

MINUTES OF THE CITY COUNCIL

CITY OF AUSTIN, TEXAS

Regular Meeting

December 16, 1981
2:00 P.M.

Council Chambers
301 West Second Street

The Meeting was called to order with Mayor McClellan presiding.

Roll Call:

Present: Mayor McClellan, Councilmember Deuser

Absent: Mayor Pro Tem Trevino, Councilmembers Duncan, Goodman,
Urdu, Mullen

Mayor McClellan noted the absence of Mayor Pro Tem Trevino who is ill, and Councilmember Goodman's absence because of the illness of his son. Councilmember Duncan entered the Council Chamber at 2:07; Councilmember Mullen at 2:08 and Councilmember Urdu at 2:15 p.m.

BOARD AND COMMISSION APPOINTMENTS

Mayor McClellan announced the following board and commission appointments are due to be made:

ETHICS REVIEW COMMISSION - 1
AUSTIN TOMORROW ON-GOING COMMITTEE - 1 and 5 alternates
PLUMBING ADVISORY BOARD - 1 architect
VENDING COMMISSION - 2
DOWNTOWN REVITALIZATION TASK FORCE - 1
MANPOWER ADVISORY PLANNING COUNCIL-1 City Manager Designee, 2 YETP,
1 Vocational Advisory Council Representative
HISTORIC LANDMARK COMMISSION - 1 citizen
PRIVATE INDUSTRY COUNCIL - 1 business and industry representative
AFFIRMATIVE ACTION PLAN ADVISORY COMMITTEE - 5
METROPOLITAN TRANSIT AUTHORITY TASK FORCE - 4
NEIGHBORHOOD REVITALIZATION COMMISSION - 1
HUMAN RELATIONS COMMISSION - 1
MEDICAL ASSISTANCE PROGRAM ADVISORY BOARD - 1 citizen; 3 consumers
ENVIRONMENTAL BOARD - 1

LEASE FOR OFFICE SPACE

Councilmember Duncan moved that the Council adopt a resolution amending existing lease for additional space in the Brown Building for the Law Department, Management Services (Cable Communications and Emergency Management) and Data Systems. The motion, seconded by Mayor McClellan, carried by the following vote:

Ayes: Councilmembers Deuser, Duncan, Mullen, Urdy, Mayor McClellan.
Noes: None
Absent: Mayor Pro Tem Trevino, Councilmember Goodman

RELEASE OF EASEMENTS

Councilmember Duncan moved that the Council adopt a resolution authorizing release of the following easement:

A portion of a 12.5' Drainage Easement on Lot 8, Travis Vista II, Phase B. (Requested by Mr. Devere L. Edwards)

The motion, seconded by Mayor McClellan, carried by the following vote:

Ayes: Councilmembers Deuser, Duncan, Mullen, Urdy, Mayor McClellan.
Noes: None
Absent: Mayor Pro Tem Trevino, Councilmember Goodman

Councilmember Duncan moved that the Council adopt a resolution authorizing release of the following easement:

A 5' x 248.16' Electric Easement located on Lot A, 1-35 No.- Fiskville Addition and recorded in Volume 1916, Page 31 of the Travis County Deed Records. (Requested by Billy F. Priest Surveyors, Inc. representing Dwight Lieb)

The motion, seconded by Mayor McClellan, carried by the following vote:

Ayes: Councilmembers Deuser, Duncan, Mullen, Urdy, Mayor McClellan
Noes: None
Absent: Mayor Pro Tem Trevino, Councilmember Goodman

LICENSE AGREEMENTS

Councilmember Duncan moved that the Council adopt a resolution entering into the following license agreements:

For the encroachment of a patio deck and an enclosed storage room over a drainage easement on Lot 34, Summer Creek Subdivision, 1602 Summer Creek Court. (Requested by Mr. Glen A Chappell)

The motion, seconded by Mayor McClellan, carried by the following vote:

Ayes: Councilmembers Deuser, Duncan, Mullen, Urdy, Mayor McClellan
Noes: None
Absent: Mayor Pro Tem Trevino, Councilmember Goodman

Councilmember Duncan moved that the Council adopt a resolution entering into the following license agreements:

For the encroachment of a patio deck and an enclosed storage room over a Drainage Easement on Lot 33, Summer Creek Subdivision, 1604 Summer Creek Court. (Requested by Mr. Glen A. Chappell)

The motion, seconded by Mayor McClellan, carried by the following vote:

Ayes: Councilmembers Deuser, Duncan, Mullen, Urdy, Mayor McClellan
Noes: None
Absent: Mayor Pro Tem Trevino, Councilmember Goodman

Councilmember Duncan moved that the Council adopt a resolution entering into the following license agreement:

For the encroachment of a patio deck and an enclosed storage room over a drainage easement on Lot 32, Summer Creek Subdivision, 1606 Summer Creek Court. (Requested by Mr. Glen A. Chappell)

The motion, seconded by Mayor McClellan, carried by the following vote:

Ayes: Councilmembers Deuser, Duncan, Mullen, Urdy, Mayor McClellan
Noes: None
Absent: Mayor Pro Tem Trevino, Councilmember Goodman

CAPITAL IMPROVEMENTS PROGRAM

Councilmember Duncan moved that the Council adopt a resolution acquiring the following tracts of land:

Silverway Drive Flood Control. C.I.P. No. 82/60-05

1. All of Lot 1, Block X, Allandale Park, Section 6, 2800 Silverway Drive. (Steven C. & Phyllis Jean Rohn)
2. All of Lot 29, Block F, Allandale Park, Section 6, 2801 Silverway Drive. (Don L. and Mona M. May)

The motion, seconded by Mayor McClellan, carried by the following vote:

Ayes: Councilmembers Dauser, Duncan, Mullen, Urdy, Mayor McClellan
Noes: None
Absent: Mayor Pro Tem Trevino, Councilmember Goodman

Councilmember Duncan moved that the Council adopt a resolution acquiring the following tracts of land:

Jefferson Street Flood Control. C.I.P. No. 82/60-05

1. All of Lot III Ridgelea Addition, 4005 Jefferson Street. (Victor H. Baez et ux, Sonya P. Baez)

The motion, seconded by Mayor McClellan, carried by the following vote:

Ayes: Councilmembers Deuser, Duncan, Mullen, Urdy, Mayor McClellan
Noes: None
Absent: Mayor Pro Tem Trevino, Councilmember Goodman

Councilmember Duncan moved that the Council adopt a resolution accepting a partial donation and purchase by the City of 14.87 acres for the Springdale Neighborhood Park. C.I.P. Nos. 75/86-03 & 75/86-14. The motion, seconded by Mayor McClellan, carried by the following vote:

Ayes: Councilmembers Deuser, Duncan, Mullen, Urdy, Mayor McClellan
Noes: None
Absent: Mayor Pro Tem Trevino, Councilmember Goodman

Councilmember Duncan moved that the Council adopt a resolution approving a Change Order in the amount of \$8,120.00 to Robert Hurst Construction Company for additional wastewater work on 8-inch wastewater lines to serve Ramble Range, Cactus Bend and Pony Chase to provide wastewater services to 12200 Midland Walk. C.I.P. No. 72/23-02. The motion, seconded by Mayor McClellan, carried by the following vote:

Ayes: Councilmembers Deuser, Duncan, Mullen, Urdy, Mayor McClellan
Noes: None
Absent: Mayor Pro Tem Trevino, Councilmember Goodman

CONTRACTS APPROVED

Councilmember Duncan moved that the Council adopt a resolution approving the following contract:

REICH CONSTRUCTION CORPORATION	- CAPITAL IMPROVEMENTS PROGRAM -
P.O. Box 4352	Montopolis Neighborhood Center -
Austin, Texas	\$298,100.00 C.I.P. No. 78/72-04

The motion, seconded by Mayor McClellan, carried by the following vote:

Ayes: Councilmembers Deuser, Duncan, Mullen, Urdy, Mayor McClellan
Noes: None
Absent: Mayor Pro Tem Trevino, Councilmember Goodman

Councilmember Duncan moved that the Council adopt a resolution approving the following contract:

ANCHOR METALS, INC.
605 West 1st Boulevard
Hurst, Texas

- CAPITAL IMPROVEMENTS PROGRAM -
Tubular Steel, Electric Utility
Department
Items 1-11 - \$170,461 C.I.P.
No. 79/13-02

The motion, seconded by Mayor McClellan, carried by the following vote:

Ayes: Councilmembers Deuser, Duncan, Mullen, Urdy, Mayor McClellan
Noes: None
Absent: Mayor Pro Tem Trevino, Councilmember Goodman

Councilmember Duncan moved that the Council adopt a resolution approving the following contract:

INDUSTRIAL SYSTEMS, INC.
1121 Fresno
San Antonio, Texas

- CAPITAL IMPROVEMENTS PROGRAM -
Precise Environmental Control
System, Electric Utility Department
Item 1, 2 ea. @ \$18,323.90
C.I.P. No. 75/11-01

The motion, seconded by Mayor McClellan, carried by the following vote:

Ayes: Councilmembers Deuser, Duncan, Mullen, Urdy, Mayor McClellan
Noes: None
Absent: Mayor Pro Tem Trevino, Councilmember Goodman

Councilmember Duncan moved that the Council adopt a resolution approving the following contract:

AMERICAN CAST IRON PIPE COMPANY
8738 Fomey
Dallas, Texas

- CAPITAL IMPROVEMENTS PROGRAM -
Tapping Saddle, Ductile iron
pipe and fittings with 150
pound raised flanges, Water &
Wastewater Utility Department
Items 3-20 - \$18,422.00
C.I.P. No. 81/22-04

The motion, seconded by Mayor McClellan, carried by the following vote:

Ayes: Councilmembers Deuser, Duncan, Mullen, Urdy, Mayor McClellan
Noes: None
Absent: Mayor Pro Tem Trevino, Councilmember Goodman

Councilmember Duncan moved that the Council adopt a resolution approving the following contract:

POTH CONSTRUCTION	- CAPITAL IMPROVEMENTS PROGRAM -
R.T. Templeton, Joint Venture	Parks and Recreation Central
315 Bowie Street	Maintenance Complex - \$445,466.00
Austin, Texas	C.I.P. No. 73/86-09

The motion, seconded by Mayor McClellan, carried by the following vote:

Ayes: Councilmembers Deuser, Duncan, Mullen, Urdy, Mayor McClellan
Noes: None
Absent: Mayor Pro Tem Trevino, Councilmember Goodman

Councilmember Duncan moved that the Council adopt a resolution approving the following contract:

TEXAS EMULSIONS, INC.	- Emulsions, Public Works Department
1103 Perry-Brooks Building	Twelve (12) Month Supply Agreement
Austin, Texas	Items 1 thru 5 - \$136,100.00

The motion, seconded by Mayor McClellan, carried by the following vote:

Ayes: Councilmembers Deuser, Duncan, Mullen, Urdy, Mayor McClellan
Noes: None
Absent: Mayor Pro Tem Trevino, Councilmember Goodman

Councilmember Duncan moved that the Council adopt a resolution approving the following contract:

CARBON SALES, INC.	- Anthracite Filter Material,
89-153 Miller Street	Waste & Wastewater Department
Wilkes-Barre, Pennsylvania	Twelve (12) Month Supply Agreement
	Item 1 - \$34,056.00

The motion, seconded by Mayor McClellan, carried by the following vote:

Ayes: Councilmembers Deuser, Duncan, Mullen, Urdy, Mayor McClellan
Noes: None
Absent: Mayor Pro Tem Trevino, Councilmember Goodman

Councilmember Duncan moved that the Council adopt a resolution approving the following contract:

CLEGG-AUSTIN, INC.
111 West Anderson Lane
Austin, Texas

- Office Furnishings, Aviation
Department
Items 1 thru 15 - \$10,843.07

The motion, seconded by Mayor McClellan, carried by the following vote:

Ayes: Councilmembers Deuser, Duncan, Mullen, Urdy, Mayor McClellan
Noes: None
Absent: Mayor Pro Tem Trevino, Councilmember Goodman

Councilmember Duncan moved that the Council adopt a resolution approving the following contract:

LIBRARY BINDING COMPANY
2900 Franklin Avenue
Waco, Texas

- Hardbinding Paperback Books,
Austin Public Libraries,
Twelve (12) Month Supply Agreement
Item 1 - \$24,625.00

The motion, seconded by Mayor McClellan, carried by the following vote:

Ayes: Councilmembers Deuser, Duncan, Mullen, Urdy, Mayor McClellan
Noes: None
Absent: Mayor Pro Tem Trevino, Councilmember Goodman

Councilmember Duncan moved that the Council adopt a resolution approving the following contract:

GENERAL ELECTRIC COMPANY
5555 North Lamar Blvd., L-101
Austin, Texas

- Mobile Radios, Vehicle & Equipment
Department
Items 1-3 - \$12,190.00

The motion, seconded by Mayor McClellan, carried by the following vote:

Ayes: Councilmembers Deuser, Duncan, Mullen, Urdy, Mayor McClellan
Noes: None
Absent: Mayor Pro Tem Trevino, Councilmember Goodman

Councilmember Duncan moved that the Council adopt a resolution approving the following contract:

J.H. EMERSON
22 Cottage Park Avenue
Cambridge, Massachusetts

- Ventilator to be used by the
Respiratory Therapy Department of
Brackenridge Hospital
2 ea. @ \$5,290.00
Total \$10,580.00

The motion, seconded by Mayor McClellan, carried by the following vote:

Ayes: Councilmembers Deuser, Duncan, Mullen, Urdy, Mayor McClellan
Noes: None
Absent: Mayor Pro Tem Trevino, Councilmember Goodman

Councilmember Duncan moved that the Council adopt a resolution approving the following contract:

ROCKWELL INTERNATIONAL CORP.
5155 Blalock Drive
Houston, Texas

- Refurbish existing gear train
(non-magnetic) type meters, Water
and Wastewater Department
Twelve (12) Month Supply Agreement
Item 1 - \$102,127.50

The motion, seconded by Mayor McClellan, carried by the following vote:

Ayes: Councilmembers Deuser, Duncan, Mullen, Urdy, Mayor McClellan
Noes: None
Absent: Mayor Pro Tem Trevino, Councilmember Goodman

Councilmember Duncan moved that the Council adopt a resolution approving the following contract:

AUSTIN AUTOMATIC TRANSMISSION, INC. -
1125 West 6th Street
Austin, Texas

Automatic Transmission recondition-
ing and supply associated repair
parts, Vehicle and Equipment
Services Department
Twelve (12) Months Supply Agreement
Item 1.0 thru 2.0 - \$39,930.00

The motion, seconded by Mayor McClellan, carried by the following vote:

Ayes: Councilmembers Deuser, Duncan, Mullen, Urdy, Mayor McClellan
Noes: None
Absent: Mayor Pro Tem Trevino, Councilmember Goodman

ENERGY CONSERVATION MEASURES

Councilmember Duncan moved that the Council adopt a resolution selecting the professional engineering services of Energy Engineering, Inc. in connection with design and construction of energy conservation measures at Brackenridge Hospital. The motion, seconded by Mayor McClellan, carried by the following vote:

Ayes: Councilmembers Deuser, Duncan, Mullen, Urdy, Mayor McClellan

Noes: None

Absent: Mayor Pro Tem Trevino, Councilmember Goodman

WATER AND WASTEWATER APPROACH MAIN

Councilmember Duncan moved that the Council adopt a resolution approving the following water and wastewater approach main:

WELLS BRANCH

- To construct 1,000 feet of 30-inch wastewater gravity main.
Estimated total cost is \$111,300.00 including 6% for engineering. No City cost participation.

The motion, seconded by Mayor McClellan, carried by the following vote:

Ayes: Councilmembers Deuser, Duncan, Mullen, Urdy, Mayor McClellan

Noes: None

Absent: Mayor Pro Tem Trevino, Councilmember Goodman

RIGHT-OF-WAY

Councilmember Duncan moved that the Council adopt a resolution requesting the State Department of Highways and Public Transportation to join with the City of Austin in the acquisition of the right-of-way for U.S. Highway 183 (Loop 360 to McCann Drive). The motion, seconded by Mayor McClellan, carried by the following vote:

Ayes: Councilmembers Deuser, Duncan, Mullen, Urdy, Mayor McClellan

Noes: None

Absent: Mayor Pro Tem Trevino, Councilmember Goodman

PARKING METER ZONES

Councilmember Duncan moved that the Council adopt a resolution approving installation of the following parking meter zones:

<u>METER TYPE</u>	<u>STREET</u>	<u>LOCATION</u>	<u>SIDE OF STREET</u>
300 minute	Red River Street	1500 block	East and West
600 minute	Red River Street	1600 block	East and West
30 minute	Red River Street	1600 block	East
600 minute	Red River Street	1700 block	East and West
30 minute	Red River Street	1700 block	East and West

The motion, seconded by Mayor McClellan, carried by the following vote:

Ayes: Councilmembers Deuser, Duncan, Mullen, Urdy, Mayor McClellan
Noes: None
Absent: Mayor Pro Tem Trevino, Councilmember Goodman

APPLICATION OF FUNDING

Councilmember Duncan moved that the Council adopt a resolution authorizing application for funding in the amount of \$30,603 (Title III-C Older American Act Funds) from the Capital Area Planning Council, Texas Department on Aging. The motion, seconded by Mayor McClellan, carried by the following vote:

Ayes: Councilmembers Deuser, Duncan, Mullen, Urdy, Mayor McClellan
Noes: None
Absent: Mayor Pro Tem Trevino, Councilmember Goodman

GRANT APPLICATION

Councilmember Duncan moved that the Council adopt a resolution authorizing submission of a grant application to the Texas Historical Commission for up to \$23,000 in funds for the Elisabet Ney Museum restoration project. The motion, seconded by Mayor McClellan, carried by the following vote:

Ayes: Councilmembers Deuser, Duncan, Mullen, Urdy, Mayor McClellan
Noes: None
Absent: Mayor Pro Tem Trevino, Councilmember Goodman

DEVELOPMENT ASSISTANCE FOR REHABILITATION

Councilmember Duncan moved that the Council adopt a resolution authorizing the continued release of funds to Development Assistance for Rehabilitation after December 31, 1981. The motion, seconded by Mayor McClellan, carried by the following vote:

Ayes: Councilmembers Deuser, Duncan, Mullen, Urdy, Mayor McClellan
Noes: None
Absent: Mayor Pro Tem Trevino, Councilmember Goodman

LEGAL AID SOCIETY

Councilmember Duncan moved that the Council adopt a resolution authorizing the continued release of funds to the Legal Aid Society of Central Texas after December 31, 1981. The motion, seconded by Mayor McClellan, carried by the following vote:

Ayes: Councilmembers Deuser, Duncan, Mullen, Urdy, Mayor McClellan
Noes: None
Absent: Mayor Pro Tem Trevino, Councilmember Goodman

"FIXED INCOME" DEFINITION

Councilmember Duncan moved that the Council adopt a resolution amending Section 5000, Paragraph 13 of the Medical Assistance Program Policy Manual to refine the definition of "fixed income." The motion, seconded by Mayor McClellan, carried by the following vote:

Ayes: Councilmembers Deuser, Duncan, Mullen, Urdy, Mayor McClellan
Noes: None
Absent: Mayor Pro Tem Trevino, Councilmember Goodman

PUBLIC HEARING RESET

Councilmember Duncan moved that the Council reset the public hearing on the designation of an Eligible Blighted Area pursuant to the Rules of Issuing Industrial Development Bonds issued by the Texas Industrial Commission to January 7, 1982 at 8:00 p.m. The motion, seconded by Mayor McClellan, carried by the following vote:

Ayes: Councilmembers Deuser, Duncan, Mullen, Urdy, Mayor McClellan
Noes: None
Absent: Mayor Pro Tem Trevino, Councilmember Goodman

Mayor McClellan introduced the following ordinance:

AN ORDINANCE AMENDING THE 1981-82 OPERATING BUDGET BY APPROPRIATING \$300,000.00 FROM THE HOSPITAL BUDGETED ENDING BALANCE AND INCREASING THE CENTRAL TEXAS MEDICAL FOUNDATION BUDGET FROM \$1,200,000.00 TO \$1,500,000.00 SUSPENDING THE RULE REQUIRING THAT ORDINANCES BE READ ON THREE (3) SEPARATE DAYS: AND PROVIDING AN EFFECTIVE DATE.

Councilmember Urdy moved that the Council waive the requirement for three readings, declare an emergency and finally pass the ordinance. The motion, seconded by Mayor McClellan, carried by the following vote:

Ayes: Councilmembers Deuser, Duncan, Mullen, Urdy, Mayor McClellan

Noes: None

Absent: Mayor Pro Tem Trevino, Councilmember Goodman

The Mayor announced that the ordinance had been finally passed.

Mayor McClellan introduced the following ordinance:

AN ORDINANCE AMENDING THE OPERATING BUDGET FOR THE FISCAL YEAR 1981-1982 BY TRANSFERRING FROM THE GENERAL FUND ENDING BALANCE AND THE WATER AND WASTEWATER FUND ENDING BALANCE TO THE 1981-1982 OPERATING BUDGET FOR THE PURPOSE OF FUNDING A WASTEWATER PACKAGE TREATMENT POLICY; SUSPENDING THE RULE REQUIRING ORDINANCES TO BE READ ON THREE SEPARATE DAYS; AND DECLARING AN EMERGENCY.

Councilmember Urdy moved that the Council waive the requirement for three readings, declare an emergency and finally pass the ordinance effective immediately. The motion, seconded by Mayor McClellan, carried by the following vote:

Ayes: Councilmembers Deuser, Duncan, Mullen, Urdy, Mayor McClellan

Noes: None

Absent: Mayor Pro Tem Trevino, Councilmember Goodman

The Mayor announced that the ordinance had been finally passed.

ELECTION OFFICIALS APPOINTED

Mayor McClellan introduced the following ordinance:

AN ORDINANCE APPOINTING ELECTION OFFICIALS TO CONDUCT THE SPECIAL MUNICIPAL ELECTION TO BE HELD JANUARY 16, 1982; PROVIDING COMPENSATION FOR THE ELECTION OFFICIALS; DESIGNATING THE UTILIZATION OF AN ELECTRONIC VOTING SYSTEM FOR SAID ELECTION; DESIGNATING A PRIME AND ALTERNATE CENTRAL COUNTING STATION FOR SAID ELECTION; ESTABLISHING A DATE FOR A PRECOUNT TEST OF THE AUTOMATIC TABULATING EQUIPMENT; PROVIDING NOTICE OF SAME; DIRECTING THAT INSTRUCTION SCHOOL FOR ELECTION OFFICERS SHALL BE CONDUCTED; PROVIDING NOTICE OF SAME; PROVIDING FOR SUCH OTHER ASPECTS AS ARE INCIDENT AND RELATED TO THE PURPOSE OF THIS ORDINANCE; SUSPENDING THE RULE REQUIRING THE READING OF AN ORDINANCE ON THREE SEPARATE DAYS; AND DECLARING AN EMERGENCY.

Councilmember Urdy moved that the Council waive the requirement for three readings, declare an emergency and finally pass the ordinance effective immediately. The motion, seconded by Mayor McClellan, carried by the following vote:

Ayes: Councilmembers Deuser, Duncan, Mullen, Urdy, Mayor McClellan
Noes: None
Absent: Mayor Pro Tem Trevino, Councilmember Goodman

The Mayor announced that the ordinance had been finally passed.

AGENDA ITEM POSTPONED

During the consent motion, the Council postponed until January 13, 1982, consideration of amending the Southern Union Gas Company Service Regulations by adding a new section thereto, Section 18.7, Termination to Multiple-Residential Units, relating to notice of proposed discontinuance of gas service.

FIRE LANE ORDINANCE

Mayor McClellan introduced the following ordinance:

AN ORDINANCE AMENDING SECTIONS 38-37.1 (a) AND 38-37.4 OF THE CODE OF THE CITY OF AUSTIN OF 1967 BY AMENDING THE REQUIREMENTS FOR THE DESIGNATION AND MARKING OF FIRE ZONES; SUSPENDING THE RULE REQUIRING THAT ORDINANCES BE READ ON THREE SEPARATE DAYS; AND PROVIDING AN EFFECTIVE DATE.

Councilmember Urdy moved that the Council waive the requirement for three readings, declare an emergency and finally pass the ordinance. The motion, seconded by Mayor McClellan, carried by the following vote:

Ayes: Councilmembers Deuser, Duncan, Mullen, Urdy, Mayor McClellan
Noes: None
Absent: Mayor Pro Tem Trevino, Councilmember Goodman

The Mayor announced that the ordinance had been finally passed.

ORDINANCE AMENDMENT

Mayor McClellan introduced the following ordinance:

AN ORDINANCE AMENDING ORDINANCE NO. 811021-L, ENACTED BY THE CITY COUNCIL ON OCTOBER 21, 1981, BY CORRECTING THE USE DESIGNATION OF THE PROPERTY ZONED BY SAID ORDINANCE; SUSPENDING THE RULE REQUIRING THE READING OF ORDINANCES ON THREE SEPARATE DAYS; AND PROVIDING AN EFFECTIVE DATE.

Councilmember Urdy moved that the Council waive the requirement for three readings, declare an emergency and finally pass the ordinance. The motion, seconded by Mayor McClellan, carried by the following vote:

Ayes: Councilmembers Deuser, Duncan, Mullen, Urdy, Mayor McClellan

Noes: None

Absent: Mayor Pro Tem Trevino, Councilmember Goodman

The Mayor announced that the ordinance had been finally passed.

ZONING ORDINANCES

Mayor McClellan introduced the following ordinance:

AN ORDINANCE ORDERING A CHANGE IN USE AND HEIGHT AND AREA AND CHANGING THE USE AND HEIGHT AND AREA MAPS ACCOMPANYING CHAPTER 45 OF THE AUSTIN CITY CODE OF 1967 AS FOLLOWS:

A THREE ACRE TRACT OF LAND OUT OF A 121.921 ACRE TRACT OUT OF THE SANTIAGO DEL VALLE GRANT, LOCALLY KNOWN AS 1011-1107 SOUTH PLEASANT VALLEY ROAD, FROM "O" OFFICE, THIRD HEIGHT AND AREA DISTRICT TO "C" COMMERCIAL, THIRD HEIGHT AND AREA DISTRICT; SAID PROPERTY BEING LOCATED IN AUSTIN, TRAVIS COUNTY, TEXAS; SUSPENDING THE RULE REQUIRING THE READING OF ORDINANCES ON THREE SEPARATE DAYS; AND PROVIDING AN EFFECTIVE DATE. (R.P.C. Investments, Inc. C14-81-169)

Councilmember Urdy moved that the Council waive the requirement for three readings, declare an emergency and finally pass the ordinance. The motion, seconded by Mayor McClellan, carried by the following vote:

Ayes: Councilmembers Deuser, Duncan, Mullen, Urdy, Mayor McClellan

Noes: None

Absent: Mayor Pro Tem Trevino, Councilmember Goodman

The Mayor announced that the ordinance had been finally passed.

Mayor McClellan introduced the following ordinance:

AN ORDINANCE ORDERING A CHANGE IN USE AND HEIGHT AND AREA AND CHANGING THE USE AND HEIGHT AND AREA MAPS ACCOMPANYING CHAPTER 45 OF THE AUSTIN CITY CODE OF 1967 AS FOLLOWS:

A 0.18 OF AN ACRE TRACT OF LAND, LOCALLY KNOWN AS 11314 JOLLYVILLE ROAD, FROM INTERIM "AA" FIRST HEIGHT AND AREA DISTRICT TO "O" OFFICE, FIRST HEIGHT AND AREA DISTRICT; SAID PROPERTY BEING LOCATED IN AUSTIN, TRAVIS COUNTY, TEXAS; SUSPENDING THE RULE REQUIRING THE READING OF ORDINANCES ON THREE SEPARATE DAYS; AND PROVIDING AN EFFECTIVE DATE. (Edgar S. Daugherty, C14-81-146)

Councilmember Urdy moved that the Council waive the requirement for three readings, declare an emergency and finally pass the ordinance. The motion, seconded by Mayor McClellan, carried by the following vote:

Ayes: Councilmembers Deuser, Duncan, Mullen, Urdy, Mayor McClellan

Noes: None

Absent: Mayor Pro Tem Trevino, Councilmember Goodman

The Mayor announced that the ordinance had been finally passed.

Mayor McClellan introduced the following ordinance:

AN ORDINANCE ORDERING A CHANGE IN USE AND HEIGHT AND AREA AND CHANGING THE USE AND HEIGHT AND AREA MAPS ACCOMPANYING CHAPTER 45 OF THE AUSTIN CITY CODE OF 1967 AS FOLLOWS:

LOTS ONE - EIGHT, BLOCK TWO, SAVE AND EXCEPT THAT PORTION SOLD TO THE CITY OF AUSTIN, FROM "BB" RESIDENCE AND "LR" LOCAL RETAIL, FIRST HEIGHT AND AREA DISTRICT, TO "O-1" OFFICE, FIRST HEIGHT AND AREA DISTRICT, LOCALLY KNOWN AS 1900-1910 ALAMO, 1901-1911 POQUITO, 2000-2018 E. MARTIN LUTHER KING BOULEVARD, AND 2001-2009 E. 20TH STREET; SAID PROPERTY BEING LOCATED IN AUSTIN, TRAVIS COUNTY, TEXAS; SUSPENDING THE RULE REQUIRING THE READING OF ORDINANCES ON THREE SEPARATE DAYS; AND PROVIDING AN EFFECTIVE DATE. (Edmund J. Alff, Jr., Marie Alff Noack, & Josephine Alff Nendell, C14-81-166)

Councilmember Urdy moved that the Council waive the requirement for three readings, declare an emergency and finally pass the ordinance. The motion, seconded by Mayor McClellan, carried by the following vote:

Ayes: Councilmembers Deuser, Duncan, Mullen, Urdy, Mayor McClellan

Noes: None

Absent: Mayor Pro Tem Trevino, Councilmember Goodman

The Mayor announced that the ordinance had been finally passed.

Mayor McClellan introduced the following ordinance:

AN ORDINANCE ORDERING A CHANGE IN USE AND HEIGHT AND AREA AND CHANGING THE USE AND HEIGHT AND AREA MAPS ACCOMPANYING CHAPTER 45 OF THE AUSTIN CITY CODE OF 1967 AS FOLLOWS:

PARCEL 1: AN AREA OF LAND CONTAINING 329.58 ACRES MORE OR LESS OF PLATTED AND UNPLATTED LAND OUT OF THE THEODORE BISSEL LEAGUE, FROM INTERIM "A" RESIDENCE, FIRST HEIGHT AND AREA DISTRICT TO "AA" RESIDENCE, FIRST HEIGHT AND AREA DISTRICT;

PARCEL 2: LOTS 1-15, BLOCK "A" AND LOTS 1-4, BLOCK "B", BRENEAN ADDITION, FROM INTERIM "A" RESIDENCE, FIRST HEIGHT AND AREA DISTRICT TO "A" RESIDENCE, FIRST HEIGHT AND AREA DISTRICT;

PARCEL 3: LOTS 27, 28, AND 30 OF THE VILLAGE SECTION EIGHT, FROM INTERIM "A" RESIDENCE, FIRST HEIGHT AND AREA DISTRICT TO "A" RESIDENCE, FIRST HEIGHT AND AREA DISTRICT;

ALL OF SAID PROPERTY BEING LOCALLY KNOWN AS AN AREA GENERALLY BOUNDED BY STASSNEY LANE ON THE NORTH, MANCHACA ROAD ON THE EAST, WILLIAM CANNON ON THE SOUTH AND WILLIAMSON CREEK ON THE WEST; SAID PROPERTY BEING LOCATED IN AUSTIN, TRAVIS COUNTY, TEXAS; SUSPENDING THE RULE REQUIRING THE READING OF ORDINANCES ON THREE SEPARATE DAYS; AND PROVIDING AN EFFECTIVE DATE. (City of Austin Planning Department, C14-80-043)

Councilmember Urdy moved that the Council waive the requirement for three readings, declare an emergency and finally pass the ordinance. The motion, seconded by Mayor McClellan, carried by the following vote:

Ayes: Councilmembers Deuser, Duncan, Mullen, Urdy, Mayor McClellan

Noes: None

Absent: Mayor Pro Tem Trevino, Councilmember Goodman

The Mayor announced that the ordinance had been finally passed.

Mayor McClellan introduced the following ordinance:

AN ORDINANCE ORDERING A CHANGE UN USE AND HEIGHT AND AREA AND CHANGING THE USE AND HEIGHT AND AREA MAPS ACCOMPANYING CHAPTER 45 OF THE AUSTIN CITY CODE OF 1967 AS FOLLOWS:

TRACT 1: A TRACT OF LAND CONTAINING 41.31 ACRES MORE OR LESS, OUT OF THE JAMES D. GOODE SURVEY, SAVE AND EXCEPT, MCNEIL ROAD COMMERCIAL SUBDIVISION, SECTION ONE; MCNEIL ROAD COMMERCIAL SUBDIVISION, SECTION TWO; GREENWOOD PARK; MRI SYSTEMS CORPORATION SUBDIVISION; MANAGEMENT RESEARCH SUBDIVISION; BALCONES COMMERCIAL PARK; AUSTIN BANCSHARES ADDITION; A 4.25 ACRE TRACT OF LAND OUT OF THE JAMES D. GOODE SURVEY; AND, SAVE AND EXCEPT LOTS 3-9 (INCLUSIVE), CONFIRMATION PLAT OF A PART OF THE JOE P. JEKEL SUBDIVISION, AND THE SOUTHERNMOST 100 FEET OF LOT 1A, RESUBDIVISION OF LOTS 1 AND 2, JOE P. JEKEL SUBDIVISION, HEREINBELOW DESCRIBED AS TRACT 2, FROM INTERIM "AA" RESIDENCE, FIRST HEIGHT AND AREA DISTRICT TO "A" RESIDENCE, FIRST HEIGHT AND AREA DISTRICT;

TRACT 2: LOTS 3-9 (INCLUSIVE), CONFIRMATION PLAT OF A PART OF THE JOE P. JEKEL SUBDIVISION; AND, THE SOUTHERNMOST 100 FEET OF LOT 1A, RESUBDIVISION OF LOTS 1 AND 2, JOE P. JEKEL SUBDIVISION, FROM INTERIM "AA" RESIDENCE, FIRST HEIGHT AND AREA DISTRICT, TO "O" OFFICE, FIRST HEIGHT AND AREA DISTRICT; ALL OF SAID PROPERTY BEING LOCALLY KNOWN AS 6803-7401 MCNEIL ROAD, AND ALL OF JEKEL CIRCLE, PECAN STREET, AND OAKMONT STREET, SAID PROPERTY BEING LOCATED IN AUSTIN, TRAVIS AND WILLIAMSON COUNTIES, TEXAS; SUSPENDING THE RULE REQUIRING THE READING OF ORDINANCES ON THREE SEPARATE DAYS; AND PROVIDING AN EFFECTIVE DATE. (City of Austin Planning Department, C14-81-132)

Councilmember Urdy moved that the Council waive the requirement for three readings, declare an emergency and finally pass the ordinance. The motion, seconded by Mayor McClellan, carried by the following vote:

Ayes: Councilmembers Deuser, Duncan, Mullen, Urdy, Mayor McClellan

Noes: None

Absent: Mayor Pro Tem Trevino, Councilmember Goodman

The Mayor announced that the ordinance had been finally passed.

Mayor McClellan introduced the following ordinance:

AN ORDINANCE ORDERING A CHANGE IN USE AND HEIGHT AND AREA AND CHANGING THE USE AND HEIGHT AND AREA MAPS ACCOMPANYING CHAPTER 45 OF THE AUSTIN CITY CODE OF 1967 AS FOLLOWS:

TRACT 1: A TRACT OF LAND CONTAINING 25.976 ACRES, MORE OR LESS, FROM "GR" GENERAL RETAIL, "O" OFFICE, "A" RESIDENCE, AND INTERIM "AA" RESIDENCE, FIRST HEIGHT AND AREA DISTRICT;

TRACT 2: A TRACT OF LAND CONTAINING 5.05 ACRES, MORE OR LESS, FROM "GR" GENERAL RETAIL, FIRST HEIGHT AND AREA DISTRICT;

TRACT 3: A TRACT OF LAND CONTAINING 9.348 ACRES, MORE OR LESS, FROM "O" OFFICE, "A" RESIDENCE, AND INTERIM "AA" RESIDENCE, FIRST HEIGHT AND AREA DISTRICT, TO "A" RESIDENCE, FIRST HEIGHT AND AREA DISTRICT;

TRACT 4: A TRACT OF LAND CONTAINING 16.695 ACRES, MORE OR LESS, SAVE AND EXCEPT 36,000 SQUARE FEET OF LAND; AND SAVE AND EXCEPT 40,500 SQUARE FEET OF LAND, FROM INTERIM "AA" RESIDENCE, FIRST HEIGHT AND AREA DISTRICT, TO "O" OFFICE, FIRST HEIGHT AND AREA DISTRICT;

TRACT 5: A TRACT OF LAND CONTAINING 11.196 ACRES, MORE OR LESS, FROM INTERIM "AA" RESIDENCE, FIRST HEIGHT AND AREA DISTRICT, TO "BB" RESIDENCE, FIRST HEIGHT AND AREA DISTRICT;

TRACT 6: A TRACT OF LAND CONTAINING 11.627 ACRES, MORE OR LESS, FROM INTERIM "AA" RESIDENCE, FIRST HEIGHT AND AREA DISTRICT, TO "GR" GENERAL RETAIL, FIRST HEIGHT AND AREA DISTRICT;

TRACT 7: A TRACT OF LAND CONTAINING 5.181 ACRES, MORE OR LESS, FROM INTERIM "AA" RESIDENCE, FIRST HEIGHT AND AREA DISTRICT, TO "BB" RESIDENCE, FIRST HEIGHT AND AREA DISTRICT;

ALL OF SAID PROPERTY BEING LOCALLY KNOWN AS 9400-9600 BLOCKS OF NORTH LAMAR; SAID PROPERTY BEING LOCATED IN AUSTIN, TRAVIS COUNTY, TEXAS; SUSPENDING THE RULE REQUIRING THE READING OF ORDINANCES ON THREE SEPARATE DAYS; AND PROVIDING AN EFFECTIVE DATE. (Northwest Properties, Limited, C14-80-239)

Councilmember Urdy moved that the Council waive the requirement for three readings, declare an emergency and finally pass the ordinance. The motion, seconded by Mayor McClellan, carried by the following vote:

Ayes: Councilmembers Deuser, Duncan, Mullen, Urdy, Mayor McClellan

Noes: None

Absent: Mayor Pro Tem Trevino, Councilmember Goodman

The Mayor announced that the ordinance had been finally passed.

DISCUSSION OF TIME FOR ITEM

Council had pulled for discussion a resolution to consider removing Councilmember Ron Mullen from Austin Transportation Study Planning Committee and appointing a new member thereto. Discussion will be on December 17, 1981. The following motion was made:

Motion

Councilmember Duncan made a motion, seconded by Councilmember Deuser to have the discussion at 3:30 p.m.

Mayor McClellan said she had many calls to hold the discussion in the evening when the working people can attend.

Roll Call on Motion - No Action

Roll Call on motion failed to carry by the following vote.

Ayes: Councilmembers Deuser, Duncan, Urdy
Noes: Councilmember Mullen, Mayor McClellan
Absent: Mayor Pro Tem Trevino, Councilmember Goodman

After some discussion, Council unanimously agreed to discuss the resolution at 6:00 p.m. on December 16, 1981.

WATER AND WASTEWATER SYSTEM

Mr. Bill Bulloch, Director of Water and Wastewater, reported on the status of the Water and Wastewater System. REPORT ON FILE IN CITY CLERK'S OFFICE. It was decided to put an item on next week's agenda concerning the expansion of the moratorium.

WASTEWATER SERVICE - CORONADO HILLS

Mr. Bill Bulloch, Director of Water and Wastewater, reported as follows on the Wastewater Service to Coronado Hills Drive Housing Projects:

The Water and Wastewater staff has analyzed the potential for providing wastewater service to Coronado Place and the 202 elderly project along Coronado Hills Drive in the Little Walnut Creek Drainage Basin. A 200 gpm lift station can be constructed with 2,400 feet of a 4-inch main to lift wastewater from Little Walnut Creek to the Fortview Branch Drainage Basin. Also a 12-inch diameter relief main will be required to be built in the creek

between East 51st and Creekwood Road (approximately 1,200 feet). The total cost of this proposal is approximately \$165,000.

Based upon the Council adopted Approach Main Ordinance, an approach main will have to be filed for these projects. It will have to be reviewed by the Planning Commission and approved by the City Council. The Council will also have to authorize transfer of wastewater from the Little Walnut Creek Drainage Basin to the Fortview Branch Drainage Basin.

The capacity of the lift station/force main system is such that it will serve only these two housing projects. Therefore, under existing ordinances there will be no City cost participation.

Mr. Bulloch said they have advised Mr. Bowen, who is subdividing the property, to proceed with the process.

ELECTRIC UTILITY CUSTOMER APPLIANCE AND ATTITUDINAL SURVEY

Mr. R.L. Hancock reported on the Proposed Customer Appliance and Attitudinal Survey. He said the survey, which would obtain certain kinds of information about customers of the Electric Utility, is a fundamental part of developing several of the conservation and renewable projects recommended by the staff study and the Renewable Resources Commission. The general purpose of the survey is to obtain more detailed data about how residential customers actually use electrical energy. The Utility has estimated that \$15,000 - \$20,000 would cover the cost of the survey if done in-house. These funds would come out of the current operating budget. (REPORT ON FILE IN CITY CLERK'S OFFICE)

RFP FOR ENERGY CONSULTANT SERVICE

Mr. Pieter Sybesma, Administrator, Office of Energy Conservation and Renewable Resources, reported to Council concerning the RFP for Energy Consultant Service, as follows:

On October 28, 1981, the City Council requested information relative to Energy Consulting Services. A Request for Proposal (RFP) has been prepared that will require the consultant to do the following:

1. Detailed development strategy and Implementation plan for Comprehensive Community Energy Management Program and analysis of impacts on individuals, neighborhoods, businesses, the City's annual operating budget and Capital Improvements Programs.

2. Detailed development strategy and Implementation plan for the Proposed Renewable Energy Development Plan and analysis of impacts on individuals, neighborhoods, businesses, the City's annual operating budget and Capital Improvements Program.
3. Detailed development plan for establishing a Municipal Solar Utility.
4. Development of brochures (English and Spanish) on: Solar, Weatherization, and General Conservation.
5. Development of utility stuffers (English and Spanish) on: Solar, Weatherization, and General Conservation.

WEATHERIZATION FOR CITY OWNED BUILDING

Mr. Al Eldridge, Director, Office of Facilities Planning and Construction, reported as follows on Energy Conservation and Weatherization for City-owned building:

On the Council Agenda for November 18th and 19th, there was a report from the Energy Conservation Commission. In response to this report the Council expressed interest in having energy audits made for all City-owned buildings, and requested the staff to present alternatives on accomplishing this objective.

Suggested alternatives are as follows:

1. Select Consultant (s) for project.
2. Hire additional City staff (4 FTE consisting of 1 Engineer, 2 Technicians, and 1 Clerk). Vehicles, instruments and other capital outlay would be required.
3. Use existing City staff from Electric, Public Works, Building Inspection, Water and Wastewater, and co-ordinate through Mr. Sybesma's office.
4. Use existing City staff and representatives from the following Commissions: ECC, RERC and EUC.

It appears advisable that the first phase include about 20 of the more visible City-owned buildings, but excluding the Airport since it is currently under construction and renovation; also the Municipal Auditorium and Brackenridge Hospital, which have been audited by Consultants on a formal basis.

The following list is in priority order, and we would suggest that the first six be audited for an early report and that the remainder be audited and reported on as a separate group within a reasonable time frame:

1. Municipal Annex
2. Municipal Building
3. Fire Station No. 8 on Research Blvd.
4. Doris Miller Auditorium and Rosewood Recreation Center
5. Howson Branch Library
6. South Austin Recreation Center

The next suggested group is as follows:

7. Manchaca Branch Library
8. Electric Building
9. Parks and Recreation Administration Building
10. Vehicle and Equipment Services Administration Building
11. Webberville Service Building
12. Urban Transportation Building on Toomey Road
13. Water and Wastewater Administration Building on First Street
14. Hancock Recreation Center
15. Pan-Am Recreation Center
16. 30th and Cedar Fire Station
17. Oaks Springs Library
18. Metz Recreation Center
19. Lions Municipal Golf Course Building
20. South Austin Recreation Center

We suggest that the next group of buildings include only those buildings constructed before 1973, and that the more recent buildings be audited in a latter phase of this project, because the building guidelines have been even more strict in recent years.

COST

The estimated costs of the alternatives indicated on page one of this memo are as follow for Phase I (audit of the 20 buildings as listed).

Alternative 1. (Consultant)

411,576 sq. ft. @ \$0.12	- \$ 49,389	
Contingencies (10%)	4,939	
	<u>\$ 54,328</u>	Say \$ 55,000
Administrative Cost		<u>5,000</u>
		<u>\$ 60,000</u>

Alternative 2. (Additional Staff)

Annual Basis -

1. Engineer	\$ 27,934
2 Technicians	35,776
3 Clerk	13,000
Subtotal	<u>\$ 76,710</u>
Merit	2,877
Fringe	13,132
Subtotal	<u>\$ 92,718</u>
Vehicle (including fuel and rental)	12,000
Other Equipment	<u>4,000</u>

TOTAL: \$108,719 Say \$109,000

Assuming that the 20 buildings listed can be audited in a 6 month period, then cost would be \$54,500.

Alternative 3 and 4 (Existing Staff)

It is assumed that the time and miscellaneous expenses can be absorbed by those involved in these approaches. The time required for completion of the work could be expected to be quite a bit longer than for Alternatives 1 or 2.

Motion

Councilmember Duncan moved that the Council approve Alternative 4 for energy conservation and weatherization for City-owned buildings. The motion, seconded by Councilmember Deuser, carried by the following vote:

Ayes: Councilmembers Duncan, Urdy, Mayor McClellan, Councilmember Deuser

Noes: None

Absent: Mayor Pro Tem Trevino, Councilmember Goodman

Not in Council Chamber when roll was called: Councilmember Mullen

REFUNDING UTILITY SYSTEM BONDS

City Manager Nicholas Meiszer reported on the refunding of Utility Systems Revenue Bonds, Series 1982 as follows: "We have prepared a report which was distributed, which I think tries to answer most of the questions that have been raised which contains the recommendations of the City's financial advisor, and the attorneys who have been involved in this. If there are any questions, Mr. Scheps is here, along with the representative from First Southwest." Mayor McClellan said she had a request that action be held until tomorrow when there are more Councilmembers present. The Mayor then referred to the report and said, "We didn't get this until late yesterday evening, and that's why I wanted more time, but I do have some questions to ask of Mr. Scheps or Mr. Adrian who signed the letter with First Southwest. In round 1, Mr. Scheps, you weren't here but Mr. Adrian was. In round 1, on our refunding, it is my understanding we borrowed 30 million dollars three years ago to put into escrow when we referenced our bond prospectus for our last bond sale this September, which shows on page 6, in that reserve fund 30 million dollars." Mr. Scheps commented that that is the second lien bond reserve fund and it is invested in slugs at close to 8%. He explained, "Those slugs remain 8% slugs independent of a refunding. Right now they are sitting there as a reserve fund. If we refunded, they would go into the new escrow as 8% slugs and all that does, when you do a new escrow calculation, you recalculate to get a revised rate, and you can take into account that you are starting with a base of 30 million dollar 8% slugs. You can adjust the remaining slugs that you buy with the new money to a higher rate. The only thing that matters in the new escrow is that the total equivalent rate on the whole escrow equals your borrowing rate, approximately."

Mayor McClellan asked, "Do we have a new reserve for this refunding?" Mr. Scheps told her there is a new reserve fund borrowed for the refunding. "What you will have in the conceptual plan you have seen so far is a carry over reserve fund. It is not equal to the average annual principal and interest requirements on the new issue. That is a decision that will have to be made, whether that should be built up over a period of time, or whether the transfer of present reserve fund will be sufficient for the entire package."

Mayor McClellan said, "What I am asking is if we get the 30 million before, what was the size of our package before?" Mr. Curlee of First Southwest, told her it was \$379,000,000. Mayor McClellan said she does not see where we are providing any reserve this time. Mr. Curlee told her, "We are only looking at the carry-over part at this moment. If a decision is made that that reserve fund needs to be increased, then we will have sufficient reserve fund but if we find out in talking to the rating services that we have to have more, we would either have to borrow it, or we would have to range over a five-year period, which is the normal way the reserve funds are built up for transfers from the revenue of the systems to build it up." Mayor McClellan said she is trying to figure out why the difference this time from last time...when we had a much bigger sale this time. Mr. Curlee told her, "You are talking about a little different package here now and that's what Phil Scheps was leading to. We are talking about the refunding of a refunding." Mayor McClellan said, "That is precisely my concern....." Mr. Curlee said, "All right, that gives us really a new ball game and it brings in the concept which you will see when you have time to read the memo of transferred proceeds, and so forth, which gives us an extra savings by the way. But I want the answer to be real honest...that the thinking at this moment is that the reserve fund that is there should be sufficient, but if it isn't, for example, what if the rating service says we need a reserve fund on this whole package of the average debt service, then we will have to either provide out of bond proceeds or from revenues to the system that increases, if it is required."

Mayor McClellan asked if that would make for a little bit different picture. Mr. Curlee answered, "If you have to borrow more, you will probably make a little difference according to the time that that reserve fund is invested, because it can be invested if we increase it at an unlimited yield. These things get very complicated and we are not talking about doing anything different from what you did in the first partial subordinate land refunding. If we find out for rating purposes that we need any additional reserve, then we will certainly see that you know about it and about the impact, but it should be a plus. The Mayor asked Mr. Curlee if we have talked to Moody's or Standard and Poor's about that. He said no. Mr. Scheps said he had discussed this with the young woman from Standard and Poor's and she called him to tell him that Austin is on the credit watch. Mayor McClellan stated, "That's back before we ever had our work session or anything. I will come back to that in a minute. I still think we would be well advised to talk to Moody and Standard and Poor's and I realize that costs in dollars, but we are talking about significant dollars. You know we are going to spend \$200,000 on elections, I think we ought to spend 10 to 20 thousand to talk to Moody's and Standard and Poor's before we do something this late. I think that we are really thinking of doing something that is kind of a unique way of doing things. I will come back to that in a minute. Let me ask some other questions while we are on that.on page 4, Mr. Meiszer, starting with the net gain, we issue the tax exempt bonds, pay the debt, and the City earnings are invested at market rate, here at 15% and the 13%, what we are assuming is that 2% earnings. Is that correct?" Mr. Scheps answered, "Those, of course, are examples only. It is to demonstrate the concept of using your free cash."

There was some discussion of the report.

Mr. Scheps said, "All you can do on one of these refundings at this stage is make assumptions, which are subject to change, which we pointed out in our letter." The Mayor said that therein lies a lot of concern. Mr. Scheps continued, "But normally that two percent would be more, but the state of the government and the municipal market, the spread has narrowed now and it is close to 2% so we wanted to be completely honest about it. Normally you expect a little more." Mayor McClellan said, "So what happens is that we make a debt service payment every 6 months and we borrow money to make these payments every 6 months." Mr. Scheps told her that that is earned off of the system. Mayor McClellan said, "Okay, you earn it off the system, but if you don't make that 2% what happens? Or if you don't have somebody to buy your bonds. What happens?" Mr. Scheps told her, "The 2% arbitrage happens one time. And that is we have on an April 1 debt service payment and if we come up to a refunding we get the 2% on just that April 1 debt service payment. But the point is, the 2% is locked in forever at that point. We take the money we would have paid out in debt service, put it in unlimited yield and reborrow the money in the refunding issue just to make that debt service payment, so if the smoke clears after the debt service payment, we have a long term investment and a long term debt, but there should be a spread among those too.The payments on the refunding bonds are like we make our payments now. It is just from revenues of the system. The new debt service payment is the same as in the new set of bonds. It is made identical." Mr. Curlee said, "It is simply an opportunity to capture cash that can be invested with unrestricted yield, and if you don't do it, you have missed the opportunity for 6 months. You would not do it at a time if the yield differential was not there. You would eliminate that.Until you refund, you are setting aside under the terms of your bond ordinances 1/12th of the principal and interest each month under this fund, so if you get just a few days before it is paid out, you have the 24 million or whatever it is sitting there, which if you are considering refunding, you ought to take into account the opportunity to make the spread differential on that amount of money."

More discussion followed and then Mayor McClellan asked how this schedule compares with the Dillon Read schedule and if there are any differences, why are there differences. Mr. Curlee answered, "The difference is, and I think we tried to explain it in the material you have.The original work they gave you envisioned taking these bonds, proposed refunding bonds, out to maturity, which you would normally do if you were trying to maximize the present value savings. In the text here, we say that there are three ways to do this. You can issue the refunding bonds shorter, the same approximately as your present debt service or longer. The first thing they have shown you was longer. What we have illustrated here and said so in the text here is the second alternative, which is about equal. You still have a flexibility if you want us to make these runs longer, if you decide to go ahead with this refunding, we get to that point, we run all computer runs. We can show it to you shorter like we have illustrated, or longer. We have taken the middle ground here. This is a proposed subordinate land refunding using approximately the identical debt structure that you have right now, and it shows about 6 or 7

million savings...actual dollar savings." References were made specifically to pages of the memo. Mr. Curlee continued, "My philosophy as financial advisor, I am not going to recommend a refunding to any client that they aren't a bundle of reasons...overwhelming dollar savings or historically we have done refunding for those. In your particular case, what's more important to me, and where I will spend my efforts on your behalf is not so much worrying about the savings, as the structuring of the new covenants in those new bonds.Everything that is in this memo should be taken into account. Each item....I get an overwhelming reason to try to do this refunding from page after page of plusses. They are absolutely all plusses. If the market gets away from us and can't be done, it is not going to hurt the City. A lot of us are going to have to put a lot of time into it. Some underwriters have spent two or three hundred thousand dollars in expenses." Mayor McClellan asked what the difference is between April and waiting 6 months. Mr. Curlee told her they would have to wait to get the maximum package together and wait until the sinking fund accumulates the extra cash. He went on to say, "This may sound absolutely crazy, but it is basically a fact. These refundings, because of IRS regulations, work best in bad markets.....government markets, and this is what makes these things so hard for people to understand. There is the slugs we have to buy..the Treasury Department issues those as special dispensations in local issues like yourself, but they have a limit on which they will issue them. It is the 5-month carrying average of certain long government bonds and they will not issue them above that. If this can't be done at a market time where the differential is proper between municipals and the government market and they don't always follow each other. They are not following each other right now very well. Then it won't work. Basically speaking these things work best when you have a high government flood maximum rate. And that's just a matter of fact....."

After more conversation, Mayor McClellan asked how long it would take to get back good requests for proposals. Mr. Curlee said it would take about a week because most of the people, when they heard about this possibility, already have "their computers fired up." Discussion followed concerning RFP's.

Mayor McClellan said....."I have yet to be provided with all the facts I want to know and you find out something new every day about it and it has been run at us so quickly and it is unprecedented for the City of Austin, as you pointed out, from the State of Texas, Mr. Curlee, and I have lots of questions. Is IRS going to hang with us for 25 years and are we going to have someone in the year 2000 who is going to be ready to pick up the third time out?" Mr. Curlee told her, "As financial advisor, I am going to make you this promise. I am not going to recommend anything to you that doesn't make sense and you are not committing yourself if you proceed and in due course here, on this plan. I am convinced this is the only particular type of refunding that makes any sense for you. I don't think you are going to get any exotic bids...you may get some, but I don't think they will make much sense."

Mr. Meiszer said, "I think we could really emphasize the fact that in the Request for Proposal we would include what you might call a disclaimer that there is no intended or implied commitment on behalf of the City and let the penalty go forward. You always reserve the right to make a judgement that this is not something you want to do." Councilmember Deuser said he favors the RFP process. Council decided to bring this back tomorrow when a full Council is expected to be present.

CITIZEN COMMUNICATION

Mr. Howell asked to speak to the Council. He had not registered his intent to do so, but as a citizen he was able to request a hearing at the end of this segment of the Council Meeting. He asked Council for \$1,000,000 so he can help the economy innovative resources.

RECESS

Council recessed its meeting at 4:50 p.m. in the Council Chamber and resumed its recessed meeting at 7:15 in Palmer Auditorium.

BERGSTROM WEST PLAN

Mayor McClellan opened the public hearing scheduled for 7:00 p.m. on the Bergstrom West Plan. She discussed the City's plan, submitted to the Air Force, for proposal of co-location of Austin's Municipal Airport with Bergstrom. Mr. Roy Bayless, Director of Aviation, presented the plan to the public by use of slides.

The following citizens appeared in order to speak in opposition to the Bergstrom West Plan, citing noise in the Montopolis area, disturbance to school classes, and residents: Enrique Lopez, Montopolis Neighborhood Association; Jack McCreary, pilot; James B. Argersinger; Milecio Salazar; Edward Neal, superintendent of schools, Del Valle; Paul Robbins; Sam Creswell, Del Vallen Federation of Teachers; Fred Marvin; Maria Elena Sato; Terry Moore; George W. Wright; Francis A. Michalski; E.R. Hinojosa Jr.; Ruby Lee Kelly; James F. Boone; Edward Villegas; Rosa Linda Villegas; Marilyn Dierschke; Manuel Reyes; Daniel Dierschke; Jim Carroll; Bettie Schoedel; Roy Schoedel; Ricky Laza; Diane Laza; Virginia Garza; Gloria Contreras; Byron Kiefer; Tex Forister; Gwen Woelfel; Ethel Miranda; Maggie M. Lauderbach; Ray Burland; Carolyn Borel; Dennis F. Reyes; Josephin Nanyes; Celestino Quiroz; Betty Carey; Flo Rae Argersingel; Lew Askew; Vicki Askew; Valdomero Cruz; Erma L. Cruz; Lupe Castillo; Edward Castillo; Cathy Heath; Robert G. Greekins; Roy L. Clark; Patsy R. Urias; Paul V. Melvin; Mrs. Hubert Wolbrueck; Cynthia Greenwood; Rosemary Castleberry; Nancy Foster; Larry Wolff; Clifton Griffin; Carmen Renteria; Pete Martinen; Frances B. Martinez; and Alicia Garcia.

The following people spoke in favor of Bergstrom West Plan:
Michael Sidoric; Sam Griswold; Allen H. Kaplan; and Jim Bowman.

Council agreed it would be feasible to have a work session concerning
the Bergstrom West Plan and location of the Municipal Airport.

Motion

Councilmember Duncan moved that the Council set a work session for
February 24, 1982 at 7:00 p.m. The motion, seconded by Mayor McClellan, carried
by the following vote:

Ayes: Councilmembers Mullen, Urdy, Mayor McClellan, Councilmembers
Deuser, Duncan

Noes: None

Absent: Mayor Pro Tem Trevino, Councilmember Goodman

ADJOURNMENT

Council adjourned its meeting at 10:35 p.m.

APPROVED

Carole Zetter McClellan

Mayor
10/19/89

ATTEST:

Grace Monroe

City Clerk