

REGULAR MEETING OF THE CITY COUNCIL
OF THE CITY OF SAN ANTONIO HELD IN
THE COUNCIL CHAMBER, CITY HALL, ON
FRIDAY, DECEMBER 5, 1969 AT 8:30 A.M.

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The meeting was called to order by the presiding officer, Mayor W. W. McAllister, with the following members present: McALLISTER, CALDERON, BURKE, JAMES, COCKRELL, NIELSEN, TREVINO, HILL, TORRES; Absent: NONE.

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69-53 The invocation was given by Councilman Pete Torres, Jr.

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69-53 OFFICIAL CITY AUTOMOBILE

Mr. W. C. Langley, President of Main Lincoln-Mercury, Inc., advised the Council that he was present for the eighth time to pick up the City's old model and replace it with a new 1970 Lincoln at no cost to the City.

He presented the keys to the new model to Mayor W. W. McAllister who expressed sincere appreciation for the generous gesture. Mr. Langley then presented a letter in which he offered to replace the 1970 Lincoln Continental being delivered today with a new 1971 model when available. This exchange will also be at no cost to the City of San Antonio.

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

AN ORDINANCE 38,120

ACCEPTING THE OFFER OF MAIN LINCOLN MERCURY,
INC. FOR A 1971 LINCOLN CONTINENTAL FOUR-
DOOR SEDAN, WHEN AVAILABLE.

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Mr. Lynn Spears, Chairman of the Board of Trustees of the Transit System, read the following resolution:

"BE IT RESOLVED by the Transit Board of Trustees of San Antonio that the Board recommend the approval and adoption by the City Council of the City of San Antonio of the rates, fees, and charges set forth in the Schedule of Rates of Fares attached hereto as Exhibit A, which the Board finds to be reasonable and necessary for proper operation of the San Antonio Transit System in accordance with state laws and the Trust Indenture governing such operation; and that the City Council be respectfully requested to approve and adopt such rates, fees, and charges as soon as possible."

Mr. Norman Hill, General Manager of the Transit System, then reviewed supplemental information which had been furnished members of the Council in support of the adjustment in bus fares. (A copy of this supplemental information is filed with the papers of this meeting.)

The following discussion took place:

COUNCILMAN NIELSEN: I have been somewhat perplexed by a number of various adjusted budgets that you all have put out several times in the last couple of months. I have here the operating budget that you first put out. This is a report from Mr. Fowler dated Aug. 4 but it was the one for the year 1969-70 that showed total expenses of \$5,538,327.00 and yet in the one we just got, you've got total operating expenses of \$5,473,000, that's \$1,000 less. Yet you are saying that all this is due to the fact that you have had to increase salaries and everything else. I cannot see that that is consistent with these figures.

MR. HILL: The budget that we were required to file with the City Clerk under the provisions of the indenture was a budget prepared and filed before or by August 1, 1969. We had quite a change in our operations because of the strike and it was necessary, again according to the indenture, and in order to obtain from the Trustee, for the revenue bond holders, the National Bank of Commerce, our budgeted allotment to operate the system for the forthcoming months. It was necessary therefore to make a quick reappraisal of the budget requirements for the month of Sept. and make that filing and of course that filing is with you. Then after the impact of the strike we had to reflect for the complete fiscal year, the impact of the wage adjustment as required on the indenture and file that. That does not of course reflect the impact that a fare adjustment would have but it does incorporate in the balance of the budget for the fiscal year the increased wages. The change in riding habits has an effect on all the budgets because no one can forecast just what the riding habits will be.

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DR. NIELSEN: What I am driving at though, is that these proposed budgets, the ones I have seen, the work that has been done on our annual report, that you have tended to be rather cautious and conservative in your estimates, both in terms of revenue and even greater in terms of your expenses. What I can't understand then is that you showed at that point on the 30th of July a \$104,000 loss with \$5,538,000 and at the same time you are showing a \$400,000 and some loss with \$100,000 less expenses. The only thing I can assume is that at the point of income greatly overestimated, because Aug. 1st you were \$400,000 and some overestimated, or at this particular time, the date of the last revised budget, you are now \$800,000 and some underestimated. It seems to me that with only one and one-half months to see what the results of the strike has been, that you don't have anything solid to base this on. I think we need several more months of valid statistics before you can really generally tell what the trend is.

MR. HILL: The impact of the strike, the revenues and patronage, was off between 17% and 18%.

DR. NIELSEN: That has been revised downward to 11%, right?

MR. HILL: That began to improve a little bit and now at the present time we are about 10 to 11% off. We had to be as realistic as we could in trying to judge our revenue realization for the balance of our fiscal year on that basis and yet try to be a little optimistic and hope that this revenue situation would improve a little bit more. So we took the optimistic attitude and calculated the loss in revenue would average out at about 7½% instead of 10% or 18% as it was first and recast our entire picture on that basis. This is an optimistic attitude and we hope with the real fine team of people that we have and with the efforts of all our employees to do a good merchandising job and attract back some of the activity of riding and to still seek better efficiency.

DR. NIELSEN: Now you said 7½ to 8%. As of the actual profit-loss statement for the month of October you showed a deficit of only \$17,893.00. Eight more months of that will not amount to your proposed budget as the best I can figure. I think you are still terribly pessimistic about the whole operation. Now that may perhaps be your role to play but its not mine I don't think. It seems to me until we have several more months of real experience to go on that even your 7½% is extremely high as far as a loss that you expected as of July 30, 1969.

MR. HILL: I would say that we have had 10 years of budget preparation and 10 years of operation and we are the only transit system in the United States who has been recognized and awarded a certificate of excellence by the Municipal Association of Public Accountants. It gives you some idea of the accuracy and careful preparation of budgets and then the application. We are at the present time facing a situation where we forecast every month of delay in recognition of an obligation by the City of San Antonio and by the City Council and we are faced with losing some \$50,000.00 a month.

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Mr. Hill. . .continued. . .

That may not be a serious matter to some people but to the Transit Board and the people who are faced with trying to made ends meet, that's a very material loss. I would like to say, Dr. Nielsen, that I would like to call on Mr. Watts to comment on your question of budget preparation. This is an accounting area and he is our Comptroller and Treasurer.

DR. NIELSEN: While you are here, did I hear you clearly now say that you are going to or have made formal application to DOT for funds for any future capital investments, in terms of buses. I'd like to get that for the record, very clearly.

MR. HILL: Our congressman, Mr. Gonzalez, several years ago, visited with us on this problem. The law at that time and the law today states that a transit system in distress is eligible otherwise you are not. We have kept abreast of this development of the various details of the mass transportation act through our board. Each board has been interested in this and followed it. We have met with officials of HUD and of DOT, have kept abreast of it and the Board has taken formal action directing the management to prepare an application, the first step of an application, with the Department of Transportation and that is in the process of being prepared and it is a matter of record in the minutes and is being prepared now.

DR. NIELSEN: Then you are applying for funds for bus replacement or what?

MR. HILL: You cannot do that to start with. You have to apply for a comprehensive study first. You cannot just barge off into the wild blue yonder and ask for funds without some solid basis satisfactory to the attorneys of the Department of Transportation and to the Secretary. We have had our meetings with Mr. Villarreal and Mr. Hurd and with Mr. Raymond, three people that I can think of as well as the attorneys up there. We know what we are doing and we are preceeding along a line that the Board has followed for several years.

DR. NIELSEN: Your friend Mr. Prior in San Diego told you hello and encouraged you to get with it, there are a few headaches but it is very, very necessary in this day and time with the stress the whole transportation industry is under. Something you said; it is not good business to use your depreciation fully; I would suggest that that is very true in a private operation, but in a public operation you do not have to pay taxes and one of the valid reasons for quoting the full depreciation is that it is minimal in the case of a public operation. Secondly, in general service industry, without exception, have extremely high wage rate levels as opposed to their overall budget operation. I don't think there is any exception here. I got San Diego's operation and I have seen several others. We are not in any different shape here and I think it is inflationary. The President has been asking us to minimize these kind of spiraling sort of things and I think if the percentage increase that went for salaries seems to justify this sort of thing I suggest we compare even San Diego where they pay \$4.00 an hour for drivers, up to \$4.11 now.

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Dr. Nielsen...continued...

They have a cost of living index year by year and you don't have to go through the discussions and its automatic and their fare is only 30¢ but you can buy the tokens for four for a dollar and they are operating on a 25¢ bus fare out there and at the moment \$366,000 in the red for the first three months of operation. I don't think we are in any more stress here than probably two-thirds of the large municipal operations in the country. I think it is very wise that you begin to apply to DOT for this, but at this time I can't see where there is any validity to seeking a bus fare increase.

MR. HILL: I might say in San Diego, and on the entire West Coast, the cost of living is very high, the wage structures are very high. Some people prefer to live there and some people have to live out there. San Diego has a good start, again, on developing a good transportation system. That system failed. It was sold by the private owners recently.

DR. NIELSEN: Two years ago.

MR. HILL: Their system was in distress many ways and this is the direction they are going. I don't think they are proud at all of being in the red. Of course their wage structure has no comparison to the conditions here so you cannot relate the two. They have a very fine manager out there and we keep in touch with each other. He came here incidentally to get ideas on how we do things in order to take them to San Diego to see if he could get that system on its feet.

MRS. COCKRELL: Mr. Hill, on your first sheet of operating results with the fare adjustment under revenue you have the proposed fare increase for eight months and have it effective December 1. Since that date has come and gone what effect would it have on this income figure if it were effective, say January 1, just to pick a date?

MR. HILL: You are very observing, and I should have pointed that out. At the time of preparation of this sheet it was prior to December 1st and of course that was the first date we had in mind. Each month that we go past that date we loose \$50,563.00 per month on the forcast basis. So this figure of \$122,055.00 red, in a month from now it would be approximately \$172,000.00 in the red. That disturbs us a great deal. We don't like to loose money that way but we have to be practical about the problem.

MR. TREVINO: In this use of the Urban Mass Transportation Act, the federal funds, how sure are we that these funds are available. I seem to have read a report in the Washington Analysis that where a vote for bonds by the citizens or to put up the local money needed in order to make up the local and federal money needed to purchase some buses failed in two cities because they are not sure of the federal appropriation. This is a year by year appropriation where you are not sure what is going to happen next year. If we are going to depend on something like that how secure are we? How can we depend on it?

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MR. HILL: That is a good question, sir.

MR. TREVINO: Let me read here, while you are looking for that. On just a short term and on certain nature of financing depending on annual appropriations is not compatible with the program requiring long range capital improvements to develop a public transportation element or total urban transportation system. It is difficult, if not impossible to spend public transportation improvements in coordination with highway improvements when the locality cannot bear the full cost of the public transportation improvements and availability of federal assistance is uncertain. The result of this on federal commitment is that advantages that public transportation might contribute to urban transportation systems are often overlooked in favor of transportation solutions which emphasize the use of private vehicles because of the substantial long term nature of the federal support available to aid improvement of the highway system.' In other words, what I understand them to say here is it is more secure to use federal aid to highways with the use of HUD. It was Atlanta and Seattle who lost these bond issues.

MR. HILL: Yes, I am familiar with both those problems and the City of Seattle will have another vote on the bond issue this spring. I've been working with the City of Seattle as an advisor from the transportation standpoint and I am familiar with the preparation of the information they are providing to their community to call for another vote. This failed the first time probably because of the way it was handled along with other items. I am glad you brought this question up because it has been a matter of very grave concern to the mass urban transportation industry. The American Transit Association Board of Directors these past several years has taken an active part in appearances before the federal government, the proper bodies, in seeking a stand whereby there will be made available on an assured and long term basis funds to help transit in distress and there has been a lot of study given to a plan similar to the highway source of revenues. Mr. Robert Sloan, the Executive Vice President of the American Transit Association, made a trip through here yesterday, it mattered to about two hours, on his way to Washington from the West Coast to appear before the Senate on this very subject. I think it is of tremendous interest to the transit industry to know that a compromise has been reached with the administration. It will be under Senate Bill No. 3154 in Congress and will provide long term financing for transit programs and so forth.

DR. NIELSEN: That's the 3.1 billion?

MR. HILL: Yes. I think it is very significant that heretofore this matter that you reflected up on has been on a year to year basis. When you have a material investment in the construction of a high speed rail express line where the investment is very heavy you cannot plan just year to year for your money. It has to be planned over a period of several years because the financing is tremendous.

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Mr. Hill...continued...

This bill is now going to provide 3.1 billion dollars over a five year period and this is a definite assured amount and an obligation for additional funds over an additional five years. It will be in the Senate this week, it goes to the House next week and a compromise has been reached by the administration and it looks like the transit industry is at last going to get a solid long range program of financing that would be a very fine thing for the industry and for the municipalities that have the problems with the transit.

COUNCILMAN TORRES: Your index of local transit fares which is one of your exhibits, and incidentally I am disappointed that I didn't get these exhibits Monday when I was at your Board Meeting, but they indicate that your local fare was at a high compared to other cities in 1961 - 62. The basic fare has remained the same up to the present time, is that right?

MR. HILL: Yes sir.

MR. TORRES: You are talking about a comparison with reference to a 20¢ basic fare. In 1961 and 1962, did we have a zone system when we would charge as high as 40¢ for the fourth zone and 35¢ for three zones and say 30¢ for two zones?

MR. HILL: Yes, I'm glad you brought that point up. I think this Council should know we have a zone system and most every transit operation in the country today has a zone system. The further you ride the more you pay, just like any transportation facility, airlines or rail or anything. Now in this zone set up that we have here in the City of San Antonio, 50% of our riding originate in one zone, uses one zone. Thirty percent uses two zones, 9% uses three zones and 1% uses the fourth zone. We have very little activity in the third and fourth zones. The major portion of it is in one zone.

The question you asked about the basic fare of 20¢ through the one zone, if you move into the second zone it goes up a nickle. This is a plan that has been in effect for a good many years.

MR. TORRES: How many?

MR. HILL: It has applied to the adults and to the child fare. Since 1927.

MR. TORRES: The four zones since 1927? And that's based at a nickle a zone since 1927? That's not correct.

MR. HILL: No, but the City was smaller and someday we will have five zones and maybe six.

MR. TORRES: What I was driving at is that the Department of Labor Statistics comparing our local city fares with U. S. City averages is based on a basic 20¢ fare in San Antonio for example as against the basic 40¢ fare in Chicago. Is that true?

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MR. HILL: The fare index is the average fare index and when you take the average fare all I can say is that the Bureau of Labor Statistics took the average fare. For instance, we have an average fare here.

MR. TORRES: Which is what?

MR. HILL: Our present adult average fare here which is the average fare of the four zone useage is 22.55¢. And that is the only way you can treat any of these I would say.

MR. TORRES: Then of course you don't know if that is the way the Bureau of Labor Statistics figured that?

MR. HILL: I would say it is, but I don't know any more than you do.

MR. TORRES: That's why I am asking you. You are the expert in the matter. This is why I rely on your wisdom, sir. It says the average of U. S. Cities. I'm not as concerned with that as I am a few of the other figures.

MR. HILL: It says average fare.

MR. TORRES: The average, or the fare given for San Antonio on your next chart is the one which says representative rates of fares of other cities in mid-western and southwestern United States so if you take our average of 20¢ and you compare it with Chicago's average of 40¢ and their zone fare is 15¢. Do you know how many zones there are in Chicago or is that a basic fare?

MR. HILL: They report one zone.

MR. TORRES: So then, if we have a man in San Antonio who rides four zones, who would pay then a nickle for each zone and this would compare to 35¢ then in San Antonio for what he would pay to go the four zones and then that would compare to 55¢ in Chicago. Is that correct?

MR. HILL: Well, you can't make that kind of comparison at all because you have to factor in the distance of the zones and the percent of patronage in order to reach an average fare structure. Each City varies you can't compare one against the other. We can give the statistics of how many zones they have. For instance Corpus Christi has seven zones yet we are a smaller City, than Chicago, but they have one zone.

MR. TORRES: Okay, so it is a bigger City and with their own reasoning charge more money for bus fares, not only being a bigger City, and pay more to their employees. Is that correct?

MR. HILL: Yes they do. The cost of living is quite a bit higher up there too.

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MR. TORRES: The comparisons that we have here then do not take into consideration the cost of living or the size of the City or the labor costs?

MR. HILL: The comparisons we have listed here for you are to give you an idea of what the basic adult fare is in San Antonio as compared to other cities in the midwest and southwest United States. This is information. It would seem interesting to note that we have been able to operate in this City with a 20¢ basic fare. Whereas Chicago which you picked out requires a 40¢ basic fare and if you go to Dallas it would be 30¢ and if you go to Houston it would be 35¢. We have been able to do it on 20¢ up to now.

MR. TORRES: Do the figures that you have given us Mr. Hill relate the impact of any federal funding that we might receive or do we know what amount we would receive once the application was made for the funds?

MR. HILL: I think you expressed yourself at our Board meeting recently that you recognized and understood that the mass urban transportation act does not provide money for the operation of service which takes in the payment of wages to operators and employees. Now the elimination of thinking on that so that everyone is completely clear as to the intent of the act in that respect, the act has several categories of funds, if you qualify or are eligible, and the one that we are interested in is the capital grant program whereby you can make application for their approval to buy equipment. I think it is important for you to recognize the legislators and the attorneys who prepared the act were very wise in their drawing of the act to make a capital grant for a transit system in distress. A one time grant. In order to probe that particular thing with the attorneys in Washington in the Department of Transportation and of HUD, we asked a very simple question. What if we would like to replace equipment each year on a regular replacement schedule? They said no, every transit system in the country would do that if they would permit it and you wouldn't have enough money at all in the government to do that. It is a one time grant. Knowing that this is a one time opportunity with this mode of transportation, our application will be for really the largest quantity of equipment that we can justify at the time.

DR. NIELSEN: But that is within that particular type of bill though and until we do have a permanent trust fund the authorization, that 3154, there is nothing that says in one or two years from now another program with either supplemental funding or some new structures or new requirements that would come along. So to say it would only be a one time thing would be a tiny bit misleading.

MR. HILL: Well, it really isn't misleading if you have had an opportunity to read the act and talk to the administrators on it. I do not feel that they are going to change those details, it would be great if they did. The door would be wide open for every transit system in the country to place with the federal government their equipment replacement program and we have scrambled fast to be number one.

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DR. NIELSEN: I have just talked with the transportation people in San Diego and there is a reality that the Transportation Department and HUD are very much aware of and that is that the business of public transportation is beginning to be considered as the same thing as public safety and public health and so on and the reason why they were trying to get the trust fund set up was so, nobody will be allowed to just inadvertently abuse this thing, but there will be a time, before too many years, when the basic capital improvements will be up to two-thirds supported by the federal government. That's the only way we can even maintain any public transportation in this country, certainly in the larger cities. I will differ with you because at the moment nobody is thinking about the future because they are very much aware. The Mayor of Baltimore is very keenly aware after having spent very much time around the country talking to you and plenty of other people about the long range problems.

MR. HILL: The Mayor (of Baltimore) is a personal friend of mine and I am very familiar with their problem. I might observe that the American Transit Association, a few years ago, initiated this idea of a trust fund and I have been involved in that for several years directly. I'm quite aware of the thinking on it, some of the desires and some of the intent. But this is the way it shapes up now and this is the language in the bill now and this is the language before the administration at the present time. The participation point that you made on a federal grant, if approved, would require the City of San Antonio to put up one-third of the amount of the grant and the federal government would put up two-thirds and this one-third has its details in it depending upon the ability of the applicant to put up any of the monies itself. In this respect our renewal and replacement fund is the vehicle there to participate and the City would have to make up the balance.

DR. NIELSEN: As of the budget report for the last fiscal year, 1968-69, it shows and \$808,000 investment. Do you still have some of that?

MR. HILL: No sir. Back in April, I believe that was the month, 1969, we made a commitment with the General Motors Corporation for the purchase of twenty-five new vehicles. Those vehicles were delivered in the fall and those vehicles were paid off.

DR. NIELSEN: But that \$808,000 still remained at the end of the audit? It has all been used to replace equipment. Do you have at this moment any capital invested other than the \$240,000 that by law you are required? Do you have any short range investments?

MR. HILL: Only under the indenture with the various funds which are under the indenture invested with the trustee for what ever period of time they remain with the trustee and the interest earned off of them are reflected in the revenues set forth in the exhibit. This doesn't amount to very much and shows up in that other item that shows other revenues. That incidentally is a figure which has a deposit in it or it includes a three year experience. Refund from good experience under workman's compensation. It is, I presume, a one time situation but it is high for this period.

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MR. TORRES: I don't seek to join issues with you, but in the event I do want to make the clarification on operation and maintenance expenses. I have not at any time intimated that you could pay out of federal mass transit funds for operation and maintenance, but the point is monies that go into the replacement fund and I think we had out of the replacement fund this year \$800,000 that we spent this year, is that right? Come out of revenues and if we had federal funds for capital improvements which we made in the amount of nearly one million dollars this year, we certainly could pay the revenue money, the monies we receive from revenues, and put this into operation and maintenance. This of course is an accounting technique but be that as it may.

MR. HILL: This is a good question. We asked also, at the time of our last visit to Washington, and the answer that they gave us was that it would be subterfuge and they wouldn't allow it.

MR. TORRES: They wouldn't allow what?

MR. HILL: The manipulation that you went through there as to the deployment of funds.

MR. TORRES: It was not my manipulation, I am saying it was your manipulation.

MR. HILL: I'm not saying it was your manipulation, I said it is a manipulation which they call subterfuge. In fact any application we make we certainly want the full support of our congressman in such application. We don't want to fail on our application so we must conform strictly with the requirements.

MR. TORRES: But the law does apply for monies for capital improvements which includes buses and equipment. What I am saying is that we spent nearly a million dollars this year on buses and equipment which if we hadn't spent on buses and equipment it would be available for operation and maintenance. This is the point I am making.

MR. HILL: I am going to ask Mr. Patterson if he will comment on that in respect to increasing the budget in an amount for wages and not putting such amount properly in the R&R Account.

MR. TORRES: I am not talking about that, Mr. Hill.

MR. HILL: This is an important question and I am glad you brought it up.

MR. TORRES: I am glad I brought it up too.

MR. HILL: It is one we thought of too when we went to Washington. It is not the first time this has been posed. It has probably been posed everywhere across the country.

MR. TORRES: I wasn't taking credit for being original in my thinking, Mr. Hill.

MR. HILL: That's alright. We are glad that you are.

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MR. PATTERSON: I am the budget comptroller for the San Antonio Transit System. Mr. Torres, would you repeat your question sir.

MR. TORRES: I think the question came from Mr. Hill, sir.

MR. PATTERSON: Well if I understand it, you were bringing this \$800,000 up. At the time we used this \$800,000 we could not qualify to the federal government for funds to purchase buses.

MR. TORRES: But you got that \$800,000 from revenues from the system, isn't that correct?

MR. PATTERSON: That's correct.

MAYOR McALLISTER: It is your reserve, and it was set aside for depreciation.

MR. PATTERSON: It is set aside for depreciation.

MR. TORRES: So if the monies are needed for maintenance and operation, certainly they are not needed or available for the reserves then, isn't that true?

MR. PATTERSON: Well, what I am saying here is that this \$800,000 that you are mentioning, that we could not qualify for federal funds at the time the system set this aside and funded its depreciation. If this money were still not in the funds it would not be available for depreciation.

MR. TORRES: Your function is that of comptroller over there, is that true? Your business is in the area of accounting of the system?

MR. PATTERSON: That's true.

MR. TORRES: So the pay increase then is due primarily to the increased operating expenses?

MR. PATTERSON: That's true.

MR. TORRES: If that is correct sir, then the projection that we have by way of the letter of Nov. 26, 1969 which says that projected expenses for the total operating expenses is 5.4 million dollars and reading from the annual financial report of the City of San Antonio, from August, 1968 to July, 1969, the total operating expenses were 5.37 million, almost 5.4 million and the year before the total operating expenses are exactly what your projections are which is 5.44 million dollars. Where is the increase in operating expenses.

MR. PATTERSON: Now you must bear in mind that this amended budget that we filed had to be reduced by approximately \$200,000: Reduction in expenses at the time of the strike. Wages that was not paid out. In other words we try to forecast as true a budget as we can.

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MR. TORRES: But this is a projection that compares at 5.4 million dollars, the same with our experience factors for the last two years. Isn't that true?

MR. PATTERSON: Well, I don't have the figures in front of me.

MR. TORRES: Well, I'll show you the figures I have which are the figures put out by the Transit System and filed with the City Clerk. I will read them to you. FY 68-69 total operating expense is \$5,376,383.00 and for 67-68 is \$5,449,833.00 which are the figures and I presume they are accurate as they are filed by the Transit System with our City Clerk and which appears in the City's annual financial report. Those figures are correct are they not?

MR. PATTERSON: Well, let me ask you this. Are you taking into consideration the increase in expenses and revenue we had with the HemisFair and all?

MR. TORRES: I am looking at the figures that you filed with the City Clerk in your own financial report for the last two fiscal years. Now I recognize there were some additional operating expenses that came about as a result of HemisFair and by the same token we also had some additional revenues and I think one would offset the other. Then could we conclude that the problem is not in operating expenses and in their increase, at least not in our own local situation, but in the loss of revenue then?

MR. PATTERSON: Yes. This budget that we filed and using the October report that we filed, that October report does not include the wage increase that becomes effective February 1st and another one July 1st that we are projecting in this budget here.

DR. NIELSEN: Alright. That's why I say we still need a couple of more months. I think you are extremely cautious in terms of the revenues you are expecting and until you have gotten more data, you've only got one month and you did show that you had projected that as of July 30, 1969 you would have \$424,000 worth of passenger revenue and only got \$377,000. But your total revenue you projected \$512,167 and you actually got \$487,138 and is only about \$20,000 less. Now even in eight months that is not going to be much more than the actual payment you make in lieu of taxes to the City of San Antonio. Mr. Walker, is there any legal restraint to the City Council, sometime, either waiving or refunding this \$174,549.00, it is a variable figure determined month by month, in the indenture that would prevent us from waiving that or reimbursing it or whatever?

MR. WALKER: First of all let me say that I am not familiar with the financial structure and operation of the transit system. However, I am familiar with the indenture. The indenture sets up priorities of payment which are required. We covenant on those priorities. Its not directory, its mandatory. Now you can all read the indenture and it shows you exactly what priorities and how you make your payment.

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DR. NIELSEN: But what I am asking is, is there any legal consideration making it impossible to in fact refund this payment in lieu of taxes?

MAYOR McALLISTER: That is a matter there that has to be considered by the Council. You are asking the City to change its basis of operation and subsidize the transit system.

MR. TORRES: It's done in New York, it's done in Philadelphia.

MR. HILL: I think I might could help this matter a little bit. If the system goes broke, the City of San Antonio has to pick up the obligations. If we are unable to pay the in lieu of tax payment the City of San Antonio must pay it. This is the way it works. The indenture stipulates the order of deposits and payments and the last one is the in lieu of tax payment and if we don't have it, we don't have it. In other words if we are moving into the red and failing that is just absorbed as we go along.

COUNCILMAN HILL: In your charts here and particularly total payroll in relation to number of employees going back over a ten year period, the City has expanded tremendously in ten years and I assume your operation has likewise. However you have gone from 615 employees down to 563 and I am interested in your comment on how you maintain your service and do it with less people and expand.

MR. HILL: I think the principle reason has been, in the wisdom of the board, and on the recommendation and studies of the maintenance department and operational department, we were forced in coming along to a point where we could participate for the first time in the purchase of a mass transit vehicle of adequate power, ability and capacity and as we were able to add this particular vehicle into the fleet and remove the smaller capacity units; you run two little ones or run one big one let's say; a relationship like that and replace them with a vehicle that has a greater power ability we were able to improve the schedule performance and increase the basic average schedule speed. This is an item that brought national interest in the accomplishment of being able to do that in this City. It had a lot of factors that entered into it of course. The excellent streets, the improvement of streets and the construction of viaducts, the elimination of some 200,000 bus turning movements in the downtown area all of which expedited the ability to operate faster schedules. In doing that we can do the job with fewer vehicles and fewer manpower. At the same time we have been able to expand the system. We have made some 42 major expansions of service in this period of time. This is the way it works out. Of course there are other areas where we have improved the efficiency of operations, like in the maintenance department where we have added some labor saving equipment and been able to get a better production basis out there and therefore do the total job with fewer employees. This also applies to our salaried group in the clerical area. We today are doing the job with fewer employees, in part because of the equipment that enables us to do a faster job such as electric typewriters. They all accumulate over a basis of reducing the work with less time and less time means less employee requirements.

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DR. CALDERON: Regarding your pessimism in so far as recouping after the riders loss because of the strike and working on the optimistic premise of totally recouping all of the riders that were lost and working on the basis of our waiving the in lieu of tax payment by you, all combined, would you be able to avert a fare increase? Would you be able to meet this half million dollar deficit with all these combined?

MR. HILL: No sir, we wouldn't. The observation about pessimism and our effort to be optimistic is a constant battle in the transit industry. The industry nationally is in a distressed nature and brings many headaches. You can't help being a little pessimistic. Out of this, getting down to a practical observation and seeing the experience all over the country, it is common knowledge and common experience that a work stoppage, when it exceeds a few days, moves into a week, ten days or longer, seriously effects the riding habits. People find other ways of transportation during that period of work stoppage and some of them never come back to you. The experience in the industry is that you never do regain your riders up to your formal level unless there is some economic situation that might be very significant. I can cite you the most significant economic situation that did bring many riders back to transit and that was during the war time period in that area where the rationing of gasoline and the rationing of tires was in effect throughout the country and people returned to use of mass transit in great numbers. From that period the decline set in again. We have a little example of it here, however, in San Antonio, we had a very happy experience generally with the HemisFair experience because the many thousands of visitors and the people who worked in our downtown area and our own citizens, we had an increase in our patronage and required an increase in our service and we held on to that patronage about at an increase of 2%. It was going along beautifully when we didn't have any problems prior to the strike. But we have lost that impact plus the additional impact of a considerable change in riding habits. We will never get that back, it just doesn't happen unless we have another economic phenomenon.

DR. CALDERON: With regards to the federal grant avenue, what is the maximum amount any bus company has ever received under the act? Are you familiar with this?

MR. HILL: No I'm not. I see those figures from time to time. There are some very substantial grants.

DR. NIELSEN: San Diego got almost a four million dollar grant for one hundred buses in 1968.

MR. HILL: I think the best example around here is Dallas. Dallas completely came apart and they have a 30¢ fare up there now and they are not anywhere near paying their way and they were in deep distress and they got almost a completely replaced fleet of equipment. A very substantial grant. Move into your high speed rail operations like Chicago, Boston and places like that, the grants have been very material. It has to be justified and you have to be qualified.

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REV. JAMES: I just want to make one comment. On this matter of subsidizing of the buses, I think this is something that we would have to take into real consideration because I think the budget of the City would be effected. We are all trying to hold the line on taxes. Nobody wants a tax increase and the same citizens of the community are involved one way or the other. It is one pocket over against the other. So I think this matter of subsidizing the transit company is something that I think we will have to take into real serious consideration and take a long look at it. It is not as easy as it seems on the surface.

MR. TORRES: I would like to speak to that very point and I am glad you brought it up Rev. James. You know we have mentioned, and Mr. Hill has mentioned, the fact of the New Orleans transit system which charges 10¢ because you indicated it is owned by the light and gas company.

MR. HILL: I used to be in the light business and I will tell you how this works. The utility owns the transit operation and it provides the service required. They lose money on the service. They provide the rate. They lose money on the rate. So they make application to their regulatory body for an increase in their electrical rates over the entire community. They benefit profit wise by the increase in electrical rates and that covers the losses in the transportation. That is a simple mechanism known to the National Association of Public Utility Commissioners and every regulatory body in the United States before whom such applications are made are aware of this.

MR. TORRES: We of course receive in excess of 10 million dollars a year from our City Public Service Board which is publically owned and the purpose of publically owned utilities is to provide our citizenry with a low cost operation. It is not a matter of a dilatorius effect, Rev. James, on the taxpaying citizen. This is certainly not what we are considering and I don't think you studied the matter enough anyway. What I would like Mr. Hill is to continue with the question I was asking Mr. Patterson here as I don't believe I received a reply to my question. Whether we are talking about increased operating expenses or we are talking about a loss of revenue. Where is the problem?

MR. HILL: We are talking about both. A loss in revenue and increased operating expenses. Expenses increased by the impact of increased wages. Revenues are decreased by the loss of riding habits.

MR. TORRES: Well of course I am looking at the figures that are submitted by the Transit System, as I indicated to Mr. Patterson, that the system had total operating expenses of 5.37 million dollars, the year before total expenses were 5.44 million dollars, and your projections which take into consideration the increases of the bus drivers and mechanics salaries is 5.47 million dollars. It doesn't appear, at least on the basis of the materials that you have presented to the Council, that we are talking about a problem relating to increased operating expenses.

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Mr. Torres...continued...

I feel that if we are going to resolve this matter of the proposed bus fare increase that we would first of all have to look at where the problem lays. I merely conclude and go on to another question that it doesn't appear to me on the basis of the evidence that has been presented to the Council that we are talking about increased operating expenses.

Now, I notice that in your proposal here which is based on a three month actual experience and nine months estimate the charter revenue has decreased down to \$655,000 compared to last year's revenues of \$684,000, sightseeing revenues \$68,000 this year in your projections as compared to \$144,000 for the year before and bus advertising under your projections for the current year of \$50,493.00 compared to \$60,068 for the year before and is a total reduction in those three areas of \$126,000 and I would want to know the reason for the reduction and why is it you have not proposed an increase in the cost of advertising for example?

MR. HILL: Starting with your charter revenue. We had the HemisFair impact on charter a year ago. The same with sightseeing. We had more activity in those two areas from the transportation standpoint than this community has ever had. They were very favorable. We don't have that this year, Mr. Torres. On the bus advertising we participated under a contract with the bus advertising people that when they reached a certain percentage of sales above the minimum guarantee to the system that we participate on a fifty-fifty basis. This particular activity of the transit system has been a tough one to build up, the advertising revenues. I might say that at the present time we have a very energetic representative who has done a good sales job and selling bus advertising keeping the exterior displays filled all of the time and the interior displays filled a good part of the time, so that they have exceeded in revenues the minimum guarantee for the system. At the end of an annual period, if they are successful in doing this then we participate over and above the agency charges a fifty-fifty split of revenues above the guarantee and that is the reason that's in there.

MR. TORRES: What about the sightseeing, you didn't mention that?

MR. HILL: Yes I did. I said the charter and sightseeing were excellent with the impact of HemisFair and the carryon which has faded out quite a bit. If that activity would return that would be good but we don't see another HemisFair for a while.

MR. TORRES: I don't see how on the one hand you attribute the loss of revenue or a reduction in these areas to HemisFair and on the other hand a loss of passenger revenue you attribute it to the employees, or the work stoppage. I think, Mr. Hill that you are being somewhat duplicitous.

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MR. HILL: No, I don't think so Mr. Torres. You are very familiar with the work stoppage matter and when you have an adjustment in your fare structure you apply the Simpson-Curtain formula. The formula provides that each 10% increase in fare that you have you lose a 3% corresponding amount in passenger riding. This formula has been adopted by the National Association of Public Utility Commissioners and by the Highway authority as the best yardstick in the nation to apply in the calculations of passenger revenues and passenger activities on imposition of a fare increase so this has to be a detailed application. Its a recognized one by regulatory bodies. You have to factor those things all into your calculations of passenger riding.

MR. TORRES: I've tried to do that based on the figures that you have submitted to the Council. I don't care to ask you any more questions because I think you are trying to be subjective. I don't think you are being fair, honest and above board.

MRS. COCKRELL: It seems to me that the members of the Council, especially those that have been away the past week, need additional time to study the presentations made by the Transit System and the possibility of asking additional questions after we have reviewed the material. I suggest therefore, that we do not take any action today and study the material and perhaps by next week we will have had time to review our position

MR. ROY L. POPE: I am a CPA and at the same time the auditor for the Transit System and the City of San Antonio. I prepared, not only the statements Mr. Torres referred to, which are in the City's audit. I also prepared a separate audit for the Transit System. The question here is going to be very misleading if it isn't clarified. I'm talking from the viewpoint of figures. It is true that the end of the year, this year, 1969, with \$6,600,000 revenue and we have projected \$5,818,000. Now if you will take the \$6,612,000 and take a simple 10% reduction you've got \$661,000. And if you take a shrinkage of \$200,000 you've got \$800,000 in round numbers. That is precisely what your projection is below. That is \$800,000 below on your projection than you had last year. Very simple arithmetic. Now let's take the operating expenses. It is true that there were \$5,376,883.78 which I believe you read a moment ago. They have projected operating expenses of \$5,473,941 which is about \$100,000 more. They have explained the fact that they have been closed several months and explained that your full increases don't take effect for the full year. They've explained all these things. This appears reasonable. I think that throwing these figures back and forth we have had a lot of misleading observations. I can't see anything wrong with the comparison between the figures you had last year and the figures you've got in these projections. Now on your budgets, it is an indenture requirement that it be prepared very early. Prepared before the end of the fiscal year. The indenture requires it and it must be done. It is not unusual and indeed it is good business to amend it several times if necessary when you get down into the year. To add to all of that you have had the impact of your strike, the loss of riders and to me it isn't at all strange that it had to be amended substantially. But to me it seems to reflect great credit on the transit system that they have been as accurate as they were.

Mr. Pope...continued...

By the way, I want to make this point. The expenses last year, \$5,476,000 were exactly \$199.00 plus \$200.00 less than their total estimated expense. I don't find this evidence of inaccuracy in projecting expense.

MR. TORRES: Mr. Pope, I merely want to refer to a statement you sent to the Mayor, Sept. 17, 1969 where you referred on Page 3 to the depreciation rates and you made the statement: "In as much as buses constitute the greater part of the system's fixed assets the rate of depreciation is pertinent." You said we refer you to Bulletin F of the United States Government which sets out allowable depreciation rates for taxable entities. Of course you were basing the depreciation rates on this particular criteria and I was quite perplexed as to why you used a criteria applicable to taxable entities, if the transit system does not pay federal income tax.

MR. POPE: The simple answer to that Mr. Torres is leaving taxes aside, equipment wears out just as quickly owned by the Transit System as it does if it is owned by private business.

MR. TORRES: Doesn't private business accelerate generally the depreciation of equipment for the purpose of taxes or do you deny it is done?

MR. POPE: I deny that it is generally done. Sometimes they do. If they do accelerate, and sometimes the Transit System did not, they used the straight line, this is set out in your indenture and I believe you said it is five year life, and this is totally incorrect. The life is ten years. I don't recall all the things you said, but I did refute those statements which were incorrect. It was my duty and I did so.

MR. TORRES: You also said some statements were false and misleading. I have another question. Where you said the accounting system, I was also concerned with your statement Mr. Pope, because I respect your ability as an accountant. You said it is completely false in that complete disregard for the truth impunes the honesty not only of the transit officials and its board and the Mayor of San Antonio; were you speaking as an accountant or as a politician, Mr. Pope?

MR. POPE: Speaking as a CPA. At any time, and I want to make this crystal clear, at any time you feel that I have made a statement that's misleading or false, you can apply to the State Board of Public Accountants and I can be disbarred. You are under no such penalty, so you can make any statement you please. I am going to stick with the truth sir.

MR. TORRES: I go to the electors every two years, Mr. Pope. I didn't go to your State Board. I replied to the Mayor subsequent to that. As a matter of fact at the Council meeting of Sept. 25, 1969, I replied to your memorandum which was supplied as an attachment to the Mayor's memorandum on Sept. 18, 1969 and to date I have not received a reply.

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MR. POPE: I did not consider it worthy of a reply.

MR. TORRES: How much fees and fees have you made from the City of San Antonio and the Transit System as long as you have been representing each of these agencies.

MR. POPE: I do not know. But I will tell you this, I think they have been amply satisfied. As a matter of fact my firm is the one that corporates both with this City and the Transit System in obtaining a certificate of performance to the highest reporting principles in the United States and Canada.

MR. TORRES: Then you have been the accountant for the Transit system since it was taken over by the City of San Antonio, is that correct? Where you an accountant for the system prior to that time?

MR. POPE: No I was not. I was selected originally by the City to represent them in the purchase which I did and subsequently was selected by the board to install their system. I am thoroughly familiar with it, I know how it runs. I am subject to dismissal at their pleasure.

MR. TORRES: But you don't know what you made in fees each year from the system.

MR. POPE: I can't give you the figures off hand and in the first place unless this is revelent I don't consider public business.

MAYOR McALLISTER: The Council will deliberate on this matter and we will take action.

DR. NIELSEN: I would like some kind of report from the City Manager and Mr. Walker, a brief on just what the legal restraints would be to either waive or refund this payment in lieu of taxes.

MAYOR McALLISTER: The City Manager in consultation with the City Attorney will prepare some sort of observation as to what would take place in the event the City of San Antonio would subsidize the Transit System. We will act on this at the next Council meeting.

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69-53 Mayor McAllister was obliged to leave the meeting and Mayor Pro-Tem Cockrell presided.

69-53 ZONING HEARING

The hearing on Zoning Case 3777 was postponed at the request of Bob Shultz Realty Company, representing the applicant, Calvin Surtees. This was agreeable to Mr. Maury Apfel who was in opposition to the change.

The hearing on 3777 will be held on December 18, 1969.

a. First heard was Zoning Case 3654 to rezone Lot 11-A, Blk. B, NCB 11609 from A Single Family Residential District to "R-3" Multiple Family Residential District, located on the northwest side of Snowden Road, 587.0' southwest of Babcock Road; having 326.0' on Snowden Road and a depth of 455.0'

Mr. Steve Taylor, Director of Planning, explained the proposed change which the Planning Commission recommended be approved by the City Council.

No one spoke in opposition.

On motion of Dr. Calderon seconded by Mr. Hill, the recommendation of the Planning Commission was approved by passage of the following ordinance by the following vote:
 AYES: Calderon, Burke, James, Trevino, Hill, Cockrell;
 NAYS: None; ABSENT: McAllister, Torres, Nielsen.

AN ORDINANCE 38,121

AMENDING CHAPTER 42 OF THE CITY CODE THAT CONSTITUTES THE COMPREHENSIVE ZONING ORDINANCE OF THE CITY OF SAN ANTONIO BY CHANGING THE CLASSIFICATION AND REZONING OF CERTAIN PROPERTY DESCRIBED HEREIN AS LOT 11-A, BLK. B, NCB 11609 FROM "A" SINGLE FAMILY RESIDENTIAL DISTRICT TO "R-3" MULTIPLE FAMILY RESIDENTIAL DISTRICT.

* * * *

b. Next heard was Zoning Case 3659 to rezone Lot 69, Blk. 76, NCB 11051 from "B" Two Family Residential District to "R-4" Mobile Home District located on the north side of Ansley

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Boulevard, the southwest side of Rockwell Blvd. and 200' east of Zarzamora Street. Lot 67 and the south 435.60' of the east 105' of Lot 68, Blk. 76, NCB 11051, from "B" Two Family Residential District to "B-2" Business District. Lot 67 is located on the east side of Zarzamora Street, 740' north of Ansley Blvd.; having 644.93' on Zarzamora Street and a depth of 200'. The south 435.60' of Lot 68 is located on the north side of Ansley Blvd., 95' east of Zarzamora Street; having 105' on Ansley and a depth of 435.60'. The north 244.40' of Lot 68, Blk. 76, NCB 11051 from "B" Two Family Residential District to "B-3" Business District located on the east side of Zarzamora Street, 435.60' north of Ansley Blvd.; having 244.40' on Zarzamora St. and a depth of 200'.

Mr. Steve Taylor, Planning Director, explained that the requested change was to use the land for mobile homes and business developments.

No one spoke in opposition.

Discussion then took place concerning whether the school district in which this property is within had been notified of this multi-family development. It was brought out that it had not been notified.

After consideration on motion of Dr. Calderon seconded by Rev. James, the recommendation of the Planning Commission was approved by passage of the following ordinance by the following vote: AYES: Cockrell, Calderon, Burke, James, Trevino, Hill; NAYS: None; ABSTAIN: Nielsen; ABSENT: McAllister, Torres.

AN ORDINANCE 38,122

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 69, BLK. 76, NCB 11051 FROM "B" TWO FAMILY RESIDENTIAL DISTRICT TO "R-4" MOBILE HOME DISTRICT; LOT 67 AND THE SOUTH 435.60' OF THE EAST 105' OF LOT 68, BLK. 76, NCB 11051 FROM "B" TWO FAMILY RESIDENTIAL DISTRICT TO "B-2" BUSINESS DISTRICT; THE NORTH 244.40' OF LOT 68, BLK. 76, NCB 11051 FROM "B" TWO FAMILY RESIDENTIAL DISTRICT TO "B-3" BUSINESS DISTRICT.

* * * *

69-53 Mayor McAllister returned to the meeting and presided.

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SCHOOL DISTRICT TO BE NOTIFIED OF ZONING
APPLICATIONS FOR MULTI-FAMILY DEVELOPMENTS

69-53 The nature of notifying school districts was again discussed because of the impact they could have on school facilities. Dr. Calderon stated this was a legal question and felt they could not take the school district's opposition as a factor in deciding zoning. Further, they were not legally required to notify the school districts except in cases where they have property within 200' of property being considered for rezoning.

Mr. Trevino agreed with Dr. Calderon. However, he felt that as a courtesy the school district should be notified because of the effect such rezoning may have. It is possible that some child in the future will go to school one half day instead of a full day because of lack of school facilities.

Mr. Trevino then made a motion that in the future that cases of this nature come up that the school district affected be notified so that it may consult with the developer. The motion was seconded by Mr. James. After further consideration on roll call, the motion prevailed by the following vote: AYES: McAllister, Burke, James, Cockrell, Trevino, Nielsen, Hill; NA YS: Calderon; ABSENT: Torres.

The notification to the school district will only advise them that an application has been made for rezoning within their school district but will not ask them to inform the City whether they are for or against the change in zoning.

c. Next heard was Zoning Case 3676 to rezone Lot 2, Blk. 2, NCB 13840 from "A" Single Family Residential District to "B-2" Business District and Lot 3, Blk. 3, NCB 13840 from "A" Single Family Residential District to "R-3" Multiple Family Residential District. Subject properties are located southwest of the intersection of Quail Creek Drive and I.H. 410; having 203.28' on I.H. 410 and 787.73' on Quail Creek Drive. The "R-3" being on the south 587.73' and the "B-2" on the remaining portion.

Mr. Steve Taylor, Planning Director, explained the proposed change which the Planning Commission recommended be approved by the City Council.

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No one spoke in opposition. On motion of Mr. Hill seconded by Dr. Nielsen, the recommendation of the Planning Commission was approved by the passage of the following ordinance by the following vote: AYES: McAllister, Calderon, Burke, James, Cockrell, Nielsen, Hill; NAYS: None; ABSENT: Torres, Trevino.

AN ORDINANCE 38,123

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 2, BLK. 2, NCB 13840 FROM "A" SINGLE FAMILY RESIDENTIAL DISTRICT TO "B-2" BUSINESS DISTRICT; LOT 3, BLK. 3, NCB 13840 FROM "A" SINGLE FAMILY RESIDENTIAL DISTRICT TO R-3 MULTI-FAMILY RESIDENTIAL DISTRICT.

* * * *

d. Next heard was Zoning Case 3760 to rezone Lot 57, Blk. 41, NCB 8079 from "C" Apartment District to "B-2" Business District located between Ceralvo Street and Calle Aldama, 650' west of Juanita Avenue; having 51.0' on Calle Aldama, 50.0' on Ceralvo Street and a distance of 212.0' between these two streets.

Mr. Steve Taylor, Planning Director, explained the proposed change which the Planning Commission recommended be approved by the City Council.

No one spoke in opposition. On motion of Dr. Calderon seconded by Mr. Hill, the ordinance was passed and approved by the following vote: AYES: McAllister, Burke, Calderon, James, Cockrell, Nielsen, Hill; NAYS: None; ABSENT: Trevino, Torres.

AN ORDINANCE 38,124

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 57, BLK. 41, NCB 8079 FROM "C" APARTMENT DISTRICT TO "B-2" BUSINESS DISTRICT.

* * * *

e. Next heard was Zoning Case 3761 to rezone Lot 85, Blk. 2, NCB 11966 from "A" Single Family Residential District to "B-3" Business District located east of the intersection of McCullough Avenue and Wolfe Road; having 183.20' on Wolfe Road and 254.05' on McCullough Avenue.

Mr. Steve Taylor, Planning Director, explained the proposed change which the Planning Commission recommended be approved by the City Council.

Mr. Gus Scheler explained that he was asking for "B-3" zoning as he has a prospect who wants to operate a wholesale beauty supply house which requires a "B-3". Other than this, he has no other plans at this time. He has agreed to a 30' building setback line; as dedicated land for widening of the street in order to widen out the drainage ditch on McCullough.

No one spoke in opposition. On motion of Dr. Nielsen seconded by Mrs. Cockrell, the recommendation of the Planning Commission was approved by passage of the following ordinance by the following vote: AYES: McAllister, Burke, Calderon, Cockrell, Nielsen, Hill; NAYS: None; ABSTAIN: Torres; ABSENT: James, Trevino.

AN ORDINANCE 38,125

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 85, BLK. 2, NCB 11966.

* * * *

f. Next heard was Zoning Case 3772 to rezone Lot 17, Blk. 6, NCB 1728 from "D" Apartment District and "E" Office District to "B-1" Business District, located northeast of the intersection of Ogden Street and E. Dewey Place; having 157.49' on E. Dewey Street and 160.65' on Ogden St.

Mr. Steve Taylor, Director of Planning, explained the proposed change which the Planning Commission recommended be approved by the City Council.

No one spoke in opposition. On motion of Dr. Calderon seconded by Mr. Hill, the recommendation of the Planning Commission was approved by passage of the following ordinance by the following vote: AYES: McAllister, Burke, Calderon, Cockrell, Nielsen, Hill, Torres; NAYS: None; ABSENT: Trevino, James.

AN ORDINANCE 38,126

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 17, BLK. 6, NCB 1728 FROM "D" APARTMENT DISTRICT AND "E" OFFICE DISTRICT TO "B-1" BUSINESS DISTRICT.

* * * *

g. Next heard was Zoning Case 3775 to rezone 5.277 acres out of Lot 45, NCB 8406, being further described by field notes filed in the office of the Planning Department, from "B" Two Family Residential District to "B-3" Business District. Subject property is located 287.00' southwest of Fredericksburg Road, 950.08' northwest of Babcock Road, being 406.17' by 571.00' in size.

Planning Director Steve Taylor, explained the proposed change which the Planning Commission recommended be approved by the City Council.

Mr. Robert M. Keasler, the applicant, stated that the property is owned by the same parties that own the property where the Foodway Store is located fronting on Fredericksburg Road. A 40' setback is to be established from the drainage easement which has been placed on the subject property. Also, a non-access easement has been placed on the southwest property line. They plan to install a privacy fence north of the drainage channel.

Discussion brought out that once an easement is accepted by the City, the City must maintain the channel as the right-of-way is the responsibility of the City.

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No one spoke in opposition.

After consideration on motion of Dr. Nielsen to approve the recommendation of the Planning Commission along with the provision that the privacy fence be installed at the rear of the property. The motion was seconded by Dr. Calderon. On roll call, the motion carrying with it the passage of the following ordinance prevailed by the following vote: AYES: McAllister, Calderon, Burke, Cockrell, Nielsen, Hill, Torres; NAYS: None; ABSENT: James, Trevino.

AN ORDINANCE 38,127

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 5.277 ACRES OUT OF LOT 45, NCB 8406 FROM "B" TWO FAMILY RESIDENTIAL DISTRICT TO "B-3" BUSINESS DISTRICT.

* * * *

h. Next heard was Zoning Case 3778 to rezone the east 150' of Lot 1, NCB 11691, being that portion not presently zoned "R-3" from "R-1" Single Family Residential District to "R-2" Two Family Residential District. Subject property is located at the west end of Marchmont and Dawnview Street, 403.84' east of West Avenue and being 150' by 416.53' in size.

Mr. Steve Taylor, Planning Director, explained the proposed change which the Planning Commission recommended be approved by the City Council. Mr. Taylor explained that the "R-1" property is located to the rear of a tract of land which was previously zoned "R-3" and which faces West Avenue. The Planning Commission has recommended that a 6' privacy fence be built along the east property line of the property in question as well as a non-access easement to prevent access to the residential area.

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Mr. Dick Lubel, the applicant, stated that they propose to build duplexes on the property to the rear. They have a plan to build apartments on the property which is zoned "R-3". The surrounding area is already zoned "B" Duplex. He presented a sketch of the development as well as detailed plans.

Mr. Roger Lightsey, attorney representing residents in opposition to the proposed change in zone, presented a petition signed by 19 families out of the 25 within the 200' area.

The petition was referred to the City Attorney and after study, Mr. Howard Walker advised the Council that the petition was sufficient and would require seven affirmative votes to rezone the property.

Mr. Gus Schmeltzer, 3622 West Avenue, stated that all of this property along with other property was once owned by his family. It was partitioned and there are covenants that require that the land shall be used for dwellings only. In the event that a sale is eminent, family members have the right to purchase the property.

The Council then discussed with Mr. Lightsey and Mr. Schmeltzer the matter of Deed Restrictions versus Zoning. It was brought out that an injunction had been granted to enjoin the property from being used for apartments. This injunction was against Berler Properties on the "R-3" zoned tract of land.

Speaking in opposition to the change in zone were Mr. Lauren Barneby, Realtor; Mr. Gary Burney, 223 Dryden; and Mrs. Frank Howard, 3454 West Avenue.

After consideration, Dr. Calderon made a motion that the recommendation of the Planning Commission be approved provided that a 5' non-access easement be placed on the east property line of the property and that a 6' privacy fence also be installed along that property line. The motion was seconded by Mr. Torres. The motion required seven affirmative votes to pass. On roll call, the motion carrying with it the passage of the following ordinance prevailed by the following vote: AYES: McAllister, Calderon, Burke, James, Cockrell, Trevino, Hill, Torres; NAYS: None; ABSENT: Nielsen.

AN ORDINANCE 38,128

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 THE EAST 150' OF LOT 1, NCB 11691, BEING THAT PORTION NOT PRESENTLY ZONED "R-3" FROM "R-1" SINGLE FAMILY RESIDENTIAL DISTRICT TO R-2" TWO FAMILY RESIDENTIAL DISTRICT.

* * * *

69-53 The Mayor was obliged to leave the meeting and Mayor Pro-Tem Cockrell presided.

i. Next heard was Zoning Case 3780 to rezone Lot 157, NCB 11178 from "B" Two Family Residential District to "B-3" Business District located on the west side of Mission Road, between S.E. Military Drive and E. Harding Boulevard; having 121.44' on Mission Road, 322.34' on S.E. Military Drive and 380.46' on E. Harding Boulevard.

Mr. Steve Taylor, Director of Planning, explained the proposed change which the Planning Commission recommended be approved by the City Council.

No one spoke in opposition.

On motion of Dr. Calderon seconded by Mr. Trevino, the recommendation of the Planning Commission was approved by passage of the following ordinance by the following vote: AYES: Calderon, Burke, James, Cockrell, Trevino, Hill, Torres; NAYS: None; ABSENT: McAllister, Nielsen.

AN ORDINANCE 38,129

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 157, NCB 11178 FROM "B" TWO FAMILY RESIDENTIAL DISTRICT TO "B-3" BUSINESS DISTRICT.

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j. Next heard was Zoning Case 3792 to rezone Lots 26 and 27, Blk. 79, NCB 2794 from "B-1" Business District to "B-2" Business District located on the south side of Hildebrand Avenue, 100' west of Neer Avenue; having 200' on Hildebrand Avenue and a depth of 107.63'.

Mr. Steve Taylor, Director of Planning, explained the proposed change which the Planning Commission recommended be approved by the City Council.

Mr. Ralph W. Perryman, the applicant, stated that in addition to the property in question, he also owns the corner lot at the corner of Hildebrand and Neer in which he operates an insurance office. He stated that he has a use plan for one lot and a client for the other. Both lots are vacant at the present time.

Mrs. Catherine Steele, 1446 Hildebrand, across the street from the subject property spoke in opposition to the change in zoning because Hildebrand is a traffic problem street. When the property on the corner was rezoned to "B-1" she understood it to be an architect's office but instead it was turned into a water softening business. This became a nuisance. She presented pictures of an unsightly trash bin, and tractor trucks which haul rocks off to the location. Fortunately, this business has moved to another location. She asked the Council not to change the zone to "B-2" until it is assured that it will not be a nuisance and a traffic problem.

Mr. Perryman stated that he did not deny that the previous occupant did create a problem but that it does not exist now. He felt that "B-2" was the highest and best use. It has been a problem to keep the lots clean and felt that it is for the benefit of the area if a new building will be constructed.

Discussion was then had concerning off-street parking and Planning Director Steve Taylor advised that the applicant must comply with the parking requirements of the ordinance.

After consideration on motion of Mr. Torres seconded by Mr. Hill, the recommendation of the Planning Commission was approved by passage of the following ordinance by the following vote: AYES: Cockrell, Calderon, Burke, James, Nielsen, Hill, Trevino, Torres; NAYS: None; ABSENT: McAllister.

AN ORDINANCE 38,130

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 26 & 27, BLK. 79, NCB 2794 FROM B-1 BUSINESS DISTRICT TO B-2 BUSINESS DISTRICT.

* * * *

k. Next heard was Zoning Case 3798 to rezone the southwest 569.86' of Lot 4, NCB 13665, being that portion not presently zoned "B-1" from Temporary "R-1" Single Family Residential District to "B-1" Business District located 440' southwest of the Old Babcock Road; 1945' northwest of Rowley Road, being 569.86' by 458.22' in size.

Mr. Steve Taylor, Planning Director, explained the proposed change which the Planning Commission recommended be approved by the City Council.

No one spoke in opposition.

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

AN ORDINANCE 38,131

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 THE SOUTHWEST 569.86' OF LOT 4, NCB 13665, BEING THAT PORTION NOT PRESENTLY ZONED "B-1" FROM TEMPORARY "R-1" SINGLE FAMILY RESIDENTIAL DISTRICT TO "B-1" BUSINESS DISTRICT.

* * * *

1. Next heard was Zoning Case 3800 to rezone Lot 13, NCB 10101, from "D" Apartment District to "B-2" Business District located on the west side of San Pedro, approximately 350' north of the cutback to Jackson Keller Road; having 120' on San Pedro and a depth of 190'.

Mr. Steve Taylor, Planning Director, explained the proposed change which the Planning Commission recommended be approved by the City Council.

No one spoke in opposition.

On motion of Mr. Torres seconded by Dr. Calderon, the recommendation of the Planning Commission was approved by passage of the following ordinance by the following vote: AYES: Calderon, Burke, James, Cockrell, Nielsen, Trevino, Torres; NAYS: None; ABSENT: McAllister, Hill.

AN ORDINANCE 38,132

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 13, NCB 10101 FROM "D" APARTMENT DISTRICT TO B-2 BUSINESS DISTRICT.

* * * *

69-53 A public hearing was held on the proposed annexation of 15.781 acres of land known as Shenandoah Subdivision Unit #8 and requested by Community Properties, Inc.-Rufus C. Carhart..

Mr. Steve Taylor, Planning Director, explained the proposed annexation. No one spoke in opposition. The hearing was then declared closed. First reading of the Ordinance will be held on December 18, 1969.

69-53 The Clerk read the following Ordinance for the first time.

AN ORDINANCE 38,133

PROVIDING FOR THE EXTENSION OF CERTAIN BOUNDARY LINES OF THE CITY OF SAN ANTONIO TEXAS, AND THE ANNEXATION OF CERTAIN TERRITORY CONSISTING OF 26.386 ACRES OF LAND, WHICH SAID TERRITORY LIES ADJACENT TO AND ADJOINS THE PRESENT BOUNDARY LIMITS OF THE CITY OF SAN ANTONIO.

* * * *

69-53 Mr. Steve Taylor explained that this property is known as Whispering Oaks Subdivision Unit #6. The annexation was requested by the Oak Glen Park Development Company, Inc.

No one spoke in opposition.

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

69-53 The Clerk read the following Ordinance for the first time.

AN ORDINANCE 38,134

PROVIDING FOR THE EXTENSION OF CERTAIN BOUNDARY LINES OF THE CITY OF SAN ANTONIO TEXAS, AND THE ANNEXATION OF CERTAIN TERRITORY CONSISTING OF 1.972 ACRES OF LAND, WHICH SAID TERRITORY LIES ADJACENT TO AND ADJOINS THE PRESENT BOUNDARY LIMITS OF THE CITY OF SAN ANTONIO.

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Mr. Steve Taylor, Planning Director, explained that the property is known as University Estates Unit 3 and the action was requested by H. B. Zachry Properties, Inc.

No one spoke in opposition.

On motion of Dr. Calderon seconded by Mr. Hill, the ordinance was passed and approved for publication only by the following vote: AYES: COckrell, Calderon, Burke, James, Hill, Trevino, Torres, N₁elsen; NAYS: None; ABSENT: McAllister.

69-53 The Clerk read the following Ordinance for the first time.

AN ORDINANCE 38,135

PROVIDING FOR THE EXTENSION OF CERTAIN
BOUNDARY LINES OF THE CITY OF SAN ANTONIO
TEXAS, AND THE ANNEXATION OF CERTAIN
TERRITORY CONSISTING OF 25.693 ACRES
OF LAND, WHICH SAID TERRITORY LIES
ADJACENT TO AND ADJOINS THE PRESENT
BOUNDARY LIMITS OF THE CITY OF SAN
ANTONIO.

* * * *

Mr. Steve Taylor, Planning Director, explained that this takes in the Pat Neff Junior High School in the northeast school district including portions of Evers Road and Daughtry Drive. This action was initiated by request of the City Council. No one spoke in opposition.

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

69-53 The Clerk read the following Ordinance for the first time.

AN ORDINANCE 38,136

PROVIDING FOR THE EXTENSION OF CERTAIN
BOUNDARY LINES OF THE CITY OF SAN ANTONIO
TEXAS, AND THE ANNEXATION OF CERTAIN
TERRITORY CONSISTING OF 26.823 ACRES
OF LAND, WHICH SAID TERRITORY LIES AD-
JACENT TO AND ADJOINS THE PRESENT
BOUNDARY LIMITS OF THE CITY OF SAN
ANTONIO.

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Mr. Steve Taylor, Planning Director, explained that this takes in Eckhert Road (F.M. Road 1517) and portions of Huebner Road and Babcock Road. This action was initiated by the City Council. The purpose is to patrol the road which is traveled by students of the Marshall High School.

No one spoke in opposition.

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

69-53 The Clerk read the following Ordinance which was explained by Mr. C. W. McKennon, Jr., and after consideration on motion of Mr. Hill seconded by Mr. Torres was passed and approved by the following vote: AYES: Cockrell, Calderon, Burke, James, Nielsen, Trevino, Hill, Torres; NAYS: None; ABSENT: McAllister.

AN ORDINANCE 38,137

ACCEPTING THE BID OF SOUTHWEST DEMOLISHING COMPANY FOR PREPARING AREA FOR CONSTRUCTION I.H. 37; AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT FOR SAID WORK; AUTHORIZING PAYMENT OF \$33,222.00 OUT OF THE GENERAL FUND TO SAID CONTRACTOR AND \$1,500.00 TO BE USED AS A MISCELLANEOUS EXPENSES CONTINGENCY ACCOUNT ALSO AUTHORIZING A TRANSFER OF FUNDS.

* * * *

69-53

GENEALOGICAL LIBRARY

The Clerk read an Ordinance between the City and the San Antonio State Branch Genealogical Library of the Church of Jesus Christ of Latter Day Saints for operation of a genealogical research library in the San Antonio Main Library.

Mr. Mike Sexton, Library Director, advised the Council that this organization maintains one of the finest such libraries. There are presently two established in Texas. They provide a complete micro-film source and service. The Library will furnish space and the service will be staffed by local volunteers of this organization, not by City staff.

Discussion then took place as to whether there may be a conflict because of the religious sponsorship of the organization.

Mr. Sexton stated that the City Attorney had researched this and found that there would be no conflict. The City Attorney stated that he felt that there would be no conflict if this organization operated this library.

Dr. Calderon and Mr. Trevino both felt that it was one thing to have the library and material located on City property but to have someone from the organization to staff it was another matter. They asked that action be postponed for one week.

Mrs. Chester C. Russell spoke in favor of this new service to citizens of San Antonio. She had experience working in such libraries and also worked in the one in Houston. There is no religious connotation to the service. She felt that this new service would encourage attention to the library. She also suggested that this genealogical library might be more appropriately located at the Landa Library since they do have a parking area.

After further discussion, action on the ordinance was postponed for one week.

69-53 The Clerk read the following Ordinance which was explained by the City Manager and on motion of Mr. Torres seconded by Mr. Hill was passed and approved by the following vote: AYES: Cockrell, Calderon, Burke, James, Nielsen, Hill, Trevino, Torres; NAYS: None; ABSENT: McAllister.

AN ORDINANCE 38,138

AUTHORIZING PAYMENT OF \$16,250.00 TO THE SYMPHONY SOCIETY OF SAN ANTONIO FOR THE FALL SERIES OF FAMILY PARK CONCERTS.

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69-53

CHAMBER OF COMMERCE QUARTERLY REPORT

The City Manager advised that the Chamber of Commerce had asked for a delay in presentation of the report until the next meeting, due to the length of today's meeting.

69-53

CITIZENS TO BE HEARD

Mr. Foster Young, representing the Consumers Association of San Antonio, stated this organization had been looking into the hunger situation in San Antonio and found that many people in the city have insufficient food. His purpose for being present was to ask the Council to pass a resolution affirming that there is an emergency hunger situation in the city. He felt this may have an effect of prompting some immediate action.

Mrs. Cockrell mentioned that the City is involved in the Food Stamp Program and there is a continual study going on concerning the hunger problem.

The Food Stamp Program, the Commodities Surplus Program, and other programs to relieve the hunger situation was discussed by the City Council and the City Manager.

Mrs. Cockrell then asked Dr. Nielsen, Mr. Trevino, and Dr. Calderon to act as a committee to get together with Mr. Young and work out some wording for an appropriate resolution for consideration of the City Council.

Mr. Bob Boubel, representing the San Antonio AFL-CIO Central Labor Council, advised that General Electric employees are on strike and that the Central Labor Council were going to boycott General Electric products. He read a handbill which they propose to pass out to people going into a store asking them not to purchase GE products. He added that they had no fight with local merchants but only with GE products.

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69-53 Mr. Clayton Russell spoke about advertising San Antonio. He felt that it could become the 12th largest city just by annexing land and bringing in 100,000 new residents into the city. He also asked that when the Council considers the increase in bus rates that it also consider where buses are going. He recommended bus service to the Toros football games.

Mr. Raul Rodriguez spoke about the hunger situation and also asked that the Council, if at all possible, keep the bus rates as they are.

Mr. J. F. C. Moore spoke concerning the proposed bus fare increase and asked that the Council consider subsidizing the Transit System.

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

A P P R O V E D


M A Y O R

ATTEST: 
C i t y C l e r k

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