

REGULAR MEETING OF THE CITY COUNCIL
OF THE CITY OF SAN ANTONIO HELD IN
THE COUNCIL CHAMBER, CITY HALL, ON
THURSDAY, MAY 22, 1975.

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The meeting was called to order at 9:30 A. M., by the presiding officer, Mayor Lila Cockrell, with the following members present: PYNDUS, BILLA, CISNEROS, HARTMAN, ROHDE, TENIENTE, NIELSEN, COCKRELL; Absent: BLACK.

75-27 The invocation was given by The Reverend R. S. Thompson, Fairview Evangelical Free Church.

75-27 Members of the City Council and the audience joined in the Pledge of Allegiance to the flag of the United States.

75-27 CLASS FROM OUR LADY OF THE LAKE COLLEGE

Mayor Lila Cockrell recognized a class of government students from Our Lady of the Lake College and welcomed them to the meeting. They were accompanied by Dr. Leon Tolle.

75-27 CORRECTION TO MINUTES

Councilman Billa called attention to a typographical error on page 6 of the minutes of May 15, 1975 in that the name of Mrs. Liz Davies was misspelled. With this correction the minutes of May 15, 1975, were approved.

75-27 The following Ordinance was read by the Clerk and explained by Mr. John Rinehart, Operations Manager for Monitoring and Evaluation, and after consideration, on motion of Dr. Nielsen, seconded by Mr. Billa, was passed and approved by the following vote: AYES: Pyndus, Billa, Cisneros, Hartman, Rohde, Nielsen, Cockrell; NAYS: None; ABSENT: Black, Teniente.

AN ORDINANCE 45,261

ADOPTING A BUDGET OF \$428,300.00 FOR OPERATING THE CENTERS IN THE YOUTH SERVICES PROJECT - JUVENILE DELINQUENCY PREVENTION (THIRD YEAR) BEGINNING JULY 1, 1975, APPROVING A PERSONNEL COMPLEMENT FOR THE PROJECT, AND PROVIDING FUNDS FOR THE PROJECT FROM FEDERAL REVENUE SHARING PROGRAM FUNDS.

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75-27 The Clerk read the following Ordinance:

AN ORDINANCE 45,262

GIVING NOTICE OF A PUBLIC HEARING ON THE GENERAL REVENUE SHARING BUDGET OF THE CITY OF SAN ANTONIO FOR THE ENTITLEMENT PERIOD 1975-76 TO BE HELD IN THE CITY COUNCIL CHAMBER, CITY HALL, AT 1:30 P. M., JUNE 5, 1975.

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Mr. John Rinehart, Operations Manager for Monitoring and Evaluation, explained that the Revenue Sharing budget must be treated in the same fashion as the regular City budget which is required to have a public hearing under the Charter.

Councilman Cisneros said he felt that this and any other public hearing should be held at a time when it would be more convenient for working people to attend and asked that the time be changed.

The matter was discussed by the Council and after consideration, on motion of Dr. Nielsen, seconded by Mr. Pyndus, the ordinance was passed and approved by the following vote: AYES: Pyndus, Billa, Hartman, Rohde, Teniente, Nielsen, Cockrell; NAYS: Cisneros; ABSENT: Black.

75-27 The Clerk read the following Ordinance:

AN ORDINANCE 45,263

AUTHORIZING A REVISION IN THE BUDGET OF THE CITY'S EMERGENCY JOBS PROGRAM - FIRST YEAR; AUTHORIZING THE EXECUTION OF AN AGREEMENT WITH THE ECONOMIC OPPORTUNITIES DEVELOPMENT CORPORATION FOR OPERATING THE ADULT MANPOWER PROGRAM, AND APPROVING PAYMENT OF \$300,000.00 TO SAID AGENCY FOR USE IN SAID PROGRAM.

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The Ordinance was explained by Mr. Edward C. Garcia, Veterans Coordinator, who said that it revised the Title VI contract with EODC to reflect 80 revised positions in the Adult Manpower Program.

Councilman Pyndus raised a question about two of the positions - one to the American Federation of State, County and Municipal Employees AFL-CIO for a secretary-organizer. Another position is to Amalgamated Clothing Workers of America AFL-CIO. He asked if it is common practice to supply jobs to these organizations.

Mr. Garcia said that jobs can go to these agencies if they open their service to all citizens and not just to their membership. He assured Mr. Pyndus that assurances to this would be obtained in this regard before the agencies are approved.

Dr. Nielsen said he would like to see more than 50 per cent of these jobs go to women.

After consideration, on motion of Mr. Cisneros, seconded by Dr. Nielsen, the Ordinance was passed and approved by the following vote: AYES: Billa, Cisneros, Hartman, Rohde, Teniente, Nielsen, Cockrell; NAYS: None; ABSTAIN: Pyndus; ABSENT: Black.

75-27 The Clerk read the following Ordinance:

AN ORDINANCE 45,264

ALLOCATING \$2,954,292.49 OF THE CURRENT FUNDING OF THE ALAMO MANPOWER CONSORTIUM

UNDER THE COMPREHENSIVE EMPLOYMENT AND TRAINING ACT OF 1973 FOR THE OPERATION OF A SUMMER YOUTH PROGRAM; AUTHORIZING EXECUTION OF CONTRACTS WITH SAN ANTONIO NEIGHBORHOOD YOUTH ORGANIZATION, INC., AND THE COMMUNITY COUNCIL OF SOUTH CENTRAL TEXAS, INC., AND AUTHORIZING PAYMENTS TO SAID AGENCIES FROM COMPREHENSIVE EMPLOYMENT AND TRAINING ACT--TITLE I FUNDS.

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The Ordinance was explained by Mr. Sam C. Dominguez, Director of the Manpower Program, who said that this is the Summer Youth Program which follows the guidelines set out by the Department of Labor. The purpose of the program is to give students an opportunity to earn money to go to school next fall. The minimum wage is \$2.10 per hour.

Councilman Pyndus said that a follow-up should be made of this program each year to see what results are obtained with regard to use of the program. The National Alliance of Businessmen is also attempting to place young people in jobs with private industry. This program is in competition with the program of the National Alliance because the minimum wage is higher. He asked if there is a way to reduce the \$2.10 minimum wage to say \$1.75 and employ more youths.

Mr. Dominguez said that the minimum is set by the Department of Labor and can't be reduced.

After consideration, on motion of Dr. Nielsen, seconded by Mr. Cisneros, the Ordinance was passed and approved by the following vote: AYES: Billa, Cisneros, Hartman, Rohde, Teniente, Nielsen, Cockrell; NAYS: None; ABSTAIN: Pyndus; ABSENT: Black.

75-27 The following Ordinance was read by the Clerk and explained by Mr. Ronald R. Darner, Director of Parks and Recreation, and after consideration, on motion of Mr. Rohde, seconded by Mr. Billa, was passed and approved by the following vote: AYES: Pyndus, Billa, Cisneros, Hartman, Rohde, Teniente, Nielsen, Cockrell; NAYS: None; ABSENT: Black.

AN ORDINANCE 45,265

AUTHORIZING EXECUTION OF AN AGREEMENT WITH MR. GAYLORD STEVENS PROVIDING FOR USE OF A PORTION OF THE RIVER WALK AREA ALONG THE SAN ANTONIO RIVER FOR AN ART SALES OPERATION.

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75-27 The Clerk read the following Ordinance:

AN ORDINANCE 45,266

AUTHORIZING THE CITY MANAGER TO FILE AN APPLICATION FOR A \$663,600.00 GRANT WITH THE U. S. DEPARTMENT OF AGRICULTURE FOR THE SUMMER NUTRITIONAL PROGRAM.

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The Ordinance was explained by Mr. Ronald R. Darner, Director of Parks and Recreation, who said that last year there were 500,000 meals served in a 39 day period. The Department of Agriculture has established guidelines for quality of food and maximum price that can be paid. The catering for meals will be by bid and it is hoped that an award can be made at next week's meeting.

Councilman Cisernos said that there was a discussion two weeks ago about coordinating efforts in the summer recreation program with things that are being done in other City departments and asked if he had made any progress in this regard.

Mr. Darner said that there is close coordination with other departments such as bussing children to the libraries. There is also coordination with other outside agencies.

After consideration, on motion of Mr. Hartman, seconded by Mr. Teniente, the Ordinance was passed and approved by the following vote: AYES: Pyndus, Billa, Cisneros, Hartman, Rohde, Teniente, Nielsen, Cockrell; NAYS: None; ABSENT: Black.

75-27 The following Ordinance was read by the Clerk and explained by Mr. Ron Darner, Director of Parks and Recreation, and after consideration, on motion of Mr. Pyndus, seconded by Mr. Billa, was passed and approved by the following vote: AYES: Pyndus, Billa, Cisneros, Hartman, Rohde, Teniente, Nielsen, Cockrell; NAYS: None; ABSENT: Black.

AN ORDINANCE 45,267

APPROPRIATING \$38,000 OUT OF PARK BOND FUNDS FOR PURCHASE OF ANNUAL CONTRACT ITEMS AND MISCELLANEOUS MATERIALS NEEDED IN CONNECTION WITH THE RENOVATION OF WILLOW SPRINGS GOLF COURSE AND CLUBHOUSE CONSTRUCTION.

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75-27 The Clerk read the following Ordinance:

AN ORDINANCE 45,268

AUTHORIZING THE CITY MANAGER TO EXECUTE A LEASE BETWEEN THE CITY OF SAN ANTONIO AND THE SAN ANTONIO RIVER AUTHORITY OF CERTAIN SAN ANTONIO RIVER AUTHORITY PROPERTY.

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Mr. Ron Darner, Director of Parks and Recreation, said that this is a 25 year lease with the San Antonio River Authority for 22 acres of property commonly known as Acequia Park. There are three parcels involved. The property held by the San Antonio Conservation Society will transfer its tract to the City as soon as the application for a Bureau of Outdoor Recreation has been signed. That should be in the next week or two. The entire development will be about \$140,000. The park is located near Espada Dam on the San Antonio River and is a part of the overall development of the Mission Parkway.

After consideration, on motion of Mr. Billa, seconded by Dr. Nielsen, the Ordinance was passed and approved by the following vote: AYES: Pyndus, Billa, Cisneros, Hartman, Rohde, Teniente, Nielsen, Cockrell; NAYS: None; ABSENT: Black.

75-27 The following Ordinance was read by the Clerk and explained by Mr. Ron Darner, Director of Parks and Recreation, and after consideration, on motion of Mr. Teniente, seconded by Mr. Billa, was passed and approved by the following vote: AYES: Pyndus, Billa, Hartman, Rohde, Teniente, Cockrell; NAYS: Nielsen; ABSTAIN: Cisneros; ABSENT: Black.

AN ORDINANCE 45,269

AUTHORIZING AN ARCHAEOLOGICAL SURVEY OF ALAMO PLAZA AND ENVIRONS BY THE CENTER FOR ARCHAEOLOGICAL RESEARCH, UNIVERSITY OF TEXAS SAN ANTONIO AND AUTHORIZING PAYMENTS, NOT TO EXCEED \$11,800 FOR THAT SURVEY.

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75-27 The Clerk read the following Ordinance:

AN ORDINANCE 45,270

ACCEPTING A GRANT OF \$100,000 FROM THE CRIMINAL JUSTICE DIVISION OF THE OFFICE OF THE GOVERNOR IN SUPPORT OF THE OPERATION OF A YOUTH SERVICES PROGRAM FOR ONE YEAR IDENTIFIED AS THE ELLA AUSTIN YOUTH GUIDANCE PROGRAM; AUTHORIZING A CONTRACT FOR OPERATING THE PROGRAM; ESTABLISHING A FUND FOR SAID PROJECT, AND APPROPRIATING FUNDS FOR EXPENDITURE IN THE PROGRAM.

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The Ordinance was explained by Mr. William Donahue, Director of Human Resources and Services, who described the Youth Guidance Program which is administered by the Ella Austin Center. The program will coordinate its activities very closely with other programs and activities such as the Bexar County Probation Office, the Youth Services Project and others. The counselors work with troubled young people, their families and schools to reduce juvenile delinquency and school dropouts.

Mr. Pyndus asked that the Council be furnished with a follow-up review of this project to determine results and numbers of people involved.

Mr. Donahue said that the Monitoring and Evaluation Division will be monitoring this program and will furnish the Council with a report.

Mr. John Rinehart, Operations Manager for Monitoring and Evaluation, explained how his Division operates and how it monitors these various programs.

After consideration, on motion of Mr. Cisneros, seconded by Mr. Billa, the Ordinance was passed and approved by the following vote: AYES: Pyndus, Billa, Cisneros, Hartman, Rohde, Teniente, Nielsen, Cockrell; NAYS: None; ABSENT: Black.

75-27 The Clerk read the following Ordinance:

AN ORDINANCE 45,271

AUTHORIZING THE CITY MANAGER TO EXECUTE A LEASE AGREEMENT WITH DAVID P. CARTER FOR LEASE OF SPACE AT 200 MAIN PLAZA, TO BE USED FOR OFFICE SPACE FOR CERTAIN ALCOHOL SAFETY ACTION PROJECT ACTIVITIES, AND AUTHORIZING PAYMENT OF \$351.00 PER MONTH AS RENTAL.

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Mr. William Donahue, Director of Human Resources and Services, said that the Problem Drinking Evaluation Center has had offices in this building across the street from the Courthouse for three years and has proven to be an ideal location because of its close proximity to the courts as well as the probation office. This Ordinance authorizes renewal of the lease for 18 months.

Mr. Teniente said that he is concerned about the apparent concentration of effort on the west side of the City. Most of the complaints he receives and publicity he sees is in the low income areas of the west side. He felt that the alcohol problem should be looked at in all areas of the City. He suggested that a committee of the City Council make a complete review of the Alcohol Safety Program.

Mr. Donahue said that at one time in the past such criticism might have been warranted. He did not feel that such a situation exists now.

Mr. Teniente said that he would still like to have a report on the entire situation.

Mr. Pyndus said that he is not enthusiastic about this program and would like it monitored continuously to see if it is getting results.

After consideration, on motion of Mr. Teniente, seconded by Mr. Rohde, the Ordinance was passed and approved by the following vote: AYES: Pyndus, Billa, Cisneros, Hartman, Rohde, Teniente, Nielsen, Cockrell; NAYS: None; ABSENT: Black.

75-27 Mayor Cockrell was obliged to leave the meeting and Mayor Pro-Tem Teniente presided.

75-27 The following Ordinances were read by the Clerk and explained by Mr. Jim Gaines, Director of HemisFair Plaza, and after consideration on motion made and duly seconded, were each passed and approved by the following vote: AYES: Pyndus, Billa, Cisneros, Hartman, Rohde, Teniente, Nielsen; NAYS: None; ABSENT: Black, Cockrell.

AN ORDINANCE 45,272

EXTENDING THE LEASE AGREEMENT WITH TRUDIE SKAGGS FOR LEASE OF BUILDING NO. 307 AT HEMISFAIR PLAZA FOR A ONE YEAR TERM ENDING MAY 31, 1976.

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AN ORDINANCE 45,273

EXTENDING A LEASE AGREEMENT WITH JESSE V. GARCIA FOR BUILDINGS 210 AND 211 IN THE ARTS AND CRAFTS SECTION OF HEMISFAIR PLAZA FOR AN ADDITIONAL ONE YEAR TERM BEGINNING JUNE 1, 1975.

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AN ORDINANCE 45,274

EXTENDING A LEASE AGREEMENT WITH BURTON K. THOMPSON, PROVIDING FOR LEASE OF SPACE IN BUILDING NO. 214 AT HEMISFAIR PLAZA FOR A TERM ENDING APRIL 14, 1976.

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75-27

BICENTENNIAL CELEBRATION

Mr. Rohde said that he would like to see HemisFair Plaza to be a showcase for the many people who will visit San Antonio during the Bicentennial Celebration next year. He suggested that perhaps a citizens committee could be appointed to look at HemisFair Plaza with the Bicentennial in mind.

City Manager Granata said that the preliminary budget will be made available for study later today and this matter could be followed up.

75-27

Mayor Cockrell returned to the meeting and presided.

75-27

The Clerk read the following Ordinance:

AN ORDINANCE 45,275

ACCEPTING THE LOW QUALIFIED BID OF HOWARD STICH & SON, INC., IN THE AMOUNT OF \$1,016,016.16 FOR WEST COMMERCE STREET IMPROVEMENTS FROM ACME ROAD TO HIGHWAY 90 WEST.

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The Ordinance was explained by Mr. Mel Sueltenfuss, Director of Public Works, who said that this is a 1970 bond project. The street will be widened from its present 28 foot width to a 42 foot width. He recommended that the low bid be accepted.

In answer to questions from Mr. Hartman and Mr. Teniente, Mr. Sueltenfuss said that this project does include drainage in this area. It will be done in steps and there will be a gap after the 36th Street project is finished so that residents and businesses will not be too much inconvenienced.

After consideration, on motion of Mr. Pyndus, seconded by Mr. Billa, the Ordinance was passed and approved by the following vote: AYES: Pyndus, Billa, Cisneros, Hartman, Rohde, Teniente, Nielsen, Cockrell; NAYS: None; ABSENT: Black.

75-27 The following Ordinances were read by the Clerk and explained by City Attorney Crawford Reeder, and after consideration, on motion made and duly seconded, were each passed and approved by the following vote: AYES: Pyndus, Billa, Cisneros, Teniente, Nielsen, Cockrell; NAYS: None; ABSENT: Black, Hartman, Rohde.

AN ORDINANCE 45,276

APPROPRIATING THE SUM OF FOUR THOUSAND SEVEN HUNDRED NINETY THREE AND 50/100 (\$4,793.50) OUT OF FUND #820-03 PAYABLE TO THE COUNTY CLERK OF BEXAR COUNTY, TEXAS, SUBJECT TO THE ORDER OF THE DEFENDANTS NAMED IN CONDEMNATION CAUSE NO. C-1232, IN SATISFACTION OF THE AWARD OF SPECIAL COMMISSIONERS AND FOR PAYMENT OF COURT COSTS IN SAID CAUSE FOR THE ACQUISITION OF EASEMENT RIGHTS IN CONNECTION WITH THE MEDICAL CENTER PLAZA OFF-SITE SANITARY SEWER MAIN PROJECT.

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AN ORDINANCE 45,277

APPROPRIATING THE SUM OF TWO THOUSAND TWO HUNDRED SEVENTY EIGHT AND 50/100 (\$2,278.50) OUT OF FUND #788-10 PAYABLE TO THE COUNTY CLERK OF BEXAR COUNTY, TEXAS, SUBJECT TO THE ORDER OF THE DEFENDANTS NAMED IN CONDEMNATION CAUSE NO. C-1234, IN SATISFACTION OF THE AWARD OF SPECIAL COMMISSIONERS AND FOR PAYMENT OF COURT COSTS IN SAID CAUSE FOR THE ACQUISITION OF EASEMENT RIGHTS IN CONNECTION WITH THE SALADO CREEK SANITARY SEWER EXTENSION PROJECT.

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AN ORDINANCE 45,278

APPROPRIATING \$70,011.00 OUT OF HIGHWAY RIGHT OF WAY BONDS, 1970, FUND NO. 409-09 AND AUTHORIZING PAYMENT OF SAID AMOUNT TO THE COUNTY CLERK OF BEXAR COUNTY, TEXAS,

IN SATISFACTION OF JUDGEMENT AND
COURT COSTS IN CONDEMNATION CAUSE
NO. C-907 FOR THE ACQUISITION OF
FEE TITLE TO 1.4 ACRES OF LAND IN
NCB 12059 NEEDED AS RIGHT OF WAY
FOR U. S. 281 NORTH EXPRESSWAY.

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AN ORDINANCE 45,279

AUTHORIZING PAYMENT OF \$4,524.40 IN
SATISFACTION OF THE FINAL JUDGEMENT
IN CASE #74CI-14338, STYLED PREWITT
AND THOMAS VS. THE CITY OF SAN ANTONIO,
PLUS ALL COURT COSTS.

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75-27 The following Ordinances were read by the Clerk and explained
by Mr. John Brooks, Director of Purchasing, and after consideration,
on motion made and duly seconded, were each passed and approved by the
following vote: AYES: Pyndus, Billa, Cisneros, Teniente, Nielsen,
Cockrell; NAYS: None; ABSENT: Black, Hartman, Rohde.

AN ORDINANCE 45,280

ACCEPTING THE LOW QUALIFIED BID OF TEXAS
NUCLEAR CORP. TO FURNISH THE CITY OF SAN
ANTONIO WITH A PORTABLE LEAD ANALYZER FOR
A NET TOTAL OF \$4,250.00.

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AN ORDINANCE 45,281

ACCEPTING THE LOW QUALIFIED BID OF
CLAUDE WRIGHT & ASSOCIATES TO FURNISH
THE CITY OF SAN ANTONIO WITH BOOSTER HOSE
FOR A NET TOTAL OF \$4,995.00.

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AN ORDINANCE 45,282

ACCEPTING THE LOW QUALIFIED BID OF
VULCAN SIGNS AND STAMPINGS, INC., TO
FURNISH THE CITY OF SAN ANTONIO WITH
ALUMINUM SIGN BLANKS FOR A NET TOTAL
OF \$11,730.75.

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AN ORDINANCE 45,283

ACCEPTING THE LOW QUALIFIED BIDS OF
PAUL ANDERSON COMPANY, AMERICAN DESK
MFG. CO., ATD-AMERICAN CO., AND THE
MONROE COMPANY TO FURNISH THE CITY OF
SAN ANTONIO WITH FOLDING CHAIRS,
TABLES, AND CADDIES FOR A NET TOTAL
OF \$4,935.38.

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75-27 The following Ordinances were read by the Clerk and explained by Mr. John Brooks, Director of Purchasing, and after consideration, on motion made and duly seconded, were each passed and approved by the following vote: AYES: Pyndus, Billa, Cisneros, Rohde, Nielsen, Cockrell; NAYS: None; ABSENT: Black, Hartman, Teniente.

AN ORDINANCE 45,284

ACCEPTING THE LOW QUALIFIED BIDS OF PAUL ANDERSON COMPANY AND WITTIG'S TO FURNISH THE CITY OF SAN ANTONIO WITH FURNITURE FOR A TOTAL OF \$7,062.44.

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AN ORDINANCE 45,285

ACCEPTING THE LOW QUALIFIED BID OF AMERICAN LA FRANCE TO FURNISH THE CITY OF SAN ANTONIO WITH A 1,750 GALLON FIRE PUMPER FOR A NET TOTAL OF \$72,429.00.

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75-27 The following Ordinance was read by the Clerk and explained by Mr. W. S. Clark, Director of R.O.W. and Land Acquisition, and after consideration, on motion of Mr. Pyndus, seconded by Mr. Billa, was passed and approved by the following vote: AYES: Pyndus, Billa, Cisneros, Hartman, Rohde, Nielsen, Cockrell; NAYS: None; ABSENT: Black, Teniente.

AN ORDINANCE 45,286

APPROPRIATING THE SUM OF \$62,850.00 OUT OF VARIOUS FUNDS, FOR THE PURPOSE OF ACQUIRING TITLE TO CERTAIN LANDS, AND ACCEPTING DEDICATION OF AN EASEMENT OVER CERTAIN LANDS, IN CONNECTION WITH CERTAIN IMPROVEMENT PROJECTS.

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75-27 The following Ordinances were read by the Clerk and explained by Mr. W. S. Clark, Director of R.O.W. and Land Acquisition, and after consideration, on motion made and duly seconded, were each passed and approved by the following vote: AYES: Pyndus, Billa, Cisneros, Rohde, Cockrell; NAYS: None; ABSENT: Black, Hartman, Teniente, Nielsen.

AN ORDINANCE 45,287

APPROPRIATING FROM CERTAIN FUNDS AMOUNTS IN THE TOTAL SUM OF \$3,681.50 IN PAYMENT FOR EXPENSES INCURRED IN CONNECTION WITH 24TH STREET IMPROVEMENT PROJECT; CUPPLES ROAD IMPROVEMENT; STORM DRAINAGE PROJECT #58-C; U. S. 281 NORTH; MAYBERRY DRAINAGE (PROJECT #58-D); LA QUINTA NO. 4 OFF-SITE SEWER MAIN; SO. NEW BRAUNFELS AVENUE IMPROVEMENT; ROSILLO CREEK BY PASS PROJECT; OAKS NORTHWEST PUD SANITARY SEWER OUTFALL.

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AN ORDINANCE 45,288

APPROVING THE ASSIGNMENT OF LEASE BY
AND BETWEEN THE CITY OF SAN ANTONIO
AND JOHN W. KUSH, DATED AUGUST 5,
1937 IN CONNECTION WITH LOTS 1 AND 10,
BLOCK 60, ALAMO HEIGHTS, LOCATED IN
OLMOS BASIN.

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75-27 Item No. 29 of the agenda, being a proposed Ordinance adopting the 1974 "Report on Master Plan Supplement for Water Works Improvements" was withdrawn from consideration at the request of several councilmen in order to allow additional time to study the materials.

75-27 The following Ordinance was read by the Clerk and after consideration, on motion of Mr. Pyndus, seconded by Mr. Cisneros, was passed and approved by the following vote: AYES: Pyndus, Billa, Cisneros, Rohde, Cockrell, Nielsen; NAYS: None; ABSENT: Black, Hartman, Teniente.

AN ORDINANCE 45,289

APPOINTING MR. COLON TAYLOR AND MR. CHARLES MCKINNEY TO REPLACE MR. ALBERT MCKNIGHT AND REV. CLAUDIUS MINOR ON THE CARVER COMMUNITY CULTURAL ADVISORY BOARD.

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75-27 The following Resolutions were read by the Clerk and after consideration, on motion made and duly seconded, were each passed and approved by the following vote: AYES: Pyndus, Billa, Cisneros, Hartman, Rohde, Teniente, Nielsen, Cockrell; NAYS: None; ABSENT: Black.

A RESOLUTION

75-27-47

COMMENDING THE GREATER SAN ANTONIO CHAMBER OF COMMERCE FOR THE OUTSTANDING PROGRAM CELEBRATING ARMED FORCES WEEK.

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A RESOLUTION

75-27-48

CONGRATULATING THE TRUSTEES, STAFF AND DRIVERS OF THE SAN ANTONIO TRANSIT SYSTEM ON BEING AWARDED THE SILVER PLAQUE FOR THE SECOND CONSECUTIVE YEAR IN RECOGNITION OF THEIR BEST OVERALL SAFETY RECORD.

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A RESOLUTION

75-27-49

CONGRATULATING THE TRUSTEES, STAFF AND ALL EMPLOYEES OF THE CITY WATER BOARD ON BEING RECOGNIZED AS OPERATING THE MOST EFFICIENT WATER SYSTEM IN THE ENTIRE WESTERN HEMISPHERE.

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75-27

MR. REMIGIO VALDEZ

Mr. Remigio Valdez, Legislative Chairman of the Mexican-American Betterment Organization, read a prepared statement tracing the history of legislation to suppress glue sniffing by youngsters. (A copy of his statement is included with the papers of this meeting.)

Mr. Valdez asked that this Council favorably consider a resolution to be submitted today which urges the Governor and Legislature to pass House Bill 1478 which requires certain additives to be put in glue to prevent it being sniffed.

Mr. Don Thomas made his monthly report to the Council concerning the electric and gas rates. He distributed copies of statistics and figures showing past rates both actual and estimated and explained the schedules to the new Council members.

He said that the average bill in May will be \$33.35 which is an increase over April. He also warned that usually the June bills are about double the May bill because of increased use of air conditioning.

Mayor Cockrell said that she felt that not enough had been done in energy conservation starting at City Hall where the example should be set.

Councilman Pyndus said he wished to push for summer attire for Council members as well as City employees.

Mr. Granata said that thermostats will be set at 78 degrees. Any City employee can wear sport shirts at any time.

75-27

CITIZENS TO BE HEARDMR. LINWOOD RUSS

Mr. Linwood Russ, 7374 Timber Creek, spoke to the Council concerning parks in the area west of Pinn Road to Loop 410. He said that nothing has been done in that area to provide recreation since it was annexed in 1972.

Mayor Cockrell asked that the City Manager have all City services in that area reviewed at an early date.

MR. KARL WURZ

Mr. Karl Wurz, 820 Florida, spoke concerning the right of citizens to speak to the Council. He took exception to remarks made in a newspaper article by Mr. Ben King criticizing speakers who are "regulars" before the Council.

BABY CISNEROS

Mr. Teniente said he wished to congratulate Mr. Cisneros on the birth of a daughter born May 21, 1975. He read a report suggesting that the baby be named Lila and that the members of the Council be considered honorary godparents. He then asked that the Clerk prepare a resolution making these pronouncements official.

PROTESTING THE AWARDED OF AN ALCALDE TO
MS. GLORIA STEINEM

A number of persons appeared protesting an award made by Mayor Cockrell last week to Gloria Steinem a national leader in the women's movement. Mayor Cockrell had presented her with a proclamation naming her an honorary alcalde of La Villita. Those persons speaking in protest particularly objected to some of Ms. Steinem's views on sex. They demanded that Mayor Cockrell publicly retract the presentation.

Speaking in protest were:

Mrs. Mary Hicks, 315 Ware.
Mrs. Fonce Bravo, 2600 Marlborough.
Ms. Marie Hrcir, 622 Texas Avenue.
Sister Kateri Larkin
Mrs. Joe Grant, 147 Oakhurst.

Mayor Cockrell responded as follows:

"Prior to Ms. Steinem's coming I did have two or three telephone calls from persons who were interested and who felt that perhaps I should not be present or should not present an alcalde.

The City of San Antonio has for a number of years had a presentation of an alcalde which is given to dozens and dozens of visitors to our City. This is given at the request of organizations who are sponsoring speakers. We primarily limit this to someone out of the City of San Antonio, someone who is either a national officer in an organization or someone who is a national speaker who is coming to speak.

Ms. Steinem's award, the alcalde presentation, was requested in a regular manner by the organization sponsoring her speech. Now, in the presentation of these awards either by me or by members of the City Council we have never set up what you might call a screening committee that would evaluate the person's work in terms of whether we personally or as a group agreed or identified with their positions or issues. We have recognized those persons who were coming into our City as speakers and who were here as guests. The award of alcalde has not in any way put the stamp of endorsement of a City backing of that person's views as they might present them on the platform.

I really feel that this is a simple courtesy that was given whether I personally or some of the citizens agreed with Ms. Steinem's views did not change the fact that she was brought here by some of our local citizens who wanted to meet her and visit with her and at their request we did give the alcalde. I do not feel that it is a gracious thing to withdraw a simple welcome to a City. I do not plan to do so.

I do sympathize with those of you who feel very strongly on issues, and certainly I support your right to feel very strongly on issues in opposition to what Ms. Steinem's position may be on some of these issues. The fact that I have accorded her an alcalde as I have had dozens and dozens of others to the City does not mean that I identify with all of her views. I may identify more closely with some of your views if we were to sit down and visit. It does not change the overall picture that this is simply a simple courtesy to a visitor and it is not an endorsement of her views.

If any member of the Council has any other position, you are most welcome to speak."

Following Mayor Cockrell's statement, each Council member present spoke in strong support of her position.

RAUL RODRIGUEZ

Mr. Raul Rodriguez, 719 Delgado, again spoke on behalf of his desire to be appointed to the Fire and Police Civil Service Commission and to have any discussion of the appointment held in the public view. He questioned whether the City is getting its money's worth out of police officers. He then cited several cases that have been heard before the Commission.

HENRY MUNOZ

Mr. Henry Munoz, Business Manager for Local 2399, presented a list of grievances to the Council. He asked for the following:

1. A pay increase of at least \$75 per month.
2. City payment of one-half of family insurance coverage.
3. Workers not be required to furnish a doctor's certificate until the fourth day of absence from work.

4. That the union officials be permitted to represent employees at Civil Service Commission hearings.
5. That there be no fee for dues check off.

(A copy of the request is included with the papers of this meeting.)

The entire matter was referred to the City Manager for study.

HELEN DUTMER

Mrs. Helen Dutmer read a resolution in opposition to the demolition of the bandstand on Alamo Plaza. (The petition is on file with the papers of this meeting.)

Mayor Cockrell advised Mrs. Dutmer that this matter is to be discussed in B Session.

MARIA DOMINGUEZ

Mrs. Maria Dominguez, 250 Freiling, disagreed with Mr. Pyndus that wage scales for summer jobs should be lowered. She said wages in San Antonio should be upgraded rather than lowered.

She had a complaint regarding the Health Department inspectors which was referred to staff.

75-27 The meeting recessed for lunch at 12:45 P. M. and reconvened at 1:45 P. M.

ALAMO PLAZA PLAN

Several persons spoke to the Council concerning the proposed revamping of Alamo Plaza. In general, they desired to keep the grassy area in front of the Alamo and somehow for the City to furnish parking spaces in place of those that would be lost. They did not object to the bandstand being removed.

Those who spoke were:

Mrs. Walter G. Davis, Daughters of the Republic of Texas
Mr. Charles J. Lon, Custodian of the Alamo
Mrs. Alex Fraser, 123 Brackenridge
Mrs. Walthall, Daughters of the Republic of Texas
Mrs. Irvin Dorner
Mrs. Camp Felder, S. A. Conservation Society

Mr. Rohde moved that the bandstand on Alamo Plaza be removed. The motion was seconded by Dr. Nielsen. The motion failed on the following roll call vote: AYES: Pyndus, Rohde, Nielsen; NAYS: Billa, Cisneros, Hartman, Teniente, Cockrell; ABSENT: Black.

Mr. Teniente moved that the bandstand be left and work with the architects on the design around the bandstand. The motion was seconded by Mr. Cisneros. No vote was taken but it was agreed to refer the matter to staff.

75-27

S. W. BELL TELEPHONE FRANCHISE

The Clerk read a proposed ordinance agreeing that the Southwestern Bell Telephone Company shall continue to use the streets, alleys, and public grounds of the City and establishing a payment to the City of San Antonio.

Mr. Carl White, Finance Director, said that the telephone company had submitted a rate increase request in September, 1974. The staff and consultants have been working on it since that time. This ordinance, if passed, will increase the franchise tax from 2% to 3% and updates the franchise ordinance passed in 1935. The recommendation for this charge was made by the previous City Council. In order for the company to recover this increase, it would be necessary to increase installation costs on residential phones by \$3.00 and on business phones by \$5.00.

After consideration, Dr. Nielsen moved that the ordinance be approved. The motion was seconded by Mr. Teniente and on the following roll call vote, the motion failed: AYES: Billa, Teniente, Nielsen, Cockrell; NAYS: Pyndus, Cisneros, Hartman, Rohde; ABSENT: Black.

75-27

DISCUSSION REGARDING THE REQUEST OF S. W. BELL TELEPHONE COMPANY FOR A RATE INCREASE

The Clerk read the following Ordinance:

AN ORDINANCE 45,290

PRESCRIBING RATES AND CHARGES FOR
THE SAN ANTONIO METROPOLITAN EXCHANGE
OF SOUTHWESTERN BELL TELEPHONE COMPANY.

* * * *

The following discussion took place:

MR. CARL WHITE: Now this is the rate ordinance and these are the rates that would be required to produce an additional \$5 million - \$5,080,000 to the telephone system. There is one change we need to make in this rate ordinance and that is the installation charge that is permitted by the ordinance. We'd have to reduce by \$5.00 and \$3.00 respectively the action just taken.

MR. PHIL PYNDUS: May I have that net, please?

MR. WHITE: I'm not sure that I understand your question, Mr. Pyndus.

MR. PYNDUS: It would go from \$21 for business.....

MR. WHITE: To \$25.

MR. PYNDUS: All right, sir. And \$13 to \$16 on residence.

MR. WHITE: I think it's \$18 to \$15. Yes, it dropped to \$15.

MAYOR LILA COCKRELL: \$15 instead of \$16.

MR. PYNDUS: Thank you.

MR. WHITE: \$15 on installation on homes - residence.

MAYOR COCKRELL: All right. The rate ordinance is now before you. Does anyone wish to make a motion or do you wish to ask questions? What's your pleasure? Mr. Cisneros.

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MR. HENRY CISNEROS: It's not a question. I would like to make some points if I could. That will take me a couple of minutes to do. It's a complicated matter and I'd like to kind of spell it out. Basically, it relates to my concerns about what the present rate structure means and what it does and I've kind of gotten into this thing. Mr. Jim Reed has been very, very helpful. I've worked with him over the last couple of weeks and I'd like to pass some of these out to the Council and I'll start talking to you on this if I can.

This won't take but five minutes at the most but what I'd like to do is just kind of voice these concerns and then determine whether in your opinion, of all members of the Council, that dictate some direction that might be pointed in terms of the rate structure. I welcome comments at any stage of it. Basically, this is a short presentation here that is broken into several sections.

The first section has to do with the total capital expenditures of the company in 1974 and broken down by exchanges. If you'll look there on that second page. I have rank ordered the expenditures, capital expenditures, both for outside plant and for other such things as land, buildings and equipment and etc. by exchanges and the map that you see up here now, for instance, the map you see up here on the viewgraph indicates the top four exchanges, if you will, in order of the expenditures in which they occur. You'll see that they are the Capital exchange, in which there was a good deal of capital activity, the Fratt exchange, the Babcock exchange, and the Diamond exchange. Now, in these four exchanges, as indicated on the third page that you have in the presentation and also what's up here, those four exchanges account for some \$44 million of the total \$65 million of capital expenditures of the company for a total of 68 percent. 68 percent of the total capital expenditures in the area system occurred in these four exchanges. In the remainder of the 31 other exchanges, only 32 percent of capital expenditures occurred. What that simply says is that those exchanges are those which have been the most expensive to service in terms of capital activity.

Now there's two types of capital activity, on the one hand there's that which is outside plant expenditures, i.e., cables, conduits, wires, poles, that sort of thing and others which are plant related, that is to say land, building and equipment. These figures in these sections want to relate to the total. What you see, basically, is that 68 percent of all the capital expenditures occurred there in these four exchanges that have only 27 percent of the residential telephone mains and 46 percent of the business telephone mains. So it's kind of an inordinate amount of capital expenditures there.

If you'll turn back over here to page 9, I've taken the two elements in as I indicated, two elements of total expenditures. The outside portion of it first. Specifically, costs for cables, conduits, poles, wires, etc. and rank those according to the exchanges and you'll see that again, Fratt exchange ranked very high along with Babcock, Diamond, down the road, Capital, Culebra, etc. And if you'll look at it up here on the map, the map on the next page or up here again, you'll see that again those were expenditures that occurred in the fastest growing areas of the City - that occurred in the areas where we are trying - have been developing over the last few years, where the growth has been fastest and where it has been necessary to service by providing conduits, by providing cables, by providing linkages in. A most recent article in our issue of the Greater San Antonio Builders Association talks about a new system of providing trenches for telephone extensions in order not to provide overhead cables and so forth. The whole point I'm making is that this process of servicing the growth in the City is a very expensive one. It is not a judgement about whether growth is good or bad, it's not a value judgement at all. Simply that it is an expensive proposition, both in terms of outside plant as I've indicated in this section or the regular plant expenditures which begin on page 14.

Expenditures for plant including land, buildings, control office equipment, PBX furniture, and fixtures and so forth, ranked again and you see Capital, Fratt, Babcock, Diamond and so on down the line. Again, showing this next map here you see where the greatest concentration of those expenditures is. Now the greatest concentration of expenditures despite a much lower distribution of residential mains and business mains in those areas.

Now what does all that mean? Well, what it means probably is that where the City's growing and that's where telephones are being installed. And if you'll look at page 18 and look at the net installation gains in the system over in the local area, you'll see that again Babcock, Fratt, Culebra, Diamond as indicated in this map and if you were able to overlap some of these maps which you might try and do there, Garland, you might try and take map number a, or b and overlap them on this one which you'll see that there is a great deal of correlation between where the heaviest capital expenditures have been and where the highest net gain in installation has occurred.

Now, what does all this mean? What it means, it takes on significance when you consider the true economic cost average across the system for a telephone installation is \$60 - that's average, that includes places where the mains, lines, cables and so forth are already in existence and places where new subdivisions and so forth where they have to be extended. But nevertheless the average is \$60. The cost that has been charged over the last few years, the price that's been charged for installation has been \$13 for very regular residential installation. Now somewhere there's a \$47 dollar differential. There's a five dollar bonus added on to that \$13 if you want to begin talking about touchtone and other more sophisticated services but even then there's a very significant \$42 differential between the true economic costs of installing a telephone with all that this implies in terms of capital expenditures in form of buildings, such as building the station to serve the Babcock exchange, which is a concrete block, you have to buy land for it and you have to construct the building for it and so forth and also such things as extending cable and putting wire and putting poles and the whole business. That's what accounts for that \$60 true economic cost. What we're charging though for installations is \$13. So what happened to that \$47?

MR. PYNDUS: May I just interject something here please?

MR. CISNEROS: Sure.

MR. PYNDUS: If you go back to page - the fourth page in which we show that these four exchanges represent 68 percent of all capital expenditures. Of that 68 percent, 46 percent represent business telephones. If you would use the installation charge for business telephones, it wouldn't be \$13.00. It would bring this cost.....

MR. CISNEROS: The differential down.

MR. PYNDUS: Absolutely, and I think it should be pointed out.

MR. CISNEROS: Okay, very good. My whole point is this that somewhere that \$47 or \$42 or whatever the differential you want to talk about it is being taken up, and it's pretty clear that that is being spread back across the whole system and at least a major part of the inflation that has resulted in this request for an operating increase - for a rate increase, is the result of the inflationary aspects of servicing the newer areas of the City. There's a question there of just the cost of sprawl if you will being spread back across the rest of the system and people in the older parts of this City, whose services have not increased one iota, are being asked to subsidize, if you will, the process of providing this more expensive service out to the fringe areas. The people who are accruing the benefits of that new service in those areas, very expensive to get extended to them, are, in effect, being able to spread back that cost across the whole system.

Now, I think there's an equity question that's raised. Separating apart from the question of the cost of sprawl and the fact that we as a City Council ought to be aware of the costs of the kind of growth that is occurring in this City. The phone company is not at fault. The phone company is simply extending services out to where they are but they are adding to the costs. Nevertheless, it's an equity question because when you look at these exchanges that have been the fastest growers and who have had the most in capital expenditure and had the most installations and so forth and if you were to cross hatch and put on top of that another overlay that had income characteristics of families or housing characteristics what you would find would be that it's the poor sections of town and the older sections and the lower housing value sections of town, in effect, subsidizing the process of extending service, costly service, out to some of these fringe areas.

Now, what's the solution? Well, actually, there's no simple solution except that if you were able to charge people for the service that they're getting, that is to say, charge something more like the true economic costs of getting telephone service out to these fringe areas, then you would be charging more - then you would have to charge something more like \$60. I'm not saying \$60 but something more like that and taking some of the burden off of people in the older parts of the City and in lower income neighborhoods of subsidizing by increases in their rates, in their operating monthly rates this process of growth. I would simply want to close with just a couple of points. This kind of thing I think flies in the face of every principle of public economics. The two basic ones which are you pay for benefits received, or you pay according to your ability to pay. According to both of these criteria, I think this kind of a subsidization effect that's occurring is regressive, and it really penalizes those who don't have the ability to pay and allows something of a bonus to people who are receiving the benefits of this kind of extension. So, it's a very costly, not often documented cost of sprawl.

DR. NIELSEN: There's no question that sprawl is the most expensive form of growth, and I think the policy as articulated finally even in this supplement to the water plan begins to speak seriously about contiguous growth which is a good thing to be talking about. Let me just relate a story to you very quickly about the way you know, "share in subsidy". There's no question that in the last 20 to 30 years, particularly since the second World War, a great deal of "subsidy" has been going on. And true there are probably a large number of families who have been in residences beyond 30 years. However, I would take exception if you say in the past up to and including 30 years. It really began since the second World War and those people had a subsidy beginning after the second World War that they are now in a sense paying for and the people who are getting new service now are finally at some point unless we just have no growth at all are going to be paying for it in the long run.

The story I'd like to tell is in terms of health care where ideally, we should all be geared to prevention. But the hard economics and the system as it generated and evolved over years is that people don't want to pay what we really should for preventive care. We're all oriented to palative or crisis care, or whatever and some of this analogy I think carries over into the public policy expenditures and economic determinations, and it's just what we've got to evolve into this justification and a much better rationale for funding growth. We're going to have some growth, but we've just got to fund it more correctly. So, if you're suggesting that we've got to, in fact, overnight correct the "subsidy" of new extension, there's no way to do that. We just can't do that overnight.

MR. CISNEROS: I'm suggesting something specific and that is that we look very carefully at this rate increase or request and take this opportunity to get the telephone company to indicate what it would take to approximate the true economic cost of extending this service via charges in the installation rates, more realistic, more accurate more relevant to what they actually are and provide, instead of trying to continue the subsidy of that that exists. Now, there's a precedent for it. In Houston, they've begun and Mr. Reed has indicated this to me, and I think, again, I want to compliment him on the tremendous amount of cooperation in helping me prepare this information. But he indicated that in Houston they are trying something like a more refined cost accounting technique that allows them on a three tier system to address some of these questions through the installation fees. And that's what I'm suggesting that we move toward here, and I'm prepared to indicate that without some concession by the telephone company that they are moving toward something like that, that my vote will not be available on this particular increase.

DR. NIELSEN: Yes, we eliminated the tier thing not in terms of the question of installation charges because there were so many people in this community, I remember that five or six years ago we were very upset at the fact that they within a one block line, like the old business of school children who live beyond the border and can't ride a bus to school they felt it was very discriminatory in terms of basic charge. Now, we didn't get into the whole issue of tier and installation costs because it does cost more out there. That's a whole different matter that we've never discussed.

MAYOR COCKRELL: All right, Mr. Pyndus.

MR. PYNDUS: I also had several specific objections to the approach on this rate hike in the proposed increase for business rates. This left San Antonio businesses with an above average with 17 other metropolitan exchanges, above average in the City of San Antonio. With the figures that Mr. Reed has given Mr. Cisneros, it's quite obvious, even at the old rate, the business community is bearing the burden of our

installation, because they're carrying the load in the poor sections as it showed the most growth. Forty-seven percent out of 68, this is where the burden is being placed on the small businessman. Now, not only is the small businessman ranked above average, he's going to carry a greater burden if this rate goes through and sticks as far as the flat business rate is concerned. My objection to that was that I think there should be an element of compromise just as we compromise a revenue on the other ordinance. I feel that the rate should be taken back. I think people have called me many, many nights and they have asked me when can we pass on the cost of inflation in our business like the telephone company does, like the City does. We have competition. This is a factor and the telephone company has not. You can set your own price. You can use management tools and we can expect you to cooperate - we want to work with you. I have one item here that I want to ask you about, I was unable to in our sessions. On FCC account number 672, and this one is entitled Relief and Pensions. In 1972, this figure annually was about one and three quarter million dollars. This was an expense to the City. In 1973, as an expense to the telephone company and to the City, it was two and a half million dollars. In 1974, your Financial Statement showed that this had reached 2.9 million dollars. What are you putting into that Relief and Pension Fund, because it is getting astronomical and our citizens are paying for it?

MAYOR COCKRELL: Mr. Reed, would you like to address yourself to that?

MR. JIM REED: Mayor Cockrell, Members of the Council. I am not sure where to start. I guess I'll start with the last question first. The Pension Fund, of course, has gone through some revisions recently to meet federal standards. I think all Pension Funds have had to do that did not comply. The Pension Fund in some cases is a bargained for item, and it has been an item in bargaining and really that's about all I can say. It is not, it certainly by no means or exceeds some Pension Funds from other businesses or government, but we feel that it is a reasonable cost of doing business, and it is a necessary cost of doing business.

MR. PYNDUS: Mr. Reed, unless there is some satisfactory stopping point I can't go with it. Where will the next step be? We are at \$3 million on this particular item. Now, I need your management to tell me that's it.

MR. REED: I can give you a cost that's gone up greater than that and that's directory assistance which has gone from \$1 million two and a half years ago to almost \$4 million right now. It's just the cost of doing business increase.

MAYOR COCKRELL: All right, do you have any other questions of Mr. Reed?

MR. TENIENTE: Yes, I'd like to ask Mr. Reed a question, Mrs. Cockrell, if I may. Anytime you talk about increasing a rate that would ultimately hurt the consumer you face a very unpopular situation, Mr. Reed, and I, too, want to complement the company, the City staff and some of the questions which I have posed which you have answered. However, I haven't presented this question to you now, but I see that there is a position that perhaps has been touched on by some other people in their discussion and that is again going back to that question which I touched on at one time and talked to you about where we would like to see what type of possibility there could be if we would maintain the rate on the two party system at \$4.90 like you had once talked about and also retain the rate of \$7.20 for the one party unit system. My thinking on this is that this would, of course, ultimately result in the phone company not receiving the amount of money requested, but it

would not create a burden on those people that are set against any type of increase whether it's a quarter or a dollar or whatever the whatever the thing may be. I would like for you to answer that or touch on that if you could and also give me some sort of idea as to perhaps what other cities are doing in this two party line rate, because I know that you've given us the single party line but I'd just like to know some information along those lines to help me decide a little better.

MR. REED: Let me start by talking about the bottom line figure because that's the first step in any rate increase or rate adjustment and that is what level of earnings should be earned by the particular company or unit. When I filed this rate increase in September last year, I said that our fair value earnings were 3.69 percent and that we needed the increase and made the recommendation. Now since that time, of course, we've had our end of the year '74 statement. If you took the full \$5.7 million requested, not the \$5.1 recommended by the City staff, but the \$5.7, our rate of return at the end of '74 would be a 3.60 or .09 percent below what it was when we filed after the increase is provided. We have indicated willingness at this point to accept the staff recommendation of \$5.1, and I frankly feel that that's a bare minimum figure that wouldn't even bring us up to where we were at the end of '73. Within that framework let me talk about two party first and then one party.

I indicated at a previous Council meeting that I was agreeable to leave two party at \$4.90. Reverend Black, at that time, was asking about the number of people who had two parties, as you recall, and was surprised to find that a very low, just a fraction of one percent had two party lines. And at that point asked the question why people didn't use this service since it was \$4.90 and the other \$7.20. That question has puzzled me ever since. It's puzzling me now. I don't have the answer. I can give a few facts. The City staff asked me to look at Birmingham, Alabama and New Orleans because they had similar median income levels. I looked at Birmingham, Alabama and in their metropolitan exchange they have 12.5 percent two party customers. In other words of their total residence customers, 12.5 percent were two party compared to our less than half of one percent. So, you can see right away in Birmingham, and I might add that Birmingham's two party line is \$7.20, the same as our one party. The identical same rate as our one party. In Birmingham, they do use it. I don't know why. I've looked at New Orleans. New Orleans ran over \$4.5 percent two party lines to our less than half a percent. That's not as high as Birmingham, but it's nine times higher than ours. I don't know why they do. In New Orleans their two party line is 23 or 24 cents more than our one party line. It's \$7.43 or \$7.44. I don't know why people don't use it. I know we've made it available. I've offered during this period if the 85 cents was too much to waive for thirty days the charge the down grade to a two party. But, I'm at a loss.

MR. PYNDUS: Mr. Reed, can you give me an idea why the flat business rate is above average? This concerns me as you know and during our conversation previously I asked if you would not look into that aspect of it. Have you had an opportunity?

MR. REED: Yes, I have looked at that aspect. Basically, the rate philosophy followed by the consultant in the City and one that we subscribe to nationally, not just in San Antonio and in Texas but nationally, is that a ratio of roughly 3 to 1 is roughly the ratio of a business basic rate to a residential basic rate. This was right in that range. Now, there was some feeling at that time by members of the Council that wherever there was an area within this 3 to 1 range that perhaps business should be the place it should be. Now, that doesn't mean that they got a lot hit to them. I'm talking about a quarter or fifty cents that where you didn't balance revenue wise

that we should keep it away from the individual resident subscriber and perhaps put it in business. That was the preference of the Council as expressed at that time.

Now, this gets us into Mr. Teniente's question of what would happen if, say, you took your business rate up to approximately the level, well the level recommended by both staff and consultants and did not take your residential rate up. I just could not be a party to that because, and I don't think the City Council could either because we have developed a discriminatory rate at that time that would put the perponderance of the increase on business. It would be something that our competitors would be looking at very closely from anti-competitive practice and they would claim or allege that we were subsidizing residence service by business, and I don't believe the City or the telephone company could live with that type of rate structure.

MR. PYNDUS: I just feel that that is discriminatory against the business, the flat business rates, right now.

MR. HARTMAN: Well, there are several questions here that I think sort of relate. First of all, with regard to address the business rate, I think there is one factor that, and I'm not advocating at this point this is the way we go, there is a factor with regard to the business rate that I think needs to be considered and that is the fact that a telephone, the use of the telephone is a legitimate expense, a business item. From the standpoint of the businessman he does have some relief albeit small, by virtue of the fact that there is a tax deduction consideration. I think that is something to be considered. I'm not saying this is the point to advocate. Whereas the home consumer does not have this form of relief. So, I think, I'm setting this aside for the moment. The matter that concerns me with regard, getting back to Mr. Cisneros' point, I think the point was raised in the April hearings over at the HemisFair Convention Center about the matter of charging more in relation to the actual cost of the job. I think your response at that time was that you were moving toward a cost accounting type system but that you saw this at about two years off or something in that context. Now, basically, getting back to Mr. Cisneros' proposal, I don't see where the matter of relating costs to charges in new installations would necessarily be that complicated. In other words, I could see where there would be a rate relating to an initial installation that would be computed with regard to cost and then perhaps scaling down fairly rapidly the other, what I would call, service charges. I would presume that would be in the offing and fairly.....

MR. REED: That's one of the trials Houston is conducting right now.

MR. HARTMAN: So, I would think that that would certainly be a means of achieving something in the realm of equity to get to the equity problem Mr. Cisneros has raised. Okay, then we get into yet another area and that is the matter that I would call luxury equipment, Princess phone etc., and I'll have to admit I could not find anything in any of the material that I have that could begin to tell me what sort of costs we were dealing with here on such things as Princess phones and, of course, the charge on an extension is indicated there, but this is another area, but it would appear to me looking at it from a standpoint of recognizing that there will have to be an increased burden placed on consumers in general. The Council, I think, has to look at it in terms of how can that burden whatever it be best be borne and, therefore, placed. And I think this relates and I think in order to have a feel for this, I think we have to have a better feel as to what sort of cost factor or what sort of charge factor would be involved in this luxury equipment, and I think even before that could be absolutely finalized and lastly, and I'll cut it short here, I go back to the point that I have adhered to fairly consistently. I think we've got to, when we talk about the lifeline rate we're talking in terms of a two party line for reasons perhaps that are obscure. I doesn't really seem to satisfy that by custom here in San Antonio because of the very small percentage of two party lines that are used. Perhaps, this was the matter of availability at some time, perhaps, it's a prestige factor or something else, but it would appear to me that we've got to talk in terms of a life line rate on a single party rate to relate to what Mr. Teniente said earlier, and it would seem to me that we would want to start off with a lifeline rate with a single party, and then work back to see what additional increases would be required in what I would call the luxury services in order to compensate for that, and then last but not least tie in the matter of installation charges to better equate the actual cost of the company.

MR. BILLA: I just want to ask Mr. Reed, in my business I find there are lots of transients in San Antonio, and of course, you have probably as many connects as disconnects, but if you actually charge a realistic price on connects, you know, connecting services, do you think that that would increase the revenue any and discourage maybe some of this expense you might have?

MR. REED: Mr. Cisneros and I talked about this. I broke some figures out for our PErshing and our GEneral exchange to see if there was less movement maybe toward the inner city than there were out the other area, and we found that in those areas one of them ran a nine to one ratio. In other words, to gain one telephone, we had to install ine, eight people moved or disconnected, and in the other it was 12 to 1. So, I have a real concern. We are moving, and I'll commit to you that we are moving in the direction that you suggest. The first step would be to get on a cost accounting system, and the second one would be to study the problems with the Houston plan. But, I do have a concern over some folks in that area, some customers in that area, who may move out of a rented quarter, or out of an apartment, or out of their homes, and be moving to a new one making the assumption that they could afford the down payment on a telephone and if it gets too high being able to afford that down payment, then we don't get any revenue from them. Then everybody's cost will go up.

MR. BILLA: I'm just trying to analyze that thing, and wonder if you all.....

MAYOR COCKRELL: Mr. Cisneros.

MR. CISNEROS: There's a possibility, I think, Mr. Reed, that would happen in a small number of cases, but in this day and age, and society being what it is, I think people are just not going to do

without telephone service for very long. So you're going to find that being the case. Secondly, the wide differential that exists at the moment on the residential side of the difference between \$13.00 and \$60.00 is so great, that I think that even without as Mr. Hartman said, without accurate cost accounting you could move closer to what you know to be a realistic cost than where we are. I don't know whether that realistic...that point is \$30.00 or \$40.00 or what it is, but at the moment what we've got is the people who are stable, in effect, subsidizing those who are mobile, and I'm not sure whether that's equitable.

Let me please say one other thing for the benefit of Council - another thing we discussed is a relationship in terms of overall revenue between the monthly rate and the installation fee and the ratio is a nickel to a dollar, is that correct? A nickel on the monthly rate is the same as a dollar on the installation fee. If we wanted to do some compromising in effect in order to come out somewhere in this telephone rate whole matter, we ought to keep that in mind, that to give up a dollar everytime we move from 85 to 80 then you got to add a dollar on the other side of the.....

DR. NIELSEN: That's 60 cents a year.

MR. CISNEROS: I think the key argument that persuaded me to pursue this thing is that when a person decides to move most likely I don't have any studies on it, but I suspect most likely that person has made a conscious decision and it's an upwardly mobile kind of decision. He's moving up in the world, if you will. And he is doing it because he's got the money or something of that sort to move, so that if you increase the installation fee by \$15 or \$20 or something like that it's much more likely that a person is going to have \$15 or \$20 extra at the time he moves then people are going to have to put it on to their monthly regular rate. So I really thing there is some fruit here for discussion even without the kind of cost accounting that you suggest in the sense we can move closer to - reality. One final point that I'd like to make is that really when you come down to it, you folks are charging \$13 because it's in your interest to do so. It's a promotional activity. You sell more telephones the lower the installation fee is, but you've got a monopoly. So you needn't be worried about what your competition is going to do, all you have to do is worry that people are going to keep putting phones in. So what you want to do is not run it completely out of sight, but we have a significant distance to go before we do in my opinion - before you destroy your monopolistic position.

MR. ROHDE: Jim, I have several questions. First while your boss is here, I want to say that you've been a very responsible person. Second is that you have answered all the questions that I've given you to this Council, and I greatly appreciate it. I'd like to direct my remarks to Mr. Cisneros' logic and see if I can't overcome some of this because I'm familiar with the growth areas and real estate and things of this sort, but I want to address my remarks to this is that while it's true these have been the growth areas for the last, say, five or six years don't you feel that possibly those improvements have been paid for already in former rate hikes, and in the budgeting and so forth?

MR. REED: Yes, today's dollar will pay the capital for tomorrow's improvements.

MR. ROHDE: Right, okay. The second thing is that I would feel that in those particular areas that you probably derive more income because of long distance calls, extra phones and things of this sort. So, in effect, I'm talking to other areas, like the west side and east side, the phone bills are high, I know there are in my house, especially with my children and so forth. So, I think that you might offset that, Henry, in many ways trying to put more

on that because they're paying more now for services. The next thing is and you have to answer this question, is right today in the last three or four months, aren't you really taking out more phones than putting them in. I mean about a growth of San Antonio and our economy situation.

MR. REED: We are still growing. We're growing at a lesser rate. We are putting - we have increased the number we need to put in to gain one. It's gone up about from about 8 to 10 to one to gain.

MR. ROHDE: But we are slowing down in installation.

MR. REED: But we already have slowed down. Now in April it picked back up a little bit. It did nothing like.....

MR. ROHDE: Fine, you've answered by questions.

MR. REED: Okay, You hit on a real key point here. We - the other side, the \$60 that's been batted around and that was the study that was made back east and Mr. BeBucks, the Chairman of AT&T used it and the only figure I've seen assembled for use and it isn't the maximum cost to put in a residence installation. The other side of that figure was that the residence one party line to be compensatory on the cost of furnishing it would need to be \$14. In other words, not only is installation being subsidized but so does residence one party. Now, one obvious place and Mr. Hartman hit on this, was the extension rate - \$1.25. I need to see what that is on an annual basis. \$15 a year if I'm correct. Well, you've seen the ads the same as I do in some of the discount stores and places around and it's obvious that that's subsidizing something very, very definitely. Another item is Trimline at \$1.35. It's a high profit item, I'll admit it. It's intentionally priced to subsidize some of the basic services and touchtone at \$1.80, same though there. We feel an obligation to make our services available to the general public and try to keep the basic rate low and that's why it's been priced that way.

MR. HARTMAN: Excuse me, Jimmy. You said subsidize or subsidizing? You're saying that these like touchtone, for example, is a subsidizing item, right. Is that what you said?

MR. REED: Yes.

MR. HARTMAN: As well as the extension.

MR. REED: It's these items that allow us to keep the basic rates where they are instead of \$14.

MR. HARTMAN: That gives to my thought pattern here with regard to, you know, when you're in an economy such as we have now, again we're talking in terms of people either being able to have a phone or not have a phone by virtue of, perhaps, a small increase, the luxury item, touchtone, etc., seems to me to be the place where you want to pursue putting the maximum burden because when it comes to the matter of not having a phone versus having a phone as to having Princess phone or having a black phone. I think the choice is simple and it would seem that we had some figures to show what sort of subsidization you'd have to get from these luxury items in order to maintain a base rate where it is now with a single line, then I think I would feel a lot more comfortable and also the second point the one that Mr. Cisneros brought up with regard to relating actual costs of installation and charge, those are my two main points.

MAYOR COCKRELL: Mr. Cisneros.

MR. CISNEROS: Just one final point on that business of actual. I've been trying to get at something like the actual cost. I guess I just really feel that in this, you know, that in this day and age,

with all the emphasis on conservation and energy and resources and everything else, people and government need to know what it's costing to pursue a particular form of development or growth or whatever. I'm not saying it's good or bad except that it's expensive, the route that we've chosen all over this country for the last few years and we ought to be prepared to charge ourselves and those people who want to make the decision to live in less dense, more appealing environments and so forth, are going to have to recognize when you put the cable out and it's expensive cable, and when you put poles out or dig trenches out, or whatever, it's going to cost and why should people whose service has not improved one iota in older parts of the City be expected to bear the burden of that extension. I just don't see any way that is equitable.

MR. BILLA: Mr. Mayor, that's not a true statement though. You don't predicate your rates on capital expenditures. Those improvements are made on revenue to be received.

MR. CISNEROS: There's a relationship.

MR. BILLA: Probably so. But another thing I want to point out in banking and you can say that this actual cost figure might discourage people but in banking you know that higher charge on returned checks hasn't discouraged people from writing hot checks and banks are making money.

MR. REED: I understand that is a money maker.

MAYOR COCKRELL: Dr. Nielsen.

DR. NIELSEN: Madam Mayor, I just wanted to thank Mr. Reed in particular for a kind of an attitude and willingness to help all of us in making a public decision and I would certainly hope that in fact we do thrash this out today and come to a meeting of the minds whether we're all in total agreement or not but, in fact, Madam Mayor and members of this Council, we do have a responsibility to rate payers and to this whole City to make some decision based on all the evidence we have. We can wait for six more months to put more "data", but I still think there's a limit at which you can "gather data". I think we've had a thorough thrashing of this and I would hope that this afternoon we do come to some vote on this issue in terms of some kind of...because every where I go I keep hearing, yes, people generally agree that the telephone company is due a better than 3 percent return and how are we going to arrive at that. I would only suggest, Madam Mayor, that if there are counter proposals other than this ordinance as amended by the previous vote that we hear them now and decide. I just can't see any reason for putting this off for two to four more weeks.

MAYOR COCKRELL: All right. Mr. Hartman.

MR. HARTMAN: Mrs. Cockrell and Mr. Reed. I think with regard to the actual rate base, rate structure, etc. I could review this material for the next 12 months and probably not be in a better shape to discuss it because it's a very complex item. So I'm forced to rely upon experts and there has been a review by the staff, there has been a review by consultant agencies so that I cannot address, right or wrong. I mean, I may have hunches or anything else but we can't make decisions on the basis of hunches. But it would appear to me that our main problem and our main objective has to be to decide where the burden can best be borne and I underscore that because we're at a point where there has to be a consideration of who can afford...who can best afford any increase that takes place and I'm not restating anything here, I'm saying that it has to be on the basis of where can that burden best be borne. I think this is the sort of an objective that I would like to see us come up with here today.

MR. PYNDUS: I feel that if the discussion is over that I'd like to make a motion and see where we stand. I would say that my initial reaction to the request, Mr. Reed, was one of frustration because of the pressure that we had in three weeks. After going through the financial statement, utilizing the experience I have, I found a lot of unanswered questions in your accounting and your costs and the method of computing your true market value of your items. These are honest, sincere, tough questions that I haven't had any satisfactorily answered to me. I want us to be partners; I don't want us to be antagonistic and I want to help this City as much as I want to help the telephone company and I'd like to put a motion on the table that we refuse this request for the entire increase and send it back to you, asking that you bring it back to us at your earliest convenience for a compromise figure if I can get a second on that.

MR. ROHDE: I second it.

MAYOR COCKRELL: All right. There is a motion and a second that we decline the rate increase and instead send it back to the phone company to come back with a compromise proposal, is that correct?

MR. PYNDUS: Yes, madam, keeping the business rate in mind, if I might interject that in there.

MAYOR COCKRELL: All right, is there discussion on the motion?

MR. CISNEROS: Yes.

MAYOR COCKRELL: All right.

MR. CISNEROS: Councilman Pyndus said that to come back with a compromise figure. I wonder if he would amend that. You said compromise proposal and there's a difference. Are you talking about coming back with a compromise number or with a compromise - a restructuring of what's being asked for and with the total figure different also?

MR. PYNDUS: One of my - part of my confusing the fact that I have no option, and I'd like to have an option and I think that we would like to lean on Bell and say, here's your options and give us the figures and restructure the rates. Your accounting department had a million dollars in salaries spent according to your statement. I know you have adequate people put these figures together and I'd like for you to do them so we can make a decision.

MR. REED: Could I - I have an option. I heard earlier what you all were saying I'm not deaf even though I may not respond to you. I understood you, Mr. Pyndus, last meeting or two when you said that the business rates you felt ought to come down and several others and Mr. Teniente has mentioned to me that he felt that, as Mr. Hartman, that some of these so-called luxury items that we need them, we need them to keep basic rates low should be addressed. So let's say we have Plan A and Plan B and let's call Plan A the one that's being considered, the one that's being discussed, the one frankly which I subscribe to it as a basic - a sounder basic rate philosophy than Plan B will have. It's more consistent with other cities in the nation on a value of service concept and until we have cost accounting, that's all we can deal with and that by the way has been recognized by the FCC even as a valid criteria. It has a well thought out rate philosophy and I just want to say that that's the one that I support but I will give you another one.

CITY MANAGER GRANATA: Jim, is that the City's Plan A - these are the City's.

MR. REED: These are these plans - the City staff's plan. Plan B would have the same bottom line revenue effect. It would shift revenue away from residence one party into residence trimline, touchtone and extensions by putting anywhere from 11 to 20 percent increase on those items. The result of the revenue effect of that would equate to twenty cents residence one party. Twenty cents monthly rate and residence one party. In other words, by taking these items up as I mentioned from 11 to 20 percent, it would have the same dollar effect as four nickels or twenty cents monthly rate on a residence one party.

DR. NIELSEN: \$8.05 would be.....

MR. REED: \$7.85. Now the thought has been thrown out that we should perhaps completely eliminate the view on residence one party and I've stated earlier that I just couldn't be a part to that, the City couldn't be a part to it. It would be a discriminatory rate. Now I haven't ignored business because again, part of rate making is that you have to have a reasonable ratio of business rate to your residence rate and not discriminate against either one. In business, I took fifty cents off the proposed rate. In other words, instead of \$24 - \$23.50 and shifted 65 cents to the business extension rate.

DR. NIELSEN: Yeah, that's monthly.

MR. REED: That's monthly, and you have to go, of course, by numbers of items in doing this and figure out how many items in one do you have versus the other. But, so what this would mean would be a \$7.85 residence one party, two party, I've already said will leave it at \$4.90. Business \$23.50 as opposed to \$24. We've maintained a dependable ratio between residential and business and as I've said earlier the other one is a more sound theoretical rate proposal but this one is another one that I would be willing to recommend acceptance to the company. It is more sound.

MR. HARTMAN: Mrs. Cockrell.

MAYOR COCKRELL: All right, Mr. Hartman.

MR. HARTMAN: I'm just wondering, Jim, did you rule out entirely the matter of trying to relate installation charge into this formula?

MR. REED: I'll tell you the truth on installation charges. The last rate case we were a guinea pig on a new item called 60 day minimum billing, and I mentioned it to some of you earlier, it wasn't realized what the Convention Center and some of the other things that only have telephones for a couple of days and pay for 60 days what the effect would be and that was right when I came here and I inherited it, and I never heard of it, but it didn't take me but a week and a half to get rid of it. And the revenue that went with it. Now, Houston's guinea pig or trial as we call it, more sophisticated on a what we call a three-tier service connection charge and the residence is \$25 and business if \$40 and it depends it's a combination of three rates depending on whether you make a trip to the premise, whether you have to have a frameman do some work and if the man is on the premise, how many telephones do they work on, and it's a combination of all those. It may come out more than \$25.00 if he works on three or four telephones, it may be less if all he does is say change a number or do something simple like that.

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MR. HARTMAN: Well, that at least begins to approach the thing but I think that what we're talking about is paying for services actually received.

MR. REED: Now, but one thing that I want to look at very closely and we won't have data on this yet is what has this done to your development of telephones in the downtown area? Have you ruled out customers who leave and are not able to make the down payment, therefore, you no longer have those customers and they're no longer telephone users? I may be wrong. It may well pan out that this is a very sound good rate, but if it is a rate that shuts the door on users now because they move, I think the rate would have to come under question.

MR. HARTMAN: How long has this been in effect with you, how long have you been doing this in Houston?

MR. REED: Oh, they started in effect late last year.

MR. HARTMAN: You don't have any statistics?

MR. REED: I don't have any statistics on it and at this point I think it's hard to differentiate between rate and economic patterns because of the total economic situation.

MAYOR COCKRELL: Now, let me just say that our time is moving along and I know the Council needs to move ahead. We have before us a motion that has been seconded. The motion is to deny the rate request today and refer it back to the phone company for a new proposal or a compromise proposal as it was stated. So discussion is on that motion at the present time.

MR. REED: Could I make one other comment please?

MAYOR COCKRELL: Yes, Mr. Reed.

MR. REED: I would say, as I understand your motion, you are voting to either deny the rate request or not and that's the real basic issue here and I wouldn't want you to go into something like this feeling like my silence was agreeing to coming back at a lower dollar because if I were to come back I'd come back on '74 statements. And your City staff has already put a pencil to it at \$17 million and there's no way I can come back at \$5 million on that basis. So I didn't want you to think that my silence was acceptance of the other half of that agreement.

MR. PYNDUS: Mr. Reed, I'm really pulling for you, honestly.

MAYOR COCKRELL: Is there a discussion on the motion?

MR. ROHDE: I call for the question, Mayor.

MAYOR COCKRELL: All right. The question is on the denying of the rate request today and asking for a compromise proposal. I would just like to say this further word to the Council. The rate structure that is before us today has been reviewed by the City consultants who were employed by the City. At their review, they did recommend that a raise was needed in the rates. They made certain suggestions that brought the rate structure down just a bit from what had been recommended. The proposal was then further reviewed by the City staff who made an additional reduction. But the telephone company has accepted this figure. Rate making as I understand it, I am not an expert, all I know is that I know enough to know it's very, very complicated. I think it is doubtful that the Council itself is able to really get into any depth the rate making process but we can certainly participate in understanding the philosophy as it is presented to us. If we are asking for a new rate structure this is again a process that is going to be quite time consuming. It is then going to be subject to additional staff review. The work of our consultants would no longer apply. I am just bringing these factors to the Council for your consideration.

MR. HARTMAN: I just do have a question with regard to that now. Recognizing the alternatives that Mr. Reed has proposed here with the - in other words, how are we dealing with this? Are we dealing this as incorporation of what the proposed ordinance says here albeit to be changed with the shift or.....?

MAYOR COCKRELL: The motion is to deny the rate request today as it is presented and to encourage the phone company to come back to us with a compromise proposal. Yes, Mr. Reed has stated that if he does this he will feel from the point of view representing the phone company if he would have to come in to the higher figure.

CITY MANAGER SAM GRANATA: Mayor, please, and if assuming this motion passes, may I assume that I read you to say that we can study the new compromise proposal of the phone company with the in-house staff and not go to the consultant any more?

MAYOR COCKRELL: All right.

DR. NIELSEN: It would only depend on, I would think, both in terms of dollar amount that were re-requested, if you will, and the rate at which it were projected, it just gets too complicated.

CITY MANAGER GRANATA: If it gets too complicated because we just got 650 on the franchise tax and the consultants are up to 245 or 250 thousand dollars and that gets to be - we have a budget too like Mr. Reed.

MR. PYNDUS: Madam Mayor, that should be taken into consideration.

DR. NIELSEN: I would like to re-emphasize my statement. If we've got the sense of commitment to this community to in fact sit here even if it takes another hour to thrash this out, I think we're saving the taxpayers money by doing so. That's just my opinion on the matter. We're not going to accomplish that much by starting from ground zero again.

MR. RICHARD TENIENTE: Mrs. Cockrell, a question that I would like to ask is if this motion that is before us passes, I'd like to know if perhaps and I don't want to bring in a substitute motion at this time, but I'd like to propose something, another motion, and I'm wondering if that might be in order regarding the phone hike increase. A substitute... He pulled that one so fast I'd like to see if he has plan C with him. You know, I still feel that we can, as Ford has mentioned, that we can come in on some other things at this point. Not delay it another week, another month, we've got to face it at some time or another. And I recognize Phil's idea and his concerns and I want to address myself to what he's talking about because I know what he's talking - I know that he's concerned about the businessman and I'm concerned about the consumer and we're both kind of hitting the same ground. I'd like to just offer a - well, I don't want to offer a substitute motion because I don't have it prepared but I think we can talk on this subject.

MAYOR COCKRELL: All right. If the plan, if the motion passes, I would think then that the item is killed for today and then I would think that all you could do would be to offer a comment to Mr. Reed as to what direction you wanted the new rate structure to take. If the motion fails, then I would say that we can continue to discuss today any additional changes that you wish in the rate structure.

MR. HARTMAN: So you're saying in effect that if the motion fails, we would then be in a position to thrash out and finalize the proposal of Plan B which.....

MAYOR COCKRELL: If that is the desire - or any plan.....

MR. HARTMAN: Or any plan, I'm just saying plan B because it happens to be at hand. Mayor, would you have the City Clerk read the motion again.

CITY CLERK: The motion is to refuse the request of the telephone company today, refer it back to the telephone company for submission of a compromise proposal.

MAYOR COCKRELL: Clerk will call the roll.

ROLL CALL VOTE: AYES: Pyndus, Cisneros, Rohde; NAYS: Nielsen, Cockrell, Billa, Hartman, Teniente; ABSENT: Black.

CITY CLERK: Motion failed.

MAYOR COCKRELL: All right. The floor is open again to discussion of the pending rate proposal and any suggestions or motions that anyone would make.

MR. TENIENTE: Not at this point. I would like to, if I may, open again the discussion, Mrs. Cockrell, on the things he flew by at us real quickly and we'll start at it for just a few minutes. I'd like to, I know that he talked about \$7.85 for the one unit single party, plain unit, the whole thing. When I talked to you at one time, Jim, you talked and you used the term of every nickel in the private or residential type service versus the nickel in the business service, would you give me that information again because it was quite apparent that there's more residential than there is business and then I'll ask you a question.

MR. REED: Basically, and this is a rounded figure, it's 130 - here it is. For each nickel that a residential one party line is raised, the annual revenue effect is around \$140,000. It's \$139,482. Now, for each nickel a business is raised the annual revenue effect is \$23,559.

DR. NIELSEN: Incredible.

MR. TENIENTE: And that figure is what percentage do you have?

MR. REED: \$23,599 and in rate making you have to deal with what we call nickel equivalent because a nickel is not a nickel. It depends on where you put it. And so you can see right away it's about a 7 to 1 ratio. \$23,559 to \$139,482.

MR. TENIENTE: What percentage of this now if you can break it up as business versus residential in our - do you have that? Didn't you say something like about 17 percent. I have a question.

DR. NIELSEN: You mean of the \$5 million.

MR. TENIENTE: Of the money that you.....

CITY MANAGER GRANATA: You have to go real high percentage wise for the business and smaller for residential.

MR. TENIENTE: What percentage of your phone service is business versus percentage of residential?

MR. REED: I'm talking about a 7 to 1 ratio.

CITY MANAGER GRANATA: Is it 70 percent residential and 30 percent business?

MR. REED: Yes, that would be it roughly, yes.

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MR. TENIENTE: Okay, another question and I think Mr. Hartman asked this question but we didn't have an answer but I think perhaps we can say that of that residential rate that we're talking about even at \$7.20, we don't know how many, have no figures showing how many of those with all of the luxuries and extensions and the whole thing, how many of these homes have that basic, the extra goodies in there so that when you say that - my approach to this thing would be to leave the single unit, one line at \$7.20. You still don't know, you can't really tell how much harm that will do supposedly to your projections because we have no way of knowing how many of these people that still would insist on having their extensions and having their push buttons, their princesses, the whole thing. I still was looking for a plan C of some sort that would come up with.....

MR. CISNEROS: There isn't any plan C. I don't share the fear that this is a guinea pig situation. You have a fair idea when you are already increasing the installation fee now, you have an idea of what a few more dollars would be, you could trade if you will, a nickel on the monthly residential bill for a dollar on the installation fee.

MAYOR COCKRELL: Wait, just a moment, gentlemen. Mr. Cisneros has the floor and does that conclude your.....

MR. CISNEROS: No, no, may I ask one more question, that is the ratio isn't it, a nickel on monthly operating rate as opposed to a dollar on installation.

MR. REED: The revenue effects of a nickel on a residence one party line is almost identical to increasing the service connection charge on residents, one dollar.

DR. NIELSEN: ... \$140,000.

MR. REED: Annual revenue.

DR. NIELSEN: That depends on how many installations you have.

MR. REED: Based on past history.

MR. CISNEROS: Okay, my point is that there's some room there and as I say I don't share the fear that it gets us into the guinea pig situation and at least within limits up to an addition of ten dollars or fifteen dollars or something like that on to the installation rate, installation fee, and could reduce below the 85 cents, 15 nickels worth, or ten nickels worth, or whatever, but I think it's something we need to pursue because to me it's a fundamental question of equity and also there's some latitude there for play.

MAYOR COCKRELL: Mr. Reed, may I ask you this. In your installations in the downtown area particularly, do you happen to know just off the top of your head how many installations do you have for conventions that are in and out? A convention will be in for three or four days, a week and need a battery of phones or need some phones, what type of business rate do you use?

MR. REED: I don't know the number. I do know we wear off the connecting blocks on four different lines going into that Convention Center more than once a year just from the number of telephones going in and out of that. It's just fantastic.

MAYOR COCKRELL: The point I wanted to make is that one little aspect of this is any impact on our convention business and keeping competitive also on conventions.

MR. CISNEROS: I'm glad you asked him because he told me the other day, I don't have the numbers in front of me, and asked Mr. Reed what is being charged in other places now, installation fees and we're below. We're significantly below. So we could raise and still be competitive with what any convention could get in any other City.

MR. HARTMAN: Mrs. Cockrell, I think another point in that regard, I think that just to make a fourth tier, if you will, I think we could recognize that there is this kind of in and out phone installation. Again, we're talking flexibility here and relating it to what, you know, revenue for services received. I think in order to deter any sort of dampening down or discouragement of convention business, for example, I think this could be taken care of with this flexibility.

MR. CISNEROS: If I may to finish up with that same point.

MAYOR COCKRELL: All right.

MR. CISNEROS: Convention business is competitive. And if we're significantly below, then we have some latitude and I wish Mr. Reed, if you would, I don't know if you can address it off the top of your head, but you gave me some figures the other day on installation fees in other cities and in Houston, as I remember, it was something like \$40, or something like that.

MR. REED: Houston has its plan that's a \$25 and \$40 and what this is, yes, it is \$25 and \$40, and it too gets rather complex, but for handling the clerical processing and doing the installation work, you have a unit of \$12. I should say owing to the premise. If it requires inside work, there's an additional \$8 and there's \$5 work on each telephone. In other words, that's your \$25, your \$12, \$8 and \$5. Now, the reason it's that way is that if you just have a number change and it doesn't require a visit to the premise, you don't get billed the \$5, you get billed for \$20. You get a couple of telephones worked on, it \$30. It's not \$25. The results of that are still to be seen. I would bring in two points where we do, and I'm not disagreeing with Mr. Cisneros' point at all, I think at some point we do have to go to it. It's a question of knowingly going to it rather than unknowingly going to it. We do have two rates that the people in the less dense areas pay that others do not. One is the second tier differential that Mr. Hartman alluded to it at \$1.60 per month more than the central and first tier customers. The second is, and I don't know, was that map on base rate areas in the packet handed out? There's a map on base rate areas in the packet that Mr. Cisneros has and it's a map with a little shaded areas. It's a little shaded areas and the people who are outside a contiguous build up part of each exchange pay an additional 60 cents per quarter mile per month for residence one party service, an additional 40 cents per quarter mile per month for two party service. So if they're away from the contiguous built up areas, they are paying an additional charge.

MR. HARTMAN: Well, perhaps to clarify a point about tier, I didn't mean in terms, you know, tier in the sense we use the rate. I was talking in terms of level of charge. For example, if you're going to install a telephone in a new \$60,000 home, you don't plan to take it out, you don't anticipate taking it out in two weeks or two years versus the situation where you have a convention where you know you're just going to be there for a few days. Obviously, I think there would be an equity problem there with regard to charge. And I think any kind of an initial installation, it would appear to me, that looks for all intensive purposes would have every reason to be a "permanent" installation, would be a higher charge because that is establishing a phone rate rather than something which is to be used as an transitory thing. That's what I was saying with regard to tier.

MAYOR COCKRELL: Mr. Rohde.

MR. ROHDE: Councilman Pyndus, what did you have in mind for a businessman rate? What would you like to see? I'm just wondering if we couldn't possibly - my whole interest is not to raise any rate hikes. If we could stick with the \$7.20 and the present business thing, would this satisfy you?

MR. PYNDUS: I'd hate to be in a town with such a low per capita income trying to encourage business and have a telephone bill rate higher than the average. Of 17 metropolitan centers that you used in your example, I think that in one of your statements, Mr. Reed, you said that we want to encourage business and I don't think that encourages it. But the point I would like to get to a net bottom line figure and inasmuch as the first motion has not passed, I was wondering if everyone had their staff report, particularly exhibit five and I'd like to read the bottom line with that. This was Southwestern Bell's request of \$5,710,000. The staff, City staff, recommendation of \$5,080,792, those figures go over my head. Now we have just donated revenues of one per cent in the first ordinance which amounted to \$593,779. If we took staff report recommendation according to this report we have and it's still active because the motion is still on the floor and if we subtracted the one percent that we have bypassed for City revenue, we would get a figure of \$4,487,013. Now is the net figure that we would have if we would take the staff recommendation and also try to recover the one percent revenue. Now within that figure, Mr. Reed, this was the proposal I was hoping you could come forward with a compromise figure.

MR. WHITE: Mr. Pyndus, I realize that the staff report is misleading in that area. When we presented it to the previous Council, we pointed that out. The amount shown in the staff report does not include the one percent. It's simply because it's a pass through. In other words, we were permitting the telephone company to recover its exact cost so it is not in that \$5,080,000 figure that you just quoted.

MR. PYNDUS: No, sir, I'm aware of that. What I did do was go back to our proposal on another page and said we're going from two percent to three percent. We would realize the difference. Thank you.

MR. _____: Statement inaudible.

MR. PYNDUS: It's not a million. It's \$593,000.

MR. WHITE: That's right.

MAYOR COCKRELL: But that was included in the \$5 million.

MR. WHITE: It was not included in the \$5,080,000.

MR. PYNDUS: We had just passed an ordinance saying that we would keep the revenue at two percent. We had a choice of going to three percent as recommended by some of our people because other cities had the three percent.

MR. WHITE: Yes, sir.

MR. PYNDUS: So, in an attempt to compromise, we put through the ordinance that we would not take three percent of your revenues, we would take two percent. So, I feel that that one percent that we left on the table totals \$593,779.

MR. WHITE: Well, the point that I'm trying to make is that if that were included in there, that figure instead of \$5,080,000 would be \$5,600,000. Because that \$593,779 is not in that \$5,080,000 figure. It's not in there.

MR. PYNDUS: The \$5,080,000 figure, does that have a two or three percent?

MR. WHITE: At a two percent.

MR. PYNDUS: That's what I said. And we kept it.

MR. WHITE: That's right.

MR. PYNDUS: We had a choice of going to three. Now we didn't go to three percent. So, I'm trying to see what revenue the City has bypassed and we have just bypassed almost \$600,000 worth of tax revenue.

MR. WHITE: That's exactly right.

MR. PYNDUS: So if I would take this staff recommendation and recover the approximately \$600,000, you would have a net figure of \$4,487,000.

MR. WHITE: Right, but we compensated for that increase by reducing the installation charges. Remember we went back to \$15 and to \$25.

MR. PYNDUS: Fine, now what I'm trying to determine is what our net bottom line will be if we can make a decision so that - I would hate to leave here and settle for more than \$5 million.

MR. WHITE: That \$5,080,000 is the bottom line. That's without the two percent. I mean that's with the two percent. Not three.

MR. HARTMAN: The three percent gross receipts was not included in the original Bell proposal either. All we are talking about here is strictly pass through with regard to the proposal.

MR. WHITE: That's right. This thing came up in the past Council's deliberations and we added it. We thought it was fair and equitable to do so and it was not included in the bottom line figure. It was simply excluded because it was a recovery and a pass through.

DR. NIELSEN: I wanted to ask Mr. Reed, in light of particularly Mr. Hartman and Mr. Cisneros, have been driving at in terms of cost accounting, cost effectiveness, and subsidization or whatever, would you think there would be any particular discrimination or injustice in picking a part of the installation charge that we just dropped in lieu of the pass through and taking off five or ten cents or whatever it would amount to if we added two dollars more for - I hate to put you on the spot in terms of figuring but it's important to three Council people I can tell in terms of principle as much as anything....

MAYOR COCKRELL: If we used the \$18 and \$30 that we were talking about but instead of the City taking that redirecting that in a reduction in monthly charges.

MR. REED: I put a pencil to this as you voted on it. I wondered if this might come up. Of course.....

MAYOR COCKRELL: And I might say also I'm not sure that it should all come off the residential because we also have a business situation.

MR. REED: Now, in doing this, and plan B called for a \$7.85 residence one party, in doing that, as Mr. Cisneros says, the three dollars would equate to 15 cents. So, in other words, the \$3 service connection charge being \$18 rather than \$15, would cause the residence one party rate go down to \$7.70 rather than the \$7.85 previously mentioned. In other words, there would be a fifty cent increase there. Now by the same token, if you do this with business, and you take the \$5, the difference.....

DR. NIELSEN: Well, let's take \$3 here, unless you've already got it figured at \$5 - then go ahead.

MR. REED: The \$5 increase would offset 15 cents also in the business. So instead of \$23.50 it would be \$23.35. I'd like to put these rates into perspective because two cities were given me by the City staff and I think at your direction although I wasn't present as having median income similar to San Antonio and that I was to find out what the rates were in these cities and supply them the staff. The two cities were New Orleans and Birmingham, Alabama. Now, let me use these new rates and compare them to those two. Birmingham, Alabama, business one party \$27.00 per month, \$23.25 would be what we're talking about here. Birmingham residence one party - \$9.00 compared to \$7.70 here. Birmingham, Alabama's two party - \$7.20 compared to \$4.90, New Orleans, they're proud of their nickel coin but I'll show you who's paying for it. The business one party rate \$28.20; residence one party rate \$9.80; residence two party rate \$7.42. I just thought that had to be said to give us the framework of what operation with.....

MR. BILLA: Mayor, is that with some increase?

MAYOR COCKRELL: Mr. Billa.

MR. BILLA: I'm looking at a City record and it shows a different figure than the quoted.

MR. REED: I have a May 15 list that we've had other places have their increases also and they have.....

MAYOR COCKRELL: Dr. Nielsen.

DR. NIELSEN: Dallas, their new rates went into effect. Now they're paying more for business than we are.

MR. REED: \$23.90 is their business rate. \$8.20 is their residence rate and \$4.90. They left two party alone also.

MR. PYNDUS: It's just that we're not Dallas.

DR. NIELSEN: I know, but Dallas is.....

MAYOR COCKRELL: All right. Will you sum up the latest figures we were talking about there.

MR. REED: Residence one party - \$7.70.

MAYOR COCKRELL: And that's with an \$18.....

MR. REED: \$18 residence service connection charge.

MR. HARTMAN: That's flat?

MR. REED: That's flat, of course, residence one party - \$4.90. Business one party - \$23.35 with a \$30 service connection charge.

MAYOR COCKRELL: All right, now if on that last one - what is one cent again on the business, for example, if that was \$23.50, what.....

MR. REED: \$23.50 would have been a \$25 service charge.

MAYOR COCKRELL: That's \$25, so that's 15 cents there.

DR. NIELSEN: \$23.35 or \$23.30.

MR. REED: Yes, 35.

MR. HARTMAN: I was just wondering, Jim, going back again and I'm going to be hardheaded here with regards to installation fee, do you have any figures available here where you could sort of model it toward the Houston plan just to give us an idea of what we're talking about.

DR. NIELSEN: He said \$25 and \$40.

MR. HARTMAN: I'm sorry, \$25 for residential and that would be the \$25 for residential on a three tier and \$40.....

MR. REED: I should caution ou that revenue effect of this is less than what we're already talked about. In other words, if we put in \$25 and \$40, we wouldn't even on a three tier, we wouldn't even cover the cost that the standard \$15 and \$25 would cover.

MR. HARTMAN: Okay, so plan C is \$18 installation residence, \$7.70 single party, \$4.90 two party, \$30 installation for business and \$23.35 per month and then whatever.....

MR. REED: Miscellaneous business and the extensions and the trim lines and touchtone and that.

MR. HARTMAN: How about the unlisted number service?

MR. REED: That was part of the basic plan, it went from 55 cents to a dollar.

MAYOR COCKRELL: Mr. Reed, let me ask this. Now then with these changes just so that everybody would understand, it still means the same bottom line of \$5,080,792? - the staff recommendation.

MR. REED: Yes, the City staff recommendation.

MAYOR COCKRELL: Yes, okay. Are there any other questions?

MR. BILLA: Mayor Cockrell.

MAYOR COCKRELL: Yes.

MR. BILLA: It's not a question, I'm ready to make a motion.

MAYOR COCKRELL: All right, sir.

MR. BILLA: I believe that we've reviewed this thing and we've postponed it, the previous Council postponed it, the experts, the telephone company says they're entitled to a rate increase, the consultants that we have hired said they are entitled to a rate increase, our own staff says they're entitled to a rate increase. We've waived one percent additional franchise which actually would be a pass through in the interest of our citizens, so I think in reviewing this, I move that we grant them a rate increase of 50 percent of what they're asking for and they with their expertise in selling these different gadgets that they have touchtone, princess phone, extensions and so forth and that they take the realistic approach to the installation charge to realize some of the revenues and I move that we grant them an increase of 50 percent of what they have requested themselves.

MR. ROHDE: Would you round that off in money?

MAYOR COCKRELL: What specific amount are you talking about?

MR. BILLA: Well, it would be 50 percent of the amount they are requesting themselves. It would be \$2 million something.

DR. NIELSEN: Did we get a second on that?

MR. PYNDUS: I second it.

MAYOR COCKRELL: All right. It has been moved and seconded. Clerk will call the roll. Is there any further discussion?

MR. TENIENTE: I'd like to ask again. What is the status? I still don't like the motion but I think that we can't postpone this thing again. We're going to have to ask Mrs. Cockrell again to explain..... because I have a motion now.

MAYOR COCKRELL: Could just an indication of an amount of - if this would be an indication that it should pass on the bottom line. It is not an adoption of the rate schedule because there isn't one before us. It would be, in effect, an adoption of the bottom line and then we would have to have a rate schedule drawn up based on this bottom line.

MR. TENIENTE: Who would draw this schedule, Mayor, and would it really be, in effect, a rate hike. These are two material questions and they mean lots of... would it be a rate hike?

MAYOR COCKRELL: Well, it would have to be an increase in revenues from the rate payers in one form or another.

MR. TENIENTE: My question, Mrs. Cockrell, is at this point I wouldn't know again what I tried to point out and that is the rate of the single unit single line, single party line, what that would cost, is the reason I can't support this kind of a motion. I would offer a substitute motion.

MAYOR COCKRELL: All right, what is your substitute motion?

MR. TENIENTE: Okay, let me think it out.

DR. NIELSEN: Now, you're going to have to move.....

MR. TENIENTE: I would move, and again recognizing basically using the same words that Mr. Billa that the staff has seen fit to recommend a raise in the request that the phone company has asked for and our consultants have done likewise and the fact that the economy is such that we recognize the need for an increase in the phone company's request here for a little more money that I recognize this and I would move that we grant them the hike provided that they adopt the plan presented basically by Mr. Reed, with one alteration and that is that the single line, single unit, the one party line remain as closely to \$7.20 as possible with the change, the small change here and we're talking about maybe one million and four that would be created if we brought it back to \$7.20, but I would yield to half of what he is talked about at \$7.70 or maybe add a quarter to \$7.20 which would mean that we would be talking about \$700,000. That would be just coming off the top of what they have initially asked for, so that we would not be giving them the five million, 5.1 million but deducting the difference of the money there that would make the difference if that is about correct.

MAYOR COCKRELL: All right, then let me just get the motion straight. The substitute motion is to approve a rate increase with a residential charge of \$7.50, would that be.....

MR. TENIENTE: No, it would be \$7.45, I believe.

MAYOR COCKRELL: Would the residential fee of \$7.45, the business rate.

MR. TENIENTE: The business rate would be basically what he has suggested.

MAYOR COCKRELL: In the rate request or in the alternate?

MR. TENIENTE: In the alternate, in Plan C. Then there would be a deficit but that would have to come off the original request.

MAYOR COCKRELL: All right, but first is there a second for this?

MR. HARTMAN: I'll second that motion.

MAYOR COCKRELL: All right, there is a motion and a second for the substitute. I would like to ask Mr. Reed so that we may know what we're talking about here. What in terms of the revenue what this would do to the total bottom line to have a \$7.45 bill. The only change would be in a basic residential rate of the \$7.45 instead of the \$7.75.

MR. TENIENTE: \$4.4 million.

MR. REED: That would cut out roughly \$700,000 out of it.

MAYOR COCKRELL: \$700,000 off the five million.

MR. TENIENTE: It's \$4.4, it's where it would be.

MAYOR COCKRELL: There is a motion on the floor, it's a motion to substitute, are there any questions about the motion to substitute?

DR. NIELSEN: I'd like to hear Mr. Reed's response as to..... It may be what will work but I'd like to hear what the.....

MAYOR COCKRELL: Do you have any comment at all at this point, Mr. Reed?

MR. REED: Well, I was just looking at another place to make this revenue up. When we look at budgets and spending money, that's what we look at. We feel that we have to maintain certain standards and I guess one thought I had if I didn't favor \$7.85, I sure don't favor \$7.45 but I'm trying to work with you, I wonder if that \$5 could be shifted to residence service connection charges. That way we can, you know, the revenue we get is really not money that the telephone company gets. It goes to our budget in plant and employees and things like this. I know we're in a restricted area. Everyone is, every business is. I just hate to restrict employment any more than we've already done.

MAYOR COCKRELL: Mr. Hartman.

MR. HARTMAN: I would like to propose that we could entertain that shift provided that there were discrimination or two rates with regard to connection charges.

MR. PYNDUS: With regards to what?

MR. HARTMAN: To the connection charge, in other words, to where it would be moving again toward the matter of having some discrimination with regard to connection charge.

MAYOR COCKRELL: What is the connection charge you were proposing, Mr. Reed? It would move up to \$23.00?

MR. REED: Yes, it would go to \$23.00 and \$30.00.

DR. NIELSEN: For further clarification, I'm not sure that he got.

MR. HARTMAN: For further clarification.....

MAYOR COCKRELL: Okay, let's go back to the maker of the motion. The maker of the motion to substitute made a particular motion. There are several alterations that have been suggested. For clarification, let's ask Mr. Teniente what he.....

MR. TENIENTE: All right. My main concern again is to keep the single unit, single party line as low as possible. So, that my motion was to pick up a quarter on that, five nickels and bring it up to \$7.45 with the difference that we had accepted here which you presented it at \$7.85 creating a deficit in the overall amount that you're asking of \$700,000. This is the way I presented it now.

MAYOR COCKRELL: And you're not proposing to.....

MR. TENIENTE: I'm not at this point. Now, someone can change it if they want. But, I don't, at this point, I'm.....

MAYOR COCKRELL: All right, the motion, we do need to move on. The motion to substitute is to make an overall \$700,000 reduction in the bottom line, that we will do this by reducing the proposed residential rate to \$7.45, that the other charges remain as in Plan C and this is the motion before the House. The Clerk will call the roll.

MR. BILLA: Madam Mayor, is that Bell's request or the staff?

MAYOR COCKRELL: No, this is Plan C, modified. The Clerk will call the roll. The motion if you vote Aye, you are moving to substitute Mr. Teniente's motion for the pending motion.

AYES: Hartman, Teniente, Nielsen, Cockrell,
NAYS: Pyndus, Billa, Cisneros, Rohde
ABSENT: Black.

CLERK: The motion failed.

MAYOR COCKRELL: All right, the motion failed. The motion now on the floor is the motion that was made by Mr. Pyndus, no, Mr. Billa excuse me, thank you. Your motion is to adopt a bottom line as a guide which is one half the original request. I see, and then we would request a rate structure based on this bottom line.

MR. ROHDE: Could I ask something on that, Mayor, that you also put in there that this will not increase any rate hikes on the present rates the phone being used by the user other from the extra charges.

MR. BILLA: Well, I looked at, Mr. Rohde, and fifty percent of the difference is just a few cents, and I think that it would be a good compromise. I've tried to analyze it and listened to all this stuff, and I think we've got to move on.

MR. PYNDUS: I second the motion again.

MAYOR COCKRELL: The Clerk will call the roll on Mr. Billa's motion.

AYES: Pyndus, Billa.

NAYS: Cisneros, Hartman, Rohde, Teniente, Nielsen, Cockrell

ABSENT: Black.

MAYOR COCKRELL: Motion fails. We are now open for other motions.

DR. NIELSEN: I would like to find out specifically what the problem was in the case of both Mr. Billa and.....no, no, no, in the particular Plan B or Plan Sub 1.

MR. PYNDUS: All right, I can tell you.

MAYOR COCKRELL: All right, if the group will concur, Chair recommends a 15 minute recess.

* * * *

(The meeting recessed for fifteen minutes)

MR. HARTMAN: I move that a rate increase be granted having a bottom line of \$5,020,000 and that we reconsider the three percent franchise.

MAYOR COCKRELL: Just to restate it so that everyone understands. We're talking about the same bottom line for the telephone company.

MR. HARTMAN: Right, \$5.02 million.

MAYOR COCKRELL: You're also talking about building in the extra one percent for the City and therefore your rate structure is \$23.35 on the commercial business with a \$35.00 installation charge, a 4.92 party rate, \$7.35 a one party rate with a \$23.00 or what?

MR. HARTMAN: \$23.00

MAYOR COCKRELL: A \$23.00 installation charge. All right, this is the motion that has been moved and seconded, and is now the pending motion.

DR. NIELSEN: Who seconded it?

MR. TENIENTE: I did.

MAYOR COCKRELL: All right, is there discussion on the motion? The Clerk will call the roll.

AYES: Billa, Cisneros, Hartman, Teniente, Nielsen, Cockrell.

NAYS: Pyndus, Rohde

ABSENT: Black.

CLERK: The motion carried.

MAYOR COCKRELL: The motion has carried, and this will now mean that we will have to change the action that we previously took on Item No. X. Will someone who voted with the prevailing side, move reconsideration.

DR. NIELSEN: Madam Mayor, I move reconsideration.

MR. PYNDUS: I second it.

MAYOR COCKRELL: Dr. Nielsen, I don't believe you voted with the prevailing side.

MR. PYNDUS: I would move to withdraw the motion and to resubmit the motion asking for a three percent.

MAYOR COCKRELL: All right, we have a motion for reconsideration of Roman Numeral X. Those in favor say Aye.

AYES: Pyndus, Billa, Cisneros, Hartman, Rohde, Teniente Nielsen, Cockrell.

NAYS: None

ABSENT: Black

* * * *

After consideration, on motion of Dr. Nielsen, seconded by Mr. Teniente, adoption of the following Ordinance was passed and approved by the following roll call vote: AYES: Billa, Cisneros, Hartman, Teniente, Nielsen, Cockrell; NAYS: Pyndus, Rohde; ABSENT: Black.

AN ORDINANCE 45,291

WHEREBY THE CITY OF SAN ANTONIO, TEXAS AND THE SOUTHWESTERN BELL TELEPHONE COMPANY AGREE THAT THE TELEPHONE COMPANY SHALL CONTINUE TO ERECT AND MAINTAIN ITS POLES, WIRES, ANCHORS, CABLES, MANHOLES, CONDUITS, AND OTHER PLANT CONSTRUCTION AND APPURTENANCES ALONG, ACROSS, ON, OVER, THROUGH, ABOVE AND UNDER ALL PUBLIC STREETS, AVENUES, ALLEYS, PUBLIC GROUNDS AND PLACES IN SAID CITY, UNDER REGULATIONS AND RESTRICTIONS AND THAT THE CITY SHALL RECEIVE AN ANNUAL PAYMENT AND THE RIGHT TO USE CERTAIN FACILITIES OF THE TELEPHONE COMPANY.

* * * *

The Clerk read the following Ordinance:

AN ORDINANCE 45,292

PRESCRIBING RULES AND REGULATIONS UNDER WHICH TELEPHONE SERVICE SHALL BE FURNISHED AND THE BASIS FOR DETERMINATION OF RATES AND COMPENSATION TO BE CHARGED.

* * * *

MR. CARL WHITE: This Ordinance is an attempt on our part to establish some basic ground rules and procedures that we will use in the future to review rate increases of the telephone system and we intend to use something like this with all of the other utilities. Now, the wording of this particular ordinance we put in your packet two or three weeks ago. A rough draft of an ordinance that was proposed we have since revised some of the wording of that ordinance, and I'll briefly go over this in summary form, and if you'd like we'll go over it line by line. But, basically, there's been three major changes in the thing that was put in your packet two weeks ago.

We had in the original that the telephone company would pay for the cost of the rate consultants, the cost of conducting the study. The telephone company objected to this, and we felt after discussion with them that it was setting a bad precedent. Included in the three percent fee that was today, that was passed today, was a provision that part of that be allocated to any cost of that nature. That's one of the changes that was made.

The second change was in the ex parte contracts with the City Councilmen. There was a provision there that denied or put some constraints on the telephone personnel with regard to contacts with the City Council after they filed the rate increase. It did not affect the Councilmen contacting the telephone company, but it was a one way kind of a type thing, and it was felt that this would impinge upon their constitutional rights, and so forth and this might be illegal. So this was deleted.

The third change had to do with the time limitation. It stated in the first one that after 90 days if there had been no action on a rate request that it automatically went into effect under bond, now, this ordinance states that we have 180 days. In other words, what we've done is just lengthen that time frame. After thinking about it and spending more time on it we felt that 90 days was just too short. We needed at least six months, and the way it would work now is after the telephone company files for rate increases, if there's no action taken after six months, then it would automatically go into effect under bond, and they would have to refund with interest anything that was denied, you know if the rate would finally pass at some later date.

Those three changes have been made in the original document that was furnished you. There's been other changes, but they've been basically just in the verpage - just in the changing of a word from shall to may, or you know, minor changes, but I'll go over it with you line by line if you'd like. I'm prepared to do so.

MAYOR COCKRELL: All right, is there anyone who wants them to do that.

DR. NIELSEN: There are copies available. I saw one this morning of the revised.....

MR. WHITE: Oh yes, Garland, has put one in front of each one of you. I realize, really, you don't have time to look at it in detail.

DR. NIELSEN: Well, just let me say, Carl, I can't speak for the telephone company, I can only speak for myself or the Council, I think this is a good step forward.

MR. WHITE: We think it's needed, very necessary, very needed. A step in the right direction.

MAYOR COCKRELL: All right, is there a motion for approval.

DR. NIELSEN: So move, Madam Mayor.

MR. TENIENTE: Second.

MAYOR COCKRELL: Call the roll.

AYES: Pyndus, Billa, Cisneros, Hartman, Rohde, Teniente, Nielsen, Cockrell

NAYS: None.

ABSENT: Black.

MAYOR COCKRELL: I do just want to say this word about this whole procedure on the telephone rate increase. I want to compliment all the members of the Council. I feel that everyone on this Council has devoted a great deal of thought, a great deal of time, study. Certainly there is no one who enjoys voting for rate increase for anything for their fellow citizens, but I know that each person has studied this very conscientiously and their vote reflected their honest feeling and concern. I do want to say that I think that the ordinance that was adopted and the changes that were made in it really reflected some direction from Council members. The increase in the connection charges was an approach toward recognizing where certain costs were found and there was a reflection in trying to keep the rate as low as possible and there is just a very small increase in the residential rate. I do feel that while the connection charges are higher than, certainly, in view of the fact that the cost were \$60 that this does approach recognition of that fact, and I certainly want to thank the Council. I think that each person has really taken this very seriously and has not entered into at all haphazardly and so I do appreciate the time that each one of you have put in on the issue.

MR. PYNDUS: May I say a word, Mayor Cockrell, I would like to direct it to telephone officials that are here. You certainly have been patient with a green Council, and I want you to know that each one of us tried to sincerely face this this thing and give you our honest conviction, and we appreciate your coming back and coming back and we hope that we can work together and I appreciate your cooperation.

MAYOR COCKRELL: Yes, Mr. Hartman.

MR. HARTMAN: Mrs. Cockrell, if I may just also add one comment. I think with regard to the matter of cost accounting applied to the installation of telephones is an absolute must and I hope the telephone company could work with all deliberate speed to get that effective because I think this is where - I think it's a matter of equity that has to be worked on.

MR. BILLA: Mayor, I.....

MAYOR COCKRELL: Yes?

MR. BILLA: Mr. Pyndus forgot to tell him he didn't want them to keep coming back.

MAYOR COCKRELL: All right, one other thing for the benefit of some of the Council members who may not know this, I don't remember when Mr. Reed came in this year but the phone company has always been very helpful to the City of San Antonio by paying their taxes early and this has been really very helpful and has meant that we have really not had to borrow as much money as we usually do and running behind and having cash flow so there are many ways in which the telephone company has tried to be very cooperative with the City and with the whole community.

MR. CISNEROS: Mrs. Cockrell, I'd like to give my personal thanks to Mr. Reed for his really very full cooperation. Even providing information. I'm sure he recognized it might not be used in the company's best interest, nevertheless, he did give it fully and willingly.

MAYOR COCKRELL: Fine, Dr. Nielsen?

DR. NIELSEN: Madam Mayor, not only should I thank the management of the telephone company, I also want to thank the workers of CWA. There's real team work situation going on in this town that I'm proud to see happening not only in terms of rate making but also in public service and particularly United Way where this sort of thing where management and labor both at the telephone company do a great deal of service for this town. They don't get much thanks for it, and probably are taken for granted, but I hope that some people are aware of that they've contributed to growth and naturation and development of San Antonio, and I personally want to thank both people.

MAYOR COCKRELL: Good. That's very appropriate, thank you.

75-27 The Clerk read the following Resolution:

A RESOLUTION
NO. 75-27-50

ENDORING THE SAN ANTONIO CONSERVATION
SOCIETY OFFER TO THE TEXAS PARKS &
WILDLIFE DEPARTMENT TO GIVE A DEED TO
THE STATE OF TEXAS TO THE NAVARRO HOUSE
AT 228 - 232 SOUTH LAREDO STREET.

* * * *

After consideration, on motion of Dr. Nielsen, seconded by Mr. Cisneros, the Resolution was passed and approved by the following vote: AYES: Pyndus, Billa, Cisneros, Hartman, Rohde, Teniente, Nielsen, Cockrell; NAYS: None; ABSENT: Black.

75-27 The following Ordinance was read by the Clerk and explained by Mr. Jack Perkins, Planner for the San Antonio Development Agency, and after consideration, on motion of Dr. Nielsen, seconded by Mr. Billa, was passed and approved by the following vote: AYES: Pyndus, Billa, Cisneros, Hartman, Teniente, Nielsen, Cockrell; NAYS: None; ABSENT: Black, Rohde.

May 22, 1975
nsr

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AN ORDINANCE 45,293

APPROVING AND ADOPTING MINOR AMENDMENT
NO ONE (1) MODIFYING THE URBAN RENEWAL
PLAN FOR KENWOOD NORTH PROJECT, TEX. R-
136 AND DIRECTING THAT SAID AMENDMENT BE
FILED AS PART OF THE URBAN RENEWAL PLAN
FOR KENWOOD NORTH PROJECT, TEX. R-136.

* * * *

75-27 The following Resolution was read by the Clerk and after consideration, on motion of Dr. Nielsen, seconded by Mr. Billa, was passed and approved by the following vote: AYES: Billa, Cisneros, Rohde, Teniente, Nielsen, Cockrell; NAYS: None; ABSENT: Black, Hartman; ABSTAIN: Pyndus.

A RESOLUTION
NO. 75-27-51

URGING THE GOVERNOR AND ELECTED
STATE OFFICIALS TO SUPPORT HOUSE
BILL NO. 1478.

* * * *

75-27 The following Resolution was read by the Clerk and after consideration, on motion of Mr. Pyndus, seconded by Dr. Nielsen, was passed and approved by the following vote: AYES: Pyndus, Billa, Cisneros, Teniente, Nielsen, Cockrell; NAYS: None; ABSENT: Black, Hartman, Rohde.

A RESOLUTION
NO. 75-27-52

URGING THE DEPARTMENT OF LABOR TO
COMPLETE THE WAGE STUDY PREVIOUSLY
REQUESTED BY THE CITY COUNCIL WITHIN
30 DAYS.

* * * *

75-27 The Clerk read the following letter:

May 16, 1975

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

Madam and Gentlemen:

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

May 22, 1975
nsr

May 12, 1975

Petition of Mr. Michael T. Evans, 108 Bryn Mawr, requesting permission to erect a decorative fence approximately 18 inches in height and 50 feet in length on City property in front of his home.

May 13, 1975

Petition submitted by the Honorable Max R. Wommack, County Judge of Comal County, New Braunfels, Texas, requesting the City of San Antonio to release the townsite of Bracken to the extra-territorial jurisdiction of Garden Ridge, Texas for the purpose of preserving their volunteer fire department.

May 14, 1975

Petition submitted by Mrs. Elvia T. Perez, 203 Monticello Court, requesting permission to erect an eight (8) foot fence made of cedar adjacent to their neighbor's four (4) foot fence.

May 15, 1975

Petition submitted by Mrs. Ethel Harrell, 1425 North Center, and signed by other citizens, requesting street lights be installed in the 1400 Block of Center Street between Polaris Street and Gevers Street.

/s/ J. H. INSELMANN
City Clerk

* * * *

There being no further business to come before the Council, the meeting adjourned at 4:35 P. M.

A P P R O V E D

Lila Cockell

M A Y O R

ATTEST:

J. H. Inselmann
C i t y C l e r k

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May 22, 1975

nsr

