

REGULAR MEETING OF THE CITY COUNCIL
OF THE CITY OF SAN ANTONIO HELD IN
THE COUNCIL CHAMBER, CITY HALL, ON
THURSDAY, MAY 23, 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.

- - -
74-23 The invocation was given by The Reverend Doctor Robert Pedraza, La Trinidad Methodist Church.

- - -
74-23 Members of the City Council and the audience joined in the Pledge of Allegiance to the flag of the United States of America.

- - -
74-23 The minutes of the meeting of May 16, 1974, were approved.

74-23 CITATION FOR CAPTAIN JOHN F. DISOSWAY

Mayor Becker spoke of the recent near catastrophe near Randolph Air Force Base when a T-38 trainer crashed on take off. Captain John F. Disosway was the instructor pilot and Lt. Larry Brown was also in the aircraft as a student.

Mayor Becker called Capt. Disosway and his commanding officer, Colonel John Rollston to the podium and read the following Citation:

CITY OF SAN ANTONIO
(State of Texas)

Hereby Presents This

CITATION

To

CAPTAIN JOHN F. DISOSWAY

On May 6, 1974, Captain John F. Disosway, while taking off on a routine flight from Randolph Air Force Base, passed through a flock of birds causing his jet aircraft to flame out at very low altitude and in line with a heavily populated area. With calm, deliberate coolness, he veered his aircraft before ejecting thereby causing it to crash in an open space without injury to anyone.

This act of bravery, courage and concern for his fellowman reflects great credit on the United States Air Force and merits individual commendation for this unselfish act.

* * * *

May 23, 1974
nsr

Mayor Becker congratulated Captain Disosway and presented him with the Citation.

Colonel Rollston, Commander of Randolph Air Force Base, also spoke in commendation of Captain Disosway and said that his actions in seeing first to the safety of his student and then his action in diverting the aircraft were in the highest tradition of the Air Force and he was proud to have him in his command.

Councilman Morton stated that Captain Disosway is the son of General Gabriel Disosway, who he had served under several years ago. He, too, congratulated Captain Disosway for his actions.

Captain Disosway spoke briefly expressing his appreciation for the recognition.

74-23 REPORT OF THE MAYOR'S COMMISSION ON THE STATUS OF WOMEN

Mrs. Helen Jacobson, Chairman of the Mayor's Commission on the Status of Women, made the Commission's annual report to the Council. (A copy of her prepared statement is included with the papers of this meeting.)

Mrs. Jacobson in comparing last year with this year said that last year the Commission deplored the fact that there were no women on the City's major boards. This year there is a woman on the Transit System Board and also on the Municipal Civil Service Commission. Overall there has been a small increase in the percentage of women appointed to the City's boards and commissions. There has been a decrease of about one percent in the employment of women by the City. There are no women in top administrative positions. Mrs. Jacobson also made comparisons of wage scale averages for male and female City employees. She urged that the City continue its efforts to increase the employment of women.

Her report outlined other projects supported by the Commission such as the Equal Rights Amendment to the Constitution and their cooperation with the Personnel Department and Police Department to help more women obtain police jobs.

On behalf of the other women serving on the Commission she thanked the Council for its cooperation.

Mrs. Cockrell expressed her appreciation also to members of the Council whose cooperation and interest have made possible the change in percentage of women appointed to serve on boards and commissions. She said that there is a need for more affirmative action in getting women into the management role in the City's employment.

74-23

RHOBIA TAYLOR

Mrs. Cockrell introduced Mrs. Rhobia Taylor, Regional Director of Women's Bureau, U. S. Department of Labor. She said that Mrs. Taylor has been working closely with the mayor's commissions in the state and has worked with the Governor's Commission on the Status of Women and then outlined her other responsibilities and achievements.

Mayor Becker read a Proclamation naming Rhobia Taylor to be an Alcalde of La Villita. He then presented the Alcalde Certificate to her.

Mrs. Taylor thanked Mayor Becker and Mrs. Cockrell for this recognition and honor. She then paid tribute to Mrs. Cockrell and all of the members of the Mayor's Commission on the Status of Women for their outstanding work.

74-23 The following Ordinance was read by the Clerk and after consideration, on motion of Mr. Padilla, seconded by Dr. San Martin, was passed and approved by the following vote: AYES: Cockrell, San Martin, Becker, Black, Lacy, Morton, Beckmann, Padilla, Mendoza; NAYS: None; ABSENT: None.

AN ORDINANCE 43,794

GIVING NOTICE OF A PUBLIC HEARING ON THE GENERAL REVENUE SHARING BUDGET OF THE CITY OF SAN ANTONIO FOR THE ENTITLEMENT PERIOD 1974-75, TO BE HELD IN THE CITY COUNCIL CHAMBER, CITY HALL, AT 9:00 A. M., JUNE 6, 1974.

* * * *

74-23 The following Resolution was read by the Clerk and after consideration, on motion of Dr. San Martin, seconded by Mr. Beckmann, was passed and approved by the following vote: AYES: Cockrell, San Martin, Becker, Black, Lacy, Morton, Beckmann, Padilla, Mendoza; NAYS: None; ABSENT: None.

A RESOLUTION
NO. 74-23-34

RESCINDING SECTION 2 OF RESOLUTION NO. 74-5-8 DATED JANUARY 31, 1974, WHEREBY THE CITY PUBLIC SERVICE BOARD WAS INSTRUCTED TO DEDUCT FROM THE PAYMENT OF 14% OF GROSS RECEIPTS TO THE GENERAL FUND OF THE CITY AN AMOUNT EQUAL TO 14% OF INCREASED FUEL COST ADJUSTMENTS AND THAT CUSTOMER BILLINGS BE REDUCED BY A LIKE AMOUNT.

* * * *

74-23 The Clerk read the following Ordinance:

AN ORDINANCE 43,795

REGULATING THE RATES FOR ELECTRIC AND GAS SERVICE THROUGH THE SAN ANTONIO ELECTRIC AND GAS SYSTEMS OPERATED BY THE CITY PUBLIC SERVICE BOARD OF SAN ANTONIO.

* * * *

The following conversation took place:

MR. ALVIN G. PADILLA, JR.: Mr. Mayor, may I speak to that for a moment and also, as part of my brief presentation, I'd like to call Carl White to assist me in this. Mr. Mayor, this morning the Council received copies of some of the work that I've been doing along with Mr. Granata and Mr. White and Mr. Reeder. Some ideas that were brought to us by a gentleman associated with one of the stockbrokerage firms in San Antonio who has been a consultant in past years for the City of San Antonio, a financial consultant.

Mr. Mayor, under the present system of financing CPS bonds, we have a situation, as I understand it and in lay terms, that requires that the debt service or, that is, the money that has to be paid back in any period of one year that a like amount or an equal sum be put in escrow, so to speak, a year ahead of time. In addition to that, the City Public Service has to show a net return, or in other words, would be a profit of at least twice the amount that we owe in debt service for the year. In other words, in plain language, if we owe \$10 million on our debt next year, then two things have to happen. One, is we have to take the \$10 million and put it in escrow ahead of time which is pretty rough on your cash flow; and, two, if you owe those \$10 million in debt service, you must make a \$20 million profit or more. So, it is entirely possible that Public Service could be showing a \$15 million profit and they would be here asking for a rate increase because they have to show 20, not less.

Now, this is the situation as I understand it. This idea which I bring to you this morning is a plan whereby City of San Antonio Certificates of Obligation could be issued, and I'm advised by Carl White that Certificates of Obligation would sell at a very favorable rate, one which would in fact be slightly better than CPS revenue bonds. If these Certificates of Obligation were issued in the amount of \$85 million, it would take \$6.5 million a year approximately as debt service. Now, the reason - a big reason why the rate increase that they're asking for is that they want \$85 million worth of capital improvement money. If we were to issue that Monday morning we would immediately accrue a need for \$6.5 million to put in escrow under the present indenture. In addition, we would need an additional \$13 million in net return or profits. This is the reason for the necessary rate increase as I understand it, and not because the system is losing money. I think that what we're doing is we're continuing to issue obligations under an old system set up many years ago - set up under different circumstances. I understand that revenue bonds at that time were much more marginal than they are today because there are many failures and so forth of this type of utility. That is not the case. Those are not the circumstances today and yet we continue to issue bonds in this manner.

We also would have another situation. I understand that it would be entirely legal to use this type of system and at the same time to continue to retire and to honor the present debt. At some point in time, a future City Council, once the present bonds at CPS are paid off, would find themselves with the alternative, whether they use it or not, is up to them. But they would find themselves, at least, with the option of burning the indentures, tearing them up, changing them or even continuing to use them as they are presently written, but the option would be there. I'd like to call on Carl White, Mr. Mayor, to give us a brief rundown on this plan. Incidentally, this is not a new plan. I understand it's been brought up before, but it's been summarily kind of shoved under the rug and no one has really - it has never before gotten the kind of public exposure that I hope to give it this morning. Carl.

MR. CARL WHITE: The schedule that I'm asking Jake Inselmann to pass around to you this morning I think will clearly indicate to you the coverage factor that Al has spoken about. You will notice that over in the far right-hand column down at the bottom that the total revenues, and this is 1972, this has not been updated for 1973 through '74, the year ended is January 31. Total revenues are shown there and the total operating expenses are shown with the net revenue available for debt service of X amount of dollars down at the bottom. And then you see the next two lines which shows the actual coverage and then the estimated coverage, which is including the issue - the new issue.

DR. JOSE SAN MARTIN: Does Mr. Deely and Wilbur Matthews have this? I'd like for them to be able to follow what we're talking about.

MR. WHITE: What it is, it's a copy out of their 1973 Bond Indenture.

DR. SAN MARTIN: I know, but it'd be better if they could follow what we're talking about here.

MR. WHITE: Now, the coverage factor that Mr. Padilla spoke about is the fact that their indenture which was written back in 1951 when revenue bonds were relatively new financing instruments and there had been some failures with revenue bonds so it had to be a rather stringent, onerous type document in order to make the bonds salable in order to strengthen the market and other things and that's the reason that some of the provisions are written in the present indenture. But, it requires two times coverage and that means, as Al pointed out, that - and that's two times the maximum annual debt service requirements, and you'll notice the schedule at the top there, that line down at the bottom there is where it says net revenues available for debt service has to be at least two times the maximum annual debt service requirements over the life of the bonds.

MR. PADILLA: Now, Carl, what does that mean in simpler language?

MR. WHITE: Well, it simply means that the net income from the system has to be.....

MR. PADILLA: Would you call that a profit of this for a private business?

MR. WHITE: Well, I think it could be equated to a profit. Now, I'm not sure if this has got depreciation and those things in it. There are some things that are excluded but generally speaking, it can be equated to a net profit from a business.

MR. PADILLA: The profit then would have to be twice.

MR. WHITE: It's a two to one....

MR. PADILLA: The ratio?

MR. WHITE: Plus the fact that also the indenture requires that all of the plant be pledged as collateral. So, that's the reason for the AAA rating. It's a AAA rated bond, there's only two utilities in the country that have a AAA rating. There's only four revenue bonds in the country that have a AAA rating.

MR. ALFRED G. BECKMANN: Not necessarily profit - it's a reserve to service debt. I wouldn't necessarily call it profit, Councilman Padilla. The profit is you are in a private corporation would be what was left after you had set aside this particular item to service your debts and that's important because a public utility is a creature of debt. This is true.

REV. CLAUDE BLACK: Let me understand it though. Isn't it achieved in the same manner that a private corporation would achieve profits?

MR. WHITE: Well, the indenture goes down on is that first you apply the money to payment to cover debt and reserves and second, you will pay the City in lieu of taxes and third, in other words, it goes right on down the line and tells you how you will apply the revenue. Down at the bottom it says at least 12 1/2 percent of the payment goes into the Improvements and Contingencies fund. Twelve and one half percent of the revenues.

MR. LEO MENDOZA: Carl, what is the answer to Rev. Black's question? I want to understand it also, Reverend. Is it yes or no? In other words, the question that he asked.

REV. BLACK: I mean, isn't this reserve achieved in the same manner that a private corporation would achieve profits?

MR. WHITE: Well, as shown on the schedule, it's total revenues deducting total operating expenses.

REV. BLACK: Essentially, it is not defined in that way for accounting purposes. It is essentially the same thing as you would call.....

MR. BECKMANN: Oh, I don't think so, Claude. I think it's - if you had a private corporation, the private corporation would have to set that aside to service their own before they would call it a bottom line profit number.

MR. WHITE: Well, this is.....

CITY ATTORNEY CRAWFORD REEDER: There's one thing that the Council should keep in mind when listening to all of this and what he said, I guess is correct, but the statute prescribes how the revenue shall be allocated and that is embodied in the trust indenture. The statute doesn't provide for any profit. It provides for cost of operations and maintenance and reserve for depreciation and a number of other things, next for principal and interest on bonds, next for a contingency fund to meet various things that they're constantly having to dip into, next for the City's 14 percent and if there's any surplus over that, it's supposed to go into the reduction of rates or the retirement of bonds and that's by statute, as a practical matter there's not any money left over because of the way.....

MAYOR BECKER: Any time you incur long-term debt through either debentures or bonds or however you want to do it, generally speaking, the lending institution has certain requirements at a dollar figure that you must maintain and that's the working capital in the business, let's say. Now in this case, it's expressed in a ratio of 2 to 1 - twice times debt service, you see. Most businesses there would be a working capital figure and it would be X number of dollars and then as you pay down, they permit you to increase your working capital without having to encumbrance, you see, to set aside for these bonds. So it's a safety factor that's built into the finance picture.

MR. WHITE: Now what has been proposed here is a viable financing plan that would be outside of the present bond indenture or trust indenture. The City of San Antonio would actually sell the Certificates of Obligation which would be a combination tax and revenue obligation of the City but secured by written agreement from the City Public Service Board of the revenues sufficient to meet debt service requirements there. It would do one other thing. It would preserve the option, options that the Council - future Council or this Council - might have in refunding or writing I'd say, a modern day trust indenture. Getting out from under the onerous one that we're under - that the City Public Service Board is now under, whether it be operated as a Board or whatever, the organization charts wouldn't make any difference.

MR. BECKMANN: Well, Mr. White, if you're going to sell these certificates, what is the market for them?

MR. WHITE: Well, they are, by law, the Certificates of Obligation act of 1971 it was a statute passed by the State Legislature in 1971, they would be general obligations. They're just like a general obligation bond. They would have to be a combination tax and revenue, but since the revenues would be pledged for the payment of those, they would not be held against the City.

MR. BECKMANN: And if the revenues did not - weren't ample, then the general obligation funds would go to....

MR. WHITE: Tax monies would have to be.....

MR. BECKMANN: What is the interest rate, what is the...you got any idea?

MR. WHITE: Well, I have talked to some people and these would be rated, I'm told, the same as our--No, not a AAA, we have a AA rating. So these would be equivalent, I think, in rating to what our general obligation bonds are which is a AA. But now a G. O. AA sells about as good as a AAA revenue bond.

MR. BECKMANN: All right. Is this a tax free interest income to buyers?

MR. WHITE: Oh yes, it's tax exempt, yes.

MR. BECKMANN: The only thing, it would be pretty near the same for all intents and purposes.

MR. WHITE: The differential, I don't think, you may have to take bids on the two to find out, but the differential I'm told by people that are supposed to know that it would not be a major consideration.

May 23, 1974

-7-

el

CITY ATTORNEY REEDER: Carl, let me ask you a question just to keep me straight. I don't want to be interrupting you or invading the province of the Council but you said those Certificates of Obligation are really just bonds. Isn't that pretty much what you said? You just said that just a few minutes ago.

MR. WHITE: Well, they're.....yes.

CITY ATTORNEY REEDER: Yeah, well, that's what I thought too. Now the trust indenture controls how bonds are issued, does it not?

MR. PADILLA: Not City of San Antonio bonds.

MR. WHITE: These would not be issued under the trust indenture.

CITY ATTORNEY REEDER: What revenues are you going to pledge to the payment of these bonds?

MR. WHITE: We'd have to have a written agreement from the City Public Service Board.

CITY ATTORNEY REEDER: You mean the Harris Bank.

MR. WHITE: No, no. I'm talking about City Public Service Board, just like they do and it could come out of this 12½% contingency.

CITY ATTORNEY REEDER: The City Public Service Board can make an agreement with us to violate the terms of the trust indenture, is what you're saying?

MR. WHITE: No, that's not what I'm saying at all.

CITY ATTORNEY REEDER: Okay, the trust indenture controls how you issue bonds and the CO's are bonds.....now.....yes.

MR. PADILLA: Mr. Reeder, I understand the trust indenture controls how you issue Public Service Board revenue bonds, not City of San Antonio obligation bonds.....

CITY ATTORNEY REEDER: All right. But if you are going to pledge any part of the revenues of the Public Service Board to the retirement of these CO's, which are nothing but bonds, then you're getting into the trust indenture, that's the point.

MR. PADILLA: Yes, but this is one of the points that I understand...

MR. BECKMANN: City Public Service Board that they have the right to send to the bondholders for purchase.....

MR. WHITE: Let me read this Section 6 of the trust indenture. Not all of it but part of it, and incidentally, this has been checked out by our bond attorney, so....

CITY ATTORNEY REEDER: I'll make it clear it hasn't checked out by me. He's the one who wanted to make it a felony for filing a lawsuit.

MR. WHITE: Okay, it says that.....

MR. BECKMANN: Is that a violation of professional tactics?

CITY ATTORNEY REEDER: Well, I told him that it was a doubt of validity, but he said that they do things like that.

MR. PADILLA: Let's have order. Mr. White.

MR. WHITE: Well, let me say this about Paul Horton. He's one of the most recognized and foremost bond attorneys in this part of the country, if not the whole United States.

CITY ATTORNEY REEDER: He sends us a ten pound box of candy every Christmas and gets \$50,000 a year out of us. He ought to.....

MR. PADILLA: May I, just a minute Carl. Can we please let Mr. White complete his presentation and then there will be ample time for questions.

MR. WHITE: Okay, Section 6 of the trust indentures says, "There shall be paid into a fund to be known as Electric and Gas System Improvement and Contingencies Fund, annual sum equal to not less than 12½% of the gross revenues of the system to be used as follows: (a) - Extensions, additions, and improvements to the systems. (2) To meet contingencies of any kind, "(and it goes on about contingencies) and then (3), and this is the key one, "that payment of bonds or other obligations for which other funds are not available". That is the key right there. In the Bond Attorney's opinion, the whole 12½ percent could be used for payment of outstanding indebtedness and that is from where - that's the source from which the funds will be pledged.

CITY ATTORNEY REEDER: All right. Now, Carl, what will we do about the provisions in the trust indenture and in the statute that says that bonds are issued under the terms of the present trust agreement or trust indenture? What do we do about that now?

MR. WHITE: These bonds would just not be - they would not be City Public Service revenue funds.

CITY ATTORNEY REEDER: What are we going to pay them - how are we going to pay them? Where are we going to get the money? You just got through saying you're going to take money out of the gas and electric utility and all of that money is tied up by the trust indenture. It's true you can use that money to retire bonds if you have a surplus, but only bonds issued under the indenture. That's where you get into the difficulty, you see.

MR. WHITE: What I'd suggest, Mr. Mayor and Council, is that if you're interested in this alternate financing plan that we have a special meeting of the Council sometime next week or at the earliest convenience, and get our Bond Attorney down along with the fiscal advisor for the City Public Service Board and Mr. Halpern, who's made this proposal and let's get the trustees and so forth all together and bat this thing around and see whether or not you want to go through with it.

MAYOR BECKER: I'd like to say this, if I may, about this situation.

MR. WHITE: It's legal and it can be done.

MAYOR BECKER: It's not something we're not interested in. That's not the point. The point is simply that it requires special legislation to get this enacted.

May 23, 1974
el

MR. PADILLA: No, sir. No, sir.

MAYOR BECKER: Well, that's my understanding.

MR. WHITE: It does to refund the debt. Yes.

MAYOR BECKER: All right.

MR. PADILLA: We're not talking about that, Mr. Mayor.

MAYOR BECKER: The situation is that we have kept the rate increase in a state of limbo now for some three months or so, six months? The finances of the Public Service Company are becoming rather precarious at this time. All the added cost of the fuels and the added capital investments that they're incurring, the transition to coal and everything has brought about fantastic amount of capital expenditures and that were really not programmed into, you might say, a normal type of an operation. They've been calling upon their reserves to pay for these various programs including the additional cost of fuel and so forth. So, this Council, in my own opinion, it's only my opinion, would be placing the Public Service Company in jeopardy were we to procrastinate any further on this issue of a rate increase.

Now, I think the matter of meeting on this and debating it and looking into it, all well intentioned and something that should probably in all seriousness be pursued. I don't know though why we should be expected at this late stage of the game to almost take an avoidance of the realities of the situation, and that is that this could have been brought forth two months ago, or three months ago, or whenever. Now, with all due respect to those involved, some of the gentlemen who have offered these suggestions and everything I realize that they did it out of conscientious interest in the subject. But we can't play this game of delay and wait and see much longer.

MR. PADILLA: Mr. Mayor, may I speak on this subject, please. In the first place, Mr. Mayor, it was not brought to my attention until about two weeks ago. I've been asking for at least the last year whether there is another possibility, an alternative method, for financing CPS? The answer has been no every time. The last time I asked that question was last week, I believe, it might have been the week before. The answer at that time was no. A few months ago, I described the financing at CPS as being a blank check operation. The reason I said that is because nothing in terms of alternatives is ever explored. The only thing that the CPS does when they come to Council is to say we need more money and here's why. We do not examine the basic contract under which financial obligations are made. I think that it is time that we explore the situation. I understand that this plan is not a new one. It has been brought up several times before. I understand further that this plan was brought to Public Service and it was summarily turned down. The Council was not apprised of it, was not made aware that it even existed. To that extent, I think, any further delay that accrues in considering this, the responsibility for the delay is shared by Public Service if the information I have is correct that they did not consider it and they did not apprise us of it.

Now, the situation, as I understand it, if this is a viable, realistic plan, then the alternative to not considering it or not implementing it is to increase the rates for the consumer in San Antonio and another thing we will do is we will continue to issue obligations,

this time \$85 million. When the money needed for the atomic plants and so forth starts becoming a reality, we're going to have a debt that we cannot possibly recover from in terms of ever having an alternative method open to the City Council of San Antonio in terms of the present bond indenture. I think because of all this, Mr. Mayor, and I was hoping that Mr. White would have the opportunity to brief us on this and then I was going to suggest that this Council delay action on this Ordinance for two weeks and that in the meantime, the City Manager and his staff be instructed by this Council to take this thing and just examine it thoroughly and come back and tell us whether it's a pipe dream, or whether it is indeed a viable possibility that the Council may choose to adopt or not adopt. I simply want to insure that if there is a possibility of a better system within this proposal that the Council be made aware of it and then that the Council have the opportunity to judge the plan and then either adopt it or turn it down. If we do have something that's realistic here - the alternative is to increase the rates at this time and to ask the people of San Antonio to bear the brunt of this kind of expense. Now, we've been talking about responsibility. We do have a responsibility to one and all. If there is a way of financing Public Service without a rate increase, then I think it's our responsibility to examine it and to implement it if it's a good way of doing things. This is all I want to insure. I would like to move at this time that we put this off for two weeks with that set of instructions to the City Manager.

MAYOR BECKER: I'd only like to say this, if I may, Al. That I can't think of anything that would be more desirable and more heaven sent and more utopian than to be able to finance capital improvements out of the - you might say, thin air. It's almost impossible to incur additional debt, for whatever it might be, whether it be for equipment for the Public Service Company, equipment for a business, equipment for anything else without incurring additional debt. Consequently, when you incur additional debt, you incur additional fixed expense. Now, as I said earlier, with all due respect to the well-intentioned manner in which this was conceived, I don't know that it's feasible. I'm not saying it isn't feasible - I'm saying I don't know that it's feasible.

MR. PADILLA: You see, Mr. Mayor, you describe it as utopian and Mayor, it very well may be. Upon examination, we would determine whether it is utopian in which case, we cannot implement it, or whether it's realistic in which case we might want to. All I'm saying is that we ought to look at it before we do anything such as raising the rates.

REV. BLACK: Mr. Mayor, I'd like to second that motion but I'd like to make a statement with reference to the motion. It seems to me that what we have observed is that we might have some relief from a method of financing that tends to penalize the consumer, and tends to lay the burden there. I have for several times raised the question to what degree has the consumer been considered in terms of any estimate of rates in dealing with this problem? Now, I have been advised that these are two separate problems. I'm not of the opinion that there are two separate problems. I think it is in the best interest of CPS that they consider the consumer. I don't know how long the consumer can accept the additional burden of increased costs. I think it's in bad - if we set ourselves in a system of operation that simply says keep putting it on the consumer, keep putting it on the consumer. I don't think this consumer can long endure this kind of operation.

Neither do I think it's in the best interest. Even in the proposal, we're talking about one raise now, and it's tied to an escalation of raises, of increases with a projection that has not even been justified in terms of any information that I have here. It seems to me that we have a responsibility. We're talking about a responsive board of utilities, and we're not talking about just simply some commodity that somebody can go out and say, well, I won't take oranges. Today, I'll take apples. We're talking about people who must have these commodities. Therefore, I think we owe it to the City of San Antonio to do everything possible to find ways of financing whatever capital improvements without laying the major burden on the consumer, and I think the way in which I have heard this financing described, it can't help but lay that major burden upon the consumer, and for that reason, I want to second that motion.

MR. BECKMANN: Mr. Mayor, I think Claude Black and Mr. Padilla should realize that there is nothing in a different form of financing that is necessarily going to relieve the ultimate consumer. It's fine to finance the Public Service in a different manner, but where are those monies coming from? They're coming from the consumer and if not the consumer, the taxpayer. So, really this different method of financing CPS activities may be fine, but we have a responsibility to see that this keeps going.

MR. PADILLA: The difference is this, Al. Under the present system, the net return, I won't call it profit anymore, has to be twice the year's debt service, the annual debt service. Now, we issued \$85 million in Public Service Bonds which is part of their proposal, say Monday morning, let's say we issue it all at one time at six percent for 25 years, then you will need an annual debt service of approximately six and one half million dollars. Now, under the one plan, that's all you need, under the present indenture, you need to put six and one half million dollars in escrow a year ahead plus you need to raise your net return by raising your rates an additional 13 million - twice the six and one half million. Now, this is money that's taken from the consumer's pocket ahead of time. Under this other plan, if it's feasible, and I say if it's feasible because I think it needs examination, you would not need that. In other words, we're financing at the present time under perhaps a too conservative - another way of saying it is a method that is much in favor of the financial interest, the bondholders, the trustees and so forth, the bondholders, perhaps, it's costing too much in terms of security and perhaps, it's too conservative in terms of the best interest of the consumer. This is what we're saying. We're not suggesting that money does not have to be spent for capital improvements, or that it's going to be paid out of thin air. That it's utopian. That isn't the situation at all.

MR. MENDOZA: Mr. Mayor?

MAYOR BECKER: Excuse me just a second, Leo, please. I'd like to ask Crawford something. Who in the state government gives the authority to issue Certificates of Obligation?

CITY ATTORNEY REEDER: The legislature did it by statute, your Honor.

MAYOR BECKER: The legislature....please, I must have quiet in the audience. The legislature?

CITY ATTORNEY REEDER: Yes, sir.

MAYOR BECKER: Now the legislature, unless they abandon all principles of financing would have to demand that some type of sinking fund requirements be applied to Certificates of Obligation to insure that those are liquid, is that correct?

CITY ATTORNEY REEDER: Yes and the Constitution provides that - and the legislation in question providing for the issue of Certificate of Obligation specifically refers to the Constitution that requires the creation of the sinking fund with interest to secure the issuance of Certificate of Obligation. This isn't anything but just calling bonds by a different name. That's all it is. You're just going to have a big bond issue that's all.

MR. PADILLA: But without the stringent regulations attached to the indenture.

CITY ATTORNEY REEDER: Well, I think you ought to have stringent regulations or we're going to be in worse shape than we've ever been before.

MAYOR BECKER: The facts of the case are that you can play any kind of number games you want to, but the bonds, the Certificate of Obligation, whatever you care to call them must be retained. Now, the Certificate of Obligation then they're secured by what? What are they secured by?

CITY ATTORNEY REEDER: You've got to create either out of your tax revenues or whatever other revenue you can get your hands on, a sinking fund and pay a certain percentage of the amount of your Certificates of Obligation into that fund every year.

MAYOR BECKER: Okay.

CITY ATTORNEY REEDER: All right. You can't get at the revenues of the Public Service Board because these bonds have to be issued under that indenture and that indenture controls the entire thing. They're issued independently of the indenture. I don't know where the money will come from unless you raise your taxes.

CITY MANAGER GRANATA: Mr. Halpern's proposal says, "can be issued and secured by surplus revenues of the system."

MAYOR BECKER: Well, now, let's say that the Certificate of Obligation do not have these stringent requirements of liquidity and the two to one ratio factor and all of that and that they're more favorable toward the citizens. Let's say that they get into default through not having set aside the reserves and everything. Then who pays?

CITY ATTORNEY REEDER: The people pay because the bond holder can mandamus us to raise our tax rate.

MAYOR BECKER: All right. So, we're right back where we started really. Now, I think that if this thing was so revolutionary and so great that this would have come up years ago because it's not a new thing, it's an old thing.....

MR. PADILLA: It has come up, but it hasn't come up publicly.

MAYOR BECKER: I think that every utility and every factor of municipal function in the United States would probably be using this device for financing more than they do, but it has its

limitations. It has its restrictions like anything else does. I might borrow five dollars from my Aunt Minnie, but the fact that she's my aunt doesn't relieve me of the responsibility that I owe her the five bucks. When you're a kid you can do this thing and get away with it. But when you're an adult you can no longer play those kind of games.

MR. PADILLA: Mr. Mayor, no one is suggesting that we play that kind of game. I think you're talking about.....

MAYOR BECKER: Well, that's what you are trying to embark on here.

MR. PADILLA: No, sir, I don't think so. I think the only thing I'm asking this Council to do with my motion is that we examine this and find out whether it's a viable, realistic plan or not.

MAYOR BECKER: Well, I don't even think it requires discussion, frankly. It's my own opinion, but that doesn't make me right and everybody wrong. Now, Leo was next.

MR. MENDOZA: Mr. Mayor, I just want to make a very quick statement here. On your cover letter, Mr. Granata, that you gave us when you gave us this proposal this morning, it says here that this copy of the proposal was submitted to your office Tuesday, May the 21st...

CITY MANAGER GRANATA: Yes, sir.

MR. MENDOZA: At approximately 2:30 P. M., at just about the time the Council packet was ready to go out.

CITY MANAGER GRANATA: Yes, sir.

MR. MENDOZA: After the packet had left the office, it says you discovered that you had failed, your staff had failed to include this information in our packet.

CITY MANAGER GRANATA: It said that I had failed, not my staff.

MR. MENDOZA: That you had failed. I would like to ask this question, you know, this is in my opinion the most important item in this City Council's agenda today, and we didn't get this information until this morning.

CITY MANAGER GRANATA: Yes, sir.

MR. MENDOZA: Most of it I read in this morning's paper. You know, these are some of the things that I just have to.....

CITY MANAGER GRANATA: Can you help me, Mr. Padilla, or would you like for.....

MR. PADILLA: Can I answer you, Leo. I think I can provide the answer.

CITY MANAGER GRANATA: Yes, sir, if you will, or I will respond.

MR. PADILLA: All right, you asked Mr. Granata, a question, and he discussed this with me yesterday afternoon. I met with Mr. Halpern.....

CITY MANAGER GRANATA: I intended to send it to the Council yesterday.

MR. PADILLA: I met with Mr. Halpern, Mr. Reeder, Mr. Carl White, and Mr. Jack Skipper on this thing. At that meeting Mr. Halpern was asked to submit his ideas, as it were, in writing. Mr. Granata got them Tuesday. I didn't know that he had them Tuesday. I found out yesterday afternoon about mid-afternoon that he had them. At that time.....

CITY MANAGER GRANATA: It was in the process of sending them out to the Council.

MR. PADILLA: Yes, at that time mid-afternoon it was his intention to send them to the Council. I asked Mr. Granata to send me a copy of it, because I wanted to see what the thing was. I wanted to read it. I wanted to see if it was what the Mayor described, or if I could detect that, I did not want the Council to get it at that time, and I had no intention of bringing it up this morning. So, I asked him to issue it this morning after I'd had a chance to look at it, and if Mr. Granata did not send it out it was because I discouraged him from doing so.

CITY MANAGER GRANATA: I might add that at the meeting, too, and I think Mr. Padilla will back me up. You recall, Mr. Halpern at that time was trying to pledge the City's 14 percent to retire these certificates. And that did not.....

MR. PADILLA: It was one of the.....

CITY MANAGER GRANATA: That was one of the possible ways to do it. If I may at this point, maybe you can accomplish both things and shoot me down if you can't. Today, you're considering the rate increase. You have the right to set rates. You can keep things moving by approving the ordinance, doing what Mr. Padilla said, and if we find out that it's feasible, and you can cut the rates at a later date but keep the thing moving. The other thing I want to point out to you, gentlemen, is and this is another can of worms, the ordinance that you're considering today does not include anything for sur-charge to this, and that will be discussed later, but you might be able to accomplish both. Keep this going, let us do what Mr. Padilla said, you're the rate setting body; if we find it's feasible, cut the rates.

MAYOR BECKER: Mr. Morton.

MR. CLIFFORD MORTON: Mr. Mayor, I'd like to speak to Mr. Granata's suggestion. I get the impression that there's a debate among the staff on this particular question. I see that Mr. Matthews is over here anxiously awaiting the opportunity to speak. I know that for many reasons we need to take action as soon as possible but rather than setting a rate, turning around perhaps next week and reconsidering it, I would like to propose that we table Mr. Padilla's motion for later on in the day and would like to have a report back within an hour on this question, but give the staff including the members of the City Public Service an opportunity to sit down and discuss it and see if we can't get some unanimity on this thing instead of going through this motion out here. It's fun to listen to, but I'm not really for sure we're accomplishing a whole lot. I'm sure you're concerned about what I call magic money but on the other hand if there is some out I don't want to turn my back on it either, Al, so.....

MR. PADILLA: That's not my definition of it, Cliff. I haven't called it magic money.

MR. MORTON: That's my definition, but there may be some and if there is I certainly want us to make it available to the citizens.

MAYOR BECKER: I think play money is a word that we used to use when we were children and that's what I regard it as something that goes back to the old days of keeping store in the basement.

REV. BLACK: Mr. Mayor, we're not really being derelict.....

MAYOR BECKER: All right. I'm trying to keep an order here.....

REV. BLACK: I just want to deal with this play money and magic money...

DR. SAN MARTIN: Mr. Mayor, I just - Mr. Granata made some of the suggestions that I was going to make, but at the same time I'd like to clarify one point. I'd like Mr. Carl White to answer this question - I think Mr. Padilla said with no rate increase. I was really talking about the no rate increase whether it's through levying the general fund taxes or whether it's through the City Public Service rate. Are we talking that we can finance everything from now on.

MR. CARL WHITE: No, sir, that would be absurd to think that we couldn't have a rate increase. I think what we could do, I believe this is possible from what Mr. Halpern has shown us that the \$85 million could be issued and sold and turned over to the City Public Service Board for improvements at no rate increase at this time. Now, in the future certainly there is going to have to be a rate increase.

DR. SAN MARTIN: Okay, when is that future coming. I.....

MR. CARL WHITE: I think it will be less than whatever rate increase is contemplated now.

DR. SAN MARTIN: Are we talking about one year or ten years?

MR. WHITE: We'll just have to put a pencil to that. I don't know the answer to that.

DR. SAN MARTIN: The other question is, can we go ahead under the present set up and sell perhaps not all \$85 million bonds at one time but 15 or 20 on the first shot?

MR. WHITE: Well, I think they'd be sold all at one time. Now, I want to make this clear, too, that under this concept, instead of \$85 million we might have to sell because the plan is to put a certain amount of current revenue into capital improvements. Under this financing concept the improvements would be financed from these Certificates of Obligation, so instead of \$85 million the amount required may be \$100 million or even something greater than that but that would not preclude the financing under this plan, whether it's a good one or not. I am not supporting it one way or the other. I am just trying to explain what is - what the thing involves.

MAYOR BECKER: Carl, let me ask you a question, if I may. You have been dealing with finance for the City for how many years?

MR. WHITE: Seventeen.

MAYOR BECKER: Seventeen. Have you ever found a single instance where you got something for nothing?

MR. WHITE: Well, this is not that kind of thing, Mr. Mayor. We are going to have, these bonds are going to have to be paid back. They are going to have to be paid off. We'll have a maturity schedule just like a revenue bond. The funds would have to flow into this sinking fund just like it were a General Obligation Bond of the City.

MAYOR BECKER: What is the essential difference?

MR. WHITE: Well, the essential difference in doing it this way is that since it's financed outside of the indenture it gets it outside of the framework of this indenture, you don't have to have any coverage. You just have to have the amount of money each year to pay the principal and interest.

MAYOR BECKER: What little I know about bonds, and I don't know a great deal about them, but what little I do know about them, I know this much and that is that the senior bonds always have to be consulted with respect to subordinate financing. The simple reason for that is that the senior bonds are entitled to know what any subsequent financing will do to their senior positions. Now, that's always been the case in any bonds or indentures or any type of financing we've ever had in our business.

MR. WHITE: Well, the only difference is that.....

MAYOR BECKER: You can't go out and sell one dollar's worth of bonds or ten million or 100 million or a billion dollars worth if they were even free without first consulting with your senior bondholders.

MR. WHITE: I understand what you're saying, Mayor.....

MAYOR BECKER: Well, it's true though, isn't it?

MR. WHITE: That's true, yes. These would not be issued like I say under the indenture so the assets and so forth of the Public Service Board would not be pledged for the payment of these. These would be a combination of tax and revenue.

MAYOR BECKER: All right. They would be secured by tax and revenue.

MR. WHITE: And we would have to have a written agreement from City Public Service Board agreeing to pay the annual debt service requirements, which are approximately \$6 million, to the City as they become due.

MAYOR BECKER: Plus taxes. There's a collateral - you're collateralizing them with both taxes and revenue.

MR. WHITE: Well, now there would not be any taxes. We would not have to levy a tax so long as we got sufficient revenue to pay the bonds.

MAYOR BECKER: All right. But in case you didn't get sufficient revenue to pay the bonds, then we'd have to fall back on the taxing program.

MR. WHITE: Well, if you ever get into a situation like that, you just have to raise rates.

MAYOR BECKER: So, really, what is the essential difference. I get right back to the same old question. If you borrow \$50 million, it's got to be paid back.

MR. WHITE: Yes, sir. There's no difference there at all. It would have to be paid back. The only difference is that rather than having to provide this excess coverage, this two times coverage, that's required in the bond indenture, we would under this plan, you'd get out from under that, you would not have to do that.

MAYOR BECKER: Well, I'll only say this to you, Carl, that anytime any financing is ever done in any type of a situation, without a proviso for coverage, without a proviso for safeguarding, without a proviso for making sure that you can meet your obligations, in my own opinion at least, it's financing that's based on a rather shaky foundation. Now, generally speaking, the bondholders, the bankers and all these people that engage in the world of finance, generally know what they're doing. It isn't a question of doing it because of a whim or because they're capricious or any of these things but it's always for a very good reason. I don't always agree with it myself, and I find it almost like a corset at times, some of the situations I've been placed in from time to time. They choke me to death. But I recognize why they extract these provisions of me, you see. So, you can't get too far afield and get too far out on a limb and jeopardize the security of the very thing that you're trying to do.

MR. WHITE: Well, you'd fragmenting the financing. There's no question about that. That may taint these bonds to a certain extent or these Certificates of Obligation. They've been used in other cities. Dallas has used them, the City of Arlington, the City of Austin, they've been used in many, many places.

MAYOR BECKER: They've been used primarily as the municipality itself and not necessarily the utility, isn't that correct?

CITY MANAGER GRANATA: Yes, sir. And, Carl, don't they secure it with.....

MR. WHITE: They don't operate the utilities, like the City of Austin.

CITY MANAGER GRANATA: Carl, don't they secure it instead of the times coverage, they secure it with the tax rate, I mean the tax rates would not be changed.

MR. WHITE: Well, the general obligation are untaxed.....

CITY MANAGER GRANATA: Yes, but I mean if you didn't have coverage, you'd have to secure down the line by a tax increase.

MAYOR BECKER: The type of financing identifies itself. Certificate of Obligation means exactly what it says.

MR. WHITE: Now, let me say this. When Mr. Halpern first came to us two weeks ago, his plan would not, in my opinion, was not a good one, and we did not think very much of that plan. As a matter of fact, we told him so then, and we pretty well rejected that plan. The one that he's proposed this time is a workable plan, provided the Council wants to do it.

CITY MANAGER GRANATA: Okay, let me intercede here, Mr. Mayor. What Mr. White is saying is true, and we just did get this Tuesday, and I didn't get it in your hands until this morning. May we follow Councilman Morton's suggestion that you table this for an hour or two. The Public Service hasn't seen it, at least this one, I think they've never seen. Let Mr. White and the Public Service people get together and go upstairs for an hour and discuss it and come back, and we'll start the re-discussion and go on with the rest of the meeting but act today one way or another if that's okay.

MAYOR BECKER: If that's agreeable to the officials from Public Service, I think it would be fine to do. Would you be in agreement with that, Mr. Matthews and Mr. Deely?

MR. MATTHEWS: Mr. Mayor, you just can't expect to go off in one hour to decide it. While you've got people insisting on it and would want to argue about it at length seems a little impractical to me to be perfectly frank. Let me say one thing, you can say anything you want to about how you finance this, what - how you handle the money and what reserves you have and so forth, but in the ultimate analysis every penny that comes through the wicket at the City Public Service Board goes into these funds and every penny of it is used for the service of the public or for the building of plants and property to serve the public. The members of the Board get a pittance - less than the people that sweep the floor for what they do there. Not a bit of it leaves there. The only thing the bondholders get is their AAA low interest and the ultimate payment of their bonds when they fall due. Well, I don't know of anything that you can do that will change the actual overall objective facts. The idea that you can lower rates in one instance and not on the other and wind up with the same amount of equipment and the same amount of money and the same service to the public is just simply slight of hand arguments which do not work and cannot work as your Honor, I think, has pointed out.

Now, then, as far as the feasibility of this thing, this indenture provides for how this Board, appointed under this indenture by an Ordinance of the City Council of this City, shall handle these funds. There is no permission in here to use any of these funds for obligations of this kind. In fact, bonds as used in this and obligations as used in this indenture, are the bonds and obligations referred to in this instrument and cannot be used for outside obligations, tax supported obligations, or anything else. It provides for the 14 percent to the general fund of the City. Of course, when that fund is in the general fund, the City Council can do anything they want to with it. Now, they want to criticize this method of financing. It's sound, it's essentially the same as the Water Board. It's essentially the same as every revenue bond supported utility in the United States and certainly in Texas, because it's under the identical statutes with other utilities. The funds that he's talking about that you put in reserves, those funds bear interest at a higher rate than the bond rate. They secure these bonds and it isn't to put up anything every year, it's merely to keep a fund there that will, in the case of a disaster here, these bonds would not default in one year, for one year

only. Not build up, it just builds up to where it will cover the interest and principal for one year. Well, that's just a good sound, municipal and business policy in my opinion. It was of the Council that did it and, of course, if you start out here everything that a prior Council did and you've gone forward and borrowed \$120 million of it, set a thing up and just because you don't like it, to try to violate that contract. Now I want to be perfectly plain about this, if you try to do something like this, this Board is not in a position to make an agreement except in accordance with this indenture. This indenture doesn't provide for this use of it. They're trustees. They would violate their trust which this invites them to do but I don't believe the men on this Board will do it. I think that you wouldn't expect them to do it.

MRS. COCKRELL: Mr. Mayor, first of all, I would like to say that I am very much appreciative of Councilman Padilla's bringing this to the attention of the Council. As I just understand this whole thing and I'll certainly admit my limitations in the sphere of high finance but as I understand it, the possibility of any savings results from an alternate method of handling the financing costs of the whole thing. I know just from personal experiences that in a family, for example, there are alternate ways of financing capital expenditures, and some ways have different interest rates and in some ways there are more profitable means of doing it. But, in addition to the financial aspects of it, there are also legal problems. So what I would really like to do is to follow the suggestion that Councilman Morton has made to ask that our staff, the legal staff and the financial staff and the CPS staff take some time to sit down together and to discuss through how the legal side of it relates to the financial side of it. I think that's a very key part of this thing. I wouldn't want to bind them for just an hour. We're going to be here for a long time today, and....

MR. MORTON: Well, I meant report back in an hour.

MRS. COCKRELL: I think that they could come back just at a later time. I think if the staff can iron out among themselves any differences in viewpoint, that perhaps the Council be better advised on how to proceed with the pending motion, and at this point I'm a little confused really myself about which direction.....

MR. MORTON: I need a second.

MR. BECKMANN: I second.

DR. SAN MARTIN: May I speak to the motion, Mr. Mayor?

MAYOR BECKER: Yes, sir.

DR. SAN MARTIN: Mr. Mayor, I don't really think that we can handle the financing of \$85 million in one hour or even one day, Cliff, with due respect to your getting together of the staff. There's some legal point that Mr. Crawford Reeder has very wisely and very properly brought out that the revenues pledged are still revenues from the City Public Service Board and therefore, they fall under the indentures. Is that correct? To me that presents a problem which is not going to be resolved perhaps even in one year unless there is a change in the trust indenture.

MR. MORTON: Well, that may be true, Doctor San Martin.....

DR. SAN MARTIN: Cliff, may I finish please. What I was going to suggest is that we go ahead on - sometime today whenever the Council is ready and vote on the resolution that's before us today and let's get this thing going because I don't really feel that in all conscience we can keep the City Public Service Board in the situation that it will find itself pretty soon. Now, we will need additional bond issues for other capital improvements. We do have a consultant who is going to take six months to evaluate the capital improvement programs of CPS. Now, any issues over and beyond \$85 million, we will have had by then plenty of time to evaluate all possible aspects of financing for the subsequent issues over and beyond the \$85 million. So, Mr. Mayor, I just have to say that I'm ready to go on the resolution that is before us.

MAYOR BECKER: I am also, Doctor. Mr. Maclin, would you like to make a comment?

MR. MACLIN: I'd like to make one point, if I may. I'm Sam Maclin, and I'm with Russ Securities Corporation. I have worked with the City of San Antonio on your airport financing and I'm now working with the City Public Service Board on this \$85 million financing. The point about coverage was brought up. If the City Public Service Board issued these \$85 million worth of bonds their total debt service will be \$16 million or less. That will be the maximum. The requirement of two times coverage was mentioned. You would have to have two times coverage to pay the City its 14 percent. Last year, it was approximately \$15 million. This year it will be in excess of \$16 million. So, you have to have two times coverage just to pay the City its 14 percent. Now, you would need more coverage than that to fund depreciation, which will run about \$15 million. So, if you do not fund depreciation, then you have to have a maximum of two times coverage to pay the City. If you fund depreciation, which is a proper business procedure, then you have to have three times coverage virtually. So, I just wanted to clear up that one point about coverage reduction by this method.

MR. MORTON: Mr. Mayor, the motion to table is not debatable, and I call for the question.

MR. STEVEN HARVESTY: This is a public hearing. The Public Service Board has made their statement. You have made your statement. The people have not been heard from.

CITY MANAGER GRANATA: This is not a hearing, sir. It's an ordinance being considered.

MR. HARVESTY: This is not a public hearing?

CITY MANAGER GRANATA: No, sir, it's not. This is to consider an ordinance regulating the rates.....

MR. HARVESTY: May I speak on the motion, Mr. Mayor?

MAYOR BECKER: Mr. Harvesty, I'm going to be very candid with you. I think one of the difficulties we have in San Antonio is that everybody wants to get in the act. Whether they have any information to offer on the subject or not, it doesn't seem to make any difference at times. Now, in a matter like this, I'm going to make my views on it very plain. We've been discussing a rate increase and a means of financing \$85 million worth of capital improvement bonds, expenditures, and what not of the Public Service for some six months. Suddenly here,

476

out of the sky, we're handed some type of an instrument that is or isn't feasible, is or isn't valid, is or isn't practical. Why wasn't this done three months ago, two months, or four months ago? Why is it always done the day that we're supposed to take the vote on the subject? I find it most obnoxious. I find it objectionable. I find it imprudent. I find it thoroughly wasteful. I find it something that I'm very much unhappy about. I don't mind telling you if anybody has any doubts in their minds, they can judge by my conversation. I think it's smack grandstanding and many other things that I don't believe we really have time and place to handle, since we have a workload like we generally have on Thursdays. It smacks of politics, it smacks of many things that I don't really think are germane to this subject.

MR. PADILLA: Mr. Mayor, I feel I must answer you because somehow I get the feeling that you're referring in some part, at least, to my participation in this thing. I thoroughly reject your remarks that your remarks are applicable in terms of what you say that this smacks of politics, grandstanding, etc. I brought this to you this morning. The proposal itself was received, as the City Manager said, Tuesday afternoon. I knew of it yesterday. I brought it to you this morning. I am very sincere about this. I regret the fact that you think it smacks of political grandstanding because that is the last thing that I want to do. But, I do believe that the City Council of the City of San Antonio is entitled to know about any idea and is entitled to evaluate any idea that may prove a viable alternative. Now, I think it's my responsibility, when I am apprised of anything such as this, to bring it to this Council and I think I've done so, and I regret very much that you think that this might be political grandstanding or some such thing.

MAYOR BECKER: Well, Al, this was taken before the committee of Mr. Granata and several others. When was that - two weeks ago?

CITY MANAGER GRANATA: About ten days ago.

MAYOR BECKER: Ten days ago. Mr. Reeder said that it was not practical. It was not legal, not feasible. Isn't that the opinion that you offered on the subject, Crawford?

CITY ATTORNEY REEDER: I told Mr. Halpern that I didn't even understand what he was talking about to put it in writing so I could make some sense out of it. He said he'd do it and then I see it for the first time yesterday afternoon. I still don't make any sense out of it.

MAYOR BECKER: What are the legalities involved?

CITY ATTORNEY REEDER: The legalities involved are the ones that I stated and that Mr. Matthews stated. Oh, I'm sorry, you weren't here when I said it. Well, I don't know where exactly where to begin. Apparently, we're supposed to issue Certificates of Obligation which are nothing but bonds to pledge our general credit of the City instead of approving the issuance by the Public Service of bonds that are secured by revenue for this system. Somehow or other, we're supposed to use the revenues from the Public Service Board to - surplus revenue of the CPS - to retire those Certificates of Obligation. There are not any surplus revenues of Public Service Board under their indenture. It's tailored in such a way that the only surplus that ever can arise has to be used to retire pre-existing bonds that the indentures secure or to lower the rates, one of the two. So, in other words, I may not

have said it as plainly as it could be but it's not a legal, practical thing to do in my opinion. Maybe Mr. Horton from Dallas will disagree. He's Mr. White's favorite consultant and he is a reputable bond attorney and I'm not. So, I don't know whether I'm reputable at anything or not, but I know this thing won't work.

MAYOR BECKER: All right. Now, then, I'm going to add one thing further to what you just said, Crawford. The Council and previous Councils and previous members of government previous citizens of San Antonio have constantly been critical of the fact that the Board of the City Public Service Board is self-perpetuating, that, as such, this Council or any other Council does not really have control of affairs and matters as to how they are handled at the Public Service.

CITY ATTORNEY REEDER: I think you've shown quite a bit of control.

MAYOR BECKER: Well, but I appreciate that, but I'm saying as a finely defined thing, we really do not have control of those matters. Now, then, if that be the case, then why as an extension of those inequities and those insufficiencies would be willing to pledge the assets of the City of San Antonio to finance something we really don't have any control over.

CITY ATTORNEY REEDER: Well, that's another ridiculous aspect of it. We pledge our general credit to uphold a little private outfit over there - a thing is just called a private outfit I don't think it is private.....

MAYOR BECKER: This is the hazardous part of the whole thing, and it doesn't really make good sense.

CITY ATTORNEY REEDER: And the only people that are going to suffer are your taxpayers.

MAYOR BECKER: Now, then, let's assume, and it's only an assumption that you can make, that the Board were to go absolutely contrary to everything that the citizens and the City Council and everybody else wanted to do, this City Council would practically be powerless in such a time segment, such a time frame, to bring about any remedial action and they could go hog-wild and jeopardize the credit of the City of San Antonio as a result of it.

CITY ATTORNEY REEDER: If you pledged \$85 million worth of bonds for which is what those Certificates of Obligation are, if you pledge your general creditors those, you sure are going to tie up street projects and sewage projects and everything else you need bonds for later on.

MAYOR BECKER: That's the greatest argument against the whole thing in my opinion. I'm not any great jurist or mentor or anything like that but that's just a matter of common sense.

MR. PADILLA: Mr. Mayor.

MAYOR BECKER: It'd be like me co-signing a note of a person that I don't even know, you know, it's practically, in essence, what it amounts to.

MR. TED CHESTER: Mr. Mayor, may I make a few remarks?

MAYOR BECKER: Yes, sir.

MR. TED CHESTER: My name is Ted Chester. I'm Vice President of Rauscher-Pierce Securities Corporation and Senior Municipal Analyst. I had a hand in the preparation of the researching preparation of the plan that's being submitted to you. Now, Rauscher-Pierce has been hired by nobody up to now to do this. We are, however, active in looking for innovative methods to finance and we researched this on our own and we've had discussions from time to time. Mr. Halpern has had all the discussions. I'm the fellow in the background who's done the research work. I attended only one meeting at which this was discussed with the group. Now, we were asked at that meeting to put it in writing. Our presentation, I think, was lousy at that meeting and I think the members of your staff who were present came away with the wrong impression and I came away with an empty feeling that all our work had been for naught. Now, then, Mr. Padilla, at that meeting, requested that it be put in writing so that it could be presented to the Council and studied. We frantically went to work in doing this very thing. Now, I would much have preferred to spend more time in the preparation of this before it was presented to the Council. However, the fact that your rate ordinance was to come up this morning, we felt it needed to be brought out in the open at this time so that you wouldn't be too hasty. Now, after all, as far as the plan is concerned, you can raise your rates, it makes it that much better coverage. And the potential bondholder will like it that much more. You can raise them or you cannot raise them. We're merely stating that you don't have to raise them if this plan is implemented. Mr. Padilla has requested a two-weeks delay in action on this rate ordinance. I don't know how long it's been up - two weeks isn't going to be - isn't going to kill us one way or another. So I think in that two weeks time, because two weeks hence have you - you have on your agenda to consider the ordinance issuing the additional bonds.

Now, I'm not going into all the ramifications of it, but let me say this however, I am familiar with the financing at Public Service. I've been in this business a long time. I had a minor hand in the original issue when the City bought it. I did some of the back office work on that deal. I worked with the group that had the contract when the bonds were refunded in 1951 and the present indenture was issued. I worked with Public Service on two improvement issues after that. The next issues, unfortunately, I was with Rauscher-Pierce Securities Corporation and we were precluded by conflict of interest in having any interest in this because a certain man in our organization was Mayor of San Antonio. Now then, I feel this that you will be wise in delaying action on your rate increase so that you can consider this alternate financing and have your own bond counsel down and have it presented to you from a strictly legal standpoint from bond counsel and from an accounting and financial standpoint by receiving our presentation, Mr. Mayor, and take whatever action you wish.

MAYOR BECKER: I wouldn't - if we studied it for three years, I wouldn't personally ever vote for something where the City of San Antonio's credit was being placed on the line to secure the actions of a Board or a group or an entity that we have little or no control over. That's just my own feeling on it. I think it's hocus pocus and jiggering poker. That's the way I feel about it.

MR. LACY: I'd simply like to go along with Mr. Padilla. If there's any way in the world that we can hold down these rates, I'm certainly for it and I know everyone of us are. Maybe it can't be done but I'm not so sure because Mr. White says it's being done in other cities in

Texas. If it's being done in other cities in Texas, I can't see how it can be illegal. So let's find out if it is illegal and a little bit of time, I don't think we've reached that point yet, where we're going below the revenue that will meet the laws that's required right now. I don't know if we've reached that point or not.

DR. SAN MARTIN: It depends on the indentures under which those cities are operating their utilities. If they're operating under different indentures, Glenn, I'm sure it would not be illegal but if they had the same type of indentures that we have here, I believe that's what Mr. Reeder is talking about.

CITY MANAGER GRANATA: Maybe we ought to clear that point and ask Mr. White if they're using Certificates of Obligation for utilities or for street improvements, drainage improvements, etc. Do you know, Carl?

MRS. COCKRELL: Point of order, Mr. Mayor. There is an existing motion which is not debatable that we should vote on.

MAYOR BECKER: All right. Would you restate it, Cliff?

MR. MORTON: My motion was that in the interest of time but also to try and get some consensus on this Council, that we have legal, financial staff and anyone else who can add to the discussion, participate in this discussion to try and resolve the points of difference among the staff. I personally don't like to have a situation where we have two key members of staff that have directly opposite positions on what we can do and what we can't do. I would move that we table this motion and that we have a report back from them in an hour.

MAYOR BECKER: Well, that would be a quarter to 12.

MR. MORTON: Yes, sir.

DR. SAN MARTIN: An hour to....

MR. MORTON: If, in an hour or two, you know, Crawford Reeder says Carl White is - has the most ingenuous plan in the world, I'm sorry, I couldn't see through all those law books to understand and appreciate it but now I understand. That's what I'm really hoping for is that they'll come back one way or the other and say this is a valid, responsible proposal that Councilman Padilla is proposing or it won't work and here's why it won't work - 1, 2, 3, 4, 5.

MR. PADILLA: Mr. Mayor. Several members of the Council have violated the parliamentary prohibition against discussing a tabling motion. I'd like, with your indulgence to say just this, and I'm not going to discuss the motion. I think that a key ingredient in arriving at what Cliff wants to find out is a bond attorney who is not present and for that reason, I think that the answer cannot be arrived at in something like an hour or later in the day. Rather I agree with Mr. Matthews that - and he has stated his opinion that something this complex cannot be - the answer cannot be arrived at in an hour or in a few hours but rather.....

MR. MORTON: How do we know it can't? How do you know you can't arrive at it in five minutes?

MR. PADILLA: Because, Cliff, Mr. White and Mr. Reeder, as you pointed out, seem to be at opposite poles on a particular - on a key

opinion and that is one that a bond attorney may be able to have more expertise on, you see.

MR. MORTON: I still call for the question.

MAYOR BECKER: Question. Call the roll please.

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

CITY CLERK: Motion carried.

MAYOR BECKER: Okay. Now, then. Crawford, can you ask Tom or someone to take your place?

CITY MANAGER GRANATA: Yes, we will. And Carl and Tom and Mr. Deely, will you send members of your staff up if you will please. Mr. Matthews, I'd appreciate it if you'd sit in with them please.

DR. SAN MARTIN: The proponents of the plan from Rauscher-Pierce, Sam. Sam, the gentleman that spoke from Rauscher-Pierce who proposed the.....

CITY MANAGER GRANATA: Yes, the gentleman from Rauscher-Pierce, if he'll go too.

DR. SAN MARTIN: You want to go with them, sir?

MAYOR BECKER: We're going to take a five-minute recess.

(Later in the meeting, the conversation resumed)

MAYOR BECKER: We asked the gentlemen from the Public Service and the City staff and the City Attorney and everybody to go off for an hour and discuss the feasibility of this Certificates of Obligation and they are ready, I understand. So who would like to speak first?

CITY MANAGER GRANATA: Is Mr. White here? Go ahead, Carl. Did Mr. White leave? Mr. Reeder, if you're in the back, please come forward also.

MR. WHITE: We've agreed what our disagreement was - at least we've agreed on what the disagreement was. The thing boils down to this. The attorneys for the City Public Service Board as well as our City Attorney, I think, and I don't presume to speak for Crawford, and our bond attorney in Dallas have differing viewpoints on the legality of this particular plan of financing. We would recommend that you go ahead - the only way that this can be resolved would be through a court action or something like that and that is a very lengthy process. We would recommend that the Council go ahead with the rate ordinance this morning and that the bonds that are scheduled to be sold in two weeks, that within this two week period of time, get our bond attorney down here as well as the attorneys for CPSB and their bond counsel, the attorneys that are in Chicago, all together in one room. It boils down to simply a legal question and that would be our recommendation. We go ahead with the rate ordinance this morning and hopefully, we may get a consensus of opinions prior to the sale of bonds. If not, this could be considered at some future time. Now, Crawford, as I stated it - did I cover it?

CITY ATTORNEY REEDER: I think you covered it pretty well, Carl. I think you did very well.

MR. PADILLA: Mr. Mayor?

MAYOR BECKER: Yes, sir.

MR. PADILLA: I find myself in agreement and in disagreement on two different points raised by Mr. White in his recommendations to the Council. Because of this and because I think that the sequence would be wrong to take action before we develop the merit or lack of same as far as this proposed plan is concerned, I would like to move at this time that we delay the passing of this ordinance for two weeks during which time the City Manager, the bond attorneys, the people from CPS and everybody else that is concerned with this thing officially, that they structure an answer and come back to us before we pass on the rate ordinance and tell us whether this is, indeed, a pipe dream, which it may very well be, or whether it is a reliable, practical alternate method that can be considered by this Council.

REV. BLACK: I'd like to second that motion.

DR. SAN MARTIN: Mr. Mayor, I'd like to ask Mr. Wilbur Matthews to discuss if the City Public Service Board is in agreement with this method of proceeding, I have not heard from Mr. Matthews.

MR. WILBUR MATTHEWS: (Mr. Matthews was speaking from a distance and his voice did not record. See below.)

MAYOR BECKER: Wilbur, would you mind coming forward please and speaking into the microphones so that we can record what you just said. Unfortunately, we can't pick anyone up that is not directly in front of the microphone. Now, will you mind going over that again?

MR. MATTHEWS: I don't think you can over-emphasize the emergency situation that we have now come down to with respect to the flow of funds, with the meeting of obligations of this utility of the City. We're really down to the absolute crossroads on it. Now this matter was first presented to the City Council, a complete data on it, last November. The Council then, and I think wisely, employed rate experts on this matter. Those rate experts have made a recommendation to this Council that this rate increase is needed - period. It doesn't make any difference what kind of obligations you issue or what you call them it's \$85 million of bonds and this rate increase. You've been told by your own experts that you paid adequate fees to for professional service. Now these are not matters that the ordinary layman is able to judge. Obviously, if we can't depend on the experts in this field, then we're completely at sea. So that there's no question of the necessity of the rate increase under all of the advice that you have received. It's not a question as to the type of security you should hold up adequately providing for meeting the obligations that are already incurred for plants now in progress, now under construction for coal that are matters that must be done to protect the service to the people of this community and to let it further go along on a side issue as to the method of financing would certainly, in my opinion, be most unwise.

Now, on this financing thing - there's no question that the contentions that are being made here are not easy as solution. In fact, the whole plan involves asking this board of trustees under this

indenture to make an agreement about the use of the funds that they do not have the authority under the indenture to make. They have to follow this indenture. This indenture disposes of the flow of all of these funds. The mention of bonds and obligations in here are bond and obligations incurred in the operation of this utility and under this indenture. Therefore, I'm really talking now to the doubtfulness of anything being done about this, which is extremely doubtful and is indicated in our conference and I think, mentioned by Mr. White. This difference is going to have to be resolved not by knocking the heads of attorneys where there's a diametric disagreement about the interpretation of the law in this indenture. It will have to be determined over there in the courthouse. Those issues cannot be determined in time to save this community and to go forward with this utility as a viable instrument for taking care of the energy needs of this community. Now, this is a great responsibility lying on this Council. I realize that. I have every sympathy with your exploring every possible avenue but we've explored and explored, I believe, and I think the thing that has been brought up here as simply a gimmick method of financing. It has nothing to do with furnishing additional funds over the other methods of financing. It will not put a penny into this system that is not going into the system being used for the necessary purposes of maintaining this system.

So I think that the members of this Council, in all good conscience, can go ahead with this rate increase. It's a matter that is subject to your continuing control in any event and you can't make the mistake by giving adequate, full inadequate rates now because everybody agrees that what you give now you won't have to give later in any event so that this increase and this restoration of the financial integrity of the municipal utilities here is an issue that transcends all these petty arguments or legal arguments, although those arguments depend on matters of law that would involve great liability on the trustees if they violated this indenture. I don't think this Council wants to ask the members of this Board, citizens of this community, to do anything contrary to this indenture or contrary to the law of Texas, which is copied into this indenture under this plan that was adopted by this City acting through its governing body twice, once in '42, identical provisions, it was refunded in 1951. They put a stamp on it again after eight or nine years of operation. Therefore, we're simply back casting on a permanent set-up of a utility situation. I hope that this Council will help the Board in trying to meet the needs of this community in going forward financially on it.

REV. BLACK: Whether you're saying that in your opinion, it would not be profitable for us to wait two weeks or whether you're saying we can't wait two weeks. To me, this is a very critical issue that he's waiting because the issue before the Council as far as that motion is concerned is that we give two weeks an opportunity to study the plan. Now, as I listen to you, what you were really saying is that you don't think it would be profitable to wait those two weeks.

MR. MATTHEWS: The two weeks will simply be thrown away without any result having occurred during the two weeks. If you view this situation realistically and forthrightly, it is not going to do you any good to delay. It's going to do harm to delay. This really has been remarked on it by members of this Council and the Mayor. This is now recognized as to full exposure as to consultation with your own experts with an opinion from them that you should do this. To not do it, it seems to me is not doing - following the right procedure.

MR. MORTON: Mr. Matthews, before you sit down, would you mind telling the Council what the total amount of your proposed bonding program is over there.

MR. MATTHEWS: Mr. Morton, these projections are subject to daily revision.

MR. MORTON: I understand that but what are the current ones?

MR. MATTHEWS: Well, it's in this presentation, and I'll have to admit to you that when the figures get into a \$100 million or more, my mind just simply isn't retentive enough to keep up with....

MR. MORTON: It doesn't have to go that high for me..

MR. MATTHEWS: What?

MR. MORTON: It doesn't - you don't have to get that high to lose me.

MR. MATTHEWS: Well, they are that high.

MR. MORTON: Could I ask approximately how much are we talking about?

MR. MATTHEWS: Well, in this particular thing you're talking about immediate necessity as advised by your own experts of \$85 million. Now, everything after that is subject to review. You've employed these experts to make a complete study and I don't think that anything ought to be decided by this Council or considered by this Council as to the next bond issue.

MR. MORTON: Well, we'll take care of that problem. We'll make the decision on whether we'll do or don't, but I have a line of questioning here that I'd like to pursue because I think it's germane to Al's motion.

MAYOR BECKER: Maybe you should have Mr. Deely come forward?

MR. MORTON: Mr. Deely, approximately how much are we talking about?

MR. DEELY: We're talking about 85 now, 43 next year.

MAYOR BECKER: Tom, can you come forward, please, so that we can record this. I wish we had some kind of portable microphone, but we don't have one.

MR. MORTON: Okay, 85 in '74 - 43 in '75, but give me the grand total.

MR. DEELY: This tabulation was contained in the information sent to you determined by the amount of plants that we build. We can bond, as you know, 50 percent of the capital additions since the last bond issue and this - these proposed bond issues soak up all that plant. \$85 for fiscal '74-'75, \$40 for the next fiscal year, \$64 for the next fiscal year, \$49 for the next and \$65 for the next. I can go on, if you like.

MR. MORTON: Well, let's see, we have one, two, three, four, five years and you're talking about approximately \$300 million for the next five years.

MR. DEELY: That's correct.

MR. MORTON: Okay, now may I talk to Mr. White.

DR. SAN MARTIN: It's \$283.

MR. MORTON: Okay, round it off, inflation will take the other \$17 million. Now, where's Mr. White? Okay, what is the total indebtedness of the City of San Antonio at the present time?

MR. WHITE: \$70 some odd million.

MR. MORTON: \$70 some odd million. Now, if we pursue this plan and we take the route of letting the City of San Antonio obligate itself to these bonds over the next five years, we're talking about obligations of \$300 million. Okay. Now, let's just assume that we do not go into any further debt than we are as a City or anything other than this one project. What would a debt condition of the City of San Antonio in 1979 with \$370 million do to either the taxes or the bond ratings?

MR. WHITE: Well, Cliff, I don't know really how to answer that. If we're talking about purely tax supported bonds, as opposed to a combination of tax and revenue where the revenues would be coming from, in other words, it would be a self-supporting.....

MR. MORTON: I understand.

MR. WHITE: It wouldn't affect our taxes one iota if.....

MR. MORTON: How about our bond rating?

MR. WHITE: It wouldn't affect our bond rating either because it would be a self-supporting debt that is deducted from the total - you take debt less the self-supported debt, then you come down to a net tax supported debt. And that's the way they look at cities. Now, take a city like Arlington, for example, they have, because of their stadium and so forth up there, special purpose revenue bonds, their total indebtedness is about 25 percent of their assessed valuation. But, they're only charged with just a small portion of that as far as ratings are concerned.

MR. MORTON: But it does affect rating though?

MR. WHITE: No, sir, it does not.

MR. MORTON: It does not?

MR. WHITE: It's self-supporting.

MAYOR BECKER: Well, these bonds - this Certificate of Obligation though, is as it was explained to me this morning, has a duality of being either revenue or tax supported.

MR. WHITE: Yes, sir.

MAYOR BECKER: To insure....

MR. WHITE: A combination.

MAYOR BECKER: All right. Now, then, it's hard to say whether it would be a ratio of 20 to 80; or 60 to 40; or 40-60 or 50-50 or just what. There's no way of telling. It would have an encumbrance though. It would have the effect of encumbering the City of San Antonio if the City of San Antonio is, in effect, guaranteeing a portion of it. It has to be. There's no way for it to be any other way.

MR. WHITE: Well, let me give an illustration there. Our sewer, we have some sewerage general obligation bonds outstanding that we sold. Those bonds are supported by the sewer service charge. Now, when those are up there in the total G.O. debt. Now, when you come on down, you subtract out self-supported debt and then you show that as being supported by the sewer service charge. Now, that as far as ratings and as far as the liquidity or the marginal legal - the legal debt margin is concerned, that is, not considered a part of that because it's self-supporting. Now, granted....

MAYOR BECKER: At this time.

MR. MORTON: At this time, that's correct.

MR. WHITE: Well, I was going to say granted that if, in the event, the sewer rates were not sufficient to pay the debt, then we are obligated to levy tax.

CITY MANAGER GRANATA: And it follows, if I may, Mayor, that under this plan, which is secured by the surplus funds from the City Public Service, if they have no surpluses then it would be secured by taxes.

MR. PADILLA: What was the surplus last year, Sam?

CITY MANAGER GRANATA: I don't know, I'm just saying that.....

MR. PADILLA: Can you tell us that, Carl?

MR. WHITE: No, sir.

MR. MORTON: So, essentially, let's look at what this thing is. Essentially, what we're being asked to do here by taking this route of financing for the next five years, and I'm assuming it's not a one-year proposition. We're going to do it for the next five or ten years maybe. We're asking the citizens of San Antonio to sign a note that we, as citizens, are obligated for, in case the City Public Service, which not only serves the City of San Antonio, but serves all of Bexar County, so they're getting off the hook completely. We're asking our people to go on this note - to fund a Board that we have no control of. It's different from the sewer situation.

MR. WHITE: I don't want to argue the merits or the demerits, but if that situation did occur, we'd have to levy a tax. Of course, that rather through electric and gas rates, that would be something that would be considered - would be a deduction for income tax purposes, in other words, that would be something that the citizens could get....

MR. MORTON: But only the citizens of San Antonio would have this tax levied against them.

MR. WHITE: That's right.

MR. PADILLA: Mr. Mayor, I think there's another difference and that is that we're assuming that the revenues of the CPS would not be adequate.

If they were not adequate, you would do what you do now when they're not adequate, you would raise the rates. You would not necessarily assign the debt to the people of San Antonio, which is for all practical purposes is the same pocket.

MAYOR BECKER: One of the things that I can see that's a very, very definite possibility that has been evidenced right here this morning, is the reluctance of the Council to raise utility rates, the reluctance of the Council to raise tax rates, the reluctance of the Council to do anything that brings about an increase in the cost of living to the citizens. Now, if that has manifested itself to this extent this morning as it has, I shudder to think what it might be two, three, four, five, six, ten years from today and if all these Certificates of Obligation were not met with additional sources of revenue from the increased rate structure, then the City would have to defray and retire those bonds through the tax method. This is the fallacy of this whole thing, in my own opinion. One reason why we do the sewer thing the way we do it is because the City of San Antonio, the government, the City Council, has absolute control over the sewer activity of this City. This other Board does not come under our province as such. It opens Pandora's Box and offers some things to me that are frightening from the standpoint of being political and many things of that nature and I just, frankly, can't accept it. Now, it doesn't mean to say that I'm smart, right, everybody else is wrong or stupid or anything, I just can't accept placing the City in that position. Personally, I can't do it.

MR. WHITE: Well, Mr. Mayor, let me say this. We did not - we're not supporting this plan. I was simply asked this morning to explain what I knew.

MAYOR BECKER: I appreciate that.

MR. WHITE: And I saw it for the first time, this plan, we saw another one two weeks ago, which was different and unworkable. I saw this one for the first time Tuesday.

MAYOR BECKER: Well, I understand, Carl.

MR. WHITE: And all I was trying to do is to explain what I know about it and it's very limited. I don't know that much about it.

MAYOR BECKER: I think that in the haste though to bring this to the attention of the City Council, it was ill-conceived, you know. It wasn't thoroughly thought through - these ramifications and all the things that are attendant to it as such as placing the burden on the citizenry was not explained properly to the people that were, you might say, sponsoring it. It's a marvelous thought. It has much merit except that it's not practical in all instances. It's not fair and I think it's half-cocked.

REV. BLACK: Mr. Mayor, may I just make this comment. While I recognize that you deal - we're dealing with primary way of how do we sustain or support for whatever funds we need for advance, whether or not it's in the tax structure or whether it's in the structure of increased rates. I think this is one of the debatable issues that we're bringing forth. It seems to me that I have no problem with this when I - particularly when I look at the economic conditions of this community and recognize as I look at it, that there's some 27,000 families in this community that make less than the poverty level in terms of income. It seems to me that it would even be more equitable

if it came to that point where we would have to face the financial needs of our City through a tax structure rather because the persons that would be able - the persons having to pay that tax would be much more able to assume that responsibility and these persons and the kind of impact that increased rates is going to make on the poverty people of this community. But I don't have any problem with this kind of financing. It seems to me what we're doing here now is trying to find an innovative way of dealing with the kind of impact that this is going to make. Now the City of San Antonio in terms of its sewage rates, in terms of any other rate is imposed upon people who have no options. At least, if we pursue this and we found ourselves facing that critical point, you wouldn't be taking gas and light out of some body's house. You would at least be able to deal with the poverty situation of this community. To me, the most critical issue of any enterprise, no matter what it is, is how it impacts that community in terms of its consumers and I think it is in the best interest of that industry just as much as it is in the best interest of the community to certainly study the way in which it impacts its consumers. To me, there's nothing wrong with the method that seeks to find other ways of dealing with it and therefore addressing the persons who are most capable of handling the responsibility. For that reason, I would like to have further study of this because I think it has that potential and I'd like to know more about it and that's why I'm supporting the motion.

MAYOR BECKER: Well, we understand that.

MR. MORTON: I call for a question on the motion.

MAYOR BECKER: All right. Call the roll, will you.

MR. PADILLA: Do you want me to restate, Mr. Mayor?

MAYOR BECKER: If you'd like to.

MR. PADILLA: Very briefly, the motion is that we not act on the rate question today in terms of percentage of adjustment but rather we delay it two weeks and that in that time the City Manager and his staff as well as the Public Service people, the bond attorneys and any other people who would have an official capacity in this situation get together and come back to the Council and report as to the feasibility of this type of idea. Now, that was a motion. Beyond that, Mr. Mayor, the only support that I've given this idea, I'm not here to tell you that it's a good idea. I am simply supporting it to the extent that I would like to know whether it is or not.

MAYOR BECKER: I understand, Al. Now there's only one thing I'm going to say and then before we call the roll. I was going to ask Mr. Freeman to come forward and tell exactly the status of finances at Public Service Board right at this time. It's operation last month, its operation a month before and its a loss operation at this point in time. It's running red figures and nothing can do that indefinitely and survive. Mr. Freeman, do you have those figures with you? I just want this pointed out because this isn't a figment of anybody's imagination. This is just factual data.

MR. HOWARD FREEMAN: I'm Howard Freeman, the Comptroller with City Public Service. I might just point out that the operation for April - it was necessary to pay out of the Improvements and Contingencies Fund about \$463,000 in City payments. So there was not enough money to meet

the 12 1/2 percent minimum requirements as required by the trust indenture before you pay the City payment. In January, I think a monthly estimate of funds was provided to the Council showing what the funds would be with and without a rate increase. This showed that at the end of April without a rate increase, we estimated the amount of funds available for construction would be \$8 million. Actually, we have \$7,241,000. This is principally because we made a payment that wasn't anticipated until June. It was required during April. So at the current time, we have \$7,241,000. This is, I should say at the end of April. We had \$7,241,000 available for future construction. We had approximately \$7 million in the general fund, which is to support day to day operations.

MAYOR BECKER: All right. Now, what was the operating report for the month of April?

MR. FREEMAN: We showed that we had a net income for the month of \$480,000 and out of this we had to pay the bond requirements - \$835,000. We had payments to the City which totaled \$1,072,000 - that's in cash and benefits and, of course, our minimum requirements to the I and C fund were \$1,113,000.

MAYOR BECKER: So you had a net deficit, didn't you?

MR. FREEMAN: That's correct.

MAYOR BECKER: I don't think this Council wants to be guilty of dismantling the utilities and if we had crowbars and prize pinch bars and everything else, we'd be doing just about the same thing if we delay these decisions any longer. We've given the O'Brien and Gere firm adequate time to make their presentation and so forth and so on. But I wanted you to hear though before we call the roll exactly what the status of the Service Company is. It's not a pretty picture. Garland, will you call the roll.

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

CITY CLERK: Motion failed.

MR. MORTON: Mr. Chairman, I move that we increase the rates of the City Public Service the minimum recommended by O'Brien and Gere.

MR. BECKMANN: What number - 19 percent? I second it.

MAYOR BECKER: All right. Would you call the roll please?

MR. PADILLA: May I ask a question, Mr. Mayor? Just to clarify, Cliff, your motion, I understand, is to set the amount of the increase, not to set the increase this morning, is that correct? In other words, we're not taking a vote on the rate ordinance this morning but rather we're taking a vote on the amount to be inserted in the rate ordinance.

CITY MANAGER GRANATA: That's correct. There'll be subsequent ordinances that set up the rate structure which will come back in a week or two, yes, sir. You're just setting up the percentage of the rate increase.

MR. MORTON: They have to have that before they make the calculations.

MAYOR BECKER: All right. There was a second. Call the roll please, Garland.

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

CITY CLERK: Motion carried.

MAYOR BECKER: Okay. All right.

MR. MORTON: On this subject, we have not addressed the question of a rate differential between those people who live in the City of San Antonio and those people who live in other municipalities in Bexar County or in the County proper. I would ask that this question be addressed within four weeks. I do not think we should confuse it with the rate increase.

MAYOR BECKER: Let's not do that today. Okay.

MRS. COCKRELL: Mr. Chairman, may I just ask to clarify a question - by address, do you mean that we would have it under discussion? Because I personally feel that the 14 percent - I won't get into such a discussion.

MAYOR BECKER: Well, let's say this, please, Cliff. That this thing be thoroughly researched, that the legalities of it be explored, that the feasibility and not go off on one of these fantasies like we did - well, I won't even say what I was going to say. Anyway, that it be thoroughly documented as to practicality and everything before we discuss it within four weeks from today.

MR. MORTON: Mr. Mayor, I will assure you that I have already had it researched very comprehensively. I believe that it will work and if it won't work, I just want to say, we've got one hell of a problem at the City Water Board. Would you mind telling me what the rate differential is between inside the City and outside the City for the City Water Board, Mr. Reeder or Mr. Granata?

CITY MANAGER GRANATA: I think it's 30 percent, sir.

MR. MORTON: How long have we been doing this?

CITY MANAGER GRANATA: Several years, I can't answer exactly, not all the time but several years.

MR. BECKMANN: About 30?

MAYOR BECKER: Okay. Now, did you have any usage that you cared to apply this fund to specifically?

MR. MORTON: Well, I would say that there are two areas that we should consider and perhaps other members of the Council would have others. I think that, generally speaking, we're talking about the minimum user and when we're talking about this, the one that is hurt the worst is the elderly. This is one area that I feel this fund should be used for and at the other end of the spectrum, I think, to give people encouragement I would say for youth. Those are two areas that I would like for us to consider using this money for assuming the Council decides that we want to have a rate differential.

MR. PADILLA: Mr. Mayor..

MAYOR BECKER: Yes.

MR. PADILLA: Last week on that point, I was in agreement with Councilman Morton; however, earlier in the week I read in the newspaper some remarks attributed to Mr. Deely, I believe, to the effect that the minimum user is not the low-income person, rather the minimum user is the guy with the country home and so forth. I would like to ask this, Cliff, that in considering your idea that we examine just who the minimum user is because we are, in effect, providing relief for those that do not, economically speaking, deserve it.

MR. MORTON: I understand. That's the reason I directed it more specifically at the areas we'd be trying to help and, specifically, I think, number one - you have to look at elderly when you think of inflation.

MR. PADILLA: Right.

DR. SAN MARTIN: Mr. Mayor. In researching this, Mr. Morton, and I think I'm addressing also myself to the staff, I think we have to be very careful when we start equating water with electricity. I want to be absolutely sure that in supplying water to a point, say, 10 miles from the source downtown for instance, that the initial investment was not greater because eventually, it would reach somebody outside the City limits. By that, I mean if you're going to reach somebody ten miles away, you have to start with a much larger pipe than you would if you were not contemplating reaching a point X way out there. Whereas with electric service, do we need any additional equipment?

MR. MORTON: I can settle that with one question. Will Mr. Deely please come up here? Mr. Deely, let me ask you something. If you put one kilowatt into a line, is there any decrease in what you get out of the line as you increase the distance?

MR. DEELY: Is there any decrease or increase?

MR. MORTON: Is there an increase or decrease?

MR. DEELY: There's a decrease.

MR. MORTON: Okay. The further out you serve, then the more kilowatts you have to put in to get kilowatts out.

MR. PADILLA: Assuming your plant is downtown.

MR. MORTON: I would assume that the further out from the plant, regardless of where it is, and generally speaking, these plants are, let's say, clustered around the Loop system and we go out in the county and the further out we go, the less electricity you get out....

DR. SAN MARTIN: Mr. Morton, the reason I asked this question is that those people living outside the City limits have contended that this is not necessarily true and that's why I wanted the staff and Mr. Deely and our own staff come back with figures showing that it is true.

MAYOR BECKER: This is unlike water, assuming that you have a line that doesn't leak. You put a gallon of water in the line from the pump

and you get a gallon of water out of its 50 miles or 100 miles, assuming you don't have a line leak. I doubt if you would though. There is a certain amount of sticking on the sidewalks in the pipe.

DR. SAN MARTIN: Mr. Morton, this is an argument - theoretically, you're wrong, Cliff.

MRS. COCKRELL: On this subject, I agree with the philosophy that people inside the City limits have a break. However, I honestly feel that we're getting it through the means of this 14 percent and the fact that the 14 percent, of course, is charged throughout the system but it is rebated to the City and, therefore, the taxpayers of the City of San Antonio get the benefit of that 14 percent, which then is applied to the general revenue and therefore, presumably they would get a tax break to that extent. So I think, in that context, the citizens within the City of San Antonio get, hopefully, a lower tax rate because of the income the City gets on this 14 percent. I think that we do get that much of a break and I think that has to be taken into consideration because I don't think the same thing happens in the water situation.

MR. MORTON: Oh, yes, in the water, we have.....

MRS. COCKRELL: We get the difference and the differential with different rates....

MR. MORTON: We get lower taxes - I'm not for sure what the percentage is of gross revenue between the two compare. We know we've got 14 percent on City Public Service. It seems to me has somewhere around \$300,000 worth of water that we get. But I find it difficult to understand why we're getting benefit from one and don't get any on the other and not be able to justify it.

DR. SAN MARTIN: Let me just clarify one point, Cliff. I'm not antagonistic to your point of view, I'm merely telling you the argument that will be presented against such a point of view and therefore, I would like to have the adequate research not just a figure off the top of our heads. I'm not being antagonistic, I'm just telling you what some of the opponents are coming back to us with.

MAYOR BECKER: The only thing we haven't dealt here today is free groceries, beer, and cigarettes and laundry.

MR. BECKMANN: Flour tortillas.

MR. PADILLA: Don't talk about flour tortillas.

MAYOR BECKER: Listen, they wouldn't dare take a person like me as a porcupine, it's something else. Well, now, then do we have any further questions or debate on what we've just done? Okay. Thank you very much, Tom, and all the members of the Board and staff and everybody.

MRS. COCKRELL: Now, it's my understanding that under the recommendation which was brought in by Mr. White, we're still going to get a report - further report on this.

* * * *

CITIZENS TO BE HEARDMR. ROGER A. NOE

Mr. Roger A. Noe, 5942 Fair Green, addressed the Council concerning the great need for the continuation of the Veteran's Outreach Program in this area. He said that the Manpower Planning Council has not recommended the continuation of the program. He spoke of problems encountered by veterans and how this program has helped them in the past.

Mr. Cipriano Guerra, Director of Community Development and Planning, stated that he would be pleased to check with the Manpower Advisory Council and see if there is anything that can be done.

Mr. Mendoza stated that we would be glad also to work with this veteran's group along with the City staff and see what can be worked out.

Mayor Becker urged that this matter be expedited all possible.

LOGO FOR MARKET SQUARE

Mr. Carl Wurz, 820 Florida Street, commented to the Council about the Logo for the market which was developed at a cost of some \$14,000. He objected to paying such a large sum for the design and showed illustrations or sketches of designs he had come up with.

MR. CHARLIE PRICE

Mr. Charlie Price, 1504 Montana Street, complained of the excessively fast traffic on Montana Street since it has been improved and made one way. He asked that something be done about it.

Mr. Price also spoke of the urgent need for more access to the east side of town and discussed the Nolan Street underpass project.

He was referred to Mr. Stewart Fischer who stated he would do what he could for Mr. Price's problem.

MR. JUAN HEWTTY, JR.

Mr. Juan Hewtty, Jr., 4241 Commercial, described the sanitary sewer situation in his neighborhood where he and his neighbors must use septic tanks. He said that recent rains have made the septic system unworkable so they were forced to disconnect sinks and tubs and drain that water into their yards.

City Manager Granata stated that there is a problem in the area and a pump station is needed. He said that Mr. Sueltenfuss would investigate the situation and attempt to resolve the problem.

MRS. M. F. TRADER

Mrs. M. F. Trader, 719 Paso Hondo, who has had a claim against the City for several years, again appeared before the Council to go over the entire matter again.

Mayor Becker advised Mrs. Trader that the City's offer of a \$900 cash settlement still stood and he suggested that she settle the matter through the City Attorney's Office.

74-23

PUBLIC HEARING

Mayor Becker declared open a Public Hearing to consider the following Ordinance which was read by the Clerk:

AN ORDINANCE 43,796

AMENDING CHAPTER 42, ARTICLE VII OF THE CITY CODE PROVIDING A DECLARATION OF PURPOSE; PROVIDING A DEFINITION OF HISTORIC DISTRICTS AND A DEFINITION OF HISTORIC LANDMARKS; PROVIDING FOR THE CREATION OF HISTORIC DISTRICTS AND THE DESIGNATION OF HISTORIC LANDMARKS; PROVIDING FOR THE CREATION OF A BOARD OF REVIEW FOR HISTORIC DISTRICTS AND LANDMARKS AND SPECIFYING ITS MEMBERSHIP, FUNCTIONS AND TENURE; PROVIDING PROCEDURES FOR THE REVIEW OF PERMIT APPLICATIONS FOR HISTORIC DISTRICTS AND HISTORIC LANDMARKS; PROVIDING CRITERIA TO BE USED IN REVIEWING PERMIT APPLICATIONS; PROVIDING A PENALTY NOT TO EXCEED TWO HUNDRED DOLLARS (\$200.00) PER DAY FOR EACH VIOLATION THEREOF; AND PROVIDING AN EFFECTIVE DATE.

* * * *

Mr. Cipriano Guerra, Director of Community Development and Planning, stated that this Ordinance had been discussed with the Council several weeks ago at which time he had been instructed to go back to several citizen groups and get their reaction to it. This was done and resulted in some modifications.

Mayor Becker expressed his concern that this Ordinance might hinder building in the downtown area. This was discussed by Mr. George Vann who stated that after passage of the Ordinance, the property owner will have to go through the same procedure as when rezoning property. There would be a hearing before both the Planning Commission and the City Council. At that time, the Council could decide not to zone an area as historic.

Mr. Guerra said that he felt that ample safeguards were provided and that fears that this Ordinance would impede development were really not justified.

May 23, 1974
nsr

-39-

Mr. Morton pointed to discrepancies in Section 42-113, paragraphs A and B where the objectives do not agree. He suggested that these paragraphs be modified so that the objectives will be consistent. He also criticized Section 42-116 in that no provision is made to compensate an owner for damages caused by zoning an area as historic.

Mr. Morton pointed out also that the entire section of this Ordinance providing for appeal to the City Council had been stricken and said that he felt that provision for appeal should be in it.

Mr. Guerra stated that the appeal section was removed so that a person could appeal directly to the courts just as they do on building permits.

Mrs. Beverly Blount, President of the San Antonio Conservation Society, explained to the Council the Society's views on historic structures. She assured the Council that they do not want to make a historic landmark out of every old building in town. She also pointed out that there are national criteria for defining historic districts and landmarks and these are being followed. She said that the Conservation Society is in favor of the Ordinance and asked that the Council approve it.

Miss Adela Navarro spoke in favor of adoption 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, Morton, Beckmann, Padilla, Mendoza; NAYS: None; ABSENT: Lacy.

74-23 The following Resolution was read by the Clerk 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, Lacy, Morton, Beckmann, Padilla, Mendoza; NAYS: None; ABSENT: None.

A RESOLUTION
NO. 74-23-35

PROVIDING FOR THE REVIEW OF PLANS FOR
CERTAIN CHANGES TO CITY OWNED PROPERTIES
IN HISTORIC DISTRICTS AND HISTORIC
LANDMARKS.

* * * *

74-23 The meeting recessed for lunch and reconvened at 3:00 P. M.

A. CASE 5544 - to rezone Lot 16, Block 10, NCB 9030, 3307 S. Zarzamora Street, from "B" Two Family Residential District to "B-3" Business District, located northwest of the intersection of Hearne Avenue and S. Zarzamora Street; having 53' on Hearne Avenue and 117.5' on S. Zarzamora Street.

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. 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, Morton, Beckmann, Padilla, Mendoza; NAYS: San Martin; ABSENT: Black, Lacy.

AN ORDINANCE 43,797

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 16, BLOCK 10,
 NCB 9030, 3307 S. ZARZAMORA STREET,
 FROM "B" TWO FAMILY RESIDENTIAL DISTRICT
 TO "B-3" BUSINESS DISTRICT.

* * * *

B. CASE 5541 - to rezone Lot 10, Block 14, NCB 9314, 203 Verne Street, from "C" Apartment District to "B-2" Business District, located northwest of the intersection of Verne Street and Oppenheimer Avenue; having 50' on Verne Street and 140' on Oppenheimer Avenue.

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, Mrs. Cockrell made a motion that the recommendation of the Planning Commission be approved, provided that proper replatting is accomplished and that a non-access easement is imposed on the south 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, Becker, Black, Morton, Beckmann, Padilla, Mendoza; NAYS: San Martin; ABSENT: Lacy.

AN ORDINANCE 43,798

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 10, BLOCK 14, NCB 9314, 203 VERNE STREET, FROM "C" APARTMENT DISTRICT TO "B-2" BUSINESS DISTRICT, PROVIDED THAT PROPER REPLATTING IS ACCOMPLISHED AND THAT A NON-ACCESS EASEMENT IS IMPOSED ON THE SOUTH PROPERTY LINE.

* * * *

C. CASE 5551 - to rezone Lots 5, 6, 7, and 8, NCB 8709, 1214 Austin Highway, from "F" Local Retail District to "B-3" Business District, located 195' northeast and 100' south of the intersection of Austin Highway and Exeter Street, having 205' on Austin Highway and 205' on Exeter Street.

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 and that a six foot solid screen fence is erected on the south property line. Dr. San Martin 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, Beckmann, Padilla, Mendoza; NAYS: None; ABSENT: Lacy; ABSTAIN: Morton.

AN ORDINANCE 43,799

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 5, 6, 7, AND 8, NCB 8709, 1214 AUSTIN HIGHWAY, FROM "F" LOCAL RETAIL DISTRICT TO "B-3" BUSINESS DISTRICT, PROVIDED THAT PROPER REPLATTING IS ACCOMPLISHED AND THAT A SIX FOOT SOLID SCREEN FENCE IS ERECTED ON THE SOUTH PROPERTY LINE.

* * * *

D. CASE 5542 - to rezone Lots 6-A, 6-B, and 7-C, Block 2, NCB 7578, 5700 Block of S. New Braunfels Avenue, from "D" Apartment District to "B-1" Business District, located on the northeast side of S. New Braunfels Avenue between Montrose Avenue and Hot Wells Blvd.; having 300' on S. New Braunfels Avenue, 35' on Hot Wells and 165' on Montrose Avenue.

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 and that a six foot solid screen fence is erected on the south and east property lines adjacent to the single family residences. Mr. Morton 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, Morton, Beckmann, Padilla, Mendoza; NAYS: None; ABSENT: Lacy.

AN ORDINANCE 43,800

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-A, 6-B,
AND 7-C, BLOCK 2, NCB 7578, 5700 BLOCK
OF S. NEW BRAUNFELS AVENUE, FROM "D"
APARTMENT DISTRICT TO "B-1" BUSINESS
DISTRICT, PROVIDED THAT PROPER REPLATT-
ING IS ACCOMPLISHED AND THAT A SIX FOOT
SOLID SCREEN FENCE IS ERECTED ON THE
SOUTH AND EAST PROPERTY LINES ADJACENT
TO THE SINGLE FAMILY RESIDENCES.

* * * *

E. CASE 5493 - to rezone Lot 6 and the south 5' of Lot 5, Block 17, NCB 11116, 4113-4117 Commercial Avenue, from "B" Two Family Residential District to "B-1" Business District; and the north 45' of Lot 5 and the south 30' of Lot 4, Block 17, NCB 11116, from "B" Two Family Residential District to "B-2" Business District.

The "B-1" zoning being located on the west side of Commercial Avenue being 245' south of the intersection of Commercial Avenue and Gillette Blvd.; having 55' on Commercial Avenue and a maximum depth of 217.8'.

The "B-2" zoning being located on the west side of Commercial Avenue being 170' south of the intersection of Commercial Avenue and Gillette Blvd.; having 75' on Commercial Avenue and a maximum depth of 217.8'.

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, Mrs. Cockrell 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 south 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, Becker, Black, Morton, Beckmann, Padilla, Mendoza; NAYS: San Martin, ABSENT: Lacy.

AN ORDINANCE 43,801

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 6, AND THE SOUTH 5' OF LOT 5, BLOCK 17, NCB 11116, 4113-4117 COMMERCIAL AVENUE, FROM "B" TWO FAMILY RESIDENTIAL DISTRICT TO "B-1" BUSINESS DISTRICT; AND THE NORTH 45' OF LOT 5 AND THE SOUTH 30' OF LOT 4, BLOCK 17, NCB 11116, FROM "B" TWO FAMILY RESIDENTIAL DISTRICT TO "B-2" BUSINESS DISTRICT, PROVIDED THAT PROPER REPLATTING IS ACCOMPLISHED AND THAT A SIX FOOT SOLID SCREEN FENCE IS ERECTED ON THE SOUTH PROPERTY LINE.

* * * *

F. CASE 5543 - to rezone a 13.7761 acre tract of land out of NCB 16325, being further described by field notes filed in the office of the City Clerk, 1100 Block of Sir Winston Drive, from Temporary "R-1" Single Family Residential District to "R-3" Multiple Family Residential District, located on the northeast of Sir Winston Drive, being 250' northwest of the intersection of Sir Winston Drive and Parliament Drive; having 655.88' on Sir Winston Drive and a maximum depth of 965'.

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, Mrs. Cockrell made a motion that the recommendation of the Planning Commission be approved, provided that proper platting is accomplished. Dr. San Martin 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, Morton, Beckmann, Padilla, Mendoza; NAYS: None; ABSENT: Lacy.

AN ORDINANCE 43,802

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 A 13.7761 ACRE TRACT OF LAND OUT OF NCB 16325, BEING FURTHER DESCRIBED BY FIELD NOTES FILED IN THE OFFICE OF THE CITY CLERK, 1100 BLOCK OF SIR WINSTON DRIVE, FROM TEMPORARY "R-1" SINGLE FAMILY RESIDENTIAL DISTRICT TO "R-3" MULTIPLE FAMILY RESIDENTIAL DISTRICT, PROVIDED THAT PROPER PLATTING IS ACCOMPLISHED.

* * * *

74-23 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, Morton, Beckmann, Padilla, Mendoza; NAYS: None; ABSENT: Lacy.

AN ORDINANCE 43,803

APPROVING AN ASSIGNMENT OF A GROUND LEASE AT THE SAN ANTONIO INTERNATIONAL AIRPORT FROM J. W. MILLER AVIATION, INC. TO REBCO, INC.

* * * *

AN ORDINANCE 43,804

AUTHORIZING THE CONTINUATION OF THE YOUTH SERVICES PROGRAM PROJECT KNOWN AS JUVENILE DELINQUENCY PREVENTION WESTSIDE; APPROVING AN OPERATING BUDGET AND PERSONNEL COMPLEMENT FOR THE PROJECT; ACCEPTING A GRANT FROM THE CRIMINAL JUSTICE DIVISION, OFFICE OF THE GOVERNOR; AND AUTHORIZING A CONTRIBUTION FROM THE GENERAL FUND.

* * * *

AN ORDINANCE 43,805

APPROPRIATING THE ADDITIONAL SUM OF \$25,000.00 TO THE CITY'S REDUCED BUS FARE PROGRAM FOR THE ELDERLY FROM FEDERAL REVENUE SHARING FUNDS TO COMPLETE FUNDING OF THE PROJECT THROUGH JUNE 30, 1974.

* * * *

74-23 The following Ordinance was read by the Clerk and explained by Police Chief Emil Peters, and after consideration, on motion of Mr. Beckmann, seconded by Mr. Mendoza, was passed and approved by the following vote: AYES: Cockrell, Becker, Black, Morton, Beckmann, Padilla, Mendoza; NAYS: None; ABSENT: San Martin, Lacy.

AN ORDINANCE 43,806

AUTHORIZING SUBMISSION OF AN APPLICATION TO THE CRIMINAL JUSTICE COUNCIL FOR A GRANT FOR CONTINUED FUNDING OF THE BEXAR COUNTY/CITY OF SAN ANTONIO ORGANIZED CRIME CONTROL UNIT.

* * * *

74-23 The Clerk read the following Ordinance:

AN ORDINANCE 43,807

AMENDING THE BUDGET SO AS TO INCREASE THE APPROPRIATION FOR THE CONVENTION AND VISITORS BUREAU BY \$86,336.00 AND AUTHORIZING PAYMENT OF CERTAIN BILLINGS PREVIOUSLY SUBMITTED.

* * * *

The Ordinance was explained by Mr. Al Tripp, Director of Convention and Visitors Bureau, who said that at the time the present budget was prepared, it was not known how much money would be available from the hotel-motel tax since this is the first year that the percent rate would be effective. Some projects such as the Mexico Sales Blitz and painting of the La Villita brochure were not included in the budget until more information on funds was available. (A complete list of projects is attached to the original ordinance.) In some instances, an accurate cost estimate could not be made so budget approval was not given at the beginning of the year.

Mr. Tripp discussed various items with the Council as well as activities of the Convention Bureau.

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

Mr. Padilla said that a few weeks ago, a lot of students came from all over the state to a meeting at which he was to speak. Considerable confusion developed over reservations at one hotel so they were sent to other hotels. In some cases, rates were much higher than anticipated by the students. Mr. Padilla said that he called the Visitors Bureau, which sent people to help straighten things out. As a result of efforts of Bureau personnel, the problems were resolved and everyone went away happy. He commended Mr. Tripp's people for their action.

74-23 The following Ordinances were read by the Clerk and explained by Mr. M. Winston Martin, Executive Director of the Urban Renewal Agency, and after consideration, on motion made and duly seconded, were each passed and approved by the following vote: AYES: Cockrell, Becker, Black, Lacy, Morton, Beckmann, Padilla, Mendoza; NAYS: None; ABSENT: San Martin.

AN ORDINANCE 43,808

APPROVING THE PRICE AND CONDITIONS OF THE SALE BY THE URBAN RENEWAL AGENCY OF THE CITY OF SAN ANTONIO OF PARCEL NO. C-C-23(A), CONTAINING APPROXIMATELY 29,443 SQUARE FEET, LOCATED WITHIN THE ROSA VERDE URBAN RENEWAL PROJECT, TEX. R-78, TO J. R. BUILDING CORPORATION FOR THE SUM OF \$93,039.88, OR \$3.16 PER SQUARE FOOT.

* * * *

AN ORDINANCE 43,809

APPROVING THE PRICE AND CONDITIONS OF THE SALE BY THE URBAN RENEWAL AGENCY OF THE CITY OF SAN ANTONIO OF PARCEL NO. C-C-23(B), CONTAINING APPROXIMATELY 34,580 SQUARE FEET LOCATED WITHIN THE ROSA VERDE URBAN RENEWAL PROJECT, TEX. R-78, TO A. L. HERNDEN, ET AL., A PARTNERSHIP, FOR THE SUM OF \$133,000.00.

* * * *

74-23 The Clerk read the following Ordinance:

AN ORDINANCE 43,810

APPROVING PRICE AND CONDITIONS OF SALE BY THE URBAN RENEWAL AGENCY OF THE CITY OF SAN ANTONIO OF CERTAIN SINGLE-FAMILY RESIDENTIAL LOTS LOCATED WITHIN THE KENWOOD NORTH PROJECT, TEX. R-136.

* * * *

The Ordinance was explained by Mr. M. Winston Martin, Executive Director of the Urban Renewal Agency, who said that this Ordinance was postponed a few weeks ago because of a question concerning a member of the citizens committee in the Kenwood area. This member has since resigned from the committee. These lots are being acquired to eliminate a substandard structure or to combine two 25 foot lots into one 50 foot lot. The price of the lots averages about \$1,800 each.

May 23, 1974
nsr

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

74-23 The Clerk read the following Ordinance:

AN ORDINANCE 43,811

AUTHORIZING THE CITY MANAGER TO SUBMIT AN APPLICATION TO THE DEPARTMENT OF LABOR FOR A GRANT OF \$609,200.00 FOR A PUBLIC SERVICE EMPLOYMENT PROGRAM.

* * * *

The Ordinance was explained by Mr. Edward C. Garcia, Veterans' Coordinator, who said that this Public Service Employment Program will replace the Emergency Employment Act which is being phased out this year. It will be for the employment of the unemployed and for veterans.

In answer to Dr. San Martin's question, Mr. Garcia said that emphasis will be on the employment of veterans in direct proportion that they exist in the unemployed labor force. He said that he would work closely with the veterans' group that appeared before the Council earlier in this meeting.

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, Lacy, Morton, Beckmann, Padilla, Mendoza; NAYS: None; ABSENT: None.

74-23 The following Ordinances were read by the Clerk and explained by Mr. Stewart C. Fischer, Director of Traffic and Transportation, and after consideration, on motion made and duly seconded, were each passed and approved by the following vote: AYES: Cockrell, San Martin, Becker, Black, Lacy, Morton, Beckmann, Padilla; NAYS: None; ABSENT: Mendoza.

AN ORDINANCE 43,812

AUTHORIZING THE CITY MANAGER TO SUBMIT AN APPLICATION TO THE GOVERNOR'S HIGHWAY TRAFFIC SAFETY ADMINISTRATION FOR A GRANT TO EXTEND THE TRAFFIC CONTROL DEVICE INVENTORY PROJECT.

* * * *

AN ORDINANCE 43,813

AUTHORIZING EXECUTION OF AN AGREEMENT WITH THE SOUTHERN PACIFIC TRANSPORTATION COMPANY, PROVIDING FOR CITY TO INSTALL AND MAINTAIN A CLEARANCE SIGN AT THE RAILROAD'S UNDERPASS OF ST. MARY'S AND ROOSEVELT AVENUES.

* * * *

AN ORDINANCE 43,814

AMENDING CHAPTER 38 (TRAFFIC REGULATIONS) OF THE CITY CODE BY SETTING FORTH LOCATIONS AT WHICH ELECTRIC TRAFFIC CONTROL SIGNALS ARE IN FULL SIGNAL OPERATION; DESIGNATING ONE-WAY STREETS; DESIGNATING STOP SIGN LOCATIONS; DESIGNATING YIELD RIGHT-OF-WAY SIGN LOCATIONS; SETTING MAXIMUM SPEED LIMITS ON CERTAIN STREETS; PROHIBITING PARKING AT ALL TIMES ON CERTAIN STREETS; PROHIBITING STOPPING, STANDING, OR PARKING DURING CERTAIN HOURS ON CERTAIN STREETS; PROHIBITING LEFT TURNS DURING CERTAIN HOURS AT CERTAIN INTERSECTIONS; PERMITTING RIGHT TURN ON RED LIGHT AT CERTAIN INTERSECTIONS; AND PROVIDING THAT VIOLATION HEREOF BE PUNISHABLE BY A FINE OF NOT LESS THAN \$1.00 NOR MORE THAN \$200.00.

* * * *

AN ORDINANCE 43,815

AUTHORIZING EXECUTION OF AGREEMENTS WITH THE STATE OF TEXAS, THROUGH ITS STATE HIGHWAY COMMISSION, PROVIDING FOR CITY AND STATE COOPERATION IN RECONSTRUCTING FREDERICKSBURG ROAD (LOOP 345) BETWEEN I. H. 410 AND LAKERIDGE DRIVE; AND APPROPRIATING THE SUM OF \$9,800.00 PAYABLE TO THE STATE TREASURER, AS THE CITY'S SHARE IN THE CONSTRUCTION OF THIS PROJECT.

* * * *

74-23

FEDERAL AID URBAN SYSTEM

Mr. Stewart Fischer, Director of Traffic and Transportation, stated that he had been advised that the Highway Department had opened bids on the West Commerce Street project between 21st Street and San Joaquin.

Mrs. Cockrell asked that sometime Mr. Fischer to brief the Council on the Federal Aid Urban System funds. The Transportation Policy Committee will be studying some of the projects as will the Council. An explanation of some of the options available to the City would be helpful.

74-23

The Clerk read the following Ordinance:

AN ORDINANCE 43,816

MANIFESTING A CONTRACT WITH THE CITY OF OLMOS PARK FOR CITY OF SAN ANTONIO MAINTENANCE OF THE TRAFFIC LIGHT SYSTEM WITHIN OLMOS PARK FOR A FOUR YEAR TERM COMMENCING MAY 9, 1974, WITH A 30 DAY CANCELLATION CLAUSE.

* * * *

The Ordinance was explained by Mr. Stewart C. Fischer, Director of Traffic and Transportation, who said that the renewal agreements with the cities of Olmos Park and Alamo Heights have been revised. The rates have been raised more in line with rates charged by electronic technicians. He then went over the details of the new charges.

Mr. Padilla voiced opposition to the City performing this type of service for the smaller surrounding communities. He felt that they should take care of their own maintenance.

After consideration, on motion of Dr. San Martin, seconded by Mrs. Cockrell, the Ordinance was passed and approved by the following vote: AYES: Cockrell, San Martin, Becker, Black, Lacy, Morton, Beckmann; NAYS: Padilla; ABSENT: Mendoza.

74-23 The following Ordinance was read by the Clerk and explained by Mr. Stewart C. Fischer, Director of Traffic and Transportation, and after consideration, on motion of Mr. Beckmann, seconded by Mrs. Cockrell, was passed and approved by the following vote: AYES: Cockrell, San Martin, Becker, Black, Lacy, Morton, Beckmann; NAYS: Padilla; ABSENT: Mendoza.

AN ORDINANCE 43,817

MANIFESTING A CONTRACT WITH THE CITY
OF ALAMO HEIGHTS FOR CITY OF SAN
ANTONIO MAINTENANCE OF THE TRAFFIC
LIGHT SYSTEM WITHIN ALAMO HEIGHTS
FOR A FOUR YEAR TERM COMMENCING MAY 9,
1974, WITH A 30 DAY CANCELLATION CLAUSE.

* * * *

74-23 The Clerk read the following Ordinance:

AN ORDINANCE 43,818

ENTERING INTO A CONTRACT WITH THE
TEXAS MUNICIPAL LEAGUE TO ADMINISTER
A WORKMEN'S COMPENSATION INSURANCE
PROGRAM FOR THE CITY OF SAN ANTONIO.

* * * *

The Ordinance was explained by Mr. Carl White, Director of Finance, who stated that two weeks ago this Ordinance was tabled pending additional information. Since then each insurance company has broken down their charges for comparison. The comparison has shown that the Texas Municipal League plan is lower in cost. He recommended that the \$50,000 excess coverage insurance feature also be included. The total cost under TML would be \$140,150. He recommended that the City not take the stop loss insurance protection since, based on historical data available, it is not felt that losses would ever get high enough to warrant the expense. Under the TML plan, stop loss coverage can be added later.

Mr. White read a letter from the Insurance Advisory Committee in which it recommended that the City purchase stop loss insurance to back up its self-insurance program. The Committee also recommended the plan of the Aetna Insurance Company.

Mr. Fred Riley, Chairman of the Insurance Advisory Committee, spoke briefly to the Council and said that the Committee recommended Aetna because that plan does include the stop loss feature. He also felt that the City's losses could easily exceed \$1 million.

Mayor Becker, on behalf of the Council, thanked Mr. Riley and other members of the Committee for their efforts on behalf of the City.

After consideration, on motion of Mrs. Cockrell, seconded by Mr. Padilla, the Ordinance was passed and approved by the following vote: AYES: Cockrell, Becker, Black, Lacy, Morton, Padilla, Mendoza; NAYS: Beckmann; ABSENT: San Martin.

74-23 The following Ordinance was read by the Clerk and explained by Mr. Mel Sueltenfuss, Director of Public Works, and after consideration, on motion of Rev. Black, seconded by Mr. Beckmann, was passed and approved by the following vote: AYES: Cockrell, Becker, Black, Morton, Beckmann, Padilla; NAYS: None; ABSENT: San Martin, Lacy, Mendoza.

AN ORDINANCE 43,819

MANIFESTING AN AGREEMENT WITH WATERMAN BROADCASTING CORPORATION TO EXTEND THE PRESENT AGREEMENT FOR USE OF SPACE ATOP THE TOWER OF THE AMERICAS FOR A RADIO TRANSMITTING ANTENNA FOR AN ADDITIONAL FIVE-YEAR PERIOD, UPON THE SAME TERMS AND CONDITIONS.

* * * *

74-23 The following Resolution 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 Mrs. Cockrell, was passed and approved by the following vote: AYES: Cockrell, Becker, Black, Morton, Beckmann, Padilla; NAYS: None; ABSENT: San Martin, Lacy, Mendoza.

A RESOLUTION
NO. 74-23-36

GUARANTEEING THAT THE CITY WILL SUCCESSFULLY COMPLETE EDA PROJECT NO. 08-11-01479 IN A TIMELY MANNER TO THE SATISFACTION OF THE ECONOMIC DEVELOPMENT ADMINISTRATION.

* * * *

74-23 The following Ordinances were read by the Clerk and explained by Mr. Mel Sueltenfuss, Director of Public Works, and after consideration, on motion made and duly seconded, were each passed and approved by the following vote: AYES: Cockrell, Becker, Black, Morton, Beckmann, Padilla; NAYS: None; ABSENT: San Martin, Lacy, Mendoza.

AN ORDINANCE 43,820

APPROVING A BUDGET FOR THE GRANT-IN-AID PROJECT ENTITLED IMPACT AREA NO. 1 - PUBLIC WORKS PROJECTS-PHASE I; APPROVING A PERSONNEL COMPLEMENT FOR THE PROJECT, APPROPRIATING FUNDS AND PROVIDING TEMPORARY FUNDS FROM OTHER CITY FUNDS IN ADVANCE OF RECEIPT OF GRANT FUNDS FROM THE U. S. DEPARTMENT OF COMMERCE ECONOMIC DEVELOPMENT ADMINISTRATION.

* * * *

AN ORDINANCE 43,821

AUTHORIZING EXTENSION OF THE ANNUAL ARRANGEMENTS PROGRAM TO DECEMBER 31, 1974.

* * * *

74-23 The Clerk read the following Ordinance:

AN ORDINANCE 43,822

APPROVING THE SUBMISSION OF A REPORT ON THE WORKABLE PROGRAM FOR COMMUNITY IMPROVEMENTS TO THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.

* * * *

The Ordinance was explained by Mr. Roy Montez, Assistant Director for Community Development and Planning, who stated that each year the City's workable program must be recertified by HUD. Without this certification, many federal grants would be held up. As a result of this year's report, the City of San Antonio is receiving an additional amount of money from funds that have been frozen.

Mrs. Cockrell stated that at one time there was a committee (later determined to be the Committee for Community Improvement) that this program went through.

Mr. Montez stated that this report was prepared by the Urban Renewal Agency last fall and sent in draft form to HUD for review. In turn, HUD returned the report to the City with comments for clarification. Since then, Mr. Montez stated that he has been working with HUD technicians on it.

May 23, 1974
nsr

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

74-23 The Clerk read the following Ordinance:

AN ORDINANCE 43,823

APPROVING THE REVISED FIFTH ACTION YEAR PLAN OF THE MODEL CITIES PROGRAM; AUTHORIZING SUBMISSION OF SAME TO THE DEPARTMENT OF HOUSING & URBAN DEVELOPMENT FOR FUNDING APPROVAL; AUTHORIZING TRANSFERS OF MODEL CITIES SUPPLEMENTAL FUNDS; AND APPROPRIATING THE SUM OF \$1,072,987 OUT OF MODEL CITIES SUPPLEMENTAL FUNDS TO BE TRANSFERRED TO VARIOUS DEPARTMENTAL ACCOUNTS TO PROVIDE FOR THOSE PROJECTS TO BE CARRIED OUT BY CITY DEPARTMENTS.

* * * *

The Ordinance was explained by Mr. Roy Montez, Assistant Director of Community Development and Planning, who went over and described the projects covered. These funds come from money previously impounded. Mr. Montez said that he had been advised by HUD to expect additional sums to be released by the end of this year. All funds are to be used for capital improvements rather than social programs.

In answer to Mr. Morton's question, Mr. Montez said that he had not been informed that this is the last year for Model Cities. Just last week he was advised that there will be an additional \$125 million for allocation for Model Cities' activities.

Mr. Morton said that he felt that maybe the Model Cities boundary should be redefined to include the East side.

Mr. Montez enumerated some of the problems to be met such as increasing the Citizens Participation Component to cover additional areas. It would also be necessary to go back through the reformation of all of the components.

Mr. Morton stated that he felt that now would be the time to discuss this subject with HUD to see if such a move were possible and asked that it be done.

City Manager Granata stated that the funds which were just released must be used on ongoing projects. In 1975, there is to be a Better Communities Act, and he thought it would be up to the Council to determine what to use these funds for. At that time the Council could direct some of the funds to the East side.

May 23, 1974
nsr

-53-

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

74-23

ELMENDORF LAKE AREA

Dr. San Martin stated that he would like for Mr. Montez or Mr. Morton's HemisFair Committee to tackle the problem of redeveloping the area around Elmendorf Lake. There is a lot of work being done in this area. It could be developed as an amusement area or a mixture of amusement and City activities.

Dr. San Martin also asked that a serious study be made of the beautification or improvement of Guadalupe Street all the way from I. H. 35 to Zarzamora Street.

Mr. Morton stated that once the HemisFair report is completed, he felt that his Committee could tackle most any project.

May 23, 1974
nsr

74-23 The following Ordinance was read by the Clerk and explained by Mr. John Brooks, Director of Purchasing, and after consideration, on motion of Dr. San Martin, seconded by Mr. Beckmann, was passed and approved by the following vote: AYES: Cockrell, San Martin, Becker, Black, Lacy, Morton, Beckmann, Padilla; NAYS: None; ABSENT: Mendoza.

AN ORDINANCE 43,824

ACCEPTING THE LOW QUALIFIED BID OF THE CLEGG COMPANY TO FURNISH THE CITY WITH CERTAIN S.A.P.D. TEXAS PEACE OFFICERS ACCIDENT REPORT FORMS FOR A TOTAL OF \$1,329.25, AND AUTHORIZING PAYMENT.

* * * *

74-23 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, Lacy, Morton, Beckmann; NAYS: None; ABSENT: Padilla, Mendoza.

AN ORDINANCE 43,825

ACCEPTING THE LOW QUALIFIED BID OF SCIENTIFIC PRODUCTS TO FURNISH THE CITY WITH AN AUTOCLAVE-STERILIZER FOR A TOTAL OF \$5,067.00 , AND AUTHORIZING PAYMENT.

* * * *

AN ORDINANCE 43,826

ACCEPTING THE LOW QUALIFIED BID OF A-1 WELDING OF SAN ANTONIO TO FURNISH AND INSTALL NEW HULLS FOR TWO WORK BARGES FOR THE CITY FOR A TOTAL OF \$1,292.00, AND AUTHORIZING PAYMENT.

* * * *

74-23 The Clerk read the following Ordinance:

AN ORDINANCE 43,827

ACCEPTING THE LOW QUALIFIED BID OF MOTOROLA, INC. TO FURNISH THE CITY OF SAN ANTONIO WITH CERTAIN RADIO PAGER RECEIVERS FOR A TOTAL OF \$2,544.00, AND AUTHORIZING PAYMENT.

* * * *

The Ordinance was explained by Mr. John Brooks who said that these receivers were being purchased for use at the Convention Center. Occasionally, they are loaned to persons attending conventions.

Mayor Becker asked that accountability for the receivers be checked on to be sure that none of them are carried away.

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

74-23 The following Ordinance was read by the Clerk and explained by Mr. John Brooks, Director of Purchasing, and after consideration, on motion of Mrs. Cockrell, seconded by Mr. Morton, was passed and approved by the following vote: AYES: Cockrell, San Martin, Becker, Black, Lacy, Morton, Beckmann; NAYS: None; ABSENT: Padilla, Mendoza.

AN ORDINANCE 43,828

ACCEPTING THE LOW QUALIFIED BIDS OF CRANE SUPPLY CO., GOLDTHWAITE'S OF TEXAS, INC., MODEL SERVICE COMPANY, AND WATSON DISTRIBUTING CO., INC. FOR CERTAIN IRRIGATION EQUIPMENT FOR A TOTAL OF \$2,366.63, AND AUTHORIZING PAYMENT.

* * * *

74-23 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, Lacy, Morton, Beckmann, Mendoza; NAYS: None; ABSENT: Padilla.

AN ORDINANCE 43,829

ACCEPTING THE LOW QUALIFIED BIDS OF CRANE SUPPLY CO., ESCO SUPPLY CO., GOLDTHWAITE'S OF TEXAS, INC., MODEL SERVICE COMPANY, THE ROHAN COMPANY, AND WATSON DISTRIBUTING CO., INC. TO FURNISH THE CITY WITH AN IRRIGATION SYSTEM FOR A TOTAL OF \$5,053.69, AND AUTHORIZING PAYMENT.

* * * *

AN ORDINANCE 43,830

AMENDING THE CURRENT CONTRACT WITH WRIGHT ASPHALT PRODUCTS CO. TO FURNISH THE CITY WITH CERTAIN CUTBACK ASPHALTS, ASPHALT CEMENTS AND EMULSIONS BY ALLOWING CERTAIN PRICE ESCALATIONS.

* * * *

AN ORDINANCE 43,831

ACCEPTING THE LOW QUALIFIED BID OF
BUILTRITE DISTRIBUTING COMPANY, INC.
TO FURNISH THE CITY A SUMMER NUTRITIONAL
LUNCH PROGRAM TO BE TOTALLY FUNDED BY
FEDERAL GRANT MONIES.

* * * *

AN ORDINANCE 43,832

ACCEPTING AN ADVANCE GRANT IN THE AMOUNT
OF \$854,084.00 FROM THE DEPARTMENT OF
LABOR FOR USE IN THE 1974 SUMMER YOUTH
PROGRAM.

* * * *

74-23 The following Resolution was read by the Clerk and after consideration, on motion of Dr. San Martin, seconded by Mr. Morton, was passed and approved by the following vote: AYES: Cockrell, San Martin, Becker, Black, Lacy, Morton, Beckmann; NAYS: None; ABSENT: Padilla, Mendoza.

A RESOLUTION
NO. 74-23-37

OPPOSING TERRORISM THROUGHOUT THE WORLD
AND RECOMMENDING LIKE RESOLUTION ON ALL
LEVELS OF GOVERNMENT.

* * * *

74-23

SUMMER YOUTH PROGRAM

City Manager Granata stated that next week he would propose ordinances on the Summer Youth Program. As yet federal funds have not been received, but Council had instructed that the program go ahead on June 1, 1974.

74-23

ANTI-FREEZE

City Manager Granata stated that the City is faced with an anti-freeze problem. The Purchasing Department has not been able to get bids from anyone.

Mr. John Brooks, Director of Purchasing, stated that there are no large quantities of anti-freeze in inventory, but where there is some on hand the prices have gone up drastically. He said that he has verbal commitments from some dealers. He asked that the Council give him permission to negotiate with these dealers to get sufficient anti-freeze for the City's use. After it has been committed verbally, he would come back to the Council for approval and authorization.

Mayor Becker said that since there is no shortage of crude oil, he could not understand this situation. He expressed the thought that if cities and other governmental agencies would get together and negotiate with the oil companies the price of anti-freeze could be forced down.

74-23

PETITION OF FIREFIGHTERS ASSOCIATION

City Attorney Crawford Reeder stated that he had written a memo to the Council concerning the petition of the firefighters requesting an election to decide whether they can form a union. He said that the law says, "upon a petition signed by five percent of the qualified voters voting in the last preceding general election in the City," the City Clerk shall call an election within 60 days. The petition does not purport to be signed by those who voted at the last general election. Usually when the law measures a quantity of voters that must sign a petition, it will say, "an amount equal to X percent of the voters who voted, etc."

Mr. Reeder said that he felt the best thing to be done is to have the firefighters file a mandamus suit and let the court interpret the law.

Dr. San Martin suggested that the Council take this matter under advisement and that Mr. Reeder contact the President of the Firefighters Association to see if any agreement can be made.

74-23

CITY EMPLOYEES

Mayor Becker called attention to a breakdown of City employees prepared by the City Manager's Office. The chart goes back to 1964. (A copy of this breakdown is included with the papers of this meeting.) He said that although this year there are some 500 vacancies, every effort is being made to recruit policemen and firemen.

Mr. Beckmann stated that it might be worthwhile to consider establishing a security force - a combination of firemen and policemen.

Mrs. Cockrell stated that she is concerned about the 24 hour duty required of personnel in the Emergency Medical Program.

Mr. Granata stated that this subject is being looked into. At the present time the 24 hour duty is preferred by the personnel.

In answer to Mr. Morton's question, Mr. Granata stated that the Police Department does not have a strike force comparable to that used by the Los Angeles Police Department recently. He said that it is certainly a matter worth looking into.

May 23, 1974
nsr

-58-

The Clerk read the following letter:

May 17, 1974

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

Gentlemen and Madam:

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

May 8, 1974

Petition of Mrs. Doris E. Duffy, 2303 Blanton, regarding the water drainage problem in the area between the 2300 Block of Blanton and the 100 Block of Rockhill.

May 9, 1974

Petition of Doctor Orvis E. Meador, Jr., 1404 Nix Professional Building, requesting permission to erect a 7 (seven) foot cedar fence around his property at 151 Cave Lane.

/s/ J. H. INSELMANN
City Clerk

* * * *

There being no further business to come before the Council, the meeting adjourned at 5:45 P. M.

A P P R O V E D

M A Y O R

ATTEST:

C i t y C l e r k

