

REGULAR MEETING OF THE CITY COUNCIL  
OF THE CITY OF SAN ANTONIO HELD IN  
THE COUNCIL CHAMBER, CITY HALL, ON  
THURSDAY, NOVEMBER 4, 1971.

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

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71-49 The invocation was given by Reverend D. L. Payne, Central Baptist Church.

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71-49 Members of the City Council and the audience joined in the Pledge of Allegiance to the flag of the United States of America.

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71-49 The minutes of the meeting of October 28, 1971, were approved.

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71-49 Mayor Gatti read the following Proclamation:

WHEREAS, the future of America lies in the moral fiber of its youth, and

WHEREAS, the hope of this nation rests upon the active good citizenship instilled in the young people of today, who tomorrow will guide the affairs of our nation, state and city, and

WHEREAS, to encourage civic responsibility, students, representing high schools throughout the city, will visit the City Council on Thursday, November 4, 1971.

NOW, THEREFORE, I, JOHN GATTI, Mayor of the City of San Antonio, do hereby proclaim Thursday, November 4, 1971, to be

"YOUTH IN GOVERNMENT DAY"

in San Antonio, Texas.

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Mayor Gatti welcomed a group of 27 high school students selected by the Optimist Clubs of San Antonio to participate in their annual Youth in Government phase of "Youth Appreciation Week."

Named to the top honorary posts were:

William White, Churchill High School, - Mayor  
John L. Kucera, St. Anthony Seminary, - Mayor Pro-Tem  
Manuel Escobar, Lanier High School, - City Manager

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Other honorary posts designated were:

- Gary M. McFadyen, Edison High School, (For Councilman Hilliard)
- Pamela Reed, Brackenridge High School, (For Councilman Mendoza)
- Dee Ann Anderson, Alamo Heights High School, (For Councilman Garza)
- Michael Wayne Whitis, East Central High School, (For Councilwoman Haberman)
- Patricia McEntee, Canyon High School, (For Councilman Hill)
- Sarah Burkhalter, Lee High School, (For Councilman Naylor)
- Leonard G. Trevino, Burbank High School, (Police Chief)
- Mary Dolores Perea, Memorial High School, (Fire Chief)

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Mayor Gatti recognized Mr. Cooper Hightower who represented the Optimist Clubs.

Mr. Hightower explained the Youth Appreciation Program as it is promoted by Optimists. He then introduced by name all of the participating students. Mr. Hightower invited the Council members to attend the Youth Appreciation dinner at the Convention Center.

71-49 The following Ordinances were read by the Clerk and explained by Mr. John Brooks, Purchasing Agent, and after consideration, on motion made and duly seconded, were each passed and approved by the following vote: AYES: Haberman, Hill, Becker, Mendoza, Garza, Naylor, Gatti; NAYS: None; ABSENT: Hilliard, Trevino.

AN ORDINANCE 40,064

ACCEPTING THE LOW BID OF WATSON DISTRIBUTING COMPANY, INC. TO FURNISH THE CITY WITH ONE (1) GREENS MOWER FOR A TOTAL OF \$2,349.50.

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AN ORDINANCE 40,065

ACCEPTING THE LOW QUALIFIED BIDS OF GENERAL SERVICES ADMINISTRATION AND DON WITTIG OFFICE FURNITURE TO FURNISH THE CITY WITH CERTAIN OFFICE FURNITURE FOR A TOTAL OF \$3,485.15.

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AN ORDINANCE 40,066

ACCEPTING THE LOW BID OF AUTOMOTIVE TRUCK PARTS COMPANY TO FURNISH THE CITY WITH CERTAIN AUTOMOTIVE SHOP EQUIPMENT FOR A NET TOTAL OF \$1,995.00.

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AN ORDINANCE 40,067

ACCEPTING THE BID OF STANDARD PAPER AND SUPPLY COMPANY TO FURNISH THE CITY WITH PLASTIC NAME BADGES FOR A TOTAL OF \$3,092.30.

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71-49 The following Ordinances were read by the Clerk and explained by Mr. John Brooks, Purchasing Agent, and after consideration, on motion made and duly seconded, were each passed and approved by the following vote: AYES: Haberman, Becker, Mendoza, Garza, Naylor, Gatti; NAYS: None; ABSENT: Hill, Hilliard, Trevino.

AN ORDINANCE 40,068

ACCEPTING THE LOW BID OF H. H. ROPER AUTO PARTS AND MACHINE SHOP TO FURNISH THE CITY WITH ONE (1) PARTS CLEANING TANK FOR A TOTAL OF \$1,741.00.

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AN ORDINANCE 40,069

ACCEPTING THE LOW BIDS OF INTERNATIONAL HARVESTER COMPANY, GRANDE FORD TRUCK SALES, INC., JORDAN FORD, INC., O. R. MITCHELL TRUCKS, INC. TO FURNISH THE CITY WITH TRUCKS FOR A TOTAL OF \$498,061.39.

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71-49 The following Ordinances were read by the Clerk and explained by Members of the Administrative Staff, and after consideration, on motion made and duly seconded, were each passed and approved by the following vote: AYES: Haberman, Becker, Mendoza, Garza, Naylor, Gatti; NAYS: None; ABSENT: Hill, Hilliard, Trevino.

AN ORDINANCE 40,070

MANIFESTING AN AGREEMENT BETWEEN THE CITY AND CAMPBELL'S DELIVERY SERVICE, INC. FOR A ONE YEAR EXTENSION OF THE LEASE AGREEMENT FOR CERTAIN SPACE AT INTERNATIONAL AIRPORT.

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AN ORDINANCE 40,071

AUTHORIZING EXECUTION OF A CONTRACT BETWEEN THE CITY AND SAN ANTONIO RIVER AUTHORITY RELATING TO LAND ACQUISITION FOR SITE 15, SALADO CREEK PROJECT.

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71-49 The following Resolution was read by the Clerk and explained by Mr. Bob Frazer, Director of Parks and Recreation, and after consideration, on motion of Mr. Garza, seconded by Mr. Mendoza, was passed and approved by the following vote: AYES: Haberman, Becker, Mendoza, Garza, Naylor, Gatti; NAYS: None; ABSENT: Hill, Hilliard, Trevino.

A RESOLUTION  
No. 71-49-111

AUTHORIZING APPLICATION TO THE TEXAS PARKS AND WILDLIFE DEPARTMENT FOR A PUBLIC OUTDOOR RECREATION FACILITY PROGRAM GRANT FOR ACQUISITION OF PROPERTY ADJACENT TO NORTHEAST PRESERVE; SAID PROPERTY NEEDED FOR CONSTRUCTION OF SAN ANTONIO RIVER AUTHORITY DAM SITE 15 (REVISED) AND FOR A WATER-ORIENTED RECREATION FACILITY AT NORTHEAST PRESERVE.

\* \* \* \*

71-49 The Clerk read the following Ordinance:

AN ORDINANCE 40,072

AUTHORIZING THE CITY MANAGER TO ENTER INTO CONTRACTS WITH VARIOUS OPERATING AGENCIES FOR CARRYING OUT 23 PROJECTS OF THE THIRD ACTION YEAR MODEL CITIES PROGRAM; DESIGNATING VARIOUS CITY DEPARTMENTS TO CARRY OUT 16 OTHER PROJECTS OF THE THIRD ACTION YEAR PROJECTS; ESTABLISHING VARIOUS NEW ACCOUNTS; AUTHORIZING TRANSFERS OF MODEL CITIES SUPPLEMENTAL FUNDS; APPROPRIATING THE SUM OF \$4,609,700.00 PAYABLE TO VARIOUS OPERATING AGENCIES FOR CONTRACTUAL SERVICES TO BE RENDERED IN CONNECTION WITH THE MODEL CITIES CONTRACTS; APPROPRIATING THE SUM OF \$3,936,070.00 OUT OF MODEL CITIES SUPPLEMENTAL FUNDS TO BE TRANSFERRED TO VARIOUS DEPARTMENTAL ACCOUNTS TO PROVIDE FOR THOSE PROJECTS TO BE CARRIED OUT BY CITY DEPARTMENTS, CREATING AND AUTHORIZING ADDITIONAL PERSONNEL POSITIONS AND ESTABLISHING PAY RANGES FOR CARRYING OUT SUCH PROJECTS.

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This Ordinance was explained by Mr. Roy Montez, Director of Model Cities, who stated that this Ordinance authorizes the City Manager to execute contracts with various agencies to carry out projects in the third year plan for Model Cities, which the City Council approved in July of this year. A letter has been received from the Department

of Housing and Urban Development approving this program and listing some official concerns. All of the listed concerns are being dealt with appropriately. One project has been omitted from this Ordinance, that of the Local Development Corporation.

Mrs. Haberman moved that the Ordinance as written be approved. The motion was seconded by Mr. Garza, and after consideration, the motion carrying with it the passage of the Ordinance prevailed by the following vote: AYES: Haberman, Becker, Mendoza, Garza, Naylor, Trevino, Gatti; NAYS: None; ABSENT: Hill, Hilliard.

Mr. Garza stated that he felt the Council should discuss further the matter of the United Businessmen of San Antonio in view of the statement made by HUD, freezing funds for this project until an investigation is complete. He expressed the thought that the Council should make HUD aware of the Council's decision to continue payment of salaries of the United Businessmen of San Antonio staff.

City Manager Henckel reminded the Council that it had actually restored funds in full to UBSA and in light of the Council's action, he had signed an agreement with this organization. It was only upon receipt of the letter from HUD that funds were again frozen.

After discussing the matter fully, Mr. Garza moved that a letter be written to HUD asking that funds for salaries of the UBSA staff be released while the current investigation is underway. The motion was seconded by Mr. Mendoza and passed by the following vote: AYES: Haberman, Becker, Mendoza, Garza, Naylor, Trevino, Gatti; NAYS: None; ABSENT: Hill, Hilliard.

(A verbatim transcript of the complete conversation regarding UBSA is on file with the minutes of this meeting.)

(CITY CLERK'S NOTE: At the very end of this Council meeting, Mayor Gatti advised Members of the Council that the City Manager had been in contact with the Regional Office of HUD and had a verbal agreement to authorize continuance of UBSA salaries pending completion of the investigation.)

71-49 At this point, the students participating in "Youth In Government Day" were obliged to leave the meeting to keep other commitments. Mayor Gatti, again, expressed the Council's appreciation for their attendance.

Student Mayor, Mr. William White, spoke to the Council. He thanked the Council and the Optimist Clubs for the opportunity they were given in participating in this program.

71-49 Mayor Gatti read the following Proclamation:

WHEREAS, this year marks the 23rd Anniversary of the founding of the Beautify San Antonio Association, A division of the Chamber of Commerce, and

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WHEREAS, during the ensuing years, with the assistance of governmental, commercial, civic groups and the wholehearted cooperation of our local military commands, the BSAA sponsored annual clean-up, paint-up, fix-up, and plant-up campaigns to make our City healthier, safer and more beautiful, and

WHEREAS, as a result of this outstanding work by members of this organization, San Antonio has been awarded the "Keep America Beautiful City Award" for the first time by Keep America Beautiful, which is symbolic of the Nation's cleanest City.

NOW, THEREFORE, I, JOHN GATTI, Mayor of the City of San Antonio, do hereby proclaim the week of November 8 - 13, 1971, to be

"CLEAN UP AND BEAUTIFICATION WEEK"

in San Antonio, Texas, and urge all citizens to continue to cooperate with the Beautify San Antonio Association.

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Mayor Gatti stated that this is the first time that San Antonio has won this award, and it is a great honor. He introduced Mr. O. P. Schnabel, founder of the Beautify San Antonio Association.

Mr. Schnabel presented Mayor Gatti with a glamorized push broom and asked him to use it whenever possible to set a good example for the whole City.

Mayor Gatti thanked Mr. Schnabel and commended him for doing such a great job.

71-49 The following Ordinance was read by the Clerk and explained by Mr. Arden I. Lewis, Coordinator for Senior Citizens Services, and after consideration, on motion of Mrs. Haberman, seconded by Mr. Trevino, was passed and approved by the following vote: AYES: Haberman, Mendoza, Garza, Naylor, Trevino, Gatti; NAYS: None; ABSENT: Hill, Hilliard, Becker.

AN ORDINANCE 40,073

ESTABLISHING TWO (2) ADDITIONAL POSITIONS  
WITHIN THE OFFICE OF SENIOR CITIZENS  
SERVICES, DEPARTMENT OF HUMAN RESOURCES.

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71-49 Item No. 12 of the agenda, being a proposed ordinance relating to placing of barricades in streets during construction was withdrawn from consideration at the request of the City Manager.

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Mr. Clayton Russell spoke to the Council about the need for the City to be larger and stated that annexation of more territory is necessary for the City's growth.

71-49 The Clerk read the following letter:

October 29, 1971

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

Gentlemen and Madam:

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

10/28/71 Petition of Michael W. Barcus, 15407 White Fawn, requesting permission to build a 12' decorative fence next to his place of business.

10/20/71 Copy of letter to County Judge regarding petition for incorporation of Scott City and requesting consent of the City of San Antonio to such incorporation.

/s/ J. H. INSELMANN  
City Clerk

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There being no further business to come before the Council, the meeting adjourned at 11:00 A. M.

A P P R O V E D

*John M. ...*  
M A Y O R

ATTEST: *G. J. Jackson*  
City Clerk

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Discussion regarding Local Development Corporation Project by United Businessmen of San Antonio, November 4, 1971.

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The Clerk read the following Ordinance:

AN ORDINANCE 40,072

AUTHORIZING THE CITY MANAGER TO ENTER INTO CONTRACTS WITH VARIOUS OPERATING AGENCIES FOR CARRYING OUT 23 PROJECTS OF THE THIRD ACTION YEAR MODEL CITIES PROGRAM; DESIGNATING VARIOUS CITY DEPARTMENTS TO CARRY OUT 16 OTHER PROJECTS OF THE THIRD ACTION YEAR PROJECTS; ESTABLISHING VARIOUS NEW ACCOUNTS; AUTHORIZING TRANSFERS OF MODEL CITIES SUPPLEMENTAL FUNDS; APPROPRIATING THE SUM OF \$4,609,700.00 PAYABLE TO VARIOUS OPERATING AGENCIES FOR CONTRACTUAL SERVICES TO BE RENDERED IN CONNECTION WITH THE MODEL CITIES CONTRACTS; APPROPRIATING THE SUM OF \$3,936,070.00 OUT OF MODEL CITIES SUPPLEMENTAL FUNDS TO BE TRANSFERRED TO VARIOUS DEPARTMENTAL ACCOUNTS TO PROVIDE FOR THOSE PROJECTS TO BE CARRIED OUT BY CITY DEPARTMENTS, CREATING AND AUTHORIZING ADDITIONAL PERSONNEL POSITIONS AND ESTABLISHING PAY RANGES FOR CARRYING OUT SUCH PROJECTS.

MR. ROY MONTEZ: The Ordinance this morning authorizes the Manager to execute contracts with the various agencies and city departments to carry out projects in the third year plan which the City Council approved back in mid July, if you will recall. This particular item was on the agenda for last week, however, it was pulled off because we had not yet received the letter from HUD with the various concerns. We have received the letter and it has listed official concerns. Basically, there are six major concerns that have been listed in the HUD correspondence. All of the concerns are being dealt with at the office right at this point. We discussed the implication of bringing the item back to the City Council, and it was felt between us and the HUD officials that we should bring all of the projects except one. They should be presented to the City Council for final authority and at the same time we would continue to work out the HUD concern as are listed in the letter. The majority of the concerns are of a procedural nature-paperwork that has to go back and forth, the majority of it. We have made contact with the various agencies that are involved with these concerns and have requested that they start developing the information as requested by HUD. I'm hopeful that in about two or three weeks we will be able to resolve the outstanding items.

Now, this ordinance, and there is a copy of the ordinance in each one of your blue books this morning. It is 7 pages long and it has 41 individual items. We have marked the items for you for ease in following if you desire. It lists the official account number, the amount of Model Cities monies-supplemental money authorized for that particular project, and the name of the operating agency.

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(Con'd) I would be most happy if one of you made a motion to approve the entire ordinance or if you wished to try to go into each one of the items individually. Every item is within the third year plan.

MAYOR GATTI: We've gone over all these items very carefully unless the Council wants to .....

GARZA: Let me, there's only one, Mr. Chairman, and that's the UBSA project. I think that this should be discussed due to the problem that was created by the letter from HUD to the City Council. As I had understood it in the discussion that the Council had 4 or 5 weeks ago, I can't recall, on the question of retaining the staff members during the time that this investigation was being made it was my understanding that although the funds for the loans would be frozen, that at least the staff would continue to be, the salaried staff would still continue to operate while this investigation is going on and according to the letter that was sent by HUD it kind of negates the decision of the Council some 4 or 5 weeks ago. I think that we ought to at least discuss this and see how we, whether we really stand the way we stood some 5 weeks ago, or whether we changed our minds.

MENDOZA: I'd like to say something here, that perhaps may be a very important factor. If this investigation is taking place, it seems to me that it would be very important to have these people on the job and available for the investigation. If the investigation is being conducted and they're not around, then I'm just wondering whether or not this will be an effective investigation.

GARZA: What item is UBSA?

MONTEZ: It is not in the Ordinance, Mr. Garza. It includes every project except UBSA. Funds are frozen and until such time as we receive clearances. What I'm really trying to do is have all the programs approved so that we can do many other things that we are still having to do after this ordinance. For example, some of the administrative holds you might recall having read the letter, I believe was addressed to the Mayor, some of these projects that require matching funds from some other source like HEW, Department of Labor, Department of Public Welfare or these other kind of arrangements we are not permitted to spend Model Cities money until the other funds have been confirmed. Well, we're not able to confirm the other funds until we confirm our own funds.

GARZA: Let me ask you, out of the \$9,500,000 plus that we had requested funding, how much of this money has been approved by HUD?

MONTEZ: All of it, \$9,590,000.

GARZA: All right, now, the point I'm trying to get at is that as far as the Council was concerned, the LDC operating agency, which is UBSA, we had left in this project. Now, that the letter from HUD says that no money is available or is being withheld for UBSA at this time does not mean that it was not approved. If they've approved \$9,600,000 less then they've approved an entire budget. And, this LDC project was included in this proposal.

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GATTI: They approved it, but paragraph 5 says that "Third year action funds earmarked for the Local Development Corporation shall be frozen until a thorough and satisfactory review has been made of the existing controversial matter and any necessary action taken to resolve the issue." Then we received another letter which said in effect "if you do not follow this instruction that you will be liable for whatever monies are expended." I think the Council has got to make a decision whether they want to assume that responsibility or they don't. It's as simple as that.

GARZA: Well, let me say this, that I wouldn't want to take the responsibility of assuming the funds to be spent out of General Fund for the LDC Program. I want to make that clear. But, I think, that we ought to at least take a stand as far as the stand that this Council took and I had always assumed that once the majority made a decision that the rest of the Council and the City Manager would support that decision of the majority Council.

BECKER: I was going to say that I think what you're trying to indicate, Gilbert, is that in your opinion is it within the province of HUD to override the decision of the City Council.

GARZA: And all we were talking about was continuing the salaries of these people during the one month or three weeks or two months of investigation. That was the problem. It's ridiculous to ask a staff member of any one of these Model Cities projects to help out in the investigation which would be the proper thing to do without being paid for it. I can see where HUD is concerned with this project, I'm concerned with it. We're all concerned with it, including the Board Members of UBSA, but we have made a decision within the Council, and I believe that was your point, Charlie, that you do not chastise the staff for what has not been proven yet. And, I believe you have made the point, Charlie.

HABERMAN: I wan't here that day, but how much time did we allow this organization?

BECKER: Do you recall exactly, Roy, how much time? Two to three months, if I'm not mistaken.

MONTEZ: Yes sir, there was discussion about providing some kind of a 90 day report back type of a situation.

BECKER: Then, how much of that time has been expended?

HABERMAN: About six weeks. Because I was out.

MONTEZ: About one-third or one-half.

BECKER: Now, in all fairness then, have we really either given UBSA a chance to prove or disprove or have we been given as a City Council a chance to approve whether or not our assessment of this situation was correct or not.

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MONTEZ: Neither has happened yet, Mr. Becker. The City Council asked us to go back with our citizens and reevaluate and come back to you by Nov. 11 - next week. There have been some problems to meet that date, and I suspect what you will receive on the 11th, I suspect now, is going to be an interim report from the evaluation committee in some manner or the other. At the same time, there is in town right now, a team of investigators from the regional offices in HUD. What their work schedule is I have no idea. Let me say that they are reviewing and auditing and investigating and whatever else they're doing.

HABERMAN: I feel like we are in a little different light since we have received this from HUD however, and that from a legal standpoint and from a taxpayer's standpoint we do need to discuss this further, and I would like the City Attorney to give us his opinion from our real legal standpoint at this time.

CITY ATTORNEY WALKER: The City Council is in no legal position at this time to approve the UBSA program, and it will not be in that position until the final audit has been returned by HUD.

GRANATA: Mr. Mayor, where we stand now as I understand it, as of the 29th, the staff funds have been frozen. If they were to be continued being paid and the UBSA fund is not approved, then the general fund would be obligated for those funds.

MAYOR GATTI: Then we would have to revise our budget and go through the normal procedure for changing the budget because this is not in the budget itself.

GRANATA: That's correct.

MAYOR GATTI: The Council has the prerogative to do that and if that's what the Council desires to do then we should go on and get the decision right now. It's as simple as that. Is that not right?

HOWARD WALKER: Mr. Mayor, I want to add one other comment. Let's assume that HUD files a negative report and says that this agency as now constituted will not be funded period. I am assuming this just hypothetically. In the meantime, we have obligated the general fund to pay for a continuance, in effect, at least of the administrative aspect of this program. If the program itself is illegal from the standpoint of HUD then there is a question of whether or not we have illegally spent City money.

GARZA: I think we're talking about two different things. All, I am saying is that the Council took a position. Now, HUD has reversed that position. Did the City ever, the City Manager or City Staff ever notify HUD of the decision of the Council of funding just for the salaries during the investigation? If they have not been notified, I suggest that the Council notify HUD that this was the decision. This is all I'm asking that we notify them and if they in turn come back and say no, we're not going to fund them, then that's their prerogative. They're the ones who handle the purse strings, but I think that we made a decision here and I think that we should at least let them know that this was the decision that we made.

CITY MANAGER HENCKEL: I'm lost a moment here, Mr. Garza, are you talking about the decision to fund the salaries?

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GARZA: Yes, just the salaries.

HENCKEL: When was this decision made? I'm not aware that the Council made a decision to fund the salaries and close down the balance of the funding. We closed down all funding and the Council made the decision to fund them to lead them into the third year and then to rescind the action of the Manager and to fund them totally for the entire operation. The original proposal that we made to them when we froze the funds from City level the first time, we offered to take the employees and put them on the City Payroll pending the outcome of the investigation. That offer was declined by UBSA and they came and asked the Council to consider rescinding the Manager's action which you did. So, at that time, I signed a continuing agreement which kept them in full operation from the expiration of the second year which expired on the 31st of August. I signed a continuing agreement which, in effect, kept them in full operation until we received this notification from HUD last week. At the time we received the notification, by wire, we advised them to cease all activities funding as of the close of business as of last Friday. So, if we're going to consider partial funding, then we need to either pass a resolution asking HUD to consider rescinding that portion of their freeze to allow the salaries to continue.

MENDOZA: Only during the period of the investigation.

MAYOR GATTI: I think that we could do that. Meantime, the whole thing is in a state of limbo, as of Friday night there are no funds.

HENCKEL: As of Friday night there are no funds. As of the time that we received the letter the fund had ceased as far as HUD is concerned, and any funding from that point on would be the City's responsibility.

GATTI: Now, in reference to what Mr. Mendoza and Mr. Garza said, Do they need their full staff there while the investigation is going on?

HENCKEL: Mr. Mayor, I feel that the matter at this point is entirely in the hands of HUD. They're the ones who put the freeze on and I think ....

GATTI: Well, I agree with you.

HENCKEL: Well, in the original contract there's a provision that provides that all of the records of the organization be made available to the Federal Government at any time they so desire. So that provision is taken care of in the contract. I'm not in a position to recommend to you that we continue one or all salaries because I don't know to what extent HUD needs the use of these people, and I can't speak for the Federal Government.

HABERMAN: Well, during the meantime, the Ordinance which we have in hand encompasses everything other than the UBSA.

HENCKEL: The Ordinance which you have in hand is for the third year funding for which we finally received approval. So, this is authorizing the Manager to contract with all of the other agencies in the third year program with the exception of this particular organization. At the time that the ordered investigation is complete, whatever the finding may be at that time, then this Council would decide whether or not you want to fund it.

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HABERMAN: Well, Mr. Mayor, I'm going to go ahead and move for the adoption of this Ordinance and then we can continue the discussion.

MENDOZA: I second that motion.

MAYOR: Call the roll.

AYES: HABERMAN, BECKER, MENDOZA, GARZA, NAYLOR, TREVINO, GATTI.

NAY: NONE.

ABSENT: HILL, DR. HILLIARD.

BECKER: If I may continue this discussion one bit further, though, about UBSA. It seems to me that the thing here is a matter of principle. Actually, as it stands today, investigation of the UBSA at this point is almost operating after the fact. It's as if we were trying to administer medicine to a corpse. Was it not possible for HUD to come into this area prior to the time that the thing ceased to exist as an agent? Which was when last Saturday, last something, and do their investigating while it was in existence in operating. Well would it not have been more desirable?

HENCKEL: Well, I don't know, Mr. Becker, because I don't know what the intentions of HUD are insofar as their investigation or audit is concerned. It may be that they're merely going to audit the records that exist. I don't if interviews with staff members is part of their investigation.

BECKER: It seems to me though that we're being second guessed. Well, when we're called upon to make a decision here at the City Council sessions and then to ask someone 2,000 miles removed from the second guessing, it's a little bit irritating.

HENCKEL: Mr. Becker, in all fairness I don't believe that's true for this reason. Our responsibility, and when I say responsibility I'm talking about the City, yours and mine, the staff as well as the Council, is to administer this program, supervise administration, because the money is coming from the Federal Government to the City, to this agency. Back when the original difficulty arose, the City made an investigation the City staff did, one was made by a subcommittee of the CPPC. At that time, the City Council who is the CDA, who is the agency that makes all decisions involving these funds, made the decision that the operation would be allowed to continue. However, the action taken by HUD, who is the funding agency, notifying the City that the funds would be frozen at the receipt of the letter, put us on notice that we could not take any further action or make any further decisions from that point.

BECKER: I understand that, but in the acceptance of any federal funds there is inherent in that acceptance a measure of responsibility. Is that correct?

HENCKEL: Yes sir.

BECKER: And if the City Council assumes that responsibility it seems to me that we're operating in good faith to the best of our abilities.

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HENCKEL: I don't think there's any question there.

MAYOR GATTI: Let me say this, I think that we can resolve this very quickly. When we accept Federal money, we accept the rules and regulations and the guidelines that the Federal Government sets down. When we sign that contract, there are certain agreements. It's a contractual agreement with the Federal Government the same as it would be with private enterprise or anybody else. Now, HUD has said let's shut them down and pay them no more funds. The only other alternative according to the City Manager and the City Attorney would be for us to put these people on the City Payroll which we could do. Mr. Walker, there would be no legal impediment there, would there? If we were to hire them on a temporary basis?

HENCKEL: If the Council wants to appropriate the money.

MAYOR GATTI: Then we'd have to appropriate the money.

HENCKEL: This is not budgeted, and we would have to appropriate. We'd have to pass an Ordinance setting up positions and appropriating the money to put them on the payroll to serve in the capacity that they are now serving, or serve in the capacity as working as a City employee for the benefit of the City. Now, the question as to whether or not you can hire them on that basis, Mr. Walker would have to answer.

WALKER: I don't think there is any question from a legal standpoint that you can hire them on the basis of they are now employed and working for the City. Now, if you do that you bring into effect all of your civil service regulations, all the regulations that apply to all city employees. So that in case that at the end of three, six, or 12 months, the program is died down, it's no longer funded, you then have a question of what you're going to do with these employees. If you don't have any place to absorb them you have to let them off the payroll. That's number one. Number two, if you attempt to employ them and pay them in their current present situation and type of activity, there's a legal question of whether or not it's a legal expenditure of City money.

HABERMAN: Jerry, now the City Council apparently that particular week gave them like 90 days for this investigation. However, did HUD indicate to you either in phone calls or in writing any length of time for their investigation?

HENCKEL: Mr. Granata just informed me that it would take 25 days, possibly 25 to 30 days, working days.

HABERMAN: 25 to 30 working days.

MONTEZ: 25 man days.

HABERMAN: Man days.

MONTEZ: 2 or 3 persons.

HENCKEL: Man days, is right. This would depend on how many people you have. But again, I don't think we are in a position to say what the Federal Government is going to do in regard to the audit. And this is just an estimate.

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GARZA: Would it be in order, Mr. Mayor, to at this time move that the City of San Antonio-the Council- contact the Department of HUD, the Regional Office or whoever is in charge of this particular problem. Let them know how the Council felt five weeks ago in funding this group during the investigation and at that time ask them if it wouldn't be possible to at least unfreeze, if they were already frozen, to unfreeze that portion of the money that it would take to continue the salaries of these individuals.

HABERMAN: Only the salaries you are saying.

GARZA: Only the salaries. That's what I'm talking about. Whether it's one week or three weeks or four weeks. They are going to have to determine the length of time that they are going to make this investigation.

HENCKEL: Well, in your request, what would be the purpose of funding the salaries because they could not continue in the present capacity of operating the program? The program is shut down.

GARZA: Just in the capacity of working with investigative team or whatever extent that HUD may need them and so that if this program is continued, let's assume that there's nothing wrong. You know someone in the other position, now let's take the other position. You know we're going to lose four or five people that should have been on the payroll and you know have nothing to hide or, you know, nothing to be charged against. That's what I'm looking at. I'm not taking the position of either right or wrong as far as UBSA is concerned at this point. I would like to see the investigation. But this is a matter of principle with me. If I have a man working for me and I get a report that he is doing something wrong, I'm not going to fire him while I investigate it.

HENCKEL: Well, you have to recall that these people, insofar as the City is concerned, have a contractual relationship. They are not actually employees of the city. So, therefore, we couldn't treat them as employees.

GARZA: No, I don't want you to treat them.....

MENDOZA: We would take different action, of course, if they were employees of the City.

HENCKEL: The thing is you have to consider here, if your principle is involved and if you do that in this case, the precedent that you are setting involving all other people who entered into contractual relations with the City, if any problem should arise, whether we should continue to fund them during the investigation or whatever it may be.

MENDOZA: The suggestion that you made Jerry, in passing a resolution for example, requesting that HUD (like Gilbert says) unfreeze the moneys only for the period of the investigation. I think what we are actually doing is just asking them whether or not they see that this is an important thing at this time because of the fact that they need to be available. They need to be there. You can't say we are going to investigate something that's not going to be there. And the investigation is based on the personnel and the people connected with the program.

HENCKEL: Well, I think that's very true now. I would like to point out something to the Council, that when the original freeze was put on by the management we recommended that these people be put on the City Payroll so that they would not be without incumbent. At this point I think you need to do two things, I think you need first of all to ask the Executive Director of UBSA whether or not they want to be on the City Payroll, because they actually declined to be (inaudible)

GATTI: I think what Mr. Garza wants is that we write a letter to HUD and say that we want these funds unfrozen during the period of investigation for salaries. As of now they are frozen. There's not a darn thing we can do about it. So I'll take a motion and a second and let's make a motion that we....

MR. LOUIS SEGURA: I'm the Attorney for UBSA. I would like the opportunity to speak and bring to light that UBSA has not been advised of anything.....

GATTI: I'm sorry. The Federal Government has instituted the investigation and we have nothing to do with that. We got our instructions here in a letter dated October 26, and as far as I'm concerned, and I think the rest of the Council, that's what we are going to follow. I think Mr. Garza's suggestion, Mr. Mendoza's suggestion is a good one. We'll get in touch with HUD. We got the regional man right here in town. And pass this request on and ask him to give us an immediate answer. Would that be the sense of the Council? Who made the motion?

GARZA: Leo made it. I'll second it.

GATTI: Call the roll.

AYES: HABERMAN, BECKER, MENDOZA, GARZA, NAYLOR, TREVINO, GATTI.

NAY: NONE.

ABSENT: HILL, DR. HILLIARD.

GATTI: Work up that letter right now and hand carry it to Mr. Jolly.

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