

REGULAR MEETING OF THE CITY COUNCIL
OF THE CITY OF SAN ANTONIO HELD IN
THE COUNCIL CHAMBER, CITY HALL, ON
THURSDAY, MAY 2, 1974.

* * * *

The meeting was called to order at 8:30 A. M., by the presiding officer, Mayor Charles L. Becker, with the following members present: COCKRELL, SAN MARTIN, BECKER, BLACK, LACY, MORTON, BECKMANN, PADILLA, MENDOZA; Absent: NONE.

74-19 The invocation was given by The Reverend Herman Dannhaus, Trinity Lutheran Church.

74-19 Members of the City Council and the audience joined in the Pledge of Allegiance to the flag of the United States of America.

74-19 The minutes of the meeting of April 25, 1974, were approved.

74-19 DWI OFFENSES

Mayor Becker called to the attention of the City Council a report from Mr. George Bichsel, Traffic Safety Coordinator, dated April 30, 1974, dealing with the problems of drunken drivers. This report had been prepared following a discussion last week during the Council meeting. (A copy of Mr. Bichsel's report is included with the papers of this meeting.)

Mayor Becker stated that the report gives statistics relating to the problem and reviews some of the measures being taken to reduce the incidence of DWI. It then makes certain recommendations for more effective enforcement.

Mayor Becker expressed deep concern over the way this problem is being enforced. He asked that copies of Mr. Bichsel's report be made available to the news media.

74-19 REPORT OF THE CHARTER REVISION COMMITTEE

Mr. Larry Travis, Chairman of the Charter Revision Committee, distributed prepared copies of the final report of the Committee. (A copy of the prepared report is included with the papers of this meeting.) Additional research material will be made available at a later date.

In summary, the Committee recommended that:

1. Salaries of Councilmen be increased from \$1,040 per year to \$6,400 per year maximum. This would be at the rate of \$50 per meeting plus \$200 per month.

May 2, 1974
nsr

2. The number of Council members be increased from 9 to 11 and providing that 7 be elected from single member districts, 3 elected at-large and the Mayor elected at-large.

The Committee also recommended the mechanics for drawing district lines.

3. The current requirement for competitive bids on all items exceeding \$1,000 be increased to \$5,000.

The above were called Class "A" recommendations needing immediate attention. The report also includes Class "B" recommendations of lesser urgency.

Mr. Travis described the procedures followed by the Committee. He said that 17 meetings had been held. He expressed appreciation to various members of the Committee for their special efforts and to the City Clerk and members of the City staff for their assistance and cooperation.

Members of the Council expressed their appreciation to Mr. Travis and his Committee for their work.

Mr. Morton asked that the legal staff furnish the Council with a time table for having an election in September.

Mr. Travis stated that he had prepared a tentative time table which would give the Council about a month of study before calling an election.

City Manager Granata stated that a time table will be prepared and included in next week's packet.

74-19

SOUTHWESTERN BELL TELEPHONE COMPANY

Mr. Jim Reed, Division Manager of the Southwestern Bell Telephone Company, appeared before the Council to tender his company's check in the amount of \$1,230,874.21 in payment of its 1973-74 ad valorem taxes.

Mayor Becker accepted the check from Mr. Reed and thanked him on behalf of the City for the early payment of same.

74-19

STATUS REPORT ON CITY PROJECTS

Mayor Becker called attention to an editorial which appeared in the San Antonio Express on April 24, 1974, which criticized the City Council and other agencies for lack of progress on such projects as HemisFair Plaza, Alamo Plaza, Cibolo Dam, Mission Parkway, and the River Corridor projects. He presented a report prepared by the Department of Planning and Community Development which described the current status of each of the projects which were criticized. Mayor Becker described the editorial as being unfair, inaccurate and irresponsible. He also stated that he wished that persons would seek out the available information on these projects before criticizing them. Copies of the report were distributed to other Council members as well as the news media representatives.

May 2, 1974
nsr

Mr. Morton stated that in the case of HemisFair Plaza and Alamo Plaza the fact that the City already owns the land at HemisFair it has taken a priority over Alamo Plaza. The Alamo Plaza Plan is alive, but more emphasis is placed elsewhere at the present time. The Council will soon be receiving a final report on the HemisFair Plaza very soon.

Mrs. Cockrell stated that the Cibolo Reservoir Project will be considered by the City Water Board at its May meeting. She expressed her pleasure that the time limit on this project has been reset to the middle of June by the Congress. This will give additional time for the Board to gather additional information which it feels that it needs.

Rev. Black stated that instead of just one project, this Council is pursuing several projects at one time. He said that perhaps a schedule of decision making could be worked out on these projects. The staff could prepare such a schedule and issue the information to the press.

Mayor Becker asked the City Manager to arrange to have the Public Information Office to assist in dissemination of this information.

74-19

CPSB \$85,000,000 REVENUE BONDS ISSUE

The Clerk read the following Ordinance:

AN ORDINANCE 43,718

DIRECTING THE GIVING OF NOTICE OF THE INTENTION OF THE COUNCIL OF THE CITY OF SAN ANTONIO TO PROVIDE FOR THE EXTENSION AND IMPROVEMENT OF THE ELECTRIC AND GAS SYSTEMS OF THE CITY AND TO ISSUE REVENUE IMPROVEMENT BONDS TO PAY THE COST THEREOF. (\$85,000,000 SAN ANTONIO ELECTRIC AND GAS SYSTEMS REVENUE IMPROVEMENT BONDS, SERIES 1974.)

* * * *

MR. TOM DEELY: Mr. Mayor and Members of the Council, we from time to time have given you information about the requirements for this bond issue. The latest information that was given you was on April 24, in which we outlined some of the facts concerning this. As you are aware, your consulting firm of O'Brien and Gere recommended this issue after looking at the requirements. We presently have outstanding debts of materials that's been ordered of \$95 million which points up some of the requirements for this. Our financial consultant, Mr. Sam Maclin, has prepared information which will go out with the prospectus showing that there are requirements over the next three years for construction - \$159 million for 74-75; \$172 million for 75-76 and \$166 million for 76-77. This pro forma statement also shows that our

May 2, 1974
nsr

funds in the year 1975-76 will be reduced to \$2 million which, of course, points up the need for this issue. I believe you were also furnished a letter from Ebasco Services which states that they have reviewed this need, the construction requirements, and they also recommend this bond issue. I'll be glad to answer any questions. We also have here with us. Mr. Harold Freeman, our Comptroller, Mr. Lee Fuller, our Attorney, and Mr. Maclin, our financial consultant. Mr. Berg would appear today. However, he is ill and at home.

MAYOR BECKER: Tom, I'm going to ask you to repeat those figures again, if you will, I think I have them correctly - \$159 million for 74-75?

MR. DEELY: Let me put on my specs, Mayor. Right.

MAYOR BECKER: \$172 for 75-76 and \$166 for 76-77, is it?

MR. DEELY: Yes, sir. Those are the funds available for construction and the amount required for the construction are \$101 million for 74-75, \$160 million for 75-76 and \$122 million for 76-77. Those are rounded to the millions of dollars.

MAYOR BECKER: You know, in our discussions over there at the City Public Service Board meetings I think there's been certain emphasis placed on including only those items in the capital spending program that are absolutely essential, not things we'd like to have or things we'd like to see done, but things that are absolutely essential and mandatory that are necessary, and must be done. All the Christmas list sort of items, if there were any, have been absolutely eliminated from that capital spending program, have they not?

MR. DEELY: That is correct.

MAYOR BECKER: And you're down to bed rock on this thing? You can substantiate and represent to the public that this \$159, \$172 and \$166 are dire necessity items?

MR. DEELY: That is correct.

MAYOR BECKER: All right. Does anybody have any questions on the Council?

DR. JOSE SAN MARTIN: Yes, Mr. Mayor, I'd just like for the benefit of the Council and the citizens in general, Tom, that you give this Council assurance that you're moving in the direction in which you have to move. We keep hearing commentaries that sometimes you sell the bonds which must be sold at the right time, of course, and the money held for when you need it. Then you keep hearing that the money is on deposit and earning a little less interest than you're paying on the bonds and that, therefore, you weren't really ready to do what you said you just had to do. Sometimes there is a delay in supply of materials and equipment and - how close can you keep to the schedule so that these projects really move, that you do everything that you say you have to do that you need to do? That's the thing that worries me is that sometimes we don't seem to, even if we have the money, we don't seem to be able to stay with what we said we were going to do.

MAYOR BECKER: Can I help answer that in part, Doctor?

DR. SAN MARTIN: Yes, sir.

MAYOR BECKER: I don't know what's happening in the nation today, but whatever you try to order, you can't get it, whether it's a keg of nails or cedar shake shingles, or plumbing fixtures or whatever. I just can't answer it, but I've never seen the situation like we're faced with today in any type of equipment. We ordered some diesel tractors for our company and some trailers. It took us a year to get delivery of the diesel tractors - a whole year. You know you think that's an item that these tractors are turned out regularly. It's this way with everything and particularly with the type of equipment that the City Public Service Company is involved in, a highly technical, tremendously large, concentrated installations that they have. All that stuff is made on order only, you might say. I don't think that anybody inventories steam turbines and stuff like that that are of the magnitude that these things are, you know. I think this is part of the problem plus the fact it's even compounded with all ready scarcity of such items as stainless steel and all these alloys and whatnot that are required in the metalurgy that goes up to make up some of this highly complicated equipment. The Atomic Energy Plant for one thing - those things costs are escalating on them because the raw materials that are used in the construction of them are just absolutely accelerating at an astronomical rate. I don't mean to preempt Mr. Deely, but I'm just.....Dr. San Martin asked you a question, perhaps you care to comment on it.

MR. DEELY: Doctor, I believe one statement that you made, if I heard it correctly was that the interest that we got was less than the amount.....

DR. SAN MARTIN: If it was less than the interest?

MR. DEELY: No, the interest is more than the interest we're paying on the money that's on deposit. That's been the record all along, and I presume it will continue into the future.

DR. SAN MARTIN: Well, let me clarify this, Mr. Deely, I believe that there was a television report right now by one of your staff people where it wasn't made clear that the money was on deposit, I don't remember what the deal was and that they were earning interest. It never was made clear that the interest was higher than the rates you're paying for the bonds.

MR. DEELY: Well, I can assure you that it is.

DR. SAN MARTIN: It is. I don't believe that your staff member, and I forget who it was, maybe you know who it was that gave that television interview.

MR. DEELY: I'm sorry. I didn't see that.

DR. SAN MARTIN: It created the impression that we're selling the bonds before we actually need the, and the best we can do is try to get a little money back on the time deposit but less than we are paying. At least that was the impression that was given.

MR. DEELY: I'm sorry that that was the impression that was given.

DR. SAN MARTIN: I would suggest that your staff, before they give any interviews, be sure that they have the facts so that the citizens don't get the impression that we are selling these bonds ahead of time and then losing a differential there in the interest rate.

May 2, 1974
nsr

MR. DEELY: No, we are making money on the bond money that is deposited.

MAYOR BECKER: All right. Are there any other questions? All right, Tom, you might care to sit there in the front row. We have several citizens here signed up to be heard and this, I think, would be the proper time to hear them.

MRS. COCKRELL: Mr. Mayor, before we do may I just be sure that we all understand one thing, and I should have asked Mr. Deely, the way I understand it, the Council could pass on this intent to sell the bonds and then as we review the considerations for the rate hearing on which it is dependent. If we, for any reason, in those rate hearing proceedings decided not to go we would not have to carry through on the sale of the bonds. So, in other words, it is just getting the process started, but it is not making the final decision today about the rates and all of that.

MAYOR BECKER: A letter of intent in the world I've always dealt in is not what you call a binding instrument. Now, I don't know what Mr. Reeder would care to say about that or what Mr. Deely or the legal counsel for the Public Service Board would care to comment on that. Generally speaking, a letter of intent is exactly what it says - a letter of intent. It in itself is not a binding instrument. It usually has a commencement date and an expiration date.

MRS. COCKRELL: But, it would be dependent, of course, in order to be carried out on an adjusted rate structure - so I just wanted to be sure that we are not really getting the cart before the horse - that we still have time to say no go at a later time.

MR. PADILLA: Mr. Mayor, I wanted to discuss this....

MAYOR BECKER: Would you care to comment on exactly what your interpretation of the notice of intent is to be?

DR. SAN MARTIN: Notice of intention to issue revenue improvement bonds.

CITY ATTORNEY CRAWFORD REEDER: Well, this is merely a statutory requirement. I mean, they're doing it because the statutes say so.

MAYOR BECKER: But, it does not bind the action, does it?

CITY ATTORNEY REEDER: No, you don't have to follow through, that's right. You're not stuck with these bonds if you pass this thing this morning.

CITY MANAGER GRANATA: You could always reject bids, or I think even extend the bid opening time. We're not sure of that, but I know you can reject bids at the time.

MR. PADILLA: Mr. Mayor. I have a question, perhaps a short series of questions. I think that are related to that last question you asked about the letter of intent. As you will recall, several months ago and all throughout the time I've been on the Council, I've been kind of hammering on the lack of responsiveness of City Public Service. The present board, to me, at least, seems to be slightly more responsive than some of the other Boards we've had. Last year sometime I asked Mr. Reeder by memo if any future bonds could be issued not incorporating the proviso that the City Public Service Board be self-perpetuating.

At that time, I think, he answered in the affirmative. I would like to ask him this morning if that is still his opinion, and, two, is the action this morning, if we take action to approve this, does that, in effect, put these new proposed bonds into the exact same situation as previous bond sales have been or can we still come back and study and perhaps incorporate the provision that these new bonds will not be sold incorporating, the self-perpetuating board theme or principle.

CITY ATTORNEY REEDER: Well, I'm not entirely sure I understood your first question, Mr. Padilla, but will you run that by me again. The second one I understand, but I understand the second question, but the first one I didn't understand. You said I answered something in the affirmative, what was that?

MR. PADILLA: I think last year, in effect, when I say I think I mean in a very positive sense I did ask you and you did reply by memorandum. I asked you if all future, or if future sales of CPS bonds had to be under the same conditions of sale as previous bond sales had been or could we sell new bonds deleting the self-perpetuating board principle?

CITY ATTORNEY REEDER: Well, now this - okay, you - you're going to whatever I said then, I'm sure that this is correct, any bonds that you sell are sold under the trust indenture. Now, if you don't want to sell perpetuating provision in there, you're going to have to get that changed or bonds that are issued under that indenture are going to be issued subject to that self-perpetuating provision because that's the thing that secures the bonds. I mean it's part of the trust indenture. Now, that may not be consistent with what I told you before, maybe I didn't understand what I told you before, but you couldn't issue bonds now with that self-perpetuating provision in the indenture securing the bonds and then after you've issued the bonds, then delete the self-perpetuating provision.

MR. PADILLA: I understand that we can't sell the bonds with that provision applying but can we sell new bond issues deleting that provision? In other words, settle the issue without guarantee that the board will be self-perpetuating.

CITY ATTORNEY REEDER: But you can sell these bonds under a new indenture - under a different indenture, I think.

MR. PADILLA: Let us say that this Council and succeeding Councils were to choose to sell all the bonds without the self-perpetuating clause in there, then at some point in time, the only outstanding bonds would all be bonds that do not incorporate the self-perpetuating principle and then the City Council could name board members.

CITY ATTORNEY REEDER: All right. The bonds themselves, as best I can recall, don't have the self-perpetuating provision. It is in the indenture that secures payment of the bonds. The bonds that are issued are subject to that. Now, I think what you're asking is, could we issue, say, these bonds that the notice of intention.....

MR. PADILLA: Under a new type of contract.

CITY ATTORNEY REEDER: And then, say, renegotiate - sell them under a different trust indenture than the one presently outstanding, than the one that presently exists, is that what you're asking me?

MR. PADILLA: Yes, essentially, because people who are present bond

bought the bonds with the understanding that among other things the Board is self-perpetuating. All right. Anybody that buys these new bonds, if they buy them without that guarantee that the Board is self-perpetuating knows what they're buying. They know what the deal is. At some point in time, if we've paid off all the old bonds and all of the bonds from this point on, I do not guarantee a self-perpetuating Board and these people have no argument with us.

CITY ATTORNEY REEDER: That's right. Now, I would agree with your last statement that you made there. Whenever I start getting into this Public Service Board matter, bonds, rates and things like that, it confuses me because I don't have - well, I'm just not a good economist is the trouble. I'm not very bright in this field and Mr. Lee Fuller is here. I believe he's from the Public Service Board. Lee, you want to come up here and say a few words?

MR. LEE FULLER: Yes, I think I can answer your question, if I may, Mr. Padilla, and the other questions that members of the Council may have. All of the bonds that the City of San Antonio has issued.....

MAYOR BECKER: Mr. Fuller, may I interrupt you, sir. I don't think they can hear you in the back of the audience there. Could you speak a little louder please?

MR. FULLER: All right. All of the bonds that the City of San Antonio has issued for the improvement and extension of the electric and gas systems have been issued under a basic indenture - an indenture entered into between the City and Harris Trust and Savings Bank as trustee for the bondholders in 1951. That indenture contains the so-called self-perpetuating provision to which you refer, Mr. Padilla. It is my opinion that in order to issue bonds of this series that we're contemplating, or subsequent series, that that indenture of 1951 would have to be first amended and that that would take a consent of 75 percent of the aggregate amount of principal of the bonds now outstanding, of the holders of those particular bonds to consent to that.

MR. PADILLA: I'm not an attorney but.....

CITY ATTORNEY REEDER: Let me - excuse me, Mr. Padilla, out of respect, I don't want to interrupt you, but I want to keep from getting confused here. What you're saying is that we've already got a bunch of outstanding bonds, Lee, and they are secured by this indenture, and we can't put more indebtedness against the plan and equipment that that indenture is against or the mortgage is against under different terms...and those bond holders.

MR. FULLER: That's correct.

CITY ATTORNEY REEDER: Well, that's what I thought. But, you said it better than I have. Okay, go ahead.

MR. PADILLA: All right. I can see that point, but on the other hand, I think there's a valid point to be made that as long as we maintain the financial integrity and the degree of responsibility that it takes to guarantee the monies owed present bondholders who do have the guarantee of the self-perpetuating board, any new bonds can be issued or it seems to me they should be issued legally or could be issued legally under a new set of rules. Now, we would not tamper or alter the rules under which we sold bonds that are already - that have already been sold - money that is already owed the people. Now, those people would be protected by the rules as they were at the time they invested their money. However, any subsequent issues from this point on if issued under new rules or an amended indenture or what have you, with full provision for guaranteeing the debt to those who we have a

debt to already, anyone buying bonds under the new setup would know that they don't have the self-perpetuating board guarantee from this point on.

MR. FULLER: I think the important point to remember here is that in order to change the rules, Mr. Padilla, we have to change the 1951 indenture and the only way we can change the 1951 indenture is to have it be amended in accordance with its terms, namely, the consent of the owners and holders of 75 percent of the outstanding bonds. That, in my opinion, is the only way that we can change the rules because the rule is set by the 1951 indenture. Part of that rule.....

MR. PADILLA: It's also the part I want to change.

MR. FULLER: Yes, well, except for the amendment or the refunding of all of the outstanding bonds, which, of course, would be quite a task and many of the outstanding bonds are out at a much lower interest rates than we could ever hope for today.

MR. PADILLA: I think we're locked into a situation that was done quite on purpose.

MR. FULLER: Well, I can't express an opinion because I didn't know know about any of the facts and circumstances at the time of the 1951 indenture. But you must remember the indenture was approved by the then existing City Council because it is the City Council of San Antonio, not the City Public Service Board that approves the form of any indenture that secures the issuance of any of its bonds. We present the attorneys- the bond attorneys present the form of the indenture.

MR. PADILLA: This is precisely why I was very negative on cable TV because when General Electric was before us, I saw a situation where technically we would be in a position of having adequate control over the franchise. Actually, with the buy back provisions that they wanted to incorporate through amendment in the existing contract, actually, we would have very little control over the situation. This is exactly the situation we see again with CPS. This is exactly the reason why with a self-perpetuating board and over the years, most of the time the board has been so unresponsive to the City Council of the City of San Antonio, and, consequently, to the people. The people have had no control over that thing through their elected officials because everytime we try to do something that is counter to something the board wants, they hide behind the law.

MR. FULLER: Well, if there is any other questions on the legality or the legal procedures, your Honor, I'll be pleased to answer them.

MAYOR BECKER: Any other questions?

MR. PADILLA: Crawford, can we - one more question, Mr. Mayor - can we structure this ordinance, and I would like you to look at it in terms of what we can do if we can do anything, can we structure this ordinance for this sale of bonds to delete from this point on the self-perpetuating concept of the board?

CITY ATTORNEY REEDER: I don't think you can, Mr. Padilla, because of the fact that you can't separate this proposed bond issue from the terms of the present indenture that is outstanding. That indenture is a mortgage on that system over there and you can't alter the terms of that mortgage collaterally without the concurrence of at least the bondholders. That was pretty much I think what Mr. Fuller said. Is that correct, Mr. Fuller?

MR. FULLER: That is correct, Mr. Reeder.

CITY ATTORNEY REEDER: I know what you're thinking about. What you want to do is issue new bonds but have it understood that, once all the old bonds are paid off, these new bonds that you're issuing are not secured by an indenture that has a self-perpetuating board.

MR. PADILLA: And if I vote for this bond issue, I am in effect without intending, voting to perpetuate the present system. I would find it very hard to vote for that.

CITY ATTORNEY REEDER: Okay, that's - I have no response to make to that because that's not a legal proposition.

MAYOR BECKER: Well, I think the facts of the matter are that the bonds that have been issued previously are senior - have senior rights to these bonds here that are being proposed. That's just one of the things in financing that you deal with all the time.

MR. PADILLA: This is roughly proven, Mr. Mayor.

MAYOR BECKER: It's difficult to change it.

MR. PADILLA: This is roughly equivalent of going down to the bank and getting a loan to buy a washing machine and then next week, when you want to go down to the bank to buy a loan to buy a sewing machine, the bank that loaned you money for the washing machine can tell you what you have to do to buy a sewing machine and there's no end to it. It just goes on and on and on, as long as we keep voting bond issues, we perpetuate the present system and the present system has been criticized enough and has been unsatisfactory enough to where it should be adjusted or amended and we seem to be helpless.

MAYOR BECKER: It's a device that was brought into the original financing of the original bonds that seems to have extended itself up to this point in time, to say the least, and I don't know how difficult that is to change that. As Mr. Fuller pointed out, you do have to go back and get the permission from all of the previous bondholders. These bonds are subordinate to all of the other bonds as you well know.

MR. PADILLA: I know that, Mr. Mayor. I also know that as long as the full responsibility for maintaining the financial integrity of the CPS system is put on the shoulders of this Council, we will never change it. I think the present bondholders, the CPS Board, the City Council, and all the citizens of San Antonio share in this responsibility and to simply say that if you stop selling bonds because you don't approve of the old system or the indenture, that you cannot set up a new indenture unless the bondholders approve it by a majority or two-thirds vote as the case may be, then we have two choices. Either get the bondholders to change it, and very few people are of the opinion that they would, or continue the system which many of us do not approve of in the altogether. The other alternative would be to quit selling

bonds which, of course, would wreck the utility and none of us can be for that if we're responsible at all. But I think that the City of San Antonio could bring legitimate pressure to bear on the bondholders by hesitating when there are bond issues to be sold and making it clear to the bondholders that we want to change the rules of the game in a responsible manner. I understand that the bonds are subordinate, I think was the term you used, I understand that fully, but I also understand that the bondholders do not want to change it regardless of how much we want to change it and as they bear the responsibility as well, they should be receptive to making some adjustments that we consider necessary for the good of the City of San Antonio and the CPS.

MAYOR BECKER: I think the first means of providing the City Public Service Board, citizens, and the City Council and the City government of the City of San Antonio, with a fail-safe device, if that be the name for it, is being applied by this Council and that is in bringing management, the Board of Trustees in some type of harmonious arrangement and a spirit of cooperation and a willingness to sit down with the Council, whatever Council it might be, and I think we're doing that now. Now I think there's arguments for both sides - reasons for a change, reasons not for change in this bond indenture provisal, with respect to the self-perpetuating board. I don't mind admitting that I've been most unhappy about past attitudes and things of that nature. I doubt seriously that after this Council disbands and whoever might take our places, whenever that might be, if things will ever go again back totally and completely to the way they used to be. I don't think that will ever occur again in the City of San Antonio. So, in that connection, I see our movements and our actions here today as providing the first part of that I call a fail-safe device.

MR. PADILLA: Mr. Mayor. I don't have the confidence you have in this so called fail-safe device. But while I recognize it as valid as long as it is applied and used, I'm concerned and don't have the confidence you have about what the future situation will be. Perhaps the leadership that we're taking in trying to make the Public Service responsible - responsive is the word - perhaps that will still be here when we aren't as Council. But I saw something last week in the press which disturbed me very much and it indicates that other forces are already at work in this relationship that we're trying to establish. I saw in the press where Mr. Newman is thinking of resigning. I notice where the Council had not been apprised of this. Rather the press reported that the Board was already meeting and trying to find a successor. I don't know what the process is going to be but it indicates that there was going to be a resignation and an appointment made very quickly. I think that's counter to what we have tried to establish in the way of a relationship between the City Council and Public Service, and I'm still very concerned about it.

MAYOR BECKER: Well, Al, I can only say this about that subject. There's one person in particular that several of the trustees, and I use the word several, are extremely desirous of having on that board, me being one of them, but we don't want this man to be talked about, batted back and forth in the press and the news media and all this sort of thing before we know whether he will even accept the appointment or not. Now, since we can't have any meetings any more where we can discuss things like this, then it's just - we're compelled to keep it to ourselves. It isn't my desire as you know, to keep anything from any member of this City Council. I've done everything in my power to see that that doesn't happen but we can't even meet - almost, well, I won't go as far as to say what I was going to say because it's not

gentlemanly but it's ridiculous, this open meetings law. You would think we're trying to steal everything that isn't mailed down around this place. And there's - nothing could be further from the truth than that. But, at any rate, you can rest assured that the type of person we're hoping will accept this appointment is the same type of person that you, I think, and others would like to see appointed.

MR. PADILLA: Well, I'll never know Mr. Mayor, until I read about the appointment.

MAYOR BECKER: Well, I understand.

MR. PADILLA: Cause no one told me anything about it.

MAYOR BECKER: I appreciate that. I know very well but the person in mind is considering the question of accepting at this very moment. I don't mind telling you that Dr. West, the last appointment that was made, and I might say an appointment that you might say the City Council had a great deal of voice in, almost resigned before accepting because of certain things that occurred in reporting his activities with Tesoro and such as that. It's getting to the point, and I said it last week where responsible people, people who have a vested interest in a corporation or in life or in something on this earth are not going to take places in government or any type of activity such as that due to the lambasting and all the cotton-picking furor that seems to occur around just almost anything regardless of how insignificant it might be. For that reason, the person's name I'm thinking of has been kept silent because we certainly don't want to start condemning this man before he ever even has a chance to say yes or no as to whether or not he'd like to serve and that, in essence, is what happened to Dr. West. It was only through great begging, pleading, and intervention on the part of several of us that he was willing to go ahead and accept the appointment. My God, look what any of us have to put up with in these jobs we have.

MR. PADILLA: Mr. Mayor, I don't want to be argumentative but I think certain points have to be made. I think it's healthy that we discuss these things. First of all, as far as Dr. West's appointment is concerned, I think I spoke responsibly about that in the presence of Dr. West and otherwise. Dr. West had what was judged to be by competent legal counsel of this Council a conflict of interest under the law. Dr. West was not lambasted to my recollection about anything except that point and I wouldn't use that word "lambasted". I think that point was made that he had to either divest himself of those contracts and fortunately the new gasoline contracts, I think, came in even a little cheaper.

MAYOR BECKER: Al, I'm not saying that he was lambasted by you. I did not say that. I said that he was lambasted. I didn't say by you.

MR. PADILLA: I think the public addressed a legitimate point and that was that he did have a conflict of interest as I understand it. And once that issue was cleared up, Dr. West stayed on the Board, and he's doing a fine job there. I'm concerned that when the public speaks up, the public only has one way of speaking up and that is by meetings or by collective actions or coming here and saying something, regardless of what they may think. I hope we're not making the mistake of calling it a furor and so forth, because I think it's legitimate concern that's expressed and I think that we have to look at these things.

Now the person that you and others may have in mind from Public Service may be a fine suggestion. We'll have to assume that because I don't know who it is. I'm just concerned about the process that keeps this thing - maintains the situation in which the successor is chosen by a few, and I have to call it a few regardless of how fine they may be, the public is ignorant, even the rest of the - this Council or some of this Council - I know I am, is ignorant of who is being considered. There's no opportunity for suggestion or input, as we say around here sometimes, and I have to be concerned about that kind of situation. When I finally learn the name of the individual being considered, I may have agreed.

MAYOR BECKER: Well, you know, you and I are really not at variance on what you're talking about. You realize that, but under it's present structure, there's nothing we can do about it. Now, I appreciate what you're trying to do. Can you put an amendment or a rider or whatever you care to call it, to this situation that would indicate that once the bonds that are all senior to these bonds have been retired then that this proviso would then take affect and that as of that date all self-perpetuating aspects of the City Public Service Board would be null and void.

CITY ATTORNEY REEDER: Now judge - I started to say judge, Mayor...

MAYOR BECKER: Thank you, sir.

CITY ATTORNEY REEDER: It may be possible but I don't, frankly, I don't know what in the world that would do to the interest rate or sale-ability of those new bonds. I think it would probably wreck them.

MAYOR BECKER: It could have a very adverse effect on them without question because it's setting a precedent.

CITY ATTORNEY REEDER: Well, who would want to buy bonds under a deal where they don't know what security they have and that's the whole thing.

MAYOR BECKER: It's departure from the norm and that always upsets the financial community.

MR. PADILLA: Which raises the question of how much are we paying for a cheaper interest rate. I think it's a legitimate question. Even if we assume that there's a difference in the form that the bonds take, the question is, "how much is it worth to the people of San Antonio to reacquire control of the utility"?

CITY ATTORNEY REEDER: Well, that's a perfectly legitimate political question, Mr. Padilla.

MAYOR BECKER: I think a lot of that answer lies in the people themselves. The people of the community, and I don't mean to be engaging in semanticism here this morning, but the future outcome, the future elections will have a great deal to do with how responsive or not the City Public Service Board remains or is. I can attest to that.

MR. PADILLA: That we agree on.

MAYOR BECKER: Yes, indeed. There's no question about that. Well, now then, Lila did you have something that you wanted to say?

May 2, 1974
el

-13-

MRS. COCKRELL: Well, I wanted to point out there's one other area that we have not addressed in terms of the bond indenture. I'm hesitating to even mention it because at this point, I'm not saying I'm in favor of it but I think that we might just want to look at what the facts would be and that would be refinancing the indenture which would make the basic structure different. Now, the point has been made that this does entail and would entail a higher interest rate that's available today over as opposed to what was available at the time the bonds were sold. So it might financially not be a good deal, but I would really like to see the figures on the thing just to know what we were talking about.

MR. ALFRED BECKMANN: Well, I don't think we know that until we find out what type of setup you'd have.

MAYOR BECKER: Lila, unfortunately we're.....

MR. BECKMANN: It would be very complicated if the City bought it out and you had the City behind the bonds, that would be one thing.

MRS. COCKRELL: I think that we still have to have some type of board structure and....

MR. BECKMANN: Oh, you still would, oh yeah...

MRS. COCKRELL: Since this point has been raised, I just think, you know, in getting all the facts out before us that this one set of facts that I really don't have.

MAYOR BECKER: We're in a period of the highest interest rates I guess the country's ever seen, at least in recent times, I don't know about the Civil War days and all that sort of thing. Certainly, they're - what's prime now? Eleven or....

MR. BECKMANN: Eleven and a quarter.

MAYOR BECKER: Something like that. It's unreal. Just offhand, I'd have to imagine just pull my figures right on top of my head that the interest rate would probably be on these bonds if we refinance that total package from the beginning date whatever those rates they may have been $2\frac{1}{4}$, $2\frac{3}{8}$ or something. I don't know what they were back in '51 but it could possibly increase the rates by 50 percent or maybe even 100 percent in interest paid. We had it explained here to us last week that a point on \$85 million.....

MR. BECKMANN: Was three million dollars.

MAYOR BECKER: Well, that was - what was that a point or a quarter?

MR. BECKMANN: No, a fifth of a point.

MAYOR BECKER: A fifth of a point was \$3 million on \$85 million. So you can imagine what this thing might all lead to. It's, you know, I know this that I can make this statement I think without any fear of trepidation and that is that the system must go on, the system must be permitted to operate, the system must have the capital it needs to bring it up to date to offset the decreasing supply of gas, the lack of desirability of burning fuel oil. It should be converted to other uses. The transition it's making to coal and all that sort of thing.

I know that it must do that. It just must do that and whether we like it or not, it will be anything but responsible if we didn't recognize that main factor that cannot be overlooked or avoided. We're no different. We're not unique, you know. Houston Lighting and Power...I've got an article right here about what they're going to do over the next three (3) years, what they have to spend, how much their capital outlay is going to be for coal burning, nuclear and all this stuff. Well, we heard it last week about Consolidated-Edison. It just goes on and on so I'd like to suggest, if I may, that we go on with the citizens to be heard portion of this thing here today.

REV. BLACK: Mr. Mayor, may I just make this comment on what Councilman Padilla has said...I think the real hard core of this is why we deal with the economy of a very needed facility within our community. The real fact is that all of this kind of financing is tied to what it costs the citizens. Now, increasingly, the citizen is going to want to have more input on what is going on in terms of these bonds and that kind of increase of cost because this just doesn't feed into the operation. It feeds into the cost of your electric/light bill and your gas bill. It ultimately ends there. Now, when citizens feel that this is costing them something and yet here in this complicated system there's actually no power that the Council they've elected has in determining how they shall handle all of this. The input is highly limited in spite of their actions, in spite of the vote. Then, I think increasingly the citizens are going to require some kind of change on the part of this Council that's going to give them more authority with reference to the running of the...what Councilman Padilla is simply saying, I think, is an announcement, a pre-announcement of the way in which citizens are going to reflect on what our utilities are doing in the community because when we vote on this kind of thing, and, we vote on how we're going to pay them, the people who pay for them are the people out there on their bills. They're the ones who end up paying for it and they're going to have more and more say on it and I think this is, we just got to face this. I don't know how we're going to do it. I realize that we're in a kind of economic system that often builds rules and regulations that makes it extremely difficult for you to deal with at this level, but I think one Council or another is going to be faced with it in terms of the responses of the populus, itself, rather than the response of purely a discussion at the economic level.

MAYOR BECKER: Thank you very much, thank you, Mr. Fuller. Let's hear now from the gentlemen that are signed up here. We'll start with Mr. Mario Cantu.

MR. MARIO CANTU: My name is Mario Cantu. I'm here representing SUCASA Organization. I understand that the City Council just finished giving quite a lot of time to this phony bond issue. I hope that the City Council can give me enough time and the rest of the citizens to hear their opinion. I understand also that the City Council is supposed to give a decision on this 25% or 19% increase in the utility rates. I feel that, and I'm going to direct to each of you and ask you, especially you, Rev. Black, how can you vote...how can you vote for an increase on utility rates? The people on the Eastside voted for you because they knew you were a man who could perhaps in some way, alleviate some of the social problems in which they exist today. The people on social security, on welfare, small businesses and the public, in general, cannot afford to pay for any more rate increases. Only this week, I believe, the federal minimum wage increased to \$2.00 and already the government is thinking in terms of taking that small amount of a benefit from the people. I think, Mayor Becker, that you owe it to your clients, to your clientele, not to raise and vote for that utility increase.

MAYOR BECKER: Would you like for me to answer that, Mr. Cantu?

MR. CANTU: Yes.

May 2, 1974
gc

-15-

MAYOR BECKER: If there was anything that I could do within my power to keep, not only the price of electric power and all that from increasing, but the price of food and clothing and everything else, I would do it. I would be the first one to want to do it.

MR. CANTU: Yes sir.

MAYOR BECKER: So would this Council.

MR. CANTU: Let me ask you this, Mayor Becker, can you tell us if you made less money this year than last year?

MAYOR BECKER: I can tell you this, that under the, what do you call it, price control, price and wage controls, that we lost money for the first time in the operating history of our country, which is celebrating its 48th Anniversary.

MR. CANTU: You lost money?

MAYOR BECKER: We lost money. We were in the red. Yes sir, that's a matter of record.

MR. CANTU: That's mighty strange. They keep opening Handy-Andy's all over town.

MAYOR BECKER: It's not strange at all...it's not strange at all Mr. Cantu, when you have the understanding of exactly what the situation was that brought it about. Now, the fact that we continue to open stores is only a tribute to the faith that the lending institutions have in our corporation, that we can reverse those red figures to black figures once those government controls are lifted. Nobody, but nobody, can stay in business and lose money continually and finally not have to go out of the picture. It's just, just no way to do it, including restaurant operations or anything else.

MR. CANTU: Well, yours goes contrary to the figures of the whole country.

MAYOR BECKER: I'm just talking about my business...I believe I know something about it.

MR. MORTON: What is the average profit in the grocery business in the whole country?

MR. CANTU: Well, I'm here to protest against the utility rates, so let me voice...

MR. MORTON: You just made a statement to the Mayor on something that, very frankly, I resent and that is, picking him out and his particular business. He is not here as Charles Becker, Chairman of Handy-Andy. He is here as Charles Becker, Mayor of the City of San Antonio, and I think it's very unfair for you to take him and try, where you have him in a public disadvantage to talk about his Company. But, since we are talking about it and since you represent yourself to know so much about it...you just made the statement that this particular figure, as far as gross profits or net profits for the grocery business, were different from those for the rest of the country. Now, I would like to know what the gross profit is on the average for the grocery industry in the United States for 1973. Can you tell me?

MR. CANTU: You'll have to check those figures out. I don't know.

MR. MORTON: Well, you just made the statement that his was different from the.....

MR. CANTU: No, I'm saying that his figures are different than the figures of all the business and industry in the rest of the country. The papers are full of how they have made fabulous profits.

MR. MORTON: My friend, I think you're talking about a very few select industries.

MR. CANTU: Like the petroleum industry.

MR. MORTON: Well, let me ask you, how much oil do you sell, Mayor Becker:

MAYOR BECKER: Very little, a lot of gas and hot air at times!

MR. MORTON: We're talking, sure there are some selected industries But, if you will look at the profits for all of your corporations, not just one or two, like your timber industries...that last year showed 80 some odd percent profit gains over the previous years. But, of course, they didn't tell you that the previous year they were also in a bind, as far as profits are concerned. We're not here to try to tell you that there aren't people who have exploited scarcities. There have been. But, I really resent you're taking advantage of this man in this situation. Now, if you want to talk about the City Public Service Board, fine, let's talk about it...but, let's hold it on that subject.

MR. CANTU: Well, why don't you go ahead and talk what you want to talk and I'll talk what I want to talk.

MR. MORTON: Well, very frankly, Mr. Cantu...

MR. CANTU: I'm here, I'm supposed to be here giving my opinion whether it's....whether you agree with it or not, it's your privilege. Okay?

MR. MORTON: Well, let's not talk about Mr. Becker's Handy-Andy, okay?

MR. CANTU: I'm going to talk whatever I want to say, and let him defend himself.

MAYOR BECKER: Well, let's proceed with....thank you very much Cliff.. but, let's proceed with your remarks with respect to the Public Service Company, because I do know my business and....

MR. CANTU: Yes, well, you know Mayor Becker, that every time election comes around, you know, like the last time, we hear a, "muchas gracias" vote for me on the radio and TV and we see a lot of Mexican faces come there and saying vote for this Anglo Politician, you know, and, of course, everybody says around those times, we won't raise the taxes and what have you, and we're going to represent the working people there. Well, we're certainly asking the people to boycott Centeno and Handy-Andy and not to vote for Dolph Briscoe, but we also would like to ask some of the Board Members today, that are running for office, what is their decision going to be.

MAYOR BECKER: Mr. Cantu, I'm going to tell you something....

MR. CANTU: I'd like to address myself to Leo Mendoza, whose running on the ticket and to Al Padilla, who is here.

MR. LEO MENDOZA: Mr. Mayor....

MAYOR BECKER: Just a second, please Leo. First of all, I'm going to tell you something that may be hasn't occurred to you. That is a fact that some of these gentlemen and lady here are spending 40,50, and 60 hours a week of their time. The \$20 a week that they get, the \$50 a week that I get in an attempt to represent the people....

MR. CANTU: Well, I don't get anything for marching out there...

MAYOR BECKER: Well, don't blame me for that. Now, let me say this to you, and I want you to hear this, please. These people are trying to represent the people, the same people that you claim that you're trying to represent, but there's one inescapable fact that cannot be overlooked

and that is that the responsibility of making the decision such as the rate increase is placed squarely upon our shoulders as to whether or not to grant it.

MR. CANTU: That's right, you have a yes or a no.

MAYOR BECKER: Exactly, now....

MR. CANTU: So, I'm asking Mr. Leo Mendoza what is his answer.

MAYOR BECKER: You're not in that position...

MR. CANTU: I think constituency out there who is going to vote for him...

MAYOR BECKER: If you want to be in that position, then you run for public office..the next time.

MR. CANTU: Why don't you let Mr. Leo Mendoza answer...

MAYOR BECKER: I'm going to tell you, though, before we proceed any further exactly what our position is and what yours is, in this matter...

MR. CANTU: Well, we understood that Mr. Leo Mendoza was running for office on his own creditibility, not yours.

MAYOR BECKER: Mr. Mendoza can answer, if he cares to.

MR. CANTU: Are you saying that he ran under your coattails then...

MAYOR BECKER: Mr. Cantu, if Mr. Mendoza cares to answer your question, he certainly has my permission.

MR. LEO MENDOZA: Well, let me just say, Mr. Cantu, that I'm listening to what you're saying. You can just keep talking, I'm listening. At the right time, I'll guarantee you that I'll make that decision. I'm here to listen until all the citizens have spoken and then I'm supposed to make the decision. Can I answer what you asked me?

MR. CANTU: Sure.

MR. MENDOZA: Okay, at the right time, I'll make that decision. I'm supposed to right now, keep an open mind and listen to people that are coming here to voice their opinion.

MR. CANTU: Well, don't you feel that the voters out there, who will vote for you on Saturday.....

MR. MENDOZA: All I can say to you is to keep talking, I'm listening and at the right time, I'll make the decision.

MR. CANTU: That's after the election, right?

MR. MENDOZA: I said at the right time, whenever I have to make the decision, I'll make that decision. You just keep talking, I'm listening

MR. CANTU: Well, we're asking that that decision be made today. I think the voters and the constituency....

MR. MENDOZA: We're not being asked today to vote on it, Mr. Cantu, I think we've been given an equal opportunity to listen to what you have to say, and I've already told you that I'm listening and you just keep on talking.

MR. CANTU: On what platform are you running? If you're not going to be able to tell the voters out there, what are you going to stand up for?

MAYOR BECKER: I think that's not even germane to the issue that you came here to speak on Mr. Cantu.

MR. CANTU: It is, it is very much. We hear the radio and TV saturated with how people are supposed to be representing us and once they're in office they come over here....

MAYOR BECKER: I tell you one way we could represent you. Let me illustrate one way we could represent you, and that is not to vote the increase, not to vote the bonds, let the system go into default, let the operation deteriorate to the point where it furnishes neither electricity nor power for anybody. We could do the same thing with the Water Board. We could do the same thing with the operation of the City of San Antonio, and in an attempt to keep the tax rate low, decrease the services, have less garbage pickup, have less streets repaired, and finally the whole system would just collapse and crumble in an attempt to save money. Now, this is one sure way I know to bring about this utopian dream that a lot of folks seem to have in this country, of having all this happen just by the wave of a wand of some kind. It's unrealistic and will never happen.

MR. CANTU: So, you feel that big industry should be subsidized and the people be penalized?

MAYOR BECKER: It never has and it never will.

MR. CANTU: You think that the poor people have to be penalized for big industry.

MAYOR BECKER: I don't say that poor people should be penalized.... I said earlier, and I opened my remarks with the fact that I wish the prices didn't have to go up on clothing, food, utility rates, or anything else.

MR. CANTU: Wishful thinking isn't going to put food on the table.

MAYOR BECKER: This is the world we live in.

MR. CANTU: Wishful.....

MAYOR BECKER: We can take over the government like they've done in Chili and the institutions down there for the most part have collapsed and for your information, in case you don't realize it, the government of Chili is now asking that the corporations come back in and start running those operations again, such as the copper mines and all those things because the government, themselves, or itself was incapable and unable to do so. This is being repeated over and over again throughout the world. Now is that what we want?

MR. CANTU: The people of San Antonio can only feel that they can no longer afford to pay an increase.

MAYOR BECKER: But, we must deal with the realities of the situation.

MR. CANTU: The realities is that they just finished paying for 55¢ per gallon of gasoline on a phony issue.

MAYOR BECKER: I realize all that...

MR. CANTU: And, the City Council has to vote from here from Mr. Eloy Centeno and the City Public Service Board and say that they need to raise money to bring in more industry.

MAYOR BECKER: Let me ask you a question, Mr. Cantu, do you know what the oil leases that were sold off the coast of Louisiana, at what depth those leases were the other day, just guess now, are those companies forced to drill at 50 feet of water, 100 feet of water, 300 feet of water or a 1,000 feet of water. What would you guess?

MR. CANTU: Well, the people are paying for that.

MAYOR BECKER: Well, what would you guess?

MR. CANTU: I don't know, but the people are paying for it.

MAYOR BECKER: 1,000 feet?

MR. CANTU: The petroleum companies are making the money.

MAYOR BECKER: Can you imagine the cost involved in that?

MR. CANTU: Sure, from the people.

MAYOR BECKER: Well, I don't guess we have the same understanding of the whole situation.

MR. PADILLA: Mr. Mayor, if I may sir, I think Mr. Cantu shares more than which is obvious. I think he is simply here to state his concern for the many people in the community who are on limited incomes and low incomes, etc., and I think it is a legitimate concern. I would like to state, though, to Mr. Cantu and to other citizens, that there are members on this Council, and I think all the members on this Council are aware of these concerns and are cognizant of the legitimacy of them, and, in fact, the consultants, themselves, incorporated the ability to pay as one of the factors that had to be considered in the consultant's report. I think I can tell you, Mr. Cantu, as one member of the Council, that can reply directly to you that I share your concern. I also share the Mayor's concern for responsible direction in terms of utilities. We don't want chaos and we cannot afford chaos. We cannot afford a plant that is not able to meet the needs of the people of San Antonio, so we do have a tough situation, but I think I read what your concern is and I share it, and I think the City Council shares it with you.

MR. CANTU: The people want to share some of the profits too.. and the constituency out there, how can you face the voters this Saturday without....

MAYOR BECKER: Would you believe me, Mr. Cantu, when I tell you that at this time, the City Public Service Company is not showing any profits.

MR. CANTU: Mr. Padilla, how can you say the voters out there and make a decision before Saturday on how you are going to vote on the utility increase?

MR. PADILLA: I have already told the voters every place I have gone...I have told them that I see an increase as necessary to maintain the system...I have told them that I will try very hard to see that it is only an increase that is absolutely necessary.

MR. CANTU: Will that force us to tell our constituents not to vote for you?

MR. PADILLA: Whatever you wish, but I have said this and I would like to tell you, that I have said it every place where I have been asked, and many places where I haven't been asked..I have replied because that is my honest feeling.

MR. CANTU: Would you be willing to join us at the rally this Saturday and you can explain to the people there, why you feel it's necessary to increase the rate...I mean, it is easy to be sitting here at 8:30 in the morning until 12, when the people are working out there. How about facing them at the public hearing? How about facing them this Saturday? We are inviting you and Henry Gonzalez and the Mayor and Al Padilla and the City Council to go out there and explain to the people what you feel is necessary.

MAYOR BECKER: Now, I'm going to give you three more minutes to make your summation and then we have others on here that would like to be heard.

MR. CANTU: Yes, we propose to the people of San Antonio and the citizens to boycott Handy Andy's, Centeno...will you wait till I get through, I got three minutes.

MAYOR BECKER: Okay, three minutes.

MR. CANTU: May I be uninterrupted?

MAYOR BECKER: Absolutely.

MR. CANTU: Thank you sir...we are urging the citizens of San Antonio, on the Northside, on the Southside, on the Eastside, and on the Westside, not to shop at Handy Andy. A telephone campaign on all Handy Andy's to voice their strong disagreement with the utility rate increase; to all those people on social security, on welfare; to those working people on the Eastside, on Centeno's Super Market and not to vote for Dolph Briscoe, of course, they can vote for whoever they want to and not to vote for Leo Mendoza or Al Padilla because we know how they are going to vote.

MAYOR BECKER: Do you care to include anybody else or anything else?

MR. CANTU: Well to be very careful about those "muchias gracias" vote for me politicians on the phone...

MAYOR BECKER: Alright; thank you very much...Mr. Steven Harvesty.

May 2, 1974
gc

MR. STEVEN HARVESTY: Mr. Mayor, I have a very short statement that I would like to make, in addition to my prepared statement... it is very important and I won't take one minute.

MAYOR BECKER: That's all right.

MR. HARVESTY: Your discussion of the City Public Service Board, let me call your attention to one very important fact. The City Public Service Board today, is well worth over a half-billion dollars. Your bonded indebtedness is only ninety-five million dollars. It will be no trick to refinance the entire \$95 million and start off with full ownership. You won't have to worry about the indenture anymore. Mr. Mayor, I am here representing the citizens for safe power. Some time ago, I read to this City Council from a clipping of the San Antonio Light of December 1942 about the then Mayor Quinn and the reason for the purchase of the electric and gas companies. Mayor Quinn made it clear that in the then not too distant future, San Antonio would be a tax-free city because of the revenues derived from the gas and electric companies. Mayor Quinn represented the kind of leadership in the best tradition of the spirit of the City that fought the Battle of the Alamo. Mayor Quinn had a vision. He envisioned a happy industrious people living a full life, laughing, playing and enjoying everything the American dream could well afford to give. He envisioned a tax-free City because he knew that when the people controlled the gas and electric utilities, they controlled the nerve center of power and the economy. Whatever has happened to that dream?

On Monday, April 22nd, I attended a meeting of the City Public Service Board. This Board, a creation of the people of San Antonio was preparing to make a decision that only the people should have the power to make, to go nuclear for the generation of electric power. Only the people of San Antonio should have the final say whether they want to live in an atmosphere day by day, trembling in the fear that this monster created for destruction will flare up and destroy and maim and cripple. The people who own and created the City Public Service Board should be telling them what to do and what action should be taken in this instance. But, somehow, something has happened, and it is the other way around. The City Public Service Board has grown so powerful that it has the arrogance to tell the people the final decision, this awesome decision is in their hands.

It made me very sad to hear our Mayor at that meeting state calmly and with a steady voice that, "no one intends to destroy property or hurt people, and that the City Public Service Board is not taking the attitude of, 'the public be damned.'" In effect, the CPSB is gambling with the people's lives with the people's money.

The decision had already been made to go nuclear with the full knowledge of all the facts, the possibility of not just harm, but the possibility of untold loss of human lives and untold loss of property and untold suffering for generations as a result of the radioactivity. So, as not to alarm anyone, the City Public Service Board had the gall to state to the press that their decision to go nuclear was only tentative. Does the word, tentative mean that they may change their minds? Certainly the intention was to lull the opposition until it was too late to take any action.

It also makes me sad to see this City Council sitting here and so far since that awesome decision has been made and there has not been one word of protest from this body or anyone of its individual members. In this I see a complete abdication of the representatives of the people in the nitty gritty decision making process to special interests. Instead of the people speaking through their representatives, the special interests do the talking, the decision making. So..it is time for the people to take a hand.

May 2, 1974
gc

There is one member of this City Council who remembers that memorable day in April of 1966 when the City Council made the decision to contaminate this City's wonderful pure water with the poison fluoride. This member of the City Council will remember that I stood in this very spot and warned the Mayor they had better not spend any money on that project until they hear from the people. Today...because of the decision by the CPSB to go nuclear, and the inability of this City Council to control the situation, I personally fling this gauntlet down to you and declare war on all nuclear power plants in Texas, and ask that not one penny be spent until the people are fully informed of the dangers. Then let them decide. We call upon the people of San Antonio, the people of Houston, Corpus Christi and Austin to join us to protect our lives, our property and to prevent our children from having to live in fear of cancer peering at them from every nook and cranny. I pledge my sacred honor, and my personal fortune to fight to the end, the establishment of these plants. All this need not be. There is a way out. This City Council can still assert its authority and take over the City Public Service Board. When this happens, the big decisions will be made by the people through this City Council, and not by the oil companies, not by Wall Street and not by the Atomic Energy Commission. You can refuse this request for the \$85 million dollar bond issue, but time is running out. May I have my gloves back?

MAYOR BECKER: We'd like to keep that as Exhibit A, Mr. Harvesty. Don't throw anything down there that is valuable, cause you might not get it back.

MR. MENDOZA: Mr. Mayor, I would like to borrow them for the weekend.

MAYOR BECKER: Borrow them for the weekend....you might need something a little heavier than than. We have Mr. Cande Alejos, I think is next to speak on the proposed utility rate increase, is that correct sir?

MR. CANDE ALEJOS: That's correct, Mayor Becker. My Name is C. H. Cande Alejos. I am co-chairperson for the Concerned Citizens for the Community Progress. It is a small non-partisan political group that has been active since 1968. We are small, but we are potent. We share Mario Cantu's concern about the proposed increase. However, there are several things...matters, really that should be taken into consideration. One, that an increase will be necessary. This has been substantiated by statistics that some consultants have brought before you; however, the poor people do not have the money to pay consultants to bring statistics for you or the working people. But, just like parents, I mean native fathers and mothers or foster fathers and mothers have responsibility to their children, so do you all as City fathers and City mothers, have a moral and humanitarian responsibility to your constituents. I would suggest to you that you really consider all the ramifications, all the balances that any decision that you so make how it will affect the citizens. These people are on fixed incomes and I don't mean just the people that are on welfare, social security, old aged citizens, but the working man, the middle class, the person that while he works for a living, is still considered under poverty criteria. When you vote a rate increase and these people do not get an increase in their salaries or their fixed incomes, you are, in essence, taking food out of their mouths and I don't think any parent would take food away from their children. So, I hope that you will take this into consideration. Take the humanitarian aspect, the moralistic aspect of your ramifications, of your decision making.

Now, I'm sorry that Mario, I don't know if he's still around, but I would say this, in essence of saying getting politically involved, I mean who would he rather have. Would he rather have a gringo over there instead of Leo Mendoza or would he rather have a person that lied to even the senior citizens than Alvin Padilla? I've known these two men for several years and they have waged war against poverty, not against the poor. I dare say that I, personally, will be, in other words, well my groups will be going for their election. This is not divisiveness, but I would rather see a Mexicano in there that is responsive to the needs of all, regardless

if he's black, brown, white or what have you, than somebody that is not responsive. Now, I have not come to you before since your tenure of office because this Council has shown integrity. I've known Lila for years. She's shown integrity and above all, you've shown responsiveness. I hope you will continue to do so. The other matter that I came to address myself to, would be the suspension of some of our policemen by Chief Emil Peters. Now, this could be an internal problem, I understand this Mayor, but one thing is, we have a fine police force that is understaffed. Now, there are a rotten few in every organization.

MAYOR BECKER: If you don't mind, sir, I'm going to ask you to defer that till later because we're not permitting those citizens who signed up on the Public Service rate increase to speak.

MR. ALEJOS: I see sir...okay, this is why I signed up twice. Well, getting back to the service rate increase...like I say, parents don't take food out of their children's mouths, I hope you won't take it out of your constituents, thank you.

MAYOR BECKER: Thank you very much sir....Mr. Jim Dement.

MR. JIM DEMENT: Mr. Mayor....I'm not going to throw my wallet down cause I'm afraid I might not get it back. I'm eternally optimistic.. have been all my life. I came down to reveal some of my misgivings and of the City Public Service. Naturally, it's of little consequence after you listen to a "dip" that you all have been into the situation already. I would like to say this, we did a study and the first year it didn't cost the City a nickel. We took comparative rates and.....

MR. PADILLA: Jim, will you speak close to the mike, some of the people in the back can't hear you....thank you.

MR. DEMENT: We took comparative rates from Dallas, Houston, Austin, Corpus Christi, from all the utility companies and we found that there's a hectic upheaval of rates in all areas. One of the disappointing things I found in San Antonio was that not only are we higher than any other City in the State, we don't have any optimism of ever curing it. Personally, I think it boils down to management of the utility, itself. We've....in our organization in Loop 410 Association, we tried our best to talk to higher echelon people at the City Public Service...no response. Through a friend of mine at City Public Service, I had two interviews. He was very despondent on future's encumbered with the problems of the past, rather than looking to solutions of the future. This bothered me and if you can't grasp the situation that's now existing, how in the hell are you going to whip the one in front of you. I asked him this question. Well, it was out of his hand, you know. He's a lesser person in the higher echelon of the City Public Service. After all the arguments and presentations, we made to each other in our field of endeavors, we came to the conclusion that the management in the upper echelon of the City Public Service stinks. They don't look to the future. They don't want growth. They don't want industrial development. They want to keep their little ball of wax in a pile so that they can control better. I think this Council should inflict, in whatever bond indenture possible, some hand in management. It's obviously evident that they sit on their "butt" and let the other utilities go out and buy the cheaper fuel and the citizens are paying for it and there's not a damn thing we can do about it except to try to be optimistic and change the problem we have at hand. The way you do that is just get rid of the culprits that did it. They won't unwind this ball of wax by themselves. I know you're endeavoring to do it and your Trustees, I'm not sure they run that Company. The Manager appears inept to me...from the statements I've heard him make. I'm not sure that he goes and checks on the folks in his industry. I do in my industry, to see what the hell they've been doing, I'm not, you know, maybe I can make a dollar...instead he sat around and waited and argued and argued and argued, and all the fuels were bought at lesser prices than we're paying. Now that I've vented my concern, I'll leave it to you'all's good judgement because I know damn well, everyone of you are good people...thank you.

MAYOR BECKER: Thank you Jim....Mr. Elizondo.

MR. CONCEPCION ELIZONDO: Good morning...Council Lady....Councilmen. I come before you ironic, I didn't know that the bond issue would be before you, but I think you may recall what my proposal was and I think last time, I was here, you said you would study further. It seems ironic that I'm here today and you're trying to either consider voting for or against the \$85 million proposed money that the City Public Service Board needs. Can you tell me if you have further considered the proposal that I think you referred to the City Attorney. I think he said we were in technical waters we were correct, what has been done, if anything?

MAYOR BECKER: Mr. Crawford Reeder?

CITY ATTORNEY REEDER: I don't remember what that was. What was that?

MAYOR BECKER: It was about us charging the various....

MR. ELIZONDO: Suburban areas....

MAYOR BECKER: Of the utilities, we pay ourselves...

CITY ATTORNEY REEDER: I was ready to go to war with them. I decided we could beat them, I still think we can, but I've got a reason now that has come up that, well, I wasn't going to say anything about it, but it's in the law books now. A case has come out and Harvey Hardy already knows about it anyhow, he represents the bedroom cities. The effect that bedroom cities regulate the rates of utilities...that utilities charge within their boundaries meaning our Public Service Board rates, as well as anybody else's rates and we've got enough battles on our hands right now without our picking fights with them. So, I still think that maybe we might be able to start that war and win it somewhere down the line, but I'm not in favor of starting it right now.

MR. MORTON: Well, I disagree with you.

CITY ATTORNEY REEDER: Okay, you're not the only one who does.

MR. MORTON: Well, if you read the account in the paper, it seemed Crawford, and I want to say it seemed because I know that you, in your wisdom would not take the responsibility that they were giving you and that was simply this...that you were taking the position as a City that were not going to see if we could not put a surcharge on those people who live outside the City of San Antonio, either in another municipality or in the County. I want you to know that I'm not going to vote for this rate increase until the matter has been exploited fully. I think that this is one way that we could minimize the impact that is going to be experienced by the people who are your minimum users and this case that your referring to certainly would lead me to believe that what we're now doing in the rate structure of the City Water Board is no longer enforceable and I question that.

CITY ATTORNEY REEDER: I question the validity of the decision I have in mind, Mr. Morton, and I'm with you in spirit. I might say one thing. I agree with you. It's not out of a feeling, I'm not (unintelligible).. but I just happened to agree with you. I was reluctant to recommend that the City Council, that they impose a higher rate on the bedroom cities with that case outstanding until the Supreme Court gets a shot at it. Now, there's one other thing as long as I'm sitting here talking, and that is tangential to this if that's the right word.

May 2, 1974
gc

MR. MORTON: It doesn't matter. I don't know what you are talking about.

CITY ATTORNEY REEDER: Okay, it's related to this, and it's the same thing and it's the question of whether we would take the full 14 per cent of the gross came up and has come up twice. Once at a closed meeting that we had, a legitimate closed meeting, when it was announced by Mr. Deely, I believe, that our pass through charges were going to be 40 per cent higher, and we had a meeting with the Public Service Board people, the City Council, myself, and Mr. Matthews. At that time I believe Dr. San Martin suggested that we not take 14 per cent of the increase and Mr. Matthews felt that maybe that might not be legal and I had some doubt about it, but I told you it was legal, if you will remember. I had some reservations about it, but I felt that it was probably legal to do that. Since that time, I've thought about the thing considerably and that's another problem that we're going to have. I don't know whether we can waive that 14 per cent or not. Both of those questions I'm still working on, and if I wasn't here at the Council meeting right now, I'd be upstairs in my law library, so I haven't made any final conclusions about it. But, I'm not going to say I was misquoted. I wasn't misquoted by any newspapers or any newspaper person. I just, perhaps, wasn't...it didn't come out the way I had it in mind entirely.

MR. ELIZONDO: Mr. Mayor, could I have some assurance that something will be done. Needless to say, time has taken its toll. I think I first approached you with this about six months back prior to us being at the crossroads that we are today. Now, it's ironic also that the slur that has been reported by one of the trustees of the City Public Service Board that would be directed at the military, but although I am not, needless to say, a military man I did serve four years in the Armed Services - the Air Force, but we are most dependent upon this military dollar. If we are to increase even their rates, some consideration should be shown. If at all possible, give them a privileged rate. Other cities do this. Now, what you're doing, actually, I understand is not the pragmatic thing to do because they are the government. But they provide jobs that this town would wither. By all means, this town would fail to exist. It is our number one industry.

MAYOR BECKER: No argument about that.

MR. ELIZONDO: Now, if we're going to charge them more money, surely, they can pay, but in reality we are paying ourselves because it is the U. S., it's only an exchange of dollars in the process, but please consider leaving their rate alone. What inadvertently will do, I think that there was an appeal here about two months back that they were trying to contract out some service jobs out at Kelly Field. I think they were trying to contract them out. They came and appealed for some assistance in your behalf of the City Council and you were more than responsive then. But what is going to happen later on when they find out that no, the City of San Antonio is asking more for the utilities than other cities that would be possibly in the running. Actually, we're going to be caught biting the hand that's feeding us. Can I have some sense of direction on either one or two items. I know it's hard. I don't want to pin you down. It's a tiring day, but can you possibly give me something to look forward to. I'm a committee of one. I comprise nobody. I'm just myself.

MAYOR BECKER: Mr. Elizondo, Mr. Reeder is doing a great deal of legal work on the subject that you first brought to our attention and that was about charging the other municipalities more than the citizens of the City of San Antonio are charged.

MR. ELIZONDO: Surely, but would you specify that the reason being that when bonds are lent out or sold out that we the citizens of the City of San Antonio are responsible for making those bonds good. Not the suburbanites.

MAYOR BECKER: We understand.

MR. ELIZONDO: Yes, but the people by and large don't understand that. I mean you understand it. I understand it. But the average person does not realize that.

MAYOR BECKER: Now, you have on this City Council, sympathetic councilmen. Councilman Morton has already indicated his interest in the subject, but as Mr. Reeder says, we have so many battles going that I'm not sure that we want to take on all those in addition too. Now, let's sort out this thing and see how many we can fight at one time, you know, and be successful in that pursuit. It doesn't do any good to just get out there and take on half the city, you know, because one man can't whip half the City.

MR. ELIZONDO: I am aware of that, Mr. Mayor, and I also am aware that if you would leave it up to the trustees of the City Public Service Board, that they would possibly not do it. You have to be realistic that they themselves live in these suburban towns.

MAYOR BECKER: They don't have anything to say in the matter that we're discussing now, in my opinion. Is that correct, Mr. Reeder.

MR. REEDER: That's correct.

MAYOR BECKER: All right. So it's up to the City Council to handle that matter. Now, as far as the other things are concerned that you're speaking of, the federal government, the air bases, the military and so forth. I can only say this to you, it's regretful that we have to have an increase as I told Mr. Cantu. I wish we weren't having to have increases in anything, any type of commodity of life, but we are. Now, with all due respect to the situation, I don't see how the elderly and the infirm and the senior citizens and those on social security and food stamps this, that's ..and the next thing.

MR. ELIZONDO: Well, they're going to have to do without other commodities...

MAYOR BECKER: They can't be expected though, Mr. Elizondo, to pay an increase in their utilities and someone else be exempted.

MR. ELIZONDO: Surely.

MAYOR BECKER: With all due respect....

MR. ELIZONDO: Could I possibly give you the advice possibly the advice and consent of the feeling of the people that work for a living and are not able to come during the daytime. You have a most impact decision to make a week from today. Would you possibly consider holding that meeting at night, and not possibly here because you would not be able to fill.. there's not enough chairs. The response would be so great, believe me, here the pulse of the City, the people that pay the taxload, that work. When you're here debating your business, the people that are paying the whole load are out there working, and they can't come and express their feelings.

MAYOR BECKER: Mr. Elizondo, I guess if, you know, if any of us had something to say about whether all these things went up, I guess all of us here on this Council would want to be on that same group out there protesting because none of us enjoy it either.

MR. ELIZONDO: I don't think they would protest, Mr. Mayor, if you would enlighten them with the facts that you have before you. I have told you before and I'll tell you again, the problem that you're handling now is somebody's elses. I know you have inherited the problem. I know that and the man that's most responsible is most revered in this City. It's very hard to throw stones at a man that's so revered. I know where the problem is and I know that you inherited the problem, but the people that voted all of you into office are the same people that will support you, if you only enlighten them as to the facts. I think they will be more than

responsive and that they will come and support you too, believe me.

MAYOR BECKER: I wouldn't care where the meeting were to be held Mr. Elizondo. It could be held anyplace that the Council would like to have it, and at anytime for that matter.

MR. ELIZONDO: I think that it would only be....

MAYOR BECKER: I can only say this to you though, sir, and I'm going to be very candid when I tell you that if one person or one million protested about the rate increase it still has to be done. Unfortunately, it still has to be done.

MR. ELIZONDO: Surely, but the fact that they protested gives them that right to involve themselves whether or not their idea prevails is really secondary and it's elementary really at the same time, but yet they have that right.

MAYOR BECKER: I appreciate that.

MR. ELIZONDO: We cannot deny them the right to disagree.

MAYOR BECKER: I understand. Thank you very much, Mr. Elizondo.

MR. PADILLA: Why don't we hold a hearing at night?

MAYOR BECKER: Well, he said that it had to be held, of course, in a larger place than here.

MR. PADILLA: Mr. Mayor, I think that the legal situation is that the meeting has to be held here but I think it can also legally be convened here and we can recess and move to another place and then come back here and adjourn and meet the legality. Isn't that true Crawford?

MR. REEDER: Well, I was in the process of looking in the City Charter when you asked me but the Charter just says that Council meetings should be held in the City Hall. I suppose you could pass a resolution saying that the City Hall is the auditorium of the Lanier High School if you wanted to or you could do what you said. I don't think it would affect the legality.

MR. PADILLA: I'd like to suggest to the Council that we hold that public hearing in a large auditorium at night. There is a precedent for holding a public hearing someplace else. We've done it already.

MAYOR BECKER: Is it actually a public hearing?

MR. GRANATA: Well, that's what I'm...next week you were scheduled to pass on the proposed rate increase. You didn't know what the percentage would be and to answer Mr. Elizondo, as you recall that Colonel Ball, I believe it was, is meeting with the military with Kubik this week and Colonel Ball says he may be in agreement that we do need or he'll come in and tell you that he's not so we're at that point with the military. The only other thing is the public hearing was last week on the proposed increase. We may have to give another hearing which will delay, but we'll do whatever the Council likes to do. But you recall next week we were scheduled to be...we gave Kubik two weeks to get with the military to decide whether or not the military thought the thing was justified or not.

MR. PADILLA: Crawford, can we do this. Can we hold the City Council meeting here next week and leave as the last item the business that Cliff suggested last week and that is that citizens will have an opportunity to come and show cause why we should not act. That was Clifford's motion, I believe, from next week. Could we convene the Council meeting here at 8:30, do all the business except the last item on the agenda, leave this business for the last item, recess rather than adjourn the daily meeting and reconvene in the evening at some other location for the purpose of hearing the citizens that are interested in this.

MR. REEDER: I don't know of any legal reason that you couldn't recess from here and go hear somebody else before you render your decision...

MR. PADILLA: And then hear last part of....

MR. REEDER: I'm saying I don't know of any legal reason. I can think of a lot of logistical reasons or a lot of time reasons, but I..I don't think it's legally prohibited, I'll put it that way.

MAYOR BECKER: You know, you just have to consider this and I'm not trying to throw cold water on your suggestion, Al, but unfortunately, this thing is going to come up time and time again.

MR. PADILLA: Then we should make it available for the public time and time again.

MAYOR BECKER: This is the age we're living in. This isn't the last time this situation is going to have to be faced by perhaps either this Council or some other Council.

MR. PADILLA: Mr. Mayor, we're perfectly willing to face it. It's just a matter of facing it where the public can come to the meeting.

MAYOR BECKER: I don't know what the....

MR. PADILLA: You have set this precedent earlier in this term, Mr. Mayor. You've had several meetings.

MAYOR BECKER: But I'm just merely trying to point out the realities of the situation again.

MR. PADILLA: All right. If I'm in order, I would like to move that we do as I described earlier and that we have the meeting here scheduled as the last item on the agenda this and then recess to an adequate auditorium to hear this last item next week. That is a motion if it is in order.

DR. SAN MARTIN: I will second that motion.

MRS. COCKRELL: I would like to just say that I have to be absent. I am leaving town at 4:30 Thursday and I had thought I would be here to vote earlier, but I will have to be gone then, but I....

MAYOR BECKER: Well, I understand. I have to leave also. That's two of us.

MRS. COCKRELL: I just wanted to advise the Council that....

MAYOR BECKER: I'm scheduled to leave also after the Council meeting. It's up to the Council.

MR. BECKMANN: I think we should all be here for that.

MRS. COCKRELL: I think we should all be here to record our vote. I really don't want to avoid the responsibility of voting but I cannot stay over that evening.

MAYOR BECKER: No, I don't either.

MR. PADILLA: Is it possible to have this item in the agenda Wednesday night somewhere, Crawford?

MR. REEDER: You could have your...yes, you could have the item....

MR. PADILLA: And make a decision Thursday...because that's when it's scheduled for.

MR. REEDER: You could do that. I can't think of any reason that you couldn't do it.

MR. MORTON: Let me offer this suggestion to Al's motion if I may. Let's amend the motion to say that some night next week prior to our voting on this we will have a hearing in a place that is convenient for the Council and the public and would hopefully be capable of having the space that would....

MR. PADILLA: I like your suggestion. I would accept it, however, time and the announcement process may require that we make a decision now as to the night.

MR. MORTON: I mean some time today, yea, this is what I'm saying. I think I for one don't carry a calendar around with me and I'll have to go check. I just say some time today, let's make this decision on when we'll meet.

MR. PADILLA: I withdraw my motion for the moment, but I will resubmit it at the proper time.

MR. GRANATA: Does anybody have a place in mind like the auditorium so that I can check to see if it's booked for conventions or....

MR. PADILLA: Well, why don't you try to find an adequate place perhaps the Theatre of the Performing Arts, perhaps one of the rooms at the Convention complex.

DR. SAN MARTIN: Sam, may I suggest the Model Cities on Buena Vista.

MR. GRANATA: Well, that's not much larger than....I would suggest possibly the Municipal Auditorium or the Theatre of the Performing Arts..

MR. PADILLA: I would suggest the River Room because the accoustics at the theatre are very bad when you're sitting on stage and that's possibly where the Council will be.

MR. GRANATA: The River Room will seat about 1,000 people so I guess that will be enough, won't it? I'll just make certain that it's not booked for a convention.

MR. PADILLA: Or the Coliseum or the Auditorium, any adequate place..

MAYOR BECKER: Any place. Okay, now then that's all the names that are indicated on the sheet here that care to talk on the utility rates. No, he's already spoken...Now, then let's get back then to the ordinance itself, and the fact still remains that we're dealing with \$85,000,000 worth of bonds that the City Public Servite Board has requested that the Council permit them to give notice of intention to sell those bonds.

MRS. MARIA DOMINGUEZ: (unintelligible)

MR. GRANATA: She came in late. We gave her the privilege of signing up. We had no idea that she wanted to talk about CPS. She's the last one in your page 2.

MAYOR BECKER: It didn't specify that, Mrs. Dominguez...

MR. GRANATA: That's correct.

MAYOR BECKER: So, if you want to speak you can come forward and speak. But it didn't specify that you wanted to...

MRS. DOMINGUEZ: I'm sorry...Well, in the first place I don't want misunderstandings. I know that this City Council and you know very well that I don't say things that I don't really feel. Well, we live in..in our life (inaudible) because they win their own and one thing..the things that I have been griping very much is not to pay for the things that we need. It's to pay for the things that we should not benefit about it.

We are very - I mean, we feel better to pay for the - this for the things. I have repeated many times but I think the Council or some of our elected officials should have the say in these things and not the people that I don't know how come to be the City Public Service and that can be corrected. I mean, there are many things wrong and have been for many years and I see that you are trying to correct them. Sometimes you say that you can't do anything and look for a way to do it. So why, I don't resent paying more for the utility because we use it. I don't resent paying for the police because we need it. I don't resent paying more for garbage collection because we need it. I think if we - if you just fire the people that is doing nothing, then we go and say, well, we can't do nothing and have high salaries. Why are they getting those salaries for HemisFair or the hospital? Many people make many money in the HemisFair. Many people make lots of money in the development of the hospital. Why is the property owners paying for those things? Why those things don't come from the people who make the money? I really don't understand. There are four or five (inaudible) agencies that if everything comes from one pocket, why don't save on those things combining saving those things and (inaudible) on those things. You pay money for the things that we need. When somebody like the Coastal States - we all here they can change it because they have a contract or whatever it is, I'm very confused, I don't understand, maybe I don't have any idea because I mean, in order because I never had in first place and it has been very confusing. I know you don't understand what I say but I think that the City can help, can (inaudible) that you change it anyway. These people have a contract with Lo-Vaca. They were sleeping or doing something else and didn't see this thing coming. Anybody that goes and we subsidize and keep the same people. When you have a bad manager, you just fire and try to see if somebody else can do a better job. Isn't the way the business - all business operate? Why don't we operate - you know how you do in the business, Mr. Becker, I don't want pick on you because I think you're a wonderful man.

MAYOR BECKER: It has to be. It has to be. It has to be done that way.

MRS. DOMINGUEZ: Has to be that way. Then why can't it be changed that that sell for whatever you're calling the - have been there for so many years and they can just say, well, we can do for us anymore. We can't see how we're.....

MARIA DOMINGUEZ: If you can't get more work to contract, then we are going to get more things, I mean, that if at least other people running this thing, we know that it will be all their own way of doing it but just giving more money to the same people, and why one contract can be broken and another one can't. This I can't understand, and as I say, I don't mind paying for the utilities, I don't mind it because I use them and I wish that there was more money than ten cents rate on "mama patrol" because we need it, but I resent very much paying to keep that "white elephant" of HemisFair. When are we going to get the people that made the money on it to pay for it, and the hospital too. You go there, they are going to charge you and send you notices and threaten you and charge you a bunch of things and all those things and what benefits are we paying for the hospital.

MAYOR BECKER: You know, Mrs. Dominguez, I guess we could write libraries full of books on these subjects.

MRS. DOMINGUEZ: No, but we have to do something. I know that you are trying to do something but why, something has to be done about it. And, I think that our elected officials, I don't care which ones should control our money.

MAYOR BECKER: We're living, and I think the first thing the people in this country and in this City and indeed, the world are going to have to realize is that we are living in a period of inflation.

MRS. DOMINGUEZ: But what is causing this inflation?

MAYOR BECKER: Well, many things are causing the inflation, Mrs. Dominguez, but we are living in a period of inflation. Now, we are also living in a period of starvation. There are literally hundreds of thousands of people, and maybe I mentioned this before, and if I am being repetitive, forgive me but there are hundreds of thousands of people that are starving to death. In that part of Africa that is just south of the Sahara Desert, from the countries of Egypt, Saudi, Niger, Sinai, Ethiopia, all of that but, let me tell you this, there are going to be millions of people starving to death in the Country of India, due to the drought situation there, that is not provided enough water to turn the hydro-electric turbines that create the electricity that in turn turn the pumps, that bring the water out of the wells to irrigate the farmlands. Hundreds - millions of people are going to starve in India. I know we have people in dire circumstances in the United States - too many - one is too many. Now, we've got entirely too many people in this country that are hungry and are living in impoverished conditions and all of that sort of thing. The tragic facts of it is is that these conditions are going to continue to be that way, unfortunately, in all probability.

MRS. DOMINGUEZ: But why?

MAYOR BECKER: That's a good question, why. Now, I have tried to explain to Mr. Cantu, that the easiest way not to have any rate increases is to let all of this stuff go to pot.

MRS. DOMINGUEZ: No, what we want to see go to pot is the hospital and the HemisFair, that we are supporting. Everything that you buy is made in other countries so that's why we don't have jobs here. We have things made in Costa Rica, things made in Taiwan, we have things made everywhere in the world.

MAYOR BECKER: Do you know what has brought some of that about?

MRS. DOMINGUEZ: Yeah, the high taxes but we pay high taxes, it's not profitable. It's - they have cheaper taxes there, they have cheaper labor there, yeah, but why can't we hire labor here because we have to support all that people, and that people don't pay taxes when they go there, they don't pay taxes, but we have to support them with all their enterprises. I don't think it's fair. I think those people should pay more taxes, the ones that go to some other place and keep the job over there or they stay there and give the job to the people in order to support ourselves.

MAYOR BECKER: If I had the answer to all of these problems, I probably wouldn't be sitting here.

MRS. DOMINGUEZ: Well, I'm sorry, I'm going to continue griping about it, it's the only relief I have.

MAYOR BECKER: Well, I appreciate your coming down, Mrs. Dominguez. It's a pleasure having you here, it really is. You are interested and concerned and that's the main thing and you're conscientious, we appreciate your sincerity.

All right. Now then, we have the matter of the bonds - \$85 million dollars. We need a motion to pass this ordinance if it's going to be passed today. Are we going to have a roll call on it or just vote?

MR. MORTON: I so move.

MR. BECKMANN: I second it.

MR. MORTON: I would like to ask one thing. One of the things that I get out of the discussion this morning is that the case has not been made for how the money is going to be spent. Even though I might have seemed that I was on a different side of this question as far as Mr. Cantu is concerned, I frankly would like to have a better case made for the expenditure of the funds. Specifically, what are they going to be spent for because very frankly, all of the data we have had has not gotten down to the question as to how the money is going to be spent. I would like this to be done in such a way that if we are looking at a 20-year term for the indebtedness, that you would show us a projection of what you plan to do during that period of time, in the way of capital expenditures, specifically, what are they going to be for. I, personally, do not believe the case has been made in this area and I think we owe it to ourselves and certainly I think this utility owes it to the community to get it down in language to where we can all understand what the money is going to be spent for. Something, I realize that this question does not have the aura of fiesta style type of project that we should be enamoured with, but, frankly, Mr. Deely, I have asked repeatedly and I still have never really gotten your short-range plan for providing gas and electricity to the City as far as an overall timetable between now and, let's say, 1980, on how you plan to provide for the energy needs for this City. By that, I am talking about what percentage of your fuels do you expect to be oil, gas, garbage, coal, the whole package. I feel that we owe this to the community to get it down in language to where they can understand it and I have not received it.

I don't know whether you have any questions about what I am asking for on either of these two points, they are related to each other - one being really magnifying the period between now and 1980. But, beyond that, I don't want to have a recurrence of something that I saw happen yesterday with another utility in this town. We've been notified and put on notice that they wanted to spend approximately \$75 million for the development of surface water and treatment facilities. But, under oath, in a court of law, the General Manager of the City Water Board also revealed that he had a plan for another \$100 plus thousand dollars in capital expenditures that he wanted to obligate the City Water Board for a hundred plus million dollars and this was enough money the debt service on it alone, for the surface water treatment facilities and the additional capital expenditures to service the debt at today's interest rates was more than the entire current revenues of the City Water Board. So, I don't want you to flip these cards over one at a time. I want you to take all 52 of them and lay them face up so we can look at them, the whole thing. We want to know what your long-range plan is on this question of providing energy and gas to this City, because, very frankly, I am not impressed with your performance in this area. That's one of the things that I am saying that I am voting on this on.

I also want a report from you on where we stand on consolidation of services to help minimize the need for these cost increases. I also want a legal opinion on how we go about a rate differential between those people who live outside the City of San Antonio to minimize the impact on the minimum user and the other thing, I want a legal opinion that you will put your job on, Crawford, on the question of the self-perpetuating board on those bonds that are not senior to those that are outstanding. Those are four things I want before I vote on it.

DR. SAN MARTIN: Mr. Mayor, may I add a fifth one to what Mr. Morton has said to Mr. Deely and I would like our City Manager, if there is any merit to, I know that there is urgency to some of the projects that you have mentioned, but I still don't know exactly which is A, B, and C, but we have a rate consultant, Tom, that has not gone very deeply into Phase II of the request that we asked him. Is there any reason why these have to be passed today before our City consultants are finished with their study of the capital program of CPS?

MR. DEELY: Are you talking about the intent to issue the bonds?

DR. SAN MARTIN: Yes.

MR. DEELY: Yes, the timetable called for it being passed today, if we issue them in time.

DR. SAN MARTIN: I know we are talking about the timetables, but which is project one, two, three, four, we don't have that. I mean, where does that timetable come from, where does it exist?

MR. DEELY: Insofar as the issuance of bonds is concerned, or insofar as the construction is concerned?

DR. SAN MARTIN: Yes, well, both.

MR. DEELY: Well, we have a 15-year plan for construction which was contained in the information sent to you with the request. It is a condensed version, we also have a detailed version that covers many pages, it looks about like the minutes that were shown here this morning of the meetings that were held on the Charter Revision, so we have all of this detailed information, and I'm a little surprised that Mr. Morton has not been satisfied with that information but we'll certainly take

every step to satisfy you insofar as sending you the details of what we need

MR. MORTON: Well, let me say this, sir...I think we're really talking about a basic difference in attitude, i.e., the statement on the question that was raised, "looking back, do you feel that you acted in the best interest of the City of San Antonio by entering into the Alamo Gas contract?" That assumes that you know where you have us and what the consequences are going to be and for you to answer, "yes", I very frankly, I just can't comprehend how anyone could answer yes to that question and that's exactly how the question was stated. Looking back, knowing what you know now, do you think you acted in the best interest? I don't see how you can answer that yes.

MR. DEELY: Well, of course, I did not negotiate the contract.

MR. MORTON: I didn't ask that sir. That wasn't the question.

MR. DEELY: And, I would say this, looking back if we had had the information on what gas was going to be available, we certainly would have done something about it.

MR. MORTON: Well, I think looking back, that implies that you have that information.

MR. DEELY: But hindsight, of course, is a lot better than foresight.

MR. MORTON: That's exactly right, but I think what I'm really saying is we have to agree that we blew the hell out of that decision to begin with. You have to acknowledge mistakes, Tom, before you can correct them in the future.

MR. DEELY: Well, do you think that the mistake at the time.. that it was improper?

MR. MORTON: I said looking back, that means having all the knowledge that you have today, do you think you acted in the best interest?

MR. DEELY: I think the Board, at that time acted in the best interest of the City.

MR. MORTON: Well, I question that, even if you can destroy all the facts that have occurred since then, but again, I do...I'll be happy and there's no point in our debating here, I'll be happy to get with you at any time if you have any questions specifically about what I want or what your plan is. But, I really never have felt that you have given me....

MR. DEELY: Well, we'll try to satisfy you.

MAYOR BECKER: I'd like to say this, if I may Cliff. In connection with Van Dyke, and I read the testimony briefly about trying to create the monopolistic power within the Water Board, I think that Mr. Van Dyke and I'll say this in Tom's behalf, Mr. Deely, and perhaps other gentlemen in these utilities, were victims, and, if they care to speak for themselves, they certainly can, but my interpretation of it is that they were victims and victimized by a philosophy that had absolutely little basis, in fact, for its existence. Now, with the Water Board policy, it was the most ambitious program to be the sole purveyor of water in the City of San Antonio. In the first place, it wasn't capital or feasible from the capital requirements because it was bigger than their capabilities, totally. Secondarily, I'm afraid that Mr. Deely didn't have a great deal to do with the decision made with respect to Alamo Gas.

MR. MORTON: I'm not implying that he did.

MAYOR BECKER: I know.

MR. MORTON: Any staff which he has to take the responsibility for, certainly answered in the affirmative on that.

MAYOR BECKER: I don't think that at that time, that the staff of the City Public Service Board was actually running the operation, is the point I'm trying to make. I think the decisions were being made for them.

MR. PADILLA: Were you the Manager then, Mr. Deely?

MAYOR BECKER: No sir, he was not.

MR. PADILLA: I didn't think you were.

MAYOR BECKER: And, Mr....Judge Langdon and I hate to dig all this stuff up, but since it's come up, in my opinion, put it very properly when he said to engage in a contract with a corporation that had not one inch of gas line laid, had no financing, no experience was another observation he made, well, it wasn't even chartered hardly, certainly left a lot to be desired. Now, I'm not saying, you know, whether Tom did or didn't or anything about it. God help us all for those type of decisions. We could engage in the same sort of thing here today, or in the future, as long as we're on this Council by doing what's known as the popular thing and that is to refuse to provide the money to do the various things that we know need to be done all in the sake or for the sake of being interested in the public and all this sort of thing and become heroes for the moment. We'd be damned though somewhere in the future. So, I hate to see, you know, people really having to answer for things that I don't think they had any control over. I really feel that that's the main trouble with the whole situation. They didn't have any say so, they have no authority, and that the decisions were made for them.

MR. MORTON: Well, let me say this sir...this staff report is current. It was just made last month.

MAYOR BECKER: Well, I appreciate that.

MR. MORTON: I'm not talking about a staff.

MAYOR BECKER: I appreciate that Cliff. I know what you mean.

DR. SAN MARTIN: Mr. Mayor, I still don't have the answer to the question I asked Rev. Black and I'd like to have both Mr. Deely and Mr. Granata's recommendation as to why we are not through with Phase II of the capital program study by our consultants.

CITY MANAGER GRANATA: May I answer that? The main thing is we haven't retained them yet to do Phase II. We were going to do this, this coming Thursday. In Phase I though, they did recommend the issuance of this \$85 million in bonds, but we propose next Thursday to retain Kubik with your concurrence to do Phase II.

DR. SAN MARTIN: Alright. What would be the effect of the \$85 million dollar bond issue if the study shows, say in 60 days, that it should be different. In other words, instead of 15, it should be 20 to 25 years.

CITY MANAGER GRANATA: I can't answer that without asking too. I can only say though, that they again took into consideration, because they have said go ahead and issue the \$85 million in bonds.

DR. SAN MARTIN: Well, aren't we jumping the gun right now by going ahead with this?

CITY MANAGER GRANATA: In my opinion, I don't think we are, for this reason, because if we find out that we are, you can always reject the bids when they come in, and that is a 30 day lead time.

DR. SAN MARTIN: If we hire the consultants for Phase II, how long will it take them to come back?

CITY MANAGER GRANATA: I believe they....Carl, did you say 30 to 60 days?

MR. PADILLA: 60 days.

CITY MANAGER GRANATA: Six months for Phase II, excuse me, yes sir.

DR. SAN MARTIN: And you're anticipating to sell bonds, when Tom?

MR. DEELY: August 1st.

DR. SAN MARTIN: August the 1st.

MAYOR BECKER: Well, we need the \$85 million. That's....you know, I hate to say it, but that's just the down payment on what's needed.

MRS. COCKRELL: Mr. Mayor...just to make one other comment. Following up on what Cliff said that he would really like to see a further explanation of the CPS plan to meet the energy needs over the next few years....my husband for one keeps asking me a question and I really don't know how to answer it. And, that is, what does the average citizen or the head of a business do about energy conservation. On the one hand, we started the big program and we were pushing energy conservation. Suddenly we got the announcement that all of the energy conservation was throwing the financial picture at CPS out of kilter and was really making the rates go up or was going to make rates go up or change. And so really, just in that light, I still think we need to address the subject of, do we want the citizens to continue energy conservation, what is it doing to the rate structure and this is really a related question to meeting our energy needs.

MR. DEELY: Mrs. Cockrell, of course, what we recommend at all times is conservation, which in our terminology, means no waste of energy. We feel that that's very important and it makes sense certainly in these times of energy shortages. We, of course, have other phases of this that are in the plan which has been submitted to the City and which we worked with the City staff in forming which call for the stopping the use of certain things, asking businesses to reduce their use and so forth and so on. Now, this is when we get into the disaster phase of this. Fortunately, we haven't been in that, but I would say that we still feel that we should, everyone should stop waste in the use of electricity and gas. Now, I don't know that that answers your question. Of course, this means that we get less revenues. We estimate that at about 10% of our revenues.

REV. BLACK: Mr. Mayor..I'd like to sort of tie in to what Cliff Morton has said. In terms of the expenditures of this money because one of the things that was indicated when the first appeal was made, tying it all to the increased rate and all, was that there was an economic relationship in terms of jobs, in terms of the economic development of this community. Now regardless to what might be our position with reference to Mr. Cantu's presentation, there is a real fact that there are great numbers of people in this community who cannot afford, really cannot afford an increase. Now on the one hand, we are called upon to consider that, but at the same time, we would find ourselves not weighing the facts properly. If we did not, on the other hand consider what kind of economic impact the advancement would be made. But, if I don't have that kind of material before me, then I'm not in position to act upon that kind of concern because I am concerned about the impact that the rising costs of utilities will make on a number of families. Families that will not be deciding on whether or not they're going to burn their fuel all day or have air conditioning on all day, but the decision will be made between the increase and milk for their babies, or some kind of medical care. It's a serious kind of option that they have and this is the kind of concern, so when I act upon this.....I would like to be

May 2, 1974

-37-

gc

acting upon it if there are any job opportunities open, this is another thing, this means that I am not voting against the possibility of people having work to do, you see. How do I get the kind of information that I am asking for because even as I talk with our consultants, they don't consider in the development of any recommendations, the basic economy of a community. As I talked to the Members of the Board, there is a separation between what is called a social problem and a problem of utilities, and, to me then, there is not a separation. I have not been able...people live in a community and that community is responsible, particularly in a public facility because the people who pay for it are the people who live in that community and should have some kind of relationship to its decisions. So, therefore, I am faced with the very difficult decision unless I can get the kind of information as to the allocation of these funds, I'm certainly concerned about it and it seems to be related, the kind of impact these funds will make on the economy of the community, if I'm going to make a rational approach in terms of my own responses, where I live and where I see my community, you see. In spite of the fact Mr. Cantu seemed to have known who voted for me, I know better who voted for me, better than he does because I live in that community and don't live outside of it. I live right in the heart of it. I know where it comes from and I know possibly I'm as sensitive to it as he is. I'm not concerned about that, that's not my point, my point is whether I can respond responsively as a member of this Council, regardless to who did or didn't vote for me.

MR. DEELY: I can best summarize an answer to your question by saying that at this moment, there is a firm that will require 6,000 kilowatts of load. That's a pretty big firm, pretty big business. It's an electrical industry, that is considering the City of San Antonio as a place to locate and it's gotten pretty far, it's got a team here, I understand, working on this. I can assure you that if we don't have plans and if we don't provide the money to build a plant, they won't locate here, and all they will need to know at this time would be that we were not in a position to do this building. So, that is a demonstrable indication of what is involved in keeping sufficient gas and electric service for our customers. This is not for the Board. It's not for the Council. It's for the person who is going to use this electric power or this gas. Now, as to the number of jobs we work with the Chamber of Commerce in estimating what jobs they were going to have and how they were going to increase the jobs. That information is available at the Chamber of Commerce. They are embarking on a program that I think is a very good program which the City has helped sponsor and in which the City Public Service has helped sponsor with money, with help and I think, I would say, a very good job and I would refer you to that, insofar as economic benefits are concerned of the program. I think it might answer your question.

MR. PADILLA: Mr. Deely, what are your gross revenues over there?

MR. DEELY: Last year, \$107 million.

MR. PADILLA: \$107 and you're asking for a 25% increase, which is approximately \$25 million in round numbers.

MR. DEELY: Yes sir.

MR. PADILLA: The consultant stated no less than 19%, I believe.

MR. DEELY: That's right sir, on the fiscal year.

MR. PADILLA: One of the things that concerns me in all of this, and of course, we are all trying to be responsible, but it occurs to me, that the consultant's report did not address itself to the operation itself at Public Service. We're taking that at face value. We have assumed that we have had no wastefulness there, no lack of efficiency, that we have no corners we can cut and consequently, we cannot derive some of the increased money, so to speak, through efficiencies, through cost saving situations and through review of the total

organization. I think we have accepted the management, as is...we are proceeding on the assumption that the management is in good shape, that it cannot be improved, the job being done cannot be improved. We cannot cut cost and so forth, and we are looking solely to the consumer for the increased money we need. I think we should be properly looking to ourselves, that is to say, to the Public Service System, itself, to see what relief the consumer can get from that operation, itself, in terms of increased efficiency, and so forth. I know that we have not addressed this issue and this is one of the things that bothers me very much. We constantly take, when I review these rate increases, I'm constantly bothered and at the risk of someone interpreting anything I try to do as an attempt because of my present circumstances as becoming an instant hero, I'd like to remind everyone, and many people have been here for many, many meetings and they know that I have been entirely consistent in this concern, I am very much concerned that we have not really looked to ourselves for any relief that we might be able to find within the organization itself. I don't think we should take this as the Public Service and we need \$25 million dollars more money and we're going to get it all from the consumer.

MR. DEELY: I can speak about that Mr. Padilla...we are concerned every hour of every day about reducing costs. We have a continuous cost reduction program in affect. We tried to relate some of those to you in the brief presentation we were allowed to make, on the need for the rate increase. We have a full scale presentation. In that presentation, I'm not sure that you were here, were you here, at the rate presentation?

MR. PADILLA: I think I've been here, yes.

MR. DEELY: We showed a comparison of our unit cost for various things that we do, with other utilities.

MR. PADILLA: I questioned some of those things....I was here, yes.

MR. DEELY: They were materially lower than the other utilities.

MR. PADILLA: Well, the question is Mr. Deely, I have to tell you that I am concerned about a situation that compares figures with other cities, because we know, for instance, that our tax dollar per capita is a lot less than New York City, as an example. To compare ourselves with New York City is just not good enough. We can use it as one indicator, but we should be better than New York City with all the problems they have and that we don't have yet. The question really is, not are we better than other cities, but are we as good as we should be.

MR. DEELY: Well, I'm not going to stand here and tell you that we're perfect, we all know that, but I do want to assure you that we make every effort we can to reduce costs and I think we have a good track record in that regard.

MR. PADILLA: I think if you were sitting in my place, I think you can appreciate the fact that it would be difficult to accept that at face value, when we have absolutely no control whatsoever, and incidentally, I said the very same things to the telephone company when they came for a rate increase. We're taking your set of papers and you run the company to suit yourself and we give you the money for the relief you need when you run out of money. We have nothing to do with running the operation, I'd like to be able to run an operation in which I ran the thing as efficiently or as inefficiently as I do and you simply make up the difference when I run out of money. I know in my business, I find myself some of the time, in a tough market, not raising prices when I need more money, but having to lower them, you see.

MAYOR BECKER: Well, can we do something now, can we, we've had a motion and a second on this notice of intention for the \$85 million in bonds, can we vote on that now, because some of the members have to tend to some business and a few things..so, okay, we're going to vote by roll call vote?

ROLL CALL VOTE: AYES: Cockrell, San Martin, Becker, Black, Lacy, Morton, Beckmann, Mendoza; NAYS: Padilla; ABSENT: None.

CITY CLERK: Motion carries, sir.

DR. SAN MARTIN: I have one question for Mr. Deely. It won't take but about ten seconds. Mr. Deely, before we have the public hearing on the rate increase, I haven't been able to get the answers to some of the questions I asked, one, specifically, the question of the City Public Service Board making all kinds of efforts, not only to have a sharing of energy with other utilities, but to actually go and try to sell your excess when you don't need it, as a means of increased revenue. I think our consultant made the point that perhaps you could increase your revenue by selling excess energy. You don't have to answer right now because we're going to break. The other item that I still don't have any answer to is the question of the need for such a huge computer system as you have, and what is the operation of that computer system for the future, whether it's going to be enlarged, whether it's going to be available for other agencies to share, in other words to maximize the income and revenue to CPS on whatever facilities you have available. I think that this information is pertinent before we go in to the public hearings...so, I'd like to say that you stood up beautifully today and I'm just unhappy that no member of the Board was at your side to be here. I really expected that...I know Mr. Berg is sick, but I really think that the Board members should be here.

MR. DEELY: Dr. West was out of town, Dr., and Mr. Newman is trying to get some more gas at this time. He spent yesterday afternoon and has spent this morning working on getting some additional gas. So, he felt his energies were best exerted there, rather than coming over here and I didn't...

DR. SAN MARTIN: You did a fine job there.

MR. DEELY: I wasn't so sure after the testimony this morning.

MAYOR BECKER: Thank you very much Tom. Now let me mention to the Council, one thing, and then we'll recess for lunch. At one o'clock Tuesday, May 14th is the City Water Board Meeting and it's being held at one o'clock so we can go into this Cibolo thing and all that with plenty of time. At nine o'clock, Wednesday, May 15th is this Utilities Committee Meeting that we're having, again to report back on the work that was assigned to the Water Board, the City Public Service Board, the Transit Authority, the City of San Antonio, and I'm going to request that at this time someone from Bexar County, the County Commissioners, a representative of them be at this meeting and discuss the progress that's been made on the various things that we took up that morning. So, I just mentioned that.

* * * *

May 2, 1974
gc

CITIZENS TO BE HEARDMR. JOE RAINEY MANION

Mr. Joe Rainey Manion spoke to the Council concerning his wish to honor former Mayor Walter McAllister by renaming the convention center the Walter W. McAllister Convention Center. He said that a suitable marker should be erected there. This project was very dear to Mayor McAllister and he is given much credit for its construction. Mr. Manion urged that the Council give this suggestion serious consideration.

Mayor Becker thanked Mr. Manion for his fine suggestion.

MRS. HELEN DUTMER

Mrs. Helen Dutmer spoke to the Council about the La Villita de San Patricio Project located in the Southeast section of the City. She said that this was stated to be a school - a rehabilitation center for drug addicts. Last week four juveniles were probated to this center by the federal courts. These people had committed serious crimes. Mrs. Dutmer said that this only confirms the fact that this is not a school and is in violation of the zoning code. She asked the Council to do something about it.

MR. WILLIAM WALLACE

Mr. William Wallace, 224 Bogue, introduced two other persons, Mr. Sam Williams and Rev. C. J. Bias.

Mr. Wallace stated that recently two new officers were assigned to his area on the westside of town. There have been many instances of harrassment by these officers against young people in the area and tension is getting very high. Last night there were two incidents resulting in shootings. Mr. Wallace stated he did not know who is to blame but said that he felt it extremely urgent to remove these two officers from the area before there are other incidents.

Police Chief Emil Peters stated that he would discuss the matter with them and take whatever action might be appropriate.

MRS. JEAN DOUGLAS KAZEN

Mrs. Jean Douglas Kazen, 102 East Hollywood, read a prepared statement complaining of treatment she and her children received while trying to view the River Parade. She said that there is almost no area from which to view the parade without having to pay exhorbitant prices. (A copy of Mrs. Kazen's statement is included with the papers of this meeting.)

City Manager Granata stated that Mr. Stewart Fisher has been assigned to study this entire matter. A report will be made to the City Council in "B" Session on May 23 and Mrs. Kazen was invited to be present.

Mayor Becker read the following letter:

May 2, 1974

Honorable Charles L. Becker
Mayor
City of San Antonio
City Hall
San Antonio, Texas 78205

Dear Mayor Becker:

It is with sincere regret that I must submit my resignation to you as a member of the City Council.

As you know, my move to the Lone Star Brewing Company as its President from the Pioneer Flour Mills as its Chairman of the Board, has put considerable strain on my time and capabilities. This is particularly true because the present City Council, under your guidance, has met its responsibilities in a notably conscientious and responsive manner which demands time and effort far in excess of what was considered normal procedure.

It is because I concur in this manner of operation that I find myself unable to give the City and Lone Star the amount of time and effort each deserves. As my responsibilities increase at Lone Star, doing justice to both will become an increasingly more difficult task.

Serving on the City Council has been a richly rewarding experience for me and I shall miss my colleagues on the Council as well as the many members of the staff with whom I have become acquainted.

I would request that this resignation become effective June 1, 1974 if this is an acceptable date for you and the Council.

May I also wish you and the members of the San Antonio City Council continued success and accomplishment. I shall watch your program with keen interest and concern.

Sincerely,

/s/ Alfred G. Beckmann

* * * *

Mayor Becker expressed his deep regret at Mr. Beckmann's action but told him that he fully understood his situation.

Members of the Council also expressed their sorrow that Mr. Beckmann had found it necessary to resign.

- - -
74-19 The meeting recessed for lunch at 1:10 P. M., and reconvened
at 2:35 P. M.
- - -

May 2, 1974
nsr

Mayor Becker recognized Mr. Reynolds Andricks, President of Fiesta San Jacinto Association, who expressed his deep appreciation to the Council for its cooperation in making the Flambeau Parade a huge success.

Mr. Andricks stated that a group of people were here for Fiesta Flambeau representing the Mayor of Portland, Oregon and brought a proclamation from Mayor Neil Goldschmidt of that city naming Mayor Charles L. Becker an honorary citizens of the "City of Roses," Portland, Oregon.

Mr. Andricks read the proclamation.

Mayor Becker thanked Mr. Andricks for the presentation and accepted the framed proclamation from him.

City Manager Sam Granata stated that he has determined that the banquet hall at the Convention Center is available for use on Tuesday night next week.

After discussion, the Council agreed to meet Tuesday, May 7, 1974, night at 7:30 P. M., at the Convention Center banquet hall.

C. CASE 5517 - to rezone Lot 8, Block 13, NCB 8496, 1900 Block of Pasadena Street, from "B" Two Family Residential District to "R-3" Multiple Family Residential District, located on the north side of Pasadena Street, being 60' east of the intersection of Excelsior Drive and Pasadena Street; having 76.5' on Pasadena Street and a maximum depth of 117.66'.

Mr. Gene Camargo, Planning Administrator, explained the proposed change, which the Planning Commission recommended be approved by the City Council.

No one spoke in opposition.

After consideration, Dr. San Martin made a motion that the recommendation of the Planning Commission be approved, provided that proper replatting is accomplished and that a six foot solid screen fence is erected on the north property line. Mr. Beckmann seconded the motion. On roll call, the motion, carrying with it the passage of the following Ordinance, prevailed by the following vote: AYES: Cockrell, San Martin, Becker, Lacy, Morton, Beckmann, Padilla, Mendoza; NAYS: None; ABSENT: Black.

AN ORDINANCE 43,719

AMENDING CHAPTER 42 OF THE CITY CODE
THAT CONSTITUTES THE COMPREHENSIVE
ZONING ORDINANCE OF THE CITY OF SAN
ANTONIO BY CHANGING THE CLASSIFICATION
AND REZONING OF CERTAIN PROPERTY

DESCRIBED HEREIN AS LOT 8, BLOCK 13,
NCB 8496, 1900 BLOCK OF PASADENA
STREET, FROM "B" TWO FAMILY RESIDENTIAL
DISTRICT TO "R-3" MULTIPLE FAMILY
RESIDENTIAL DISTRICT, PROVIDED THAT
PROPER REPLATTING IS ACCOMPLISHED AND
THAT A SIX FOOT SOLID SCREEN FENCE IS
ERECTED ON THE NORTH PROPERTY LINE.

* * * *

D. CASE 5514 - to rezone Lots 6 and 7, NCB 6150, 111 Lorraine Avenue, from "C" Apartment District to "B-1" Business District, located on the north side of Lorraine Avenue, being 113.2' east of the intersection of South Flores Street and Lorraine Avenue; having 50' on Lorraine Avenue and a depth of 125'.

Mr. Gene Camargo, Planning Administrator, explained the proposed change, which the Planning Commission recommended be approved by the City Council.

No one spoke in opposition.

After consideration, Dr. San Martin made a motion that the recommendation of the Planning Commission be approved, provided that proper replatting is accomplished. Mr. Mendoza seconded the motion. On roll call, the motion, carrying with it the passage of the following Ordinance, prevailed by the following vote: AYES: Cockrell, San Martin, Becker, Lacy, Morton, Beckmann, Mendoza; NAYS: None; ABSTAIN: Padilla; ABSENT: Black.

AN ORDINANCE 43,720

AMENDING CHAPTER 42 OF THE CITY CODE
THAT CONSTITUTES THE COMPREHENSIVE
ZONING ORDINANCE OF THE CITY OF SAN
ANTONIO BY CHANGING THE CLASSIFICATION
AND REZONING OF CERTAIN PROPERTY
DESCRIBED HEREIN AS LOTS 6 AND 7,
NCB 6150, 111 LORRAINE AVENUE, FROM
"C" APARTMENT DISTRICT TO "B-1"
BUSINESS DISTRICT, PROVIDED THAT
PROPER REPLATTING IS ACCOMPLISHED.

* * * *

E. CASE 5509 - to rezone an 8.36 acre tract of land out of NCB 10116, being further described by field notes filed in the office of the City Clerk, 100 Block of Melliff Drive, from "R-3" Multiple Family Residential District to "I-1" Light Industry District, located 845' east of the intersection of Blanco Road and Burwood Lane and 1100' west of the intersection of Recoleta Road and San Pedro Avenue being an irregular tract of land having 900' in length and 670' in width.

Mr. Gene Camargo, Planning Administrator, explained the proposed change, which the Planning Commission recommended be approved by the City Council.

No one spoke in opposition.

After consideration, Mr. Beckmann made a motion that the recommendation of the Planning Commission be approved, provided that proper replatting is accomplished. Mr. Mendoza seconded the motion. On roll call, the motion, carrying with it the passage of the following Ordinance, prevailed by the following vote: AYES: Cockrell, San Martin, Becker, Black, Lacy, Morton, Beckmann, Padilla, Mendoza; NAYS: None; ABSENT: None.

AN ORDINANCE 43,721

AMENDING CHAPTER 42 OF THE CITY CODE
THAT CONSTITUTES THE COMPREHENSIVE
ZONING ORDINANCE OF THE CITY OF SAN
ANTONIO BY CHANGING THE CLASSIFICATION
AND REZONING OF CERTAIN PROPERTY
DESCRIBED HEREIN AS AN 8.36 ACRE TRACT
OF LAND OUT OF NCB 10116, BEING FURTHER
DESCRIBED BY FIELD NOTES FILED IN THE
OFFICE OF THE CITY CLERK, 100 BLOCK OF
MELLIFF DRIVE, FROM "R-3" MULTIPLE
FAMILY RESIDENTIAL DISTRICT TO "I-1"
LIGHT INDUSTRY DISTRICT, PROVIDED THAT
PROPER REPLATTING IS ACCOMPLISHED.

* * * *

A. CASE 5516 - to rezone Lot 11, NCB 10047, 226 Melliff Drive, from "A" Single Family Residential District to "R-2" Two Family Residential District, located on the southeast side of Melliff Drive, being 130' southwest of the intersection of Jackson-Keller Road and Melliff Drive; having 70.10' on Melliff Drive and a maximum depth of 139.28'.

Mr. Gene Camargo, Planning Administrator, explained the proposed change, which the Planning Commission recommended be approved by the City Council. Mr. Camargo stated that written opposition had been received from owners of more than 20 percent of the surrounding property and, therefore, seven affirmative votes would be required to grant the rezoning.

Mr. J. B. Domengeaux, the applicant, stated that this lot is adjacent to commercial property. The price of the property was so high that it would not be feasible to build a single family home there so he proposed to build a very nice duplex. He described the surrounding area and the various zones.

Mr. Tom Croft spoke on behalf of Mrs. Helen Walker, 222 Melliff. He had photographs of Mrs. Walker's home and a home across the street from her. He said that this is a strict single family area and that she wished to keep it that way. Mr. Croft said that to rezone the one lot would constitute spot zoning. He also pointed out that under "R-2" zoning there could be a day care center put in there and this would certainly be opposed. He asked that the application be denied.

Mr. Domengeaux spoke in rebuttal saying that he had absolutely no thought of putting in a nursery or day care center. It would be a duplex and they intended to live in one side of it.

May 2, 1974
nsr

Dr. San Martin made a motion that the recommendation of the Planning Commission be overruled and the application for rezoning denied. There was no second to Dr. San Martin's motion, and it, therefore, died.

After further consideration, Mr. Morton made a motion that the recommendation of the Planning Commission be approved, provided that proper replatting is accomplished. Mr. Mendoza seconded the motion. On roll call, the motion, carrying with it the passage of the following Ordinance, prevailed by the following vote: AYES: Cockrell, Becker, Black, Lacy, Morton, Beckmann, Padilla, Mendoza; NAYS: San Martin; ABSENT: None.

AN ORDINANCE 43,722

AMENDING CHAPTER 42 OF THE CITY CODE
THAT CONSTITUTES THE COMPREHENSIVE
ZONING ORDINANCE OF THE CITY OF SAN
ANTONIO BY CHANGING THE CLASSIFICATION
AND REZONING OF CERTAIN PROPERTY
DESCRIBED HEREIN AS LOT 11, NCB 10047,
226 MELLIFF DRIVE, FROM "A" SINGLE
FAMILY RESIDENTIAL DISTRICT TO "R-2"
TWO FAMILY RESIDENTIAL DISTRICT,
PROVIDED THAT PROPER REPLATTING IS
ACCOMPLISHED.

* * * *

B. CASE 5531 - to rezone Lot 2, NCB 11891 and Tract A, save and except the south 151' of the west 60', NCB 11892, 7815 Broadway, from "A" Single Family Residential District to "R-6" Townhouse District, located 200' north and 435.6' west of the intersection of Broadway and Lorenz Road; having 101.3' on Broadway and 140.6' on Lorenz Road.

Mr. Gene Camargo, Planning Administrator, explained the proposed change, which the Planning Commission recommended be approved by the City Council.

Mr. Ed Sykes, the applicant, spoke in favor of the proposed change. He described the surrounding area and the general topography of the land. The "R-6" zoning is consistent with the character of the neighborhood. He pointed out the "R-3", "R-6", and office zoning in the immediate area. The ground slopes to the northwest and arrangements have been made for a drainage easement to take care of the runoff. Traffic from the townhouse development would have access to Broadway and Lorenz Road. There is no traffic signal at Lorenz and Broadway.

Mr. George Hartwell, 149 Lorenz, spoke in opposition. He said that he purchased his property in 1958. At the time he built his home, he paid for the 178' of 6" sewer line from his house to the City's main. Now, he understands that these townhouses would hook on to the line he paid for and the City will pay for the materials.

Mr. Hartwell said that he feared the increased traffic in the area and the parking problem that would be created. He also said that the Planning Commission had told Mr. Sykes to bring a site plan and drainage plan to the Council when this Case was heard, but that he hadn't seen one. If a drive were put in to Lorenz Road, due to the slope of the ground, a fence would not shield his house from headlights at night. He asked that the petition for rezoning be denied.

Mayor Becker said that since it has been a long time since the last survey, he would like for a new survey to be made at the intersection of Lorenz and Broadway to determine if a traffic light is needed.

Mr. John Eldridge, 175 Lorenz, also spoke in opposition. He pointed out that he will be completely boxed in by the project and would lose his privacy.

There was a general discussion between the staff and City Council concerning the City's sewer policy.

Mr. Sykes spoke in rebuttal. He said that this project will not hook onto the sewer line which was paid for by Mr. Hartwell, but will hoop up to a 12" line in another easement. He said that he did not recall being told to bring any plans with him. He said that he has already offered to purchase Mr. Hartwell's property for twice its appraised value. There are other points that could be discussed.

Mr. Morton suggested a possible land swap with Mr. Hartwell and Mr. Eldridge which would help the situation.

Dr. San Martin moved that the recommendation of the Planning Commission be overruled and the rezoning denied. The motion was seconded by Mrs. Cockrell. The motion failed to carry by the following roll call vote: AYES: Cockrell, San Martin, Black; NAYS: Becker, Morton, Mendoza; ABSTAIN: Beckmann; ABSENT: Lacy, Padilla.

Mr. Morton moved that the recommendation be upheld and the rezoning granted. The motion was seconded by Mr. Mendoza. The motion failed to carry by the following roll call vote: AYES: Becker, Morton, Mendoza; NAYS: Cockrell, San Martin, Black; ABSTAIN: Beckmann; ABSENT: Lacy and Padilla.

Mr. Sykes asked that he be permitted to come back and make a more detailed presentation. He said also that he felt that given a week or two he and Mr. Hartwell could resolve the problems.

Mrs. Cockrell stated that, as a person who voted on the failing side, she wished to move to reconsider and postpone the decision for three weeks. The motion was seconded by Mr. Mendoza. On the following roll call vote, the motion carried: AYES: Cockrell, San Martin, Becker, Black, Morton, Mendoza; NAYS: None; ABSTAIN: Beckmann; ABSENT: Lacy, Padilla.

F. CASE 5489 - to rezone Lots 5, 6, and the remaining portion of Lot 4, NCB 14525, 4700 Rittiman Road, from "B-2" Business District to "I-1" Light Industry District.

Mr. Gene Camargo, Planning Administrator, stated that he had received a letter from Mr. Jack Charles, requesting that this Case be postponed. There being no one present in opposition, the request was granted.

May 2, 1974
nsr

74-19 The following Ordinances were read by the Clerk and explained by Members of the Administrative Staff, and after consideration, on motion made and duly seconded, were each passed and approved by the following vote: AYES: Cockrell, San Martin, Becker, Black, Beckmann, Mendoza; NAYS: None; ABSENT: Lacy, Morton, Padilla.

AN ORDINANCE 43,723

AUTHORIZING EXECUTION OF A LEASE AGREEMENT PROVIDING FOR USE BY THE CITY OF A SWIMMING POOL OWNED BY LAD PROPERTIES, INC.

* * * *

AN ORDINANCE 43,724

AUTHORIZING PAYMENT OF THE AMOUNT OF \$3,167.28 FROM THE GENERAL FUND APPROPRIATIONS ACCOUNT NO. 07-73-08 TO FUND 796-40, ACCOUNT 79-60-40, AND AUTHORIZING PAYMENT OF THE AMOUNT OF \$1,268.50 TO SOUND DISTRIBUTORS, INC., AND THE AMOUNT OF \$1,898.78 TO RECORD SERVICE CENTER OUT OF FUND 796-40, ACCOUNT 79-60-40, TO COVER COST OF ADDITIONAL WORK REQUIRED IN CONTRACTS AWARDED BY ORDINANCE 42761, PASSED SEPTEMBER 13, 1973.

* * * *

AN ORDINANCE 43,725

AUTHORIZING EXECUTION OF A CONTRACT WITH ROBERT A. LEWANDOWSKI, D/B/A "RALCO GLASSBLOWING CO.", PROVIDING FOR LEASE OF 400 SQ. FEET IN BUILDING NO. 503 AT HEMISFAIR PLAZA FOR A ONE YEAR TERM ENDING MARCH 31, 1975.

* * * *

AN ORDINANCE 43,726

AUTHORIZING EXECUTION OF A LEASE AGREEMENT WITH WILLIAM M. HAYES, D/B/A "WILLIAM M. HAYES PRODUCTIONS," PROVIDING FOR LEASE OF BUILDING NO. 217 AT HEMISFAIR PLAZA FOR A ONE YEAR TERM, ENDING APRIL 30, 1975.

* * * *

AN ORDINANCE 43,727

APPROVING PURCHASE OF SUPERVISORY MANAGEMENT COURSE, PART II LEADERSHIP SKILLS AND AUTHORIZING PAYMENT IN THE SUM OF \$5,250.00 OUT OF ACCOUNT NO. 77-00-01.

* * * *

AN ORDINANCE 43,728

AUTHORIZING SUBMISSION OF AN APPLICATION TO THE CRIMINAL JUSTICE COUNCIL FOR A GRANT FOR CONTINUATION OF THE BEXAR METROPOLITAN CRIMINAL JUSTICE PLANNING UNIT.

* * * *

74-19 The following Ordinance was read by the Clerk and explained by Mr. Mel Sueltenfuss, Director of Public Works, and after consideration, on motion of Dr. San Martin, seconded by Mrs. Cockrell, was passed and approved by the following vote: AYES: Cockrell, San Martin, Becker, Black, Beckmann, Mendoza; NAYS: None; ABSENT: Lacy, Morton, Padilla.

AN ORDINANCE 43,729

AUTHORIZING THE LEON CREEK WASTE WATER TREATMENT PLANT - SECTION II PROJECT; APPROVING A BUDGET THEREFOR AND ACCEPTING A \$3,000,971.00 GRANT FROM THE U. S. ENVIRONMENTAL PROTECTION AGENCY; ACCEPTING THE LOW BID OF BURTEX CONSTRUCTORS, INC., IN THE AMOUNT OF \$3,577,490.35 FOR CONSTRUCTION OF SAID PROJECT TO BE PAID OUT OF FUND 788-11; \$176,874.00 TO BE USED AS A MISCELLANEOUS CONTINGENCY ACCOUNT AND \$114,806.00 PAYABLE TO SELIGMAN & PYLE, CONSULTING ENGINEERS, INC., FOR ADDITIONAL ENGINEERING SERVICES, ALSO APPROVING A TRANSFER OF FUNDS.

* * * *

74-19

COMMENDATION OF CARL NORRIS

City Manager Sam Granata stated that in connection with this last Ordinance, he wanted to take this opportunity to commend the staff for their work in obtaining a federal grant increase, especially Mr. Carl Norris, Sewer Engineer. Two years ago when the grant application was made the project cost was estimated at \$2,550,000. At that time the City received a grant in the amount of \$1,912,500. Due to inflation and changes in the scope of the project, the costs after receiving bids rose to \$4,001,295. Largely through the diligent efforts on the part of the staff, especially Mr. Norris, we were able to get a grant increase on the project to \$3,000,971 - an increase of \$1,088,471.

74-19 The following Ordinance was read by the Clerk and explained by Mr. Mel Sueltenfuss, Director of Public Works, and after consideration, on motion of Mr. Beckmann, seconded by Mr. Mendoza, was passed and approved by the following vote: AYES: Cockrell, San Martin, Becker, Black, Beckmann, Mendoza; NAYS: None; ABSENT: Lacy, Morton, Padilla.

May 2, 1974

-49-

AN ORDINANCE 43,730

ACCEPTING THE LOW BID OF STEPHENS CONTRACTING CO. FOR CONSTRUCTION OF THE SALADO CREEK SANITARY SEWER OUTFALL MAIN - NACOGDOCHES ROAD TO BLANCO ROAD PROJECT; AUTHORIZING EXECUTION OF A CONTRACT COVERING SUCH WORK AND AUTHORIZING \$647,762.00 PAYABLE TO SAID CONTRACTOR AND \$32,388.00 TO BE USED AS A MISCELLANEOUS CONTINGENCY ACCOUNT AND \$30,762.00 PAYABLE TO BROWN ENGINEERING COMPANY FOR PROFESSIONAL SERVICES.

* * * *

74-19 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: Cockrell, San Martin, Becker, Black, Beckmann, Mendoza; NAYS: None; ABSENT: Lacy, Morton, Padilla.

AN ORDINANCE 43,731

ACCEPTING THE LOW QUALIFIED BID OF L & M STEEL COMPANY, INC., TO FURNISH THE CITY OF SAN ANTONIO WITH REINFORCING STEEL FOR A NET TOTAL OF \$6,831.16.

* * * *

AN ORDINANCE 43,732

ACCEPTING THE LOW BID OF JAHN DENTAL COMPANY TO FURNISH THE CITY OF SAN ANTONIO WITH CERTAIN DENTAL FURNITURE AND EQUIPMENT FOR A TOTAL OF \$41,097.32.

* * * *

AN ORDINANCE 43,733

ACCEPTING THE LOW BID OF ACME LUMBER & SUPPLY CO., TO FURNISH THE CITY OF SAN ANTONIO WITH CERTAIN GUARD POSTS FOR A NET TOTAL OF \$2,220.00.

* * * *

AN ORDINANCE 43,734

ACCEPTING THE LOW BID OF AMERICAN ROOFING & METAL CO., TO FURNISH THE CITY WITH CERTAIN ROOFING FOR A TOTAL SUM OF \$1,589.00.

* * * *

AN ORDINANCE 43,735

ACCEPTING THE LOW BID OF DIAMOND
FENCE COMPANY TO FURNISH THE CITY
WITH CERTAIN STEEL FENCING MATERIAL
FOR A TOTAL SUM OF \$5,527.44.

* * * *

74-19 The Clerk read the following Ordinance:

AN ORDINANCE 43,736

ACCEPTING THE LOW BIDS OF JAHN DENTAL
COMPANY, PATTERSON DENTAL COMPANY,
AND TEXAS DENTAL COMPANY TO FURNISH
THE CITY WITH CERTAIN DENTAL INSTRU-
MENTS & EQUIPMENT FOR A NET TOTAL OF
\$6,162.52.

* * * *

The Ordinance was explained by Mr. John Brooks, Director of Purchasing, who said that there were 138 items included in this bid for dental supplies and equipment for the Health Department. He asked that Item No. 28 be rejected as no one could meet specifications. The low bidder on Item No. 28 cannot supply the material. Other than those two items everything else meets specifications and he recommended approval of the Ordinance.

After consideration, on motion of Mrs. Cockrell, seconded by Dr. San Martin, the Ordinance was passed and approved by the following vote: AYES: Cockrell, San Martin, Becker, Black, Beckmann, Mendoza; NAYS: None; ABSENT: Lacy, Morton, Padilla.

Mayor Becker stated that this was a lot of dental equipment to purchase and asked if there is any accountability for it.

Mr. Brooks stated that this equipment is being purchased for a new facility being opened in the southwest part of the City. There is a good inventory control.

74-19 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: Cockrell, San Martin, Becker, Black, Beckmann, Mendoza; NAYS: None; ABSENT: Lacy, Morton, Padilla.

AN ORDINANCE 43,737

ACCEPTING THE LOW BID OF SUN ELECTRIC
CORPORATION TO FURNISH THE CITY OF SAN
ANTONIO WITH CERTAIN AUTOMOTIVE SHOP
EQUIPMENT FOR A NET TOTAL OF \$4,976.00.

* * * *

AN ORDINANCE 43,738

ACCEPTING THE LOW QUALIFIED BIDS OF JAHN DENTAL COMPANY AND PATTERSON DENTAL COMPANY TO FURNISH THE CITY OF SAN ANTONIO WITH CERTAIN DENTAL FURNITURE AND EQUIPMENT.

* * * *

AN ORDINANCE 43,739

ACCEPTING THE LOW BID OF POLAROID CORP. TO FURNISH THE CITY OF SAN ANTONIO WITH A COPY CAMERA FOR A NET TOTAL OF \$1,113.00.

* * * *

AN ORDINANCE 43,740

AUTHORIZING THE RENEWAL OF ANNUAL SUBSCRIPTIONS TO MOODY'S INVESTORS SERVICE, INC., FOR THE SAN ANTONIO PUBLIC LIBRARY.

* * * *

74-19 The Clerk read the following Ordinance:

AN ORDINANCE 43,741

ACCEPTING THE LOW QUALIFIED BID OF PUBLIC HEALTH EQUIPMENT & SUPPLY CO., INC., TO FURNISH THE CITY WITH FOG GENERATORS AND POWER SPRAYER.

* * * *

The Ordinance was explained by Mr. John Brooks, Director of Purchasing, who stated that this fogging machine is mounted on a pickup truck and used for mosquito control. Specifications were prepared by the Health Department and bids were opened on October 26. Two bids were received - one from Micro-Gen Equipment Company and one from Public Health Equipment Company. The low bid submitted by Micro-Gen Company did not meet specifications in three areas. Specs called for a heavy duty unit but they bid on a medium duty unit. Specs called for a 14 hp engine, but they bid on a 6 1/2 hp engine. Specs called for a tank capacity of 13 gallons and the bid was on a 2 1/2 gallon tank. The bids were investigated by the Health Department and it was recommended that the low bid not be accepted.

Mr. Brooks referred to the bid documents which make provision for bidders to question the specifications within five days of the bid opening. This was not done.

Mr. Brooks recommended acceptance of the bid from Public Health Equipment Company.

May 2, 1974
nsr

Mr. Jack Jones, representing the Micro-Gen Company, spoke to the Council concerning his bid. He described the merits of his equipment and described the testing it had been put through in various areas. He claimed that the specifications were written to eliminate all equipment except the unit proposed by the Public Health Equipment Company. He claimed that his bid be accepted or that all bids be rejected.

Mr. Charles Reeves, owner of Public Health Equipment Company, spoke in favor of his bid and described his equipment and compared it to the other equipment.

Mr. Fred Bell, Director of Environmental Health, stated that the Health Department has consulted with other health departments that confirm the decision made concerning this equipment. They all agree that the equipment selected is very good.

Mrs. Cockrell stated that at stake is the integrity of the bidding procedure of the City of San Antonio. She supported the recommendation of the Purchasing Department. She disagreed with Mr. Jones' statement concerning the "old friend game" and took exception to allegations that would suggest that the award would be made to any other than the low qualified bid. She moved adoption of the Ordinance. Her motion was seconded by Dr. San Martin and carried by the following roll call vote: AYES: Cockrell, San Martin, Becker, Black, Beckmann, Mendoza; NAYS: None; ABSENT: Lacy, Morton, Padilla.

Mayor Becker then recommended to Mr. Jones that he arrange with the Health Department for a demonstration of his equipment to see what it can do.

74-19 Mrs. Cockrell introduced the following Resolution of Respect:

A RESOLUTION OF RESPECT
74-19-28

WHEREAS, The City Council has learned of the untimely tragic aircraft accident which took the life of Mrs. Marian Burke on Thursday, April 25, 1974, and

WHEREAS, Mrs. Burke was widely known for her interest in the field of aviation and was part owner of Burke Aviation, a flying school located at International Airport, and

WHEREAS, Mrs. Burke competed in air races for women and in 1973 won the annual transcontinental powder puff derby which focused national attention on our City, and

WHEREAS, in the death of Mrs. Burke, the City has lost a valued and respected member of the community;
NOW, THEREFORE:

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

May 2, 1974
nsr

-53-

SECTION 1. The Mayor and City Council do hereby express its sincere sympathy to the family of Mrs. Marian Burke.

SECTION 2. A copy of this Resolution be spread upon the minutes of this meeting in memory of Mrs. Marian Burke and a copy thereof forwarded to her family.

* * * *

The Resolution was adopted unanimously.

74-19

FARMERS' MARKET

Dr. San Martin asked the Council's concurrence in asking the City Manager to invite Mr. Wilbur Fite, Chairman of the Urban Renewal Agency, to meet with the Council in two weeks to discuss certain aspects of the development theory of the market area and the projections they have in conjunction with the new market. He said that certain parcels of land have been advertised for development and then are withdrawn.

He said that he would also like for the Urban Renewal Agency to give the Council an opportunity to take a look at the LOGO which is an identification symbol for the market area.

74-19

REV. CLAUDE BLACK

Rev. Black stated the Council has a report from Rev. Mitchell and asked that he would like to have a copy of any report made as a result of Rev. Mitchell's communication.

74-19

BOARDS AND COMMISSIONS

Mrs. Cockrell stated she would like for the staff to review the number of inactive boards and commissions and recommended those that should be delted from the records. There appears to be some very old boards that are no longer active.

74-19

The Clerk read the following letter:

April 25, 1974

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

Gentlemen and Madam:

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

April 24, 1974

Petition of Mr. Edward Kliever,
III, Attorney for Royal Crest,

May 2, 1974
nsr

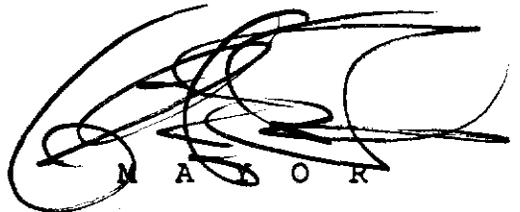
Inc., requesting consent of the City Council for the creation of the Northwest Municipal Utility District.

/s/ J. H. INSELMANN
City Clerk

* * * *

There being no further business to come before the Council, the meeting adjourned at 5:00 P. M.

A P P R O V E D



M A Y O R

Charles L. Becker

ATTEST:

JH Inselmann
C i t y C l e r k

May 2, 1974
nsr

-55-