year, because of the fact that, as we look at our financial reports six months from now, we will not be into our peak season, which starts with Fiesta Week. So, our biggest revenues in our next fiscal year will come during that period. We will merely make an adjustment at the end of the year. I do not believe that the loss will be the total amount of approximately \$100,000 to \$125,000.

MR. HILL: But you likewise show an increase in food and beverage concessions and merchandise concessions at HemisFair.

CITY MANAGER HENCKEL: Well, of course, this was projected in the budget on the plan of development of HemisFair and we think that will increase. What I would intend to ask the Council would be that we not transfer any funds, but that we earmark a \$100,000 by contingency and only use it if needed, because that is what the contingency is for. I am hoping that we can absorb the greatest portion of that loss. I'm optimistic.

MR. HILL: I hope we can too, Jerry, but when you take out the \$155,000 in admissions and you show \$65,000, against \$12,452 last year Food and Beverage and \$30,000 against \$17,000 on merchandise, I think we are going to have to do an awful lot of business to equal out.

CITY MANAGER HENCKEL: Well, of course, we've got more concessionaires, but I agree with you wholeheartedly that we are going to have to do a tremendous amount of business to equal it out.

MR. HILL: Then I have a concern on tower admission on page 45. We're up almost \$100,000 there. What's going to do this?

CITY MANAGER HENCKEL: Well, the free parking has already indicated an increase in the admissions to the tower, since we put it in here a month and a half ago. So, our projection is based on the new operation at the Plaza where you do have free parking to go to the restaurant. The fact that you can drive to the tower, the fact that we are going to have a different type of promotion for the tower this year.

MR. TORRES: When did we adopt the free parking over there? When did we begin that program?

CITY MANAGER HENCKEL: We began that about a month and a half ago.

MR. TORRES: And your increase in the tower has been.....

CITY MANAGER HENCKEL: The increase in the first month in admissions to the tower, as a result of the accessibility and the free parking, resulted in a good increase.

MR. TORRES: How much, Jerry?

CITY MANAGER HENCKEL: I don't have the figure right here before me. It's just with a monthly report that it does show an increase.

MR. TORRES: Well, what percent did it show, Carl?

CITY MANAGER HENCKEL: Well, as I recall, Mr. Torres, it was around 15 percent.

DR. NIELSEN: How realistic is the \$402,000 estimated revenue for 1969-70? How close are we going to come to that?

CARL WHITE: That should be reasonably close. We will probably exceed that a little bit, because this budget was locked up in May and since then we have made some improvements.

CITY MANAGER HENCKEL: The changes were made prior to the cut-off. Another factor that Mr. White mentioned was the fact that we ought to take into consideration Convention bookings. Which, as you know, looks better every year. The work that was done last year, we will be getting results from it in this new budget.

MR. HILL: Jerry, my next one has to do with pay increases in some departments. I think it would be well to cover this all at one time, where it is shown as a figure for last year and zero for this year. Like in the Finance Department.

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CITY MANAGER HENCKEL: In the presentation of the budget to you, I pointed out that the only pay increases that were added into the budget this year, were the normal in-step increases, which are in every year for all of the classified employees, which are all employees with the exception of Fire and Police, hourly, department heads, assistant department heads and their secretaries. All other City employees are classified and are in the pay plan as such. These people are eligible for a step increase, which is a 5 percent increment every year based on merit. This comes at the anniversary date of the employee, so it could be for a month, two months or on up to a total of twelve months, if their anniversary just happened to be on August 1st. So, these are budgeted normally, when they submit their basic budget. The supplemental budget would include any pay increases, as a result of across-the-board pay increases for cost of living or whatever else it may be. If you recall, last year we did give a pay increase across the board in August to all employees and then again in February, we gave an additional 2.6 percent to take up the increased cost of living. This year there is not any across-the-board increase. Other than the pay step eligibility for the classified, the only other increases proposed were the six months for the Fire and Police and hourly workers at 5 percent. So, basically, what this did was say that all employees would be eligible for a pay increase at 5 percent during the year at some time or another. The Police, Fire and hourly would automatically get a 5 percent after six months of the budget year.

MR. HILL: If we can afford it.

CITY MANAGER HENCKEL: Well, it is included in the budget. Now, the Council asked me a few weeks ago, which I sent you, the additional information of the additional cost, if we should attempt to remove the disparity for Firemen and Policemen on a three-year basis. I sent you a memorandum showing the cost - the difference being 4.1 percent and we figured on a basis of 2.1 the first year and one percent each additional, that cost being this year \$64,000. In addition, you asked for information, as to cost for upping the pension fund - the retirement plan for Fire and Police, which is - Fire and Police Civil Service - is set forth by the State, from a base pay of \$450 per month to base pay of \$500 per month. You have that figure, which totals approximately \$77,000. However, at the same time, I gave you the figure on upping the retirement system for all other employees, other than Fire and Police, who are under the Texas Municipal Retirement System, which would increase their benefit approximately 20 percent - 20 to 25 percent, I should say. Using it as a comparative figure, the difference in retirement that presently exists between the Fire and Police and the other City employees, the difference being now, the Fire and Policemen making \$500 a month or \$450 a month receives a retirement of \$180 and a City employee, in any other department, making the same pay, would receive approximately \$139 a month retirement. Now, upping the Fire and Police, from \$450 to \$500, would up their retirement to \$200 a month and the other employee would, by changing the Texas Municipal Retirement contribution, on behalf of the City, on the basis which is now 1 to 1, to $\frac{1}{2}$ to 1, would up their coverage, I believe about \$130,000, that correct, Mac? \$137 a month. So, you can see, as I told you a couple weeks ago, that I'm not against improving the retirement benefits for Fire and Police. I certainly think they need it, but I must consider the additional 3,000 employees that we have, whose retirement benefits are much less now than the plan that the Fire and Police have. I think it's totally inadequate. In my own mind, I can't justify giving attention to one particular group of employees without giving some consideration to the others.

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MR. HILL: There's one big difference, Jerry, if my understanding is right. That on going to the employees that are under the Texas Municipal Retirement System, you have to go from 1 to 1½, you can't go from 1 to 1 and a quarter or from 1 to 1 and an eighth. In other words, it's so large that you can't try to embark on a two or three year plan.

CITY MANAGER HENCKEL: This is right and the cost is \$200 and some odd thousand dollars to do that.

MR. HILL: \$248,000, which is an awful lot of money just to try to address ourselves to in one year.

CITY MANAGER HENCKEL: It certainly is.....

MR. HILL: I can't understand why you have to go from 1 to 1½. Certainly your Texas Municipal Retirement System has computers like everybody else and this is no real task to get this computed out. I just can't understand why they hold fast to this half of a percent is the only way you can go.

CITY MANAGER HENCKEL: I happen to be on the Board of Trustees in this Retirement System and we meet quarterly and they are just now converting to computers for the first time this year, which is a great advantage. Of course, the basic reason being in the past, it will take action by the Board to be able to increase at a different increment than it presently is now. I'm sure this is one of the things that will come about, but, again, even though I think everyone needs help, it's difficult to give one group of employees more benefits than the other.

MR. HILL: Well, I could be wrong. I just feel we could address ourselves to it more accurately, if this TMRS was such that we could step up to it a little, just year-by-year, then just have to look at it all at one time, because I can't go with \$248,000.

CITY MANAGER HENCKEL: Well.....

MR. HILL: Because I don't know where you'd get it in the budget.

CITY MANAGER HENCKEL: It's a big step, but if we can appropriate additional money for Fire and Police, I think we ought to take at least a percentage of what it would take in the future for the other employees and put it in the budget, so that when the time comes to make the change, that we'll at least have a portion of it set aside for that. Because, we're going to be faced with the same problem and the increasing benefits. The other employees, you can see, are way below par compared to the Fire and Police.

DR. NIELSEN: Whether it be from 1½ to 1 or 1¼, you are suggesting that we ought to begin planning budgetarywise now for whatever we can do.

CITY MANAGER HENCKEL: Yes, sir.

DR. NIELSEN: That's a good idea.

MR. TREVINO: The gap will be growing every year regardless.

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DR. CALDERON: In other words, Jerry, you're saying that it would be necessary that we create a separate account, as a reserve, so that we can be putting into it on a yearly basis in amounts sufficient to, perhaps, maybe, in a three or four year period, to be able to - something that didn't have to be 1½ percent - that remains that, at that time, we can then make the move.

CITY MANAGER HENCKEL: By then, of course, as Ed suggested, we'll be able to increase it without going to the full amount. My suggestion would be this..... If you're going to increase the pension plan for the Fire and Police, if you should take the same amount of money, in ratio to the number of employees, and put it into a fund for the other employees, so, just hypothetically, you got 1,600 Fire and Police, if you're going to put \$77,000 into the pension fund, then you need to put almost double that amount into a fund for the other 3,000 employees. Because, I think we need to treat them all the same, because everyone of them is doing a good job in their respective field.

DR. CALDERON: I certainly would support such a suggestion. Obviously we need to acquire equity, insofar as betterment to our employees and all of our employees are important - they're all deserving of equal consideration. I personally would support it, Mr. Mayor, and that formula, if it can be called a formula, whereby we are placing into a special account, a proportionate amount.

CITY MANAGER HENCKEL: We're talking about \$128,000.

DR. CALDERON: A sufficient amount into TMRS in equitable relation to the amount we place into our Fire and Police pension fund.

CITY MANAGER HENCKEL: What this would do, Herb, is this. If we did that, just a rough figure would be approximately \$205,000. But right now, we'd have to determine where we're going to take \$205,000 out of the budget. Now, my recommendation would be that we take this amount of money and set it up as our number one priority for additional funding, as we did last year, when we gave the 2.6 at the six months, which took what savings we had, plus what increased revenues we had that were not anticipated and again, we're not foolish enough to try to forecast the economy of what's happening in the Nation, so we could possibly be in six months, in better shape than we anticipated, because this is a conservative budget. On the other hand, it's possible that, if revenues fall off, that we would have to curtail some existing services. My recommendation is that this Council state that the number one priority on additional funds would be this account to handle the pension of both the Fire and Police and other employees.

DR. NIELSEN: The \$320,000, we would not be faced with the same thing in the other areas that we did with the pay plan, up from \$450 to \$500 for the Police and Firefighters. Right? We wouldn't be faced, as your memo or whatever it's called, White's memo says, to have to make a major step.

CITY MANAGER HENCKEL: We'd have to do it at that time.

DR. NIELSEN: For all employees?

CITY MANAGER HENCKEL: No, we would do it for the Fire and Police at that time. We wouldn't have to do it across the board then. We would not have to do that, we'd just put that other money in an escrow account. In essence, we would be doing the same for all employees, moneywise, at the time, which I certainly think is a fair way to do it.

MR. TORRES: Then are we going to defer action then?

MR. HILL: Well, let it go on record that this is the number one priority.

MR. TORRES: As far as the change on this budget goes, you're not making a change.

MR. HILL: No.

CITY MANAGER HENCKEL: But the money was there, gentlemen, but the only other place you could take this money would be out of the contingency and I strongly recommend against that, because it has always been our policy to leave the contingency in tact for emergencies that may arise. We cannot even, in the remotest way, predict what emergencies may arise or disaster could happen, where we'd need all of this money. Just one example might be if this lawsuit is determined against us by the contractors. It wouldn't be enough to take care of it. So, it's just bad business to dip into your contingencies at the time we're budgeting and it also would have an effect on our financial ratings, because it's poor management.

MR. TORRES: The second item then, brought up by Mr. Hill, was on that 2.1 percent out of \$64,000 for the Firemen, which we did ask Mr. Henckel to come up with a proposal for the wherewithall to finance this. So, what was your recommendation there, Jerry?

CITY MANAGER HENCKEL: My own recommendation would be that we take it from the Fire Department budget, which is very slim at this case. Which would mean the reduction in their budget of all the new equipment that they've asked for, which is one pumper, four automobiles, some fire hose, etc. I wouldn't recommend it. I think it's a bad move. Of course, my position is that there is no way that I can justify why Fire and Policemen should be paid the same amount of money based on the job. The only justification, and I've, since the meeting, looked into a few reports and the only justification that anyone can ever come up with, that they're doing it in other cities, and the reason they're doing it in other cities is because it becomes a political thing. In many cases, it's put up to the vote of the citizens. I would recommend here that if the Council wanted to consider that, it should be put up to the vote of the citizens and it should be put on the tax rate to increase the difference.

MR. TORRES: I think the Council made it's determination on that issue already, Jerry. Like you said, it is a political matter and I think you were just instructed to come up with the recommendations.

CITY MANAGER HENCKEL: No, sir, I disagree with you. At the meeting there were four Councilmen that indicated they were in favor of doing this and asked me to come up with the figures, so I'm saying that I'm recommending that if you decide to do it, out of this current budget, that the money come from the Fire Department. That I believe, at the same time, that if you instruct me to do this, to put them on equal pay, then it's certainly my responsibility to try to see that additional duties are added to the Fire Department, so that the work load is approximately equal. It's very difficult to try to determine the work load between the Firemen and the Policemen. Where a Policeman works an eight-hour shift, five days a week, at which time,

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during the entire eight hours, he must make decisions by himself in the field - the majority of them. Whereas, the Fireman works approximately eight 24-hour shifts a month. Of that period, the in-house duties and the other duties of the Fireman take approximately eight hours of the 24. The other 16 he sleeps or recreates or works on his own problems or does what he pleases. When he's out fighting fires, he's normally under the supervision of the Chief or the District Chief or whoever's in charge of the fire. So, I really have not found any way that I can compare accurately the duties of a Fireman and Policeman.

DR. NIELSEN: And yet, on the other hand, in terms of public service, the overall safety of the community, the lower insurance rates that we're all benefiting from, I just can't see any way to begin to try to close that gap, Mr. Henckel. It may be that we'll never completely close it. For instance, we are talking about over a three-year period of time. Who knows, two years from now there may be a very justified situation that prompts us to raise the Police Officer's pay too. I say again that we've got to, for a lot of factors, some of which are critical too, begin to close that gap. They are not all political, however. The whole role of the public servant is changing in every field - let's face it. The Police Officer's role is changing. His responsibility and duties are changing. So, can the Firefighter.....

CITY MANAGER HENCKEL: Everybody's role is constantly changing in this day and time - I agree with you. I couldn't more than agree with you 100 percent. For this reason, I think it takes a reevaluation of our entire operation. Duties of various departments, as you know, I've made certain proposals to you for changes in administration and the way we will run the administrative staff. I think it is probably time to take a look at the way the Fire Department is run and the way it operates and see if we can get more for our tax dollar. After all, this is what we are talking about when we talk budget - is how much service we are going to give the citizens for the tax dollar. We try to do the best job on a business basis we can.

MR. HILL: Jerry, I understand all this and I agree with what you say, to a degree, but I still feel real strong that this Council should address themselves at least to the initial step on this parity question and I also know that there are only four places that you can get the money. Increase revenue over and above what you show in here, from the contingency fund - we've already talked about it, from operating budget, to the various departments or out of special projects. I still strongly recommend that we address ourselves to this and if we want to wait until we get a little further along in the budget, then we can talk about the possibility of where we can come up with the \$64,000.

MR. TORRES: I think there ought to be Council concurrence of whether, because this is one of the most significant items that we have discussed on the budget. Mr. Henckel correctly stated that there were four Councilmen, who were apparently in agreement that we would begin a program to eliminate the disparity, but at the time, I would point out there was apparent concurrence from the other members, who were present, Mr. Henckel, so I should think that much of the argument, as to the functions of the Firemen and Policemen, at this point, are academic - I should think - I would like the Council to, since this is as I said, one of the most significant items that we were called upon to change in Mr. Henckel's budget, I'd like to ask the Council to express either it's concurrence or.....

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MAYOR McALLISTER: In other words, I'll just confirm that a motion has been presented that the budget be amended to include the disparity pay of \$64,000. No further discussion, call the roll.

CITY CLERK: Mayor McAllister.

MAYOR McALLISTER: No.

CITY CLERK: Dr. Calderon.

DR. CALDERON: Aye.

CITY CLERK: Mr. Burke.

MR. BURKE: Aye.

CITY CLERK: Rev. James.

REV. JAMES: The understanding is that we are beginning to study the whole program of closing the gap? I mean, that's (inaudible).....

MAYOR McALLISTER: We are appropriating, we are authorizing approximately \$64,000 each year, which covers about half the gap. (Several people talking at one time.)

REV. JAMES: Well, I'll vote for that.

CITY CLERK: Mrs. Haberman.

MRS. HABERMAN: Aye.

CITY CLERK: Dr. Nielsen.

DR. NIELSEN: Aye.

CITY CLERK: Mr. Trevino.

MR. TREVINO: Aye.

CITY CLERK: Mr. Hill.

MR. HILL: Aye.

CITY CLERK: Mr. Torres.

MR. TORRES: Aye.

MAYOR McALLISTER: Motion carries.

MR. HILL: Okay, the next item I have is, Mr. Mayor, on page 144.

CITY MANAGER HENCKEL: Mr. Hill, before we get off of that I need instructions. Now, as to where you want the money changed in the budget.

MR. HILL: You're the Manager. You come up with your recommendations.

CITY MANAGER HENCKEL: All right, my recommendation is to be taken out of the Fire Department budget.

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MR. HILL: Well, I don't accept that at this point.

MR. TORRES: I think we can come back to that, Mr. Mayor. I don't think it's the proper way to go about promoting or providing for an increase to take it out of that same department by saying to the people, who are going to benefit from the use of the new equipment, have sought a pay raise and in getting that pay raise, telling them that you're not going to get any equipment. That doesn't accomplish anything.

CITY MANAGER HENCKEL: Pete, I'm not trying to be argumentative, but I'll carry the same line of thinking. In my mind, I can't justify taking it from some other department, who I think needs everything in their budget, just as bad as I think the Fire Department needs theirs. You've got to remember, we cut \$4 million from this budget before it was presented to you and it's tight. So, I need your help in directing, as to where you want the money to come from.

(Several people talking at one time.)

MAYOR McALLISTER: Let's go on with the next item.

MR. HILL: Jerry, on page 144 on Transportation Supervision, you're down \$10,000, and then on page 145, you show you dropped out a professional engineer III.

CARL WHITE: I think this we transferred a professional engineer III from this budget to the next account...7-51-02.

MR. HILL: That's the way I picked it up. I just wanted to hear it and see if I was right. How about the one over here on Supervision under Personal Services in Transportation.

STEWART FISCHER: There are two...(inaudible)...personnel transferred over there, Carl, two investigators.

MR. HILL: What else, an engineer?

STEWART FISCHER: Yes.

CARL WHITE: I lost your last one.

MR. HILL: Well, it's on 145, Carl. The top item on 145.

CARL WHITE: I see, that's right. I lost the other one though.

MR. HILL: Right across the page. Engineer III. So, zero you have 12-3 in that last year and zero this year.

CARL WHITE: Well, that's the same one though.

MR. HILL: Okay, then on page 150, tell me the difference on gas and electricity from \$47,441 this year to \$1320 in this budget.

CITY MANAGER HENCKEL: 2-40 Code.

MR. HILL: Yeah.

CARL WHITE: For your gas and electricity?

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MR. HILL: Yeah. Why do we have \$47,000 this year and only \$1300 next year?

CARL WHITE: Mr. Hill, do you remember we transferred this? Is this back in Signal Maintenance account?

STEWART FISCHER: I think that's Signal Maintenance, I don't know the number. I don't have a copy.

CARL WHITE: Yeah, back in the 50 nondepartmental account, Mr. Hill. We actually made a mistake, what we felt was a mistake in the current budget. Some of this we charged to the department which is not departmental. It's the energy to operate the signal system. The total overall signal system and that is carried back on page 475.

CITY MANAGER HENCKEL: In the \$100,000 figure?

CARL WHITE: Yes, street lighting, traffic signal light power, \$100,000. We had that as a part of the departmental budget. We're transferring it to non-departmental because we don't feel that that is a proper departmental charge.

DR. NIELSEN: Well, what are you acting through is 50-08-01.

CARL WHITE: Throughout our budget we have made changes in areas like this where we feel like they are not departmental charges, they possibly belong in another account, such as a non-departmental.

MR. HILL: Just trying to keep up with you. Okay on 188.

MR. TORRES: Before you leave that particular department, Stewart, are you allocating, you have of course four painters on your signs and markings divisions, are you sufficiently allocating enough people or enough money to the program of catching up with the signs that are becoming dilapidated in various areas of the city?

CARL WHITE: No, sir.

MR. TORRES: You are not.

CARL WHITE: No, sir, we asked for about \$35,000 additional if I recall and this is an item that had to be cut out. Pete, on that very question, page 138 are you at that?

MR. TORRES: That's where I am. 138 and 139

CARL WHITE: We're continuing that program on the same level as the current year's budget. I'm sorry it's 135. \$81,355.

MR. TORRES: I see. With what you are getting then, Stewart, you're actually only going to provide a continuing program of keeping up, but as far as going back and catching up with some of these areas, we're not doing that at all.

STEWART FISCHER: Yes, sir. We are. The program we have had was to catch up within five years and we are into our third year of this. So with a little more patience it's a question of whether we want to go ahead and finish the catch up this year, which would cost us \$35,000 more or try to get those that are peeling the worst, and I know what you're saying and we don't like them and stretch it over two more years. We can get it caught up this way.

CARL WHITE: This program was beefed up, what, two years ago?

MR. TREVINO: Excuse me, let me ask you a question, please. Who's responsible for this difference in some signs made out of paper or cardboard or something. They are peeling off.

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STEWART FISCHER: Yes, sir. They are old. There is a difference in color of course, the new ones are blue, the old ones are black.

MR. TREVINO: Well, no, there are some out here in some of the new additions out there that they're not even embossed or engraved, they're just like painted. No, no, sir, it's inside the city.

STEWART FISCHER: Everything we have turned out are blue, they are with a background that reflects.

MR. TREVINO: But this is new. I'm talking about the old ones.

STEWART FISCHER: The old ones.

MR. TREVINO: Yes, sir.

STEWART FISCHER: If they are the black ones with the white letters, the black is a sheeting material that is put onto the aluminum. It's a very durable material. It's just outlived its usefulness.

MR. TREVINO: Now there is some white--that's the ones--there's some white with black letters.

STEWART FISCHER: Yes, sir.

MR. TREVINO: Okay. No you haven't. It's been quite some time.

STEWART FISCHER: It must have been.

MR. TORRES: I mean, by the way of information, on these subdivision requirements, Jerry, do we require a standard of street signs to be used--a certain standard of street signs. How is this.

STEWART FISCHER: We put up the street signs. We furnish them.

MR. TORRES: We furnish them.

STEWART FISCHER: For all the stuff, it costs about \$12.50 for each intersection in a subdivision. We put in the street signs ourselves.

MR. TORRES: That's the painting and the pole, all the materials.

STEWART FISCHER: Yes, sir.

MR. TORRES: Well, that \$12.50 doesn't pay the total cost.

STEWART FISCHER: It doesn't pay the total cost. Actually it pays for everything but the pole and the labor of installation.

MR. TORRES: And

STEWART FISCHER: It's not that big an item though. We're not getting that many of them in the new subdivisions. Subdivisions aren't building that rapidly.

MR. TORRES: Well, okay.

STEWART FISCHER: If I may take just take one more minute. On this particular subject we are looking to our TOPICS Project for some help in these street signs. We are working up a project now of putting in oversized street signs on the major thoroughfares, which we can finance under TOPICS, so we're hoping to get some help in that direction.

MR. HILL: On 188, Jerry, you've got an increase of professional fees of about \$33,000 and this is public safety-police. That's the jail.

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CARL WHITE: That's the jail. We pay the county \$2.45 per prisoner per day.

MR. HILL: And this is professional fees.

CITY MANAGER HENCKEL: Yes, sir.

MR. TORRES: On the jail business we are coming up with, let's see what are we going to pay this year.

CARL WHITE: You will notice. . .this is up about \$100,000 from what it was two years ago. It's a sizable increase in our cost for jail service. It seems to be more of an increase that the county, what was it, last January went to 4½, about \$2.65.

MR. TORRES: Yet, we did discuss, Jerry, the possibility of changing the program to reduce our jail population. I would imagine that by what you have allotted in the budget for continuing service of keeping the jail inmates, you are not contemplating then inaugurating a program to reduce people or get people out on personal recognizance on minor offenses or

CITY MANAGER HENCKEL: We're still contemplating that.

MR. TORRES: Not in your budget though.

CITY MANAGER HENCKEL: Well, we can't in the budget because of the legal problems, we certainly are working toward it and we hope we can reduce this figure. Just based on the average monthly increase that we've had, and even though we are able to put in new programs, this is happening all over the country, the number of people that are being arrested and booked and is costing every government more. This year, if we can reduce it, we'll do everything in our power to reduce it.

MR. TORRES: We did talk about the, and it was my impression from the chief, that we were going to look towards, rather than having people booked for drunk or theft under five or other minor offenses, that we were going to look to citing them to appear in court rather than take them to the jail considering that, say, 15,000 of our inmates have been people or jail bookies have been people who have been booked for drunk and minor disturbances. It was my impression that this program was going to be inaugurated and yet your budget won't reflect that if it was going to be inaugurated you wouldn't need that much money.

CITY MANAGER HENCKEL: Yes, sir, we still think we would.

MR. TORRES: I'd like to ask you then in relation to the police budget, on the page 169, which shows that we're putting, say, \$123,120 into the narcotic investigation and yet your vice squad and other departments, you know, exceed that. Now with all the talk, Jerry, and with all the comments from lawyers, judges and prosecutors to the effect that so much of our local crime is a result of the narcotics traffic locally, it just doesn't look to me like we are properly emphasizing a crackdown on the narcotics traffic. Would you have a comment on that?

CITY MANAGER HENCKEL: Well, of course, we're trying to participate in other programs for the narcotics. However, just judging from the case load the increase every year has gone up. You can see this year we have proposed 2,050 to 2,150 investigations. These other programs that are beginning to fall into place with government funding we hope will be in the being sometime during this fiscal year. But, until they actually are, we still have to continue the same surveillance that we now have even though we know it is not adequate to do the job we'd like to do because we know it's not producing the results. The problem with the youngsters, as you read in the papers, is just increased steadily every month, and there has to be some other solution to the problem other than just going out and making arrests for these young people buying marijuana, pot and the other drugs.

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MR. TORRES: Well, of course, I think we recognize that there are other solutions and yet the investigative and the prosecuting end of it is a significant solution. I know we're not getting to the cause of eliminating the problem but of course the task of law enforcement is to apprehend and to seek to prosecute violators and yet, when you have \$123,000 in your budget for narcotics investigation and by the same token say in the area of comparatively minor offenses being the vice offenses you have got almost or more than twice that much, here again I don't think that you are placing the proper emphasis on the real problems. At least that the police department, the chief, is not putting the proper emphasis on the real problems that we have in the community. Would it be possible to combine the vice and narcotics function at this late hour or can that be done? Have we considered that?

CITY MANAGER HENCKEL: We can certainly coordinate them and the chief and I have been meeting regularly in regards to combined activity of these departments. However, and I'm in agreement with you that it would be much better if we could place this money in some other area to prevent these people using narcotics rather than the investigation and arrest. But until such time as we have these programs in operation, if we indicate we are even letting up on the investigation and prosecution, well we could have a real crisis on our hands. I agree with you, but I don't know how we can do this until we get these other programs functioning.

CARL WHITE: I want to point one thing out to you. That included in this narcotic budget, and this is true throughout the police department, there are eleven positions budgeted. Now the chief may transfer from time to time and often times he does. He will have considerably more than eleven personnel working in an area. In other words, they will be budgeted in another account but transferred into this particular function. So he may have as many as double this number working in narcotics. But this is the way our budget is laid out.

MR. TORRES: Before we get off the police department I've still got some other comments but, Ford, you were going to say something.

DR. NIELSEN: Well, no, all I was going to suggest is that we were discussing a moment ago the whole question of changing public servants and you're right. The education is the key to this so called narcotics problem. Is there any thought being given in terms of these Federal funds under the Crime Act and so on that we could, for instance, train a group of firefighters?

CARL WHITE: Yes, sir. There certainly is.

DR. NIELSEN: A mixed team of many kinds of skills and all to talk to people in junior high age. That's so crucial in terms of, as I view it anyway, at this time to convince some youngsters just don't mess with the stuff, you're going to get into trouble. I don't know it might work; it may not.

CITY MANAGER HENCKEL: Dr. Nielsen, we are looking into every available type program and you know there is some that have been in the mill for quite some time that private agencies are working on. We're trying to help them get grants, because it will be an assistance to us. And again in the overall view of reorganization of the municipal operation this is definitely one of the things that we are looking at to utilize these existing personnel and this of course could become one of the functions of the combined public safety operation where firemen could be used for this purpose.

DR. NIELSEN: Yes, sir.

CARL WHITE: Very definite.

MR. TORRES: I have another comment on very, very serious question that I've been uncomfortable with over some time. I've discussed it with Mr. Henckel relating to page 191. The \$100,830 that we are putting into the area of community relations. I recognize that we want to seek to promote an effective community relations program and I have nothing but good things to say about Captain Neaves and the work that he is doing but I think that the council ought to, in the course of adopting this budget or before we adopt this budget on Thursday, at least seek some reactions from Captain Neaves as to some of the problems with which he is being confronted whether there is going to be a matter of more money or, I did say page 191, more money or a re-direction or an overall emphasis in the police department in the area of community relations. I don't know, but this is why I think that the council should sit down and talk to both the chief and with Captain Neaves because we have one problem after another that is developing and has developed and if we are not cognizant and we don't pay attention and we don't seek to look to the reasons for this dilemma. Then of course the money that we put into community relations is really not being effectively used. As a matter of fact, it's a waste and I think Mr. Henckel knows what I'm talking about. I want to cite just a few examples on this situation that I'm talking about to the council and I think that on the matter of discussing the budget, I think that it would be a very appropriate time. Just as an example, on July 4th of this year a Mr. Ramiro Mendosa, who lives at 139 Aganier, was taken to the jail. He was charged with aggravated assault on a police officer, the officer who made the charge against him lived two doors over from him. It was a neighborhood squabble and yet there were two boys charged. One a Marine, a U. S. Marine who is home on leave, who was charged with aggravated assault. This kind of a situation, with the various witnesses, that I merely referred over to the community relations division, not having taken a personal interest in the matter but except to talk with the people and refer them over to the police community relations division. A law suit that was filed on June 22, 1970, is a situation where another man, a Mr. Roland Garza, was charged for aggravated assault alleging various facts on the part of one particular police officer. An incident in which another man was hospitalized, which happened May 14, 1970. On July 20 or better yet June 20 of this year, I'm sorry July 20, just over this weekend, another young man who came to me after he went to the FBI office this morning on a situation where in spite of the warnings of a police sergeant, according to the witnesses here, the warnings of the police sergeant, that the officers, one officer who went into this man's house could not go in there, nevertheless the officer went in. I have the officer's whistle and some keys that he dropped inside the house which he picked up from me, that's officer Cervantes, if he wants them. In any event, the man was taken in, I saw him this morning he's got bruises all over his thighs, and he's got a swollen eye. These things shouldn't have to happen and I think it's just a shame because we have a handful of situations like this that tend to give the police department a bad name. On July 7, 1970, another similar situation. July 16, 1970, another similar situation. July 13, 1970, for four people, who were arrested in attacks on police officers, which of course would, in relation to the incident which happened on July 5 on the East side, which I understand again Mr. Henckel has investigated and from the people that have complained about the situation, there was some provocation. Now whether this is due to police recruitment, Jerry, and whether some of the young police officers do not understand the methodology and it's not coming through. I still think that there is a handful of officers that's giving the entire police department the bad name. I certainly think that there's got to be an emphasis on effective police relation, Jerry, because unless something is done we're going to have another situation such as has mortified our Bexar county sheriff over the last four, five or six months. I know that this council and that the people on the police department nor the administration of the city want these killings, but we have had some serious injuries and unless this council takes an interest in this thing and decides that we're going to do something about it and try to emphasize the fact that people have got to be treated with courtesy, we're going to be running into some more of these situations and we are going to have another killing in this town. I don't want to see that, and I'd like, Mr. Henckel, I think you know what needs to be done and I'd like to recommend it at this time.

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CITY MANAGER HENCKEL: Well, of course, when we started the community relations function of the police department, we did it with a very minimum number of personnel and then the first year we did increase that number. We also have a Community Relations Department of the city. We have just recently reactivated the Human Resources Department which is co-ordinating the Community Relations Department and will co-ordinate both the Civil Community Relations Department and the police. So I think we will be able to get a much more effective job through this co-ordination. We are also finding out that you can't separate police community relations from the other functions of the city, because in many cases the Parks Department will be involved, equipment that we purchased, the bus is a good example. The community relations bus that we bought for the police department that we equipped, that we're just not getting it out in the field enough because there isn't enough policemen available to take it out. Through the Human Resources we're going to be able to correlate this with other departments, where maybe one policeman or member of the Parks Department and some other division of the city can go out and use this bus effectively. So we are planning a complete revision of this operation to assist Joe Neaves in the police function, but to do a better job overall insofar as community relations are concerned. It will be carried much further than just the members of this department. As you know, in the past we've been supplementing this department with manpower from other police functions and as you said it takes specialty training and we're going to emphasize this and in all probability we will start using some firemen in this respect.

DR. NIELSEN: Has Captain Neaves or anyone looked in it's entirety at the Houston program. You know it's got some limitations too, but at least they've been through the last several years in a broad community effort.

CITY MANAGER HENCKEL: I know we've been in contact with them, Ford, but I don't know just how recently, but we certainly will.

DR. NIELSEN: Well, all the films, I understand, are available anyway.

CITY MANAGER HENCKEL: This is going to be one of the functions of Human Resources, is to find out the results recently of new programs in major cities in the country and see which ones are effective. Because we're not in a position finance wise to be on a trial and error basis, we might as well take advantage of the experiences of other cities.

DR. NIELSEN: The work that's been done at Rice, the University of Houston with the police department there could be, maybe it's already being used I don't know.

CITY MANAGER HENCKEL: This is a brand new field and we're just babes in arms with and we certainly intend to expand it to do a better job than we have.

MR. TORRES: In the training programs, is there some instruction into the promotion of community relations that is given to the young officers?

CITY MANAGER HENCKEL: Yes, sir, but probably not enough and this is again another function that we will step into.

MR. TORRES: Well, I still think that some emphasis from the chief, which I think has been lacking, some emphasis on promoting common courtesies would help and I certainly would urge that because I have to emphasize that we have got some real problems and I'm ashamed to say that unless we take some action to correct these things that there is going to be some real serious injury and there is going to be a killing in this town. I can see it.

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MR. HILL: Okay, Mr. Mayor, next few pages I have go into Public Works and also the Park Maintenance. I'm just concerned, Jerry, and instead of going into 8 or 9 pages item by item all through these two departments on automotive equipment, machinery and equipment--not automotive, the only place in Public Works that you have any new capital outlay at all as far as equipment is in the garbage. My concern, is, that unless this is phased out over a period of years, where Sam had quite a bit in last year and none in this year except garbage and a little of it applies also to Bob Frazer's shop. You're going to have peaks and valleys all the way through it. I think we should best try to level this off to where we put in about the same amount of money into replacement of the equipment both automotive and non-automotive.

CITY MANAGER HENCKEL: This, of course, you're certainly correct. This is the first year, of many years, that we've had to cut replacement of equipment as much as we have in this years budget. We had some \$205,000 total supplemental to put in. With request to around 5 million, is that correct, Carl? When you start talking about these big pieces of heavy equipment you run into \$100,000 plus per item. We even, as you recall, cut police cars this year. We did also add during this current budget year because of a problem we have 75 additional cars over and above the 80 that we budgeted. So, we're in the best shape we've ever been in, but we would like to continue at the same level and this would be, again, one of my priorities that I'd recommend that we look at at the end of six months so that we can put more money in equipment. In Public Works in particular, I recommended to the council that if we have a bond issue that on that issue there be a resubmission to the voters to authorize the expenditure of some old incinerator bonds. We can't use the money for any other purpose. It's a \$100 and some odd thousand dollars, \$147,000 I believe. That we be allowed to reappropriate that money for general sanitation purposes and then at that time we can turn around and put it into some new garbage equipment that we had to cut out of the budget. That would give us some relief there, but there are other items of capital equipment, in particular, heavy equipment that I'd certainly like to replace if the money is available. Yes, sir, you're correct.

MR. HILL: Well, I mean, this just makes it easier all the way through in trying to get the most out of your money budget after ..budget as to. . .

CITY MANAGER HENCKEL: Carrying it one step further--in the budget message I mentioned to you that during this year we will probably initiate the phasing of our entire vehicular fleet from the various departments into a motor pool shop operation. Where the shops will own all the equipment, will lease it out to the departments and the lease fee on the equipment will not only be the operational costs, the maintenance cost, but will include, the very thing you're talking about, a depreciation cost for replacement of the equipment. This is the proper way to do it. We need to get into it as soon as possible.

MR. HILL: Okay, I only have a couple or three more, Mr. Mayor.

DR. CALDERON: If I may, the thing that concerns me, Jerry, is the fact that do you feel that the operators of these trucks, for example, will take better care of their vehicles if the immediate boss is not, if he's not accountable to his immediate boss for the way he operates and takes care of his truck?

CITY MANAGER HENCKEL: It should work out that way, but it just doesn't, unfortunately. Really it's disheartening that the equipment, we do not have the personal interest in the equipment by the operators. But, you have to bear in mind in many, many cases, in most cases the same employee is not using the same piece of equipment day after day after day. The great percentage of equipment is changed over so you get one day you're operating one vehicle, the next day you're in something else. Some employees take care of every piece of equipment they get in, others do not. We have a constant program in this regard. We try to weigh both factors. Bear in mind that if the shop owns the equipment and we're basing this on the bad experience we had the way we're operating and the experience of many other major cities, as well as the Federal Government, you can go right on down the line have tried various methods that have all ended up in this motor pool charge out method. This is

the way most of your large corporations are now doing it. As it stands now, when a vehicle goes in the man working on that equipment is just going to do whatever he has to do to the equipment, it's not his particular piece of equipment to keep in shape, but we think we'll get a better maintenance job with the shops owning the equipment, then we are presently. You can apply the same principle, though, to the individual user of the equipment, whether it be leased equipment or whether it be assigned to the department. If you've got a particular driver that's abusing equipment, the department heads should take appropriate action. Yes, sir.

DR. CALDERON: Of course now, as you said there would appear to be a need for communication between the shop and the particular department who has the particular vehicle.

CITY MANAGER HENCKEL: Well, he'd be in a better position to do so, I think. Because if a certain driver, driver X, is having trouble with everything he uses, then the shop superintendent can go over to the department manager and say, "Look, so and so is, either needs some training or he should be moved to something else and here's the reason why, and it's costing your department money and it's costing the city money." I think we might be able to have a better cooperation between the shop and the various departments then we are at present. Yes, sir, I think it would help.

MR. TORRES: What he's saying is, Herb, if you get a piece of equipment that sort of, you know (inaudible) not give it to a certain guy and he'll wash it out.

CARL WHITE: In some cities the shop operation also furnishes the driver. So the rental rates include the equipment plus the driver. Some cities also furnish the driver. The drivers are paid out of the shops operation. The driver and the equipment are furnished by the shops and the rental rate includes the cost of the driver and the equipment.

CITY MANAGER HENCKEL: That's a real service, but then it gives you the control that Herb was talking about.

DR. CALDERON: Is that feasible?

CARL WHITE: Well, we're not suggesting that now, but some cities do that.

CITY MANAGER HENCKEL: I'll have to say though, we're talking about a small number percentage wise, just like Mr. Torres was stating about the policemen. If you have a small percentage that's abusing the equipment and it's always down why it makes the whole fleet look bad.

REV. JAMES: In our police department do we try to put driver with car and car with driver as much as possible.

CARL WHITE: No, sir, they change continuously, they never know from one day to another which car they're getting in.

MR. TORRES: Carl, on page 246, some of the reductions, of course, on your street maintenance program is, of course, due to the fact that we have no capital expenditures this year. But then you've got an additional 100 or 150 thousand dollars more or less in which you are reducing that budget under last year. Now, what is that due to? What do you attribute that to?

MR. CARL WHITE: Well, you see we've got, we bought quite a bit of capital outlay this year and this equipment was placed in service late in this current year. So the maintenance on that particular equipment is going to be less next year. That's primarily the reason for that.

MR. TORRES: One other item related to that. Do we have a public dump? A field that could be used as a public dump, on the west and the east side of town, Jerry? Do you know?

MR. HENCKEL: Sam, you want to tell him where the dumps are.

MR. GRANATA: People can use Pablo's Grove on the west side. (Inaudible statement)

MR. TORRES: What's the reason? How soon will we get into that?

MR. GRANATA: About three and a half to four years away.

MR. TORRES: What's the reason for this?

(Inaudible)

MR. TORRES: What about East? Where's everything going? Is that open to the public, though?

MR. GRANATA: No, Sir. (Inaudible)

MR. TORRES: And that on the east side. You mean the dumping?

MR. TREVINO: Does this area you have, and you said next to Kelly Field... (Inaudible)

MR. TORRES: We were talking about priorities for a subsequent date, I realize that this is an item that cannot be placed in this year's budget and yet, Jerry, I should like to think that we could eliminate some of the problems of dumping on some of our less used streets and some of the vacant lots, again, a situation which we have discussed both on the east and the west sides of San Antonio by providing a public dump for the people in these areas. There just is no public dump that these people can look to for getting rid of their, much of their garbage in the brush. I know we're putting \$499,000 or so into the brush pickup program but we know that the trucks don't get around except once every month sometimes.

MR. HENCKEL: We'll make an effort to try and find something.

MR. TORRES: Well, what would it cost, Jerry, annually to say come up with the minimum equipment necessary to keep a facility open, say like at Pablo's Grove. We've got the land, we know we can put the garbage there. Now, what would it cost for us to service this?

MR. HENCKEL: We'll give you some estimated figures on operational cost per dump. Sam, you might have the figure.

MR. GRANATA: I have the figure, but if I may. We used to operate these extra dumps, as you'll recall one by the coliseum and Rayburn Street but the no burning law has caught up with us now. As soon as we finish this new burner which we will call Salamander III which we hope to put in operation in three months, that will go to Pearsall Road (inaudible) Then we'll have a burner on the north, a burner on the southeast and a burner on the west.

MR. TORRES: Because until we do that, Jerry, we're going to continue to be confronted with the problem of the people dumping the trash on the roads, streets and parks

DR. NIELSEN: Saturday, I saw a collection of tree limbs, some dirt and I'll bet had been there for three months. It's a little side street, I'm sure nobody ever gets over there.

MR. TORRES: Then there is a problem that when you don't provide the facility that people are going to do open burning in their back yards. You've got a fire hazard.

MR. HILL: Okay, Mr. Mayor, the last one I have has to do with Model Cities, page 531. You've got an increase in regular salaries of \$117,000. I'd like somebody to tell me what this is all about.

MR. WHITE: Well, Mr. Hill, look over on page 532, the next page. You'll notice that the budget for the current year was \$353,000. We have had a great number of vacant positions this year so your \$232,000 is what we estimate we are actually going to spend this year. Not what we had budgeted.

MR. HILL: What about the 349 for next year?

MR. WHITE: The 349 is the same situation, it's the budget for next year. Considering that all positions would be full for the full year. This is the way we budget.

MR. HENCKEL: Actually, the number of amount of salaries budgeted this year is less then budgets last year. We used far less of the total number of positions last year. Of course, this is one of the problems now that we are getting into the completion of the first year operation is that the personnel that's necessary to analyze last year's program and make recommendations for future years, the monitoring of these programs must be done, which we didn't have to do in this past budget year. We will probably use those positions.

DR. NIELSEN: Did you say that personnel services for this year are less than they were last year?

MR. HENCKEL: No, they're not. (Inaudible). (Several talking at once)

MR. TREVINO: Some of the questions out there is on individual positions. You have listed up less money then they were listed previously. Like is this some of the people that were not hired before, or like one of them I'm particularly familiar with Multilith operators, you had one figure last year and you have them less on this year.

MR. HENCKEL: Well, that is the person. Now what I mean by that when we have a vacant position, we will budget his position. Then after we hire the employee then this is the amount necessary to carry that employee next year.

MR. TREVINO: That's the difference in your figures.

MR. WHITE: That's right. That's right. (Inaudible)

MR. HILL: Then tell me all about this expense allowance where you went from \$2350 to a round number, \$50,000. That's all included in the expense?

MR. WHITE: Yes, now that is a program for citizens participation. It includes a multitude of things.

MR. HILL: That's what I was afraid of, that's what I want you to tell me. When you just list it under expense allowance, you know this is sort of... We are on page 531, the middle of the page, right the middle of the page 2-96 program.

MR. ROY MONTEZ: This amount here is the requirement of HUD. In previous years, the government had not indicated how much the community ought to spend for citizens' participation. Other than, some amount of money should be available for them to use for baby sitting services, perhaps, for travel expenses when the citizens may attend conferences, for expenses that they may need relative to allowing them to perform better as citizens on a citizen board. In our first year, we had about \$6,000.

MR. HILL: You had \$2,350 on the line that I'm talking about.

MR. TREVINO: Correct.

MR. HILL: Expense allowance.

MR. MONTEZ: That's right. We had about \$6,000 in there. Now this year we have an expanded program for technical assistance to the citizens structure itself. If in the event they want technical advice on any project, evaluation or what have you.

MR. HILL: I'm just curious at how you arrived at a \$50,000 figure. Just plain old \$50,000, I mean, you know this is real easy.

MR. MONTEZ: It's mostly a figure of trying to collect. . .

MR. HILL: It's not \$49,998 or something like that.

MR. HENCKEL: You can tell he's one of the newer department heads.

MR. HILL: Well, I know. That doesn't mean you just have to throw money away. But these are the items that I think need real close scrutiny because this is where you can get in trouble in a budget. To have a figure in here of expense allowance of \$50,000. Somebody better look at it and somebody better control it.

MR. WHITE: Now I want to point out that 20% of this is City of San Antonio money. The other 80% is Federal money.

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MR. HILL: All the more reason. Then on the next item--unclassified. This threw me a little bit too for \$87,530.

MR. WHITE: Now that is program evaluation.

MR. HILL: Just on the two line items, you're talking \$137,530 and these two line items are listed, they just don't tell me nothing from a budget standpoint.

MR. MONTEZ: I want to be sure we understand just one thing. Of the total at the bottom \$613,000 only \$122,000 is the City of San Antonio money.

MR. HILL: I don't care if it's only \$22,000.

MR. HENCKEL: If it was city money, we'd be transferring it to the Fire Department, Roy.

DR. CALDERON: I would suggest that you change the \$50,000 items to \$49,999.

MR. HENCKEL: For Thursday's hearing, if you'd give the Council a breakdown on how you anticipate the expenditure of that money. In fact, give it to the office and we'll see that they get it in their hands before Thursday. I think they need an explanation of those two accounts.

MR. HILL: Okay, one other item. On Parks and Recreation under your Model Cities urban beautification, we had \$360 in there next year and we're down to \$66,770.

MR. WHITE: Nearly all of that is capital outlay, Mr. Hill. Look at page 534. Well, you see down at the bottom there.

MR. HILL: Oh, yes, I see.

MR. TORRES: Page 335 is just an explanation on the health and welfare budget. Line 2-55 at \$216,000 and line 4-26 at \$185,250. What are those two things?

MR. WHITE: The 2-16 is the Food Stamp Program, that's the beefed up food stamp program. The 4-26 money is what we're putting into it this year and that's our commitment next year. The County pays \$4,000 a month on it.

DR. NIELSEN: This is a four year projection, right? If we at some point next Spring, as we have previously gone on record suggesting, were to cease and desist from our economic involvement in that kind of a program about what. . .

MR. HENCKEL: We're committed through July of next year, yes sir. No, we are committed to go through next budget year.

MR. WHITE: The other is the amount the City provides for emergency assistance to provide families over. . .

MR. TORRES: Okay, I just wanted to know if that was emergency assistance. Page 348 obviously is a part of line 1-10 has a substantial increase there and I realize we have a number of new employees. But primarily what will those employees be. . .

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MR. WHITE: That's the shift from Hemisfair Plaza.

MR. HENCKEL: In other words, Parks Department has taken over the maintenance of these grounds.

MR. TORRES: I see, so then you've got approximately how much then of the Parks Department people would be working in Hemisfair Plaza on a dollar figure.

MR. WHITE: I think it's 28 positions....Bob, 28 positions, correct.

DR. NIELSEN: Are they going to be over there full time? Amounting to how much Robert, I mean, Mr. Frazer.

MR. FRAZER: \$179,000.

MR. TORRES: A \$179,000, I see. Then on the subject of Hemisfair. Oh, I know how much it is. I've kept up with that pretty well. On the subject of Hemisfair Plaza then look down at page 471 in relation to that \$781,280 now that of course excluding then the \$179,000. Right, Jerry? In other words then they come up with a total figure of what's being spent in Hemisfair Plaza or what will be spent in the forthcoming year will be this \$781,280 and \$179,050 out of the Parks budget and then we've got, I believe \$200,000 in proposed Hemisfair land improvements, right?

MR. HENCKEL: Plus some additional police.

MR. TORRES: Sir...

MR. HENCKEL: Plus some police. If you are looking at the over all complex.

MR. TORRES: That's what I'm looking for.

MR. HENCKEL: Because the area that we call Hemisfair Plaza is, as they say 92 acres, but the area that is budgeted as the Hemisfair Plaza operation is the area under the fence. The Police Department and the Fire Department have the maintenance of the free area that was outside of the fence. The development of the area inside the fence is the budgeted area here that's under Mr. Gaines. So you're talking about two different things. If we should budget all the employees as they were last year under Hemisfair Plaza, we would still necessitate budgeting some Parks employees to do outside of the grounds, and the police the same way.

MR. TORRES: How much for the police for the area then?

MR. HENCKEL: I don't know off hand. Who's here from the Police Department? Inspector Peters, the question is how much money is in the Police budget for police protection in the area over there as Hemisfair Plaza. In other words, the entire area.

INSPECTOR PETERS: We haven't specifically set aside that amount but we talked of six men and naturally it will fluctuate on weekends.

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MR. HENCKEL: How much you talking about? Approximately?

INSPECTOR PETERS: About \$45,000. Three districts around the clock.

MR. TORRES: What are we spending on a purchase, our one third committment to Urban Renewal this year?

MR. WHITE: Four hundred seventy-two thousand dollars, \$472,660--something let's see.

MR. HENCKEL: I mentioned this so that you have a true picture of what an operation like that costs.

MR. TORRES: One of the reasons I'm asking you is so that I can have a true picture?

MR. WHITE: Speaking of exact figures--\$473,694.

MR. TORRES: Okay, so then we've got the Park personnel for Hemisfair Plaza, we've got \$179,050 Plaza improvements \$200,000, Plaza budget of \$781,280, Police approximately \$30,000, the URA committment is \$473,694. Is there anything else going over there, Jerry?

MR. HENCKEL: I can't think of anything.

MR. WHITE: I want to point out one thing please. Are you looking on page 472, that's the Hemisfair Plaza budget. No, that's in there, but about \$100,000 of this budget is for repair to buildings over there. It's a nonrecurring type of expense.

MR. TORRES: Well, then, what's the \$200,000 for on the Hemisfair Plaza improvement?

DR. NIELSEN: That is if we were to buy some more trees, I suppose.

MR. WHITE: Yeah, that's that type of improvement. It's capital improvement.

MR. HILL: Landscape and trying to light it up and paint it up like we did the main entrance for \$195,000.

MR. HENCKEL: You've got your tower operation, too, which is in the area.

MR. WHITE: Well, we're also paying rent for the land we don't own over there.

MR. TORRES: How much is that?

MR. WHITE: This year, it will be \$56,843.

MR. TORRES: So, actually, we're spending about \$1,700,000 over there this year, Jerry, and you tell me that you have a problem finding \$64,000 for this police parity business, you know.

MR. HENCKEL: Yes, sir.

MR. TORRES: That's a disgrace. I really think it's a disgrace. \$1,700,000, gosh, it's not funny.

MR. HILL: Jerry, is this within the fence that you're talking about?

MR. HENCKEL: No, this is everything in the entire area. Not just within the fence, outside the fence. Everything over there. In other words, what we're talking about that's the amount of money that's being spent to the capital improvements, to maintain, offer facilities the same as we are in park areas in the city.

MR. WHITE: Most of that is not a recurring type of expense. Once we purchase the land and then our operating costs will not be anything like what they are today. The money that's having to go out of this budget.

MR. TORRES: So, we start planning for the grand scheme of 1976 or something like that. Page 475 that line 60-21 that show one inter-governmental services fund, that's probably a simple item. What is that?

MR. WHITE: That's the equipment that Mr. Henckel just talked about. That's going into the motor pool operation and will be used for purchase of equipment.

MR. TORRES: Okay, and then one final thing that I have, Jerry, is page 476. Just a question concerning that Convention Visitors Bureau allocation of \$208,000. You know, when we inaugurated this fund, we adopted this fund last year, it was my impression that the entire thing was going to be financed by the hotel and motel tax, and you know they were for it. Wouldn't they be for an increase to finance this additional expense? Have you considered asking the hotel and motel people?

MR. HENCKEL: We went over this with the board, Mr. Torres.

MR. TORRES: It used to be Pete.

MR. HENCKEL: Pete, the thing, I've got to be consistent. I think when I know the answer I call you Pete. No, really, we discussed this with the board. Here's the reason for that. We built up surplus during Hemisfair and last year we used more money than we took in. Certainly, I think that under the current level of services being performed by the bureau that in about three years maximum we will be achieving enough income through the revenue tax of the hotel-motel occupancy tax, the one percent, to pay this entire operation. But we geared up this year because of the momentum that we got the first year through an operation greater than revenue coming in. This thing is kind of a vicious cycle, if we drop our level of services for this year, according to the revenue we're going to get from the tax, then it's going to delay in the future the increase in revenue that we are going to get from filling these hotel rooms. So, because we have got this momentum going, we want to give not only the same level of service, but we want to increase it again this year. We think that at any time the City should supplement this particular operation, this is the year we should do it.

MR. TORRES: I see. Okay, fine.

MR. HILL: I think the statistics bear that out real well on this piece of paper I have here.

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DR. NIELSEN: Mr. Mayor, I just have three questions. We may have already answered one. I got here a moment late. On the library supplemental request, what do the latest figures show as far as a supplemental request--any, all, none or part of that.

CITY MANAGER HENCKEL: No Sir, we didn't change the supplemental request in the libraries. If the money was available, of course, we'd like to give them more money for books--possibly \$230,000 in the book account. A few years ago, we stepped up the replacement and purchase of new books. Of course, we try to keep that level. We're still--could not grant about \$20,000 is that the figure? I'm just pulling this out of my head if I remember correctly...the increase about \$50,000.

DR. NIELSEN: In a one year period of time, you're up to \$50,000? I understand there was a supplementary--Father Blume came to us with \$113,000. How was that in addition to?...

CITY MANAGER HENCKEL: That was in addition to what we have in the budget.

DR. NIELSEN: . . .already proposed and the greatest portion of that was for books and that kind of thing. Well I'd still like to see it, Sir. When we start talking now in terms of this Firefighters' request and the like, I'd like for us to consider this item also.

MR. HENCKEL: But there's so many things, Ford, that we had to cut out of the budget this year that were basic. I've got to look at the overall picture of these departments with the various staff members and look back over a five year experience. You can't continue, and we put specific emphasis here in the last five years on new libraries, books, our main library, building new outlying libraries, furnishing them and supplying them. To be frank with you, we can't keep giving the gravy all to the same department year after year after year. I think now that we've got the library up far above the level of the other departments. We need to taper off just a little bit and put this money where it's more critical.

DR. NIELSEN: But in terms of the overall educational value, there's no question that the nice facilities would not, an adequate quality and quantity of books isn't going to enlighten the community very much. It's very obvious. I know that books have gone up. I realize that they're more expensive and everything else.

MR. HENCKEL: It's very obvious to the entire staff and myself and I'm sure to this Council that we could use another half a million dollars in this budget which would mean 5¢ increase tax rate if we had to get the revenue but I can't see where we can cut the operating accounts of the various departments which I think are cut to very minimum to give supplemental funds to other departments.

DR. NIELSEN: I still want us to take a look as well as one other thing. .

MR. HENCKEL: We could put this on one of our priority items if we should have more money later on. I think it's a worthy one.

DR. NIELSEN: In light of Dr. Ross' memo of July 8 and the accompanying brochure, I can't tell from looking at the budget in terms of a health

breakdown whether or not there is included some expanded services on the east side. Can Dr. Ross or someone tell me whether it's there or not?

DR. ROSS: You're referring to the memo--

DR. NIELSEN: Yes, your memo of July 8 and does this in fact reflect anything in the budget on--

DR. ROSS: Well, there are two accounts that involve clinic sessions as I pointed out in my memo. In 10-05-01 there is an increase there but this does not provide for additional sessions as compared to the current year that is just terminating.

DR. NIELSEN: Not on the east side.

DR. ROSS: No where in the city, Sir. This merely means that the sessions that we were faced with cutting out because of the cutback in the State funds which would have effected the east side as well as any other area. Although, we were in that case be forced to give preference to the east side because they have less than the other areas. We try to do it in a systematic evaluation basis. The increase in that account will leave the number of sessions as stable. It neutralizes the reduction. With us on the positions on the staff carrying the heavier load than have been previously also to keep the same number. So the two factors put together leave the number of clinic sessions at the same identical number. In account number 10-07-01 there is an increase in the number in the amount for clinic fees or session basics of \$9,100.00. This will, first of all, put the East Terrace Dental Clinic, the dental clinic that's at the East Terrace facility on a full time base and then with the balance of these going to the other city operated clinic which is the South Zarzamora. It will not allow us to put both of them into full operation as they have been proposed.

DR. NIELSEN: Unless you say you have \$700 more from somewhere.

DR. ROSS: Right, this is the amount not our supplementals but this is as far as the reduction is made.

DR. NIELSEN: Okay. I would still want to see where the \$55,000 figure is that necessary or not. I'd still like to see it supplement the public health activity on the east side to the tune of X number--I don't mean an unlimited number of sessions--but X number of sessions this coming year. If it takes some additional funds, I'd put this high on the list of primary considerations. I think it's crucial.

MR. TORRES: To do what--come again.

DR. NIELSEN: Now the figure that Dr. Ross has on page 3 of this memo is \$55,790 which would provide 20 sessions per week. I don't know that it would take quite that many, Dr. Ross. I'll let you decide that but whether it's \$20,000 or \$50,000 to get some more health sessions on the east side. I still think it's crucial to do it now. I know you're planning down the road too but. . .

DR. ROSS: Right, these can be placed into the service and utilizing the best facilities that we have, again, the critical point on the east side at the moment is finding facilities for these.

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DR. NIELSEN: Well, maybe some compromise may be worked out.

DR. ROSS: This would allow I think without any doubt I can assure the Council and everyone that our concern has been the disparity between the number of activities--clinic activities that we've been carrying on the east side versus the west. We have attempted to find ways and means to do these. It's been a slow process and it is a slow process. This is our reasoning for placing No. 1 priority on the first branch operation.

REV. JAMES: Dr. Ross, what is the present status of the new clinic now? I understand you're negotiating for the land or you've bought the land.

DR. ROSS: I have been advised that the land purchased probably lacks maybe the dotting of the last i as being complete. This is part of what they call Phase III which they have not yet authorized us anyway to start submitting documents on. Phase II lacks some architectural work and we had a meeting with the architect this week and he's working on that. These are some minor, more detailed schematics, they're still schematics. Phase III is the big step...number 1 being final proof from the Legal Department that the land is in the city's possession and also, the detailed specifications. I mean detailed plans, drawings, etc. Also, a complete breakdown of the equipment as to each room in the facility--what goes into what.

REV. JAMES: What is your projected timetable on getting started?

DR. ROSS: With the 10-11 months lateness of Congress in appropriating Hill-Burton funds the timetable of all projects, the very latest going to bid step as I recall that timetable, it's about next July. Ours being the smallest project of all of them, they had told us originally that they would like to see us reach the bid phase by December of this year or early January of 1971. When the State Federal Review was held in reference to Phase I and Phase II of our application where they pointed out some of the discrepancies in architectural work that was needed which we were not aware of nor was our architect. I asked the question if this would delay our talked about timetable. They said well perhaps from two to three weeks at the most. It would still be humanly possible to make the December or January deadline for bid taking.

REV. JAMES: So, we're really looking for it about December?

DR. ROSS: Yes Sir, for going to bids.

REV. JAMES: Thank you.

MAYOR MCALLISTER: All right, any other questions about the budget? If not, then the budget is settled, Mr. Henckel, except for your recommendations to the Council regarding the adjustment of the \$64,000.

MR. HENCKEL: I'll have that ready for you by Thursday when we have the public hearing on the budget.

MAYOR MCALLISTER: All right.

MR. HENCKEL: You can make changes then also as a result of the hearing.

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DISCUSSION REGARDING TELEPHONE RATE INCREASE

MAYOR MCALLISTER: Ladies and Gentlemen of the Council, before we get into the question of the appointments to EODC, I'll call that at the executive meeting let's set a date for the Telephone Company hearing. I'm suggesting Thursday, July 30.

MR. TORRES: Mr. Mayor, aren't we being a little premature in setting a hearing before we give the citizenry of this community the benefit of some expertise in the way of an independent analysis, Mr. Mayor.

MAYOR MCALLISTER: I just see here that you've given me a recommendation about that, haven't you?

MR. HENCKEL: I gave you the report here a week ago on the number of people we've contacted and when they could come. Of course, that would be delayed by a few weeks as a result of the original contract. Today, you will be receiving a report which you asked for last Thursday as to the qualifications of the people on the staff which I'm giving you.

MR. TORRES: Is that the one the Mayor is referring to then? I see.

MR. HENCKEL: If the Council desires to hire a consultant we certainly need to do it this Thursday because every week that we delay it means you're that much further off because of what I mentioned previously that all of the Telephone Companies throughout the nation, basically, are asking for increases.

MR. TORRES: Well, this is why I asked that this be done so we wouldn't waste any more time. Now the Mayor does point to the memo sent by Mr. Bolen and Mr. Bolen, very frankly states on page 2 concluding "I want to emphasize once again that we do not have the professional capability within the Department of Finance to evaluate the merits of the Telephone Company's rate increase proposal." So I think, Mr. Mayor, if we're going to properly evaluate the Telephone Company's proposal, I think we ought to do it in a business like fashion. It's going to give the citizenry of this community as well as the Council the benefits of an independent analysis, Mr. Mayor, and I'd like to urge that we do hire a paid consultant as promptly as possible. I know that they are in demand at this time and yet the fact is that it's not impossible to obtain a consultant and we could probably get one in two or three months, Mr. Mayor.

MR. HILL: What are we talking about in the way of money for a consultant?

REV. JAMES: Yes, what would it cost?

MR. TORRES: Well, of course, I understand that the cost would be. . .

DR. NIELSEN: . . .determined on a daily rate. . .

MR. HENCKEL: That that was submitted here was based on a daily cost plus travel and, of course, there's no way you can estimate. . . .

MR. TORRES: Well, most of them work \$30 an hour. . .

MR. HENCKEL: Bennett, do you want to explain on the cost, . .

DR. CALDERON: I'd say more than than.

MR. TREVINO: It's more than \$30.

MR. BOLEN: I'd like to call the figures of Mr. Torres. One of them was \$30 a day, I believe, another one was \$200 a day.

MR. HILL: You mean an hour.

MR. HENCKEL: Thirty dollars an hour, he gets \$250 a day. We're talking about \$250 a day plus expenses.

MR. BOLEN: That's all travel and all living.

MR. TREVINO: May I ask you this, Mr. Bolen. This is for my information. Just how regulated is, I mean, how does the regulation that the government has on utilities affect the Telephone Company and how rigid?

MR. BOLEN: It's very rigid. In fact, there's a special set of accounting regulations, accounting costs and everything else for various utilities.

MR. TREVINO: In other words, what I'm trying to get at is what--how much can the rate change aside from the regulation that they have to follow the government.

MR. BOLEN: Well, they can ask for almost anything they want, Mr. Trevino, but whether it's allowed or not is another subject.

MR. TORRES: See, in November of last year, Felix, the FCC established by new order an increase that set up--allowed the parent corporation of the local Southwestern Bell to increase their margin of profit from 7.5% to 9% which is the basis of the application that is before this city and other cities, 63 other cities throughout the country today. This is why your rate consultants are in demand. What the Government sets up is strictly--what the Federal Government establishes is strictly accounting procedures. Would that be correct, Mr. Bolen?

MR. BOLEN: That is correct.

MR. TORRES: They establish accounting procedures but the rates are not regulated by the Federal Government except that the margin of profit is regulated so that we've got between an allowing them an increase, we've got, of course, merely an increase in the margin of profit that has been established.

MR. TREVINO: That was what I was trying to get at is whether if we would end up accepting the proposal like it is because they have not gone beyond their limit because the Government doesn't allow it or we'll end up with savings enough to make whatever amount of money we're going to spend worthwhile otherwise. . . In other words, you don't have anybody in your department to qualify to tell us that they're violating. . .

MR. BOLEN: Mr. Trevino, rate making is a sealed off zone in municipal accounting and in various other fields.

MR. TREVINO: Well, I realize that.

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MR. BOLEN: I have a certain amount of knowledge in this field. I've participated in two cases with a study but I'm not a rate expert.

REV. JAMES: On \$250 a day, how many days would you estimate?

MR. BOLEN: I couldn't answer that if I had to.

REV. JAMES: You mean you have no. . .

MR. BOLEN: I have no idea. Ask any one, they'll tell you when we see the application and study it we'll give you an idea.

MR. TORRES: Do you know what it's taking in other cities Bennett? How long, Ford?

DR. NIELSEN: I don't know.

MR. BOLEN: When we had the study back in 1957, that was involving Telephone Company on the area code, Mr. Honniker was the consultant in that case and he was down here for better than two weeks almost three weeks, I think.

MR. TORRES: I see, and yet you've got to consider, if my colleagues on the Council please, we've got to consider that we are looking to providing the best rate possible. In other words, an expenditure right now of 10 or 20 thousand dollars even would mean a saving of several hundred thousand dollars for the local consumers for many years to come. Well, that is the probability that we are faced with. I would point out that when this margin of profit was increased by the FCC for the local calls that in the State of New York alone in the long distance rates, there was a savings of long distance rates or better yet there was a savings of long distance rates of \$357,000,000 nationwide by allowing a decrease in the long distance rates but as a result of the turnabout in increasing the local rates in New York State alone, the Telephone Company raised rates by \$375,000,000. So this is one of the things that we're talking about. Is the rate justified merely because the margin of profit hasn't increased by the FCC. This is one of the things that our consultant would have to look to. Our Finance Director has said that he has not the staff to properly look at the rate increase. I certainly don't feel qualified in looking at the budget and looking at the operations of the Southwestern Bell to analyze and I don't think any of us, if any of us here took the attitude that we could properly analyze it then I think we would be deceiving ourselves.

MR. HILL: What's the margin of profit right now, 3.94? Something like this and with the rate increase it would go to. . .5.6 and the Federal Control allows 7.5.

MR. BOLEN: It went up to 9 plus.

DR. NIELSEN: Mr. Mayor, the only thing I've sensed in some conversations with some of the Telephone Company people would be that they would generally welcome this kind of independent analysis. Let's just get it done as quickly as possible. That's all that they're asking. The only way we could find that out is to enter into seriously a proposal discussion with someone as quickly as possible to find out how long and what it would cost. Then we got the data on which to make that kind of decision.

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MR. BOLEN: They will not tell you, Dr. Nielsen, how much it will cost until they see they have goodwill.

DR. NIELSEN: Okay, but that's still has got to be determined before we can exact cost benefit report back.

MR. BOLEN: Well, we'll mail them an application because they are all out of town.

DR. CALDERON: The thing that bothers me though in this talking about consultants, I read the memo that you sent us regarding a little history on each man who you know. You had about three or four listed there, you know. I kind of got the feeling after reading the thing there that, of course, I'm probably more wrong but the impression that I got was that these consultants have really lost their objectivity and you hire them and end up with recommendations that you want. In other words, you tell him what you want and they go ahead and do the research and come up with the answer that's consistent with what your wishes are. So I question whether these consultants, you know, actually have the objectivity to analyze these rates.

DR. NIELSEN: They have a responsibility to bring that objectivity to us which we do not have and I think as a responsibility to the citizens of this community, we ought to get as much data or at least we ought to have ourselves exposed to it. I don't know how else we're going to do it.

DR. CALDERON: My point is this, though, that I'm afraid that the information that will be forthcoming from this consultant will only be slanted in a direction....

MR. TORRES: At least what that will accomplish, Herb, is that we already have the Telephone Company proposal, our request which of course is slanted in their direction. If we get one slanted in our direction maybe we can put the two things together, you know, and get some thing right down the middle.

MR. HENCKEL: They are kind of caught in the middle, really. They have to leave a little bit to the company because if it wasn't for the company they wouldn't be making this fee but we're paying the fee so they've got to lean towards us a little bit too.

MR. HILL: Just let me say that it's 3.94 now and they're projecting a 5.6 and the margin of profit has been nine plus by the Federal Government and they have not had an increase in rates in 16 years and the Telephone books are wide open to anybody that wants to look at them. They're under strict accounting by the FCC or whatever it is. I don't really know what a consultant is going to tell you.

MR. TORRES: That's just it, Mr. Mayor, Mr. Hill has over simplified the proposition. It's not just a matter of looking at the telephone books there's rates of depreciation to look at, there's cost analyses to look at, there is matters beyond our own comprehension. Why in the world if their books are open why would Mr. Bolen come up with the conclusion that he doesn't have the professional capability to evaluate the merits of the proposal. It's not just a matter of allowing them to go up to a 5.6% margin of profit. It is looking at the facts and the costs on the things on which this margin of profit is based, Ed.

MR. HILL: I understand all right.

MRS. HABERMAN: May I ask for an expression from our Mayor. Being a new member, I'm not sure how I would vote on this particular question.

MAYOR MCALLISTER: I'm going to say to you that I would not spend the money on a professional consultant in this particular instance. This company is asking for an increase that is a very, very modest increase. In fact, it's less than they would legally be entitled to. I don't agree with Mr. Bolen's very modest opinion that he and his staff--I'm going to say that they can take those books and they can see what the depreciation is that's been charged off, they can come up and they can in just a short time they can go over those books and come back to us and say we believe that their books are accurate, of course, they're bound to be accurate. We believe that their manner of charge-off is fair and reasonable and what they're proposing is what we regard as fair. Or they can come back to us very shortly and say we're so confused by the figures, we don't know what's what.

MR. BOLEN: Mr. Mayor, I would like to correct one question that we're perfectly capable of analyzing the accounts and what have you but we are not familiar with the regulations that govern the Telephone Company.

MAYOR MCALLISTER: Alright, let me just say this to you. They've got a capital investment of \$192 billion dollars or whatever it may be. What is it we're paying taxes on?

MR. BOLEN: I don't recall the figures they pay taxes on.

MAYOR MCALLISTER: Whatever it may be, they've got a book value there they charge off depreciation against it. I think that our staff is perfectly capable of going in there and forming an evaluation.

MR. TORRES: What the mayor, I think is saying, Mr. Bolen, is that he's made up his mind and he doesn't want you to be qualified or to have the qualified staff to look at the rate increase proposal cause he is going to vote for it anyway. It doesn't matter what happens in this thing. You don't want an analysis of this thing, Mr. Mayor, because you've already decided so I mean I think you ought to just go ahead and state that you've made up your mind regardless.

MAYOR MCALLISTER: You just state your own mind instead of trying to state mine.

MR. TORRES: I'm coming to the conclusion based on what I've heard you say, Mr. Mayor, unless I've taken your statement out of context. It seems like I've heard that used.

MAYOR MCALLISTER: You're very good at that.

MR. TORRES: Yes, Mr. Mayor, I imagine many people take your statements out of context.

MAYOR MCALLISTER: You're entirely out of order. Now you're dealing in personalities. What is the pleasure of the Council with regard to employment of a so-called expert?

DR. NIELSEN: I think at this time it would be a wise investment, Mr. Mayor.

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MAYOR MCALLISTER: We'll just consider the motion then.

REV. JAMES: The thing that bothers me is that we are giving a blank check, I mean, nobody knows how long it's going to take.

DR. NIELSEN: We can get that data. They can provide for you. We made them a copy--I just heard Mr. Bolen say--and after they have seen it they can tell you pretty closely how long it will take them and then for \$250 per day you can just add up how much it will cost.

MR. TORRES: We negotiate this, Sam, the way we would any other contract for say, when we send McCall-Parkhurst in Dallas when we send them information for a bond proposal. Of course, they come up with a figure or what they're going to charge so this is not out of the question. On the other hand, we're giving the Telephone Company a blank check if we unobtrusively approve the request for a rate increase. I think that we are giving them the authority without properly evaluating their proposal. I think if my colleagues on the Council please, I think that we have a duty to the citizenry of this community to come up with an independent analysis of the proposal. I would make that statement in seconding the motion of Dr. Nielsen.

DR. CALDERON: I would suggest that the motion include the percentage return on the investment, we would like for the consultant to shoot at. In other words, we're going to 5% return, in other words do you want him to come up with this.

DR. NIELSEN: No, that's not the responsibility of the consultant.

MAYOR MCALLISTER: They have asked for increases that in their judgment and according to their calculations will give them a net return of 5.6%. In other words, they have made that as a presentation and that would be what this particular consultant firm should be charged with is the matter of their keeping of the books and having the accounts certified. With this increase, they will have a return of approximately 5.6%.

DR. NIELSEN: And equally as important, Mr. Mayor, is what kind of services are going to be provided to the community. I think that that is just as important as the profit. They know that, they're in business to serve.

MR. BURKE: Mr. Mayor, I want to suggest that we have the public hearing and have Mr. Bolen's opinion and then at that time if we're not satisfied that we go into it further and engage a consultant. That would be a practical approach.

DR. NIELSEN: The only thing I've heard them really request is if we're going to get the consultant do it as quickly as possible. That just delays another week or two after the time we've had the public hearing.

MR. BURKE: The Mayor suggested a week from this Thursday as a date for a public hearing. So, you're really not delaying it too long.

MR. TORRES: Well, of course, what you're doing Mr. Burke is this. You are denying those who would have, that is the consumer--you're denying the consumer who would have the strongest interest in making his feelings known

to this Council. You would deny him the opportunity to have the benefit of an analysis, you see. This is the idea behind hiring a consultant so that we can let the consumer public know on what the rate increase is based, you see. So that I should think that if we--this is why I mentioned to the Honorable Mayor that if we establish a public hearing at this time that we are denying our voting public the opportunity of knowing what is the gist of the rate increase and on what it is based, what's the amount set for depreciation and what you know the various areas--technical areas in which a consultant would have to go into which means the people who would be interested in the hearing nor we are qualified to undertake a study like that.

DR. CALDERON: Of course, the only thing that concerns the consumer is the amount of the increase.

DR. NIELSEN: Well, yes, you're right but equal to that is what kind of improved services are they going to get. I've had a few letters who were pretty antagonistic, not many, But several of them kept wanting to know well what are we going to get for this, is it going to be the same service or is something going to be improved. I can't answer that for the citizens. There's no way I can. I don't have that kind of data.

MR. TORRES: And that is not to say at this time that in hiring a consultant any of us are opposed to a rate increase. I think we would have to treat the business community fairly. If a firm, a company, a corporation or an individual that's in business, we would want that individual to make a fair return on his investment. What we would want to know in the complicated area of the regulation of a public utility is what method of computation is being used and whether when they say this amounts to a 5.3% or whatever the margin of profit is that their allegations are true, correct, proper and the increase would be justified.

DR. CALDERON: You're talking about accounting procedures and calculations which Mr. Bolen is highly qualified to. . .

MR. TORRES: He already said that this is an entirely different field. You cannot equate public utilities accounting, Herb, with municipal accounting, with the accounting that--this is--let me make a comment to you from one of the hearings on the proposal for a rate increase. I can give you the citation if you request it, I can't recall it right off the top of my head. One of the commissioners in a public hearing in California on a rate increase recently made a comment that after even studying the various proposals that were made and that he as an expert found the various data difficult to understand because of the technicalities in accounting procedures that are used by public utilities. This is why there are few consultants available because it is such a limited field of expertise. This is why I'm requesting the Council that we hire an independent analyst.

MR. TREVINO: Did he finally understand it?

MAYOR MCALLISTER: Why sure you do. What's the matter with you.

MR. BURKE: Mr. Mayor, I propose or move a substitute motion that we have a public hearing on July 30 and that the staff present the Council with the staff recommendations and at that time the Council determine whether or not a rate analyst will be engaged by the City or whether the Council will proceed to set rates without benefit of analysis.

MAYOR MCALLISTER: And may that motion also include the suggestion that in the meantime, Mr. Henckel, pick up the telephone and contact three or four of these people to see what kind of a proposition within certain reasonable limitations, what the expense will be in connection with hiring one.

DR. NIELSEN: What you're saying, then, is that could we, in that length of time, even send one or two of these gentlemen if they have expressed some interest a copy of the proposed increase and they could in turn give us a rough estimate of the time they would be available and approximately how much time and money it would cost us. Is that feasible?

MR. HENCKEL: Well, I'm sure.

DR. NIELSEN: Okay, that's all we can ask.

MR. TREVINO: Let me ask you a question before the vote.

MR. BOLEN: Now a week from this Thursday. . .what we have to do, I don't have that kind of staff, Sir.

DR. NIELSEN: Then we're just delaying the whole thing. . .

(DISCUSSION BETWEEN COUNCILMEN)

DR. CALDERON: How much time do you think you will need, Mr. Bolen. Give us the assignment of scrutinizing the request. How much time?

MR. BOLEN: I would like at least one week beyond that, Dr. Calderon. We do have other things to do.

(DISCUSSION BETWEEN COUNCILMEN)

MR. BOLEN: What I was trying to say to try to give you a report a week from this Thursday would be pretty difficult...if you want to have a hearing on the report at the same time

MR. TREVINO: Is the public hearing, that's what I'm going to ask you know the public hearing is just part of what we need to meet the demands or to respond to requirements. Now what, after the public hearing is held, are we supposed to go ahead and make a decision one way or another. In other words, what I'm saying here can we hold off if we agree that in other words to get the benefit of the consultant.

MR. HENCKEL: You don't have to act, you can wait until you've made the determination in your own mind which way you want to go.

DR. NIELSEN: If Mr. Bolen is not ready at that time for any kind of presentation then what we'll have is a presentation from the Bell Telephone Company and any citizens who are what?

MR. HENCKEL: We'll give whatever we have at that time.

MAYOR MCALLISTER: They can ask whatever questions they want to.

(All talking)

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MR. TORRES: We seek this response of the citizen participation and yet we give them no basis on which to participate, I think this whole thing is out of line. I just don't see. . .

MAYOR MCALLISTER: Do you expect the citizens to analyze the expert's report?

MR. TORRES: I should expect, Mr. Mayor, that by an expert's report the citizenry of this community would be better able to understand what is transpiring into having an independent analysis and make an independent determination if they could participate at a public hearing, Mr. Mayor. Of course, you are not interested in that.

DR. CALDERON: Let me say, Mr. Mayor, I have been asking questions of Mr. William Griep and, frankly, if at the time we are to make our decision I have not been thoroughly satisfied with regards to answers to my questions certainly at that time I would at that time give consideration to. . .

MR. TORRES: With regards to Dr. Calderon to answers to questions that are given to you by employees of the Telephone Company. It just evades the whole issue of having an objective analysis, Dr. Calderon, because certainly I know Mr. Bill Griep, Mr. Vernon Richards, personnel of the Telephone Company and I have implicit faith in them and yet I've got to recognize their paychecks and salaries are paid by the Telephone Company. They're people who have integrity, nevertheless, they are representing, they are advocates for the Telephone Company and their replies, they cannot help but give you the position of the Telephone Company, Dr. Calderon.

DR. CALDERON: Pete, the answers that I'm asking for are figures that obviously would be accurate.

MR. TORRES: Sometimes, it's obvious sometimes you have to go behind figures, Dr. Calderon. This is what we're seeking to do. If we're going to be fair to the voting public of San Antonio sometimes we have to go behind facts and figures that are presented to this Council.

MAYOR: Okay. Then the motion is that we have the public hearing on July 30 and then go from there.

MR. HILL: Mr. Mayor, I would think that it would be better to have it all on the 6th.

REV. JAMES: Yes, that's what I was going to suggest.

MR. HILL: Because if you have citizens here to ask questions and Mr. Bolen and his people will be in a position to also answer those questions as well as the Telephone Company.

MAYOR MCALLISTER: Mr. Henckel, what's your reaction to that? Do you think we'll be able to do that?

MR. HENCKEL: Yes Sir, I would think so. The staff's position will be better to have it on the 6th.

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MAYOR MCALLISTER: All right. In the meantime, see what you can find so far as to who we can get. I mean, get on the telephone and do it right away and see whether we can find out what a study will cost and have that information for us next Thursday, also how long it will take to do it. Okay, no further discussion, call the roll.

AYES: Burke, James, Haberman, Trevino, Hill, Calderon, Nielsen, McAllister.

NAYS: Torres

MAYOR MCALLISTER: Well, do you want to take up on the EODC proposition now, if it suits everybody, we'll go into executive session.

COUNCIL AGREED TO GO INTO EXECUTIVE SESSION.

After conclusion of the Executive Session, the meeting reconvened in the Council Chamber.

The Clerk read the following ordinance:

70-32

AN ORDINANCE 38,750

APPOINTING SEVEN (7) MEMBERS TO JOINTLY REPRESENT THE CITY COUNCIL AND THE BEXAR COUNTY COMMISSIONERS' COURT ON THE BOARD OF DIRECTORS OF THE ECONOMIC OPPORTUNITY DEVELOPMENT CORPORATION OF SAN ANTONIO AND BEXAR COUNTY, TEXAS FOR TERM ENDING JUNE 19, 1971.

* * * *

- Hector Moreno (replacing C. Don Baugh)
- John Gatti
- Alvin G. Padilla, Jr.
- Robert Barrett
- Mrs. Zudora McCoy
- George de la Garza (replacing Stanley Cole)
- Felix B. Trevino

There being no further business to come before the Council, the meeting was adjourned.

A P P R O V E D

Robert Calderon
M A Y O R
P R O T E M

ATTEST: *J. H. Sanchez*
C I T Y C L E R K