



City of Austin

City Council

Carole Keeton McClellan
Mayor

Council Members
Lee Cooke
Richard Goodman
Betty Himmelblau
Ron Mullen
Jimmy Snell
John Trevino, Jr.

Dan H. Davidson
City Manager

Grace Monroe
City Clerk

Austin City Council

Minutes

For

CALLED SPECIAL MEETING
JANUARY 9, 1980
4:30 P.M.

Council Chambers, 301 West Second Street,

Memorandum To:

Mayor McClellan called the meeting to order and noted that all Councilmembers were present.

Mayor McClellan stated that this was a Called Special Meeting for the purpose of discussing bond proposals, considering an ordinance calling a General Obligation and Revenue Bond Election for Saturday, February 23, 1980, and to announce publicly that during the meeting the Council would convene in a closed or executive session authorized by Section 2, Paragraphs (e), (f) and (g) of Article 6252-17, Texas Revised Civil Statutes Annotated.

Mayor McClellan reviewed her list of items for a proposed bond package as follows:

Water & Wastewater Revenue Bonds	\$84,830,000
Electric Revenue Bonds	18,315,000

General Obligation Bonds

Airport Terminal and Facility Improvements	4,565,000
Brackenridge Health Complex Parking	4,485,000
Railroad Crossing Safety Improvements	4,610,000
Civic Center Parking/Coliseum Improvements	20,885,000
Municipal Court/Police Department Complex	4,880,000
Health & Neighborhood Centers	680,000
Parkland, Greenbelt & Park Improvements	13,215,000

Mayor McClellan indicated that the Parks figure was the high figure and included park improvements, part of which was the Northeast Recreation Center. The low figure which had been discussed was about \$8.5 million.

Mayor Pro Tem Himmelblau asked if the bond election were delayed, what would be the next optimum date.

Daron Butler stated that the issue which the City would face immediately would be additional arrangement of existing authority within Water & Wastewater to stretch previously approved authority to cover some priority needs. A 60-day delay would be about the most that it could be stretched. The staff would have to return to Council with some options on delay in major construction projects where the City would have subdivision controls similar to things experienced in 1975-76.

Mayor McClellan suggested that three special meetings be set for next week because the ordinance needed to be passed by January 17th.

Mayor Pro Tem Himmelblau asked if it was known what Community Development Block Grant funds would be available in the coming year to use for Health and Neighborhood Centers.

Buck Apelt, Human Services Department, stated that about \$5.5 million would be available. He thought that CDBG funds could not be used for the Far South Clinic.

Councilman Trevino stated that he wanted to see the City use bond funds for the facilities.

Councilman Goodman agreed, particularly for the Rosewood and Montopolis Centers. If the bond election were held in February, he could support the items proposed by the Mayor, especially parking needs for the Brackenridge health complex.

Councilman Cooke felt that the City should proceed with the Water & Wastewater package. He asked for discussion on the civic center/coliseum parking as regarded Revenue versus General Obligation bonds. He supported airport improvements, neighborhood and health centers, and the low figure on parkland greenbelt improvements. He asked Mr. Ternus to delineate between a three versus five-year railroad crossing program.

Mr. Ternus did not have the three-year figure at hand, but would get it for Councilman Cooke. The five-year amount was \$4,610,000.

Mayor McClellan stated that the reason she put out the entire program was that it was a relatively small figure in dollars but a major item in lives.

Councilman Snell said that he would like to see this Council committed to the full amount rather than have another Council make a decision also.

Councilman Goodman agreed.

Daron Butler next addressed the question raised by Councilman Cooke on the civic center regarding the type of financing. Mr. Butler recommended tax (General Obligation) bonds for the following reasons:

1. No track record of attracting booking and generating revenues at the civic center to know a) whether the center would pay its own operating costs or b) generate the revenues and billings necessary to pay debt service and interest payments on the outstanding debt.
2. General Obligation bonds could be sold at a lower interest rate and the investor would have a known track record to appeal to when he was buying.

Mr. Butler recommended that over a five-year period that the Council begin booking and using the facility and examining it closely to move it to a self-sustaining basis. Once that posture was achieved, the Council had two options:

1. Continue the bonds as tax bonds and transfer facility revenues into the debt service retirement fund to pay principal and interest on those bonds or
2. Evaluate the marketplace at that time and refund (refinance) the outstanding bonds with revenue bonds once a track record was established on the profitability of the civic center.

Mayor Pro Tem Himmelblau asked if the health complex parking could be looked at in the same way.

Mr. Butler replied that it certainly was an option which would depend on the types of fee structures that the Council would establish, both for employees and visitors and the types of relationships worked out with the doctors' hospital complex there to lease spaces from the City. There already was a commitment on the part of the doctors, but he was not sure that the lease arrangements were set with the specific intention of recovering operating or debt service costs. The Council had the option of moving in that direction with the new facility if it so desired, and would be in line with the decision to make the hospital as self-supporting as possible in all of its operations.

Mayor Pro Tem Himmelblau asked how soon it would be known whether the health complex parking could be supported by revenue bonds.

Mr. Butler responded that he did not have an answer right now and needed to sit down with staff to look at what needed to be analyzed at this point. He would return with an answer as quickly as possible.

Mayor McClellan requested the City Attorney to draw up in ordinance form options at different levels of funding.

Motion

The Council, on Councilman Goodman's motion, Councilman Mullen's second, set Special Council Meetings for Monday, January 14, 1980 at 4:00 p.m. and Tuesday, January 15, 1980 at 5:00 p.m. in the First Floor Conference Room, Municipal Building for the purposes of discussing bond proposals and considering an ordinance calling a General Obligation and Revenue Bond Election for Saturday, February 23, 1980 and placed the same item on the agenda for January 17, 1980. (7-0 Vote)

ADJOURNMENT

The Council adjourned at 5:10 p.m.