

REGULAR MEETING OF THE CITY COUNCIL  
OF THE CITY OF SAN ANTONIO HELD IN  
THE COUNCIL CHAMBER, CITY HALL, ON  
THURSDAY, OCTOBER 17, 1974.

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The meeting was called to order at 8:30 A. M., by the presiding officer, Mayor Charles L. Becker, with the following members present: COCKRELL, SAN MARTIN, BECKER, BLACK, LACY, MORTON, O'CONNELL, PADILLA; Absent: MENDOZA.

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74-50 The invocation was given by Councilman Reverend Claude W. Black.

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74-50 Members of the City Council and the audience joined in the Pledge of Allegiance to the flag of the United States.

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74-50 The minutes of the meeting of October 10, 1974, were approved.

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74-50 MR. CARL PADILLA

Mayor Becker recognized Mr. Carl Padilla, son of Councilman Alvin G. Padilla, in the audience and welcomed him to the meeting.

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74-50 COUNCILMAN LEO MENDOZA

Mayor Becker announced that Councilman Leo Mendoza is at home resting and recuperating from a recent illness.

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74-50 MR. JOHN H. KRUEGER

Mayor Becker welcomed Mr. John H. Krueger, an associate, to the meeting.

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74-50 The following Ordinances were read by the Clerk and explained by Members of the Administrative Staff, and after consideration, on motion made and duly seconded, were each passed and approved by the following vote: AYES: Cockrell, San Martin, Becker, Black, Lacy, O'Connell, Padilla; NAYS: None; ABSENT: Morton, Mendoza.

AN ORDINANCE 44,460

AUTHORIZING EXECUTION OF A CONTRACT  
WITH BLANCHE J. BALL, D/B/A "STUDIO  
B", PROVIDING FOR LEASE OF 400 SQUARE  
FEET OF SPACE IN BUILDING NO. 213 AT  
HEMISFAIR PLAZA, FOR A ONE YEAR TERM  
ENDING AUGUST 31, 1975.

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## AN ORDINANCE 44,461

MANIFESTING AN AGREEMENT WITH EDWARD W. ORUM, D/B/A "CASA DE COBRE", TO EXTEND THE CURRENT LEASE FOR BUILDING 215 AT HEMISFAIR FOR AN ADDITIONAL ONE YEAR TERM, ENDING OCTOBER 31, 1975.

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## AN ORDINANCE 44,462

AUTHORIZING EXECUTION OF A CONTRACT WITH ARTHUR VELTMAN, JR., PROVIDING FOR USE OF A PORTION OF THE BEAUTIFIED SECTION OF THE SAN ANTONIO RIVER FOR AN OUTDOOR DINING AREA IN CONJUNCTION WITH A RESTAURANT OPERATION FOR A TERM OF ONE YEAR, ENDING OCTOBER 9, 1975.

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74-50 The following Ordinance was read by the Clerk and explained by Mr. Ron Darner, Director of Parks and Recreation, and after consideration, on motion of Dr. San Martin, seconded by Mr. O'Connell, was passed and approved by the following vote: AYES: Cockrell, San Martin, Becker, Black, Lacy, Morton, O'Connell, Padilla; NAYS: None; ABSENT: Mendoza.

## AN ORDINANCE 44,463

AUTHORIZING EXECUTION OF A CONTRACT WITH THE ALAMO ARCHERS ASSOCIATION OF SAN ANTONIO, PROVIDING FOR SAID ASSOCIATION TO USE, FOR A TWO YEAR TERM COMMENCING OCTOBER 18, 1974, CITY OWNED PREMISES IN BANDERA ROAD PARK, FOR THE PURPOSE OF DEVELOPING AND CONDUCTING AN ARCHERY FACILITY AND PROGRAM.

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74-50 The Clerk read the following Ordinance:

## AN ORDINANCE 44,464

ACCEPTING FOUNDATION GRANTS OF \$5,000 EACH FROM THE MOODY FOUNDATION AND THE EWING HALSELL FOUNDATION, ACCEPTING A LETTER OF CREDIT IN THE SUM OF \$35,000.00 PROVIDED BY MARSHALL T. STEVES; ALL OF SAID FUNDS FOR THE PURPOSE OF CONSTRUCTING LADY BIRD JOHNSON FOUNTAIN; AUTHORIZING EXECUTION OF A MOODY FOUNDATION GRANT CONTRACT AND ESTABLISHING A HOLDING ACCOUNT FOR DISBURSAL OF DONATIONS TO PAY FOR FOUNTAIN CONSTRUCTION COSTS.

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The Ordinance was explained by Mr. Ron Darner, Director of Parks and Recreation, who said this Ordinance accepts a \$5,000 donation from the Ewing Halsell Foundation and \$5,000 from the Moody Foundation as well as a \$35,000 irrevocable letter of credit from Marshall T. Steves. These funds are to be used for the construction of the Lady Bird Johnson Fountain.

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

74-50 The Clerk read the following Ordinance:

AN ORDINANCE 44,465

ACCEPTING THE LOW QUALIFIED BID OF STEVES SASH & DOOR COMPANY, FOR CONSTRUCTION OF THE LADY BIRD JOHNSON FOUNTAIN CROCKETT AND BONHAM STREETS, FOR A PRICE OF \$40,000.00 INCLUDING PROFESSIONAL FEES; AUTHORIZING EXECUTION OF A STANDARD PUBLIC WORKS CONSTRUCTION CONTRACT FOR THIS PROJECT; APPROPRIATING THE SUM OF \$45,000.00, WITH \$40,000.00 PAYABLE TO SAID CONTRACTOR, AND \$5,000.00 TO BE USED AS A MISCELLANEOUS CONTINGENCY ACCOUNT; AND AUTHORIZING PAYMENT TO SAID CONTRACTOR.

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Mr. Ron Darner, Director of Parks and Recreation, explained the proposed Ordinance, and after consideration, on motion of Dr. San Martin, seconded by Mrs. Cockrell, was passed and approved by the following vote: AYES: Cockrell, San Martin, Becker, Black, Lacy, Morton, O'Connell, Padilla; NAYS: None; ABSENT: Mendoza.

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The City Clerk was instructed to prepare a Resolution expressing appreciation to Mr. Steves for his generous gift to the City.

74-50 The Clerk read the following Ordinance:

AN ORDINANCE 44,466

AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH HOUSE OF NEIGHBORLY SERVICES FOR CITY USE OF THE FACILITIES OF THAT ORGANIZATION AT 407 N. CALAVERAS STREET.

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The Ordinance was explained by Mr. Ron Darner, Director of Parks and Recreation, who said that the House of Neighborly Services is owned by the Presbyterian Church. The House of Neighborly Services will provide all utilities, janitorial service and the City will provide recreational equipment and staff. There is a gymnasium, arts and crafts room, dancing and quiet games. The City will also furnish liability insurance.

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

74-50                    MISSION PARKWAY - APPLICATION FOR DESIGNATION AS NATIONAL PARK

Mrs. Lila Cockrell stated that Mr. Darner has been doing a lot of work to make application for getting a designation as a Cultural or Historic Park for the Mission Parkway. She recommended that as soon as the necessary work is done that the Council invite Bexar County Commissioners' Court and other interested parties to have a joint meeting in an effort to get full backing for this application. This should be followed up with individual meetings with congressional representatives.

Mayor Becker thanked Mrs. Cockrell for her suggestion. He also commended Mr. Darner for his efforts as Director of Parks and Recreation.

74-50                    A REPORT TO THE CITY COUNCIL BY  
MR. PAT MALONEY RE: ALAMO GAS COMPANY

The following discussion took place:

MAYOR CHARLES L. BECKER:            Okay, it's a little after 9:30 now and so as not to delay Mr. Maloney any further, I think we have just about everybody in attendance that needs to be in attendance or so desires to be in attendance, and I'd like to.....

MRS. LILA COCKRELL:            The only thing I'm worried about is - if that there is anybody that saw it 10:00, and, you know, I don't have any personal knowledge of who might want to attend. I just kind of hate for someone to come at 10:00 and miss the opportunity to hear the report.

MAYOR BECKER:            Well, I'm willing to hold it up. The only thing is it would seem to me that anybody that's acquainted to any extent with the seating arrangement here in the Council Chambers would have been here by now due to the smallness of the area. So, I think we can commence, Lila, it will probably go on for quite a while, and I don't think that they would miss all of it by any means. So, in order to expedite it, why don't we then permit Mr. Maloney to start his report to the City Council. I might say that the Council members have been curious and interested and concerned as to exactly what Mr. Maloney's duties were, the purpose of his being a part of the City's legal staff, you might say, has been, and what, if any, conclusions he might have been able to determine or assessments he's made of the subject matter up to this time. So, you might say he's here by popular demand, and, Mr. Maloney, if you'd care to proceed, well,.....

MR. PAT MALONEY:            Mr. Mayor, I appreciate it greatly. Members of the Council, and, of course, I'm satisfied that we're all gathered here together as friends. I had to miss a handball game, and I'm satisfied, Mrs. Cockrell, that yours is a good deal more important and, Mr. Padilla, I hope that I never have the same competition - I'm afraid I'd still be in Colorado, but I appreciate greatly you being here. I do want you to know that the only person who's asked me to dinner is Dr. San Martin, and I gratefully accepted and, of course, we are friends and I use the word in the fullest sense, for

two decades and the Doctor knows that I strongly feel that whenever you lose an old friend that you've lost part of your heritage, and we're both getting too old to lose very many because we've come a long way. I do need necessarily - I've given you what I regard as a rather detailed report, but if you'll indulge me in just a few prefatory remarks, I think it's rather necessary because - I come in a spirit of goodwill, not withstanding the preceding publicity. I must say that it is rather a terrifying thing to go home and see that you're in the front page being fired, and your children are curious about it. Your wife wants to know what miscreant act that you have done, and as a consequence it's difficult to explain that you're unaware of the dilemma. I even had the priest call and want to know if there's something that I should tell him that I hadn't. You can appreciate, Reverend, that he doesn't have near as much time as he'd like to listen to all that I have done, but nonetheless, it did seem rather frantic and frenetic for a while to get rid of me so quickly. I must confess that you will find that I do have strong views on a subject which I recognize is a difficult one, and I agree with Councilman Morton, certainly let us not aggravate an aggravating situation. It's a very trying time, but I almost owe you some very breif comment about me for this reason.

Strangely enough, you know, I just met Mayor Becker. Therefore, it's very difficult for me to be a tool because it was this that brought us together. I mean the fact that he called me in Washington, D.C., when I was trying an anti-trust case wanting to know if I would take this employment. I replied to him much like I did Councilman O'Connell, I commended him for being here, and that is this. This position you can't have if you're representing the Mayor. Because, in all fairness to the Mayor, he's nothing. You are the legal entity and it was only when I found that unanimously I had been asked to take this position that I did so. I must say that probably I was somewhat misled by Councilman Padilla's remarks when he stated that, in effect, Mr. Padilla said I'm not trying to make any accusations, but I think he should be given all the latitude to take wherever it leads him. Then I appreciated City Attorney Crawford Reeder, whom most of you know I have the fondest professional regard and have for a quarter of a century, because on occasion he's won and on occasion I've won, and if you try enough you almost have to win some. But, I appreciated City Attorney Reeder's remarks prior to accepting the employment when he said, first I'll say that what I've aimed at doing - let me tell you when you hire a lawyer or anyone else to do investigations, you tell him to go where his leads take him, and where I said that the City Attorney is authorized and directed to enter into a professional service contract with the Honorable Pat Maloney. It's rare that I get that preface by the way, the Honorable Pat Maloney, "whereby the latter will investigate the Alamo Gas contract, and this is underlined, and all matters relating thereto. Now, there's no telling where all matters relating thereto is going to take him." I was appreciative of the remarks because that's true.

It's absolutely impossible to discuss Alamo Gas without discussing its predecessors. I must tell you that within the few weeks that I've had, less than five, I have been in daily contact with your City Attorney. It's my hope and belief that I've assisted him greatly or in any rate within my modest means I've tried. I think I've been of some contribution to him.

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There are two factors which disturb me and then I'll quit on them. The first - about a week after I started there was the assertion, of course, that what I was here for was to exonerate Wyatt and Coastal and implicate Alamo. Let me tell you, as a group, I wouldn't do that, you see. The reason I wouldn't do that is that I think I'm the most publicly committed attorney in this town. More than two years ago, Reverend, interceding in a consumer suit attacking those people, saying that they have erred to the detriment of the City, and I still feel what way - very strongly - you see. So, if by implication or otherwise that would have been my role, I would have declined. That just isn't the way I believe that you do things.

My own background, frankly, Mr. Padilla, is growing up in this town across from Brackenridge High School, being in the Marine Corps, going to the University of Texas Journalism School. All I ever had in mind was being a sports reporter and I was looking for the restroom and it was law school and somehow I never got out. As a consequence, I want you to know that folks have been awfully decent to me in this community, and I had the rather naive idea, Mr. Padilla, that strangely enough because of my own background, this was the right time at the right place for the right person to give thanks for what I've been given. So, as a result, I thought, well, I will serve. I found in the few weeks that I've had, it's a very difficult thing to do because of all of the intricacies about which I will tell you.

The subject, though, that distressed me somewhat is this. Frankly, in the 25 years that have been my pleasure to try to make a living practicing law here in your community all I've ever been is just a people's lawyer. I'm proud of it, but what I'm saying is that always it has been representing the oppressed and the down-trodden and those who have had great misfortune, but, you see, I've never been other than a small one against large ones, and, as a result, I must say that you become controversial in that clime. Harsh things are said and hard victories are won because it's not easy to overcome the rich when you're interested in the poor, and that's just a fact. I'm not apologizing, but I think that you should know that of my legal background. The reason why you should know that is that as a result if I were confined, Mr. Mayor and Councilmen, in your injunction to search out all the matters relative thereto, and if you told me that I must agree with the Commission of Inquiry results and hearings, then I would have told you, obviously, it would be pointless and meaningless because, of course, you didn't need me. I must confess to you, too, I am not a stamp of approval man. I must tell you likewise, some of my opinions do vary greatly, but I hope that by the time I am through, and certainly I'm available for any inquiry you've got, I hope that by the time I am through that at least you'll see this that I've tried to draw you a pattern of where I think the City Council is going wrong and where I think you should address yourselves because, frankly, I think the people are not being served, and I am hopeful, of course that you, therefore, will lend some credence to what I'm saying before you fire me. And that's this. I think the thrust is wrong, and I'm going to review in some measure this report, but there's one other item that I do want to call your attention to really. Money - people, folks, the profession has treated me well, and comfortably, and that's the reason why I believe on St. Patrick's Day and occasionally lobsters and the like that one should get together. By the way, the Mayor was the only one that responded to the invitation that I would love for you to come. I wanted to sit down, and we would reason together because I'm the most available

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man really that there is. I'm so flattered when anyone wants to talk to me and get my opinion, honestly, I meet anytime, anywhere on any occasion. I've made that known constantly but at any rate, perhaps, there's been a communication gap. If there has, please let me cure it because I think, Mr. Lacy, will tell you, that I'm always flattered to have a client of any kind. It's still amazing to me that they call upon me for whatever modest service I can render.

But to the money I want this. I think, Mrs. Cockrell has rightly wanted me monitored as to fee, wants to make sure we're not overcharged and that you get your money's worth. That concerned me because Mr. Paschal was good enough to find out for me what would we charge assuming that we gave you a report on the hours that we have. I find that it's somewhat in excess of \$7,000.00. Mr. Padilla, I don't want the money. I wouldn't take the money because I don't want that to be a subject, Mayor, of any remark that I might make. So do understand publicly and otherwise, I want the bill to be canceled in full because this, sir, is my contribution as best as I can toward the truth, toward the community, toward the profession, toward the people, I don't want that to sound other than the way I mean it because I feel very strongly, Reverend, that I know that you're making contributions and that's the role that I wanted it to be cast in. Therefore, if I had said harsh remarks during the last few weeks, I'm hopeful - - that you realize that they were somewhat retaliatory because it really was disappointing to be publicly abused when I hadn't said or done anything. You see, I don't mind in the least now that you take issue as matters of principle with what I'm going to propose because, of course, you should. You're entitled to.

But I did appreciate Mr. Lacy suggesting that in the trial field, I have some degree of competence and so, therefore, as the only lawyer in the group that meant something to me. Glenn and I have been in the same sets. I was going to say social sets, but that would be a terrible abuse of the word because we ain't all that social, and I, therefore, would certainly not like anywhere it to be said that what I have tried is to make money at the expense of the Council or otherwise. So, please don't think that you owe me anything. I'm hopeful that you will regard the work that I've done as being productive and worth something, if I were inclined to take it which I'm not.

Now, the last thing that I've got to say and that's this and then I'll cease to being prepatory but as you see this has been in the nature of a defense though really I don't know why I should be defending because, really, Councilman Doctor San Martin, was good enough to move that I have the job. You all were good enough to unanimously accept me. Now the work product criticize but give me the opportunity to at least do that. I must say to you in all candor, I hope to go further because I think, as you will see, there's much to be done, but would you please accept me in this time frame. I've had less than five weeks. Someone said I was employed in the summer. It was September 5th, and I've had less than five weeks to do what should have happened since 1961, you see. This trouble started without me or you a long, long time ago and people should have been worried about it all this time. It should not be a desecration to talk about Alamo Gas and its directors and how much money they made. Was it \$6 million or \$30 million? We need to know. We badly need to know. Therefore, I am going to suggest to you a legal posture which I think should prevail and I'm going to do it somewhat from the pamphlet. I'm not a very good reader either, among the many disabilities that I have so as a consequence I stumble along and

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occasionally find a pearl. So what I would like to do is to recommend to you that some of the things that I have said, please don't accept them on a personal basis because they're not meant that way. For instance, I don't, strangely enough, to be honest with you again simply because we don't really travel the same circles. I knew Mr. Matthews only to say hello to much as he says his acquaintance is with Mr. Martin. But, I'm saying to you that, as a group, we are strangers and, therefore, I hope I have introduced myself. Of course, I hope that the Matthews firm, likewise, contributes \$7,000 like I have and the Washington firm doubles it, Mr. Padilla, and that sort of thing because then we'll get our economy in good shape and we'll go on and all of us will give a little because these are depressed times and I'm satisfied that this lead will be followed undoubtedly.

Let me, if you will, get to the report and then I'll have only a few comments to make. The only reason for telling you initially at the preface to the report as to what you asked me to do because you asked me this, you see. There have been comments maybe I'm invading Coastal suits or maybe I'm going too far, but you asked me to do five things and they're quite amazing. The time frame I'm going to tell you about is this. I'm trying to do all five of these things, but I do want you to know, Councilmen and Doctor, I have agonized with the fact that for 31 months we have been sued by Coastal and Lo-Vaca and nothing has been done. I know, Mrs. Cockrell said that the City Attorney frantically worked but frankly, the only way I know, Mr. Padilla, to address myself to a lawsuit is to try the lawsuit. I know in the strongest terms that members of the Public Service Board have suggested to me that it would never be tried with the Matthews firm. Whether they mean that, or not, I don't know, but that was the comment. You understand that it was he who was the attorney, and it was he who blessed us with his contract which he categorized as the best anywhere, anytime for any municipality. Of course, that prophetic statement did not turn out to be true but rather a debacle. Nonetheless, within this short length of time, I have been able to arrive at a variety of opinions by reason of incessantly reading, of course, with the outset the United Gas. All of you should read the depositions of principal parties of United Gas because I find them revealing, and I find them incisive and I find, if you start, Glenn, with those you find out how much work there is to do. I find the principal actors involved, from my own conclusion, really would be Matthews, Martin and Spice. That's the way I would categorize the trilogy. I think that the conclusions, as I developed them lead that way.

The charges that I had were to investigate Alamo Gas contract and all matters relating thereto, I have, and I will. To advise you of what I regard as the facts and the circumstances, I have, and I will. To make a recommendations, you will find that I'm going to do that strongly so. To study the report of the Commission of Inquiry. I have read every deposition. I've read all the testimony in the Commission of Inquiry. Mr. Shannon is a very dear friend of mine. I thought he had a sainted father, now deceased. I disagree finally and strongly with the Commission of Inquiry. I think whoever categorized it as a fairy tale rightly did so. I don't agree with any of the major conclusions. I think the conclusions had little or no, and I'm confident again surely this will not be taken on a personal basis because you must understand it was you who got a strong willed person to give you candor. I'm doing that not necessarily with the idea that you'll agree with me, but I think there are many things that haven't been said

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that should be said. About the only thing that happens when I get through trying a lawsuit is most people say there is little left unsaid. I hope that will be true of this morning's recitation. The last was to study the facts and report of the Grand Jury. As you know, that has not been done yet and the other are the conclusions.

I'm not on page 2 of the report, and I'm just going to summarize for you as this goes along. What we have done leading us to these, one we started with United Gas. To my knowledge there's not a pleading, not a deposition, not any pertinent instrument of the United Gas litigation that I have not read and upon which I am not conversant, I think it's a necessary ingredient. Mr. Shannon has been kind enough to visit with me at great length. I thought he was an excellent interrogator and the Commission of Inquiry hold him not responsible for the conclusions nor anyone else. They're perfectly as entitled to their conclusions certainly as I am and, obviously, if members of the Council don't agree with me it simply means that obviously there's some that are a good deal smarter than I, but I stipulated that before I ever began because modesty will get you nowhere, and I'm so totally lacking in it that I, therefore, have never availed myself of it.

The other thing that I think you should know is that Mr. Ted Butler of whom I have the greatest respect and Mr. Quinlan have been very gracious with reference to their cooperation within the bounds of perimeter, Glenn, and within the bounds of propriety of all the evidence they have. So, to my knowledge, I have had a very thorough review of the Grand Jury proceedings and, therefore, have used this likewise as a very successful background.

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MR. MALONEY: The last thing, of course, and that is your very competent City Attorney whose shoes I never could fill nor would want to. I feel that he's entitled to make the remark, as one fellow did when we were arguing a case recently, "He can follow in my tracks but he can never fill my shoes". Well, I feel that way about Mr. Reeder entirely. I think he's - you're very fortunate to have him and Crawford knows, because I've told him daily, I am favored with a good number of lawsuits and could not give you undivided attention and time if I wanted to. I did think in some measure that I could contribute to litigation on the part of the City. Frankly, I could not represent the Public Service Board under the premises which they now read. I hope you can't either. I'll develop the reasons why I say that should be true.

I hope - I read from page 2 - that I have convinced you that there is some degree of effort given gratuitously by reason of this report introduction. The only reason for reviewing for you in detail, and I'll not go into it in detail, the Alamo Gas contract is this. It is terribly important for everyone to realize that's the only contract we have, you see. It's absolutely impossible for us to suggest that there is a contract between Coastal and the City. We are third party beneficiaries hopefully to this contract. Coastal has never signed a thing with us. So, you must study in detail, of course, that contract to find out what it is. The vital portions, I think, are set out for you as they relate to it. The historical value of four, and five largely simply lead up to how we were blessed with these people and why we didn't get more responsible people.

Page 5 at the bottom of the page is what, as an attorney, I regard as of the utmost importance. White Weld and Company, allegedly from New York, is going to finance Mr. Martin and Mr. Schoolfield, they didn't. I think it is of the utmost importance, and I urged upon the District Attorney and, of course, you can appreciate I simply haven't had the time but if I were representing you I would insist, I know, Doctor, that they wrote a letter and said that they didn't have anybody and the chaps gone but all deference I don't think that's sufficient. I'm not being critical but I would insist upon a thorough examination of White Weld, the financiers, of why they refused to do business with Alamo. As you see, my comment is that I think they found the reserves as we all do, egregiously small, outrageously fraudulent and as a consequence wouldn't do business with them. So, therefore, I think that is a pursuit which should be given with both alacrity and full attention.

Number six, I think, the sums of money that the original directions of Alamo Gas received by reason of the sale of their stock to Coastal is terribly important, and I'll tell you why. It has been said to me by various people, and, of course, again I couldn't pursue it because tomorrow I was to take Glenn Martin's deposition but you can realize when you are publicly fired, you can't very well be very responsive, so, unfortunately, I'm not going to do that. I had wanted to. I think I could have addressed myself competently to the subject. Nonetheless, I think that the reason why that is important there is a very strong theme in law and that is, as most of you businessmen know, when you are personally guilty of fraud, you are not entitled to corporate insulation. I don't know whether Mr. Martin made \$6 million or not by reason of this transaction or whether the total sum was \$20 or \$30 million or not. I don't know. I'm not saying that with any need degree of assurance because I have not by reason of interrogation put the people under oath who should. So, you'll notice there that what I recommend strongly to you that all of the people who still grace us, who were directors could be deposed. I mean with the most utmost intensity because, of course, if there's nothing to hide as the Doctor said, an apology would be forthcoming but if there is, you're entitled to know it. But, you were entitled to know it a very long time ago, but recriminations will get us nowhere but I would start with that as initial departure.

You will notice that in the next paragraph, I feel it terribly strange, and I think it should be pursued, Mr. Spice, unfortunately, did a monumentally poor job as a geologist. He averred that we had much, and, of course, we had virtually nothing. I think most of you know that in the word, a field, word which constituted almost a fifth of the reserves

that he found the 1.2 - I'm on page 6 - trillion feet proved to be 99 per cent wrong. I think most of you know that with the Spice Report, necessarily you're interested in not reserves but you're interested in the deliverability. Nowhere in the report were we given any information as to the deliverability. I think most of you know that a reservoir geologist, an engineer is what one needs. No where was that accompanied with the report. I'm simply saying this to you in that, yes, I do find that the people, therefore, associated with the contract were grossly negligent, and obviously, their concern for the reserves was woefully lacking and should not have been but was.

The employment, or I say this by way of an aside for this reason I think you now know it has been developed that the expert, Spice, was paid both by Glenn Martin and the Public Service Board. Mr. Padilla, I don't regard that as an independent expert. I think that's ominous, I would want to develop that. I haven't but it should be, because, obviously, if I pay a man's fee, I don't want my opponent to correspondingly pay part of the fee, because somehow I get the impression he's not unbiased.

The last thing that I would like to comment on that page is this. I find it to be in the nature of a fairy tale that Martin didn't conspire with Wyatt and I do it, circumstantially, for this reason. I think all of you would stipulate with me that Mr. Wyatt is a brilliant man and knows his business well. I am told that Mr. Emerson, and certainly this is the testimony, Doctor, before the Commission of Inquiry, Mr. Emerson was his outstanding engineer. He raised him and trained him and he was so proud of him, and he was the head of the department, and he was being paid full time by Mr. Wyatt. I cannot accept the assertion, Mrs. Cockrell, that that most valuable man could be moonlighting for Glenn Martin all the time preparing cost estimates, since the most important job of any contract for Mr. Wyatt or any other, to be preparing cost estimates all the time for Glenn Martin relying totally upon him as to what he was going to bid and likewise Burnham a very promising man. What they say happened is that - and I'm sure you know this - but I'm simply saying it strained my credulity, madam, to accept this. I cannot as a trial lawyer. They say that Mr. Wyatt was terribly angry and offended when he found that they were also working for Martin and he was awfully chagrined and that therefore, Martin should not have imposed upon him that way and that as a consequence of his employees, the bid was low and he got it and Wyatt didn't. I find that acceptable. I would pursue it.

I gave subpoenas frankly to take the deposition of Mr. Burnham, Mr. Emerson, and Mr. Schoelfield, and Mr. Spice. Of course, I can't continue in that capacity. It would have been my desire to do so because I would have addressed myself to that subject because I think you need those answers. I have now left page 6 - those are my general comments on it.

I am telling you about the pending litigation really simply to point out again when it was filed and I think I've often told you I find it with the greatest indignation to know not that we filed suit because we didn't get any gas, not that we felt offended, but that Wyatt did, and he sued us. I find that to be such a juxtaposition and so inoffensive and indigestible that I would have reacted with fervor and vigor and I will assure you that the lawsuit would have been over. We shouldn't be talking about lawsuits, and that's why, yes, I'm terribly impatient with the fact that it has not been done - that's wrong. Frankly, I would suppose that whether you're in the grocery business or anybody else, even in the Lord's work, as I call the Reverend, the Doctor of Human Needs, I don't think that you would let your congregation have a lawsuit and it not be tried in three years without firing me, and I would expect to be done so. I wouldn't have any complaints because I had not tended to what I regard as a most litigation in the history of San Antonio. Forgive me if I feel strongly about it but, as the Doctor knows, I have felt strongly about it for a very long time and it's very difficult for me not to be somewhat emotional about it. So, yes, I am critical about that.

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On page 8, I would like to address yourself to what I regard as the significant pieces of litigation which are now pending which should receive immediate attention, and by immediate attention I mean next week, Doctor. I mean it's - see, when I am told is I was with the Matthews' firm that they need two more years of discovery, I don't find that acceptable. I do not. And I don't, therefore, hope that your legal counsel will have inert, and I have used the word many times because I do believe it's applicable, inert posture.

Mr. Wyatt asserts that he's entitled to be sued in Harris County. Coastal States asserts that they are to be sued in Harris County, likewise Lo-Vaca has filed against the City of San Antonio a motion to stay and asked to be moved to Houston, Texas also. Let me tell you that if any time that happens, you're down the tube. Bad things happen to you in Harris County from the standpoint of litigation, and I don't recommend that you go there, but do you know these motions have been languishing for months. And do you know that they should be set, not soon, I mean this afternoon, and do you know that I have been pleading with your City Attorney to do just this - and he is so rent - it's not his fault - he is so rent with indecision as to who he is representing because you see the myth has been fostered that if the Public Service Board hires an attorney, then you folks have nothing to say or do about it. I regard that legal principle and assertion as totally untrue and unfounded, and I hope you will categorically, universally and totally reject it and get your own. Please don't think that I'm bucking for the business because I can't be giving you all this money. I'm afraid that Mrs. Maloney would even be more critical of me doing that on a sustaining basis than getting fired without getting a hearing. I'm a due process man, and therefore, I do find it terrible not to be able to have your day in court and then lose your lawsuit.

The A, B, and C should have been done long ago and it should be done next week. You will notice that I tell you that neither Glenn Martin nor Schoolfield are parties to the above litigation. You will notice that I say that they should be. You will notice that my recommendation that Mr. Martin be given a citation next week, that he be made a party defendant, that perhaps Mr. Schoolfield would join shortly perhaps the other directors collectively will be joined assuming the facts justify it. I have been trying to be very careful with you in my assertion of saying that all I can do is to give you my frank observations and opinions from the review of the evidence but no one has had the good fortune to pursue it professionally because it simply has not been done. This is what I would do if I were doing it.

I have now moved to page 9 and I do want to call your attention, I don't want to get into the droll and prosaic intellectually but there is one thing, Mrs. Cockrell, you would be interested in is a matter of history. Many years ago, in 1899, we likewise were ravaged and pillaged by promoters and it was in the utility field. We had there three people in San Antonio who conspired to sell out, an Easterner came in just as we are being graced now, an Easterner came in, bid for the utilities, then they all were going to cut back later and divide the swag. So you see, that's what I strongly believe happened in the case of Martin and Wyatt, that they ultimately divided the swag. But, in any event, you will find the opinion interesting and you should read it because just as Fly was so excoriating in that kind of conduct and you'll find that on page 9 and I give you the citation there. Justice Fly was one of our truly great judges and has contributed so much that is edifying in the way of judicial history that it's very difficult to praise him more than I do but it should be read because it shows you what can happen and what is now happening almost 75 years later.

We think, and I might frankly address myself to it now so that on page 9 you will notice that when Mr. Berg suggested that the Eastern or (they're all east to me, frankly) when you get east of Texarkana, that's about as far as I've been able to win a lawsuit but I have had my experiences with the Eastern law firms. I know them to lend nothing but chaos and confusion and I would suggest that they not favor us with their efforts, however, the Board has seen fit to do otherwise. I would hope

you don't embrace that decision, likewise, you were good enough to monitor me with reference to fees. When Mr. Berg suggests that he's going to pay a half million dollars to those folks, I hope that you will be just as fervid and just as circumspect in this field as you have been in others when you mention salaries and fees because that seems to be a dreadful amount of money for the Easterners to take from us and distribute elsewhere. In any event, do be circumspect. I don't think you need them. I've said it many, many times. The reason why, I've been just as candid with the board and rejected by the board as I have been with you now. The reason why I don't think that you need them, I think that it is a myth when you try to categorize this lawsuit as so terribly complex, so terribly involved that, and so terribly esoteric that you dare not, as individuals, discuss it and disseminate, and attack it. I think that you have a contractual lawsuit. I think that you need a court to tell you do you or don't you have a binding contract. I think the courts have been doing that since we've had courts anywhere, anytime and, again, I'm not being critical except if we don't have a binding contract, we badly need to know it. If it is true that you cannot write a utility contract for a fixed price for a fixed number of years and, Mr. Padilla, there is serious legal question as to whether you can, we need to know it.

I think, as I will discuss with you, there are many approaches to the lawsuit I think should be taken, but the reason why I so reject the idea of needing that kind of firm is that I do not think, Mr. Morton, that it is that kind of a case. I do not, I don't want to be simplistic, but I do not think that it has that many legal challenges. In some measure, I think your City Attorney agrees with me. So therefore, I think it is a luxury which we can't afford and I hate, therefore, to get an outfit here which will cost you, as you know, Glenn, \$2,000 to fly in and out and they aren't going to stay at the Holiday Inn when they come. They just believe in the finer things and you are going to find that you are going to support them in the style in which they are accustomed. So I am telling you that I don't think that it is a happy combination for the City of San Antonio for that firm to join another firm which for 30 months hasn't done anything. That doesn't make sense to me.

I am sorry, I am trying in every way, and I hope that when I am through and I'll try to be through shortly, that at least I have convinced you of my good faith, that not necessarily the opinions but this is a strong subject which needs strong opinions because in that way I think you have crystallized and categorized what is truthful and what is not. You see, the reason why the rumors and the assertions and the diatribe has been so vast is because you settle these in a court of law and you then find out and, frankly, I have had to live with adverse verdicts but I have found that you do that because that's the way we settle our disputes. So what I am saying, all of the speculations which I have given you are those because, of course, we have not addressed ourselves to doing something otherwise.

Number 9, Mr. Padilla, the last paragraph, is something I feel very strongly about and I think you will arrive at this decision very readily and that is this. For about two decades I have felt, legally, that this is what should be done in the City of San Antonio. We have been blessed with the Water Board and the City Public Service Board and the Housing Authority with legal firms who make very, very large sums of money, millions, over the last five, ten, fifteen years, same people. They are largely the result of political largess. But what I say to you as a group, here is what you should do. I haven't felt for twenty years the necessity of a Public Service Board. I do strongly feel that you need the best and to this extent I must defer to the Mayor and his honesty that when you get the best, you are going to have to pay. What you need, as a Council, is the best utility supervisor in the United States, because you probably have got the worst disarray presently from the standpoint of an energy crisis of any major city in the United States. It will be very difficult to find that kind of a man, and, of course, you can't until you don't have a board. You can't in the concept that I am talking about. The utility man, you see, should be responsible to you people because when I come up here, as all citizens can and complain to you the elected people, I may not get what I want, but you can give it to me and there is no point in me complaining about the Washington firm or the Matthews

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firm, because you can't do anything about it. That's done. That's hired. That shouldn't be. I am saying that the utilities supervisor should then be empowered to hire full time the most competent utilities people that he can. They are answerable to you. I am saying that this Council address itself and make some progress in that field, then you would have indeed made your mark and you would have indeed at least had a legacy because I know that you're entitled to one after this kind of service. I know the abrasiveness that you take nowadays in public service, but at least I strongly feel that that should be done. If I were doing it, I would do it tomorrow. And, if I could.

The other aspect that I'm pointing out to you and that is that the theories upon which I think people should be pursued, people have said to me, "well, the lack of a corporate entity does that not proscribe you from talking about Alamo Gas". Indeed not, if there's fraud. Indeed not if there's fraud abinitio. Indeed not, if you are talking about conspiracy. Of course, I can't tell you whether you will win a lawsuit and I can't tell you whether this is true. I can only tell you the ways to go about it if you are seriously going to address yourselves to it. I will say this, whoever contrived the idea, and I must tell you that largely what I do is to read the sports page and try a lawsuits. So, I am not really all that well-informed until I got some recent publicity on things current. But, if whoever brought to your group the necessity of an investigation once and for all, competently, into Alamo Gas, did you a service, because you see, this should be laid to rest. You should have the finest forces brought to the task and then, you know, well, we've done that now. That has been done. Let me say to you that you either have to buy or not the idea that you are going to pursue as I have for this reason. Unless one is representing the City of San Antonio, and, Mrs. Cockrell, and Doctor, it doesn't have to be me at all. I take no pride of authorship in occasionally representing clients, but this much is true, you see, a man can investigate just so far and then unless he is the attorney of record, he does not have all of the things that subpoena power, position inquiry that you're going to have to have. Whoever does that obviously then should address themselves not to - we've investigated enough. You either accept what I have told you or what the Commission has told you or not. Or read as I suggest or not.

We likewise should tell you that we do not at all believe that the suit against Coastal and Wyatt and Lo-Vaca is weakened by doing what we suggest but rather we think it is strengthened and I'll tell you why. There's no question but what Mr. Wyatt, and certainly he may prevail because at least he went to a court of law. At least he's been saying for 30 months, "sue me". He says that it's not his fault, that it's Matthews. He says it's not his fault, that it's Martin who did not tell the truth. He said it's not his fault that it's Spice. But, he's been good enough to tell you what his defense is. I don't know whether he will prevail, but at least he's been candid with you as to why you're in trouble. Now, you may not accept those premises, but what I'm saying to you is that he undoubtedly somewhere is going to bring in Martin as a third party defendant, or he's a fool which he isn't, because that's his defense. I'm saying to you that when I say they conspired together, it certainly doesn't weaken your lawsuit. It strengthens it. You poison the wells. Frankly, it's been my experience that's the successful way to advocate.

Page 11, I have given you my observations about Mr. Spice. I am deeply troubled and, again you must read to find this to be the case. I was deeply troubled, Doctor, as I'm sure you were during the Commission that Mr. Spice had received payment from Mr. Glenn Martin, so much had been represented by him, so much as his geologist prior to going to work for the Public Service Board. I don't know who got him, but they shouldn't have. Obviously, hindsight tells us that was a dreadful mistake, but at least, I think, I would not have employed the fellow who works so much for Martin to begin with, and then totally relied upon Spice. I would have found out. I don't know yet how much he represented him and how long he has represented him. I don't know how long Spice represented Mr. Schoolfield or how much but we need to know. We need to know because injecting him as your expert was a dreadful mistake and that's the truth.

Likewise is the truth that you frankly need to know how much Mr. Spice was involved with all of the directors, all of them, because I don't think there is a one that he didn't work for, and I find that too ominous and sinister and I do. I realize sometimes those are tired words but they are words which you are almost compelled to use. So I think someone for you and for people really because of course, I'm addressing our people and I'm just telling you as a people of what I would do. I think that in the strongest terms I urge you to find out about the association of Spice with Martin, with all of the directors. I find it unsavory. I find it unacceptable. I find it unacceptable when we know that generally speaking when you make studies 10 to 20 percent is the error that you would expect. I know even your, one of your former Board people expressed in the strongest terms what he felt of the expert. That his bird dog could find oil better but in any event I think the record speaks for itself in that regard and I think I've been expressive enough to tell you that I would look closely in that area. I'm not impressed at all with what I regard as poor association.

In number 11 and 12, you will find that I rather strongly tell you that - let us not forget when we talk about Mr. Martin, it was he who introduced us to Mr. Wyatt. Let's not forget that and he did so quickly. He got the contract by virtue of using Mr. Wyatt's employees. He got financing because Mr. Wyatt was good enough to get it for him when he couldn't. He got a pipeline when he promised to build one because Mr. Wyatt gave it to him. He then went into a voting trust, Martin. This is a point, Doctor, to remember carefully, he had a voting trust and the trustees were Schoolfield, Martin and Wyatt as you know, which meant during the critical time, that is, 60 through '63, it was Martin who was literally running Alamo Gas. He knew he didn't have the reserves. He did nothing and it was his responsibility. It was he who was in control, not Wyatt, and those things need to be said and they need to be said with candor for the reason that one doesn't therefore want to be attacked, Mr. Padilla, when he says that means then that you're for Oscar Wyatt. Now that means that I'm for everybody who is a miscreant, everybody, and it means that I'm trying to analyze this situation for you as I do any lawsuit. If you came to me with a problem, I would at least give it to you and if you didn't want it tried that way, then you need someone else because I don't know how to try a lawsuit other than somewhat vigorously.

On Page 12, my recommendation to you is that you badly need immediately, the City of San Antonio does not have faith in your Board doing this. I want you to know that I do not and they have not in my judgement, they will not. I think immediately the depositions of Glenn Martin, Schoolfield, McAllister, Newman, Locke, Emerson and Burnham, two key people that I've given great time to, Mr. Wyatt and again I'm talking about a lawyer deposition. I don't want any more City Council displays. I'm terribly impressed with the TV theatrics of it all but don't you think that we've had enough of that and we ought to go to a courtroom and put this behind us. You folks worry about the gas and let lawyers worry about lawing. This is the only field I know. I wouldn't try to bag your groceries, Mayor, because I don't know much about that, but I do feel we ought to get it in the theatre where it belongs. Therefore, I would address myself to Mr. Wyatt, and Mr. Spice. I would take all the depositions of the Alamo Gas directors. I think that all of the depositions of the people who were members of the Public Service Board at the time should be taken.

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I have said, and do say, and am constrained to say that the award of this contract to Alamo Gas, in my judgment, was at least the worst kind of cronyism, dreadfully so. It was an awful mistake and I think it's primarily because in those days we had a City which believed that you could settle all things at the San Antonio Country Club. That was just the way to do business and I mean that. The composition of the Board of the Public Service Company has been so nonresponsive to the people. You can readily understand why when you see who they are. It's almost a necessary predicate that you come from the Cavaliers, and you worry about who's going to be the king of San Antonio to get on the Board and that's just about the way it's been and the reason why that's bad is this. You must know. They, therefore, become nonresponsive and I must say to you that, no, I do not think that Mr. West, Mr. Biggs, Mr. Berg, represent the popular thinking of this community and I categorically reject what they have done and I've given you my reasons why. I think they have the greatest ineptness to do the most challenging serious lawsuit that we've ever had. I don't want them doing business for me. I'm here, frankly, in the last hope that, perhaps, I can get through to people that, let's start representing the people, let's start on a trail that we're going to resolve. The problem's bad enough without getting people who just won't - I'm not very smart but when you ask me about a legal problem I'm not going to give you a lecture rather than an answer. That's the problem so often with Mr. Matthews.

The fourth recommendation that I have for you is that immediately and, of course, four and five go together and that's what I'm proposing to you. You, the City Council need to be represented by separate attorneys and here's the reason why you do. You are helped less if you, therefore, have to take the opinion of the legal representative of the Public Service Board because I suggest to you so many times you are going to be in conflict with what they want to do. Do you know who they are going to follow? Not you. You're not paying them. The millions that they make do not come from you. They are responsible to the four members and the Mayor, and I doubt really that he will be very effective with that group, somehow or other they don't seem to communicate either, Doctor. Well but, in any event, I reject the theory and the assertion that you, the City Council, are a nominal party only. You, the City of San Antonio, really aren't a proper party plaintiff and that's the assertion in this lawsuit. May I say that you are a real party in interest, therefore, you can get your own attorney and you should. Now, I'm not saying that the attorney that you get, I'm not saying that Mr. Reeder shouldn't be it. I'm saying this, that certainly a man who will meet with you and greet with you and talk with you, eat with you, but make sure that he is expressive to your views and do you know how he is expressive to your view, Mr. Morton? When you can fire him. I don't know any other way to do business, do you seriously? I mean other than to have that right and you don't have that right now, and you should get it and you, terribly, need to be advised in this field. You need all the time to be advised.

Let me go to the Commission hearing, and I'm doing that on page 15. I have already indicated to you that I felt that their conclusions were erroneous, but I felt that the exhibits and the documentary data that they developed was marvelous. And I want all of them to know that I know that their work was pains taking and from what you have revealed I was most impressed in reading the testimony. I draw different conclusions and I draw it in honest reasons as I know they did theirs. However, I know that the first report that you came out with is that there was no conflict. Doctor, I find it impossible to read the depositions, and I go through as we will in a minute page after page of representation of Glen Martin by the Matthews firm before, during, after and now of Glen Martin, and I don't think, Doctor, and again, I'm not talking ethically because after all that is another field, Reverend, I'm talking as a practical measure. I don't think that you are in a position to be suing your client like that. I just don't think that you are. I think as I have reviewed this that undoubtedly Martin is involved. I think, as I have reviewed for you, Mr. Shannon rightly asked, the Doctor will undoubtedly remember, "Well, Mr. Swearington, the \$150,000 that you raised on the very day that Martin needed money and it was accepted, was that done, do you know as front money?" Mr. Swearington, as you know, says "Well, I don't think so." Doctor, I find that answer unacceptable. It won't do for me. Just every bone

in me compels me to find out, I do know that instrument by instrument as we lay them up for you compels me to reject the Commission's finding that there is no conflict. I say a conflict in representation when you know that the most affluent client that you have is the Public Service Board and now you are in the fortunate position that your client furnishes that client with gas. I say that it's impossible to represent both in the interest of the people on continuing basis. I reject it. I can't accept it. I never will and I'm sorry if anyone finds it offensive, but item by item and I appreciated Mr. Shannon's remark. Continually he was asking Mr. Swearington about, "you know, your detractors would say this isn't that commodious", it looks terribly bad. For instance, your writing contract for Lo-Vaca and they are a contracting party and, you know, that you are doing this and you are contracting party, but what did the Commission get. They got the assurance from Mr. Martin that Mr. Matthews was honorable and Mr. Matthews told them that it was true and that concluded the inquiry except for the very valuable information that was brought out, and I commend you for it on the extensive representation, the very extensive representation of Mr. Martin by the Matthews firm. The other, of course, and I'm sure, Doctor, that this didn't escape your attention, Mr. Schoolfield is very prominently involved and, as you know, he, too, was represented so extensively by the firm and that won't do. You cannot help and I do know and if you read it, I do know that it was asked of Mr. Matthews if he discussed with Mr. Swearington he was due and they both said no and you accepted that. Well, I can't. I must admit, I'm somewhat more inquisitorial than that. I would want very much to know the representation of all of the other directors, whether it has been that extensive and you see, again, to me I'm not trying to put it to you on a matter of other than the fact that you are proscribed intellectually. If I had represented Mr. Martin and I don't have that good fortune to represent a chap who is an impressive as he is, but if I did which is unlikely ever, I could not write your will as they did Mr. Schoolfield's. I could not discuss your trying problems and raise you hundreds of thousands of dollars and be privy to all that I necessarily have to properly represent you and then say that I am the attorney for the Board and, therefore, don't vote and it's okay. That's hogwash. I must concede and admit, yes, Matthews was running the Public Service Board. I don't think there's any doubt about it because again that's a very small group you have there. You must remember it. You people are to be commended that you visited the meetings. Isn't that an amazing thing. We couldn't even get in to see what they were doing. We, the people, and see this is just 10 or 13 years ago. We had the most unenlightened and dangerous form of doing business. They spend billions of our money and you can't say one thing about it. If I stay here til midnight, which I won't, and I'll shortly be through, and you can't help me and you can't help the people, I must say to you in passing and then I will not get in that extraneous subject. Even Mr. Padilla didn't tell me to do this. I think they have concluded the most egregiously wrong coal contract that we've had. I think probably it will be worse than Alamo Gas. I think that you need a Commission and people immediately to look into it. \$300 million and you don't have one thing to say about it. That disturbs me terribly. We must end it. We must end it. So, therefore, I tell you that for that reason I think that you should address yourselves to what I regard as a serious problem.

On page 16, I give you a great number of quotes which I think are terribly important. Mr. Shannon did an excellent job here in exposing the fact that you could not be in the only gas business, Mr. Padilla, and accept Spices report. It wasn't done. It wasn't accompanied with all you needed to know. They developed for you very cleverly, very intelligently, the fact that reserves aren't the point, what is your deliverability, how much gas can you get to your people? The Doctor knows how well that was done and I commend him highly for what he is doing as I do Mr. Quinlan and what he is doing because it is done dispassionately and professionally and I'm saying that I cannot believe Mr. and Mrs. Councilman would accept that in good faith. I just can't believe even those trustees were that naive at the time. You cannot read it. I have reference, of course, to the fact that he's asking here, have you ever heard of a reservoir engineer and Mr. Matthews says in passing that he thinks so, and as you know, Doctor, he professed to be totally unknowledgeable in that, but someone should have been and wasn't.

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I find it, of course, a terribly pungent area, and I hope you will read it in great detail because I personally find it terribly enlightening.

The feature that, of course, I was reading to you and, Doctor, here is what caught my eye, almost 50 pages of testimony of representation by the Matthews firm of Glen Martin. "August 31, 1960, the day that Glen Martin submitted his bid the very day you billed him", this is not me, this is Shannon. "You billed him for the services rendered in connection with the loan from the Alamo National Bank. Can you tell me what that loan was about?" "Yes." Then Mr. Shannon asked, "was that front money for the Alamo venture?" I certainly if I knew if that was true I didn't know it. What I thought it was for and the deed of trust showed it, he had a loan that he made earlier in 1959 or some date, with the Frost Bank and my recollection was it was for extending, renewing and whether he got a little bit more money I don't know. All I know is that oil man always like a little more capital and what was done with the deed of trust was entered pledging certain leases to secure a loan and I think it was \$150,000." Doctor, during that period Glen Martin desperately needed front money. He was paying the moonlighters. They were gambling tremendously on the fact that they were going to get a contract. The directors putting up \$50,000 each. I must say to you that I'm not satisfied with that answer. I won't accept it. I may ultimately tell all of you that it turned out to be true but I must say circumstantially I find it implausible that that would be the case.

So, my first rejection frankly, insofar as the Commission report is, I reject the first part of it. The second part I categorically reject when they suggest in part that Mr. Martin should take part of the blame. He shouldn't take part of the blame. He should take as much of the blame as he is entitled to and that's full measure. If they conspired together they're guilty together. If there was fraud on Wyatt's part, there is fraud, in my judgment, on Martin's part and I suggest that he come under the blanket and we settle this fully, conclusively and let's get the job done.

The grand jury, as you know, has not reported and, therefore, there is little that I can give you that I would be permitted to in any event. I think the job is being done well. I think you should know, of course, that the quantum of proof is so much different from their inquiry that being criminal as Glen knows and the other being civil that I don't think that you will get much of value because it's questionable how much can be given considering it's a grand jury. Obviously they can give a very useful report and I hope they will and I think they should.

My conclusions to you are that immediately Mr. Martin should be made a party dependent. I would think probably that Mr. Schoolfield would follow chart order. I wouldn't be surprised if all of the directors are in company if it is what I would think it might be. The City of San Antonio should be represented not only in this but in the Coastal litigation, the Lo-Vaca litigation, the Wyatt litigation, from attorneys separate and apart from the Public Service Board as I have tried to say with as little dispassion as I can on the subject about which I feel so deeply. After you do get your representative he should be instructed immediately - try the lawsuit. I have said and I believe it that you could try it early next year and I don't, I'm not talking, Mr. Padilla, we have grandchildren, I mean now. Just strap it on in law. That's the way you get things done in this life. When H. E. B. is being terribly competitive occasionally Handy Andy goes down. That's the way things function. I mean competition is a good thing.

The other recommendation that I have to you, of course, and that's the last one and the most important and that is immediately investigate the possibility, the probability, of doing away with the Public Service Board. Appoint a good Commission. See if it's not true and I suspect it is and I'll take but a moment on the subject because I feel legally, strongly about the matter. There is no question, but what we initially needed the Board because they've lent us a bunch of money. When they lent us money the bond holders wanted a Board and they said, so we can take it out of the politics and God knows we've done that. I don't know where it is. It isn't with the people anymore. They would safeguard the loan. Well, you see we have so many, many more times

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paid back that loan we now own so much, we can borrow, we the people, a bit. We've got collateral. We've got security, and I don't think it unreasonable that each time you borrow money you write in the fact that you need a Board. I think that's rubbish. I think that's garbage. I reject it. I think that you can do these things that I'm talking about. Certainly, I wouldn't have done them. I've exhausted this report. I have many items that, perhaps, should be read to you, however, if.....

MAYOR BECKER: Pat, can we take a break for about five minutes, please, to give you a chance to rest your voice and some of the rest of us for we might have other reasons and we'll - it's 20 minutes to 11 according to the clock so let's come back in five or ten minutes. Okay.

\* \* \* \*

(After a brief recess, the discussion continued.)

MAYOR BECKER: Mr. Maloney, some of our Council members have a series of questions they'd like to ask you.

MR. MALONEY: That really doesn't come as any great surprise.

MAYOR BECKER: You're provided with water, I think, and if you tire from standing, we have a portable microphone over here that you can use in a seated position if your legs become weary. So, who would like to start....

MR. MALONEY: I would sit by Mr. Padilla, but in the proximity of it all they would think it suggestive.

MR. PADILLA: Well, it doesn't pay but \$20 a week, more than you're earning already, since you gave your fee back. So, it's really not worth having.

MR. MALONEY: It would be much easier for you to do it than me.

MR. PADILLA: May I start with the questions, Mr. Mayor?

MAYOR BECKER: Well, Dr. San Martin and Mrs. Cockrell had their hands up first, and I'm going to let you two decide who you want to go first. I think you both put your hands up simultaneously.

MRS. COCKRELL: You go ahead.

DR. SAN MARTIN: Thank you. Mr. Maloney, first of all, I'd like to clarify something which I feel is incorrect that you said that I had made the motion to employ you, and I believe it was Councilman Morton, who said, "I move the question." My vote was predicated on certain qualifications. I voted yes, but it was predicated on two things, that we do not go any further than the taking of testimony from the incorporators of Alamo Gas which Mr. Reeder said you could do a good job, that you could make people feel guilty who were actually innocent. And I remember correctly that Mr. Morton said, "I move the question." So, I did not move for your nomination, Mr. Maloney. I voted for it with those qualifications and that is the reason why I have made the statement which I have made. I may be paranoid once in a while and we all are a little bit. I think there's an old Spanish saying which is very appropriate, "every man is a little bit of a musician, a little bit of a poet, and a little bit of a paranoid." So I have filled one of those requirements of that particular saying.

I want you to know that my remarks have been addressed to issues, not to personal insults or offenses, and they will continue to be addressed in that manner. I have never engaged in any kind of debate or conversation where I have called anybody anything but a gentleman and I certainly promise you that despite our differences, I hope that as far as I'm concerned our personal friendship will not be changed in any way shape or form on account of that. I don't believe in stabbing people in the back. As a member of this Council, I feel that I must say something as long as I'm sitting over here, as long as my \$20 a week is coming; I'm going to continue saying those things.

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However, I'd like to bring a couple of things to your attention which I feel need for you to clarify. First, you agree with Mayor Becker that the Commission of Inquiry presented a fairy tale and in your report you quote and even praise Mr. Shannon for being a fine interrogator for bringing out certain aspects. So, I find a little bit inconsistent there that on the one hand you tell us we produced a fairy tale and on the other one, you said that we did a fine job. Now, in the question of the White, Weld Financing, and I'm sure that - I don't know whether you went into an independent communication with White-Weld, or whether you merely relied on what we brought out. Now, how would you have obtained any further records of White-Weld when they tell you plain out they're not available any more?

MR. MALONEY: Are you quite through, Doctor.

DR. SAN MARTIN: Yes, I'm asking these things.

MR. MALONEY: Doctor, let me - I've tried to make some use of notes simply so that I could respond in full. And, of course, I certainly hope that you know that if I suffered the loss of your friendship as a consequence of any of my remarks, I.....

DR. SAN MARTIN: No, it will not be.

MR. MALONEY: I would regard it as a monumental loss.

DR. SAN MARTIN: It would not be lost, Pat, I can assure you that we will not lose our friendship.

MR. MALONEY: Thank you very much, Doctor, but let me say that I drew the impression that you did move for my appointment for which I was terribly flattered for this reason. On page 27 of the notes that were given to me and I quote, "Mayor Becker: Okay any further discussion? Dr. San Martin: I so move. Mendoza: second. Mayor Becker: All in favor, opposed?", and then the vote is recorded and, perhaps, I misread it, Doctor, but it is upon that basis that I drew the conclusion, and I'm not being argumentative and certainly not going to be personal, but that was the reason why I you moved because it says you moved.

DR. SAN MARTIN: I moved that the discussion be determined. Mr. Morton moved the question on the proposal by Mayor Becker.

MR. MALONEY: But in any event, we go to that....

DR. SAN MARTIN: If you found it, you'll find it inconsistent that after I moved to hire you, I now moved to dismiss you. Okay.

MR. MALONEY: I did. I'm not all that sensitive.

DR. SAN MARTIN: I'm not either.

MR. MALONEY: The other is - I'm appreciative of my colleague, Mr. Reeder, saying that I can make those appear guilty who aren't. But, of course, I assure you in this case, my only desire and I'm satisfied that you know that, and that is find out the facts. It's a very difficult thing to do, Doctor, because I can no longer find out the facts as an investigator. If I am not to be the attorney of record for the City of San Antonio, then I can be of no - I'd like to explain it and then I want to answer your inquiries and then I'll be through because I'm going to be ..try to be quite succinct because you see, Doctor, even in the trying of Glen Martin's deposition, which was scheduled tomorrow, it was Mr. Crawford Reeder who would do the interrogation, and I would be of small assistance. But to be honest with you, I really have only one strong lawsuit and that is trying lawsuits. I am a waste as an investigator. I know I can give you the names of tons of them, because I use them. But, I am not - I am legally proscribed from doing for you all of the things that I should be doing unless I am the attorney of record, which I am not. That's what I - but to answer your question on the other, I think that I, too, would be terribly grateful if we can talk of issued as opposed to personalities because I realize that if you're not careful that's precisely what happens.

The last is this, when you mentioned the word, fairy tales, yes, I thought it an apt description for this reason. As I understand it, Mr. Shannon, whom I did, if you'll notice throughout many times I was complimentary of him and I'll show you why after a bit, I thought some of his were terribly pungent. Mr. Shannon, as I understand it, of course, didn't vote on the conclusions. He was an interrogator and he was supposed to be completely unbiased and unprejudiced, and I don't see his view printed any where, you see. I don't think and, Doctor, I'm saying that I drew different conclusions from what he brought out than obviously the Commission did. But, I thought he brought them out terribly well. Just as many times, Doctor, I think that I've tried a lawsuit terribly good only to find out that the jury disagrees and that really is what I'm saying. I thought he presented the evidence within his confines very well.

In answer to the White-Weld question, I have requested and now I find that Mr. Quinlan is going to do that. I want the file, and I want it under oath, Doctor, and I do know of the response they gave. I found it inadequate. And, again, I know that you didn't have subpoena powers, and I know they only wrote you and I think the correspondence would be terribly helpful in following it up to whatever attorney does that because I do think that is a terribly important source of inquiry. That is what I really meant to say to you. I understand that the District Attorney now by reason of the fact we've changed the laws does have the right now to subpoena them and they are in the process of doing that and probably has been done. Did I answer that somewhat?

DR. SAN MARTIN: Let me ask you this. Now on the question of the profits that were made by the incorporators, we made some statements as to what we thought was the value of the stock received by the incorporators of Alamo Gas if they had sold their stock at the time that Coastal States took over Alamo Gas. Now, do you disagree with that statement?

MR. MALONEY: I can neither agree nor disagree. I did say what your analogy was that if they had sold, as you know, at one time it was terribly valuable and, of course, like all stocks it has not. I do not know whether they sold or did not sell. You also, Doctor, did find that it's difficult to categorize the profits of Mr. Martin because of the plant and that sort of thing. Of course, I'm sure that you were disturbed because of the fact that apparently he is still being paid by Mr. Wyatt.

DR. SAN MARTIN: Okay, do you recall in my questions of Mr. Oscar Wyatt how I tried to pin him down on how much Mr. Glenn Martin was receiving?

MR. MALONEY: Incredible, wasn't it.

DR. SAN MARTIN: How would you go about subpoenaing the records of Mr. Glenn Martin as to how much he actually received when he did not bring them to the Commission of Inquiry? He said that was all he had what he gave us there and even the grand jury right now is going through its legal authority to try to subpoena those records now. In your criticism of the commission could you tell us exactly how would you do things different considering that we did not have the power to subpoena? How would you do that?

MR. MALONEY: Are you quite through?

DR. SAN MARTIN: Yes, sir.

MR. MALONEY: Doctor, I would do it this way. Obviously Mr. Martin as you know was even loathe to be put under oath and he was rather frantic because he wanted to be sworn, he wanted his lawyer. As you know he likewise, refused to discuss with you any of the pertinent issues but rather his experience with Mr. Matthews and was never recalled. In answer to your question, directly as an attorney of records you do and I'm satisfied the court would compel the production of it.

DR. SAN MARTIN: All right. Mr. Crawford Reeder made a statement prior to the City Council employing you and your law firm as assistants. He said it would mortally cripple our lawsuit if Mr. Glenn Martin is joined in the same lawsuit. Now you are here this morning saying that actually it would strengthen the lawsuit. Now, part of my reasons for trying to have Mr. Reeder take over your assignment, Mr. Maloney is that I rely very strongly on the advice of our City Attorney. I don't feel that the City Council has any business trying to run the Legal Department or any other department of the City of San Antonio except through the City Manager and I feel that if Mr. Reeder tells me as he told his Council that it would mortally cripple, obviously there is a disagreement as lawyers as to what is mortally cripple and what is strengthening when you are doing exactly the same thing.

MR. MALONEY: Doctor, of course, I read that, too, from the same testimony. Of course, my first act was naturally to confer with Crawford Reeder and I felt if there was any basic disagreement between the two of us, obviously, the only thing, Doctor, for me to do was to report back to you that it would be impossible for us to function. I find, however, that I was so terribly pleased that Mr. Reeder was, to my knowledge, was not in disagreement with any of the processes which I thought should be carried out with reference to the prosecution of this suit. I know at the time that Mr. Reeder made that remark he, for some reason, was terribly fearful as I think perhaps you subsequently were in your first missive to the press that I, in some way, was going to try to whitewash, abrogate or exonerate Wyatt at all. I think Mr. Reeder had the impression that in some way I was going to attack the initial contract. Well you see I gave him the assurance that I give you, Doctor, not only would I not attack it, it is sacrosanct. If that contract isn't any good we have nothing and the reason why, of course, it is my view that it would be strengthened as opposed to weakened is, Doctor, it is true that Mr. Wyatt, whether he is believed or not, makes Mr. Martin a culprit. He said it was he who committed the fraud. It was he, as you know, that misrepresented. I say, if you have them both in the same lawsuit and you are making the assertion, Doctor, you have no apologies. You have nothing good to say for Mr. Martin either. On the contrary circumstantially it looks like that the two of them connived together to get a contract to our detriment. What I'm saying is I do not think Mr. Reeder presently thinks that such a strategy would cripple.

CITY ATTORNEY REEDER: I've been quiet up to now but this is a point that needs to be cleared up because I did say what you said. I thought

at the time that it would mortally cripple our lawsuit against Oscar Wyatt and Coastal Lo-Vaca if we brought Glenn Martin and those other Alamo people into it. I was afraid that whoever the City got, whether it was Mr. Maloney or somebody else, would attack the validity of the contract in order to try to show that the Alamo people were crooked and that Wyatt would jump on that as a way out. Also about that time if you will recall the deficiencies in the Spice estimates as to the reserves was beginning to be made public. In the view that I take of the contract, I think that Mr. Maloney takes of the contract, I know that Mr. Matthews takes of the contract, it doesn't make any difference what the reserves they had or what they said they had. Wyatt agreed to carry out the contract. It doesn't make any difference if they didn't have a square inch of gas. Now, I just wanted to get that clear.

One other thing I'd like to say, Dr. San Martin and other members of the Council, Mr. Maloney, for many years I've recognized as many being one of the best jury arguers I've heard. That's why I dread to try a lawsuit with him because the plaintiff always gets the last word and I'm always the defendant until this time. I'm in a particular position now and I don't know why I'm the lawyer in the case now after that Washington firm. I generally don't speak to yankees and I'm like Pat, I don't trust anybody east of Texarkana. I really think, I don't want to usurp your position but I really think we ought to keep in perspective what this lawsuit against Coastal, Lo-Vaca, Wyatt is about. I mean, I think what Pat has said, he's said some things that are correct. There's no doubt in mind he's right about some of those things. Some of them he's partly right about in my view on some of them I don't agree with him on. But I think we ought to keep in perspective what this case is about and what this case is about is not what happened in 1961 but what Wyatt did in 1970 and 71 and 72. Ten, twelve years later. Now, that Alamo group may have been the biggest bunch of crooks in the world and I say that with full knowledge that the lawyer for one of them is in this courtroom and I say the rest of what I'm saying with full knowledge that the lawyer for Oscar Wyatt whom I won't identify because I don't want a lynching here is also in this Council Chamber. He's a good friend of mine. He used to be a judge, he dresses well, I'll give you a hint. Everybody on the Council, as well as Pat, ought to keep in mind what our case is. Our case against Lo-Vaca and Coastal and Oscar Wyatt is for their transgressions in 1970, 71 and 72. It's not 1961. Now, I'll agree with Pat to this extent and then I won't expound any more if, in fact, the Alamo group or any of them were skills for Oscar Wyatt and his front men and they were tied up with Wyatt and let into entering in a contract with a man we might not otherwise have entered into a contract with. There might not be any harm in bringing them into the suit as Mr. Maloney had already, as Pat and I discussed in his office. I believe that if we could hang them around Wyatt that should be one more thing we've got on Wyatt. But when we've got a real good shot at a guy better than a deflection shot, we've got him standing and lined up against the wall and guns zeroed in on him. I don't particularly want to bring up an atomic bomb. I mean we can kill him the way it is now and I say that with full knowledge of the lawyers who are in this room. Incidentally, Mr. Matthews disagrees with me, too. That's another difficulty I've had. I've had Mr. Maloney on one side of me and Mr. Matthews on the other and they are completely different types. I would have to say that if I were going to be marooned on a desert island with one or the other I would take Mr. Maloney ten to one. For one, he's much more amusing and he might figure out a way of getting the island. In any case, I wish we could get a team together.

All of this squabbling we keep going through is bad for everybody and it only helps old Oscar baby you see. I just wish we could get our team together and I regret we brought those yankees down here but I think that they were probably brought down as a compromise because some of the board members didn't like Pat and some didn't like Wilbur and I don't think anyone of them likes me particularly. They just handed it to me because they figured I didn't have any sense and wouldn't do anything with it any how. Okay, that's the background. I think we ought to zero in on Coastal, Wyatt, Lo-Vaca and I'd be very glad to have Mr. Maloney. In fact, I bought this blue suit that I've

got thinking that I might be buried in it and what I'm about to say just might precipitate that. But Mr. Maloney would make an excellent City Attorney and I know that he doesn't want to leave his practice that is rather lucrative. He says that he represents the poor and the downtrodden and he does but there's just a hell of a lot of the poor and downtrodden and they get good workmen's comp claims and personal injury claims and that sort of thing so I don't imagine he would want to take the job for the little old salary you all pay me that I'm even ashamed to even mention. In any event if you want to get him you couldn't get a better man. Okay.

MAYOR BECKER: May I establish my position since you mentioned the members of the Board, some not liking one and I want to establish my position, if I may, and that is that I don't care for any of them. So, that's why I'm advocating for Mr. Maloney and Mr. Crawford Reeder. I don't like for any ambiguities to exist and consequently I think it's appropriate that I establish my position with respect to what you just said about the members of the Board.

CITY ATTORNEY REEDER: I forgot, Mr. Mayor, I apologize to you. You were the one who were for Mr. Maloney and me and made me feel better because I wasn't sure that any of those others were really for me and I knew they weren't for Pat.

DR. SAN MARTIN: Mr. Mayor, let me ask Mr. Maloney another question then. One of your statements Pat is that you say that this afternoon we should move in some of the recommendations that you have made. Is this wise in view of the fact that the grand jury has not completed its final report?

MR. MALONEY: Doctor, here is what I would do if I were an attorney of record and please understand that I know that you.....

DR. SAN MARTIN: We're here to enlighten ourselves.

MR. MALONEY: I'm going to answer directly, Doctor. Please understand again, that Crawford and I to my knowledge do not disagree with what I would do this afternoon if I were the attorney of record. First, Doctor, I would file a motion to have the case especially set in a court where it would stay and you would do that by reason of going to the presiding judge with the appropriate motion because Crawford knows this to be a fact, if you are not careful a complicated lawsuit by the time that you finally get to try it on its merit a half of dozen judges have heard it and as a consequence none of the judges understand it so our initial request would be, give us a court, we really don't particularly care which court, but give us a court where we know we will stay, Doctor, that's what I would do. Doctor, in answer to the grand jury testimony let me say, no, Doctor, that is always going to be useful but I did want to preface and again, I do think Crawford would support me in this, if they do not indict there may be that which they developed which will help us civilly. I find it strange but I'm not critical of the lawyer, but I find it strange that Mr. Martin offers to say to the grand jury, "well, I'm not coming because those crimes are barred by the statute of limitations". That doesn't give me the posture of an innocent man but, in answer to your question, that is what I would do. The thing that I would do next would be to - I think it's terribly important, Doctor, to immediately set the plea of privilege because if you win them, Wyatt doesn't slip to Houston. I think it's terribly important to set the motion to stay because if you win that he doesn't go to Houston and, Doctor, I can't emphasize to you strongly enough as a lawyer how firmly I believe those matters must be done now. I do know that Mr. Reeder has been in agreement with me for weeks but do do this for him. If he gets no one that's fine, but at least make him run the business of the City uninhibited by the Public Service Board if you want my opinion.

DR. SAN MARTIN: Let me say, first of all, that I concur that Mr. Reeder should run the business of the City uninhibited by City Public Service Board, City Council or anybody else in this town. As long as Mr. Crawford Reeder is in charge of the Legal Department I certainly

will accept any recommendation that he makes to this Council just as I accepted it before. If he tells me that he cannot do the things that you are doing I will certainly withdraw my objection to your continuing on this particular aspect of our litigation but I feel and I certainly would not hesitate for this Council to represent the citizens of San Antonio in going after anybody that even looks half guilty. I'm not trying to protect anyone from anything that they ever did, although I agree with Mr. Reeder and our Commission of Inquiry in a way agree that Oscar Baby is the guy that we've got to hang for the things he did in 70, 71, 72. So, in fairness to you and in fairness to everybody I would not do anything today or tomorrow until Mr. Crawford Reeder comes to this Council and says, this is what I recommend and I'm ready to stand behind him because I know his capacity as a lawyer and as long as he is our City Attorney I will support everything he does.

MR. MALONEY: I support precisely what you said.

CITY ATTORNEY REEDER: I'll tell you in response, excuse me Pat, I'll tell you I agree with what Pat said. We ought to get this case assigned to a judge over there and I don't have a personal preference. I don't know whether he does or not. They're all good judges. I'd like to see it assigned to a judge and I'd like to see it this afternoon. I'd like to set the motion that they file to stay this case pending the outcome of that silly Houston case they've got over there. I would like to set that motion for a hearing and get it overruled because we would get it overruled if we set it for a hearing and third, I'd like to set there what Pat referred to as their pleas of privilege and I call their motion to get the case transferred to Houston for purposes of simplicity. I'd like to get those set and heard as soon as possible because we cannot only keep the case from being transferred to Houston that way, we can also nail Oscar pretty hard on the hearing on the pleas of privilege with the testimony of Walter McAllister, Sr., with the testimony of John Newman and the testimony of, well, I'm trying to think of somebody with the Board who makes a creditable witness, well, we'll think of somebody. All right, now, I agree with Pat that that's what we ought to do but I called Mr. Matthews sometime right after this Washington thing came up and the Board hired the Washington firm and I said, all right now, who's on first? Who's the quarterback? He said the Washington firm will be the quarterback and we'll be the council and you'll be the sideline coach or words to that effect, so I'm not the lawyer, you see. They're the ones that hire lawyers you all don't. I mean to represent the Board. They're the ones that do it. You all don't. So I don't want to louse up another lawyer lawsuit even if he is a yankee. They come down here and they want to do it some other way and then we've already done these things it's going to louse it up so, that's why I keep waiting. I want to wait and see who is going to run this thing and what they agree to. That's my recommendation to whoever gets the charge.

MAYOR BECKER: If I may interject the thought here for a moment and to show you that I'm not brilliant nor am I a lawyer, I wouldn't make my summation in the middle of the jury argument. The thought occurs to me that legal representation retained by City Public Service does not necessarily represent the City of San Antonio and its citizens. The reason I can draw that conclusion is because of past acts, past information, past knowledge, past activities, this Alamo Gas suit being one of them, this Alamo Gas contract being one of them. The other day I happened to be discussing other matters with a gentleman I've known for a great many years. He used to be a member of the City Public Service Board and he was quite concerned about this Alamo thing and what had transpired and so forth and he confided to me that many things occurred there when he was a member of the Board that he was quite unhappy with but it apparently did no good to make any comments on them because it was one to four. Now, my position is simply that everytime something happens at one of the utilities the people come immediately to this City Council to register their protest or their approval. Unfortunately there have been more protests lately than there has been approval. But be that as it may, they look to us as duly elected representative of the citizens of San Antonio. They do not look upon the Board members of the City

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Public Service in that light. They are not elected, they are appointed. And to perpetuate this condition in a situation as serious as this to me, would be a misdemeanor of transgression or certainly an act of either co-mission or omission, whichever it happens to be of not facing up to our responsibilities and not facing up to realities of the situation. That is my summation before we really should have arrived at a summation, but I appreciate your giving me the time.

DR. JOSE SAN MARTIN: I have just one more question from Mr. Maloney, Mayor. In your evaluation of the final report of the Commission of Inquiry, did you use any items, I mean did you utilize any items as being valid as expressed in the Commission? I don't see that in this report you have given us anything over and above what was given in the report by the Commission of Inquiry. Are they missing from this or you just don't have anything over and beyond this?

MR. MALONEY: No, Doctor, I have quite a volume and it would be somewhat tedious, but I have.....

DR. SAN MARTIN: Or is it information you cannot give us?

MR. MALONEY: Well, to be honest with you and in all fairness, there are areas, Doctor, that I think in the best interest of your representation shouldn't be publicly discussed. Mr. Reeder is aware of many of the areas. I would, yes we have a number of items which we think can be very forceful from the standpoint of litigation and I sometimes think that a public meeting if you are going to try a lawsuit is probably not the best place to do it.

DR. SAN MARTIN: We do have executive sessions for that purpose, I mean.....

MR. MALONEY: I certainly don't mind putting them of record, Doctor. There is much that I found very persuasive in the depositions that were taken in United Gas. Again, I want to say that so much of what you brought out I think is terribly good. For instance, Doctor, all of this convinces me that I am right and you are wrong with reference to the Matthews firm. And as you know that's fifty pages of employment by Martin (inaudible).

DR. SAN MARTIN: Well, we brought out all this.

MR. MALONEY: Yes, yes, and I commend you for it. See, I tried very hard, Doctor, to make the distinction that I thought Mr. Shannon did an excellent job but I thought you made the wrong conclusion and I say that in deference. In other words, you concluded that there was no proscription. I don't make that conclusion.

DR. SAN MARTIN: Let me ask you something. Is there anything in your opinion that shows that Mr. Matthews violated the canon file of the code of ethics of the American Bar Association?

MR. MALONEY: No, Doctor, I really think it would be arrogant and presumptuous for me to make that observation. It is neither my role nor function. I come to you as an advocate and I say, Doctor, that in this litigation, Mr. Matthews is going to be such a particeps criminæ by reason of his association that it will weaken it enough anyway. I say that they are going to show, in my judgement, a very long association of neighbors with Martin, of representation of Martin, and I say that its almost impossible to sue your joint tenant and land owner. I think that his conduct at best is certainly imprudent with the association of Martin. I don't know, Doctor, that he ever enjoyed that good a reputation and I find it inconceivable that you therefore would use that firm to try a lawsuit when you know they are going to defend on the basis of Martin and who is his lawyer, but your lawyer. I don't think that is consistent.

DR. SAN MARTIN: As a lawyer, would you say there are grounds for having the American or the San Antonio Bar Association investigate the conduct of Mr. Wilbur Matthews as brought out by the Commission of Inquiry as violating canon 5 of the American Bar Association.

MR. MALONEY: I saw the discussion on it, Doctor. You know, we have a grievance committee, and I don't think it would do any harm for them to review it. I think that they would find it an extremely interesting document to read and I am sure that you would be the first to agree that it was with some reluctance that you would say that he is entirely untrammled with the Association because, Doctor, in my judgment, there is one half more again that could be addressed to the subject. But, what I am really saying, Doctor, to me that is somewhat circuitous. Certainly, I would not be loathe to see that happen. For instance, Doctor, I find it appalling when the defense is, as you know, I made full disclosure. Doctor, if I, as a lawyer came up and you were on the Public Service Board and I told you that my firm this many times had been representing Glenn Martin who is trying to get the biggest contract in San Antonio, and Doctor, you took me as a lawyer to represent the Board and not my client, I would say you are a fool and I would say that any lawyer who likewise said that notwithstanding I have done all of this for Martin, I still can represent the Board, I would say not so.

DR. SAN MARTIN: All right. Are you ignoring the fact that Mr. Matthews actually warned the Board of Trustees of City Public Service Board of this fact and that even so the Board of Trustees went ahead and gave the, he offered to withdraw from the contract negotiations and the Board still went ahead and gave Alamo the contract and Mr. Glenn Martin the conditional award of the contract.

MR. MALONEY: Yes, I said they were both wrong, Doctor. He should have withdrawn and they should have accepted his warning. It was inseparable that he continue from that moment on. Impossible, I think, professionally.

DR. SAN MARTIN: In other words, you hold him in violation of Canon 5.

MR. MALONEY: No, I am trying very hard, Doctor, really to.....

DR. SAN MARTIN: I suppose, Doctor, the only answer to that would be to refer him to the grievance committee and see what happens. You see, I don't, I am very conscientious about not prejudging because, Doctor, I believe everybody deserves a trial. All I can say to you is that I think it would be an apt thing for you to do, if he wants to be scrubbed up by the grievance committee and if they want to do it, well, that's fine. Personally, I am just giving my personal observation. I think, Doctor, you cannot represent someone against Glenn Martin or Oscar Wyatt because he is three-fourths of the lawsuit and when you know that you are going to be the subject of testimony throughout, it's an impossible requirement of you. I am sorry, Doctor.....

DR. SAN MARTIN: No, this is fine. I wanted your honest opinion, I am not complaining, I am just.....

MR. MALONEY: As one small member, I vote against him. But then, you know, after all I have been known, as Crawford said, not to share a popular view all the time, but that doesn't make it wrong.

DR. SAN MARTIN: The Commission of Inquiry was given the charge of trying to find if Mr. Matthews has violated Canon 5 of the law of ethics.

MR. MALONEY: Let me make a distinction, if I may, Doctor, professionally. Assume for the moment, there was no violation of the ethics, still in my judgment, professionally, he is disqualified to represent the Public Service Board of the City of San Antonio in this litigation because his credibility is so weakened. As a practical measure, it is difficult for me to find who he was for.

MRS. COCKRELL: In your opening remarks, you made a number of statements about the way you hoped to represent the entire City Council and I would like to comment on our professional relationship if I may. You have also prominently mentioned business that was transacted at San Antonio Country Club. Now, we don't happen to be members of the San Antonio Country Club, but on occasion I am invited there and I learned of your, the recommendation for your potential employment by the City, as a matter of fact, at a party at the San Antonio Country Club and it happened just.....

MR. MALONEY: It couldn't have been a friend of mine, Mrs. Cockrell, excuse me.....

MRS. COCKRELL: It was the very night before the recommendation came to the City Council. I was told just in casual conversation that evening that the next day at the City Council meeting there was going to be a proposal that we engage your firm to intervene in the lawsuit naming Alamo Gas Company as co-defendants to the lawsuit. The next morning I was given additional information that this was, in fact, going to be presented. I came into that Council meeting feeling a little bit pressured, to be perfectly honest. I had not realized that the City Council was in the market or was going to discuss retaining another attorney. I would have been very happy to have participated in any discussion that we might have on, first of all, the advisability of retaining another attorney, and then second, making suggestions as we all might have had for recommendations for an attorney and then after the conclusion was reached, of course, I think we would all have felt that we did have an attorney that we had understood in advance of the meeting was to be our choice. However, at that meeting after the discussion got to the point where it was agreed that we would not at that moment intervene until we had further information, I did certainly vote for your retention as our attorney to the purpose of investigating the matters in the Alamo Gas.

Now, having voting for you, Mr. Maloney, I really feel that I was entitled to receive the same kind of information that other members of the Council have received from you, sir. I read in the newspaper the comments of Mayor Becker, for example, telling us what we were going to hear today from you, that it was going to be startling revelations and that kind of thing. So, I would have to assume that Mayor Becker had been briefed in advance of this meeting as to what might be in your report. I also have learned that you have invited several members of this City Council out to a luncheon when they were given a pre-briefing and, somehow or other, I feel that perhaps all of us might have had access to the same information prior to coming to the Council this morning. So, if any professional relationship is to be continued, of course, as one member of the Council, I would have to ask to be included in any pre-briefings or pre-arrangements.

I would like to comment on one additional factor. I have not had occasion to have business with many attorneys, but it was sort of my impression that the attorney advised his client first. All I know about what's going on is what I read in the paper because I do see that you do give out press interviews and that the case is commented on sufficiently in the press, and, of course, at least as a client, I would have appreciated getting some of this directly. However, we'll pass on to other matters.

I would like to ask since we are discussing the conflicts of interest, I think there is a matter which would be helpful for you to clear up and that is what is exactly your status at the present time in relation to the previous client you have had in suits of intervention into the pending lawsuit? I think it might be helpful for us to know if you are still being retained by an attorney by these other clients, or just what is that relationship?

MR. MALONEY: Are you through?

MRS. COCKRELL: Yes, temporarily.

MR. MALONEY: I somehow suspected that this wasn't the last inquiry. Mrs. Cockrell, let me say that what I meant was when I commented about the entire Council, the subject matter is difficult enough that there isn't any attorney who can represent this City Council in my judgment unless they are representing all of you. Because, obviously, the Mayor is titular only and that really was my point. I realize that at the time that you were somewhat reluctant but I was proud to get your vote even if it was reluctant. I meant that when I said that it was the unanimous feature that made me feel somewhat heartened that you would think that I represent all of you which I do.

The other feature that I did want to comment when I made the remark, Mrs. Cockrell, about the San Antonio Country Club, I'm talking about the Trustees. I'm talking about their composition really is so - not yours - really is so removed, in my judgment, from the voice of the people that they are inapt often. If you heard of something at the San

Antonio Country Club I find that strange because rarely do I have any conferees there. I generally am known as a ragtog and that is probably a pretty good expression and denomination.

The other insofar as, Mrs. Cockrell, I was of the impression that at least three times I have written collectively to the Council members and I'm not quite sure how it's done. I write to the City Hall and I was of the impression that I had told them that I will meet anytime, anywhere on any occasion because I am very sensitive to the fact that you are entitled to any briefing anytime, anywhere by your attorney, and I know, Mrs. Cockrell, that Mr. Reeder will join me in this because it's fact that I have told Crawford, many times in the last - it's just really been four and a half weeks. I mean you can appreciate it is a terribly brief time but I have told Crawford many times, "tell the Council I would like to meet with them". Thirdly, I'm satisfied that in preparation for this, I had asked Mr. Skipper and presumed that he did to tell all the members of the Council that I wanted to meet with them. Well, what happened, frankly, is that he then called me back and told me I would be favored with Rev. Black, and Mr. Morton, and Mr. O'Connell. I never had met Mr. O'Connell before and I find him terribly engaging. I thought we had a marvelous - and I'm sincere - and I thought we had a marvelous exchange and it was they, Mrs. Cockrell, who told me that by all means to make sure that you and Dr. San Martin were invited next. I had a few days to do it. I then called Mr. Skipper and asked that he do that because I realized the appropriateness, obviously, that you should be privy to all of the information that I have. I don't know whether that communication broke down or not, but if it did, I apologize. Perhaps I should have done it, but - and I was of the impression. I know that Dr. San Martin knows that anytime he invites me anywhere to do anything, I am happy to respond because I'm flattered as I would be in your presence by the way. So, I regret that if that did happen.

In response to the subject of the Mayor, Mrs. Cockrell, I not only don't want to but I refuse to get involved with who likes whom on the Council. Because if I do, I cannot be effective and I think you know I don't need the employment, thank goodness, but what I am saying is that frankly, I've been flattered, Mrs. Cockrell, that the Mayor seems to be impressed somewhat with the fact that I have some modest ability in a courtroom. He, therefore, thinks that maybe in some way I could lend to Crawford Reeder. Mrs. Cockrell, I could never nor would I ever inject myself if Crawford and all of his wonderful staff weren't working because I don't have the time and because I am committed for years, and the only suggestion ever that I thought was could I work with Crawford, and would I do so, and I responded with alacrity and affirmatively. So, I suppose I've come a long way to say that if we haven't briefed you more or if I haven't, I'm sorry, and you'll certainly be among those others..... Let me - the last question is the one I appreciate the most because it's at least non-personal, and it's certainly relevant professionally.

MRS. COCKRELL: You consider the first one to have been personal?

MR. MALONEY: Mrs. Cockrell, I don't.....

MRS. COCKRELL: Fine, I just didn't want to leave that impression because certainly it's not a personal matter, but just as a client I feel that I am entitled to receive equal treatment and equal information.

MR. MALONEY: You are indeed.

MRS. COCKRELL: Thank you, sir.

MR. MALONEY: You are indeed. I stipulate that's true. The last is this, Mrs. Cockrell, and this goes back to the early days when the Doctor knew of my desire to do something and I think I even favored with you with correspondence and letters during those days when we intervened and suggested what should be done with Coastal and Wyatt. Mrs. Cockrell, here's what we did. We sued Wyatt, Coastal, Lo-Vaca et al, including the City of San Antonio and I think even the City Attorney, and if you read the petition, Mrs. Cockrell, here's what we said. We said that

apparently they're going to do nothing - the Public Service Board, the City of San Antonio evidently are going to do nothing and they are our designees and, judge, if they aren't, let us. And here's the reason for that, Mrs. Cockrell. It is true, generally speaking, that you don't have a justiciable interest in a consumer suit unless you can prove the duly designated representatives will not go forward. I said that more than two years ago and no one did and therefore, I thought it was fair but you can see that it was nominal only. Let me say to you now that I think your City Attorney will tell you that you're much too late in getting after the litigation. I know he shares my view that it should have been done a year ago. So I was criticizing them. They were a nominal defendant only. I'm terribly happy that that complaint is no longer true.

MRS. COCKRELL: In other words, you are no longer representing any other party, is that correct?

MR. MALONEY: I'm representing, of course, in a consumer suit. I do not.....

MRS. COCKRELL: That litigation is still on file?

MR. PAT MALONEY: It is Mrs. Cockrell. I don't think that it would be at all valid just as I don't think the other intervenors probably have a justiciable interest if you can prove there is someone among the constabulary of the City who is obviously interested in prosecuting this lawsuit. I think Crawford agrees with me all of the intervenors will ultimately be cut out for the lack of a justiciable interest.

MRS. COCKRELL: But at any rate, at the present time you are still the attorney of record in a lawsuit in which the City of San Antonio and the City Attorney are both defendants. Is that correct?

MR. MALONEY: Yes, Mrs. Cockrell, and the way you do that is take a non-suit and it takes about a minute.....

MRS. COCKRELL: I understand.

MR. MALONEY: Yes....

MRS. COCKRELL: But, I just wanted to establish that was still your relationship in the case.

MR. MALONEY: If you find that you've made a point it escapes me but that is true.

MRS. COCKRELL: Yes. All right, then to go on to the entire relativity of the lawsuit, I share several views with you. One is, I share the fact that I wish the lawsuit had gotten off sooner. As you know, Dr. San Martin and I among others on the City Council have pushed and pushed to get this lawsuit to trial to get it filed first of all, the countersuit filed. In reviewing the entire proceedings, one thought is uppermost in my mind and that is where does the best interest of the citizens of San Antonio lie and what course of action will be most likely to recover damages for them? Now, in looking over the facts, obviously, the point that is - the uppermost point is - do we have a valid contract and if so, who is required to perform in that contract? The validity of the contract, it has been asserted by our attorney and by the attorneys of CPS was not directly dependent upon the inspection of the reserves. That is our legal position that we are taking. I regret and I wish that the experts had been more accurate. I think it is very, really, very difficult to imagine how the results could have been that inaccurate, so I agree with you on that point. But, that being the case, it is still only a side issue if the view that we have of the lawsuit, which is that the contract is binding regardless of what the inspections shows, but that they are legally bound to deliver that much gas, then that has to be the major thrust and in that case, the action of the Coastal States Company and Lo-Vaca in 1972 in selling off major gas reserves for a higher price to North Texas Utilities, is the major reason why our customers today are defrauded of what rightfully belongs to them under this lawsuit.

Now then, Coastal States is still certainly a viable company with assets. I see that as the best possible source of damages to be recovered for our own constituents and the City Public Service Board customers. I want to be entirely sure that no action that we can take in any way jeopardize the major thrust of the lawsuit. Now, I share the concern of all that if there are and it appears that there may be parties who should be pursued independently or separately or by grand jury action or other that should be looked into. But I do not want to take any action until I am absolutely assured by all the attorneys in this case that adding another defendant will not in any way weaken the position that we have in the major thrust of the lawsuit.

This is really the area where I am the most concerned and, in viewing the information that you have put together, it seems to me primarily that you have taken the testimony that has been delivered up to this point and simply said that after studying it, you have a different conclusion than what has been brought out to date. I would like to say that I think before this Council will take any action on adding another defendant to the lawsuit, we should have a thorough consultation with all of the attorneys to determine precisely the effect on the lawsuit. I think that is the key crux of this issue and I think Mr. Reeder, our City Attorney, has commented in part on this but I think we have to view that with the greatest effort and concern. Mr. Maloney, I agree with a number of things that you say and yet, I cannot accept at this point the conclusion until I get further assurances from all the legal staff, that that would in fact, not jeopardize the lawsuit.

MR. MALONEY: Would you care for me to respond? Mrs. Cockrell, I think that you made a terribly significant comment when you said that the most vital inquiry is, do we have viable contract and is it enforceable? As a result, Mrs. Cockrell, I have always envisioned defending litigation is one subject to severance in many, many respects. For instance, it is the thought of Crawford Reeder and I, upon whom I have yet to find myself in disagreement as to how to proceed, that, in all likelihood, Mrs. Cockrell, what you would do again almost immediately, is to move to sever that portion and ask for a partial summary judgement based upon the fact that you have an enforceable contract and ask for a ruling on it because indeed, if you are successful in that regard, then the damages are ancillary, obviously, and it would be a question of how much you are entitled to. Likewise, Mrs. Cockrell, just to pursue what I am saying, I think undoubtedly you would sever Wyatt, himself, and I would envision that you would be trying that separately. Do you have a fraud suit against him personally, if so, how much and I think that would not be done in the case in main. Mrs. Cockrell, and again I would be the last to suggest that at noon you vote one way or the other. I am not here under that premise. I am really here to try to convince you of my integrity insofar as having done what I could in the last five weeks work. What I want to tell you in my judgement professionally, you are going to find that Mr. Martin is a part of the lawsuit regardless of what the City does. I find it impossible not to believe that he and Matthews and others will not be a third party defendants by Wyatt in any event. I think they will be brought into the lawsuit. Likewise, I think if you filed a separate lawsuit against Martin, I think the court would be presented with a motion to combine the two because it loathes multiplicity of lawsuits. So what I am saying is, to be completely candid with you, I regard it as largely academic, because I think that he would be there anyway, however, I must say that I agree completely with the thought that we must not hurt our lawsuit, but I think, Mrs. Cockrell, that the better part of wisdom would be to try that lawsuit in the abstract anyway because again, if we don't have an enforceable contract, for heavens sake, we need to know why. I hope that I have logically told you the way I envision it, and I don't think a great harm is going to be done that we thought for all of the reasons that I am telling you and, of course, you can see why therefore, I would like to have a lot of communication with you in that it is very difficult in ten minutes to respond to a subject like that. I quit on the remark that I couldn't share your attitude more, that if you ain't going to hurt me, don't harm me. We have had enough of that. I suppose all I would really be telling you is that I find it inconceivable that Mr. Reeder and I would ever be in serious disagreement on how to handle this lawsuit.

MAYOR BECKER: If I may for a moment, there has been certain remarks made that would seem to indicate that I have attempted to conceal things from the Council members. I think the record will show that at all times on all matters, I have always encouraged every member of this City Council to attend any meetings at the utilities and in this particular instance with respect to Mr. Maloney, I have encouraged every Council member to visit his office, discuss this matter with him at any length they so desire, Mr. Paschal, any information that has been available to them, has been available to any Council member. Now, the last time this question came up about the Council not being privileged to the same information that I had, I made this statement and I think the record will reflect this. I certainly believe that the members, the various Council members here, will substantiate that.

Now, this whole situation takes on a rather peculiar tone and as a means of sort of explaining my position in it and my persistence and my determination to pursue it, I have to go back to my almost original introduction into the field of politics and that was when I was first made a member of the candidate selection committee for the Good Government League. At that time, I was mentioning to various and sundry people, many of whom I had met for the first time, that I thought that the matter of Alamo Gas Contract should be pursued to the nth degree to find out exactly what took place. I don't know what effect that had on various people, but suddenly I found myself a candidate for City Council in Place 3 as a member of the Good Government League. I was invited to run by Mr. Jack Gatti. Mr. Kurt Monier at that time was present with Mr. Gatti in my office in my conference room at my office on Houston Street. I can recall it very well because, things like this have tremendous importance to me, and I am not senile at the tender age of 55. I will be in time if I stay here too long, but it hasn't had it's attrition to that degree yet. I told Mr. Gatti that there were several things, two of which, I insisted upon, if I were to run on the Good Government League ticket. One was that we immediately take the lid off the Alamo Gas situation and develop the facts and make it known to the public without any hesitation. The second was that all meetings of the utilities, the Public Service, the Water Board, the Transit as well as all meetings at the City Hall be conducted in the public vein where the public was invited and could attend. In this connection, he agreed with me, we shook hands all around, and I took the man at his word. Well, history will prove that upon election, all of us being victorious, that promise was readily forgotten. Immediately, I began to suspect that the Good Government League had more of an interest in protecting certain individuals with regard to the Alamo Gas situation than the attorneys of the City Public Service than they did anything else, it seemed. Now, this condition continued to exist. I continued to press for the exposure of all these situations and for my trouble was invited not to be a member of the Good Government League and told that I couldn't run for public office. Well, my reaction to that was simply that I'll run if I want to. It's my right - constitutional right - no group of people can tell me whether I can or cannot run for public office, and I ran for public office, and much to the surprise of perhaps a lot of people as well as myself, I won my Place again, Place 3, and, fortunately, for me, became the Mayor of the City of San Antonio.

Now, I still am pressing for the exact same thing that I was pressing for in those days and that is, one, that we expose the facts regarding the Alamo Gas thing because, to me, it's germane to many of the problems that actually the City finds itself in today - not only with energy but underemployment, low wages and many other things, and I'll say that without reservation here, now, anywhere, yesterday, today or tomorrow. So, that's my own personal stance.

Now, I also take the position that I found it rather difficult to communicate my dissatisfaction of Mr. Matthews with members of the Good Government League, not just four years ago, not just three years ago, not just two years ago, or one year ago, but just very recently. I hold Mr. Matthews partially or perhaps almost wholly accountable for the fact that in 1971, in October, when Mr. Morris Jaffe, who has been equally maligned as I have by members of the press, news media, as being in Mr. Wyatt's pocket, on his payroll, having been in receipt of gifts and gratuities and all that sort of thing, and campaign funds, which are all erroneous and false, and I've sworn under oath in several occasions that he has never given me one cent, I don't ever expect to receive one cent even after death from Mr. Oscar Wyatt. So, I find that certain members of the Good Government League have steadfastly refused to recognize that Mr. Wilbur Matthews at that time stated without equivocation when Mr. Jaffe and I were trying to get Public Service Board of Trustees to buy gas in quantity when it was 25 to 30 cents a thousand cubic feet and we specifically stated at the time as a preamble and preface to the meeting that we had in Ex-Mayor McAllister's office that day that we buy from everybody but Coastal or Lo-Vaca, that we buy it from Tenaco, Texas Eastern, El Paso Natural, Humble, Mobil, anybody. Mr. Matthews said that it was a violation of the trust indenture and all that sort of thing. I think that he probably had more than anyone else to do with the prevention of acquiring that gas which Mr. Newman testified over at the Banquet Hall, I think it was recently in May if I'm not mistaken, that we did everything short of banking the gas. Now, banking is a term that's used in the oil and gas industry whereby you buy and you borrow against and you transfer and it's nothing difficult about it for those who have their head screwed on right, can add two and two and spell cat.

Yet, recently, we're told that's acceptable, that it's not longer in violation of the trust indenture to buy gas for one dollar and a half - \$1.50 per thousand cubic feet - which didn't include transportation and stripping costs, and I asked Mr. Matthews at the time, and I so testified at the Commission of Inquiry, if you'll recall, Doctor, "Mr. Matthews, if it was wrong in October of '71 and we were prevented from doing so then by trust indenture and so forth, why is it now possible to do it?" Mr. Matthews had no answer for me. I asked him the question the second time and the gentleman was sitting right across the table from me - he still had no answer for me. I turned to Mr. Bill Murray, who is regarded as the Assistant, so to say or authority employed to help to buy and sell gas and develop sources of energy, and I modified my remarks the last time I made not of this at the Council meeting. He said, "I'll be damned if I know." When I asked him why we couldn't do it then, and what circumstances had changed. So, it is one of many reasons, this being I guess the principal one, why I feel Mr. Matthews is inept and not really capable of serving the best interests of the citizens of San Antonio.

Now, as long as I have this job, which God knows could be today, tomorrow or next day, it could terminate certainly, I'm going to continue to pursue the same thing - the same line of thought - the same desires because it is true. I do think that the citizens have been terribly shortchanged, and I think that at this time they are being terribly shortchanged by the refusal to recognize the reality of the situation and in my own humble opinion, I will repeat, the reality of the situation is simply that the City Public Service Board and its members have, over a period of years, illustrated and demonstrated that they are not capable to the fullest extent of representing the best interest of the citizens of San Antonio, and I still have that contention and always will.

MRS. COCKRELL: Mr. Mayor, I would just like to comment on several things you have said. There are a number of points where you and I disagree and then there are some where we do agree. So, I'd like to kind of enumerate some of these points, if I may. I think to go back to the conversations that you were referring to and wondering why the City Public Service Board attorney did not several years ago agree and authorize going ahead with additional gas purchases. Certainly, from the point of view of pricing, looking back now it would certainly appear that it would have been an advantageous thing for the City to have done. I think, however, we have to look at what the legal situation was at the time. I think we would have to conclude that based on the legal fact that Mr. Matthews gave the entirely proper advice to the City Public Service Board. The fact was that at the time we had every reason to believe that we had a valid contract. Under that contract, all of our gas was to be provided for a continuing number of years.

To have either authorized a breach of that contract by purchasing new gas from an outside source at a higher price, or on the other hand to have advocated a breach of the contract by raising the price that was called for in that contract either of these two actions would have been to say that we did not have a legal contract. Here we are today though saying that we do have a legal contract, and we're going to court to try to prove it. Now, certainly I do not see how the attorney for the City Public Service Board two years ago could have recommended that he scrap or throw away the contract. At that time, my understanding is that there is testimony to the effect that Mr. Oscar Wyatt gave assurances that there was sufficient gas to fulfill the contract, and then I would like to ask Mr. Reeder to comment on the legal situation since this is in question.

MAYOR BECKER: All right, before Mr. Reeder does though, may I make this one observation. The fact that the gas was not there was not any hidden secret from either Mr. Matthews or any of the members of the Public Service Board. I think it was October 14, 1970, that Mr. Spice made a detailed report to the members of the City Public Service Board with a copy to Mr. Wilbur Matthews that of all the gas reserves that were supposed to be dedicated there were only 52.9, I believe it was, percent, that were actually there. So, they had been forewarned amply one year almost to the day by a very detailed report before I made my plea to buy gas and shore up our dwindling supply. Now, in addition to this, they were also warned in 1966, in 1968 as well as 1970 by Coastal-Lo-Vaca and by Mr. Wyatt that those gas reserves were not there, and I think testimony will hear out and prove beyond a shadow of a doubt that some of the wells that were supposed to be dedicated to the Alamo Gas contract were indeed deficient by 98.6, 99.5, whatever fantastic percentage of deficiency and some of these facts were known even at the time the contract was entered into. So, I'm not exactly dealing from having lived up in a treehouse all my life. I've had my feet on the ground, and I've spent a great deal of my time and effort to pursue this thing as I'm doing right today.

MRS. COCKRELL: But, Mr. Mayor, the City Attorney has said to us that it is his legal opinion that it doesn't really matter whether reserves were there or not, that we still have a legal contract and that is the point that I think is the crux of the lawsuit.

MAYOR BECKER: You have a legal contract, but you don't have a legal amount of gas.

MR. MORTON: Mr. Mayor, would it be possible for another member of the Council to speak?

MAYOR BECKER: Yes, indeed, let's let Mrs. Cockrell proceed with her questions please and then.....

MRS. COCKRELL: I'm through, I'm sorry.....

MAYOR BECKER: And then Cliff, Mr. Padilla was next, I'm trying to take them in order in asking for permission. Mr. Padilla was next, then the Reverend Black was next, then after the Reverend, is that all right, if we follow in that order?

MR. MORTON: I just want to ask the City Attorney a simple question.

MR. PADILLA: Mr. Mayor, may I say I'd like to yield to Mr. Morton but I would like to ask some questions later.

MAYOR BECKER: Reverend Black? All right, sir.

REV. BLACK: I yield to Mr. Morton.

MR. MORTON: Mr. Reeder, how long do you think it would take for you to evaluate the 20 some odd page report we have received this morning; number one? Number two, after reviewing this report, how long would it take for you to outline in writing the strategy that you, the City Manager, would recommend this Council take in prosecuting this particular question.

CITY ATTORNEY REEDER: Well, I think it would take me perhaps two weeks Mr. Morton. I think I could do it in two weeks.

MR. MORTON: Well, I would recommend to this Council that we take the position that we ask the City Attorney to do this and that within two weeks we set an executive session in which we not only invite members of the Council but also members of the City Public Service Board to attend the meeting to listen to the recommendations of the man that we have permanently hired on this very critical question. I would like for him to include in his strategy a recommendation as far as legal counsel is concerned. Who would he recommend? I would like to say that I for one would like to not be included as a possible counsel. I would hope that we do not have any other members of the Council who want to try the suit or any members of the City Public Service and that you would also eliminate.....

MAYOR BECKER: I'm sorry I didn't quite understand that.

MR. MORTON: I think that this thing, it seems we're trying the suit in every place but where it should be tried. We're trying it here this morning. We have our opposition's attorney out here. We've just furnished him a tentative game plan. We are trying it in the newspapers. We have a possible combination of four different attorneys at this time. It seems to me that if you were developing a way to insure that we are not going to draw this to a successful conclusion, as Mrs. Cockrell says, in the best interest of the City, I don't know what you would do that we are not currently doing. If I were Oscar Wyatt, I don't think I could get up off the floor from laughing. I really don't. And so I am recommending that, in the interest of the people, we take this thing out of politics and all of the other things that seem to be motivating all of the actions that we are taking and let's listen to what our attorney has to say at the executive session to be scheduled within the next two weeks as I have described it and I so move.

MRS. COCKRELL: I second it.

MAYOR BECKER: I'm going to make this one comment and that is that this thing has been tried and tried and tried to death in the news media, as you say, here in this courtroom and every place except the actual place it should have been tried. Now, that I think is what Mr. Maloney is suggesting. That is what Mr. Reeder is suggesting, that we get on with it, you know. Now, all I ask is simply this and I'm not asking this question of you, I'm asking it generally. I'm in agreement with you. Why has it not been brought to trial heretofore?

MR. MORTON: I would hope that he would tell us at that session.

CITY ATTORNEY REEDER: One of the reasons it wasn't brought to trial, Mayor, is because you and I didn't want to file the lawsuit, remember. That was back last summer. I stood right there and argued against filing a lawsuit. I plead guilty. I've got that blood on my hands, but I think, Mr. Morton, if I'm not being presumptuous, I think his suggestion is good. I believe I can clarify this, get it nailed down A,B,C, and then if you all don't like that, well, that's okay. But I won't use a single Latin word in my report, not a single one. And I won't use very many words over two syllables.

MAYOR BECKER: I was hoping that you would because then we could improve our minds when you would explain exactly what they meant, you see.

CITY ATTORNEY REEDER: I'm getting tired of running down rabbit trails myself, Mayor, and I'd.....

REVEREND CLAUDE BLACK: I'd like to just comment on the motion because it seems to me that it tends to limit the concern that ought to be the concern of this Council. I have not been able to limit my concern to simply the legal issues that are involved. I'm interested in the relationship of the legal issues to the way in which the corporate entities have handled this. The process. Because I think that the people of this community are bearing the burden of the corporate process. Even if we win all of the cases we are talking about, the returns on this will be highly limited to the gains that have been made in connection with this by individuals who have profited and have done so under the veil of a corporate structure without public knowledge. I just looked at this and saw, and we're in an atmosphere, in a national atmosphere in which elected officials are accused of covering up things. We have here now just recently received reports of the gas shortages that should have been revealed a long time ago. The only reason they were not revealed because of the way in which the corporate process operates, the way in which it operates. We have inappropriate payments to consultants that are just now being revealed. Now it seems to me that we've got more than a legal, certainly I want to expose the legal process, but I also want to bring to the public's attention a corporate process that needs to be remedied. This seems to me to be the major issues of this report. This seems to me to be one of the major issues of this political body, this body of elected officials. Not simply to deal with this matter in a legal matter, that's too restrictive, but to deal with this matter as a public concern and that is to fix it so that we can no longer veil the kind of operation and the kind of profiteering, the kind of profit making in the corporate process as it has occurred before. If we fail to do this, then we have only dealt with part of the problem. For this reason I would rather, not just simply wait for an analysis of this issue in terms of how it might be applied to the legal issues, of the civil issues, and the recovery of damages, I would like to deal with this report in terms of how we are going to unveil the corporate process

in such way as to bring vital changes in this community in the way in which it responds. People are paying high prices for this now. High prices for what has gone on not just since '71. That was the climax of the issue. That was where it began to be pinpointed. We are paying high prices for the way in which the corporate structure is operated in terms of the City and the City Public Service Board. Unless there is correction at that level it seems to me that we have just simply given the people the impression that we were giving them a remedy and there is no remedy. For that reason I don't see what there is to gain in simply having the City Attorney, I think we've got to deal with this in terms of how do we have a continued presentation of information related to changes in this corporate process.

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MAYOR BECKER: Excuse me. I think Mr. Padilla was first.

MR. PADILLA: I would like to suggest because of several points that were made by Mr. Maloney a certain course of action which can be, I think, compatibly inter-woven with what Mr. Morton suggested. I think we have to be cognizant of the fact that this City Council can both do and undo at anytime that is so desires the business of who represents it. I believe that this Council gave a mission to Maloney which he indicates is not complete. He made various and sundry recommendations among them that depositions and so forth be taken from several people who have not as yet been heard from. Because of this and aware of the fact that what I'm about to propose can be undone simply by convening another meeting, the presentation of another motion and the act itself committed I am going to propose that this City Council designate, and I so move, Mr. Maloney as attorney of record fully aware that this can be undone at any time so that he may proceed with the takings of these depositions, that Mr. Maloney be made attorney of record along with Mr. Reeder. That part would not change. And that he be allowed to proceed with the mission that the Council did, in fact, assign him several weeks ago.

DR. SAN MARTIN: Point of clarification, point of order. Are you substituting?

MR. PADILLA: That is a substitute motion, Doctor. Thank you for correction.

MAYOR BECKER: All right, there has been a substitute motion made to Mr. Morton's motion, was yours seconded Cliff?

MRS. COCKRELL: Yes it was.

MAYOR BECKER: It was.

CITY ATTORNEY REEDER: Pardon me, Mayor, but before you take a vote on this thing, I don't like to do it but the only entity that can hire anybody to be attorney of record against the Coastal/Lo-Vaca/Wyatt is the Public Service Board. Okay, so you all can hire Pat. That's fine and he's working for the City Council, but he won't be attorney of record in this case. I'm not attorney of record in this case, because I was hired by the City Council. It's the Public Service Board that did it.

MR. PADILLA: Mr. Reeder, may I Mr. Mayor?

MAYOR BECKER: Yes, indeed.

MR. PADILLA: I'm at a bit of a disadvantage in discussing this particular point with you since you are an attorney, however, it seems to me inconceivable that the City of San Antonio, per se, does not, and I draw this conclusion from your remark of a moment ago, does not have an interest in this lawsuit. I find it terribly disturbing to draw the conclusion as I must from what you said that the City of San Antonio as opposed to the City Public Service Board does not have an interest in this lawsuit.

CITY ATTORNEY REEDER: I didn't say they didn't have any interest in the lawsuit you don't have such an interest as to entitle you to hire anyone to be an attorney of record in the suit against Coastal/Lo-Vaca/Wyatt. Now, you can hire Pat. You have already hired Pat. As far as I know he's still hired. But the attorney of record, the only attorney of record so far is me. I don't care if they change me tomorrow, but it just happens that the Public Service hired me. I use the term loosely. They haven't paid me anything. They're the only ones that have the power to prosecute the litigation against Coastal/Lo-Vaca/Wyatt which rises out of the contract because the indenture says they have the sole management and control of that Board. But we don't have to get real technical about this thing. You don't have to say, hire Mr. Maloney to be the attorney of records. You could just make a motion and have Mr. Maloney continue to take depositions.

MR. PADILLA: Mr. Reeder, I think that what I'm trying to do is get a job done and that job is to let Mr. Maloney, to make it possible for Mr. Maloney to continue with the task assigned him. Could I perhaps, and this is a question to you, Mr. Reeder, could I perhaps rephrase my motion to the effect that this Council ask the City Manager to prevail upon you to make use of Mr. Maloney's services so that he may - since you are the attorney of records, you would in turn hire an assistant, Mr. Maloney, would that, perhaps, give him the power necessary to proceed with the taking of depositions and the questioning of various parties?

CITY ATTORNEY REEDER: Well, I don't know if it would or not and I'll tell you why. It would give, you don't have to go through Sammy, I don't think, I don't think he's jealous of the prerogatives. I had intended to work with Pat on making this report, but on the taking of the depositions, you see, the motion has been filed to take the depositions of these various people using the cause number that has already been filed over there in the courthouse by me. Now we've got this Washington law firm in the thing that the Public Service Board hired or is about to finalize the hiring of. They may not want to take those depositions. I explained a little earlier why I'm hesitant to take various steps in the case. Rather than clutter the thing up, if I'm not being overly presumptuous, Mr. Padilla, why don't we just leave it that Mr. Maloney is still with the City in exactly the capacity you hired him for, but we hold in abeyance until the report that I whomp up with his help. I'm not going to give you anything that he disagrees with unless I note in it that he does disagree and I know why. Why don't we leave it at that. I believe we'll get there faster if we do it that way because we've got, let me tell you something, we've got about 40 depositions to take in this lawsuit.

MR. PADILLA: The reason I made my motion, Mr. Reeder, is because I gathered the impression from Mr. Maloney's remarks that he felt somewhat limited not acting as the attorney of record in the taking of the depositions which he feels are critical to the completion of the task assigned him.

CITY ATTORNEY REEDER: Well, I think he's right about that and I'd feel limited if I were him, too. That's why I felt kind of limited to tell you the truth. I am the attorney of record, but didn't know whether I really was or not. I tried to get that straightened out there about two weeks ago and thought I had and the next day I found out that they hired that Washington firm. Now, what I'm saying is strongly suggesting your lawyer for the City Council, is why don't you go on Mr. Morton's motion? We're not going to waste time by doing it because we're going to accomplish some more preparation in the course that I'm making up this report to you in the strategy starting A, B, C, D. That's not going to be wasted, a wasted two weeks. Everytime you get down and start working on a thing like this you learn more. I know I'm out of order just as the lawyer when you're a member of the legislative body, but I really honestly think that the best interest of solving the confusion would be served by my making my report first and then you all attach it any way you want to and then decide what you want Mr. Maloney to do and not only that but all of the other things that you want to decide. I don't like the idea of going forward with the depositions, at this time with this confusion when we don't know who's on first and Mr. Morton's suggestion would help to clarify that if we would carry that out.

REVEREND BLACK: Mr. Mayor, I would like just to make this comment. The very discussion that we're having now is really what I'm talking about. Everytime when I talk about corporate process, everytime when we try to get down to some real remedy or some real relationship that can make us responsive and responsible to the people we find ourselves running into some problem of doing this. What it seems to me that we're really after, I don't know whether just the gathering of depositions is really what I'm talking about. What I'm really talking about is how do we get into the kind of area of exposure of the problems of this whole operation, that we restore the operation of our utilities which is one of the vital aspects of this City. We're talking about life and death of this

City. Where do we get it to the point where a Council can be responsive because presently we have not been able to be responsive. We have not been able to react to it. The CPS has shown itself to carry on its activities without regard. No longer than just a few days ago when we acted upon the increase of rates in this community, we came up with a Council saying 300 per cent and most of the members of the Council thought we were voting on a 19 per cent. Now, what I'm really trying to say is what kind of motion would place Mr. Maloney in a position that he can deal with what I am talking about now. I'd like to have Mr. Maloney's response to that.

MR. MALONEY: Gentlemen, let me respond by saying I am but an humble scrivener and not a philosopher and, as a consequence, I am, therefore, a bit more direct as the securities indicate presently. I am constrained to say that I find in large measure that the City of San Antonio in part is a proper plaintiff because I think there is so many facets of the litigation that it's very difficult for me to make the concession that, therefore, the City has no place or purpose as a plaintiff.

MAYOR BECKER: Could you speak a little louder. I've been listening to myself so much I've developed a tin ear.

MR. MALONEY: I'll be through very briefly. In direct answer to you, I think that all that needs to be done in my judgment would be and, of course, I recognize some disagreement here, but I regard the City of San Antonio as a proper plaintiff in many facets of the case. I would not think that a plea of abatement would be successful against them. I would recommend, of course, therefore, that you move and you pass that assuming you, I'm trying to reply completely to you, that you move and you pass that there be an attorney of record with Crawford Reeder to represent the City of San Antonio as I've already suggested. I think that they can operate separate and apart in the same lawsuit. I do not agree that because it is a contract that is all there is to the lawsuit, and I feel, therefore, that it is not true that the Public Service Board alone can designate the attorney of record. As a consequence, Mr. Padilla, what I have always thought that most people understood about lawyers and lawsuits is that if the lawyer becomes dissatisfied with his client, he tells him so and terminates it. If you, the client, become dissatisfied with the attorney, you tell him and that's the end of it. So you see I find it very difficult to understand all the permanency about that. I presume that Mr. Reeder and you know that he likewise can be terminated. And I had tried to impress to Mrs. Cockrell, and I was hopeful that, therefore, impressed the whole group, I find it inconceivable that an attorney would do anything without the consent of his client. Obviously, I wouldn't do that or do I know any other responsible client and I am saying to you that I rather am saddened that once again you are going to contemplate and deliberate to deliberate I have no other useful purpose for you other than to investigate and give you my opinions which are strong ones. Part of that was to nominate as an attorney of record someone, in addition to Mr. Reeder, to pursue the lawsuit. If it develops that the City of San Antonio is not a party plaintiff and properly cannot be made a part of record, the court will tell us so. I refuse to accept that as being totally true. I hope I've been, and you can appreciate what I'm trying to do and certainly not have a division of observations of your counselor. I differ to Mr. Reeder who is your lawyer. I don't share his blanket observation that we are not a proper party plaintiff and I had hoped I had made that clear, but again I certainly want to before I leave.

MR. REEDER: I don't say that the City of San Antonio is not a proper party plaintiff. I can't believe that the governing body of the City can't file a lawsuit over there in the courthouse. The question on behalf of the people of San Antonio in this whole matter. I say that the lawsuit that has, in fact, been filed was on behalf of the Public Service Board and they were the only ones that could authorize the filing of it. Now, if I could have two weeks, I'm not fast, but I'm not as slow as some people, if I could have two weeks to make you a report, and this isn't a stalling tactic, I'm not going to delay, I can lay it out A, B, C where I think that my law class in municipal law at St. Mary's can understand it without any difficulty at all and, therefore, I think you all can understand it.

Then you'll be in a position to intelligently evaluate what you want to do from now on. Do you want to fight with the Board? Do you want to take the depositions of these people that Mr. Maloney advocates taking and, incidentally, I may agree with that, that they should be taken? Do you want to try to exert pressure on the Board to hire other counsel and not hire the counsel they've got? What do you want to do? But right now we're in a hopeless confusion, and it seems to me, I frankly think that I can help straighten it out. I'm that confident of my own ability. I think I can help straighten it out, but it's going to take me a little time. Two weeks.

MAYOR BECKER: Mr. Reeder, I don't think there's any doubt in anyone's mind sitting here today that a contract will be made between the City Public Service and Steptoe Johnson law firm from Washington, D. C. and that will be made as rapidly probably as it possibly can be made. Now let's recognize that fact for what it is.

MR. REEDER: I think that's very probable, but go ahead.

CITY MANAGER GRANATA: May I ask a question, Mr. Mayor.

MAYOR BECKER: Please Sam, just a second. Now then, when that is accomplished is that going to be some type of a substantial reason that would preempt any action this Council might desire to take?

MR. REEDER: No sir, it wouldn't preempt the action that the Council might desire to take from the standpoint of simply representing the people. If the Council thinks that that firm and the Matthews firm, if if the majority of the Council thinks that they are inadequate or incapable or have a conflict of interest or whatever, then the Council can get whoever they want to. Me, Pat Maloney or anyone else, and file another lawsuit and maybe two or three more.

MAYOR BECKER: I'm always guilty of shooting it from the hip, but I don't mind going on record as of now saying that it is my feeling at this time that they are incapable of representing the people of the City of San Antonio. Now, that's just me talking. I'll make a statement and I'll stand by it. But I'm not speaking for any one other than myself.

MR. LACY: I just want to say briefly, I don't think it's very fair to keep Mr. Maloney bouncing around where the news media comes out and looks like he's been fired period. And now we come along and we're tossing this back and forth. I think that he should know that he's still in and I want to assert my voice that I want him in. I want him to know right now that he is in and he's still pursuing it. I want him in. I don't want him out. I want everybody to know that he's still with us.

MR. MORTON: My motion didn't address itself to the question of terminating his employment. I don't think that is even the issue. This Council has gone on record asking him to do certain things. He has given us a first report. I would assume that he would continue under the supervision of our City Attorney to address himself to the chores that we have outlined for him. Is there anybody in opposition to that?

REVEREND BLACK: I think the issue though, Cliff, is whether or not the mandate that we gave him when we first employed him is adequate to meet the kind of responsibility that we are talking about now. I would think that this is what we would want to....

MR. MORTON: Well, let me say if I could, Mr. Maloney you have been working under the direction of our City Attorney in pursuing the task that we have given, is that correct sir?

MR. MALONEY: Yes, I have. The only point I want you to know is that I cannot take depositions or do anything affirmative unless I am designated as the Attorney for the City of San Antonio along with Crawford Reeder. I do want you to know that obviously that can't be accomplished and that won't happen. And I'm not lobbying for a job as you know because it's kind of a sensitive thing to keep replying to something like this.

MR. MORTON: This is one of things that I would hope he would include in his recommendations to the Council would be who is going to be the Attorney of Record? I would also hope that each member of the Council moves subject to Mrs. Cockrell's second that I would think each member should be encouraged to raise any issued relative to this suit that they would like to have your position on as far as course of action is concerned including the things that you raised Al, including the things that you raised, Reverend Black, during this two week period.

MR. PADILLA: Cliff, the only thing that I was anxious to accomplish and that's why I said that I though my remarks were compatible with your, I think more of the comments that Glenn made and that is that this Council has not.

(At this point there was a short lived malfunction of the recorder.)

MR. PADILLA: ....any other type of tool to proceed. This was the intent of my motion. What Claude Black was trying to get to - Reverend Black, and that is that we not stop this process but that rather we continue to try to establish the facts. Again, I ask Mr. Maloney, if you need nothing else from this Council other than what you already have and that is what we gave you originally five weeks ago because this Council has not changed your status whatsoever, then I would gladly remove my motion. If you feel that you need something else in the way of tools - something else in the way of authority from this Council, then I would like you to reply to us what that would be.

MR. MALONEY: Here's the only delicacy about it. Mrs. Cockrell and others are understandably probably would like to study the situation. Now, my observation is that, of course, what I need, what any attorney would need would be to be the attorney of record. So, you see, and I don't want to be in opposition to Mr. Morton or your City Attorney, when they want another two weeks to decide if they're going to follow my suggestion. I don't care if they don't. But to answer your question directly, I've done all I can under your mandate. I have given you my observations. I really am through as of this moment unless and until this Council decides yes, it's a party plaintiff, yes we're going to intercede in that lawsuit, and yes we are going to pursue it, and what I'm trying to say to you--you are now involved in policy decisions that I can't make for you but I want to answer it directly. No, I'm useless to you from this day forward unless I am designated by the City of San Antonio with Crawford Reeder to be an attorney of record.

MR. PADILLA: Then Mr. Maloney....

MR. MALONEY: Then I will proceed with dispatch.

MR. PADILLA: Mr. Maloney, is it not also true then that the City would have to make the decision to enter the lawsuit first and then upon naming you or anyone else attorney of record, that particular individual would have the right then to take depositions. So, simply making you attorney of record when no lawsuit or no intervention of the suit exists would not be sufficient, is that not true?

MR. MALONEY: You must make those decisions which are very fundamental and important.

DR. SAN MARTIN: And they won't come until Mr. Reeder brings his report in two weeks. That's why I think Mr. Clifford Morton's motion addresses itself to the point of view...

MR. PADILLA: Mr. Mayor...

MR. MALONEY: As you know, Doctor, you're out of my field now. I'm just a law man.

MR. PADILLA: Mr. Mayor, I realize that my motion was premature because there should be a decision to enter the lawsuit first and I'd like to withdraw it.

MAYOR BECKER: Mr. O'Connell had his hand up.

MR. O'CONNELL: I hate to see - I know that there's some more people, Mr. Maloney, that you possibly talked with whether you legally can or not I don't know. I, of course, am sympathetic to the needs of studying this thing. I hate to see it delayed. It seems that we add two weeks, every two weeks we add another two weeks. I'm sure that a lot of people feel the same way why the delays are - from what sides they come from - it's immaterial they seem to go on for two weeks at a time. I'd like to have your opinion of one thing, though, if we as Council decide in a moment here to wait to hear a report two weeks from now, is there anything you can do now in two weeks? Then the second question is, what in your opinion would happen, I mean, how critically are we again in two weeks of time - are we in a critical period or are another two weeks just another two weeks?

MR. MALONEY: Mr. O'Connell, here is - the way I feel about it. You see you're trying to decide matters judicial. By that I mean if you were at this moment to say, "Maloney and Reeder, you are the attorneys of record for the City of San Antonio", then obviously we would intervene and we would proceed with our lawsuit. The only way that anyone would get us out is if it were affirmatively decided by a District Judge that we are not proper plaintiffs. I want to be perfectly candid with you. I think even there you have achieved a major victory because, at least, you asserted the fact that you wanted to actively intervene and you couldn't. So what I'm saying is this purely a matter of decision. Do you want to involve yourself as a separate group and entity, not necessarily apart from the Public Service Board, because you may find yourselves in agreement with them, I would hope so, but I doubt it. But, nonetheless, I'm saying that yes, I'll be frank with you, I think your two weeks are frustrating but again I'm trying to stay in my field and out of yours, and no, there's nothing I can do and yet someone. You've crippled your City Attorney. We must decide, is he in the lawsuit, do you authorize him to do something? For instance, he feels I don't agree - he feels that right now that he can't go forward with all of the motions I've addressed themselves to. I think he should, but on the same hand, that's for you to decide. He's your employee. He's your lawyer. I would hope that if I have not made it clear, I'll be happy to do so in any kind of communication, capacity or meeting that I can. But, as you see, what I'm saying to you is that I think, undoubtedly that you are a proper plaintiff and I think you ought to strap it on and get with it.

MR. MORTON: Mr. Mayor, my motion did not say that it was a two week situation. If Mr. Maloney and Crawford Reeder can agree on the issue raised plus other issues that the Council may want to give them in a shorter period of time, my motion would say it could happen this afternoon. I would also like to add that I think this motion has in it an indication of this Council's interest in this lawsuit, and I would hope that message would be read loud and clear by each member of the City Public Service Board. I would hope that ultimately each member of this Council and each member of the City Public Service Board would be in absolute step with each other on how and with whom we are going to march.

MAYOR BECKER: You know, what I'm hoping that you're saying, and I'm going to put words in your mouth, if I may, and that is that instead of talking two weeks to make this determination that it could be accelerated as rapidly as possible and still retain the reasonableness and intelligence and all the pertinences thereto that would go into the making of a proper decision.

MR. MORTON: That is correct, and I'm obviously saying to City Public Service that I think it would be premature for them to enter into a contract with any other law firm they may now have to represent them until we have the consensus over here on the question.

MAYOR BECKER: One of the things that I'd like to see included, and, of course, not being a lawyer, I'm speaking strictly out of ignorance, how does the City of San Antonio make itself a party to this lawsuit?

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MR. REEDER: We file a lawsuit over in the Courthouse, just like we filed this one. Actually the City of San Antonio is the party to the pending lawsuit, but it was done through the auspices of the Public Service Board, you see, we've got a very delicate situation here that I know most layman are not going to understand and a hell of a lot of lawyers don't understand, but with due respect to Mr. Maloney, I think he understands it - I have to wake up at night worrying about it myself, because the Public Service Board sometimes is the City and sometimes they aren't. What I'm trying to do right now, very frankly, I'm trying to avoid a civil war with the Public Service Board. I want you all to see the problems and I can lay it out in two weeks or less. If that doesn't see the problems and I can lay it out in two weeks or less. If that doesn't get the job done well, we can take off and hit'em - like Pat says, strap it on.

DR. SAN MARTIN: I move the question by Mr. Morton.

MAYOR BECKER: It seems to me that someone made a watch that runs backwards

MR. REEDER: Well, it runs in different directions.

MAYOR BECKER: All right. Question. Call the roll, Garland.

MRS. COCKRELL: Aye.

DR. SAN MARTIN: Yes.

MAYOR BECKER: Yes.

REVEREND BLACK: Yes.

MR. LACY: Yes.

MR. MORTON: Yes.

MR. O'CONNELL: Yes.

MR. PADILLA: Yes.

MR. MENDOZA: (Absent)

CITY CLERK: Motion carried.

MR. PADILLA: Point of clarification Mr. Mayor, just for Mr. Morton. I understand your motion had no effect whatsoever in modifying or changing the status of Mr. Maloney as regards to his relationship with this Council.

MR. MORTON: Mr. Maloney would then perform the tasks assigned him under the supervision of Mr. Reeder and...

MR. PADILLA: Then this Council has not fired Mr. Maloney this morning.

CITY MANAGER GRANATA: Point of clarification - did your motion say come back in two weeks, within two weeks and have the Board present at an executive session?

MR. MORTON: We will advise the Board if they would like to at an executive session.

CITY MANAGER GRANATA: Two weeks or earlier?

MAYOR BECKER: It would be welcome news if that could be arrived as rapidly as possible.

MR. REEDER: All right, I'll tell you some other ways..(A brief malfunction of the tape recorder).....The Supreme Court granted a writ of error so that means that they may turn it around.

MR. PADILLA: Which one was that Crawford?

MR. REEDER: The famous Water Board Case where they said they didn't have the authority to make decisions independently of the City Council or at least in legislative determinations and then turned around and decided they were wrong. Now the Supreme Court has decided to review it. Whenever the Supreme Court agrees to review a case more often than not, I would say probably 75 per cent of the time, they reverse the judgment of the Court of Civil Appeals. You all may wind up running the Board yet.

MR. PADILLA: If we win it, Crawford, let's not appeal again.

MAYOR BECKER: I'm going to ask the indulgence of all those who signed up on Citizens to be Heard. It is five minutes - excuse me just a second please.

MR. PADILLA: Mr. Mayor, this has to do with that - I hope you let me speak before you make the decision. I have a note here that I feel compelled to pass on to you. It seems that there are quite a few people here from the Bexar County Federation of School Boards, and they've been here all morning. They've asked me to convey to you the wish that they be heard so that they can get back to work. I know you were trying to postpone Citizens to be Heard, that's why I wanted to make the comment.

MR. MALONEY: Mr. Mayor, I have a lawsuit to try at 1:30 and would you hold me excused. I'm terribly appreciative of the chance to meet with you.

MAYOR BECKER: Mr. Maloney we appreciate very much your being here this morning and taking the time and effort to bring all these matters to our attention. Thank you very much.

MR. MALONEY: Thank you very much.

74-50

BEXAR COUNTY FEDERATION OF SCHOOL BOARDS

Mrs. Carl G. Jockusch, President of the Bexar County Federation of School Boards, introduced Mr. David Alvarado, a member of the Board of Trustees of Edgewood Independent School District.

Mr. Alvarado read a prepared statement describing the terrific impact of increased utility costs upon the operations of the school districts. The Council was asked to waive the 14 percent of gross receipts the City collects from the City Public Service Board as this really amounts to one governmental entity taxing another entity. (A copy of Mr. Alvarado's statement is included with the papers of this meeting.)

Mayor Becker asked that the City Attorney brief the Council on the constitutionality of this matter after he has studied the situation.

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74-50 The meeting adjourned for lunch at 1:00 P.M., and reconvened at 2:30 P.M.

74-50

CLASS FROM ST. MARY'S UNIVERSITY

Mayor Becker recognized a class of advanced students in metropolitan politics from St. Mary's University. They were accompanied by Professor Bill Crane.

74-50

CITIZENS TO BE HEARDMR. JUVENTINO ALVARADO

Mr. Juventino Alvarado, representing the Industrial Workers of Texas, spoke to the Council in Spanish. He said that he had been attempting to meet with the City Public Service Board to get his union designated as the bargaining agent for the laborers. At the present time 361 out of a total of 750 workers are members of his union. He said that he has made many efforts to meet with the Board or officials of the utility but to no avail and asked the Council to intercede for him.

Mayor Becker said that this matter has not been discussed by the City Public Service Board but said that the subject will be brought up at the next meeting.

MR. RAUL RODRIGUEZ

Mr. Raul Rodriguez, 719 Delgado, said that the City should work out a way to help people to keep from losing their homes for non-payment of taxes.

Mr. Rodriguez also said that his remarks about the news media at the Council meeting of October 10, were not aimed at reporters, but at the editors. He denied that he had made slurring remarks about reporters and asked that the City Clerk furnish him with a transcript of his remarks.

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MR. KARL WURZ

Mr. Karl Wurz, 820 Florida, stated that there were very few persons present at the first public hearing for the Community Development Program, and criticized the City for not giving the meeting wide publicity.

Mr. Morton asked the City Manager to comment on efforts made to publicize the meetings.

Mr. Roy Montez, Assistant Director of Community Development and Planning, said that 41 notices had been mailed to the various news media giving the location and time for the meeting and explaining its purpose. In addition, Mr. Montez said that he had appeared daily on TV Channel 41 to discuss the program. The second series of community meetings will begin in two weeks and it is the intention of the City Manager to place paid advertising in the newspapers.

Mr. Morton said that he didn't feel that it was necessary to put paid advertising in the paper and suggested that Mayor Becker call a news conference and give the details of the meetings to the media there.

Mayor Becker accepted Mr. Morton's suggestion and said that he would take care of the matter at once.

MR. STEPHEN HARVESTY

Mr. Stephen Harvesty read a prepared statement in which he criticized the City Council for doing nothing to change the City's relationship with the City Public Service Board. He spoke in opposition to nuclear power plants and suggested a minimum fee for small users of electricity. (A copy of Mr. Harvesty's statement is included in the papers of this meeting.)

MR. CONCEPCION ELIZONDO

Mr. Concepcion Elizondo, 943 San Angelo, again asked that a surcharge be added to the bills of electric consumers outside the City limits. He also criticized pay increases given to CPS executives and said that the increases should be reduced further.

MR. JUAN C. DOMINGUEZ

Mr. Juan C. Dominguez, 123 Las Palmas Drive, read a resolution which had been adopted by the Model Cities Citizen Participation Policy Commission requesting that the Model Cities Department be reactivated to administer the Community Development Program. (A copy of the resolution is included with the papers of this meeting).

MRS. MARIA DOMINGUEZ

Mrs. Maria Dominguez, 250 Freiling, said that it is unfair to allow school teachers to live in one district and work in another district. She also asked that the Mama Patrol be paid more.

74-50

RESOLUTION OF RESPECT

Councilman Padilla announced that word had just been received of the untimely passing of Mr. T. O. Gravitt in Dallas. The following resolution was introduced and upon motion duly made and seconded, was unanimously adopted:

## RESOLUTION OF RESPECT

74-50-61

WHEREAS, the City Council has learned of the passing of Mr. T. O. Gravitt, former President of the Greater San Antonio Chamber of Commerce, and

WHEREAS, Mr. Gravitt came to San Antonio on April 1, 1970 as Vice President and General Manager of the San Antonio Area for Southwestern Bell Telephone Company, and

WHEREAS, during his service in San Antonio, he was active in civic affairs and served as Vice President of the 1972 United Fund Campaign as well as served on the Boards of Directors of the Methodist Hospital, Fiesta San Antonio Commission, Alamo Area Council of Boy Scouts and many others, and

WHEREAS, he was elected President of the Greater San Antonio Chamber of Commerce in January of 1973, and during his tenure was instrumental in putting together the five year development plan for San Antonio, and

WHEREAS, in May of 1973, he was promoted to Vice President of Texas for Southwestern Bell and was transferred to the Dallas office, NOW, THEREFORE:

BE IT RESOLVED, that the Mayor and City Council of the City of San Antonio, does, by this resolution and public record, recognize the profound influence of T. O. Gravitt upon the development of this community, recognizing further that his death is a distinct loss to the City in which he worked and won deep respect and affection.

BE IT FURTHER RESOLVED, that this resolution be spread upon the minutes of the Council and a copy thereof be sent to his wife, Oleta, and two sons, Michael and Patrick, in recognition of Mr. Gravitt's respected place in this community.

\* \* \* \*

74-50

ZONING HEARINGS

Mr. Gene Camargo said that applicants in zoning cases Nos. 5707 and 5741 had both asked that Council consideration of their cases be postponed. No one was in the audience either for or against these cases. After consideration, the Council agreed with the request and those two cases were postponed.

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A. CASE 5752 - to rezone Lots 17 and 16, save and except the west 30', NCB 8679, 1200 Block of Parkridge Drive, from "A" Single Family Residential District to "B-3" Business District, located 200' west of the intersection of Parkridge Drive and Bullitt Street, between N. E. Loop 410 and Parkridge Drive; having 175' on Parkridge Drive, 200' on N. E. Loop 410 and a maximum distance of 395' between these two right-of-ways.

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

No one spoke in opposition.

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

AN ORDINANCE 44,467

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 17 AND 16,  
SAVE AND EXCEPT THE WEST 30', NCB 8679,  
1200 BLOCK OF PARKRIDGE DRIVE, FROM "A"  
SINGLE FAMILY RESIDENTIAL DISTRICT TO  
"B-3" BUSINESS DISTRICT.

\* \* \* \*

B. CASE 5750 - to rezone the southwest 55' of Lot 61, Block F, NCB 11543, 5030 Callaghan Road, from "A" Single Family Residential District to "I-1" Light Industry District, located on the southeast side of Callaghan Road, being 297.9' southwest of the intersection of Callaghan Road and Parkway Drive, having 55' on Callaghan Road and a maximum depth of 275'.

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. O'Connell made a motion that the recommendation of the Planning Commission be approved, provided that proper platting is accomplished and that a six foot solid screen fence be erected on the west, south and east property lines. Mrs. Cockrell seconded the motion. On roll call, the motion, carrying with it the passage of the following Ordinance, prevailed by the following vote: AYES: Cockrell, San Martin, Becker, Black, O'Connell, Padilla; NAYS: None; ABSENT: Lacy, Morton, Mendoza.

## AN ORDINANCE 44,468

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 55' OF LOT 61, BLOCK F, NCB 11543, 5030 CALLAGHAN ROAD, FROM "A" SINGLE FAMILY RESIDENTIAL DISTRICT TO "I-1" LIGHT INDUSTRY DISTRICT, PROVIDED THAT PROPER PLATTING IS ACCOMPLISHED AND THAT A SIX FOOT SOLID SCREEN FENCE BE ERECTED ON THE WEST, SOUTH AND EAST PROPERTY LINES.

\* \* \* \*

C. CASE 5755 - to rezone Lot 8, Block 14, NCB 9314, 209 Verne Street, from "C" Apartment District to "B-2" Business District, located on the north side of Verne Street, being 100' west of the intersection of Verne Street and Oppenheimer Avenue; having 50' on Verne Street and a depth of 140'.

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, Rev. Black made a motion that the recommendation of the Planning Commission be approved, provided that proper replatting is accomplished. Mr. O'Connell seconded the motion. On roll call, the motion, carrying with it the passage of the following Ordinance, prevailed by the following vote: AYES: Cockrell, Becker, Black, O'Connell, Padilla; NAYS: San Martin; ABSENT: Lacy, Morton, Mendoza.

## AN ORDINANCE 44,469

AMENDING CHAPTER 42 OF THE CITY CODE THAT CONSTITUTES THE COMPREHENSIVE ZONING ORDINANCE OF THE CITY OF SAN ANTONIO BY CHANGING THE CLASSIFICATION AND REZONING OF CERTAIN PROPERTY DESCRIBED HEREIN AS LOT 8, BLOCK 14, NCB 9314, 209 VERNE STREET, FROM "C" APARTMENT DISTRICT TO "B-2" BUSINESS DISTRICT, PROVIDED THAT PROPER RE-PLATTING IS ACCOMPLISHED.

\* \* \* \*

D. CASE 5748 - to rezone the remaining portion of Lot 16, Block 2, NCB 15587, 100 Block of Westfield Drive, from Temporary "R-1" Single Family Residential District to "B-2" Business District, located on the north side of Westfield Drive, being 200' west of the intersection of Westfield Drive and S. W. Military Drive; having 561.19' on Westfield Drive and a maximum depth of 500'.

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

No one spoke in opposition.

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

AN ORDINANCE 44,470

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 REMAINING  
PORTION OF LOT 16, BLOCK 2, NCB 15587,  
100 BLOCK OF WESTFIELD DRIVE, FROM  
TEMPORARY "R-1" SINGLE FAMILY RESIDENTIAL  
DISTRICT TO "B-2" BUSINESS DISTRICT,  
PROVIDED THAT PROPER PLATTING IS ACCOM-  
PLISHED AND THAT A SIX FOOT SOLID SCREEN  
FENCE IS ERECTED ALONG THE NORTHWEST  
PROPERTY LINE.

\* \* \* \*

G. CASE 5751 - to rezone a 29.762 acre tract of land out of NCB 14618, being further described by field notes filed in the office of the City Clerk, 6100 Block of Huebner Road, from Temporary "R-1" Single Family Residential District to "R-3" Multiple Family Residential District, located on the north side of Huebner Road, being approximately 710' southwest of the intersection of Eckert Road and Huebner Road, having 1661.40' on Huebner Road and a maximum depth of 1151.35'.

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

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## AN ORDINANCE 44,471

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 29.762 ACRE TRACT  
 OF LAND OUT OF NCB 14618, BEING FURTHER  
 DESCRIBED BY FIELD NOTES FILED IN THE  
 OFFICE OF THE CITY CLERK, 6100 BLOCK OF  
 HUEBNER ROAD, FROM TEMPORARY "R-1"  
 SINGLE FAMILY RESIDENTIAL DISTRICT TO  
 "R-3" MULTIPLE FAMILY RESIDENTIAL DISTRICT,  
 PROVIDED THAT PROPER REPLATTING IS ACCOM-  
 PLISHED.

\* \* \* \*

H. CASE 5614 - to rezone Lot 27, Block 1, NCB 14674, 8464 Barron Drive, from Temporary "R-1" Single Family Residential District to "R-3" Multiple Family Residential District for a Day-Care Center with over twenty (20) children, located on the southeast side of Barron Drive, being 1006.7' south of the intersection of Whitby Road and Barron Drive. Also being approximately 120' north of the intersection of Connie Mack and Babe Ruth Drive; having a maximum width of 326.7' and a length of 343.8'.

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

Mr. Mike Bruner, representing the applicant, described the area under consideration. He said that this would be a very unique child care center as there would be about 1.5 acres of garden. The children will be allowed to work in the garden and have a different kind of experience.

Mr. Stuart Phillips, a representative of the State Welfare Department, recommended that the Council approve this rezoning.

No one spoke in opposition.

After consideration, Dr. San Martin moved that the recommendation of the Planning Commission be overruled and the rezoning granted. The motion was seconded by Rev. Black. On roll call, the motion, carrying with it the passage of the following Ordinance, prevailed by the following vote: AYES: Cockrell, San Martin, Becker, Black, O'Connell, Padilla; NAYS: None; ABSENT: Lacy, Morton, Mendoza.

## AN ORDINANCE 44,472

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 27, BLOCK 1,  
 NCB 14674, 8464 BARRON DRIVE, FROM

TEMPORARY "R-1" SINGLE FAMILY RESIDENTIAL DISTRICT TO "R-3" MULTIPLE FAMILY RESIDENTIAL DISTRICT FOR A DAY-CARE CENTER WITH OVER TWENTY (20) CHILDREN.

\* \* \* \*

74-50 Mayor Becker was obliged to leave the meeting and due to Mayor Pro-Tem Mendoza being absent, Dr. San Martin presided as Acting Mayor.

74-50 The following Ordinance was read by the Clerk and explained by Mr. George Bichsel, Traffic Safety Coordinator, and after consideration, on motion of Mrs. Cockrell, seconded by Mr. O'Connell, was passed and approved by the following vote: AYES: Cockrell, San Martin, Black, Morton, O'Connell, Padilla; NAYS: None; ABSENT: Becker, Lacy, Mendoza.

AN ORDINANCE 44,473

AUTHORIZING THE CITY MANAGER TO APPLY TO THE GOVERNOR'S OFFICE OF TRAFFIC SAFETY FOR TRAVEL AND SUBSISTENCE COSTS FOR TWO POLICE SUPERVISORS TO ATTEND THE NORTHWESTERN UNIVERSITY TRAFFIC INSTITUTE.

\* \* \* \*

74-50 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: San Martin, Black, Morton, O'Connell, Padilla; NAYS: None; ABSENT: Cockrell, Becker, Lacy, Mendoza.

AN ORDINANCE 44,474

ACCEPTING AN ADDITIONAL \$116,800.00 AWARD FROM THE U. S. DEPARTMENT OF LABOR - MANPOWER ADMINISTRATION, TO BE USED IN THE CITY'S CETA - PUBLIC SERVICE EMPLOYMENT PROGRAM; INCREASING THE BUDGET FOR SAID PROGRAM BY SAID AMOUNT; REVISING THE PERSONNEL COMPLE-  
MENT OF SAID PROGRAM, SO AS TO ADD 20 PERSONNEL POSITIONS WITHIN SAID PROGRAM; AND AUTHORIZING AN AMENDMENT TO THAT CONTRACT WITH BEXAR COUNTY PROVIDING FOR OPERATION OF SAID COUNTY'S EMPLOYMENT PROGRAM BY ALLOCATING AN ADDITIONAL \$5,200.00 TO SAID COUNTY.

\* \* \* \*

## AN ORDINANCE 44,475

APPROPRIATING THE SUM OF \$53,594.00 FROM VARIOUS FUNDS, FOR THE PURPOSE OF ACQUIRING TITLE TO AND EASEMENTS OVER CERTAIN LANDS; ACCEPTING THE DEDICATION OF EASEMENTS OVER CERTAIN LANDS; AUTHORIZING EXECUTION OF A WIRE LINE LICENSE WITH MISSOURI PACIFIC RAILROAD COMPANY; AND GRANTING A TEMPORARY EASEMENT AND CONVEYANCE THEREOF TO THE STATE OF TEXAS; ALL IN CONNECTION WITH CERTAIN RIGHT-OF-WAY PROJECTS.

\* \* \* \*

## AN ORDINANCE 44,476

AUTHORIZING PURCHASE OF LOT 3, NCB 14,485 LOCATED IN THE ROSA VERDE PROJECT, TEX. R-78, FROM THE URBAN RENEWAL AGENCY OF THE CITY OF SAN ANTONIO FOR A TOTAL CONSIDERATION OF \$52,100.00, AND AUTHORIZING PAYMENT FOR SAME FROM REVENUE SHARING FUND 720-04, ACCOUNT NO. 72-48-04.

\* \* \* \*

74-50

The Clerk read the following Ordinance:

## AN ORDINANCE 44,477

MANIFESTING AN AGREEMENT FOR A ONE-YEAR EXTENSION OF AN EXISTING LEASE COVERING APPROXIMATELY 380 ACRES OF CITY-OWNED LAND TO W. B. MARTIN, JR., FOR FARMING AND GRAZING PURPOSES FOR A CONSIDERATION OF \$1,520.00, UNDER THE SAME TERMS AND CONDITIONS AS THE EXISTING LEASE.

\* \* \* \*

The Ordinance was explained by Mr. W. S. Clark, Director of R.O.W. and Land Acquisition, who said that this is a renewal lease under the same terms and conditions as before.

Mr. Padilla expressed the opinion that the City's rate for grazing leases is quite cheap. He said that several people have inquired of him concerning this particular lease and he would like for them to be considered when the next renewal comes up.

Mr. Clark said he would be glad to take proposals from them.

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

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74-50 The following Ordinance was read by the Clerk and explained by Mr. W. S. Clark, Director of R.O.W. and Land Acquisition, and after consideration, on motion of Mr. Morton, seconded by Mr. O'Connell, was passed and approved by the following vote: AYES: San Martin, Black, Morton, O'Connell, Padilla; NAYS: None; ABSENT: Cockrell, Becker, Lacy, Mendoza.

AN ORDINANCE 44,478

APPROPRIATING FROM CERTAIN FUNDS AMOUNTS IN THE TOTAL SUM OF \$4,630.00 IN PAYMENT FOR EXPENSES INCURRED IN CONNECTION WITH WEST COMMERCE STREET IMPROVEMENT PROJECT; 24TH STREET IMPROVEMENT PROJECT; STORM DRAINAGE PROJECT #83-X (SIX-MILE CREEK); U. S. 281 NORTH; AIRPORT INDUSTRIAL PARK SEWER MAIN; LONE STAR BOULEVARD OUTFALL; BABCOCK NORTH, UNIT 10, SEWER AND ACCESS EASEMENT; ELM CREEK OUTFALL EXTENSION; JARY SUBDIVISION LIFT STATION EASEMENT; AND SAN ANTONIO MEDICAL FOUNDATION SUB-DIVISION DRAINAGE.

\* \* \* \*

74-50 The following Ordinances were read by the Clerk and explained by Members of the Administrative Staff, and after consideration, on motion made and duly seconded, were each passed and approved by the following vote: AYES: Cockrell, San Martin, Black, Morton, O'Connell, Padilla; NAYS: None; ABSENT: Becker, Lacy, Mendoza.

AN ORDINANCE 44,479

AMENDING ORDINANCE NO. 41341, TO PROVIDE FOR STAGGERED THREE YEAR TERMS FOR MEMBERS OF THE RIVER WALK COMMISSION; APPOINTING MR. DAVID J. STRAUSS AND REAPPOINTING MR. MAX PENNER AND MR. ED HARLLEE TO SAID COMMISSION FOR TERMS ENDING JULY 31, 1976; AND REAPPOINTING MRS. ALFRED NEGLEY AND MR. ED VERA TO SAID COMMISSION FOR TERMS ENDING JULY 31, 1977.

\* \* \* \*

AN ORDINANCE 44,480

APPROPRIATING FIFTY FIVE THOUSAND FIVE HUNDRED FORTY SIX AND 50/100 (\$55,546.50) DOLLARS OUT OF HIGHWAY RIGHT OF WAY BONDS, SERIES 1970, FUND NO. 409-09, PAYABLE TO THE COUNTY CLERK OF BEXAR COUNTY, TEXAS, SUBJECT TO THE ORDER OF VARIOUS DEFENDANTS IN SATISFACTION OF THE AWARDS OF SPECIAL COMMISSIONERS IN CONDEMNATION CAUSES NOS. C-1119 AND C-1123 FOR THE ACQUISITION OF REAL PROPERTY NEEDED IN CONNECTION WITH U. S. 281 NORTH BETWEEN LOOP 410 AND BITTERS ROAD.

\* \* \* \*

## AN ORDINANCE 44,481

AUTHORIZING EXECUTION AND SUBMISSION OF A VOCATIONAL EDUCATIONAL PLAN TO THE TEXAS STATE BOARD OF VOCATIONAL EDUCATION IN CONNECTION WITH THE CETA-MANPOWER TRAINING PROGRAM.

\* \* \* \*

## AN ORDINANCE 44,482

AMENDING ORDINANCE NO. 44163, SO AS TO INCREASE THE BUDGET APPROPRIATIONS FOR THE CETA - MANPOWER TRAINING PROGRAM - 1ST YEAR, BY \$3,681,720.00, TO A TOTAL OF \$7,363,440.00, THE TOTAL AMOUNT OF THE GRANT FOR THIS PROJECT; AND AUTHORIZING EXECUTION OF AMENDED AGREEMENTS WITH DELEGATE AGENCIES FOR OPERATION OF PROJECTS UNDER THE PROGRAM.

\* \* \* \*

## AN ORDINANCE 44,483

CHANGING THE REGULAR CITY COUNCIL MEETING FROM THURSDAY, NOVEMBER 28, 1974 TO WEDNESDAY, NOVEMBER 27, 1974.

\* \* \* \*

74-50

The Clerk read the following Ordinance:

## AN ORDINANCE 44,484

ACCEPTING A GRANT IN THE AMOUNT OF \$1,030,659.00 FROM THE GOVERNOR'S COMMITTEE ON AGING, TO BE USED IN CONNECTION WITH THE METRO SAN ANTONIO COMPREHENSIVE NUTRITION SECOND YEAR PROJECT, APPROVING A BUDGET AND PERSONNEL COMPLEMENT FOR THE PROJECT; AMENDING THE CURRENT PAY PLAN TO ADD THE POSITION OF METRO SAN ANTONIO COMPREHENSIVE NUTRITION PROJECT FIELD SERVICES COORDINATOR; AND AUTHORIZING EXECUTION OF AGREEMENTS WITH AGENCY PROVIDERS FOR SERVICES IN CONNECTION WITH THIS PROJECT.

\* \* \* \*

The Ordinance was explained by Mr. Bill Donahue, Director of Human Resources and Services, who said that this grant will permit the continuation for the second year of the Nutritional Day Care Program for the Elderly. The program is going very well. Presently, 2200 people are being served daily.

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

\* \* \* \*

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74-50 Mayor Becker returned to the meeting and presided.

74-50 The following Ordinance was read by the Clerk and explained by Mr. Carl White, Director of Finance, and after consideration, on motion of Dr. San Martin, seconded by Mrs. Cockrell, was passed and approved by the following vote: AYES: Cockrell, San Martin, Becker, Black, Morton, O'Connell, Padilla; NAYS: None; ABSENT: Lacy, Mendoza.

AN ORDINANCE 44,485

AUTHORIZING EXECUTION OF AN AMENDMENT TO THE CONTRACT WITH O'BRIEN & GERE ENGINEERS, INC. FOR CONSULTATION SERVICES PERTAINING TO THE CITY PUBLIC SERVICE BOARD RATE STUDY, SO AS TO EXPAND THE SCOPE OF SERVICES UNDER PHASE II THEREOF, FOR AN ADDITIONAL CONSIDERATION OF \$18,000.00; AND APPROPRIATING SAID SUM FROM THE GENERAL FUND PAYABLE TO SAID CONTRACTOR.

\* \* \* \*

74-50 The following Ordinances were read by the Clerk and explained by Mr. Archie Titzman, Assistant Director of Purchasing, and after consideration, on motion made and duly seconded, were each passed and approved by the following vote: AYES: Cockrell, San Martin, Becker, Black, Morton, O'Connell, Padilla; NAYS: None; ABSENT: Lacy, Mendoza.

AN ORDINANCE 44,486

AUTHORIZING THE PURCHASE FROM AMERICAN AIR FILTER COMPANY, INC., OF CERTAIN AIR FILTERS AND FRAMES FOR A NET TOTAL OF \$2,581.00; AND AUTHORIZING PAYMENT TO SAID COMPANY.

\* \* \* \*

AN ORDINANCE 44,487

ACCEPTING THE LOW BIDS OF ADVANCE DRUG & SURGICAL SUPPLY, INC. AND GENTEC HOSPITAL SUPPLY CO. TO FURNISH THE CITY OF SAN ANTONIO WITH MEDICAL FURNITURE & EQUIPMENT FOR A TOTAL OF \$9,006.11.

\* \* \* \*

AN ORDINANCE 44,488

ACCEPTING THE LOW BID OF BROWN & ASSOCIATES TO FURNISH THE CITY OF SAN ANTONIO WITH AUDIO-VISUAL PROJECTORS AND SCREENS FOR A TOTAL OF \$17,666.90.

\* \* \* \*

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## AN ORDINANCE 44,489

ACCEPTING THE LOW QUALIFIED BIDS OF FIRE APPLIANCE CO. OF TEXAS, FIRE CONTROL ENGINEERING CO., HOUSTON FIRE & SAFETY EQUIPMENT CO. AND CLAUDE WRIGHT AND ASSOCIATES, TO FURNISH THE CITY WITH MISCELLANEOUS FIREFIGHTING EQUIPMENT FOR A NET TOTAL OF \$8,761.15; AND AUTHORIZING PAYMENT TO SAID COMPANIES.

\* \* \* \*

## AN ORDINANCE 44,490

ACCEPTING THE PROPOSAL OF HARLEY-DAVIDSON OF SAN ANTONIO, INC. TO FURNISH AND MAINTAIN 18 SOLO MOTORCYCLES FOR THE SAN ANTONIO POLICE DEPARTMENT AT A COST OF \$283.54 PER UNIT PER MONTH.

\* \* \* \*

## AN ORDINANCE 44,491

ACCEPTING THE BID OF AMERICAN LaFRANCE TO FURNISH THE CITY OF SAN ANTONIO WITH FIRE-FIGHTING EQUIPMENT (PUMPERS & LADDER TRUCKS) FOR A TOTAL OF \$312,862.00.

\* \* \* \*

74-50

DISCUSSION OF 14% PAYMENT BY CPSB

The following discussion took place:

MRS. LILA COCKRELL: I don't think we have addressed the subject of the 14 percent pass-through and I think that we need to, as a Council, make some comment about it. I know we've all been aware over the weekend of receiving the news that the attorney general had announced a position on this and I feel that, as a Council, we need to indicate our interest and our concern. I think the appropriate way, of course, is to not proceed until we've had a thorough staff evaluation of our budget, income, outgo, obligations and so forth. Last year we announced, and I think with very good results, that our desire to effect every economy that we possibly could in City government and certainly this year it's even more propitious than ever that we follow this kind of a course of action. I think we might, number one, as a Council reaffirm our desire to see the economy program continued and, number two, ask for a staff plan and proposal as to how we're going to approach a realistic and thorough evaluation of the possibility of giving back some portion of the 14 percent and also, as one Council member, I would like to indicate my desire to do so if it can be determined that it is possible to do so.

DR. JOSE SAN MARTIN: I just want to say that a couple of days ago, I asked Mr. Granata to be sure to incorporate into the overall financial picture of the City, the probable effect that the tax reappraisal project would have on City revenues in the future. I know it will not be a part of fiscal year 75-76, but I know any action we take in this fiscal year will have to reflect somewhat on the following fiscal year

after the tax year reappraisal is either accepted or rejected. I concur with Mrs. Cockrell that we should not take any (inaudible). I would like to say that I wouldn't want to take any hasty action until the City Manager has gone into all aspects of this problem.

MR. ALVIN G. PADILLA: Mr. Mayor, I would like to ask the City Manager to not only give us what the previous members who have spoken have asked but his comments in the form of a report relative to the requests made by the Federation of School Districts this morning. I'm anxious to know what kind of a situation we would likely be creating in the event that we decided upon affirmative action as per their request.

The next thing is that I join Mrs. Cockrell and Dr. San Martin. I have one area I would like to see addressed and that is what would be the loss of income in the event this Council decided not to accept that 14 percent? What would be our budget situation? And, very importantly, how in the world would we replace that money if we decided to refund it? It occurs to me that without trying to argue the merits of the case at this time if we were to refund that money it does come from military installations, it does come from other communities outside of San Antonio, and were we to refund that money and then be faced with the necessity of replacing it, we would have to go right back only to the taxpayers of San Antonio. We would not be able to go to Terrell Hills, Olmos Park, etc. So I'd like that addressed and considered.

CITY MANAGER SAM GRANATA: If I may. I know the time is late and I was anticipating this question. I have a prepared statement if you would like to hear it which answers a lot of your questions and I'll say to Mr. Padilla that we'll answer the 14 percent request by the school boards next week. If you've got just a few more minutes, I would like to make this prepared statement. It starts out by saying:

Probably no major City in America has such a peculiar tax base as does San Antonio. Our largest industry, the military, is wholly tax-exempt. Two important and growing industries, medical service and education, are also tax-exempt. The burden of municipal ad valorem taxes falls almost wholly on residential and small commercial properties. Without the CPS contribution to the general fund, amounting to about one-fourth of the total City budget, property taxes, even if raised to the legal limit of \$2.50, could not fund the present level of City services.

The historical 14 percent return from CPS to the City is a fair figure; it is roughly what a privately owned utility would be paying in taxes and in dividends to stockholders. It is not an added burden on the people of San Antonio, in fact, it provides some benefit to them in addition to a lower tax rate. As the central city of a large metropolitan complex, we furnish services to many people living outside the City limits, who make no direct payments to the City. By operating CPS as a regional system, charging uniform rates throughout the metropolitan area, the City recovers some of the cost of these services.

There is no question as to the fairness and the benefits of the citizens of San Antonio from the basic 14 percent return from CPS. There has been, however, some criticism of the 14 percent as it applies to the fuel pass-through charge.

The 14 percent on the fuel pass-through increases the consumer's bill by about 4 percent. For an average month this adds to individual bills as follows:

Low Income Home	\$0.55
Average Home	1.75
Modern Air-Conditioned Home	3.00

At the beginning of this year, City budget planners estimated that the fuel pass-through return to the City would be approximately 3.8 million dollars. This increase in the general fund allowed funding of such items as:

Increase in cost of utilities (including pass-through) to City	\$ 808,000
Increase in homestead exemptions for elderly from \$3,000 to \$10,000	571,000
Increase in labor costs to comply with new federal wage and hour law	1,012,000
Increase in cost of motor fuel and oil	718,000
Escalation in costs of commodities and services	790,000
Total Projected Costs	<u>\$3,899,000</u>

\* \* \* \*

These figures, prepared in May, have changed. The added cost of utilities, for example, has been revised upward from \$808,000 to \$1,250,000. The homestead exemption for the elderly will cost the City in excess of \$700,000 instead of \$571,000. This year, for the first time in its history, the City was unable to contract for commodities and services at firm prices. Every contract we have contains an escalation clause, and costs have increased steadily. Through stringent economy measures it appears that these cost increases can be met.

The City's estimate of revenue from the fuel pass-through was too low. Instead of the projected 3.8 million, it now appears that revenue from this source will exceed 8 million. This is a highly speculative figure, and weather conditions, the overall fuel situation, Railroad Commission rulings or many other factors could affect it. Because of the uncertainty of the estimates, revised budget planning was keyed to a figure of 6 million. The 2.2 million increase has been allotted by Council action to partially fund a cost-of-living raise for City employees.

Even if the 8 million revenue figure materializes resulting in a 2 million surplus, there are still serious financial problems faced by the City. There is no assurance that revenue sharing will continue indefinitely, and yet we have many recurring expenses funded from this source, such as 32 police and 25 fireman positions; funding for the downtown foot patrol; and a 952 thousand dollar continuing funding of a 5 percent police and fireman's raise given in August, 1973; the Emergency Medical Service with an annual operating budget, without capital outlay, of 2 million, is also funded from revenue sharing. All these recruiting expenses, totaling 3.9 million, would have to be transferred to the general fund, if revenue sharing is ended.

Governor Briscoe has announced his intention to ask for reduction or repeal of the sales tax on utility bills in the next legislative session. An estimated 1.5 million dollars in annual sales tax revenue would be reduced or lost completely to the City.

In addition, the Transit Workers Union has informed the System that they will seek a 15 percent pay raise in November. If this or any part of it is granted, the entire cost of the raise must be met by an increase in the present subsidy.

Until the economic conditions become more stable, and costs and revenues more predictable, we cannot estimate the impact of foregoing the revenue from the fuel pass-through. Judging from the current budgetary situation, it appears that only the amount in excess of 6 million dollars (possibly 2 million) would be available for rebate.

My recommendation is that the Council defer any action until February, 1975, when the revenue and expense picture will be clearer. If at that time there is a true surplus, I personally recommend that it be returned to the citizens in the form of a decrease in the ad valorem tax rate. However, whatever the will of the Council will be at that time, we'll abide by it.

Other interesting information, recently received, our garbage bags which we pay four cents a piece for which we ordered previously have now gone up to 22 cents a piece or an increase of \$174,000. Our trucks and automobiles, police automobiles for example, last year cost us \$3,595. Bids opened Tuesday cost us \$4217, an increase of \$622 per unit or \$155,500 increase over last year. I will not mislead you. We had budgeted the cost at \$4,000. The bids came in at \$4,217, so it's an actual overrun of \$54,250 in budgeted figures but \$155,000 over last year. Some garbage trucks came in which last year we paid \$9,400 for. This year the bid was \$15,935, an increase of \$274,470 and we had budgeted \$11,810 so the actual increase for the budget fund was \$173,000 instead of the \$274,000. So many things like that happen.

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MAYOR BECKER: If I may comment on that subject. I find it interesting that much of the news media seems to really take a different stand, different posture on the matters down here depending on which way they see it. The inconsistency of this is almost amusing at times. On one hand they will tell us that the City Manager and his staff run the City government and we should act as the advisors to the City Manager and request that he do this and that. Then on the other hand some of these editorials read that the City Council should make the City Manager do such and such. I wish they would make up their minds really as to which way they want us to go. As far as this editorial about the bread tax, taxing electricity and gas is like taxing bread says an astute downtown businessman. Well, I don't know who they're talking about, and I really don't care. Obviously, he doesn't know anything about the bread business or he'd know that there's probably in excess of 150 taxes on each loaf of bread that is ever baked and produced in this country of ours. There's a tax on everything that's handled in the production, the manufacture of wheat and all the processes. It's unreal how many taxes there are on just a loaf of bread.

Now, another article here that tells about, this on page 4-A on the morning paper the day before yesterday, I believe it was, big British bank group in trouble, dateline London, then it tells about all other banks in trouble all over the country, amongst those the Chase Manhattan. It's not going to go under, but it has over valued some bonds by \$34 million, the Union Bank of Switzerland is about \$100 million out, the Bank of Brussels a fantastic amount, bankruptcies in the Paris area in the last ten months have increased 45 percent, on and on and on, Italy, Cologne, Germany, and these, even the New York Franklin National Bank which is practically defunct as a result of some dealing in foreign currency exchanges, arbitrage and all of that. These are rather perilous times.

It would be my recommendation really, and I think the Council members that have spoken so far and voiced this opinion, that we first permit the City Manager and his staff to come up with a recommendation. Now, Mr. Granata has requested until February. I would certainly, in my own way of thinking, honor and grant that request. One of the things that I most object to in relinquishing this pass through thing or the 14 percent or any portion thereof is that the biggest beneficiaries of this type of action are not necessarily the residents of the City of San Antonio but instead are the residents of Olmos Park, Terrell Hills, Alamo Heights, Balcones Heights, Windcrest, and on and on and on. I don't know how many, there's 30 some odd of these little municipalities around here and the Federal Government, and it's the only way we have of getting any participation from those communities in the usage of our streets and many things we have provided for them. I would rather imagine, and this is strictly off the top of my head, if an analyst were put on that subject that you would find that with respect to who would benefit the most from divesting the City or showing the willingness to relinquish its share of this pass through money or the 14 percent, you would probably find that in a dollar amount, the greater amount would accrue to the other bedroom cities, as we call them, than would to the residents of our own City and simply for one reason. Their bills are so much greater in their homes than are the bills in our own homes in the City of San Antonio. And I don't know whether you have any way of making an estimate of that, Carl, but I'd almost bet even money without really having put the pencil to it that all those cities would benefit monetarily in a higher amount dollarwise than the whole citizenry of the City of San Antonio. Now, that's just a curbstone opinion of course. That's what makes horse races.

MR. PADILLA: They would, per capita, that's for sure.

MR. O'CONNELL: Mr. Mayor, I'd like to make a motion that we accept the report of Sam Granata and give him the time that he's asked for.

MRS. COCKRELL: I will, if you will accept this one amendment and that is to enclose in it this strong mandate from the Council continuing and carrying on this program of economy we talked about last year because I think it would be helpful to get that surplus in February and then we will have the option of either going with the tax rate decrease or looking at some reduction in the 14 percent on the pass through. And I would just like to make my position clear too. I really am not advocating giving up the 14 percent on the base rate. I think the base rate is fair because that is what the citizens are receiving, the citizens of the City of San Antonio are receiving, as their lieu of taxes revenue. But, it's just this extra pass through that I have been looking at and the one category of users that I have been looking about, I think it is sort of verified by this group that came in this morning, are two schools and hospitals. I feel like they would benefit, of course, substantially from this kind of reduction. What happens with schools is that when they have to pay these utility rates, then they are all turning around and raising their taxes, you know, and passing it on that way. And when the hospitals have to pay it then they are turning it around and passing it on the consumer in an increased rate per day. And so those two categories are large users, but when they benefit, in effect, it's passed on to all of us so they are either going to go up on their taxes or their room rates.

MAYOR BECKER: Of course, by the same token, Lila, you know, they are tax free institutions. If you grant it to them, then we get back with this other thing of how many of these so-called tax free institutions do we have in San Antonio that have asked for exemption and have been granted through State Charters and all that. I don't know what they all are but.....

MRS. COCKRELL: That's why I was going to this 14 percent on the pass through thinking that they would get some relief there, but I'm not advocating on the base rate.

MAYOR BECKER: Why don't we do this then, Lila, why don't we ask Mr. White, Mr. Granata and their staffs to put a pencil to this thing, to draw a complete analysis of every bit of this thing as to how it affects the City. You know, I don't think either one of us would want to make life any more untenable for the people than it already is. I mean they sometimes I believe are under the impression that we get a certain amount of pleasure out of seeing them suffer, but God knows there could be nothing further from the truth than that. So, I think we all share equally in the same concern that we reduce their cost of living to the irreducible minimum. At the same time, the City Manager has the responsibility of seeing that we have a solvent City and as in the case of the 19 percent rate increase, you know, that we granted to Public Service the popular thing to have done would have been to immediately invalidate that 19 percent and we would have been heroes forever. The chances are though we would have put the City in such a position that if we think we're in trouble today, you could imagine what it would be, you know, in another five, fifteen years down the road, so.....

MRS. COCKRELL: The only other point I wanted to make was another category of larger users are some of the big businesses and commercial firms. Now, ordinarily perhaps we wouldn't be as concerned about them, we'd be more concerned about the small user. The main reason, I think,

we've got to be concerned about the cost escalation they are facing is because some of them may be faced with whether or not they are going to stay in business. In that case, it would have an immediate effect on the employment picture here in this City.

MAYOR BECKER: That's right. This whole picture is certainly anything but enjoyable.

DR. SAN MARTIN: I'd just like to support Mr. O'Connell's motion. I'd just like to see in 45 days or so some kind of a preliminary report as to which way we are going. I don't want the whole thing three months from now, but maybe in 45 days or so we can have at least your first indication if there's any possible way that we relieve at least at the pass through charge there without having to wait until February.

CITY MANAGER GRANATA: We'll be tracking this right along. As soon as I think there's a change, I'd like to see us go through the first six months, then we can really get on it. Then we must think that if you're going to waive the pass through I think it's going to have to be for all. You can't be discriminatory and start for the hospital and for the....

MRS. COCKRELL: No, I didn't mean that. I just meant that since I was concerned about them it will be, we've been talking about trying to help the little fellow but here is a case of a big fellow that will get a substantial savings from it, but yet in those cases it's going to effect everybody who has to pay school taxes.

CITY MANAGER GRANATA: Of course, there if we can, I would like to possibly work with Mr. Deely. Rates can be adjusted there I think, There's the key is the rate for some people rather than the pass through. But thank you for the opportunity to come back and then let me remind you that you have another meeting tomorrow that you called a Special Meeting at 9:30 with the City Public Service on Coal and other energy solutions. Can we have it in the B room. They would rather it there because of the equipment set up.

MR. PADILLA: Let's have it here then.

CITY MANAGER GRANATA: Well, that's - well, they wanted to have it in their board room, and I said no.....

MAYOR BECKER: Let's have it right here.

CITY MANAGER GRANATA: Well, what we'll do if we have it here, you'll be asked to be seated on the front row for parts of their presentation because of a split screen and then you can come back up to your seats, is all. That's okay - we'll have it here.

MAYOR BECKER: Mr. O'Connell made a motion that we haven't acted on yet. All right, all in favor.

AYES: Cockrell, San Martin, Becker, Black, Lacy, Morton, O'Connell, Padilla.

NAYS: None

ABSENT: Mendoza.

END

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Mr. Padilla reminded the Council that several months ago the Council instructed staff to explore alternate methods for the City to reclaim the City Public Service Board. He said that he simply wanted to remind the City Manager of the assignment.

City Manager Granata stated that he does have information on this subject which he has been working on since June 1. He said there would be a memorandum in the Council's packet next week.

Reverend Black stated that there are areas in the City that badly need bus service but can't get it. The Transit System no longer depends on the fare box but is being run largely with tax dollars. This may impose some responsibility on the Transit System to adjust their policies so that areas could now be served even though there is no guarantee that the line would pay for itself. He asked that the matter be studied carefully to see what adjustments could be made.

74-50 The Clerk read the following letter:

October 11, 1974

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

Gentlemen and Madam:

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

October 7, 1974 Petition submitted by Mr. David J. Haley, Parliament Square Properties, requesting that Ordinance 44189, passed August 8, 1974, be extended to include construction of a fence at the entrance to London House Apartments off Patricia Avenue.

\* \* \* \*

/s/ J. H. INSELMANN  
City Clerk

There being no further business to come before the Council, the meeting adjourned at 5:30 P.M.

A P P R O V E D

M A Y O R

ATTEST:

C i t y C l e r k

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