

REGULAR MEETING OF THE CITY COUNCIL
OF THE CITY OF SAN ANTONIO HELD IN
THE COUNCIL CHAMBER, CITY HALL, ON
THURSDAY, DECEMBER 21, 1972.

* * * *

The meeting was called to order at 9:30 A. M. by the presiding officer, Mayor John Gatti, with the following members present: HABERMAN, HILL, BECKER, MENDOZA, CALDERON, NAYLOR, PADILLA, GATTI; Absent: HILLIARD.

- - -
72-56 The invocation was given by The Reverend Canon Gerald McAllister, St. David's Episcopal Church.

- - -
72-56 Members of the City Council and the audience joined in the Pledge of Allegiance to the flag of the United States of America.

- - -
72-56 Councilman Padilla asked that the minutes of the meeting of December 14, 1972, be corrected to show on page 26 that he, too, questioned discriminatory hiring practices of the City Public Service Board. He also asked that his statement nominating Mr. Calderon be included in full on page 27.

With these corrections, the minutes of December 14, 1972, were approved.

- - -
72-56 Mayor Gatti welcomed a City government class from John F. Kennedy High School who were accompanied by their teacher, Mr. Jimmy Tower.

- - -
72-56 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: Haberman, Hill, Becker, Mendoza, Calderon, Naylor, Padilla, Gatti; NAYS: None; ABSENT: Hilliard.

AN ORDINANCE 41,590

ACCEPTING THE LOW BIDS OF TOM BURKHOLDER
COMPANY AND ROYAL TYPEWRITER COMPANY TO
FURNISH THE CITY WITH CERTAIN ELECTRIC
TYPEWRITERS FOR A TOTAL AMOUNT OF
\$1,910.00.

* * * *

AN ORDINANCE 41,591

ACCEPTING THE LOW BIDS OF TOM BURKHOLDER
COMPANY AND REMINGTON RAND OFFICE MACHINES

December 21, 1972
nsr

TO FURNISH THE CITY WITH CERTAIN
MANUAL TYPEWRITERS FOR A TOTAL OF
\$1,955.80.

* * * *

72-56 Mr. Becker stated that he had difficulty reading the bid tabulation on the foregoing ordinances and asked Mr. Brooks to have them prepared in the future in the normal way rather than being reduced.

Mr. Brooks thanked Mr. Becker for his comments and stated that he would comply with the request.

72-56 The Clerk read the following Ordinance:

AN ORDINANCE 41,592

ACCEPTING THE LOW BID OF INTERNATIONAL
HARVESTER SALES AND SERVICE TO FURNISH
THE CITY WITH CERTAIN INDUSTRIAL MOWING
EQUIPMENT FOR A NET TOTAL OF \$4,859.60.

* * * *

The Ordinance was explained by Mr. John Brooks, Director of Purchasing, who stated that this large mower will be used at the airport. It is pulled by a tractor.

After consideration, on motion of Mr. Becker, seconded by Mrs. Haberman, the Ordinance was passed and approved by the following vote: AYES: Haberman, Hill, Becker, Calderon, Naylor, Padilla, Gatti; NAYS: None; ABSENT: Hilliard, Mendoza.

72-56 The Clerk read the following Ordinance:

AN ORDINANCE 41,593

ACCEPTING THE LOW BID OF HOLT MACHINERY
COMPANY, INC. TO FURNISH THE CITY OF SAN
ANTONIO WITH THE RENTAL OF A CRAWLER
LOADER FOR A NET TOTAL OF \$1,825.00 PER
MONTH.

* * * *

The Ordinance was explained by Mr. John Brooks, Director of Purchasing, who stated that the Public Works Department has a requirement for this piece of equipment for about 90 days. This is a high-priced piece of equipment and will not be needed after this period and, therefore, is being rented instead of purchased.

After consideration, on motion of Mr. Becker, seconded by Mr. Hill, the Ordinance was passed and approved by the following vote: AYES: Haberman, Hill, Becker, Calderon, Naylor, Padilla, Gatti; NAYS: None; ABSENT: Hilliard, Mendoza.

72-56 Mrs. Haberman suggested that the staff take a long term look before renting equipment. Mr. Brooks assured Mrs. Haberman that this is done in all cases.

72-56 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: Haberman, Hill, Becker, Mendoza, Calderon, Naylor, Padilla, Gatti; NAYS: None; ABSENT: Hilliard.

AN ORDINANCE 41,594

ACCEPTING THE LOW BID OF SCIENTIFIC PRODUCTS TO FURNISH THE CITY OF SAN ANTONIO WITH WASHER, GLASSWARE FOR A NET TOTAL OF \$2,577.00.

* * * *

AN ORDINANCE 41,595

ACCEPTING THE LOW BID OF TOLEDO SCALE COMPANY, INC., TO FURNISH THE CITY WITH CERTAIN MOTOR TRUCK SCALES ADDITION FOR A NET TOTAL OF \$3,941.00.

* * * *

AN ORDINANCE 41,596

ACCEPTING THE LOW BID OF DAVIS MANUFACTURING CO., INC. TO FURNISH THE CITY WITH GARBAGE RECEPTACLE COVERS FOR A TOTAL OF \$1,037.00 LESS 1% - 10 DAYS.

* * * *

AN ORDINANCE 41,597

ACCEPTING THE LOW BID OF CRANE SUPPLY COMPANY TO FURNISH THE CITY WITH PORTABLE SEWAGE LIFT STATIONS AT A UNIT PRICE OF \$4,337.00 FOR 3 PHASE UNITS AND \$4,712.00 FOR SINGLE PHASE UNITS.

* * * *

AN ORDINANCE 41,598

ACCEPTING THE LOW BID OF SOUTHWEST SOUND & ELECTRONICS, INC., TO FURNISH THE CITY OF SAN ANTONIO INTERNATIONAL AIRPORT WITH TWO YEARS MAINTENANCE OF PUBLIC ADDRESS SYSTEM FOR A NET TOTAL OF \$2,040.00.

* * * *

013

AN ORDINANCE 41,599

AUTHORIZING SUBSCRIPTION RENEWALS TO
FACTS ON FILE, INC. FOR A TOTAL OF
\$1,496.00 TO BE USED BY THE SAN ANTONIO
PUBLIC LIBRARY.

* * * *

72-56 Mr. John Brooks, Director of Purchasing, stated that the next agenda item to be considered is a tie bid to furnish plastic lamp covers. The bids of Perry Shankle Company and Tri Electric Company are identical with the exception of payment terms. The City Attorney has ruled that a tie cannot be broken by using the discount terms unless this is stated in the bid specifications.

Mr. Padilla and Mr. Becker expressed the feeling that the bid specifications should be changed to include a statement to the effect that in the event of a tie bid, the tie may be broken by applying the most advantageous discount terms offered. After discussion, it was agreed that this be done, and Mr. Brooks was so instructed.

Mayor Gatti announced that in this case the tie would be broken by casting lots and the low number drawn would be the winner. Whereupon, number 44 was drawn for Perry Shankle Company and number 19 was drawn for Tri Electric Company. Tri Electric Company was declared to be the winner.

The Clerk read the following Ordinance:

AN ORDINANCE 41,600

ACCEPTING THE LOW BID OF TRI ELECTRIC
SUPPLY CO., INC., TO FURNISH THE CITY
OF SAN ANTONIO WITH CERTAIN PLASTIC
LAMP COVERS FOR A TOTAL SUM OF \$2,210.00,
LESS 1%.

* * * *

After consideration, on motion of Mr. Hill, seconded by Mr. Padilla, the Ordinance was passed and approved by the following vote: AYES: Haberman, Hill, Becker, Mendoza, Calderon, Naylor, Padilla, Gatti; NAYS: None; ABSENT: Hilliard.

72-56 The Clerk read the following Ordinance:

AN ORDINANCE 41,601

ACCEPTING THE LOW BID OF DAHLSTROM
CORPORATION TO CONSTRUCT THE 36TH
STREET STORM DRAINAGE OUTFALL PROJECT;
APPROPRIATING THE SUM OF \$1,521,604.26
PAYABLE TO DAHLSTROM CORPORATION OUT
OF DRAINAGE BOND FUND 409-01, \$3,080.00
OUT OF THE SAME FUND TO ARANDA, KURZ
AND RIVERA, INC., CONSULTING ENGINEERS
AND \$76,080.00 TO BE USED FOR MISCELLANEOUS
CONTINGENCIES.

* * * *

The Ordinance was explained by Mr. Mel Sueltenfuss, Assistant Director of Public Works, who outlined the area on a map. Completion of this project will allow for the completion of 36th Street itself. This project was a part of the 1970 bond program.

After consideration, on motion of Mr. Becker, seconded by Mrs. Haberman, the Ordinance was passed and approved by the following vote: AYES: Haberman, Hill, Becker, Mendoza, Calderon, Naylor, Padilla, Gatti; NAYS: None; ABSENT: Hilliard.

In answer to Mr. Hill's question, Mr. Sueltenfuss stated that this project will take a lot of storm water off of General McMullen Drive.

- - -
72-56 Mayor Gatti was obliged to leave the meeting and Mayor Pro-Tem Haberman presided.
- - -

72-56 The Clerk read the following Ordinance:

AN ORDINANCE 41,602

ACCEPTING THE LOW QUALIFIED BID OF
WAGNER CONSTRUCTION COMPANY FOR THE
RELOCATION OF THE TAINTER GATE;
APPROPRIATE THE SUM OF \$287,624.00
PAYABLE TO SAID COMPANY OUT OF DRAINAGE
BOND FUND 409-01, \$14,385.00 TO BE USED
FOR CONTINGENCIES AND \$19,630.00 OUT OF
THE SAME FUND PAYABLE TO GROVES, FERNANDEZ,
LUDWIG, BARRY, TELFORD AND ASSOCIATES, INC.
FOR PROFESSIONAL SERVICES.

* * * *

The Ordinance was explained by Mr. Mel Sueltenfuss, Assistant Director of Public Works, who stated that the low bidder on this item conditioned his bid and did not insert unit prices as instructed. The low qualified bid of Wagner Construction Company was recommended.

In answer to Mr. Padilla's question, Mr. Sueltenfuss stated that completion of this project will be in two phases. The moving of the gate will be completed in ample time before Fiesta. The roller gate at Horseshoe Bend will not interfere with Fiesta activities. He assured Mr. Padilla that the channel will have water in it before Fiesta.

Mrs. Haberman pointed out that the Council will have to consider a flood control program at some future date, the cost of which is estimated at \$8 to \$10 million. Mr. Sueltenfuss stated that the new location of the Tainter Gate will not aggravate the flood situation but will help it slightly.

After consideration, on motion of Mr. Hill, seconded by Mr. Becker, the Ordinance was passed and approved by the following vote: AYES: Haberman, Hill, Becker, Calderon, Naylor, Padilla; NAYS: None; ABSENT: Hilliard, Mendoza, Gatti.

- - -
December 21, 1972
nsr

72-56 Item 14 of the agenda was withdrawn from consideration at the request of the City Manager.

72-56 The Clerk read the following Ordinance:

AN ORDINANCE 41,603

ACCEPTING THE LOW BID OF SCOTT & JENNISON IN THE AMOUNT OF \$160,270.00 TO CONSTRUCT CERTAIN ADDITIONS TO THE CONVENTION CENTER; AUTHORIZING PAYMENT OF SUCH AMOUNT TO SAID CONTRACTOR OUT OF THE GENERAL FUND, \$8,013.00 TO BE USED AS A CONTINGENCY ACCOUNT AND \$5,537.26 PAYABLE TO NOONAN & KROCKER & DOCKERY, ARCHITECTS AND ENGINEERS, FOR PROFESSIONAL SERVICES AND AUTHORIZING A TRANSFER OF FUNDS.

* * * *

The Ordinance was explained by Mr. Mel Sueltenfuss, Assistant Director of Public Works, who stated that seven bids were received for enclosing an area in the lower level of the Convention Center. He recommended approval of the Ordinance.

After consideration, on motion of Mr. Hill, seconded by Mr. Becker, the Ordinance was passed and approved by the following vote: AYES: Haberman, Hill, Becker, Calderon, Naylor, Padilla; NAYS: None; ABSENT: Hilliard, Mendoza, Gatti.

72-56 Mr. Padilla stated that on his recent trip to Indianapolis he observed that one of the most attractive features of the Convention Center is a small cafe-type facility in the center. It added much convenience for convention delegates and suggested that our Convention Center should also consider installation of such a facility.

72-56 The following Ordinance was read by the Clerk and explained by Mr. Mel Sueltenfuss, Assistant Director of Public Works, and after consideration, on motion of Mr. Hill, seconded by Mr. Naylor, was passed and approved by the following vote: AYES: Haberman, Hill, Becker; Calderon, Naylor, Padilla; NAYS: None; ABSENT: Hilliard, Mendoza, Gatti.

AN ORDINANCE 41,604

CREATING 30 ADDITIONAL EMPLOYEE POSITIONS WITHIN THE GARBAGE DIVISION OF THE PUBLIC WORKS DEPARTMENT AND 12 ADDITIONAL POSITIONS WITHIN THE STREET DIVISION IN ORDER TO SERVE THE NEWLY ANNEXED AREA AND THE CURRENT CITY BUDGET IS HEREBY AMENDED ACCORDINGLY, ALSO APPROPRIATING THE SUM OF \$153,385.00 OUT OF THE UNAPPROPRIATED SURPLUS OF THE GENERAL FUND IN ORDER TO PAY SALARIES.

* * * *

The Clerk read the following Ordinance:

AN ORDINANCE 41,605

MANIFESTING AN AGREEMENT WITH SWEARINGEN AVIATION CORPORATION TO TERMINATE CERTAIN LEASE AGREEMENTS AT SAN ANTONIO INTERNATIONAL AIRPORT; AUTHORIZING EXECUTION OF A LEASE AGREEMENT WITH SWEARINGEN AVIATION CORPORATION, PROVIDING FOR LEASE OF SPACE AT SAN ANTONIO INTERNATIONAL AIRPORT FOR A 10 YEAR TERM; AND AUTHORIZING EXECUTION OF AN OPTION AGREEMENT WITH SWEARINGEN AVIATION CORPORATION, GRANTING SAID CORPORATION AN OPTION TO LEASE CERTAIN PREMISES AT SAN ANTONIO INTERNATIONAL AIRPORT; SAID OPTION BEING FOR A TERM OF TWO YEARS.

* * * *

The Ordinance was explained by Mr. Tom Raffety, Director of Aviation, who stated that Swearingen holds many leases having varying expiration dates and terms. This contract will consolidate all of the leases and put them under the same arrangements.

After consideration, on motion of Mr. Becker, seconded by Mr. Padilla, the Ordinance was passed and approved by the following vote: AYES: Haberman, Hill, Becker, Calderon, Naylor, Padilla; NAYS: None; ABSENT: Hilliard, Mendoza, Gatti.

72-56 The following Ordinances were read by the Clerk and explained by Mr. Tom Raffety, Director of Aviation, and after consideration, on motion made and duly seconded, were each passed and approved by the following vote: AYES: Haberman, Hill, Becker, Calderon, Naylor, Padilla; NAYS: None; ABSENT: Hilliard, Mendoza, Gatti.

AN ORDINANCE 41,606

MANIFESTING AN AGREEMENT WITH SAMUEL MARTINEZ AND CO., LESSEE, TO EXTEND THAT LEASE AT INTERNATIONAL AIRPORT (LEASE NO. 52-4) FOR AN ADDITIONAL ONE YEAR TERM; AND CONSENTING TO A SUBLEASE OF CERTAIN OF THE LEASED PREMISES FROM SAMUEL MARTINEZ AND CO. TO JOHN P. COSTON.

* * * *

AN ORDINANCE 41,607

MANIFESTING AN AGREEMENT WITH GILLETTE AIR CONDITIONING CO., TO TERMINATE THAT CONTRACT PROVIDING FOR AIR CONDITIONING AND HEATING MAINTENANCE SERVICES AT SAN ANTONIO INTERNATIONAL AIRPORT, EFFECTIVE OCTOBER 31, 1972.

* * * *

72-56

The Clerk read the following Ordinance:

AN ORDINANCE 41,608

APPROVING THE MONTERREY PARK PROJECT, AUTHORIZING A TOTAL PROJECT COST, ADOPTING A BUDGET AND APPROPRIATING FUNDS FOR EXPENDITURES; ACCORDINGLY, AUTHORIZING A CONTRIBUTION TO SAID PROJECT FROM 1970 PARK BONDS, ACCEPTING A GRANT FROM THE BUREAU OF OUTDOOR RECREATION & AUTHORIZING A TEMPORARY LOAN TO SAID PROJECT, ALSO ACCEPTING THE LOW BID OF R. W. JONES & SONS, INC., FOR CONSTRUCTION OF MONTERREY PARK - PHASE I, AUTHORIZING PAYMENT OF \$25,199.50 TO SAID CONTRACTOR AND \$1,200.00 TO BE USED FOR MISCELLANEOUS CONTINGENCIES.

* * * *

Mr. Robert Frazer, Director of Parks and Recreation, stated that this is the first phase of improvement for Monterrey Park which will have a multi-use play area and a integrated play system. He recommended adoption of the Ordinance.

After consideration, on motion of Mr. Hill, seconded by Mr. Calderon, the Ordinance was passed and approved by the following vote: AYES: Haberman, Hill, Becker, Calderon, Naylor, Padilla; NAYS: None; ABSENT: Hilliard, Mendoza, Gatti.

72-56

The Clerk read the following Ordinance:

AN ORDINANCE 41,609

APPROVING THE McFARLIN TENNIS CENTER PROJECT, AUTHORIZING A TOTAL PROJECT COST, ADOPTING A BUDGET AND APPROPRIATING FUNDS FOR EXPENDITURE ACCORDING TO SAID BUDGET, AUTHORIZING A CONTRIBUTION TO SAID PROJECT FROM 1970 PARK BONDS, ACCEPTING A GRANT FROM THE BUREAU OF OUTDOOR RECREATION FOR SAID PROJECT AND AUTHORIZING A TEMPORARY LOAN; ALSO ACCEPTING THE LOW BID OF WAGNER CONSTRUCTION CO., INC., TO CONSTRUCT PHASE 1 OF THE McFARLIN TENNIS CENTER IN THE AMOUNT OF \$303,069.00 TOGETHER WITH A \$15,000.00 CONTINGENCY FUND PAYABLE OUT OF FUND 705-02.

* * * *

Mr. Robert Frazer, Director of Parks and Recreation, explained that this project is for enlargement and renovation of the McFarlin Tennis Center. It provides for the addition of ten new courts, resurfacing of all of the courts, lighting, and construction of stands, etc.

After consideration, on motion of Mr. Naylor, seconded by Mr. Becker, the Ordinance was passed and approved by the following vote: AYES: Haberman, Hill, Becker, Calderon, Naylor, Padilla; NAYS: None; ABSENT: Hilliard, Mendoza, Gatti.

December 21, 1972

-8-

nsr

72-56 The following Ordinance was read by the Clerk and explained by Mr. Robert Frazer, Director of Parks and Recreation, and after consideration, on motion of Mr. Naylor, seconded by Mr. Padilla, was passed and approved by the following vote: AYES: Haberman, Hill, Becker, Calderon, Naylor, Padilla; NAYS: None; ABSENT: Hilliard, Mendoza, Gatti.

AN ORDINANCE 41,610

ACCEPTING THE LOW BID OF MAYFIELD CONSTRUCTION COMPANY TO CONSTRUCT THE JOHN R. McFARLIN ACTIVITIES BUILDING; AUTHORIZING PAYMENT TO SAID CONTRACTOR OF \$158,187.00 AND \$7,500.00 TO BE USED FOR MISCELLANEOUS CONTINGENCIES BOTH TO BE PAID OUT OF ACCOUNT NO. 70-50-02, FUND 705-02.

* * * *

72-56 The following Resolution was read by the Clerk and explained by Mr. Robert Frazer, Director of Parks and Recreation, and after consideration, on motion of Mr. Hill, seconded by Mr. Becker, was passed and approved by the following vote: AYES: Haberman, Hill, Becker, Mendoza, Calderon, Naylor, Padilla; NAYS: None; ABSENT: Hilliard, Gatti.

A RESOLUTION
NO. 72-56-61

AUTHORIZING APPLICATION TO THE TEXAS PARKS AND WILDLIFE DEPARTMENT FOR A PUBLIC OUTDOOR RECREATION FACILITY PROGRAM GRANT FOR DEVELOPMENT OF EMILIE AND ALBERT FRIEDRICH PARK.

* * * *

72-56 The following Ordinance was read by the Clerk and explained by Mr. Robert Frazer, Director of Parks and Recreation, and after consideration, on motion of Mr. Becker, seconded by Mr. Hill, was passed and approved by the following vote: AYES: Haberman, Hill, Becker, Mendoza, Calderon, Padilla; NAYS: None; ABSENT: Hilliard, Naylor, Gatti.

AN ORDINANCE 41,611

APPROVING THE ASSIGNMENT OF THE CONTRACT FOR THE USE OF A PORTION OF THE BEAUTIFIED SECTION OF THE SAN ANTONIO RIVER IN CONJUNCTION WITH A RESTAURANT OPERATION, FROM ALFRED F. BEYER AND JOHNSON W. SMITH, A PARTNERSHIP, D/B/A CASA RIO MEXICAN FOODS, TO ALFRED F. BEYER, FRANKLIN E. HICKS AND W. J. LYONS, A PARTNERSHIP D/B/A CASA RIO MEXICAN FOODS; AND MANIFESTING AN AGREEMENT TO EXTEND SAID CONTRACT FOR A ONE (1) YEAR TERM, ENDING DECEMBER 31, 1973.

* * * *

72-56 Mr. Hill inquired of Mr. Frazer if there is any reason why the Riverwalk contracts are for only one year.

Mr. Frazer stated that there is some objection to having a cancellation clause in this type of contract and this way each contract can be reconsidered on a yearly basis. He stated that it is possible to have longer term contracts if certain clauses are added.

72-56 Mayor Gatti returned to the meeting and presided.

72-56 The Clerk read the following Ordinance:

AN ORDINANCE 41,612

AUTHORIZING PAYMENT OF \$23,350.00 OUT OF FUND NUMBER 705-01, TITLED "NORTHEAST PRESERVE - PROJECT NUMBER 48-00208", AND APPROPRIATION ACCOUNT NUMBER 70-50-01 FOR THE PURPOSE OF ACQUIRING TITLE TO CERTAIN PROPERTY IN CONNECTION WITH AFOREMENTIONED PROJECT.

* * * *

The Ordinance was explained by Mr. Robert Frazer, Director of Parks and Recreation, who stated that this Ordinance provides for the acquisition of seven acres of land for the lake site at Northeast Preserve. Half of the funds are from the Bureau of Outdoor Recreation and half from the San Antonio River Authority.

After consideration, on motion of Mr. Becker, seconded by Mrs. Haberman, the Ordinance was passed and approved by the following vote: AYES: Haberman, Hill, Becker, Mendoza, Calderon, Padilla, Gatti; NAYS: None; ABSENT: Hilliard, Naylor.

72-56 The following Ordinance was read by the Clerk and explained by Mr. Robert Frazer, Director of Parks and Recreation, and after consideration, on motion of Mr. Hill, seconded by Mrs. Haberman, was passed and approved by the following vote: AYES: Haberman, Hill, Becker, Mendoza, Calderon, Padilla, Gatti; NAYS: None; ABSENT: Hilliard, Naylor.

AN ORDINANCE 41,613

MANIFESTING AN AGREEMENT WITH THE PASEO DEL RIO ASSOCIATION TO EXTEND THE PRESENT LEASE AGREEMENT FOR USE OF RIVER WALK PROPERTY ALONG THE BANKS OF THE SAN ANTONIO RIVER FOR RIVER FESTIVALS FOR A PERIOD OF ONE YEAR, BEGINNING JANUARY 1, 1973.

* * * *

72-56 Mayor Gatti was obliged to leave the meeting and Mayor Pro-Tem Haberman presided.

AN ORDINANCE 41,614

MANIFESTING AN AGREEMENT WITH VARIOUS YOUTH BASEBALL ORGANIZATIONS TO EXTEND THE PRESENT LEASE AGREEMENTS FOR THE USE OF CITY-OWNED PROPERTY AND FACILITIES FOR AN ADDITIONAL PERIOD OF TWO YEARS BEGINNING JANUARY 1, 1973 AND ENDING DECEMBER 31, 1974. (PROSPECT HILL YELLOW JACKETS, HARLANDALE LITTLE LEAGUE, SAN ANTONIO MEMORIAL STADIUM COMPANY, LINCOLN PARK RECREATION ASSOCIATION, SOUTHEAST SAN ANTONIO BASEBALL LEAGUE, PAN AMERICAN OPTIMIST CLUB LITTLE LEAGUE, EDGEWOOD BASEBALL, INCORPORATED)

* * * *

The Ordinance was explained by Mr. Robert Frazer, Director of Parks and Recreation, who stated that this is a two year renewal of the lease with seven organizations. Most of the activity is Little League baseball and he estimated that some 250 individual teams participate.

Mr. Padilla recalled a discussion regarding a baseball diamond in Houston Terrace where private property is being used for recreational purposes. The owners are still receiving tax bills. He stated that he would like to see some arrangement whereby taxes would not be assessed under these conditions.

After consideration, on motion of Mr. Calderon, seconded by Mr. Hill, the Ordinance was passed and approved by the following vote:
 AYES: Haberman, Hill, Becker, Mendoza, Calderon, Naylor, Padilla;
 NAYS: None; ABSENT: Hilliard, Gatti.

72-56 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: Haberman, Hill, Becker, Mendoza, Calderon, Naylor, Padilla; NAYS: None; ABSENT: Hilliard, Gatti.

AN ORDINANCE 41,615

AUTHORIZING SUBMISSION OF AN APPLICATION TO THE TEXAS CRIMINAL JUSTICE COUNCIL FOR A \$35,313 GRANT FOR A PROJECT ENTITLED, "SAPD COMMUNITY RECREATION PROGRAM".

* * * *

AN ORDINANCE 41,616

AUTHORIZING EXECUTION OF MODIFICATION NUMBER 6 TO THE AGREEMENT BETWEEN THE CITY OF SAN ANTONIO AND THE U. S. DEPARTMENT OF TRANSPORTATION - NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION PERTAINING TO THE ALCOHOL SAFETY ACTION PROGRAM.

* * * *

72-56 The following Ordinance was read by the Clerk and explained by Mr. Al Tripp, Director of the Convention and Visitors Bureau, and after consideration on motion of Mr. Hill, seconded by Mr. Becker, was passed and approved by the following vote: AYES: Haberman, Hill, Becker, Mendoza, Calderon, Naylor, Padilla; NAYS: None; ABSENT: Hilliard, Gatti.

AN ORDINANCE 41,617

AMENDING SECTION 14-48, ARTICLE V, OF THE CITY CODE BY INCREASING, THE HOTEL OCCUPANCY TAX FROM 2% TO 3% OF THE CONSIDERATION PAID BY OCCUPANTS OF HOTEL ROOMS.

* * * *

72-56 The following Ordinance was read by the Clerk and explained by Mr. Bill Toudouze, of the Urban Renewal Agency, and after consideration on motion of Mr. Becker, seconded by Mr. Hill, was passed and approved by the following vote: AYES: Haberman, Hill, Becker, Mendoza, Calderon, Naylor, Padilla; NAYS: None; ABSENT: Hilliard, Gatti.

AN ORDINANCE 41,618

DECLARING A PUBLIC NECESSITY FOR THE ACQUISITION OF FEE SIMPLE TITLE TO CERTAIN PRIVATELY OWNED REAL PROPERTY IN SAN ANTONIO, BEXAR COUNTY, TEXAS, FOR PUBLIC PURPOSES, TO-WIT: CONSTRUCTION AND OPERATION OF A PARKING LOT IN SUPPORT OF THE WEST END MULTI-SERVICE CENTER FACILITY; AND DIRECTING THE URBAN RENEWAL AGENCY OF THE CITY OF SAN ANTONIO THROUGH ITS ATTORNEYS PURSUANT TO CONTRACT WITH THE CITY TO INSTITUTE AND PROSECUTE TO CONCLUSION CONDEMNATION PROCEEDINGS TO ACQUIRE SO MUCH THEREOF AS CANNOT BE ACQUIRED THROUGH NEGOTIATION.

* * * *

72-56 Mr. Padilla spoke again with reference to tax exemption for property used for recreation purposes. He stated that since state law defines which properties are eligible for tax exemption that this matter should be included with other legislative requests to be discussed with the Bexar County delegation.

City Manager Loyd Hunt stated that the matter will be examined to see what relief can be had.

72-56 Mayor Gatti returned to the meeting and presided.

72-56 The following Ordinance was read by the Clerk and explained by Mr. Ted Wagner, Back Tax Attorney, and after consideration, on motion of Mrs. Haberman, seconded by Mr. Mendoza, was passed and approved by the following vote: AYES: Haberman, Hill, Becker, Mendoza, Calderon, Naylor, Padilla, Gatti; NAYS: None; ABSENT: Hilliard.

AN ORDINANCE 41,619

AUTHORIZING THE CITY MANAGER IN CONCURRENCE WITH OTHER TAXING ENTITIES TO EXECUTE QUITCLAIM DEEDS TO CERTAIN PURCHASERS TO PROPERTIES ACQUIRED THROUGH TAX FORECLOSURES AND AUTHORIZING PAYMENT TO OTHER TAXING ENTITIES AND COSTS INCURRED THEREIN.

* * * *

<u>CAUSE NO.</u>	<u>DESCRIPTION</u>	<u>PURCHASER</u>	<u>AMOUNT</u>
C-14,125	Lot 11, Block 4, New City Block 1,753	William Hooks, et al	\$6,000.00
C-14,208	Lot 3, East one-half Block E, New City Block 1,162	Juan M. Robles, et ux	750.00
C-14,280	Lots 5 and 6, Block 8, New City Block 1,081	Duke Enterprises	1,583.69
C-14,349	Lot 4, East one-half Block E, New City Block 1,162	Juan M. Robles, et ux	665.33
C-14,416	Lot 3, Block 7, New City Block 3,989	Marcelo F. Cantu, et ux	375.00
C-14,517	Lots 22 and 23, Block 3, New City Block 3,722	Joe R. Rodriguez, Jr.	900.00

72-56 Item 33 of the agenda being a proposed ordinance to increase municipal contributions to employee retirement was withdrawn from consideration at the request of the City Manager.

72-56 The following Ordinances were read by the Clerk and explained by Mr. Clyde C. McCollough, Jr., Director of Personnel, and after consideration, on motion made and duly seconded, were each passed and approved by the following vote: AYES: Haberman, Hill, Becker, Mendoza, Calderon, Naylor, Padilla, Gatti; NAYS: None; ABSENT: Hilliard.

AN ORDINANCE 41,620

ESTABLISHING AN OFFICE OF EMPLOYEE RELATIONS, CONSISTING OF A LABOR RELATIONS DIVISION AND AN EQUAL EMPLOYMENT OPPORTUNITY (EEO) DIVISION, SO AS TO STRENGTHEN THE CITY'S ABILITY TO HANDLE EMPLOYEE GRIEVANCES REGARDING WAGES, HOURS AND WORKING CONDITIONS;

AND, TO COMPLY WITH NEW FEDERAL LEGISLATION STRENGTHENING ANTI-DISCRIMINATION MEASURES; AMENDING THE PAY PLAN AND AUTHORIZING PERSONNEL; AUTHORIZING THE TRANSFER OF FUNDS AND ADOPTING A BUDGET APPROPRIATING FUNDS FOR THE OFFICE OF EMPLOYEE RELATIONS; AND, TRANSFERRING THE FUNCTIONS AND PERSONNEL OF THE OFFICE OF EQUAL EMPLOYMENT OPPORTUNITY , AS ESTABLISHED BY CITY ORDINANCE 41287, TO THE OFFICE OF EMPLOYEE RELATIONS.

* * * *

AN ORDINANCE 41,621

AUTHORIZING PAYMENT OF \$1,401.90 TO THE BAPTIST MEMORIAL HOSPITAL FOR HOSPITAL CARE OF EDWARD B. GUERRA, PARKS AND RECREATION DEPARTMENT EMPLOYEE THAT WAS INJURED WHILE ON DUTY.

* * * *

72-56 The following Ordinance was read by the Clerk and explained by Mr. W. S. Clark, Land Division Chief, and after consideration, on motion of Mr. Hill, seconded by Mr. Becker, was passed and approved by the following vote: AYES: Haberman, Hill, Becker, Mendoza, Calderon, Naylor, Padilla, Gatti; NAYS: None; ABSENT: Hilliard.

AN ORDINANCE 41,622

AUTHORIZING THE CITY MANAGER TO ENTER INTO A LEASE AGREEMENT FOR OFFICE SPACE TO BE UTILIZED BY PERSONNEL OF THE EMPLOYEE RELATIONS DIVISION OF CITY MANAGER'S OFFICE, COVERING 575 SQUARE FEET, MORE OR LESS, FOR A MONTHLY RENTAL OF \$200.00.

* * * *

In answer to Mr. Padilla's question, Mr. Clark stated that this lease is on a month to month basis in view of the renovation being done to the Vogel Building.

72-56 Mr. Becker inquired about the status of the Arsenal property.

Associate City Manager George Bichsel stated that the old commander's home is the only usable improvement on the Arsenal grounds. In its present condition this building is not suitable for office space. The estimated cost to repair the building is \$200,000.

Mayor Gatti asked that a committee composed of himself, City Manager Hunt, Mr. Bob Frazer, and Mr. Bichsel inspect the property at an early date.

72-56 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: Haberman, Hill, Becker, Mendoza, Calderon, Naylor, Padilla, Gatti; NAYS: None; ABSENT: Hilliard.

AN ORDINANCE 41,623

MAKING AND MANIFESTING A CONTRACT WITH PARK T. BENNETT FOR PROFESSIONAL SERVICES AS A RIGHT-OF-WAY AGENT IN CONNECTION WITH VARIOUS CITY RIGHT-OF-WAY AND REAL ESTATE PROJECTS FOR A FEE OF \$892.00 PER MONTH PLUS \$50.00 CAR ALLOWANCE.

* * * *

AN ORDINANCE 41,624

AUTHORIZING EXECUTION OF INDUSTRIAL WASTE SURCHARGE AGREEMENTS WITH PERSONS OR BUSINESSES DISCHARGING INDUSTRIAL WASTES INTO THE CITY'S SANITARY SEWER SYSTEM UNDER THE PROVISIONS OF ORDINANCE NO. 39435.

* * * *

AN ORDINANCE 41,625

APPROVING INCREASES IN THE BUDGETS OF THE FAMILY PLANNING - 3RD YEAR AND THE HOMEMAKER SERVICES FOR THE ELDERLY - 2ND YEAR PROJECTS, APPROPRIATING FUNDS THEREFORE, ACCEPTING GRANTS FROM THE STATE DEPARTMENT OF PUBLIC WELFARE FOR SAID INCREASES, AND AUTHORIZING CONTRIBUTIONS FROM MODEL CITIES FOURTH ACTION YEAR FUNDS IN SHARE OF SAID COST INCREASES.

* * * *

72-56 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: Haberman, Hill, Mendoza, Calderon, Naylor, Padilla, Gatti; NAYS: None; ABSENT: Becker, Hilliard.

AN ORDINANCE 41,626

APPROVING A ONE MONTH EXTENSION OF THE PRESENT AGREEMENT BETWEEN THE CITY, BEXAR COUNTY, AND MR. ROBERT H. ROSA WHEREIN MR. ROSA IS ENGAGED TO RECRUIT AND TRAIN VOLUNTEER WORKERS FOR IMPLEMENTATION OF A VOLUNTEER JUVENILE PROBATION PROGRAM.

* * * *

AN ORDINANCE 41,627

APPOINTING MR. MICHAEL A. GARCIA, JR.
AS A MEMBER OF THE MAYOR'S HOUSING
ADVISORY COMMITTEE. (FOR AN INDEFINITE
TERM)

* * * *

72-56 The following Ordinance was read by the Clerk and explained by Mr. Roy Montez, Director of Model Cities, and after consideration, on motion of Mrs. Haberman, seconded by Mr. Hill, was passed and approved by the following vote: AYES: Haberman, Hill, Mendoza, Calderon, Naylor, Padilla, Gatti; NAYS: None; ABSTAIN: Becker; ABSENT: Hilliard.

AN ORDINANCE 41,628

APPROVING THE SUBSTITUTION OF THE DEPARTMENT OF SPECIAL SERVICES OF THE CITY OF SAN ANTONIO TO OPERATE THE MODEL CITIES SENIOR CITIZENS DAY CARE PROJECT IN THE FOURTH ACTION YEAR OF THE MODEL CITIES PROGRAM, APPROPRIATING FUNDS FOR SAID PROJECT, AUTHORIZING SUBMISSION OF THE REVISION TO THE U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT FOR APPROVAL, AUTHORIZING SUBMISSION OF AN APPLICATION TO THE GOVERNOR'S COMMITTEE ON AGING, AND AUTHORIZING A SUB-CONTRACT TO THE ECONOMIC OPPORTUNITIES DEVELOPMENT CORPORATION TO PROVIDE NECESSARY SERVICES.

* * * *

72-56CITY MANAGER REPORTSSERVICE TO ANNEXED AREAS

City Manager Loyd Hunt stated that beginning December 26, the newly annexed areas will receive full police and fire protection. A temporary fire station is being set up at Military Drive and Highway 90 West to house a fire company. Immediate maintenance of traffic signals will begin and a program of street light placement will begin the first week in January. Starting January 2, routine garbage collection and street repair will begin. Building permits will be required in the annexed area as of December 26.

City Manager Hunt stated that a brochure is being prepared listing all of the services that persons in the newly annexed areas are entitled to. The brochure will be delivered as soon as possible after December 26.

December 21, 1972
nsr

-16-

P.O.W. PRAYER

Mayor Gatti asked that all of the citizens of San Antonio observe a minute at noon on Christmas Day to offer a silent prayer for our prisoners of war and the men missing in action in Southeast Asia.

72-56 ZONING HEARINGS

A. CASE 4691 - to rezone Arbitrary Tract 7A, NCB 12887, 2200 Block of Semlinger Road, from "A" Single Family Residential District to "I-1" Light Industry District, located on the north side of Rigsby Avenue between Semlinger Road and S. E. Loop 410 Expressway having 87.12' on Rigsby Avenue, 720' on Semlinger Road and 391.19' on S. E. Loop 410.

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

No one spoke in opposition.

After consideration, Mrs. Haberman made a motion that the recommendation of the Planning Commission be overruled and that the property be rezoned, provided that proper replatting is accomplished and that a six foot (6') solid screen fence be erected along the west property line. Mr. Padilla seconded the motion. On roll call, the motion, carrying with it the passage of the following Ordinance, prevailed by the following vote: AYES: Haberman, Hill, Becker, Mendoza, Calderon, Naylor, Padilla, Gatti; NAYS: None; ABSENT: Hilliard.

AN ORDINANCE 41,629

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 ARBITRARY TRACT 7A,
NCB 12887, 2200 BLOCK OF SEMLINGER ROAD,
FROM "A" SINGLE FAMILY RESIDENTIAL
DISTRICT TO "I-1" LIGHT INDUSTRY DISTRICT,
PROVIDED THAT PROPER REPLATTING IS
ACCOMPLISHED AND THAT A SIX FOOT (6')
SOLID SCREEN FENCE BE ERECTED ALONG THE
WEST PROPERTY LINE.

* * * *

B. CASE 4790 - to rezone Lots 16, 17 and 18, Block 13, NCB 11453, 5000 Block of Penrose Street, from "A" Single Family Residential District to "B-3" Business District, located northwest of the intersection of Penrose Street and Benrus Boulevard; having 150' on Penrose Street and 150' on Benrus Boulevard.

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

Mr. Rich Zimmer, the applicant, stated that he is requesting "B-3" zoning so that he can put in a washateria and convenience store. Just west of this property is Culebra Park which has about 1,000 homes. He said that it would be a convenience to the neighborhood as there are no stores nearby. He asked for favorable consideration of his application.

Mrs. Dolores A. Romero, 1623 Benrus, spoke in opposition. She stated that it is a residential area and the increased traffic would be undesirable. She also said that there is a convenience store just seven blocks away on Culebra Road. The Council was asked to deny the request.

After consideration, Mr. Becker moved that the recommendation of the Planning Commission be overruled and that the property be rezoned. The motion was seconded by Mr. Hill. On roll call, the motion failed to obtain the necessary seven affirmative votes and the rezoning was denied as per the following vote: AYES: Haberman, Hill, Becker, Mendoza, Naylor; NAYS: Calderon, Padilla, Gatti; ABSENT: Hilliard.

C. CASE 4793 - to rezone a 33.02 acre tract of land out of NCB 12175, being further described by field notes filed in the office of the City Clerk, 4500 Block of Rittiman Road, from "B" Two Family Residential District to "I-1" Light Industry District; a 1.52 acre tract of land out of NCB 12175, being further described by field notes filed in the office of the City Clerk, from "B" Two Family Residential District to "B-3" Business District; a 2.75 acre tract of land out of NCB 12175, being further described by field notes filed in the office of the City Clerk, 4500 Block of Rittiman Road, from "B" Two Family Residential District to "O-1" Office District; a 0.20 acre tract of land out of NCB 12175, being further described by field notes filed in the office of the City Clerk, from "B" Two Family Residential District to "R-2" Two Family Residential District; and a 30.73 acre tract of land out of NCB 12175, being further described by field notes filed in the office of the City Clerk, from "B" Two Family Residential District to "R-3" Multiple Family Residential District.

The "I-1" zoning being located on the south side of Rittiman Road, being 250' west of Loop 410; having 451.72' on Rittiman Road and a maximum depth of 2785'.

The "B-3" zoning being located on the south side of Rittiman Road, 711.72' west of Loop 410' having 330.0' on Rittiman Road and a depth of 200'.

The "O-1" zoning being located on the south side of Rittiman Road, being 1041.72' west of Loop 410; having 200' on Rittiman Road and a depth of 600'.

The "R-2" zoning being located 600' south of Rittiman Road and 138' east of Fiat Drive; having 75' in width and 120' in length.

The "R-3" zoning being an irregular shape tract of land being located 600' south of Rittiman Road, 582' west of N. E. Loop 410 Expressway. Also having a frontage of 758.61' on Holbrook Road and a maximum depth of 1060.25'. Then extending north a distance of 1369.12'.

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. Becker made a motion that the recommendation of the Planning Commission be approved, provided that proper replatting is accomplished. Mr. Hill seconded the motion. On roll call, the motion, carrying with it the passage of the following Ordinance, prevailed by the following vote: AYES: Haberman, Hill, Becker, Mendoza, Calderon, Naylor, Padilla, Gatti; NAYS: None; ABSENT: Hilliard.

AN ORDINANCE 41,630

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 33.02 ACRE TRACT OF LAND OUT OF NCB 12175, BEING FURTHER DESCRIBED BY FIELD NOTES FILED IN THE OFFICE OF THE CITY CLERK, 4500 BLOCK OF RITTIMAN ROAD, FROM "B" TWO FAMILY RESIDENTIAL DISTRICT TO "I-1" LIGHT INDUSTRY DISTRICT; A 1.52 ACRE TRACT OF LAND OUT OF NCB 12175, BEING FURTHER DESCRIBED BY FIELD NOTES FILED IN THE OFFICE OF THE CITY CLERK, FROM "B" TWO FAMILY RESIDENTIAL DISTRICT TO "B-3" BUSINESS DISTRICT; A 2.75 ACRE TRACT OF LAND OUT OF NCB 12175, BEING FURTHER DESCRIBED BY FIELD NOTES FILED IN THE OFFICE OF THE CITY CLERK, 4500 BLOCK OF RITTIMAN ROAD, FROM "B" TWO FAMILY RESIDENTIAL DISTRICT TO "O-1" OFFICE DISTRICT; A 0.20 ACRE TRACT OF LAND OUT OF NCB 12175, BEING FURTHER DESCRIBED BY FIELD NOTES FILED IN THE OFFICE OF THE CITY CLERK, FROM "B" TWO FAMILY RESIDENTIAL DISTRICT TO "R-2" TWO FAMILY RESIDENTIAL DISTRICT; AND A 30.73 ACRE TRACT OF LAND OUT OF NCB 12175, BEING FURTHER DESCRIBED BY FIELD NOTES FILED IN THE OFFICE OF THE CITY CLERK, FROM "B" TWO FAMILY RESIDENTIAL DISTRICT TO "R-3" MULTIPLE FAMILY RESIDENTIAL DISTRICT, PROVIDED THAT PROPER REPLATTING IS ACCOMPLISHED.

* * * *

D. CASE 4801 - to rezone Lots 1 and 2, Block 9, NCB 10043, 200 Block of Oblate Drive, from "A" Single Family Residential District to "R-3" Multiple Family Residential District, located on the south side of Oblate Drive, being 140' east of South Sea Lane; having 200' on Oblate Drive and a depth of 170'.

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. Becker made a motion that the recommendation of the Planning Commission be approved, provided that proper replatting is accomplished. Mr. Naylor seconded the motion. On roll call, the motion, carrying with it the passage of the following Ordinance, prevailed by the following vote: AYES: Haberman, Hill, Becker, Mendoza, Calderon, Naylor, Padilla, Gatti; NAYS: None; ABSENT: Hilliard.

AN ORDINANCE 41,631

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 1 AND 2, BLOCK 9, NCB 10043, 200 BLOCK OF OBLATE DRIVE, FROM "A" SINGLE FAMILY RESIDENTIAL DISTRICT TO "R-3" MULTIPLE FAMILY RESIDENTIAL DISTRICT, PROVIDED THAT PROPER REPLATTING IS ACCOMPLISHED.

* * * *

E. CASE 4813 - to rezone the north west 367' of the north east 296' of Tract A, NCB 13837, from Temporary "A" Single Family Residential District to "B-3" Business District, located south of the intersection of Heimer Road (northeast to southwest) and Heimer Road (northwest to southeast), having 296' on Heimer Road and 367' on Heimer Road.

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. Becker made a motion that the recommendation of the Planning Commission be approved, provided that proper replatting is accomplished. Mr. Hill seconded the motion. On roll call, the motion, carrying with it the passage of the following Ordinance, prevailed by the following vote: AYES: Haberman, Hill, Becker, Mendoza, Calderon, Naylor, Padilla, Gatti; NAYS: None; ABSENT: Hilliard.

AN ORDINANCE 41,632

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 NORTHWEST 367' OF THE NORTHEAST 296' OF TRACT A, NCB 13837, FROM TEMPORARY "A" SINGLE FAMILY RESIDENTIAL DISTRICT TO "B-3" BUSINESS DISTRICT, PROVIDED THAT PROPER REPLATTING IS ACCOMPLISHED.

* * * *

MAYOR GATTI: The Public Hearing for the telephone company's request for a rate increase will begin now. In the interest of everyone receiving equal time, Mr. Inselmann will time the amount of time that the telephone company makes..takes in their presentation and then all the other citizens who are interested in speaking either for or against the rate increase will be given a like amount of time. Also, I want to make it very clear that this is not an action hearing. This is a hearing for the specific purpose of listening to everyone who has a concern, both pro and con, in relation to the telephone company's request. Mr. Inselmann, you will time the telephone company, and then let us know what that is, and set your bell for that amount of time for each citizen who has requested to be heard. We will also hear only those who have signed up, and I have the sign-in sheet here. If anyone else desires to be heard, please let me know now, so you can sign up for the hearing. There will be no accumulated time. In other words, each citizen must speak for himself. We do not desire to have one citizen say he's representing eight people. Each person should represent himself. Okay. Proceed.

MR. BILL GRIEP: Good morning. I am Bill Griep, division manager for Southwestern Bell.

I would first like to very briefly restate our reasons for requesting a rate increase here in San Antonio. Secondly, I would like to answer some questions that have arisen over the past few weeks which I feel reflect some misunderstanding in regard to our rate application.

The basic reason for our rate request is that our income is inadequate to provide the level of service that San Antonio requires. I stated in my presentation of November 9 that our earnings had fallen to a dangerously low 2.9% on the value of our investment here in San Antonio. That is the lowest level we have experienced in the past 16 years.

While our earnings have been declining, our need for capital expenditures continues to increase each year. These capital requirements continue upward because the communications needs of the community continue to increase. In 1970 our capital outlay was \$25 million. This year we are spending \$33 million. We simply cannot continue spending that level of capital dollars with earnings of 2.9%.

So what does all this mean to the community? It simply means that, if we are to keep pace with San Antonio's growth and economic expansion and if we are to continue providing the kind of telephone service which the community demands, we must obtain a more reasonable level of earnings.

We have submitted to the Council a number of proposed increases in various types of services. Some of the suggested basic changes are outlined on this chart.

I am sure you have heard some comments about a "23% telephone rate increase." I know I have. Notice that the schedule includes a \$1.50 monthly increase in basic one-party residence service. Dividing \$1.50 by the present \$6.40 charge does result in a 23% calculation. However, many of our customers who have more than basic service (extensions, Touch-Tone, Trimline for example) and who use a certain amount of long distance are under the impression that a 23% increase applies to their total bill. This is simply not the case. No matter how much your residence telephone bill runs a month, the proposed increase would be a flat \$1.50. If you only have basic service, then it does figure out to a 23%. But if you are like the average residence telephone customer whose bill is \$18 a month, the increase, on a percent basis, is about 8%. If a customer is interested in determining the percent increase of his telephone bill, it should be done on an individual basis by applying the \$1.50 increase to whatever total the individual bill may be.

This same thought applies to the proposed \$4.25 a month increase for business individual lines.

Some concern has been voiced regarding the impact of our requested rate increase on low and fixed income families. It is a legitimate concern and that is why we are requesting only a 35 cent a month increase in two-party residence service. By the way, this 35 cents a month is an increase of about 7%, not 23%.

There also have been questions about why we wish to charge for non-published numbers. After all, we don't print the customer's name in the phone book, therefore, it seems we must save money. This just isn't correct. Unlisted numbers generate calls to directory assistance. These calls require more time to handle and thus are more expensive than the normal call to directory assistance. Monthly charges such as we are proposing are already in effect in 34 other states, which I feel reflect the general belief that this service, and its resulting increased costs, should not be subsidized by all telephone customers, but rather paid for by those who use it.

In conclusion, then, our problem is low earnings. Earnings are low primarily due to the requirement for large capital dollar expenditures to keep pace with a growing metropolitan area and to the continuing pressures of inflation. We seek this rate adjustment, then, in order that we can continue to provide the level of telephone service which the community demands.

In the past 18 years, we have requested two general rate increases. I don't believe you can find many businesses that can match that record. We feel our case is strong, our need is urgent and our request is reasonable. As always, we are prepared to provide whatever additional data the Council or the Utility Supervisor may need.

That concludes my presentation. Thank you.

MAYOR GATTI: Thank you, Mr. Griep. The time was five minutes, which has been the standard. So, we'll now call Mrs. Robert Rubio.

MRS. RUBIO: I am Mrs. Robert Rubio and I am Regional Vice-President for Texas Consumers Association; Vice-chairman for Archdiocesan Commission for Mexican-American Affairs and also represent the Barrio Betterment Development Corporation. Since November 9th, we have voiced our opposition to proposed increases in telephone rates for the City of San Antonio and we again ask City Council to deny Southwestern Bell's request for higher rates pending a review of the structure of telephone rates throughout the entire state.

These same telephone company representatives who are now demanding a huge rate increase from the City of San Antonio have devoted their resources during very recent session of the Texas legislature to blocking a state wide study of existing telephone rates and service. The telephone company prefers the strategy of (divide and conquer) moving from one community to another seeking rate increase on top of rate increase until rates across the state have been sharply hiked without any effective review on the state level.

That Texas is the only state in the nation lacking a Public Utilities Commission to regulate phone rates reflects the success of the telephone lobbyist. We know that it costs less to call outside Texas than to closer points inside Texas. This results from the Interstate Commerce Commission regulation of interstate rules and the total absence of any regulation of rates for calls within the state.

The telephone company should bear the burden of proving that any rate increase is justified and, until they provide data to demonstrate their need for increased profit on a state wide basis, no rate increase should be granted.

As our Congressman has stated "many of the poor, the elderly and handicapped may have to face the choice of going without food or clothing in order to have telephone service (or losing their telephones and risking their lives)."

We predicted that Southwestern Bell Telephone Company would call a hearing for December 24, when citizens should be with their families and we missed it by three days. Thank you.

MAYOR GATTI: Thank you, Mrs. Rubio. Mr. K. S. King.

MR. KING: My name is K. S. King, and I object to the rate increase unless and until the City is absolutely sure that it is justified. As far as the Utilities Supervisor, I believe the tax payer should also be told just how much experience he has. Qualification and experience are two different things.

MAYOR GATTI: Thank you, Sir. Mr. Willis F. Huddleston.

MR. HUDDLESTON: My name is Willis F. Huddleston. I am a candidate in April City Council elections. The main reason I am opposed to this rate increase by Southwestern Bell is I feel that is too inflationary. I feel that by keeping raising rates like telephone rates, and other things, inflation keeps going up and we can't defeat inflation. I think Southwestern Bell is making enough money that they can afford to wait a few years, until this inflation is finally stopped. That is the only way we can beat inflation. The poor cannot afford it. Sure, they did it in Dallas, but up in Dallas they are a lot more wealthier people up there. They can afford to shop at Neiman-Marcus. They can afford to go to the psychiatrist. They can afford to take their dogs to the psychiatrist. They can afford all this stuff that is high-raising. But, the people in San Antonio cannot afford that. This is the reason that I am opposed to it.

MAYOR GATTI: Thank you, Sir. Mr. H. P. Dulaney.

MR. DULANEY: I want to make a few quick points so when the garbage collectors come out and ask you for a raise, you'll remember that in 1970 the (inaudible) of the mathematical acrobats that Mr. Griep went through, you gave 16.6% raise to 82½% of the phones. Now, they're asking for 23.4%. Therefore, you people are giving to a monopoly a 40% raise in the last couple of years. Now remember that when the garbage people come and ask you, you gave 40%, and we don't go by \$18 you take the garbage men and give them \$2. You gave whatever percent of his basic rate. You don't figure over time like he's figures \$18 a month. I've got stock in AT&T so I'm just not against it. But, there's a big movement in the United States to democratize the phone company. Now, they have given you \$176.9 million valuation. They tell you when you go to tax them it is only \$142 million. The next figure you should ask the phone company is how much will they take for the phone company. Maybe the City will buy it. You already bought the surface lines of the Public Utilities, so if they start giving you an ultimatum why don't you buy the phone company. Now, another thing in the presentation, he tells about inflation. Ninety-nine percent of their material is brought from Western Electric Company which they own. So their left hand is inflating their right hand and (inaudible). So, remember their inflation is caused by their own company and the only thing they will do is when they are made to do it. They have fought against cumulative voting but except in California the State Legislature made them have cumulative voting so there is minority representation. They always say Ma Bell rents but never sells but the FCC made them sell some of their equipment so they now have a one-time charge for some of the equipment. The AT&T issued \$200 million worth of stock, and they can use that money. As you know, Mr. Mayor, they say that can't get on the market and stock went up ten points last year. So they are not having any trouble with their stock. It is going up. That's all I have to say.

MAYOR GATTI: Thank you, Mr. Dulaney. Mr. Barenblat.

MR. BARENBLAT: My name is Marvin Barenblat. I am in business here in the City of San Antonio. I conduct my business here. Because of the nature of my business, I probably have much more opportunity to deal with

December 21, 1972
mhe

and talk with members of Southwestern Bell Telephone Company. I am aware that they have a lot of problems, as I do as a small businessman. I am also aware that they have problems that I don't have. One of the problems that they are faced with is that they must make a legitimate or decent return on their capital investment in order to keep up with the dynamic growth of our City. I, as a citizen, same as everyone else here and those that are not here, are going to demand a certain greater service and, unless we can insure the telephone company that they make a legitimate return on their investment, they are not going to want to be able to invest this capital. I would suggest an in-depth study of what they propose and, if it is justifiable, then I think there is no question that they should be granted their rate increase.

MAYOR GATTI: Thank you, Sir. Mr. Bob Sheehy.

MR. SHEEHY: Mr. Mayor and Members of the Council, my name is Bob Sheehy. I am an attorney representing the San Antonio Telephone Company. (At this point Mr. Sheehy distributed copies of a prepared statement to the Council which he then summarized. The full text of the prepared statement follows.)

City Council
City Hall
San Antonio, Texas

Members of the City Council:

On behalf of my client, San Antonio Telephone Company, we wish to express our appreciation for the privilege of making a presentation at this public hearing.

As you know, San Antonio Telephone Company, is a competitor of Southwestern Bell Telephone Company in that we also furnish telephone equipment and as such, are directly affected by the manner in which any increase is given. However, we also are users of the Southwestern Bell Telephone Company's telephone lines and services and are directly affected by any rates the same as any other citizen of San Antonio. The purpose of this letter is to place in writing the oral presentation which was made today.

There are certain questions that remain unanswered after reviewing the information filed by Southwestern Bell with the San Antonio Utility Department. There are discrepancies which are very obvious when you compare the presentation with the facts found by the Utility Departments of other cities, as well as the findings of independent experts. Some of these questions are as follows:

(1) Southwestern Bell Telephone has invariably asked for a low rate of return but somehow ends up with a substantially higher return than requested. The first question which we feel the City Council should get a definite answer to is whether or not 4.94% return on the fair value of Bell's plant in San Antonio is really what Bell believes is reasonable and will accept. Closely connected with this is the question of how much net earnings does Bell need. In its presentation, it would appear that the present revenue of Bell is 5.1 million dollars and that it is requesting net earnings of an additional 3.6 million dollars, or a total of 8.7 million dollars. Again, this figure has had a habit of increasing as Bell went along and Bell should indicate whether this total figure is reasonable and all that is necessary.

(2) Bell's financial report filed with the City follows the classic pattern across the State of Texas in that it does not furnish one of the most important facts which the City needs in determining the fair value of the rate base.

From the Court decisions, including the Alvin case, it is clear that the fair value of the rate base should be calculated by comparing original cost, less depreciation, with current cost, less an allowance for age and condition. Nowhere in the information which Bell furnished can I find any indication of what the original cost of the equipment in San Antonio is, nor is there any mention of depreciation reserve. Instead of using original cost, Bell, on page 5 of its financial statement, uses trended net investment, which is merely raising the original cost into what they consider to be current dollars. This has never been used as a comparison in the court cases in Texas and should be ignored. In the other major cities of Texas, when the original cost is compared with the current costs, it has resulted in lowering of the fair value of the rate base by as much as 25%.

(3) While on the subject of rate base, it is noted that Bell included in its statement on page 5, as part of the rate base, the items of cash working capital and materials and supplies for a total of 1.4 million dollars. The Director of Public Utilities in Dallas determined that there was no such plus factor in the value as a whole and disallowed this deduction. (See Paragraph 2, page 7 of his report.) Again, this would reduce the amount of the rate base.

(4) Turning to the item of depreciation in the financial report, we find that Bell takes a deduction for 10 million dollars of depreciation, yet allows only 18.8 million dollars for total depreciation of the plant from the beginning to the present. As a matter of fact, Bell states by the figures on page 5 of its statement, that the plant as it exists in San Antonio today, with much obsolete and outdated equipment still in service, is 91% as good as a brand new plant constructed today. This seems to be an exaggeration and a greater amount for age and condition has been deducted by the rate experts' studies that I have seen in the State of Texas. Dallas deducted 20% for age and condition.

(5) Turning back to depreciation, it appears clear from the notes on pages 7A and 7B of the statement, that the depreciation figure has nothing to do with original cost but is an inflated figure based upon their appraised value. You will see in Note D, on page 7B, that though they use 10 million dollars to arrive at the current earnings in the financial statement, which they filed with the city, the amount of depreciation taken on original cost was only 7 million dollars, which has the effect of lowering the earnings by 3 million dollars. This type of shifting back and forth on depreciation is exactly what was condemned in the case of The City of Weslaco v. General Telephone Company of the Southwest, 359 S. W. 2d 260. Again, the rate experts seem without exception to make an adjustment to bring depreciation in line, which results in higher earnings and less need for additional earnings.

(6) In the schedule on page 8 of the report, Bell makes adjustments for many different items which it says will occur in the future. Though it makes adjustments for increases in directory advertising income, it makes no adjustment for the increased revenue which Bell has received each year. This has been estimated by some to be an increase of about 5-1/2% per year. If adjustments are to be made, then adjustments on both the revenue and expenses should be taken into consideration. The Dallas Public Utilities Department declined to make any adjustment, stating that the adjustment should be offset by increased efficiency in operation. Again, disallowing these adjustments would raise the earnings approximately 1.2 million dollars.

626

The conclusion that seems inescapable is that whenever Bell is examined by competent rate analysts, the citizens of municipalities end up saving millions of dollars which otherwise would have been paid to Bell. Since San Antonio has among the highest rates in the State of Texas, it would appear that little or no increase would be necessary for Bell at this time. As a measuring factor, it is interesting to note that Bell, in the State of Texas, has a 8.8% rate of return, which is among the top five of all of the States. This hardly speaks of a company which is going broke and cannot make investments to continue growth and expand its services.

There is another aspect of the Bell increase which we are vitally interested in. In Bell's proposed rates, it proposes to obtain the increased revenue totally out of basic services (such as line charges for residential and business). There is no proposal to raise equipment charges. We believe this is aimed at driving competitors, such as our company, out of the telephone equipment field so that Bell can continue to be a monopoly. To show that this is Bell's intention, it is interesting to note that both residential one-party and business one-party lines increase 24% approximately. However, commercial PABX trunks (the greatest field of competition under present FCC requirements) is increased 45%. We would like to know what Bell's justification is for this different rate of increase. As shown by the simple chart attached hereto as Exhibit 1, the effect is to make Bell's equipment and PABX trunks lower in price than any competitor could possibly match. Current figures from AT&T and Western Electric will show that Bell is receiving little or no return for the PABX equipment, which plainly shows that this cost is subsidized by the other charges. In effect, Bell is asking the citizens of San Antonio to subsidize it in driving out competition in the equipment field.

We are not asking for any advantage over Bell, but rather are asking that we not be driven out of business by the manner in which the rates are set. It seems that the City Council should request evidence from Bell as to the reasons for the disproportionate increase in commercial PABX trunks, as well as why Bell is not raising equipment charges the same percent which it is raising line charges. Unless the City Council is attempting to aid Bell in its efforts to drive competition from the station equipment field, the only fair proposal would be to require Bell to increase revenues from the non-basic services at exactly the same percent as it increases revenues from the basic services. If there is any question in the minds of the City Council as to the fact that Bell Telephone is attempting to subsidize the business equipment field with higher line charges, we would suggest a study be made comparing the cost of PABX equipment, with the present charges for equipment, against the cost of installing a residential line compared with the revenues from that service. A study made earlier by the FCC indicated that certain Bell rates on competitive equipment yielded less than 1% return, while return on non-competitive services was in excess of 10%. If the proposed rate changes were put into effect, we believe they would produce the same results in Dallas.

In conclusion, we are merely asking that the City Council order an exhaustive study of Bell's proposed rate base, its current income, and the effect of its proposed rates. We will be glad to cooperate with the furnishing of any information which the City Staff feels would be beneficial. In return, we would request copies of whatever information Bell continued to file with the City, as well as any analysis made.

COMPETITIVE RATE ANALYSIS
Ten Trunk, Thirty Extension PABX System Cost
Comparison

Under Present Rates -

	<u>Our Competitive</u> <u>PABX</u>	<u>Bell 300</u> <u>Package</u>
Monthly Equipment Cost (approximately)	\$250.00	\$606.00
Bell Monthly Bill for Trunks for Interface \$27.00 + \$6.00 X 10	<u>330.00</u>	<u>No Charge</u>
TOTAL COST	<u><u>\$580.00</u></u>	<u><u>\$606.00</u></u>

Under Proposed Rates -

Monthly Equipment Cost (approximately)	\$250.00	\$606.00 (No change required)
Bell Monthly Bill for Trunks for interface \$36.90 + \$6.00 X 10	<u>429.00</u>	<u>No Charge</u>
TOTAL COST	<u><u>\$679.00</u></u>	<u><u>\$606.00</u></u>

MAYOR GATTI: Thank you.

MR. SHEEHY: Thank you. May I leave this with you.

MAYOR GATTI: Yes, please. Mr. K. D. Warfield.

MR. WARFIELD: My name is Ken Warfield. I'm President of San Antonio Telephone Company. I just went through a rate hearing that Bell was granted in Dallas that was the biggest farce in the State of Texas that I've ever seen. Now, the City of Houston have retained an outside qualified firm to study the rate increase. Dallas didn't like to be compared to Houston. The City Council, when the presentation was made, sat there and completely ignored the entire opposition and passed a rate increase that Bell Telephone is not entitled to. I do not want to see the same thing happen here in San Antonio. First of all, our position as a company, and our home office is here in San Antonio, we own five other telephone companies throughout Texas. First of all, they do not justify a rate increase. The fact and figures that Mr. Sheehy is giving you will present this. Number two, we strongly urge the Council to retain a private firm, such as the qualified firm in Houston, to study their proposal. The Utility Supervisor here is limited in their ability of what they can do. To study the Bell rate structure will take an outside firm that is well qualified. In behalf of the citizens and competitors such as ourselves, again, we urge that the City retain a firm and take no further action until the Bell structure is fully examined--which it never has been, not until now; and, in the last three years since Bell has had competition, they no longer come to the City Council in the State of Texas and are able to run a rate increase through as fast as they did. Now, they have people that are qualified to question them and our company will be glad to furnish any information that the Utility Supervisor may request. Thank you.

MAYOR GATTI: Thank you, Sir. Col. Warren L. Taylor

COLONEL TAYLOR: May it please the Honorable Mayor and this Honorable Council. Thank you for the opportunity to appear here today. My name is Colonel Warren L. Taylor. I am representing the consumer interests of the Department of Defense and all other executive agencies of the United States, particularly all military and civilian activities within the San Antonio area and served by Southwestern Bell Telephone Company.

These federal activities locally situated procure various telephone services from Southwestern Bell amounting in the neighborhood of about \$800,000.00 annually. The proposed increase will have a substantially adverse effect upon the Government as a user of these services, considering the magnitude of the increase.

The interest of the Government here is two-fold: Firstly, it is our position that the application for a rate increase should be denied unless an unusually strong showing is made; and, secondly, the increase to any user should be apportioned on an equitable basis.

With respect to our first contention, an analysis of the company's presentation reveals that Southwestern Bell has not satisfied its burden of establishing a need for any increase at this time. It is well settled that the company is not entitled to earn more than a fair return upon the fair value of the property used and useful in rendering its services to the public.

The presentation does not include any statement of what the company would actually earn on that portion of its equity applicable to its San Antonio operation. It appears from comments which we will make in a moment, that the return could approach 15%, a return appropriate only to a speculative risk which the telephone operation certainly is not. The company should be required to show exactly what it proposes to earn on its equity so that the Council will be sure that the San Antonio rate payers will not in fact be subsidizing other operations of Southwestern Bell and AT&T. The failure of the company to include information about actual return on actual equity in this case leaves the Council without sufficient information to approve the application in whole or in part.

The United States recognizes that the State of Texas requires rates to be set upon the fair value of the property. The real test is the actual return on equity. A fair and usual return on equity should not exceed 10%.

Several observations should be made about this "fair value of property devoted to exchange operations" amounting to \$176,900,000 as of December 31, 1971, as computed by applicants. The Council should be aware of the following before it accepts this figure:

1. The actual cost of large quantities of telephone equipment has decreased rather than increased. In fact, there has been a substantial decrease in the cost of the actual telephone instrument itself.
2. Over the years, the company has installed heavy gauge copper wire in various types of cable and aerial wire. With technological advancement lighter gauge wire can be substituted therefor. Needless to say, lighter gauge wire costs much less than heavier copper wire.
3. The construction of the present telephone plant has been accomplished on a piece-meal basis; and, if constructed at one time as contemplated, by computing the so-called current cost, substantial economics would be achieved.

The foregoing should be considered in arriving at the fair value of the rate base. The business and Government users pay a higher rate for telephone service than the residential user. It is noted, however, that

Southwestern in several of its proposals would increase the business and Government rates for service disproportionately, for example: At Fort Sam Houston, it proposes to increase the charge for one party business lines from \$17.75 to \$22, and increase of \$4.25, or about 24%. The charge for private Branch Exchange trunks will be increased from \$26.63 to \$38.50, an increase of \$11.87, or about 45%. Put another way, presently the PBX rate is 1.5 times the one party business flat rate. The company proposes to increase the multiplier to 1.75 and at the same time increase the one party business flat rate by 24%. This gives rise to a net rate increase for PBX trunks of 45%. Note that without increasing the multiplier, simply increasing the flat business rate by \$4.25, increases the PBX charge by 24% from \$26.63 to \$33. Similar figures occur for all Government users. For the Council to really know that any such rate increase is justified, the company should be required to present a cost-of-service study as to each type of service. The Council would then be in a better position to set the applicable rates for the various services. Otherwise, each service should be increased at the same percentage rate that is allowed overall.

We stated earlier that the company should be required to make an unusually strong showing. The minimal information supplied to date by the company and the showing we have of the true percentages suggests overreach. Having put itself in an overreach position, the company should be required to justify in minute detail every bit of increase.

MAYOR GATTI: Thank you, Sir. Mr. Bill Wallace.

MR. WALLACE: Good morning, Mr. Mayor and Council. You have had many technical sides of this thing this morning. I'd like to give you a little grass root side. Number one, you're going to open up a whole new bag of tricks by allowing the telephone company to have a 23% raise either residential or otherwise. A couple of weeks ago, when I appeared before the Council on the very same thing, you said that there would be a hearing. Some information was brought out that there was \$5 million profit made on this. I can in no way, if this information is true, and it's supposed to have come from the telephone company themselves, see how anybody can justly verify any type of rate, anything other than a dropping rate, if they made \$5 million.

Another thing that I brought out and the fact that I want to bring this out again is that the poor people have to pay from \$35 to \$50 deposit on the phone and, naturally when you're living on a strict, tight budget, you're going to miss some payments now and then. That means you're never ever going to see that money as long as you live unless you move out of town. Someone says it draws a rate of 6%, but it draws a rate of 6% it stays with the company, and they continually use this money over and over again making more money, and then come in and tell that we want some more money from these people. This is wrong.

There was something, they made a statement while ago about it takes more for an unlisted number; no way, no way. They have operators, information operators and this sort of thing to give you information whether the number is listed or not; and they put you besides the name if it's unlisted and they say it's a restricted number or we have no listing. These people are hired to do this. They have millions of calls a day or a thousand calls a day for numbers that are listed, so if these people can't do the job, tell them to get out of the kitchen if the heat's too hot; then move, get somebody else that can do the job, but don't penalize the people who are using the service.

One other thing, I want the Council to remember that maybe pretty soon cable is coming to San Antonio. I didn't hear anybody say anything about this \$5 poll a year charge that they're going to be getting for the use of this cable. What are they going to do with that money? I would like to see that justified. All of this means one thing. Somebody is coming up here and trying to sell you a bill of goods. You can examine all the facts and come up with a logical conclusion and demand that they

December 21, 1972
mhe

drop the rates instead of asking for a raise, or you can be very foolish and give them a raise. Now, I don't care what the rates are in New York. I don't care what the rates are in San Francisco. I really don't care what the rates are in Dallas, Houston, El Paso, even Austin which is quite a bit closer. I live in San Antonio. I have no intentions of moving out of the City, so I hope to, in that case, die in San Antonio, and I'd like to see my City become greater not worse. But, if the push come to the sheriff then the only thing I can see is that poor people are going to have to do without a phone because no way. I have an unlisted number but in last year alone my number was given out by the telephone company 15 times--twice to me--because a lot of people tell us where did you get my number, you know, they say we got it from information, so you know I just wanted to check every once in while. I checked, and twice the number was given to me. So, if anything, they owe me a little dust, you know. For invasion of privacy. Being a civic leader and very active, I get quite a few calls.

MAYOR GATTI: Thank you, Bill. Mr. James P. Beard.

MR. BEARD: Honorable Mayor and Members of the City Council, I am James P. Beard. I am not here basically concerned with rate increase. I am here concerned with what I have seen in the paper regarding the comparison between the Los Angeles area and what has transpired right here in San Antonio.

I happened to lived in Los Angeles for a period of January 1, 1964 to May 1967. I am quite familiar with the situation in Los Angeles. Even though the rate base is much cheaper in Los Angeles, when you have your unit message that is involved with all zone areas, I can guarantee each one of you that the average telephone bill in Los Angeles is far higher than it is in the City of San Antonio.

Now I have just recently moved back to San Antonio, having left here in 1963, and I have lived in Houston and I have lived in Los Angeles in the meantime. I do know from personal experience being involved with business in Los Angeles and being involved with personal phones and being involved with the message units that is involved there that there is no way that the system in Los Angeles is going to be a cheaper system than the present base rate with no message units that one involved in the City of San Antonio. The average individual in Los Angeles, and I'm talking about the average individual, thinks twice before they use the phone when they go outside their own zone. You can spend a dollar or dollar and a half real fast going through zones if you talk five, six, or seven minutes. Here in San Antonio, you certainly have unrestricted use of your telephone. Now, I personally feel, and we are talking about the people who are not able to afford large telephone bills, they are going to be denied the use of talking to their friends or anybody or relatives or discussing a death or illness or anything like this with anyone that lives in another zone because if you get involved with this situation you are going to find that your telephone bills are going sky high and you are going to say "Well, I don't know. I talked to Aunt Jane for five minutes longer than I was supposed to" or whatever the situation might be.

Gentlemen, the only thing I want to say to you is that whenever this situation is considered that I hope this is brought into mind and, even though the base in Los Angeles is much cheaper than what you have here in the City of San Antonio or even the proposed rate, that you will find that the average telephone bill is going to be much higher if the unit message type of situation is adopted. Thank you.

MAYOR GATTI: Thank you.

MR. PADILLA: Mr. Beard, you seem to be well versed. Are you by any chance a phone company employee?

MR. BEARD: No, I am not. I manage a retail shoe store here in San Antonio. I supervised retail shoe stores when I was in Houston and also when I was in Los Angeles.

MR. PADILLA: You seem so well informed, I just had to ask you that.

MAYOR GATTI: Mr. Prater.

MAYOR JOHN F. PRATER, UNIVERSAL CITY: Mayor Gatti and Members of the Council. At our regular Council meeting, City Council, Universal City, on the 21st of November 1972, there was considerable discussion by our Council members concerning the Southwestern Bell Telephone Company's proposed rate increase in the metropolitan service area customers. The Council passed the enclosed Resolution as an expression of their deep interest and concern of our citizens who use the telephone service. I believe a copy of that has been sent to the Mayor's office. Only one other thing that I'd like to express to the Council. Our deep concern in our area, of course, is the zone, Tier 2, \$2 extra charge. Certainly, when we look at these rate increases, we would like for this to be considered out there realizing several years back at a little extra cost to the telephone company for their service out there. However, we now feel that being the second largest city in Bexar County that this rate should be reduced. We certainly concur in the some of the recommendations that have been made here today that in-depth study be made of the rate increase, and then a decision be made on that basis. I thank you. (A copy of the Resolution of Universal City is included with the papers of this meeting.)

MAYOR GATTI: Thank you, Mayor. Mr. Carl Raba.

MR. RABA: Thank you, Mr. Mayor, Members of the Council. My name is Carl F. Raba, Jr. I am a principal in the firm of Raba and Associates Consulting Engineers, current President of the Texas Society of Professional Engineers - Bexar Chapter, and hold a PhD in Civil Engineering from Texas A&M University. I am appearing before you as an interested citizen of San Antonio who is concerned with the growth and development of our City.

As an engineer, I am daily involved with the constantly increasing costs in the building industry. While no one likes inflation nor enjoys paying more for goods and services, inflation is a fact of life and must be recognized and dealt with as such.

Because of my interest in San Antonio and because I was concerned about the merits of the rate increase requested by Southwestern Bell, I made it a point to enlighten myself on certain aspects of Bell's operation in San Antonio.

To begin with, I learned Southwestern Bell employs about 3,100 people in San Antonio of which 340 are engineers, engineering technicians and engineering clerical personnel. The economic benefit San Antonio realizes from this payroll is obvious but, in addition, these technical people are active in our technical societies and in our community and make further valuable contributions with their participation.

In the field in which I am most conversant, I also learned that Bell's building costs have also been caught in the inflation spiral. For example, the addition to 1010 North St. Mary's was completed in 1969 at a contract cost of \$1.62 per cubic foot. The addition to the San Pedro building completed in early 1971 carried a contract cost of \$1.82 per cubic foot or about 12% higher than the 1969 costs. The addition to 105 Auditorium Circle--which incidentally is a major step in the redevelopment of the downtown area--recently went to contract at a cost of \$2.34 per cubic foot or an increase of 28% over 1970 costs. These increases are consistent with those published by national firms who accumulate and distribute costs for all major cities in the United States. These firms show that San Antonio building costs have increased about 35% since 1967.

I am convinced that Bell is caught in the inflation spiral, particularly in the building area where I am most knowledgeable. I further respectfully submit that no business--not mine nor anyone else's--can stay in business and give quality service unless these increased costs are recognized and provisions made for adequate earnings on this increased investment. Thank you.

MAYOR GATTI: Thank you. Mr. Daniel Cerna.

December 21, 1972
mhe

-31-

MR. CERNA: Members of the Council, my name is Dan Cerna. I am a local practicing architect. I am before you today to make a statement in favor of the proposed rate increase for Southwestern Bell. Being construction oriented, I have directed my attention towards that aspect of Southwestern Bell's present difficulty. Due to the phenomenal growth of San Antonio, Southwestern Bell has been required to spend over \$98 million for capital construction necessary during the past few years. Next year, an additional \$35 million will be spent. The tax bill for local operations was in excess of \$10 million last year. The utility is in a unique position of building for demands regardless of the impact on its earnings. I understand that the fair value rate returned for Southwestern Bell has shrunk from 4.6% in 1965 to 2.9% in 1971. During that same period, construction costs have risen by 30%. In my opinion the requested increase to the minimum required to assure adequate and safe service and to provide for necessary expansion to meet future requirements. Thank you.

MAYOR GATTI: Thank you, Sir. Mr. Michael P. Emigh.

MR. EMIGH: Mr. Mayor, Council Members. My name is Michael Emigh. I am a local business man here in San Antonio. I wanted to bring out one thing that I haven't heard brought out very much, but I did want to bring out. And that's service. It seems in this world you get what you pay for. I've been here about eight years. I moved here from the New York Metropolitan Area and it seems there you don't get what you pay for. I wonder when the last time any one of us went to a pay booth, for instance, to make a phone call and you put in a dime and there's nothing; it's out of order. In New York it's happened to me many times, not just once. I do business with people in New York consistently and it seems like the service is completely rotten. You can't get an operator half the time, half the time you can't get information; you'll be talking on a long-distance call, you'll get cut off. I'm interested in seeing good service here in San Antonio above all if we have to pay something for it; I'm in favor of paying for it to get good service. My business depends on good phone service. This is what I expect from my city, and if it costs more dollars to get it, I'm not a nut - I don't want to spend more money more than anybody else - but I do want to get what I pay for. I think we're spoiled here in San Antonio. We have such good service, we don't realize what it's like on the other side. We do get lousy service in other parts of the country, we get good service here; and, I for one say let's keep it. If it costs us a couple of cents, let's pay it. Let's take our lumps. I think in the long run we'll be much happier for it and all of us will prosper because of it. Thank you.

MAYOR GATTI: Thank you, Sir. Mr. Dario Chapa.

MR. CHAPA: I'm Mr. Dario Chapa, Co-Director of Opportunities Industrialization Center. I just want to make it known for the last year..the last few months, the Urban Affairs Department of Bell Telephone Company, in the person of Mr. Joe Ridgeway, has been working with us in setting up an industrial board to help our vocational training school; and, through this board we have the cooperation of large corporations providing the job slots for our graduate trainees. In terms of helping us, advising us and consulting us on gearing our manpower training to relevant manpower needed in San Antonio--I just wanted to say that this kind of community involvement is commendable and should be..this kind of example should be followed by other large corporations in San Antonio. Thank you very much.

MAYOR GATTI: Thank you, Mr. Chapa. Reverend Sam James.

REVEREND JAMES: Mr. Mayor and Members of the Council. I'm S. H. James. Many things have been said in this public hearing. That's the nature of public hearings. The final decision, of course, will rest on the wisdom of this Council. We can feel confident that, in the wisdom of the Council, the right thing will be done. Among the many things that have been said, I simply want to sound this note, I think it needs to be sound. As a pastor in this community, I'm confronted many times with people who come to me for jobs. They simply want jobs. And, over the years as they

have come from time to time, I have found a very cordial relationship with our telephone company. I send them people, applicants; they listen; they respond; they positively give these people jobs. The jobs, as we all know, is the backbone of any economy. So I simply wanted to sound that positive note in the midst of the many things that are being said about this rate increase. That, as a pastor in this community, with people concerned about the day-by-day concern about making a living, and when we send them to the telephone company for jobs, they get jobs. And I think that needs to be said, and I think it's important. Thank you.

MAYOR GATTI: Thank you, Reverend James. There are no more persons signed to speak so I will declare the hearing closed. As I mentioned, the Council will take all of the arguments under consideration. We will have a report by our Utility Supervisor and a decision will be forthcoming at some future date.

72-56

CITIZENS TO BE HEARD

Mr. Al Abrego, 1801 Durango, stated that three weeks ago his group appeared before the Council with regard to revenue sharing. At that time they were informed that the matter of revenue sharing would be discussed at a public hearing. Mr. Abrego asked that the Council hold these public hearings in the neighborhoods at places such as high school auditoriums.

Mr. Phil Acosta, Director of the House of Neighborly Service, stated that he too is a member of Mexican-Americans concerned with Revenue Sharing. He reiterated the request that poor people be given a chance to be heard on the subject of revenue sharing.

Mr. Raul Rodriguez, 719 Delgado, stated that the Council should take a look at the CPPC and replace some of its members. He stated they should also hire a new Model Cities Director.

Mayor Gatti made the following statement:

"I want to make a public statement that several months ago I asked the City staff to prepare a complete review of every federally, municipally funded poverty type of program. I wanted to see what these interlocking directorates looked like. I wanted to see what staff people were serving on boards, and so on.

The staff has been hard at work on it. They have had a very difficult time getting the information from some of the agencies and, as of this week, as I understand it, I am writing a letter to each one of these agencies requesting specifics - names, addresses, etc., so that we can see exactly how much of this is going on. I am well aware of it as are you, Mr. Rodriguez.

I can assure you that in the next several weeks we should have a reply and it may not be anything at all and it may be some very serious conflicts of interest. I am certainly going to get at the bottom of it".

Mrs. Helen Dutmer, 739 McKinley Avenue, spoke to the Council asking a change in the zoning ordinance. Presently, when a Planned Building Group plat is brought before the Planning Commission there is no requirement for notification of affected property owners. She stated that she felt it necessary that if a Planned Building Group is brought to the Commission for approval that it should be a requirement

that a public hearing be held with all due notice.

Mayor Gatti asked City Attorney Howard Walker to brief the Council at the next Council meeting.

Mr. Gene West, 6000 Callaghan Road, spoke regarding the practice of City Public Service Board selling gas and electricity to mobile home parks for resale to home owners. He asked that the City Council take proper action to eliminate this practice.

72-56 The Clerk read the following letter:

December 15, 1972

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

Gentlemen and Madam:

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

December 14, 1972

Petition of Mr. Tom E. Turner, President, Sigmor Corporation, requesting permission to erect a fence more than six feet in height on property at 2900 Nacogdoches Road.

/s/ J. H. INSELMANN
City Clerk

* * * *

There being no further business to come before the Council, the meeting adjourned at 1:00 P. M.

A P P R O V E D

John Gatti
M A Y O R

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

December 21, 1972
nsr