REGULAR MEETING OF THE CITY COUNCIL
OF THE CITY OF SAN ANTONIO HELD IN
THE COUNCIL CHAMBER, CITY HALL, ON
THURSDAY, DECEMBER 11, 1969

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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, COCKRELL, NIELSEN, TREVINO, HILL, TORRES: Absent: NONE.

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69-54 The invocation was given by Reverend James M. Sigler, St. David's Episcopal Church.

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The minutes of the meetings of November 26 and December 5, 1969 were approved.

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69-54 Mayor McAllister announced that he had proclaimed Thursday, December 18, 1969 as "VIVA MAX DAY." This is the date when the movie which features San Antonio will have its premier at three theatres. Proceeds of the sales will go to charity.

The mayor presented the proclamation to Mr. Walter Hohenstreet, a representative of Commonwealth United, Inc., who produced the movie.

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69-54 Mayor McAllister announced that he had proclaimed Saturday, December 13, 1969 to be Robert E. Lee Day. This is the day on which this school's football team plays in the Astro-Dome at Houston in the semi-final game in their march toward a state championship.

He presented the proclamation to the coach, Mr. John Ferrara, and the principal of the school, Mr. John F. Taylor. The volunteer football team was present and was appropriately recognized and extended best wishes in their Saturday game.

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69-54 CHAMBER OF COMMERCE REPORT ON ECONOMIC DEVELOPMENT PROGRAM.

Mr. Melvin Sisk, Executive Director of the Chamber of Commerce, read a report to the city council from Mr. John Steen, president of the San Antonio Chamber of Commerce, entitled: Financial and activity report of the Economic Development Department of the San Antonio Chamber of Commerce from August 1, 1969 to October 31, 1969.

The council then discussed with Mr. Sisk the accomplishments of the program and plans for the future. (A copy of the report is filed with the papers of this meeting).

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69-54 The following Ordinance was read by the Clerk:

AN ORDINANCE 38139

EXTENDING THE PRESENT GROUP HEALTH INSURANCE CONTRACT WITH THE TRAVELERS INSURANCE COMPANY THROUGH FEBRUARY 28, 1970.

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Mr. John Brooks, Purchasing Agent, explained that the policy was due to expire on the first of the year. However, Traveler's Insurance is willing to extend the policy through the month of February at the present rates in order to come up with the more complete experience record which would be for the benefit for all concerned.

On motion of Mr. Torres, seconded by Mrs. Cockrell, the ordinance was passed and approved by the following vote: AYES: McAllister, Burke, Cockrell, Calderon, Nielsen, Trevino, Hill, Torres; NAYS: None; ABSENT: James.

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69-54 The Clerk read the following Ordinance:

AN ORDINANCE 38140

ACCEPTING THE PROPOSAL OF REPUBLIC NATIONAL LIFE INSURANCE COMPANY TO PROVIDE EMPLOYEE GROUP LIFE INSURANCE AND ACCIDENTAL DEATH AND DISMEMBERMENT COVERAGE AND AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH SAID COMPANY.

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Mr. John Brooks, Purchasing Agent, explained that the current insurance carrier had advised that they would no longer be able to offer the insurance coverage at the present rates in effect. Bids were taken and twelve proposals received. The low bidder is the Republic National Life Insurance Company. They offer the coverage at the same rates that the city is currently paying. The San Antonio Association of Life Underwriters has reviewed the bids and supports the recommendation that Republic be awarded the contract. Mr. Brooks reported that the financial status of this insurance company is excellent. They have also stated that they will credit the city with up to 93 percent of the payments made based on experience record.

On motion of Mr. Torres, seconded by Mr. Trevino, the Ordinance was passed and approved by the following vote: AYES: McAllister, Burke,Torres, Cockrell, Calderon, Nielsen, Trevino, Hill; NAYS: None; ABSENT: James.

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69-54 The Clerk read the following Ordinance which was explained by Purchasing Agent, John Brooks, and after consideration on motion of Mr. Torres, seconded by Mr. Trevino, was passed and approved by the following vote: AYES: McAllister, Calderon, Burke, Cockrell, Nielsen, Trevino, Hill, Torres; NAYS: None; ABSENT: James.

AN ORDINANCE 38141

ACCEPTING THE ATTACHED LOW QUALIFIED BID OF JORDAN FORD, INC. TO FURNISH THE CITY OF SAN ANTONIO POLICE DEPARTMENT WITH 75 POLICE MOTOR VEHICLES, LESS TRADE-INS, NET $107,614.50 AND APPROPRIATING FUNDS.

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69-54 The Clerk read the following Ordinance which was explained by the Purchasing Agent John Brooks, and after consideration on motion of Mr. Torres, seconded by Mr. Hill, was passed and approved by the following vote: AYES: McAllister, Calderon, Burke, Cockrell, Nielsen, Trevino, Hill, Torres; ABSTAIN: James; NAYS: None

AN ORDINANCE 38142

ACCEPTING THE ATTACHED LOW QUALIFIED BID OF S C M ALLIED ENGRAVING BUSINESS SYSTEMS TO FURNISH THE CITY OF SAN ANTONIO POLICE DEPARTMENT WITH CERTAIN RECORD OF ARREST FORMS FOR A TOTAL OF $1,742.30.

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69-54 The Clerk read the following Ordinances which were explained by Purchasing Agent, John Brooks, and after consideration on motion made and duly seconded were each passed and approved by the following vote: AYES: McAllister, Calderon, Burke, James, Cockrell, Nielsen, Trevino, Hill, Torres; NAYS: None; ABSENT: None.

AN ORDINANCE 38143

ACCEPTING THE ATTACHED LOW QUALIFIED BID OF PRASSEL LUMBER COMPANY TO FURNISH THE CITY OF SAN ANTONIO, DEPARTMENT OF PUBLIC WORKS WITH CERTAIN SOUTHERN YELLOW PINE LUMBER FOR A NET TOTAL OF $3,309.88.

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AN ORDINANCE 38144

ACCEPTING THE ATTACHED LOW QUALIFIED BID OF ECONOLITE TO FURNISH THE CITY OF SAN ANTONIO CERTAIN TRAFFIC CONTROL SIGNAL EQUIPMENT FOR A NET TOTAL OF $38,626.85.

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AN ORDINANCE 38145

ACCEPTING THE ATTACHED LOW QUALIFIED BIDS OF COOPER EQUIPMENT COMPANY AND GIRARD MACHINERY AND SUPPLY COMPANY TO FURNISH THE CITY OF SAN ANTONIO WITH FOUR ARTICULATED TRACTOR LOADERS FOR A NET TOTAL OF $79,446.97.

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69-54 The following Ordinances were read by the Clerk and explained by Purchasing Agent, John Brooks, and after consideration on motion made and duly seconded were each passed and approved by the following vote: AYES: McAllister, Burke, James, Nielsen, Trevino, Hill, Torres; NAYS: None; ABSENT: Calderon, Cockrell.

AN ORDINANCE 38146

ACCEPTING THE ATTACHED LOW QUALIFIED BID OF BUSINESS SYSTEMS MARKETS DIVISION OF EASTMAN KODAK COMPANY TO FURNISH THE CITY OF SAN ANTONIO WITH ONE MICROFILM READER-PRINTER FOR A NET TOTAL OF $1,450.00

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AN ORDINANCE 38147

ACCEPTING THE ATTACHED LOW QUALIFIED BIDS AS LISTED BELOW TO FURNISH THE CITY OF SAN ANTONIO WITH CERTAIN OFFICE FURNITURE FOR A TOTAL OF $8,269.98.

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AN ORDINANCE 38148

AUTHORIZING THE FINANCE DIRECTOR TO PURCHASE CERTAIN CITY DIRECTORIES FOR THE USE OF THE VARIOUS DEPARTMENTS OF THE CITY OF SAN ANTONIO FROM R.L. POLK & COMPANY FOR A TOTAL OF $3,800.00.

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69-54 The following Ordinances were read by the Clerk and explained by Parks Director, Bob Frazer, and after consideration on motion of Mr. Burke, seconded by Mr. James, were each passed and approved by the following vote: AYES: McAllister, Burke, James, Nielsen, Trevino, Hill; ABSENT: Calderon, Cockrell, Torres; NAYS: None.

AN ORDINANCE 38149

MANIFESTING AN AGREEMENT WITH PHILIP J. SHERIDAN, TO EXTEND THE PRESENT FOOD AND BERVERAGE CONCESSION CONTRACT COVERING CITY SWIMMING POOLS, BALL DIAMONDS AND SPORTS CENTERS FOR AN ADDITIONAL ONE-YEAR PERIOD BEGINNING JANUARY 1, 1970, AND TERMINATING DECEMBER 31, 1970.

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AN ORDINANCE 38150

MANIFESTING AN AGREEMENT WITH PHILIP J. SHERIDAN, TO EXTEND THE PRESENT FOOD AND BEVERAGE CONCESSION CONTRACT COVERING BRACKENRIDGE PARK, KOEHLER PARK AND THE SUNKEN GARDENS FOR AN ADDITIONAL ONE-YEAR PERIOD BEGINNING FEBRUARY 1, 1970, AND TERMINATING JANUARY 31, 1971.

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69-54 The Clerk read the following Ordinances which were explained by members of the administrative staff, and after consideration on motion made and duly seconded were each passed and approved by the following vote: AYES: McAllister, Burke, James, Cockrell, Nielsen, Trevino, Hill; ABSENT: Calderon, Torres; NAYS: None.

AN ORDINANCE 38151

MANIFESTING AN AGREEMENT WITH THE PASEO DEL RIO ASSOCIATION TO EXTEND THE PRESENT CONTRACT FOR USE OF CITY PROPERTY ALONG THE BANKS OF THE SAN ANTONIO RIVER TO ERECT BOOTHS AND STANDS FOR THE SALE OF CERTAIN FOODS AND MERCHANDISE DURING SCHEDULED FESTIVALS, FOR A ONE-YEAR PERIOD, BEGINNING JANUARY 1, 1970.

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AN ORDINANCE 38152

CHANGING THE NAME OF A PORTION OF ANITA AVENUE TO MEADOW RIDGE AS RECOMMENDED BY THE CITY PLANNING COMMISSION.

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AN ORDINANCE 38153

APPROPRIATING THREE THOUSAND DOLLARS ($3,000) OUT OF LIBRARIES IMPROVEMENT BOND FUND TO BE UTILIZED FOR PURCHASE OF MISCELLANEOUS EQUIPMENT AS APPROVED BY THE LIBRARY BOARD OF DIRECTORS.

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69-54 The Clerk read the following Ordinance:

AN ORDINANCE 38154

AUTHORIZING EXECUTION OF AN AGREEMENT BETWEEN THE CITY AND SAN ANTONIO STAKE BRANCH GENEALOGICAL LIBRARY OF THE CHURCH OF JESUS CHRIST OF LATTER DAY SAINTS PROVIDING FOR OPERATION OF A GENEALOGICAL RESEARCH LIBRARY IN THE SAN ANTONIO MAIN LIBRARY.

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Library Director, Mike Sextor, introduced a Dr. Roberts and Mr. Casey Golightly, attorney of the Morman Church.

Dr. Roberts explained the church has 360,000 rolls of microfilm which is manned by volunteers from the church. The church encourages its members to find out who the ancestors were. They have the records and want to make it available to other citizens. He assured the Council there is no religious proselyting in connection with servicing this library.

Mr. Burke made a motion that the Ordinance be adopted. The motion was seconded by Mr. Hill. On roll call, the motion prevailed and the Ordinance was passed and approved by the following vote: AYES: McAllister, Burke, James, Cockrell, Nielsen, Hill, Torres; ABSENT: Calderon; NAYS: Trevino.

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69-54 The following Ordinances were read by the Clerk and explained by members of the administrative staff, and after consideration on motion made and duly seconded, were each passed and approved by the following vote: AYES: McAllister, Burke, James, Cockrell, Nielsen, Hill, Torres, Trevino; ABSENT: Calderon; NAYS: None.

AN ORDINANCE 38155

ACCEPTING THE BID OF HASKIN PUMP SERVICE FOR PLUGGING "COCA-COLA WATER WELL NO. 2", SAN ANTONIO CIVIC CENTER; AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT FOR SAID WORK AND AUTHORIZING PAYMENT OF $2,115.00 TO SAID CONTRACTOR.

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AN ORDINANCE 38156

GRANTING TAX EXEMPTION OF CERTAIN PROPERTIES OWNED BY VARIOUS SCHOOL AND RELIGIOUS ORGANIZATIONS.

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69-54 The Clerk the following Ordinance:

AN ORDINANCE 38157

APPROPRIATING $88,172.50 OUT OF GENERAL OBLIGATION DEBT SERVICE FUND, NO. 502, PAYABLE TO RAUSCHER PIERCE SECURITIES CORP. FOR THE PURCHASE OF $100,000.00 PRINCIPAL, CITY OF SAN ANTONIO GENERAL OBLIGATION BONDS, SERIES 1967 (TOWER BONDS).

Mr. Carl White, Assistant Director of Finance, explained that the city has an opportunity to purchase some Tower Revenue Bonds at a good discount. The money is available and he recommended that the Council authorize the purchase.

After consideration on motion of Mr. Trevino, seconded by Mr. Hill, the Ordinance was passed and approved by the following vote: AYES: McAllister, Burke, James, Cockrell, Nielsen, Trevino, Hill, Torres; ABSENT: Calderon; NAYS: None.

69-54 The Clerk read the following Ordinance which was explained by Mr.Clyde McCullough, Personnel Director, and after consideration on motion of Mr. Hill, seconded by Mr. Burke, was passed and approved by the following vote: AYES: McAllister, Burke, James, Cockrell, Nielsen, Trevino, Hill; ABSENT: Calderon; NAYS: None; ABSTAIN: Torres.

AN ORDINANCE 38158

PROVIDING THAT EFFECTIVE JANUARY 1, 1970, THE AMOUNT OF CITY EMPLOYEES' SALARY TO BE WITHHELD FOR THE TEXAS MUNICIPAL RETIREMENT SYSTEM SHALL BE INCREASED FROM THREE PER CENT (3%) TO FIVE PER CENT (5%), AND THE CITY'S CONTRIBUTION SHALL BE INCREASED FROM 2.6% TO 3.3%

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69-54 The Clerk read the following Ordinance and on motion of Mr. Burke, seconded by Mr. Hill, was passed and approved by the following vote: AYES: McAllister, Burke, James, Cockrell, Nielsen, Trevino, Hill, Torres; ABSENT: Calderon; NAYS: None.

AN ORDINANCE 38159

CHANGING THE DATE OF THE DECEMBER 25TH CITY COUNCIL MEETING TO DECEMBER 23RD AND THE JANUARY 1, 1970 MEETING TO DECEMBER 30, 1969.

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69-54 Morningside Manor, Inc.

Mr. Leonard Davis, Attorney for Morningside Manor, Inc., appeared before the Council to restate his belief that the property described as block 28, New City Block 12220, should be tax exempt. He previously had provided members of the Council with a written brief on the subject.

The Mayor asked the clerk to read the caption of the following Ordinance.

AN ORDINANCE

DECLARING CERTAIN PROPERTY OWNED BY MORNINGSIDE MANOR, INC. TO BE SUBJECT TO AD VALOREM TAXATION BY THE CITY OF SAN ANTONIO.

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Mr. Crawford Reeder, assistant to the attorney, was asked to give his opinion on the matter. He was of the definite opinion that Morningside Manor was not entitled to tax exemption and invited Mr. Davis to sue the city.

There was considerable discussion between the attorneys, members of the City Council, and the City Manager.

Mr. Torres made a motion that the Ordinance be adopted.

Mr. Burke stated that if Mr. Torres would amend his motion to include that the city manager be instructed to look into all other tax exempt properties in the city and report back to the Council, he would second the motion.

Mr. Torres then accepted the amendment to the motion as suggested by Mr. Burke.

After discussion, Mr. Hill made a substitute motion

that the Council reaffirm the tax exempt status of Morningside Manor. The motion was seconded by Mr. James.

Discussion was had on whether it was proper to make such a motion since the property was already tax exempt and no action was required.

Assistant City Attorney Reeder felt that it was best to vote on Mr. Torres' motion and if that motion did not carry, the property would remain tax exempt.

The mayor then called the question on Mr. Torres' motion to adopt the Ordinance.

The motion failed to pass by the following vote: AYES: Burke, Nielsen, Torres; NAYS: McAllister, Calderon, James, Cockrell, Trevino, Hill. ABSENT: None.

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69-54 CITIZENS TO BE HEARD

Closing of Travis Street

Mr. Albert McNeel, Attorney for Forgy Construction Company, asked the City Council for permission to close Travis Street from sun-up to sun-down on Sunday, December 14, for the purpose of demolishing the Maverick-Clark Building.

Mr. Stuart Fisher, Director of Traffic and Transportation, explained that this was the best time to close the street. This was agreeable with the Travis Park Methodist Church and the Gunter Hotel who would be most affected.

After consideration, Dr. Calderon, made a motion that Travis Street be closed on Sunday, December 14, from sun-up to sun-down. The motion was seconded by Mr. Hill. On roll call the motion prevailed by the following vote: AYES: McAllister, Calderon, Burke, James, Cockrell, Nielsen, Trevino, Hill; NAYS: Torres; ABSENT: None.

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Mr. Joseph Castillo, Chairman of the Citizens Concerned about the Bus Fare Increase, presented a petition in opposition to said increase and asked the Council to postpone action until the matter could be studied further.

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Mrs. W.A. Williams, 114 Muskogee, also spoke about the bus fare increase. She stated that the service to her part of town was excellent and wanted it continued, but hoped that the Council would not increase the fares.

Mrs. Gertrude Roberson, representing the Carver Community Center, also stated that she liked the bus service but hoped that the fares do not go up.

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Mr. Erasmo Andrade, asked the Council to postpone its decision on the bus rate increase until it has heard from all segments of the community.

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Mrs. Alfred Perez also spoke against an increase in the bus fares as she felt that the bus company should be subsidized by the tax payers.

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Mr. Irving Brown, 2011 North Flores,a senior citizen, 76 years of age, asked that this group of people be considered. He suggested that senior citizens ride for 10¢ during the off-peak hours.

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Mr. Joe Lopez, representing the Santa Maria Community Council, presented a resolution of that organization opposing a bus fare increase until all other avenues of possible revenue have been explored.

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Mr. Prince Morgan, Vice-President of the Federation of Neighborhood Councils, also spoke in opposition to an increase in bus fares.

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Mr. Jose Olivares, Jr. discussed the financial reports of the Transit System and opposed any increase in bus fares.

69-54

THE S. A. TRANSIT SYSTEM-REQUEST FOR FARE INCREASE

Comments on proposed fare increase by Councilman Torres:

The Transit System was purchased by the City with the idea of providing low cost public transportation--as taking the position that--this is as vital as garbage collection or health care services or police protection in a major metropolitan area.

I think that we have to recognize that labor costs have increased but we also have to recognize that the system is not paying federal corporate income taxes on its revenue or a federal motor fuel tax, or state bus licenses or dividends to stockholders, and other contributions required of a private corporation--and we have to recognize these facets when we go to comparing our fares with the fares of other privately owned transportation systems. As a matter of fact as Mr. Olivares pointed out referring to Mr. Hill's statements of last week, there is no comparison. You can make no comparison. We also have to recognize that in many instances since 1959 there has been curtailed bus service on many lines. We also have to consider Mr. Hill's statement that his charts don't consider size of city, cost of living or labor costs. There are alternatives available to a fare increase as they have been pointed out to the Council by our good citizens this morning and I want to say to you fine people who have taken the time to come up and to appear here that you are welcomed. This is your City Council. This is your City Council Chamber and I wish we had participation like this every week, Mr. Mayor.

At the moment, we are not certain what the import of federal funding will be and the figures I've seen don't seem to provide that input and the Council should study what the impact will be before authorizing the increase.

Further the federal funds would certainly preclude the heavy allowances made for depreciation in the past of near three-quarter million per year--indentures required only $360,000 per year--I recognize that the present budget is limited to $360,000 per year but I mentioned that because the last minutes of the Transit Board do reflect that they are seeking to find a means of increasing the allowance for depreciation.

The City has not considered waiving the 3% of gross which we collect from the system, or $200,000 per year--its a city owned system and this is a 3% sales tax bus riders are paying, and finally the bus riders pay the regular city sales tax which has given us an excess of $3 million in our general fund this year--we haven't considered, short of a fare increase, providing monies for the system out of the general fund. I would ask the Council to take these two items into consideration prior to fare increase. We do have a report. We do have a legal opinion from Mr. Walker, our City Attorney, making some comments concerning the legality of the subsidization of the system, pointing out that this cannot be done. However, I would point out that there is a precedent to this kind of action with reference to the $100,000 subsidy which we have contracted to pay the City Water Board. Here, we are talking about something for essential public service.

We haven't considered the variances in the lines and that a fare increase across the board punishes those least able to pay in the areas like the Guadalupe, the Nolan, and W. Commerce lines where busses are filled to capacity to keep busses rolling in other areas of the city where bus use is nominal. So, our urban poor maintain their part of the system because they have to rely on it yet are having to pay increased fares to provide services in other areas including outlying cities as in Alamo Heights, Terrell Hills, Balcones Heights. Why should the city of San Antonio have to extend bus service to those outlying cities without their providing their fair share of paying the cost of this urban transportation system which we have to maintain.

But what is more important is that the Board has purported to come to us with a statement of a need for a fare increase due to rising costs--yet, the expense statement in letter of November 26, 1969, points out expenses for 69-70 at $5.4 million. I pointed out last week that this is the same as operating expense for FY-67-68 of $5.4 million (see financial statement--and these are their figures) and for FY-68-69 with slight variance being $5.3 million in the last fiscal year.

The problem then is not increased expenses but a purported loss of revenue: the amount of $126,000 is cited as a reduction in revenue from last year from sightseeing,

chartered service and bus advertising and we certainly haven't considered an increase in the cost of these services. We should take these into consideration prior to fare increase.

Secondly, the system projects revenue for the current fiscal year of $4.35 million compared to $5 million for each of the last two years--this then is a loss from previous years revenue of $700,000 and 9 months of that is an estimate , as has been pointed out, based on the actual three months experience. The spectre of a fare increase is one based on projections which I do not believe to be valid, Mr. Mayor and members of the Council. Projections based on a three-month experience factor which can't be equated with anything that is liable to happen next year or the year thereafter. The projections are based on pure contingencies and speculation and a fare increase, if nothing else, would be premature at this time.

With reference to the city giving direct assistance to the system, New York does this to keep the basic 15¢ fare at least according to the report I read which the Transit Authority has for a long time been relieved of the necessity to pay for the rolling equipment, station improvements and system extensions (See Sick Cities, by Mitchell Gordan, p. 46). The City of Philadelphia itself has granted tax amenities and direct assistance to offset losses to its privately owned system. The publicly owned Santa Monica (Calif.) Transit System in spite of higher wages and costlier equipment has operated in the black since 1952 with a 15¢ fare.

We haven't really pursued any progressive ideas, I don't think, to lure the motorist to the use of our public transportation system---this would eliminate traffic congestion and increase revenues--things like mid-day shopping express, merchants picking up passengers fare, etc. In effect, a real P-R program of meeting the public--system hasn't exactly kept up the image of being nice to its customers, or of providing an atmosphere that is conducive to good customer relations. I will point out just one letter. I have a couple of letters. There is one that I want to read to the Council which will illustrate this point because I think that if we are going to promote the use of the busses, you are going to have to promote good customer relations. This letter is from a Mr. Hubert Delaney who is president of the Senior Citizens of Bexar County. (Mr. Torres read the letter).

Going back to the idea of subsidization, or of the city itself providing direct financial assistance to the system, I have heard comments of some of my colleagues on the council in the last few days and I've been rather distrubed by their plethoric and prosaic nature. One comment is particularly worth mentioning: that the taxpayers should not have to bear the burden of subsidizing the busses because nonusers will be incurring a charge for a service of which they do not take advantage. What surprises me about this argument is the hypocritical vein in which its given after the kind of expenses that we have gone into as I pointed out to Mrs. Perez this morning like the $500,000 which we spent this year to buy a part of a piece of land which we don't even know what to do with. This argument, the argument that people should not pay for services that they are not getting direct benefits out of was outmoded in this country just about 150 years ago when we decided to provide a public education system. . .you paid even if you did not have children in school because ultimately there was a benefit to the entire community. The same is true of a low cost public transportation system. Its improvement and promotion results in ultimate benefits to the entire community because mass transit is a factor to consider as an integral part of the entire transportation picture in this city or in any other city. Bus transportation eliminates congestion and costly delays when you consider that the average journey to work at peak hours at 20 m.p.h. by automobile requires as much as 45% more road space per person than by transit bus (See Urban Transportation and Public Policy, Lyle G. Fitch and Associates, Chandler Pub. Co., 1964, p. 14). The multiplicity of vehicles competing for limited road space is a problem which can be alleviated only at an enormous cost in terms of highway construction. Thus, the federal government and many municipalities has looked to assisting and promoting mass transit systems with a public subsidy as an alternative highway construction in urban areas.

Some cities like Philadelphia after studying forms of relief to the problems of traffic congestion in the mid fifties did make recommendations to improve and expand their freeway system but these were modest compared to the emphasis placed on fuller utilization of existing mass transit systems. (See Urban Transportation: the Federal Role, George M. Smerk, Indiana University Press, 1965.)

The thinking of planners in San Francisco when they adopted the idea of an about to be completed rapid transit system was with the thought in mind of eliminating traffic congestion in the downtown area. And this has been the thinking behind the many federal programs--both those made in the early 50's under the Federal Housing Act for Demonstration grants and those subsequent allocations under the Mass Transit Act.

Philadelphia as a result of its detailed study completed in 1955 established long term plans for low cost mass transit and its initial undertaking was to subsidize commuter operations within the city limits. This started in 1958. (Ibid)

(It's interesting to note too that Philadelphia is probably the only city in the country that has both a license fee for parking lots and a gross receipts tax on parking lots both of which items I will be recommending to the council for local implementation and my understanding is that the parking tax is intended to do two things: indirectly, discourage commuters bringing automobiles into the downtown area and secondly, to pay for the subsidization of the transit system from these receipts.)

The initial programs in Philadelphia were so successful that other grants have been made and city funds have since been used to improve equipment, to buy new equipment, and to experiment with various fare cuts and service improvements in order to stimulate use of the transit system. (It's interesting to note too that San Francisco recently adopted one of these experimental innovations which is also being contemplated in Dallas and that is the reduced fare for senior citizens. In San Francisco, and here again is a comment that was made to us by our citizens this morning, senior citizens can ride cable cars, trolleys and busses to any place in town during weekends and non-rush hour periods for only 5¢. That is the kind of customer relations which we need but don't have here. Of course, I'm sure that when senior citizen Norman Hill makes in excess of $30,000 per year, he can't be too concerned about the problems of senior citizens on limited income. I made this proposal to the council some months ago and it was rejected by the transit board.)

Part of the Philadelphia program as a result of its 1955 study was also to reduce fares. The passenger volume in the next four years increased by 46% (Ibid). Also, surrounding communities were asked to aid in the cost of providing the low cost transportation system. . .note that our city's transit system extends services as I said to Balcones Heights, Terrell Hills, Olmos Park, and Alamo Heights and these cities ought to bear part of the cost of maintaining public transportation in this area.

There is a memo dated November 20, 1969 from Mr. Fischer to Mr. Henckel which shows that a public transportation study is essential as a basis for public transportation policy decisions. Here we have an item from one of which our staff members, our Director of Traffic & Transportation, mentions the comments and among the transportation components review committee of Model Cities, which has discussed this problem, and Mr. Fischer in his memorandum of November 20 says: (Mr. Torres read the memo.) In conclusion, Mr. Mayor, this is one of the specific results sought--that is, public transportation study and pointed out by our Traffic Director in his memorandum. He recommends that the Council adopt a resolution expressing its interest for such a study. So I have some specific recommendations:

1. That the Council abate any fare increase until we have a full year's experience to determine if there actually will be a $750,000 loss in passenger revenue as stated by Mr. Hill in his projections.

I have a second item which in view of the City Attorney's opinion, I will eliminate pertaining to the waiver of a 3% gross revenue.

2. That we first determine the impact of federal funds and the rapidity with which these can be obtained.

3. That we consider first a raise in sightseeing, chartered bus and advertising fees.

4. That we resolve to provide necessary subsidies to our vital transportation system (this is a necessity to be distinguished from unnecessary subsidies for overbuilt chilled water plants) in conjunction with neighboring municipalities <u>to which we provide public transportation</u>.

5. That the Council recommend to the Transit Board to prepare and come up with proposals to improve customer relations which will necessarily result in more bus riders and that part of this program be a reduced fare for senior citizens during non=rush hours.

6. That application be made for an Urban Mass Transportation grant in accordance with Mr. Fischer's recommendation and that this application be made directly by the City rather than by the Transit Board.

I therefore move that the Council reject the application for a bus fare increase at this time.

DR. NIELSEN: Mr. Mayor, may I ask Mr. Henckel a couple of questions? In Mr. Fowler's last memo of Nov. 24, he said that we were to sometime soon receive from the Transit Authorities a copy of their new budget and at that time we could make some comparisons. Have we gotten that yet or not? Do you know? It's the last paragraph in his memo.

MR. HENCKEL: Mr. White informs me that we have.

MR. TREVINO: May I ask a question of the City Attorney? With all due respect to attorneys, you know every time you have two, they never agree. Yes, but here in the previous case of tax exemption, we were asked to follow the law by the letter of the law, you know, and we didn't. How will we stand in relation to the interpretation that we have here of the indenture and here's the , and I'm quoting -- "The above provision expressly requires that the bus fare pay the freight." Then it also states here that the only city that is subsidizing the buses is New York City and it has been found to be illegal. Now how will we stand or what is our status rather if we vote not to increase the fares would we be outside the law?

MR. REEDER: If you want not to increase the fares, would you be outside the law?

MR. TREVINO: Yes.

MR. REEDER: No sir, you just don't have to give them a subsidy.

MR. TREVINO: Well then, how are they going to operate?

MR. REEDER: I don't know Mr. Trevino. I don't know anything about the facts of the situation, I just say that if you gave them a subsidy you'd violate the law according to Mr. Walker; I haven't read his opinion on that.

DR. NIELSEN: We just got that this morning.

REV. JAMES: Mr. Mayor, that's exactly my point. My point is that I think that this is such a grievous matter, such a serious matter that there are so many facets involved in this. We have had success with the committee route before on these grievous questions. My recommendation would be that the Mayor appoint a committee to make a presentation of the Transit Authority, City Council and any interested citizen to pursue this matter within the next few days and bring a report to the Council next week if possible. Certainly, not beyond two weeks, but within next week if possible. We have had good luck with this committee around these grievous matters and I think this is something that is of such weight and such magnitude that it should be floored and some of these alternatives taken into consideration. That's my suggestion.

MAYOR McALLISTER: I just want to say to the members of the Council, that in my judgment there is one thing to do and that is to increase the fares as requested. Either that or the five or six hundred thousand dollar loss will have to be subsidized by the City. You can't just wave a magic wand and get money where it isn't available, and what they are proposing to do is to increase their income, which is a logical thing to do; and we either have to increase

the fare or the City of San Antonio must subsidize the Transit System to the tune of whatever the amount of the loss will be estimated somewhere in the neighborhood of $600,000. I want to correct members of the Council and some of the citizens perhaps an erroneous opinion. They talk about a reserve of $360,000, and that reserve was based upon the value of the Transit System's Rolling stock at the time the system was acquired. The accepted depreciation is 10% on buses and rolling stock. Some private companies increase that depreciation to 12½%, but our system here operates on the basis of 10% and if that is the case, and I say that that's right and fair and sound and reasonable, then the depreciation of $360,000 that is set up in their budget is entirely inadequate because they've got a lot more than $3,600,000 worth of rolling stock, so the depreciation reserve is not adequate to take care of a sound operation.

DR. NIELSEN: But under the law that's the minimum that we have to put in, right?

MAYOR McALLISTER: That was to take care of the rolling stock, the value of the rolling stock at the time the system was bought. That's what is called for in the indenture.

DR. NIELSEN: And as to this whole question of subsidy, Mr. Hill agreed that interpret the four requirements in the indenture, the last one being that you pay the 3% and as far as the speculation over how much we're going to lose, if anything at all, finally is so speculative at this time, I cannot see any way we can enter any kind of a sound fiscal policy arrangement with the Transit authority until we've got a lot more statistics; at least the months of November and December. We've got to have those kinds of facts and figures before I think even the Transit authorities can be responsible for suggesting any kind of a fare increase.

MR. BURKE: I'd like to make a substitute motion that the bus fare increase be granted.

MAYOR McALLISTER: O.K. Is there a second to that motion?

DR. CALDERON: Mr. Mayor, I will second that motion, but I would like to qualify my motion, if I may. I think that in discussing the fare increase, we are pointing the finger in the wrong direction. This problem facing the bus riders is not that the fare increase is high, but rather the wages that they earn are low. I think that this is the basic problem. The fare in 1961 was 17¢. By our action this morning it will be 25¢, an increase of some 8¢ over an 8 year period. So that the amount of money we are talking about normally can be considered to be a small increment. But, let me say further, that I have high regard for the Transit officials. I feel that they are doing a good job and I certainly would in no way make statements that are derogatory against them. I feel that if people could afford to ride a bus, then we would be confronted with this opposition that we have this morning. So I think that we need to look beyond the crisis at the moment involving a fare increase which I feel to be a reasonable increase. I think we need to address ourselves to the wage situation in this community and find ways and means to try to cope with this problem and having coped with this problem, everything else will fall into place. So, in

voting in favor of this motion, Mr. Mayor, I am merely recognizing the fact that the Transit System in in trouble and that the fare increase that they are requesting is a reasonable one. I'm further saying that subsidy of any kind, whether it be federal or municipal, is not the answer because subsidy of any kind involves tax payers and I believe that the responsibility for the ability of people to pay for the services society has to offer really rests with the employer -- with the person paying the salary. I feel that it is the responsibility of the employer to pay the employee enough to be able to meet the needs of society. So I second the motion, but with that qualification.

MR. TORRES: May I ask a question, Mr. Mayor, to Dr. Calderon? Does that mean, Dr. Calderon, to follow your reasoning, that you will support me in a resolution that the Council contact all employers of S.A. and tell them that they are not paying enough wages. Is that what you're saying?

DR. CALDERON: What I'm saying is this. Than a means needs to be devised to bring the problem into focus involving employers, yes. I think that there needs to be a reawareness of the responsibility of the employer to his employees. I would subscribe to whatever means this Council would come up with in order to bring about a result that is in the public interest and one that would more truly carry out the principles of this mission. The fact that we do have a commitment to each other, the fact that we are broghers and the fact that this society must look to the needs of every one of his members. Yes, Pete, I am saying that this Council should initiate steps to focus on this problem and to bring about the participation of the employers in addressing ourselves to this problem and hopefully to resolve it.

DR. NIELSEN: Would you assume that they'll make a 25% increase in their salaries to offset the 25% increase that is going to take in terms of bus fares. That's what we're talking about.

MR. TORRES: If I may, Mr. Mayor, I'd like to make a comment and direct myself to remarks made by Dr. Calderon. That sounds real pretty, Dr. Calderon, except that I remember the experience of a year, year and a half or two years ago when you and your fellow councilmen at that time kept people in this city waiting. People who are sitting out in this audience today -- kept them waiting when they were asking for $1.25 minimum wage ordinance. There was a time then when you could have said "I agree with the people of this community; what we need in this community are better wages." But no, you put it off for two years with the rest of your cold hearts on the council at that time. You put it off for two years and the people of this community had to go to the time and the trouble and the expense of having a referendum initiative adopted through a special election in order to have a minimum wage ordinance. So I think that you are being hypocritical, Dr. Calderon.

DR. CALDERON: Let me say something. Pete, let me say to you that since that time my philosophy has changed. Now if I am guilty for this, Pete, then I accept that.

MR. TORRES: Alright, Thank you Dr. Calderon.

MAYOR MCALLISTER: Alright, there is a motion and a second. You are ready for the question.

MR. HILL: Please restate the motion.

MAYOR: The motion is that the fare be increased as requested. Adoption of the Ordinance, yes.

MRS. COCKRELL: Was this the last substitute motion?

MAYOR MCALLISTER: Yes, which was the same as the original motion?

This is a motion to adopt the Ordinance; (roll call is taken: Ayes: McAllister, Dr. Calderon, Mr. Burke). /Hill - Aye

REV. JAMES: I'm going to vote, Aye, but I want to make this preface. The preface is that I would much rather pursue this committee route, but if this is not the wisdom of the Council at this point, I recognize that subsidy is not the answer. This perhaps is not the way to do it. At this point, I would have to vote, Aye.

MRS. COCKRELL: I vote, Aye. I was in favor of the wage increases, but I think they have to be paid for and so I vote Aye.

DR. NIELSEN: I vigorously vote No, and want to say again: This is a reflection of what appears to be to me the majority of this Council the basic attitude unconcerned for the working people in San Antonio; and I vote No.

MR. TREVINO: I'm going to have to vote No.

MR. TORRES: I vote no with a statement to Rev. James for the record from the Book of Proverbs, "Kings love him that speaketh right," Rev. James.

MAYOR MCALLISTER: Motion prevails. Is there anything else to come before the Council?

CITY MANAGER: Mr. Mayor, for the benefit of the press, the question has come up. When is the effective date of the increase in the Ordinance?

DR. NIELSEN: Yes, along that line, what else does this entail in the Ordinance, now.

MAYOR MCALLISTER: Somebody move that it will be effective. . .

MRS. COCKRELL: Mr. Mayor, I move that the date be effective January 1. Second.

DR. NIELSEN: Mr. Mayor, what else is in the Ordinance that now does it just speak of the fare increase or is it this whole list of data that Mr. Hill presented to us. There's more than just a fare increase, right? It lists all the zones and all that sort of thing. What about the rate for children? It doesn"t say anything about a decrease for senior citizens.

MAYOR MCALLISTER: No.

MR. TORRES: Does it say Merry Christmas to the citizens of San Antonio from the Transit Board and the City Council? It doesn't say that. (See Page 397)

MAYOR MCALLISTER: Alright, the motion is that it goes into effect January 1. Call the roll.

AYES: McAllister, Calderon, Burke, James, Cockrell, Hill,
NAYS: Nielsen, Trevino, Torres. ABSENT: None.

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

APPROVED:

MAYOR

ATTEST:
City Clerk

(Omitted from Page 396)

69-54 The Clerk read the following Ordinance:

AN ORDINANCE 38,160

AMENDING ORDINANCE NO. 27482, PASSED AND APPROVED APRIL 9, 1959, AND ORDINANCE NO. 29638 PASSED AND APPROVED JUNE 28, 1961, TO ESTABLISH A NEW SCHEDULE OF FARES TO BE CHARGED BY THE TRANSIT BOARD OF TRUSTEES OF SAN ANTONIO EFFECTIVE JANUARY 1, 1970.