

MINUTES OF A JOINT MEETING OF THE
CITY COUNCIL, CITY PUBLIC SERVICE
BOARD, CITY WATER BOARD, AND THE
SAN ANTONIO TRANSIT SYSTEM IN THE
COUNCIL CHAMBER OF CITY HALL ON
TUESDAY, MARCH 26, 1974.

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The meeting was called to order at 9:00 A. M. by Mayor Charles L. Becker, with the following members of the City Council present: COCKRELL, SAN MARTIN, BECKER, LACY, MORTON, BECKMANN, PADILLA, MENDOZA, BLACK.

The following conversation took place:

MAYOR CHARLES BECKER: Good morning. I appreciate you taking your time to come to the City Hall to listen to the presentations we have to make. We think it will be of interest to you. We think it has merit and ~~we~~ are under the impression that we are not asking you for anything that is difficult or impossible. We're looking for ways to cut the costs of operation, not only at City Hall but at any other utility or function of the City that would result in a savings to either the rate payers, the users of the utilities, the citizens of San Antonio in general. I really believe that this is the name of the game in today's economy what with the inflationary trends that are running absolutely rampant throughout the world. We owe it to the people, not just in San Antonio but the people all over the United States and even the people in the world for that matter. Everybody owes it that's in a position of authority to try to economize and make life as tenable as possible for these citizens. They're having a difficult enough time at the best. The business that I'm engaged in is fraught with inflationary troubles the likes of which I don't guess anyone's ever seen. Pinto beans are right at 70¢ a pound cost. You used to get ten pounds of pinto beans for 29¢. Rice, flour, everything that these people try to buy in the way of food stuffs is going up in an unprecedented rate. Clothing, housing, medical supplies. It doesn't make any difference what it is. How people living on fixed incomes can possibly live through all this and make it, is really the \$64,000 question and how people whose incomes are not rising due to lack of skill, due to lack of education, due to lack of a capability, how those people are surviving this is something I don't know. So it's really not something that we might have cared to talk about or view with some degree of maybe or if or will we or shouldn't we. I think it's gotten out of that realm it's become a matter of necessity, dire necessity, if we're going to address ourselves to this problem in a forthright, honest, intelligent, fair and square fashion. Now, we have a list of points and Sam, you have that, do you not?

CITY MANAGER SAM GRANATA: Yes, sir. I haven't passed them out for you but if you'd like we can pass them out.

MAYOR BECKER: I wish you would please.

MRS. LILA COCKRELL: Mr. Mayor, there are two new members of the Water Board here, I believe for the first time, and you might like to introduce them.

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MAYOR BECKER: All right. Lila, excuse me, I'm sorry. I've been thinking about a lot of different things this morning and I don't mean to overlook these gentlemen. Our two new members as well as our new Chairman of the Water Board are with us today and our Vice Chairman of the Water Board. I'll start with the Chairman, Mr. John Schaefer. Our Vice Chairman, Reverend James and our two new board members, Mr. Hayden Grona and Mr. Robert Boubel. Now then, of course, we have Mr. Van Dyke and his staff, Mr. Shields and Van, you might care to introduce the other gentlemen there - I'm poor on names. What is it please, sir? Musgrave, excuse me, Musgrave, I should know that by now.

Now then we have, of course, our Chairman of our City Public Service Board, Mr. Tom Berg and the Vice Chairman is Mr. Eloy Centeno in the audience, well, I guess he'll be here. There he is. Eloy, it's hard to run a grocery store and tend to all these duties, I know what you're going through. Mr. Robert West and Mr. Newman, John Newman. And then of course, the General Manager, Mr. Tom Deely and various members of his staff and Mr. Wilbur Matthews, the general counsel for the City Public Service Board.

I also see out there, let's see, where is our Transit Board? There's Mr. Benny Cantu, the Chairman of the Transit Authority and Mr. Murrene Gilford, one of the board members. Dr. Gerald Parker is back there and our new lady member, Sherry Bedford. And of course, the General Manager of that board, Mr. Norman Hill - sometimes referred to as "Pinkie". Let's see who else we have - who? Louis Tarver out there. Louis, the general counsel for the City Public Service Board and Mr. Tom Fuller and various other gentlemen there that are with the Public Service Board - Mr. Jerry Spengler and others.

Now then, we have two of our publishers here with us today. Mr. Frank Bennack of the San Antonio Light, Mr. Charlie Kilpatrick of the San Antonio Express-News, Mr. Bill Bellamy of the San Antonio Light and let's see if we have anyone else out there. And Wayne Kearn, is Wayne back there? Wayne, there you are, excuse me - I can't see you through some of those folks there and if anyone else is out there that I didn't recognize immediately, well, please forgive me. Well, it's very kind of all of you to give your time and energies to visiting us this morning because I think we have something here that's most important.

Now, I'm going to read a memorandum to you if I may from Mr. Sam Granata and the City staff addressed to myself and the City Council. Subject - "Functional Activities Considered as Possible Areas of Cost Savings Within the Municipal Family" and the date is March 22, 1974. I hope everyone out there has a copy. If you don't have a copy, please let us know and we'll be happy to furnish you with one.

"Three separate and independent boards govern the policies and administration of the City-owned municipal utilities and the Transit System. These agencies should provide for maximum coordination and cooperation within the "Municipal Family" to insure the most efficient utilization of all public resources. This position has been taken by some members of the City Council, including Councilman Morton and Councilman Padilla, as well as yourself." Speaking of me, I think all of our Councilmen share in this view.

"With increasing demands on scarce public resources, it is imperative that every public agency utilize those resources as efficiently and carefully as possible. As Councilman Morton stated at the Council meeting of November 29, 1973, the citizens of San Antonio cannot afford to permit the continuation of competing, overlapping or

duplicative functional activities that are inherent in the present organizational structure of the Municipal Family. The structure of these agencies should be flexible enough to take advantage of economies of scale through combined activities or to avail themselves of shared services."

"The following listing reflects some of the various functional activities that might possibly result in cost reduction or cost avoidance through cooperative efforts among the members of the Municipal Family and is submitted pursuant to Councilman Morton's request of November 29, 1973. The list is not intended to be all inclusive, nor should any of the items be considered as factual or final without a detailed systems analysis to fully analyze all aspects of the particular functional area under consideration."

1. Joint Meter Reading. I'm going to read these off and then we'll go through them again, item by item.

2. Customer Service. By customer service, we're talking about all the various information centers and all that sort of thing that are not only sponsored by the City of San Antonio but also by the various utilities. How many calls do all of us get at home about when is my water either going to be turned on or my electric power going to be turned on or the gas or why is it turned off, or when are they going to repair the street in front of my house and all this sort of thing.

3. Collections. City Public Service, water and sewer, taxes, licenses and dues, ambulance collection and all that sort of thing.

4. Billings. And billings is an adjunct, of course, of collections - same as 3 above. It just isn't the ten cent postage stamp or whatever the tariff happens to be on postage that's the item involved. It's the compilation of all the information, it's the accounting procedures that must be gone through. It's all the clerical work and all that sort of thing and someone said that it takes, I forget how many cents to mail a bill, I think someone said it takes 46¢, is that correct, Cliff - something in that order?

MR. CLIFFORD MORTON: Consultants that we have indicate something like 91¢ per month.

MAYOR BECKER: 91¢ to mail one bill?

MR. MORTON: To process one customer as far as the paperwork is concerned only.

MAYOR BECKER: Well, that's almost a dollar.

MR. MORTON: This is an analysis of the utility company's statements and so forth.

MAYOR BECKER: And if there's 150,000 customers, that's \$150,000 a month. And that on an annualized basis is one million eight - if that be the figure. That's a lot of money, particularly in today's times. It used to be that it didn't make so much difference. When prices were static and things weren't escalating as they are, we would have possibly lived with a lot of this and abide with it. But I don't think it's possible any longer.

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5. Mapping. City Public Service, City Water Board, Transit System and the City are presently engaged in drawing maps for their usage. One central mapping unit could provide required maps. This is something that seems to me really rather elementary, very basic. We're all working with the same area, we're all working with the same City. And the County also, I might say, I don't know whether anyone from the County is out there, but I know Judge Reeves' feelings on these matters and I also know the Commissioners' feelings on these matters and if they have a meeting of something like that and couldn't be here, then chances are it's because we got word to them late or something like that. But we're all working with essentially the same area. There's not one of us in one corner of the world and another in another. It's all right here in San Antonio, Texas, in the county of Bexar.

6. Electronic Data Processing. The present cost is approximately 4½ million annually for all agencies increasing to approximately 7 million annually by 1978. I don't intend to bring anything into this meeting that's going to be unpleasant or unpalatable for anyone but I asked my own organization to gather our costs for what we expend on data processing. I'm just bringing this out to illustrate a point. We must have an inventory of 25,000 different kinds of items. We have 42 stores, we have - I don't know how many subsidiary corporations and we operate in many different cities and we have very many different divisions within the company. We use IBM system 370-125 with the 128K. Don't ask me what that is, that's what they wrote down for me. If I had to make my living in this business, I'd have starved to death years ago. Monthly rental of all data processing equipment for the Handy Andy Company is \$12,654.60 a month.

Number of Employees. Data Processing Operations
 Manager - 1. Computer operators - 3; Key punch operators - 9;
 Control Clerk - 1; Programmers by contract - 4; Total staff - 18 people.

Now we have all this inventory. We have an inventory now and I'm just giving it to illustrate a point of approximately \$14 million - about 25,000 items. We're selling 25,000 different products and I'm trying to understand so later on I imagine I'll be asking someone to explain the reasons why and the analogy that's connected with it. It's hard for me to understand why with the sale of one product or two products, some of the monies that are being expended on this data processing, unless it's just simply turning out information and statistical data and a lot of things that no one's really using. Now we had a trend in our organization of this very thing. We had a bunch of bright young fellows down there that became mesmerized with this machine and were bringing it flowers and fruits every morning and saying a prayer before it and then a prayer before they left it every evening. And then we were buying fireproof file cabinets at the company like they were going out of style and those things are about an \$800 or \$900 item and I began to wonder what on earth was going on with all this file cabinets and all this razzmatazz that was being incorporated into the business. I was told that they were taking all the cubages back in the warehouse of all the different types of boxes and all this kind of stuff to find out how much warehouse space we have so we

walked back there and there was about an 8' clearance between the tallest stack and the ceiling and I appreciate you have your sprinkler systems, fire laws and all that kind of stuff that must be recognized and adhered to. But one of them told me, he said, the warehouse is full, we need a new warehouse. Well, it doesn't look full to me, you haven't taken advantage of the cubage. Well, the report says it's full. I said, well that does it. So anyway, 12 people left the payroll very shortly thereafter. We got the information back down to what was being used and what was being read and we stopped the trend there that could have, I think in time, enveloped us all. So you know, I'm not a smart guy, I'm just a hard-nose, ignorant sort of a person but I think I know when I'm being had. And sometimes it is very easy to feel. Now with systems currently in operation, we have inventory control including store billing, purchase order system and supportive reports. Produce department billing, bakery billing, leased equipment accounting, fixed assets accounting, general ledger including operating result by unit, payroll including all government reports and you know what they are. Several lesser supporting systems and accounts payable. Plans, future plans include a combined payroll in the personnel system, automotive accounting for truck fleet for remote entry and data. Other information - data processing department currently in operation six days a week for approximately 18 hours each day, actual processing time on is now an average of 300 hours per month. I'm not saying that makes us smart or anything but our business is made up of literally millions of 5¢, 10¢ transaction and everything that comes in that warehouse and everything that goes out of it cost-wise, is adjusted by the machine to bring the cost up-to-date and all that sort of thing and I think we do it in a rather economical fashion. I promise you there's no floss attached to it. Anybody that wants a report must show a real good reason why it's needed and they almost have to eat after they get it in order to keep getting it. We're not going to turn that stuff out there just because that machine will print 1600 lines a minute.

7. Purchasing and Central Warehouse. Larger quantities and better purchasing procedures could possibly generate savings but we all know what purchasing brings about in a combined form. And we're certainly not talking about purchasing steam turbines and valves, watergate valves that are highly technical and all this sort of thing. We're talking about the bare essential common everyday ordinary, run-of-the-mill items that can be bought by almost anybody including me. Paper, pencils, stationery, varied type of office supplies and all of the things that would even go beyond just that - it could go into many areas.

8. Accounting could possibly - some areas of accounting where we could combine our services and save ourselves the money and I want to be the first to admit that I've never been overworked in my life. I might have thought I was but I really wasn't and I was always able to do a little more than I really believed was possible. And we've developed a syndrome in the United States that we're all specialists, we can't double on brass and we can't pick up a wrench if we are paper hangers or whatever but I think one of these days we're all going to have to start going back to doubling, tripling and perhaps quadrupling on brass in order to make the thing fit - make it work.

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9. Personnel. Recruiting, testing, training, personal data, and so forth. I think a lot could be done in this area. And I'm not saying we're going to try to tell you what kind of people to hire for linemen and all that sort of thing but the compilation of this information could possibly be achieved in such a way that each entity wouldn't have to have its own separate, individual, totally integrated personnel department. There possibly could be some ways of bringing some of this together.

10. Banking. Depository contracts could be made more attractive because of larger cash flow and would result in savings in cost of borrowing money. That's just something that's just thrown out there to see if it has any possibilities. We think it does.

11. Employee Insurance and other fringe benefits. These will be detailed in greater depth later. But we all know what you can do with pension funds and sick benefits and all that sort of thing by having more employees involved than just a few. Generally, the more that are on policy, the cheaper premiums. It's one of the real attractive facets of growing big in business. It is generally the bigger you get the more economical it becomes to operate the company as far as some of these type of things that are in a bid basis of concern.

12. Auto Fleet Maintenance. We're talking about the shops and so forth. The working on of vehicles. The purchasing of the vehicles. The amount of time that the vehicles are kept. There should be some standardization that would be applied to all these vehicles. Some vehicles that belong to the various agencies seem to be brand new all the time and if that's through maintenance, then wonderful but there's such a thing as maintaining a thing to death too. You can spend an inordinate amount of money and an excessive amount of money trying to keep a piece of equipment like new. They'll all wear out sooner or later I don't care what condition they are kept in. By the same token, you don't want to precipitate or accelerate the age or the wearing out of any piece of equipment through neglect. But there's a happy medium in there somewhere and certainly working on some of these vehicles, a passenger car is a passenger car - I don't care who it belongs to - they don't vary that much. The more technical pieces, the highly complicated pieces, graders, caterpillar tractors, backhoes and all that sort of heavy stuff that cost \$100 - \$200,000 should be maintained by nothing more or less than experts but the everyday type of vehicles could probably go into common area common shops and could be maintained very well. Right now, the City of San Antonio is trying to work out an arrangement with the Transit shops over there whereby our vehicles can be maintained by them on some sort of trade-out basis. We're subsidizing the Transit Authority, we might as well get something for our money besides just buses running around the City. Maybe that's poorly stated but that's the way I see it. We're not trying to be unreasonable or unfair in that matter either.

13. Microfilming and storage of records. One central facility to serve all agencies. Right now the City of San Antonio has, I don't know how many employees housed in other office space. Our office, extra office rent is beginning to become a sizable figure. We outgrew this building years ago and it is a great building and it is beautiful and it is historical and we want to preserve it. We don't want to tear it down and we want to keep it here and all those things but we've run out at the seams. In spite of everything, we can do to keep the numbers of personnel on the payroll in line we're still having a hard time containing everybody in this one building. This thing was built in 1890 - 1898? So you know, we've been here going on 76 years now and I don't know of any business that could do that and grow and, of course, the City has grown and the City government has grown. Now the City Public Service Company right now needs extra space for their employees. I don't know - the Transit Authority just finished a new building. It would have been a grand thing, with as badly needed as downtown development in San Antonio is, if we were to take all these functions and ultimately located them in one building that would be expandable, would have room to grow and it would have one building that would be expandable, would have room to grow and it would have a very salutary beneficial effect psychologically as well as physically. We wouldn't have to be running all over the City to check with each other on things and just the mere association of all these different agencies into one would bring about a closer rapport and a closer spirit of cooperation and I think a harmonious feeling than we can possibly imagine. I've seen interdepartmental strife and one of the first things that I became acquainted with when I got out of the service was the most intolerable situation in my organization that I ever thought possible. It was such a holy mess that it's a wonder we ever survived. But in the old days when grosses were big, you could survive all kinds of things. The grocery department and the one old stores swept it's area and when it got to the produce department, put the broom up against the column and the produce man picked it up and he swept his area and nobody dared go into the meat department because the butchers would run you out with either a knife or a cleaver or a boning knife or something. This is the way the structure was. Well, you can imagine how much rapport there was and you can imagine how much cooperation there was. You can imagine how much my department this and my department that and no regard whatsoever whether anybody else made it or didn't make it as long as they made it in that particular department. It was unreal. If I did nothing else for about four years, I started breaking that-those walls down and they came down and they're going to stay down as long as I have anything to do with it out there because it's self-defeating and it's self-destructive and it's not right, and it's an intolerable situation. The merging of these people into one building, all these agencies, some day at some later date would tend to nullify much of this separatist feeling that we have existing within these various agencies.

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14. Insurance, fire and what does EC stand for? Extended coverage, liability worker's compensation and all that sort of thing. I don't know how much could be saved in the field. Lord knows it's expensive. It gets more expensive all the time. Are any of our utilities, are any of the City functions self-insured?

MRS. COCKRELL: The City is self-insured on liability.

MAYOR BECKER: The City is. Is it possible, I wonder, for any of the utilities, any of the functions in the utilities would become self-insured, Norman?

MR. NORMAN HILL: We are.

MAYOR BECKER: You are. Good. That's something that I think we're really going to have to explore as much as we're going to make certain people unhappy by that remark. I can't help it. It costs too much money to be carrying some of the policies that we carry even in business.

15. Consolidation of Service Centers. Reduce overhead expenses, utilization of equipment, and so forth, between the Water Board and the Public Service, the City and the Transit Authority and any of these other deals. And I think we have a map here today to show you an overlap of various functions of service centers and all that sort of thing.

All of us are working for the same people. All of us have the same group of people as our customs. We're not playing to different audiences. We're not operating in different cities in Texas. One of us isn't in Houston, the other in El Paso, the other in Amarillo, and the other in Brownsville. We're all right here together and these customers, as I refer to them, are really the ones paying the salaries of all of us. They are paying for the cost of all this and they make it possible for all of us to be here today and I think it's time that you regard it in that light. We're not their bosses. They're our bosses. If I've been any judge of them, they've been patient with all of us, much more than I think than I would have been.

Now that's the 15 items that come right off the top of my head and I made some notes to myself and then I'm going to turn the meeting over to Sam and the Council to see how they want to proceed these points one at a time. But I made some notes on this electronic data processing thing and I'd like for the different agencies including the Water Board, which handles the City's functions, and the City Public Service and whoever else has computers to list all the functions that they have on those computers. The listing of all those reports, all that data that's being turned out to see how much of it really applies, how much of it is of value and how much of it is being read by either one person, ten people or 100 people or no people and it might surprise you. That includes all reports, statistical data and all that sort of thing that those machines are capable of turning out and people are capable of programming. Let's see how much of it has value. Let's see how much of it is necessary and if you want to shock yourselves someday, and I'm sure you do this from time to time, get all of the forms that you use, purchase order forms and reporting forms and inter-office memo forms and all these stuff that are called forms, I don't know any other words for them, that's what I call them and get your comptroller or whoever it is, office manager or whoever, to lay all

that stuff on tables for you or someplace in a meeting room that's big enough to hold it all and if you don't get the shock of your lives as to how much of that stuff you have all being printed, all being used, by somebody for whatever purpose how valid it might be, it'll probably shock the life out of you. I bet you that in some of these different agencies that we have represented here, including the City, they go up as high as 500 different forms. I know we laid all of ours out one day at the company and it was unbelievable to me the amount of stuff that was being printed, most of it which could be dispensed with or consolidated into one type of a form but, you know, if I'm sitting over here and I say I need a form to tell me what time those trucks leave, another fellow sitting over in the corner of the room over there says, I need a form to tell me what time the trucks come in. Well, you've got two forms, what time they leave, what time they come in and that's the way this sort of stuff grows. I'm not claiming to know all the answers. God if I did, I wouldn't be where I am right now. I'd be somewhere else enjoying myself, vacationing, retired or something. I'd also like, with reference to the data processing information, the number of employees in those departments, the amount of rental expended on all that equipment, or how much it costs, hardware cost. Let's see what we're really doing with those things because that's money any way you look at it. Now, Mr. Granata and Council, how would you like for these points to be gone through? From one through 15. Just a brief explanation of them.

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CITY MANAGER GRANATA: Well, sir, I think you've covered them pretty well briefly. You know, we've had some in-house attempt at this to try to get together and what we thought we would do is get the Council and the boards together so that we can get guidance from you at this point and the directors of the Water Board, and the City Public Service and Transit will hear from their boards so that we can get direction from the top as to which way we can go. Do we need to go with a consultant on the outside to achieve some of these things? Do we continue to try to fight in-house or any suggestions that you and the Board members can give to us and give us direction as to how do we achieve these things. I think there's been ample explanation of the, and again, these are just possible items that we think, maybe there's many others that we haven't even thought of, me and my staff. But if you all could give us some kind of direction so that from you to the boards or from the boards down to their people, maybe we can achieve some of these things.

MAYOR BECKER: All right. Cliff, you want to talk to that? Excuse me, Lila.

MR. MORTON: Well, I'd like to ask if I could this question, Mr. Mayor, of the City Manager. It's my understanding that on certain of these points, staff on a staff-to-staff basis with the various utilities, have attempted to determine whether these consolidations of services or activities are economically feasible and justifiable, is that correct?

CITY MANAGER GRANATA: An attempt is being made, yes sir.

MR. MORTON: And further, to date it has been a staff-to-staff stand-off. Is that approximately correct? I'm not trying to put words in your mouth.

CITY MANAGER GRANATA: In most cases, yes. There's some areas that we've made some, that we've already had put into practice but in most cases, it's a stand-off, especially on the computers and such items as that.

MR. MORTON: Okay, I don't know whether we can make the assumption that the Council is behind exploring these as well as other areas but if they are, then I wonder if we might not either hear from the Board Chairman or the General Managers of these various utilities on their response to these areas as areas to be considered for economies.

MRS. COCKRELL: Mr. Mayor, may I just add to what Cliff said. I certainly concur with what you said. I think first of all that the Council needs to reaffirm that so far as I have been able to judge, all of us are behind any effective economies that can be achieved in the interest of the City taxpayer. I think that certainly those of us who are on policy boards do not want to try to step out of the role of policy and into the role of management. I don't think we should make any attempt to try to go down these items, item by item, and get into the management role of trying to negotiate any of these things but rather I think we should, as a policy, state that these and any similar items that can be utilized in terms of joint participation, joint cooperation that will result in savings to the customers that we endorse this concept. I would like to, as Cliff has said, to hear from the Board Chairmen as to whether the Boards are behind the same concept and, if so, I think we should all direct the staff at all three levels, or rather four, the three utility boards plus the City management, to get together and on the basis of these policy affirmations by the Council and by the staff to work out details that will lead to this kind of a savings for all of us.

REV. BLACK: Mr. Mayor, I think I would like to add to what has been said. I think not only do we need to have the managers give some indication of their own position with reference to this but there needs to also be some kind of time schedule. I'm reading the papers about the dire need and emergency related to increased costs of utilities and the passing on of that cost to the citizens of this community.

The economy of the operation has a significant tie as far as I'm concerned to the request of utility boards for increase in costs to the customer. So, there ought to be some time schedule related to some of the significant things that can be acted upon because I cannot, in all honesty, act with any degree of light, if we put it that way, if the boards are not showing at least some time schedule. It seems, you know everybody is for right, but it might take 100 years to perform it. I just don't want to see us fall into that kind of situation. I'd like for us to say well now, we are for these and we can put a time schedule on this set of priorities by a certain time. We can put a time schedule on another set of priorities by a certain time and have some time schedule on it. It's not enough for me to simply say, "well, I'm for it." I want them to say, "you're for it and it will be accomplished by a particular time."

DR. SAN MARTIN: Mr. Mayor, I'd like to bring up a point which I think is pertinent at this time because I understand that, Tom, you tell me if I'm wrong, that City Public Service Board has commissioned a study by Southwest Research Institute in the nature of studying the possibility of joining the computer systems. Is that correct? Mr. Mayor and Council, I think that at this time perhaps that City Public Service Board would like to wait until we know really what we're aiming for and then go ahead with this computer, with this research project. I really, what I really am after, Mayor, is that any kind of a study that is going to be made should not be made by one individual board or one individual utility but rather as a function of all three utilities in the City joining in that particular aspect. Otherwise, we may find ourselves that you commission one study and we commission another one, the way we did on the use of garbage for fuel. I think the City had one share in it and you had another share at Southwest Research Institute, is that correct? We had joint or separate? Sam, didn't we have separate studies on the question of using garbage for fuel?

CITY MANAGER GRANATA: Yes sir. When we finally retained Southwest Rsearch and now the CPS is going to take it over from this point. But if I may, Dr. San Martin, this is one of the problems that staff is having. I'd like at this time, Mayor and Council to call on Carl White to give you some background on how far back we tried to get on the same computer base and how hard it was worked and then all of a sudden certain steps were taken that now I think it may be impossible. I don't know. As recent as this past week, I met with the general managers of both boards and we discussed this very topic about how could we achieve these things. We threw it around pretty good and both managers assured me that possibly we ought to go on the outside and get a consultant to see whether or not this was even feasible and this was Wednesday of this past week. And I said, well, and they also said that they'd like to have direction from their boards as to what to do as I relayed to them the instructions I received from you as to how much we wanted to try to achieve this consolidation. Then I was much surprised the next day, to be perfectly honest, that one of the utilities had already hired an outside consultant to do this study, which I was not aware of at the time. So, these are the problems we're having. Let me call on Carl to tell you what happened last year and then you pick it up from that point.

DR. SAN MARTIN: Before you call on Mr. White, Mayor, may I finish what I....

CITY MANAGER GRANATA: Excuse me, Dr. San Martin.

DR. SAN MARTIN: What I was really trying to say, Mayor, is that all this type of studies be a joint effort of all three utilities and the City rather than individual approaches by one utility and then the other one.

I think in the area of outside consultants, we might even get to the point where we finally reach the desired goal of the City Charter that we have a utility supervisor which could be the function of all the utilities and the City and then if that particular office should need outside consultants, then it would be handled through there. So, I think we might be wasting a little bit of money by going independently by each utility having its own study made rather than by a joint study commission by all three utilities and the City.

MAYOR BECKER: I'd like to suggest one thing in addition to that Doctor. Sam, as far as I'm concerned, I've stricken the word impossible from my vocabulary and dictionary a long time ago. I don't think there's anything on this earth that's impossible if a man really wants to do it. We know just by having witnessed on television, we have people walking around on the moon, leaving it when they want to and going up in space for 80 days at a time or whatever. There's really nothing impossible. Not a thing. If it's in the mind and the hearts of men to do it, they can do it. And some of the hangups that we have on the most insignificant little old items really are appalling and all of us, me included, should be ashamed of ourselves for having the inability to make the transition from this point to that point because of some thing, that we really don't understand ourselves half the time.

DR. SAN MARTIN: Mayor, I have one more question for Mr. Berg. Tom, the study that the Public Service Board commissioned Southwest Research, how far does it really go? Does it cover the area that the Mayor has outlined here?

MR. TOM BERG: I wanted to answer your question because...

MAYOR BECKER: Tom, you might care to come up to the microphone here if you will please. This is being recorded, transcribed, and it's going to be a transcript.

MR. BERG: Thank you. I appreciate the question because it needs clarification. The objective of our proceeding posthaste to do the job of consolidation was on the basis that we, as a Board, are behind completely anything that we can do to save cost, anything that we can do to consolidate facilities. As I mentioned yesterday to the Mayor, we would like to find places where we can have City Public Service and the City offices in one location. We'd like to find that. In connection with our contract with Southwest Research to do the computer study, that was with their instruction to be with the Water Board on the meter reading situation, combined billing on the change of the billing form which has been brought up at previous meetings here when I addressed you three or four weeks ago that we would break up fuel adjustment clauses and try positively to arrive at a consolidated affair. It's complicated because there are different computer brand names involved but the strictly matter of computer language can be taken care of. We have in house the technical ability to do it but to speed up the program was why we took one more step to get outside people to shorten the time schedule.

DR. SAN MARTIN: I know Tom, but did you discuss this with Mr. Van Dyke and Mr. Hill so that it would be a coordinated effort of all the people?

MR. BERG: Well, our staff people are going at, the Board is going to be combining their activities with the staff of the Water Board and Transit with the consultants.

DR. SAN MARTIN: But not in the initial phase. They were not before Southwest Research was assigned the job of doing this, were they? In other words, they did not have any input into the scope of the study.

MR. BERG: I can't answer that. I don't know.

DR. SAN MARTIN: This is what I'm talking about.

MR. BERG: But it was our objective to speed along this whole program and I might, here's Mr. Deely.

MR. DEELY: Well, I'm going to answer that "yes". They were brought in. We did not discuss it with the Transit System because the real problem lies between the Water Board and Public Service Board. We discussed with their general manager on a number of occasions the question of joint studies.

MR. MORTON: May I ask this question, if I may Mr. Mayor, I get a little conflict in what you're saying and what our City Manager is saying.

MAYOR BECKER: Tom, would you care to come forward please so that you can be recorded. It won't pick you up back there.

MR. MORTON: It would seem to me that since the City had requested this action to begin with, there also should have been communication with your staff and the City Manager on this question. It was my understanding that you had a meeting last week. Is that correct?

CITY MANAGER GRANATA: Yes sir.

MR. MORTON: With whom may I ask?

CITY MANAGER GRANATA: With Mr. Deely and Mr. Van Dyke.

MR. MORTON: At that time, were you informed that any agency had been commissioned to make such a study?

CITY MANAGER GRANATA: No, sir. If I'm wrong, correct me Tom.

MR. DEELY: At that time, I told you that we certainly wanted an outside consultant to make this study and that we were thinking about Southwest Research and Dr. Knight.

CITY MANAGER GRANATA: That's correct.

MR. MORTON: All right. Now at this time do you have a commitment?

MR. DEELY: That's correct.

MR. MORTON: You do have a commitment. In other words, you're obligated.

CITY MANAGER GRANATA: That's what I was not aware of at the time. I don't think Mr. Van Dyke, because Mr. Van Dyke was saying we thought we should go on the outside to get one.

MR. DEELY: I beg your pardon. At that time, we had not committed with Southwest Research. I talked to the Board. I talked to the Chairman of the Board and some members of the Board to find out what their pleasure was in this and then committed with, as Mr. Berg indicated to you, they were anxious to get ahead with this. There was great pressures to do something on it and they felt that we should go ahead and make a commitment.

MR. MORTON: It would seem to me that you're proceeding unilaterally and you might wind up with four consultants in this type of proposition. Well, has the City been involved in drawing up the specifications for the commission that you've given Southwest Research?

MR. DEELY: It is a broad commission and we intend to work with the City and with the City Water Board and the Transit Board as to the direct specifications.

MR. MORTON: Mr. Mayor, I'll tell you. I do not condone this as an act that I think is going to accomplish the objectives that we want. With all due respect to Southwest Research, and let's not even use their name.

Let's just say consultant A, B and C depending on who commissions them. I cannot but feel that you're going to get somewhat of a biased conclusion and it would be my recommendation to this Council that we have a commission that would be appointed that would be composed of the Mayor, the City Manager and each of the Board Chairmen and general managers of the utilities that would meet at least on a quarterly basis, meet promptly on this particular question and would agree on the specifications for this particular study. This business of having one agency go out and commission someone to do the study, I think prejudices the outcome of the commission regardless of how competent the individual might be and I might add on this particular point, I think this is very typical of what the City Public Service has been accused rightly or wrongly of. I think we ought to get it out on the table right now as far as your original decision to go on computer to start with. It is my understanding that the former Mayor had a commission appointed for the very purpose of studying consolidation of the various electronic data processing systems and that while this commission was still deliberating, the City Public Service, again unilaterally, went out on your own and committed to Univac for something over a period of years that will amount to, what is it \$1.8 million a year in 1982 will be your annual fee to Univac?

MR. DEELY: Over a period of time it will be about \$14 million.

MR. MORTON: And the annualized cost in 1982 will be \$1.8, is that right?

MR. DEELY: I don't recall that cost.

MR. BERG: Well, in ten years will cost \$14 million, it's \$1.4.

MR. MORTON: No sir. The system is added on to periodically. I think last year is \$1.8 million. The point I'm making is did you or did you not commit for this expenditure which you already agree is a multi-million dollar expenditure when this committee was still deliberating on the question of consolidation?

MR. DEELY: This committee, of course, is still working. They were deliberating on what could be done insofar as consolidation of efforts is concerned. Now, I might mention one item to digress just a moment on these 15 points. One of these items concerns the mapping. About five years ago before we started into this mapping, or six, we came to the City and talked to all the City people who were interested in this mapping to try to get them to go along with us. We also went to the City Water Board and worked with them. The City Water Board decided that they wanted to go on this mapping. We realized that it should be a joint effort. Now, just recently I believe, we have satisfactorily concluded a method whereby, although the final decision has to be made by the Council, whereby we will have one set of maps and we will have one person update these maps, and we will give the maps to the City as they are completed. The Water Board participated in the expense of the formation of these maps and there is no reason why the City should not have been in from the beginning.

MAYOR BECKER: That was four or five years ago though, Tom. And I'm just as critical of that situation as anyone else could be. The City should have been a part of that effort but things were different then than they are today, you know. And there's an entirely different philosophy operating in this City today versus then. So, all I can say is had this Council been in office then the Council, the City of San Antonio would have been in an initial part of that mapping program from it's very beginning and Mr. Granata would have liked to have been in the mapping service. We were discussing that the other day. But of course, at that time he wasn't the City Manager.

MR. DEELY: I realize that Mr. Mayor. What I'm trying to say is that we're still working on that and we believe that we have worked it out.

MAYOR BECKER: Right.

MR. MORTON: How do we shift gears from mapping to electronic data processing?

MR. DEELY: I was merely referring to the joint effort that we have going with the City. Insofar as I know, we still are trying to consolidate our work and our efforts in the computer area. I would ask the man who has been on the committee if you'd like, but I feel we're getting down into the organization and probably the Council would not like to take their time in this area. I think they are still working. Is that not right, Sam?

CITY MANAGER GRANATA: Yes sir. But it was my understanding from our meeting that this is what we needed first was direction from the top. Did we really want to do this because we're kind of saying, I'm not going to use the word impossible any more. The Mayor said it's out of his vocabulary, so I'm going to take out of mine; I learn quick. Mr. Van Dyke, if I may call upon you, wasn't that one of the things that we felt we had to do first to get an outside consultant to determine whether or not it was even feasible to try to achieve because of the cost involved. Was that your understanding at our little short meeting the other day? Yes sir, please, just to clear that one point because to me that's very important.

MR. BERG: To clarify what Cliff brought up, if I may, for Bob Van Dyke. We're all saying the same thing actually. The policy, the philosophy, the intent was for us to move ahead with some speed, determination that yes, we're going to do this. It is a highly technical involved system problem. It should be done by people who know what they're talking about and that is why to shorten the involvement of time that we said, let's get the people who can direct this combined affair, Water Board, City Public Service Board, et al, and move forward with a program. They will be developing the system. It isn't enough to simply say we're going to do it and put a key in and it happens. It is a very complicated affair. So, I think we're saying the same thing. If we're not, please correct me.

MAYOR BECKER: Tom, I'd like to say this about it if I may. We're not looking for anybody that's going to spend six months to tell us it can't be done.

MR. BERG: That was not the intent. The intent is for us to do it.

MAYOR BECKER: I understand. But anybody that would come up with an answer like that should be hung. Now, what we need is somebody that can study it and say it can be done, you know. And I have to think back into history and pull out several things that come to mind, and whoever selected people like Balboa, Magellan, Vasco de Gama and some of those people were very wise because what if they would have selected a man that when he say the Pacific Ocean, he'd go back and say it wasn't there or when he and was asked if he could sail around the world, like Magellan did, he'd say no, I couldn't do it; I had to turn around and come back. We'd all be still living someplace over in Europe somewhere, you know. This is the type of attitude that we're trying to bring about and bring into play here and formulate and have it nature and thrive, you know. It is an attitude of can do, how can we do these things together.

MR. BERG: This is what I was saying to you as to why we have initiated saying it's something we want to do rather than to find out whether it can or cannot. In other words, it's in a positive direction. So, we're saying the same thing.

DR. SAN MARTIN: Tom, I still haven't gotten the answer to what I started out with. In view of the things that have been brought out this morning by the Mayor, all these 15 items that have been brought up by the Mayor, do you think that it's advisable that the City Public Service Board should tell Southwest Research or anyone, hold it just a second, let's go back to drawing tables again and really get together with the other utilities and the City Manager and in light of these

questions, perhaps they should take a different approach or different timetable in your study.

MR. BERG: The approach hasn't been determined or the specs have not been determined, except for them to work with the other departments, the other utilities to find out how we can combine this. How we can, that's what we're doing now.

DR. SAN MARTIN: I know, Tom, but if we're ever going to combine and consolidate, we must start in this particular area to know what the approach is.

MR. BERG: I think we're saying the same thing. I hear the same thing.

MR. MORTON: Tom, I disagree with you completely. I think before you make a commitment like this and I think it has been established that a commitment has been made, am I correct?

MR. BERG: We've asked them to...

MR. MORTON: It would seem to me, if I were hiring a consultant, there would be two things that I would want to know. Number one, I would want to know what the objectives are and they should be specified. And, number two, the method that is going to be used to determine whether the objectives are valid or not. The work plan or method of studying the problem would also have to be described before I would make this kind of a commitment to hire a consultant. It would seem to me that you would want to have agreement from not only all three of the utilities, but also the City Manager and the respective boards and councils on what these objectives are. The work plan, I think that's a staff level thing, but at least before the commitment is made, it would seem to me that this should be something that would promote I think the type of attitude and cooperation that we all say we're seeking. I do believe in all fairness to you, I think that you have jumped up ahead perhaps of the rest of the group. I think this policy, this contract should be cancelled or suspended until such time as the objectives could be agreed upon and the plan under which you're going to approach to evaluate those objectives for the ability to achieve them is agreed upon by staff of all three of the utilities plus the City Manager.

MR. BERG: Well, there's no problem in suspending or postponing it but again I feel we're saying the same thing and that is that we bring in these people to develop what we want done. This is what's going to be written out. Now, it could be done either in the framework of we're asking you to be our consultant and here's what we want done with all of the other utility management people involved and the City Manager and the staff people, that's right. It's going to go down to quite a low level because the systems involved are quite complicated.

MAYOR BECKER: You will appreciate this, I think...

MR. BERG: I think we're saying the same thing. I'm sorry.

MAYOR BECKER: I wasn't questioned with respect of the hiring of this consultant or...

MR. BERG: I don't care who it is, you know.

MAYOR BECKER: I might have been out of pocket, I might not have been able to have been reached, I don't know, but I wasn't questioned. Had I been, I would have said no, let's not do it this way. I would prefer to think of doing it exactly the way Dr. San Martin and the way Councilman Morton says and that is to have an overview of all the agencies as well as the City to try to bring about a compilation of data that would fit all of these agencies, so to speak, in an attempt to merge these different functions. I don't think you can study the one function with a microscope and say accurately, no it won't merge with any of the rest of them because we really haven't brought the rest of them in.

MR. BERG: But that's not what we're doing.

MAYOR BECKER: I appreciate that.

MR. BERG: That's not what we're doing, that's not the intent at all.

MAYOR BECKER: But let's just be honest with each other and we don't want to, you know, get into one of these accusatory situations here today. This City is gun-shy and justifiably so and Carl White was asked to give a certain history as to why we are gun-shy, perhaps of past performance, and I think after that has been, that little antidote has been told, then we'll better understand why we have the feeling we have about these things. So let's start all over. Let's stop the music and start all over. Let's start from the beginning, not half-way through the scenario or the play or whatever, but from the beginning. And the beginning has to be, how can we better bring about the utilization of all these different computer functions in the various utilities as well as the City and do a job that's homogeneous in ..(inaudible)..you know. All into one item, one ball of wax. Now, if certain functions won't apply, then they won't apply. But I don't think we're ever going to get anywhere with the Public Service going off on its own, or the City going off on its own direction, or the Water Board over here, and the Transit over there. And Bexar County, incidentally, is waiting and watching for us to finally develop something so they can probably come in line with us. I know they want to. So let's start all over. That isn't asking too much, is it?

MR. BERG: No, I think we're saying the same thing. We're not going off on our own.

MAYOR BECKER: Well, but you did, Tom.

MR. BERG: I think you're all misunderstanding what we plan to do. We'll abide by what your requests are. There's no problem there whatsoever.

MAYOR BECKER: Let's start all over.

MR. BERG: And when you get all through, you need the people who are extremely knowledgeable in the system....

MAYOR BECKER: I won't be the one to be conducting the survey. I'll assure you that, you know. We'll rely on authorities, experts. It won't be people like me.

MR. BERG: That was our intent of having these people go through all of the utilities that are involved.

MAYOR BECKER: The only value that people like you and me have in a situation like this, Tom, is the determination with which we approach a problem.

MR. BERG: And we've given them that direction. We want to put our arms around the whole thing and do the whole job.

MAYOR BECKER: We want to have a successful mission and a successful mission evolves around only one thing and that's a positive approach to how this can be brought off and how it can be accomplished. And the negative approach, I don't care if it was the most intelligent guy on earth, to me it would be failure, you know.

MR. BERG: Well, I think we have a positive approach.

MR. PADILLA: Tom, I think really when you keep saying that we're all trying to do the same thing, I can't disagree with you because I know you want us to know you're trying to get the job done.

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But I think we're talking about basics here and we have a certain contradiction built in. We're talking about all of these various agencies getting together and that happens first. And unilateral action on the part of any one of them is a contradiction with what we're trying to do. I think the mission that you're trying to describe and the answers that you're looking at Southwest Research for are perhaps valid but they shouldn't have been done on a unilateral basis if we're going to work in the spirit of we're all together in this thing and we're going to put it together with mutual cooperation and mutual effort. I think you have to establish that first. And then rather than Public Service going out and buying certain answers that have to be determined, then this group, this amalgamation of the utilities and the City has to do this together. I think this is what we're talking about. I think the information you seek is perhaps valid but it's been, you're seeking it on a unilateral basis and this is precisely what we're talking about ceasing. We've done this in the past.

MR. BERG: We'll proceed as you suggest.

MAYOR BECKER: All right, sir. Now let's hear from Carl White and then Van Dyke was asked to say something. Carl, would you like to...Thank you, Tom. You may not care to go on that back seat way back there. It may be trouble getting in and out but you make it whichever way you care to. All right. Now, what was the history on the computer thing.

MR. CARL WHITE: On August the third, 1972, Mayor Gatti appointed a committee to look into the consolidation of the computers of the City Water Board, the City of San Antonio and the City Public Service and the Transit System. Mayor Gatti appointed me as Chairman of that committee. The committee was composed of nine representatives, representatives from the City Water Board, City Public Service Board. We had representatives from AACOG, Trinity University, Transit System, anyway a total of nine people. The charge that was given this committee at that time and I'll read them to you. The goals were to ascertain the current and long range information needs of each unit of the City. Number two, to assure maximum utilization of facilities and equipment and three, to assure maximum efficiency and effectiveness in performing and structure of City related data processing operations. Now this committee worked for about six to eight months. We had, I think, nine meetings. We must have met for something like 40 hours in meetings and gathering information and trying to do the charge that was given the committee. This is the information that we have collected. You can see what kind of file that is. We issued a report in October, 1972, and this is the report that was issued. This was the first report. There was a second report later. The problem that we had as a committee was we were working at staff level and we've got a report that is a lot of words on paper. It doesn't really mean anything as far as tangible results are concerned. The representatives on the committee worked very hard and I think they were conscientious in trying to accomplish something here. But, as of today, we have very little in the way of data processing accomplishments to show for the efforts that were done. Now, one of the purposes that Mayor Gatti appointed this committee for, at that point in time, was that the City Public Service Board as contemplating the acquisition of a new computer, a larger computer to serve their needs. They were outgrowing their present computer which was an RCA. So, Mayor Gatti could see and the Council could see at that time that if we were ever going to do anything, I mean as far as getting together on a computer, getting their systems compatible and so forth, that was the time to do it. That was one of the primary purposes of this committee to try to pull all of this together before they made that decision to purchase their hardware. We had several meetings with Mayor Gatti. He was very tied to this question. He felt very strongly about it that we should have the same type of equipment, the same type of computer languages, the computers could talk to themselves even though..

MAYOR BECKER: This was one of the areas he and I agreed on. There weren't many but that was one of them.

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MR. WHITE: I don't recall the date, but I think it was during October or November perhaps that the decision was made by the City Public Service Board to purchase the Univac computer that they have now. And, of course, the two computers are not compatible. They cannot exchange information. So, we've got a situation now that is really going to be difficult to solve in the computers.

MAYOR BECKER: I'm not pointing the finger at anybody but I can only say one thing. When you've got a City composed of., (inaudible).. and different utility functions and each one of them has a different computer, I can't think of anything that's more wasteful or more damning than that. I'll just put it in that fashion. It would be if one group bought all one kind of a truck and another group bought all of another kind, so that the parts would never interchangeable. There is absolutely no justification for it.

MR. BECKMANN: Mr. Mayor, Carl, did this committee hand up a suggestion to City Public Service Board prior to their purchase of a Univac? Or did this committee render any recommendation at all?

MR. WHITE: Oh yes, the report contains recommendations. The recommendations were not, however, to go to one computer center.

MR. BECKMANN: They were not to go...

MR. WHITE: Well, I've got to go back to the structure of the committee. We were not able to reach that kind of a conclusion, a recommendation, because of the structure of the committee.

MR. BECKMANN: Because of too many different ideologies involved in the committee. In other words, we had existing in the committee the same things we have existing in the City. A diverse opinion of how they should be done.

MR. WHITE: That's correct. There is no unanimity.....

MR. BECKMANN: And the members of the committee that came from utilities, do you think they had the backing of the Boards and the general managers of these utilities or were they just sent to..?

MR. WHITE: Oh no. I'm sure they had the backing of the...

MR. BECKMANN: But no one paid any attention to the recommendation, or you didn't make a recommendation?

MR. WHITE: We didn't make a recommendation that there be one computer center. We could not....

MR. BECKMANN: Did you make any recommendations at all?

MR. WHITE: Yes, we made some recommendations but we could not get that far with it.

MR. BECKMANN: Just an exercise in futility, really.

MR. WHITE: This is basically what it was, yes.

DR. SAN MARTIN: Carl, did the committee restrict itself to the area of consolidating the physical facilities of the computer, the type of computer, or did it go into the scope beyond that where perhaps meter reading and billing and all these other functions could be absorbed by the new computer setup?

MR. WHITE: Of course, that was addressed because everything sort of hinges or ties to the computer. The computer controls many, many functions of each operation including the City. So, of course, when you talk about computers you also are talking about related functions that the computer performs. The computer is just a mechanism or a machine to perform a certain function.

DR. SAN MARTIN: But this other item - we had discussed meter billing and reading and all that.

MR. WHITE: They were discussed.

MAYOR BECKER: Some of those things have been discussed for years. Long time prior to this committee that you are speaking of that you were on. People have been talking about this for years around San Antonio. Now Reverend Black came up with a suggestion the other day that has also been discussed, I'm sure, somewhere in the past but to bring it up to date, he said that there should be a data center, one data center. I agree with him. Why not? Ultimately work toward having the goal of creation of one data center. Wright-Patterson Air Force Base at Dayton had every function of the Air Force at one time on computers, as I understand it. You can put the whole world on a computer if you want to add enough component parts to the thing. You don't have to be one here and one there and one someplace else. A data center is actually what the people would be entitled to as a cost saving measure for this City.

MR. BECKMANN: It's all at Randolph right now. All the personnel in the Air Force are handled right out of Randolph.

MR. PADILLA: Mr. Mayor, I think what we've done here with the committee perhaps it was in the charge to the committee, when we get people from all sorts of different agencies, each agency or some of the agencies desirous to make their own agency bigger and more prominent and everything else. In other words, you might have a bit of empire building tendency inherent in the committee. I think perhaps the charge should be and the policy should be to a committee such as this, we want consolidation. Don't study it to see if we can have it. Find ways that we can implement it. It should be this kind of charge. The policy should come from whatever level determines policy and it should be a, tell us how we can best do this, not tell us can we do this.

MAYOR BECKER: That's right. Mr. Van Dyke was asked a question sometime ago. Van, would you like to respond to that question?

MR. ROBERT VAN DYKE: I am Robert Van Dyke, General Manager of the Water Board. In the meeting that we held jointly with the City Manager and Public Service Manager and I was there, we discussed the need for an overview of the whole situation, not necessarily to say if we wanted to do this, but if that was the policy of the Council and the Board, how it might be accomplished. Now, I think from the statements that have been made to you this morning, that you can understand that the IBM system that does all of your work and the City Water Board work and work for the County and many other public bodies that it is a different system mechanically than the UNIVAC-RCA System that the Public Service Board has. So this is a technical problem for us at the Water Board if we were to make a study to know exactly how everything in UNIVAC-RCA system works and we would have to learn all of that or if the Public Service Board made a study, it would be necessary for them to understand the mechanics and all of the intricate details of an IBM system. And because both of our organizations are so busy in data processing, I think it was the general concensus that we just didn't have the in-house staff that we could pull off of the things that we are doing on a day-to-day basis to make this overview, and that we did, in fact, need an outside consultant that could objectively look at our system and look at the Public Service Board system and then make a recommendation. It was my statement to the committee that I was merely the General Manager. This got into a policy area and that I felt that the policy must come from my board and from this Council, and I presume from the other board and not from managers. But whatever we are directed to do, we'll be happy to do them. We can work out a problem from a technical standpoint if we have that policy direction that this is what is needed to be done.

I might go further to state that one of the things that all of us are interested in is cost and so if we have an outside consultant that will look at the objectives and how can this be accomplished, one of the things that he should tell us is what is the price tag that we are going to have to pay for consolidation and secondly, in the transition period, if we go ahead with the consolidation, what will we lose in forward motion during the 12 to 18 months to 24 months that it's going to take physically, do what must be done to bring about a consolidation. All of these things have a price tag on it. I'm sure that you are aware in your own areas that the City is asking for many new functions from the computer center and especially in the area of criminal justice. In fact, we are spending more time in your needs than we are on our own programming. If for example, we had to pull off all of our people to make a transition, those things would suffer. These are the facts that I believe you should know and our board should know as we go ahead because something has got to give in the way of productivity as we go through any consolidation.

In answer to Sam's question, we discussed this. We did discuss the possibility of having an outside consultant and it was my viewpoint that we should have some agency or consultant outside of the City of San Antonio that had a broad enough scope in computer knowledge and utilization that it could objectively look at two entirely different systems and that that consultant's feelings would be out of the heat of the politics and the problems that apparently we are facing here in San Antonio but could give us an objective overlook at it. That was the gist of my participation.

MRS. COCKRELL: Mr. Mayor, I would like to just clarify how we ended up with two different systems. Now then, was the Water Board system, which is I understand IBM, operational first or was it operational second?

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MR. VAN DYKE: We had the IBM system. Let me defer that to John, I'm sure that the Public Service Board people had a computer at the same time that we started ours, is that correct, John? John Shields can give you past history.

MRS. COCKRELL: I would just like to know how we got in a fix of going two different systems which are not compatible, as I understand it, with each other.

MR. JOHN SHIELDS: Well, I'm John Shields from the Water Board. I cannot speak for City Public Service Board. I can give you a little bit of chronology of how we got to where we are today. Basically, back in early 1961, we looked across the hall from where the Water Board tabulating office was and we saw the City tabulating office directly across the hall from us - identical equipment. We suggested to the City and they concurred that we consolidate. At that time, the major functions of the computer - I mean of the tabulating system, were, one, water billing and two, City taxes. The water billing was a day-to-day operation, the City taxes were a little more sporadic. Basically, two times a year. It was concurred in that the operation would be put under the Water Board. Subsequently, we actually effected the merger on August 1st, 1961 of the tabulating departments of the City and the board and we took over all the employees of the City who were participating in that activity.

MRS. COCKRELL: May I ask what kind of equipment were you using at this time?

MR. SHIELDS: We were using IBM tab equipment. We had a 604 calculator and...

MRS. COCKRELL: And was it leased or.....

MR. SHIELDS: It was all leased equipment. actually, the City owned a couple of pieces of equipment but most of it was all leased. And then we - with the City's concurrence - we elected to go and get a computer. We took bids. We selected the IBM 1401 and that went into, we installed that computer in June of 1963. At the same time, we started developing the tax system prior to the time of installation and the County elected to join us. Charlie Davis wanted to have his tax work done on that computer. We actually moved up the installation date by about three months to accommodate his tax season. Subsequent to that, we developed a plan to take advantage of the increased technology and we developed a plan in conjunction with the City for a six-year plan beginning in 1968. We went out for bids, based on the specs in that plan and we took bids in early 1967 and we had three bidders. We awarded it to the low bidder who at the time was IBM and we installed our 360-30, which was a small second generation computer in January of 1968. We upgraded that to a 360-40 to take advantage of the teleprocessing capability of the 40 in September of 1969 and then in September of 1971, we upgraded it again and this was all in the basic plan that we had published in 1966 and 67. We upgraded to the 370-145 which we have today. So we do now have, we feel, a very viable system. We have 142 terminals on line with the system as of yesterday and we're expecting to put on a few more in the next three or four months.

MRS. COCKRELL: Well, then to carry this out, I would like to understand how the City Public Service Board ended up with a different kind of a system with what they went through to get a different kind of system.

MR. MORTON: Before we let Mr. Shields sit down, could you give me the annual price tag on your system?

MR. SHIELDS: All of our data processing equipment, including all of the keypunch equipment, data recorders, computers, terminals, the total budget for equipment rental for 1974, our fiscal year and calendar year '74, is around 1 million 200 thousand dollars.

MR. MORTON: 1 million 200 thousand dollars annually?

MR. SHIELDS: Yes, sir.

DR. SAN MARTIN: Mr. Mayor, I have a question. Just one. Is it possible for you to move into the UNIVAC system or is it more feasible the other way around? I think I know the answer but if anybody is going to change, it's going to have to be the City Water Board into the UNIVAC system, is that correct?

MR. SHIELDS: I can't say that's correct. No, sir.

DR. SAN MARTIN: It is not necessarily correct, is that....

MR. SHIELDS: No, sir. I think technically, you can do either - technically.

MR. MORTON: John, how much of this cost are you able to lay off on some other agency other than the City Water Board?

MR. SHIELDS: Technically, all of it. No, actually, the Water Board's portion is - this year - is about \$480,000 of the total. The Criminal Justice Information System, which is shared by the City and the County but which is being paid for this year by LEAA through the Texas Criminal Justice Council.....

MAYOR BECKER: But what is LEAA?

MR. SHIELDS: Law Enforcement Assistance Administration.

MAYOR BECKER: Is that a federal....

MR. SHIELDS: That's a federal grant. We're operating under the third year of a federal grant.

MAYOR BECKER: Is that going to go on forever, do you think?

MR. SHIELDS: It will terminate approximately in February of 1975.

MAYOR BECKER: Then I wonder who's going to pay for that.

MR. SHIELDS: The City and the County.

MR. MORTON: Let me ask you this now. Your gross sales last year or gross revenues, were what? \$14 million.

MR. SHIELDS: No, sir. About \$12.1.

MR. MORTON: About \$12.1. In other words, what we're saying is your computer contract is ten percent of gross revenues?

MR. SHIELDS: Well, with computer rentals and the charges to the other agencies of the government are not included in the \$12.1.

MR. MORTON: I understand that. Really, what we're saying then, your computer - your net computer costs are four percent of sales?

MR. SHIELDS: Well, understand Mr. Morton, we're on the service bureau. We don't operate for the Water Board now.

MR. MORTON: Well, the \$480,000 is your cost and 480 - well, the point I'm making, I'm just trying to get a relationship let's say, pardon me for using our business, but our business, we consider a five percent overhead factor in relation to gross revenues an acceptable figure for overhead. But that's everything that is involved in those accounts that are normally considered overhead. And yet, what is so unique about the utility business that you can justify on one item of overhead, this kind of a relationship to gross sales?

MR. SHIELDS: You mean the two million dollars a year?

MR. MORTON: Well, of the 480 net. Just the 480 net figure to your twelve million.

MR. SHIELDS: Well, basically, we feel that we are getting our money's worth and the ability to better serve our customers.

MAYOR BECKER: All right. Now, Lila, did you have something you...

MRS. COCKRELL: Yes, sir. I wanted to hear how the City Public Service Board managed to get an entirely different system and why somewhere along the line, the two couldn't have ended up with the same equipment even if operating different systems.

MAYOR BECKER: Well, I can answer that for you but I'm going to let Tom do it.

MR. TOM DEELY: I thought you might like a record in history of how we came by the UNIVAC. I have Mr. Don Thomas here to do that. I might say though, in general, that we have not one computer, we have a number of computers. Yes, a number of different computers. And basically, the reason that we have - we had an RCA Spectra 70 first. Secondly, the UNIVAC was that it was the best and lowest bid. We thought that that was the way to buy. So we - our computers have been loaded. We haven't had any free space on it. We're running three shifts as is the Water Board, I'm sure. We're running three shifts seven days a week. So the reason, of course, that we made a change from the Spectra 70 was that the system was about 8 years old. Secondly, it no longer could perform the multitude of tasks that it had. But I'm going to ask Mr. Thomas - Don Thomas, who is the Manager of Information Services, to give you some historical information on our computers.

MRS. COCKRELL: Really, I guess what we all want to know is, if both utilities thought that they had to have their own computer systems for whatever reason, why they couldn't even end up with computers that could communicate, in case....

MR. DEELY: They can - I believe that the wrong impression has been given. I would defer to the experts on that, we have some here. But I believe that you can communicate between different computers. I don't think it's impossible.

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MR. MORTON: Mr. Deely, before you sit down, I'd like to ask you a question. Did you make the commitment on this multi-million dollar contract, before or after the first report was made about a Mayor's committee on the question of consolidation on October of 1970?

MR. DEELY: I'm sorry I can't answer that, Mr. Morton. We made the commitment because we could not - if we waited any longer, we would be out of business. We were held up by the Board and in presentations to the Board for about six to eight months from the time we first proposed that we'd do something about our computer. So the reason and I don't know it time-wise but the report itself to which Mr. White referred, did not address itself to a single computer. It was an effort to try to combine various and look at various functions that we could combine and this was an effort that I think that the main effort of this group.

MR. MORTON: My second question would be this. By going to a different brand, did you destroy any of the capability to integrate the two systems?

MR. DEELY: Well, I'd guess again a technical question.

MR. MORTON: Let me defer that question....

MR. GLENN LACY: Mr. Mayor, just let me ask Mr. Deely one question.

MR. DEELY: I would think not, would be my personal opinion.

MR. LACY: Mr. Deely, you stated you had three shifts, are they 8-hour shifts?

MR. DEELY: Yes, sir.

MR. LACY: Well, then you're running a full capability now, aren't you? If you even - if you had the same system, you wouldn't gain anything really if you're running full capacity, you couldn't pick up any slack from the Water Board even if you're on the same system without getting more computers. Is that how you would enlarge it?

MR. DEELY: We have a long range plan which spells out what we're to do and when we're to do it in steps. This plan is timed on the basis of where we'll effect the biggest savings in our cost of operation. The one that effects the biggest savings goes on first. So this plan is laid out in detail for five years as to what we do and when we do it and when we must complete this. So the utilization, this computer is sized for this plan to meet the specific requirements that we know should go on there in order to reduce our costs.

MR. LACY: Well, you're just about at the point where you're going to add on more now, aren't you? You're already.....

MR. DEELY: More what?

MR. LACY: You're going to have to add on these additional computers.

MR. DEELY: Well you don't, it's just like buying a generating plant. You don't buy a generating plant just for this year. You buy it for what you can foresee insofar as your load requirements are concerned. So, if you have to have when you start out with any system, you have to have some slack in it. Now, you may take up this additional work by the addition of some more K Mr. Mayor, instead of 124, you might

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take 248K, you can add on additional memory and additional equipment which will enable you to enhance this particular system but the main frame in itself that you buy, has a certain limitation. So you buy a main frame really to meet these continuing needs and the foreseeable requirements for that computing system.

MAYOR BECKER: There's one other way of approaching that thing, Glenn, that you're asking Tom. And that is an analysis of the information that's being turned out by the computer and how much of it is necessary and how much of it is pertinent and how much of it is worthwhile.

MR. DEELY: That's correct.

MAYOR BECKER: And the extraneous and the unnecessary, you discontinue - and sometimes that revitalizes the capability of your computer system.

MR. DEELY: Yes, sir. And we have some major fights within the Public Service of people that think they want reports and they turn them down and then it comes to my office. We have to settle it. I'm perfectly aware of that, it really is an important thing in picture, but if you would, I'll ask Mr. Thomas to come and give you that.

MAYOR BECKER: All right. Thank you, Tom. You ought to be able to lift the world carrying all those books around.

MR. DON THOMAS: I thought I might answer Councilman Morton's question about the timing. I recall the timing being on the task force that Mr. White referred to. The report that he referred to came out in October of '72 - I have a copy of it here and the decision to go with the UNIVAC was made after that report came out. It was held up pending the report and I think it's very important to note that there were some specific recommendations in that report, Mr. Beckmann, and you may be interested in those for reading but one of the recommendations was that the computer centers not be consolidated at that time but that the primary, the primary and overreading need was to share the information and cut out the duplication of gathering data which the Mayor, I think, eludes to. So I thought you might want to have that particular background.

MAYOR BECKER: That was a very watered down version of what should have happened because Ed Hill, when he was Councilman, was talking about the consolidation and merging of these computers, his first term. I got on the Council time before this without knowing that he'd been talking about it, it was a pet subject with me, about merging computer operations. And he said, well, I've been trying to get it done also. So, then others joined in and we all started harping on the same thing. And, incidentally, we still are, as witnessed this meeting here this morning. Now, I talked to a gentleman the other day and he said that he's been interested in this situation for about 15 years of bringing about a consolidation of these computer programs and operations and all. So, it just isn't something, you know, that was borne out of whimsy or some capricious act. Many of us have wondered why this can't be done. But it's like trying to get to Rome; there's many ways that lead into it, there's also many ways that lead out of it. I don't know how harmonious Univac's are with IBM's and all this sort of thing either, but let's hope that it's possible to bring a harmonious arrangement into play or else I would recommend, and I'll say it, I'll recommend in the interest of future savings, that the whole system be restructured and go with one system. Now, who would win that battle of being the one to be retained is a good \$64 question in itself. But to add waste to waste to waste to waste, year after year after year doesn't really improve matters any, you know.

DR. SAN MARTIN: Mr. Mayor, I'd like to ask Mr. Thomas one question. In all this projections and contracts that you usually have with Univac or IBM, is there any clause where you can renegotiate these contracts or are you bound for ten years without any recourse to renegotiate, discontinuation or anything?

MR. THOMAS: Dr. San Martin, I think there are such terms. Primarily, our arrangement is a purchase arrangement and obviously, any change would lose some advantages in that regard. Usually, these contracts have some provisions for this but you have to, there's a price tag associated with that also.

MAYOR BECKER: I know of an instance in this City right here where an organization spent months in determining what type of computer to buy. They wanted to buy it in an outright purchase basis. They let the low bid affect their judgment. And I voted against it and worked as hard against it as I possibly could but I failed. They bought something that came over on the ark for all the value of the item and right now, they're in the process of reconsidering the implementation of another brand altogether. So the low bid is not always the best bid. That applies to shoes, paint, paper clips as well as computers and there are many systems that are practically being phased out, you know, that are up for grabs.

DR. SAN MARTIN: In other words, what I was asking you is it possible to change the type of computer system but there would be a financial loss involved either in the trade-in or in the renegotiation of the contract?

MR. THOMAS: Certainly, these are always considerations. I think what's more important also is that you have to re-write many of the programs that can be accepted by a different piece of equipment. Now, speaking to the compatibility problem, we have exchanged, for example, computer tapes between the Water Board's installation and ours. So, these things can be interchanged and as Mr. Deely mentioned, we have probably six or seven different brands of computers and we can provide the languages to talk to one another in that regard. So this is not an impossibility at all.

MR. MORTON: Well, in that same line of thought, are you saying that the fact that you have a different brand from the City Water Board does not in any way destroy the compatibility of the two systems as far as the ability to communicate between the two?

MR. THOMAS: Well, there always has to be programming and some hardware modifications in order to do this but, certainly, I think the notion in the industry, the computer industry, and you could get other expert opinions in this regard is that you don't necessarily have to have common equipment. Now, there are many pressures in the industry to get away from this situation and make the languages which talks to the computers, the compatible element. So this is our approach more so in Public Service is to do it in the languages.

MAYOR BECKER: Dr. West, did you have something you care to say?

DR. ROBERT WEST: Mayor and Council members, I'd like to make some comments which I hope will be appropriate at this time. It seems to me that this whole meeting is in danger of getting bogged down in details of comparing computer systems and attitudes and so on. Obviously, I think the problem is much bigger than that. Undoubtedly, over the years, the separate City boards and City agencies have demonstrated a lot of unilateralism and independence. Some of it is undoubtedly legal, some is undoubtedly practical, probably much of it is human and emotional. Mr. Granata has outlined for you at least 15 areas that lend themselves to study. Electronic data processing is just one of them. I don't think that there are many people in this room and certainly, I'm not one of them, who are capable of understanding or making a determination in this meeting.

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I'd like to suggest that a general proposal such as Councilman Morton made much earlier be followed and that some sort of a commission or committee or whatever you want to call it, be appointed to study the consolidation and integration of all the various functions that the various boards and agencies have which might lend themselves to consolidation. I don't think all of them are going to lend themselves to it. I think obviously some of them do, many of them do. If someone pointed out the price tag is going to be high, the price tag for the study will be high, and the price tag for implementation will be higher. In the long run, let's hope, and I believe this is the case, that that price tag will be well worthwhile and that many, many of these things can be coordinated and consolidated. But I personally don't think that this meeting ought to address itself to the details of the Univac system versus an IBM 370 or a lot of buzz words like that that sound good and most of us don't understand.

One further comment with respect to the study which the City Public Service Board has authorized with Southwest Research Institute and the University of Texas. I travel a lot and perhaps I was out of town when the City Public Service Board was polled, if in fact it was polled. I didn't know about this until yesterday afternoon. I think that that study is in light of the proceedings this morning, is premature. I'd like to suggest to the City Public Service Board that it be deferred in favor of a much broader, more far-reaching study, perhaps, not necessarily but perhaps, with some nationally recognized management consulting firms such as Bouzow & Hamilton or McKenzie or someone like that, who has not only the capability for general management coordination studies but also computer coordination studies and every other aspect that we're talking about. Thank you.

DR. SAN MARTIN: I'd just like to make a comment, Dr. West, and that is that you have to understand and everybody in this audience has to understand that there are six members of this Council who were not involved in the previous Mayor's committee to evaluate the consolidation and it's for our own information so we can determine the procedure that we're going to follow. If we go into some probably impertinent questions, it's because we want to know really the scope of this. I agree fully with Dr. West that the study should be deferred and everybody brought in as we wanted to from the beginning and nationally, outside, I have nothing against Southwest Research, but I think they're one of the finest people in the world. But I think an outside consultant might take a more detached view of this problem. I agree with you, Dr. West.

MAYOR BECKER: I think you might safely say, Dr. San Martin, that there were nine members of this Council that were not involved in the previous study, in respect to merging with computers.

DR. SAN MARTIN: I didn't know the other three were not aware of it.

MAYOR BECKER: To the best of my knowledge, we were not. Now, there's something here that I think bears discussion and it's not on the 15 points, but it's something that's just as important if perhaps not more so. It's something that we must deal with in a realistic fashion and that is the capital spending programs of the various utilities and what they contemplate in the way of capital requirements over the next five, ten, fifteen, twenty years, whatever it be. I think we all realize that it would be nice to have everything the way we want it. Oh, I can think of a lot of things I'd like to have. I can think of a lot of things I'd like to see the City have. I can think of a lot of things I'd like to see the citizens have. I just wonder sometimes if they can afford it all. I wonder if I can afford it all.

Now, yesterday at the City Water Board meeting, we came to terms with the capital spending requirements of the City Water Board. I'm not saying that we were 100 per cent correct in the things we did yesterday, but I will say that at least we had a recognition and an awareness and took cognizance of the fact that you can't have everything the way you'd like to have it.

And 50 million or 40 million or 80 million or 120 million, or whatever the figure is, somehow or another it has to be funded, somehow or another it must be paid for. The only way you can pay for it is through the rate structure and that rate structure falls on the citizens to bear. Now, it's come to our attention and I'm not saying this in a critical vein because sometimes the best laid plans of mice and men often go awry. What used to apply a year ago, or two years ago or five years ago may no longer apply today. I found it so in my own business. The type of stores that I personally like have become such horribly expensive per square foot to construct that we had to change our design and go with what I call a box. Construction costs, inflation and all that sort of thing have practically rendered my preference prohibitive as far as a corporate choice is concerned. So I have to defer to the necessities and the realities of today. I'm not sure that this inflationary thing is going to get any less. I'm afraid it's going to get worse because the balance of payments of the nation and all that sort of thing is not helping with the problem. It's bringing about more of a problem if anything.

Someone has mentioned that there's a 3 billion dollar capital improvements program at the City Public Service. Well, \$3 billion, of course, is an awful lot of money and I'd like to be able to say that I wish it were possible to have everything that's needed and \$3 billion and all that and do it without any type of effect on the citizenry. But they're ultimately going to be the ones that have to bear the cost. Some rough projections here point out the fact that if we were to embark on this program, all of it, \$3 billion, let's say, that the debt service would amount to something in excess of \$200 million a year alone just to service the debt. That's approximately 20 times its present rate of debt service that the Public Service Company is bearing at this time. And when I say the Public Service Company is bearing it, I'm in essence saying, the citizens are bearing it because they pay for everything as in everything.

Now, the Council is more than curious about this. We're not again trying to step into the position of management and tell you all how to do things over there in these utilities but we are the ones that you have to come to to ask for the rate increases and we are the ones that should be entitled to know if we are the ones who get the blame for granting those rate increases, what the money's going to be used for and just how necessary the request really is. This City does not have, unfortunately, a large industrial base of taxation like Houston has or even like Dallas has. Most of the burden is borne by the residents, residential home owners, and people like that. I don't see where there's a great likelihood and I'm not speaking heresy or as a traitor to my City or anything but just viewing it from a purely realistic fashion always tinged with hope but I don't see where we stand much chance of suddenly attracting more industry here of the type that we've been looking for than we can possibly handle. The climate has not been conducive to causing corporations to move to San Antonio and we're just speaking here amongst ourselves.

Now, the question I'm going to propose is this, with all these various things in mind of the lack of industry that's coming and the lack of an industrial base to help pay the taxes and carry this load, then do we in fact need a \$3 billion worth of capital improvements. Do we then, in fact, need \$100 million or \$80 million or \$50 million worth of capital improvements at the Water Board or wherever it might be, including the City operations, not exempting us from this.

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So that's something that I think this Council and the various boards and the management of those utilities are going to have to come to grips with - come to terms with. I don't think there's any better time to discuss or start discussing it than the present. By the present, I mean over the next several ensuing weeks and months to see where we are heading because if we raise the debt structure as far as just the service on the debt by 20 times, what affect does that have on the corresponding rate structure and what gas and electricity and all that sort of thing is going to cost the average person? It must have a relationship somewhere. It has to have one.

Yet, on the other hand, I don't want anybody to construe that my remarks are intended to in any way cripple the City, take it out of the competitive field as far as the cities in the nation are concerned with respect to attracting either homeowners or residential owners or new people or industries or anything else. That's not the purpose. I make my living in this City too and I'm not likely to foul my own nest if I can help it. We have other board members up here that are engaged in making their livelihood in this City. In fact, I'd say all nine of us are - one way or another - but we're not trying to be self-destructive or anything to that extent. I do think that it's only a fair question to ask what is all this money going to be spent for and why. Let's not get so far downstream that we can't turn back. Let's find out where we're going before we actually take the first step. I'm not in any way minimizing the talents or the brains nor the judgement of anyone out there in the audience. But maybe the situation has changed drastically to where we have to curtail some of these things in order to keep it in line with what is economically feasible as far as the citizenry of this City is concerned. So Mrs. Cockrell or Councilman Morton or any of the other Councilmembers here you generally have recommendations about committees and things that should be formed to study these questions. I'm open to suggestions again.

MRS. COCKRELL: Mr. Mayor. Mr. Morton has made a very constructive suggestion about this utility coordination committee and if he'll put that in the form of a motion, I'd like to second it.

MR. MORTON: Mr. Mayor. I would move that a commission, board or a committee or whatever other name we care to describe a body composed of the Mayor of the City of San Antonio, the City Manager and the Chairmen of the Board and General Managers of the San Antonio Transit System, City Public Service Board and City Water Board be created with the purpose in mind to attempt to coordinate operations to meet common objectives and specifically in the area of the memorandum of the City Manager this morning to try and resolve any differences that we might have about the objectives that we're trying to achieve as well as resolve staff conflicts be created and that this committee be formed and that they meet within the next 30 days and so often after as necessary.

MAYOR BECKER: All right. I'm going to ask for one amendment to that motion and that be to include any or all Councilmen or Council ladies that may care to be in attendance or a member of that committee.

REV. CLAUDE BLACK: I would like to raise one other question and that is whether or not the commission would be limited entirely to the 15 or whether it would be open to any other items and suggestions that might be made that need to be dealt with.

MR. MORTON: Yes, I think when we talk about coordination of operations, this is what we're talking about and I would like to say here,

for the benefit of those people who are present this morning in the Chamber, I think what we're talking about is we're not in any way trying to create the first stage of the demise of the various utilities as separate entities or the boards that govern them. Rather we are talking about trying to coordinate those activities that lend themselves to coordination or consolidation for the benefit of or use of the taxpayer. We are not here this morning saying that we are against a consultant. We believe, I think this Council believes from the tenor of the discussion this morning that an impartial, outside consultant would be in order to address themselves to the issues that have been raised this morning, especially in view of the fact that in the past we have not been able to resolve them for I think, very obvious reasons, which I won't go into. We're not here on a witch hunt. I think that we're trying to get an attitude where we do not have the walls of communication up so high that we cannot act in the best interest of the user and taxpayer. That's all we're after.

DR. SAN MARTIN: I'd like to address myself to the motion which I fully support, Mr. Morton, and that is that if this committee finds any specific areas where it feels that a separate study completely independent of this commission is necessary, that they recommend to the Mayor and Council that a separate study be made. I'm going to name one specific area which I think has never been addressed and that has to do with the Transit System. I asked Mr. Hill and Mr. Cantu the reason why mini-buses could not be used in the City of San Antonio and I was told that they just don't hold up, that the information that they have is that the maintenance is high. Well, in this area perhaps this committee could recommend an entirely different approach to some of these specific problems so that somebody can find how a mini-bus can be built that will do the kind of work that we need to do.

MAYOR BECKER: Okay. It's been seconded. We can vote informally and then we can pass it Thursday, that's only day after tomorrow. All right. All in favor of the motion? Opposed? All right. Now, Mr. Granata, I'm going to ask that your office contact the various heads of the utilities and the boards and the Council members and establish a date upon which we could meet. I would suggest it be in the morning and that the day be set aside for a full discussion at least of as many of the problems as we could possibly handle in that one day. It's going to keep us busy. We'll start just as rapidly as possible. Okay.

CITY MANAGER GRANATA: Yes, sir. We will.

MAYOR BECKER: Now, does anyone in the audience having anything to say with respect to any of these items that we've taken up today? Well, I think Mr. John Schaefer is coming up.

MR. JOHN SCHAEFER: I am John Schaefer, Chairman of the Water Board. I would just like to say that I concur wholeheartedly in the action you've taken here. I've felt for a long time that there are a number of areas of consolidation among the utilities that could be affected. Some of these things may not be among the utilities that could be affected. Some of these things may not be a total answer but they're at least a start. I pledge to you that you'll have the full cooperation of our Board and staff in this endeavor. I further pledge the Council that we will have you some recommendation within the very near future as to the need for capital expenditures and the financing of these capital expenditures.

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MAYOR BECKER: Thank you very much, Mr. Schaefer.

MRS. COCKRELL: Mr. Mayor. There's one other area that has concerned me and this is not relating to integration or consolidation of services. It does relate though to our personnel policy and I think that down the line, there should be some coordination in terms of things like the wage level in the various utilities and the City. At times, in the past, sometimes the City itself has been a little bit embarrassed when a utility granted a more generous raise increase than the City felt it was able to do. Some way or other, I think it's sort of all the same big family and we've got to keep in mind the whole picture and try to keep policies that are fair to all in existence. Perhaps the City itself has on the other hand been guilty and maybe some of the utilities felt that we didn't give them a fair shake if we gave a particular type of wage increase. So I think there's communication in dealing fairly with our employees and equitably I guess is the main thing so that we're keeping the whole picture in mind as another area for the committee.

MAYOR BECKER: That is a good suggestion, Lila. One of the things that we were discussing the other day was the matter of excavation - digging trenches to lay a sewer pipe or water pipe or a gas pipe or whatever kind of pipe it happens to be - that seems to be occurring endlessly over the streets in the City. The City of San Antonio has a paving crew. We're in the street paving business. I see no reason why the repairs of that paving couldn't be coordinated through the City and let the City do it. Instead of each utility having its own street paving crew and all that sort of thing. I've heard in the past that one of the reasons why the utilities never really cared to cooperate to any great extent with the City was that, one, this was a politically inspired situation over here, two, that there wasn't the same degree of excellence that was hoped to be achieved in the City operation as was hoped to be achieved in the operation of the utilities. Three, that most of the people that worked for the City were the sort that couldn't get a job elsewhere, and a lot of these kind of things.

Well, I think that you've seen a completely different change of direction in attitude with respect to who's on the payroll here and how much we are trying to do and how much we are trying to do and how we are trying to live. We want this to be the best run City in the United State of America before we're finished with it. I pray to the Lord above that if we ever get it straightened out and it's being straightened out, that it will never again return to the world of politics and all this log rolling stuff that goes on in the political pursuit. I realize that that's asking for an awful lot, and it's idealistic almost to the point of being unrealistic. But by the same token, there's no reason just because it's a City, municipal function, that it has to be sloppy and half-way and I could use some other words but I won't because that's characteristic of a City government. There's no excuse for sloppy City government. There's no excuse for any type of sloppy government. And I hope this City is reversing a trend that has been nationwide toward just heaping more and more and more abuse upon the taxpayer. If we don't create anything but this, in our tenure of office, we, I think, earned our pay up here. Mr. Granata and his staff are doing an excellent job in my opinion. There is a completely different attitude in this City Hall from what it used to be. Before we are finished, it's even going to go even further than that. We don't want you all to be ashamed of associating with us or

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mingling with us or in any way being a part of us. Because if you are ashamed of us, then we're ashamed of ourselves. We're going to do our utmost to earn our way. I think that's being proven. So don't be afraid that you are going to be getting in bed with a bunch of hogs because you are not. Yes, Tom.

REV. BLACK: Mr. Mayor, while he is coming to the podium, I would like to just amend what Mrs. Cockrell has stated. I think, in addition to this whole matter of wage scale, I think we've got to do something about the accessibility of jobs to the ethnic breakdown of the City of San Antonio. Now, this is not to in any way, charge persons within personnel and that sort of thing but the fact is if you look over the record, if you look, all you have to do is walk through it, I don't even have to ask the Manager for a report. We know that jobs have not been acceptable to all the ethnic groups of this community. Now, it seems to me that this is a high price. Whenever any job, any organization runs its work with some preferential treatment for any specific group, it seems to me it pays a high price for that. And one of the things, and I'm talking now not about attitudes, I've talked with other Managers, they all have their wonderful attitude but I'm talking about structuring it, planning for it, working with it, having programs designed to develop it and see that it happens. This is a different kind of thing that simply walking through with a man who's responsible then telling me how much he likes me. I'm not concerned about that.

I'm concerned about the kind of program that are structured, that are designed to eliminate the fact that when you go through at a certain level of administration, you just don't see the kind of diversity that we have in our community. I think that this is extremely important to the whole plan that we are talking about. That's one of the reasons I asked the question whether or not the commission would be limited to the 15 items. I think one of the items that it must consider, and the utilities nobody has to, you know, you don't have to really examine real carefully the utilities at this level, they are there. You can answer the questions that are asked by the federal government but if you begin to ask what level are they serving in, start looking at the various departments, you've got another kind of picture and I think we get enough federal funds in those operations then we need to start doing something about them. I'm not - I mean, the federal funds is part of the leverage and the sensitivity but I'm talking about the justice of the whole claim.

MR. BERG: Mr. Mayor and Councilmen. In listening to the many things that have been brought up, I'd like to comment about the motion that Councilman Morton has proposed. I would like to suggest that when you bring it up before the Council Thursday, that it be considered as a permanent committee rather than for this particular project. I listened to many of the questions being raised such as Councilman Black, Councilwoman Cockrell and many others that are coming to my mind as well. I would think that this would be a very excellent vehicle by which we could coordinate many, many things that people talk about, we'd like to do within the City. If this could be structured as a permanent organization with some sort of a calendar of regularity of meeting whether they meet for one minute or whatever so that it would be a viable, identifiable organization and give it a proper name, I think that we all could benefit greatly from it. I'm all for the program but I'd like to see it permanent and structured that way.

MAYOR BECKER: We appreciate that spirit of cooperation, Tom. Thank you very much, sir. Is there anyone else who has anything.....

MR. MORTON: I'd like to make two comments. First of all, in this attitude of cooperation and communication and openness, this is one of the things that the boards in the past have been accused of as not being open to the public. Piggybacking on your thought of getting together at some future date, I think one place that we might symbolically start getting together would be here in this room. I would like to suggest to Council that we make this room available for all board meetings in the future. It seems to me that people are able to find this place a little bit better than they are the eighth floor of the City Public Service Board and perhaps we can get over some of this attitude of you're not available or you're doing these things behind closed doors. Somehow or other, there's something about this atmosphere in this room that kind of knocks all those walls down and it would seem to me that this would be something that the Council would be receptive to.

MAYOR BECKER: It would have a therapeutic affect like a good dose of salts does.

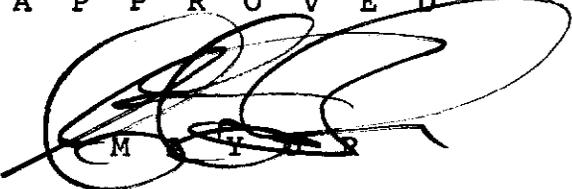
MR. MORTON: If you don't mind, I won't respond to that, sir. But I hope that the attitude that we're trying to convey here on both sides of this podium here this morning is one that there's a greater urgency today than there ever has been before. I know for all of us here involved in capital expenditures, we're seeing inflation at a rate that I would say is probably 3 to 5 times as great on an annual basis as it was, let's say three years ago. But in addition to the capital expenditures that we're having to make on a day-to-day basis, the inflated cost that we have there, if you look at each of the utilities, and by that I'm also talking about the utilities of the garbage and sewage from the City of San Antonio as well as the three independent boards, each of those five entities have basic problems that they really did not have five or ten years ago. City Public Service and the fuel question of converting over to coal and a combination of coal and nuclear and gas and oil. I believe that you spent some \$60 million, is that correct, in converting over to accommodate oil and all of your burners - all of your boilers. You have that as far as City Public Service. The City Water Board has a great question of surface water, which has a \$50 to \$80 million price tag on it, is that right, Van? Or more. That's what we can foresee right now and if this rate continues of inflation, it will be greater than that. We look at the garbage department - the City of San Antonio by EPA regulations within the next five years, the landfill on the northside of town will be unavailable. It provides both a problem to the City garbage department but also an opportunity for negotiation for the disposition of this garbage as a source of fuel on the northside. If you look at the sewage department by 19... , what is it Sam, 82? EPA standards on advanced waste water treatment will not only double the costs of operation but double the capital expenditures required for the satisfactory treatment of sewage, is that right? So you put all these together and really, what we're talking about, we're talking about doubling costs if we really manage properly and I think the onus is on all of us whether we be a board member or a Councilman to take those areas where consolidation, cooperation or coordination can take some of these problems, i.e., in the case of garbage and converting it into fuel or in the case of sewage and treating the sewage perhaps by heating it in your cooling plants to where some of these problems do become opportunities and we can minimize this great impact that is going to be felt on our community. We are a little bit unique on some of them but, on the other hand, I think we're also unique in a favorable way on some of

them and I challenge each of you as well as each member of this board to try to minimize the problem and try to maximize the opportunities.

MAYOR BECKER: Well put, Cliff, well stated. Dr. San Martin has already offered a suggestion for the name of the committee. He suggested it be named the Mayor's Committee on Interagency Goals. I think that's a good name. Does anyone care to suggest a name also and I'm sure they're more than welcome and Dr. San Martin would encourage them to do so. Well, if there isn't anything else to discuss today, I do again thank you and the Council thanks you also for taking of your time to be with us. We appreciate it very much. God bless all of you. Let's work together for the benefit of the City.

There being no further business, the meeting adjourned at 12:00 o'clock noon.

ATTEST: *J. H. Lusselman*
City Clerk

A P P R O V E D

MAYOR
Charles L. Becker

