

MINUTES OF THE CITY COUNCIL

CITY OF AUSTIN, TEXAS

Regular Meeting

October 20, 1977
7:00 P.M.

Council Chambers
301 West Second Street

The meeting was called to order with Mayor McClellan presiding.

Roll Call:

Present: Mayor McClellan, Councilmember Goodman, Mayor Pro Tem
Himmelblau, Councilmembers Mullen, Snell, Trevino

Absent: Councilmember Cooke

The Invocation was given by Reverend Karl A. Gronberg, Gethsemane
Lutheran Church.

JOE DACY RECOGNIZED

Mayor Pro Tem Himmelblau read the Council's resolution citing JOE DACY
for this devoted support to Austin since his arrival here on November 14, 1914.
The Resolution noted Mr. Dacy's work with the Optimist Club, the Boy Scouts and
the Episcopal Church and urged all citizens to join in recognition of his
many contributions. Mr. Dacy thanked the Mayor and Councilmembers for
remembering him with a Resolution.

LEGAL RIGHTS FOR THE DEAF WEEK

Mayor McClellan read a proclamation designating October 29 through
November 5, 1977, as Legal Rights for the Deaf Week to focus public attention
on legal problems frequently encountered by deaf citizens. Ms. Fran Herrington
interpreted the proclamation to the deaf citizens, who were in the Council
Chamber, with sign language. Mr. Jerry Hassell accepted the proclamation on
behalf of the deaf citizens of Austin. By use of sign language, Mr. Hassell
expressed his gratitude to the Mayor and City Council. His remarks were
interpreted by Ms. Herrington.

HOUSE OF THE WITCHES' MOON DAYS

Mayor McClellan read a proclamation calling on all appropriate spirits in various forms of ghouls and goblins to appear at the House of the Witches' Moon, Thursday, October 20, through Saturday, October 22, and Thursday, October 27, through Monday, October 31, where all patrons will be subjected to ghoulish happenings and ghostly appearances. Funds collected as entrance fees to the house will go toward research and other services for the Capital Area March of Dimes. State Representative Gerald Hill accepted the proclamation with his thanks, on behalf of the Capital Area March of Dimes, and stated they appreciate the support of the Mayor and Council.

BOARDS AND COMMISSIONS

Mayor McClellan announced they were going to make some Board and Commission appointments, but the entire Council is not present. Instead, she commented they will be made October 27, 1977. The Mayor stated that there was one incorrect announcement made on her part last week. There will be three appointments made to the Plumbing Advisory Board. They have previously made five of the total of eight which will be needed. Nine appointments will be made to the Human Relations Commission; two appointments, Joint Legislative Council; two appointments, Arts Commission; one appointment, Parks and Recreation.

APPROVAL OF MINUTES

Mayor Pro Tem Himmelblau moved that the Council approve the Minutes, as corrected, for October 13; and approve the Minutes for Special Meetings of October 7 and 10, 1977. The motion, seconded by Councilmember Trevino, carried by the following vote:

Ayes: Mayor McClellan, Councilmember Goodman, Mayor Pro Tem
Himmelblau, Councilmembers Mullen, Snell, Trevino
Noes: None
Absent: Councilmember Cooke

CLASS RECOGNIZED

Mayor McClellan noted that a 7th grade social studies class from Bedichek Junior High was in the audience and asked them to stand and be recognized.

ITEMS PULLED

Mayor McClellan announced that the following Agenda items have been pulled from today's Agenda:

B.1. Mr. Ray Jordan, Chairperson and Mr. Malcolm Swinney, Vice-Chairperson, AFSCME Emergency Medical Services Professional Unit, requesting to appear before City Council to discuss use of County volunteers in Emergency Medical Services, also EMS dispatch.

F.1. Consider recommendations proposed by Touche Ross & Company on the design of a New Electric Rate Structure.

G.1. Amending Chapter 2, Article VII, Section 2-41(b) of the Austin City Code entitled "Ethics Review Commission," to provide for Council appointment of a Certified Public Accountant to the Ethics Review Commission, and to provide that the attorney member of the Commission be a member of the Texas Bar Association and amending the provisions of the Ethics and Financial Disclosure Ordinance dealing with the acceptance and reporting of items of value.

She made the announcement so that anyone who was in the audience to hear any of those specific items would not wait.

ONE MAN'S OPINION OF THE PAY RAISE

MR. THOMAS J. EATON, Power Line Electrician, City of Austin, appeared before Council to present views concerning the pay raise. He presented a petition to the Council, signed by 131 City employees, which read:

"We the undersigned were led to believe that our pay increase would be in the form of an hourly rate. We now know this is not true. This has greatly effected our stability pay, retirement, social security, pension, overtime, and our ability to obtain a loan based on our salary. We are very unhappy about the unfairness of this type of pay increase. We are formally protesting the handling of this increase by means of this petition."

Mr. Eaton said that this year's pay raise had adverse effects on the pension system because it will reflect only the 1% increase. He said this year's pay raise had been referred to as more take home pay, but he believes that an across the board increase of a greater amount would have been a transferral to more pay upon retirement. Mr. Eaton also discussed the overtime pay. He said the Electric Department employees are required to work many hours overtime, often in hazardous weather. Mr. Eaton said the employees would have felt more equitably compensated if their pay raise had been in the form of a higher hourly rate. He also referred to stability pay, based on six full years of service, at the rate of 1-1/2% of the gross salary, and 3% after 12 years, and commented that this will not be as high because of the 1% increase. Mr. Eaton's conclusion is that an hourly rate pay increase would have been more equitable and asked the Council to please reconsider the subject in the coming weeks. Mayor McClellan thanked Mr. Eaton for expressing his views and told him that his remarks will be remembered at budget time next year. She said she thought it was the Council's intent that this would be a one-time sort of thing in an effort to put more money in the employee's pocket.

AUSTIN HEALTH SYSTEMS PROGRAM

Mayor McClellan informed the Council and Chamber audience that there would be a report of the Health Study Teams, Peat, Marwick and Mitchell. She introduced DR. MILTON TALBOT and then commented that the Council would not hear discussion on the health system plan, but would formally receive the plan and public hearings will be set, following the presentation.

Dr. Talbot told the Council that the work of the study teams pursuant to the Austin Health Systems Program is now complete and that the consultants, Peat, Marwick and Mitchell have prepared and submitted their report. The contents of the report have been reviewed by all of the study teams which were involved in this, in their pertinent areas...the team on finance, health system design, eligibility determination, and eligibility processing. The Steering Committee, Team 1, has reviewed all of the comments and statements herein and are in agreement with the report as it is submitted. Dr. Talbot then turned the presentation over to the consultants.

MR. TOM NUSE, Peat, Marwick and Mitchell, held up a copy of the report which was issued October 14, 1977. He stated it is quite long and has a lot of meat to it. "What we are going to do tonight," he said, "is present it in capsule form. First, I would like to say that I am the managing partner of the Austin office and I am responsible for the successful completion of this report. Consultants from our Kansas City office worked for six months and one other one worked about nine months. But, I want to make a special word of appreciation, and that is for the 95 plus citizens of Austin who worked diligently on this project for all these many months. I think that was a successful effort and we want to thank them. One thing I would like you to do is not ask any questions until we get through with this review because we are going to have some slides. Now I would like to turn the presentation over to Jack Newman, one of the consultants on the project."

MR. JACK NEWMAN pointed out that each of the Councilmembers had received a copy of the slide report. As Mr. Nuse pointed out, he said, the members of the Council had received a copy of the document on Friday, October 14, which reported on the work of about 95 citizens who were assisted by consultants of Peat, Marwick, Mitchell for the past several months. During that time they have assessed the City's existing health systems and made revisions to those systems which should result in a more effective delivery of care for the medically indigent. Mr. Newman said he would like to present the highlights of their deliberations and the highlights of their recommendations. He said the presentation would be made by slides and asked that the Council refer both to the slides and to the packet they had received which was a copy of the slides.

The following 12 pages is the presentation made by Mr. Newman:

HISTORICAL LIABILITY FOR THE CITY FOR THE OPERATION OF
BRACKENRIDGE HOSPITAL ONLY

	COSTS	INDEX
1973	\$4,436,000	100.00
1974	4,999,000	112.69
1975	5,379,000	121.26
1976	7,452,000	167.99
Average Annual Increase		22.7%

October 20, 1977

AUSTIN HEALTH SYSTEMS PROGRAM - (Continued)

AUSTIN HEALTH SYSTEMS PROGRAM

1975 AND 1976 COMPARISON OF COST INDICATORS UNDER
ALTERNATIVE FORMS OF OWNERSHIP/CONTROL

1975 DATA

SHORT TERM GENERAL AND OTHER SPECIAL
HOSPITALS 300-399 BEDS IN UNITED STATES*

	INVESTOR-OWNED (PROPRIETARY)	NON-GOVT NOT FOR PROFIT	STATE AND LOCAL GOVT.	BRACKENRIDGE HOSPITAL*
Employees per occupied bed Index	2.52 100.0	3.34 132.5	4.0 158.7	4.58 181.7
Payroll Expense per adjusted patient day** Index	\$56.20 100.0	\$72.09 128.3	\$89.39 159.1	\$104.43 185.81
Total Expense per adjusted patient day** Index	\$128.57 100.0	\$133.74 104.0	\$162.46 126.4	\$174.53 135.7
Total Expense per adjusted admission** Index	\$1,011.85 100.0	\$1,051.20 103.9	\$1,254.19 124.0	\$1,347.37 133.2

*Source: American Hospital Association 1976 publications.

Outpatient adjustment for Brackenridge was separately computed.

**Adjusted to reflect impact of outpatient visits.

October 20, 1977

AUSTIN HEALTH SYSTEMS PROGRAM - (Continued)

AUSTIN HEALTH SYSTEMS PROGRAM
1975 AND 1976 COMPARISON OF COST INDICATORS UNDER
ALTERNATIVE FORMS OF OWNERSHIP/CONTROL
1976 DATA
SHORT TERM GENERAL AND OTHER SPECIAL
HOSPITALS 300-399 BEDS IN UNITED STATES*

	INVESTOR-OWNED (PROPRIETARY)	NON-GOVT NOT FOR PROFIT	STATE AND LOCAL GOVT	BRACKENRIDGE HOSPITAL*
Employees per occupied bed Index	2.65 100.0	3.46 130.6	4.11 155.1	4.19 158.1
Payroll Expense per adjusted patient day** Index	\$82.76 100.0	\$81.25 129.5	\$90.27 143.8	\$123.41 196.6
Total Expense per adjusted patient day** Index	\$147.23 100.0	\$153.21 104.1	\$175.46 119.2	\$207.21 140.7
Total Expense per adjusted admission** Index	\$1,124.84 100.0	\$1,201.17 106.8	\$1,354.55 120.4	\$1,549.90 137.8

*Source: American Hospital Association 1977 publications.
Outpatient adjustment for Brackenridge was separately computed.
**Adjusted to reflect impact of outpatient visits.

October 20, 1977

AUSTIN HEALTH SYSTEMS - (Continued)

AUSTIN HEALTH SYSTEMS PROGRAM

**H.E.W. COMPARISON OF INPATIENT UTILIZATION OF
MEDICAID POPULATIONS UNDER ALTERNATIVE REIMBURSEMENT METHODS**

UTILIZATION INDICATORS (Excluding Obstetrical Cases)	TYPE OF REIMBURSEMENT*	
	CAPITATION (Group Practices)	FEE FOR SERVICE (Control Groups)
Admissions per 1000 population	46	114
Index comparison (Capitation=100.0)	100.0	247.8
Average length of stay — days	7.3	7.7
Index comparison (Capitation=100.0)	100.0	105.5
Patient days per 1000 population	340	888
Index comparison (Capitation=100.0)	100.0	261.2

*Clifton R. Gaus, Barbara S. Cooper and Constance G. Hirschman, Federal Bulletin, May 1976

October 20, 1977

AUSTIN HEALTH SYSTEMS - (Continued)

Austin Health Systems Program

**Preliminary Comparison of Alternatives Based on: 1) Ownership/Control
2) Cost Improvement and 3) Utilization Reduction**

Actual City Liability in 1976 (Using 1973 OEO Eligibility Guidelines)		\$8,368,000	
Assumptions (Using Updated CSA Eligibility Guidelines)		Potential City Liability	Potential Savings
1. Continued City Operation; No Cost Improvements; No Utilization Reduction	1976	\$10,832,000	\$ —
	1979	\$15,272,000	\$ —
2. Transfer of Control; No Cost Improvement; No Utilization Reduction	1976	\$8,981,000	\$1,851,000
	1979	\$12,875,000	\$2,397,000
3. Transfer of Control; 10% Cost Improvement; No Utilization Reduction	1976	\$8,144,000	\$2,688,000
	1979	\$11,655,000	\$3,617,000
4. Transfer of Control; 10% Cost Improvement; 25% Inpatient Utilization Reduction	1976	\$7,017,000	\$3,815,000
	1979	\$10,016,000	\$5,256,000
5. Transfer of Control; 20% Cost Improvement; 50% Inpatient Utilization Reduction	1976	\$5,319,000	\$5,513,000
	1979	\$7,537,000	\$7,735,000

Three main points of cost effectiveness are:

1. Reduction of bad debt liability.
2. Achievement of cost efficiencies.
3. Inpatient utilization reduction.

October 20, 1977

AUSTIN HEALTH SYSTEMS - (Continued)

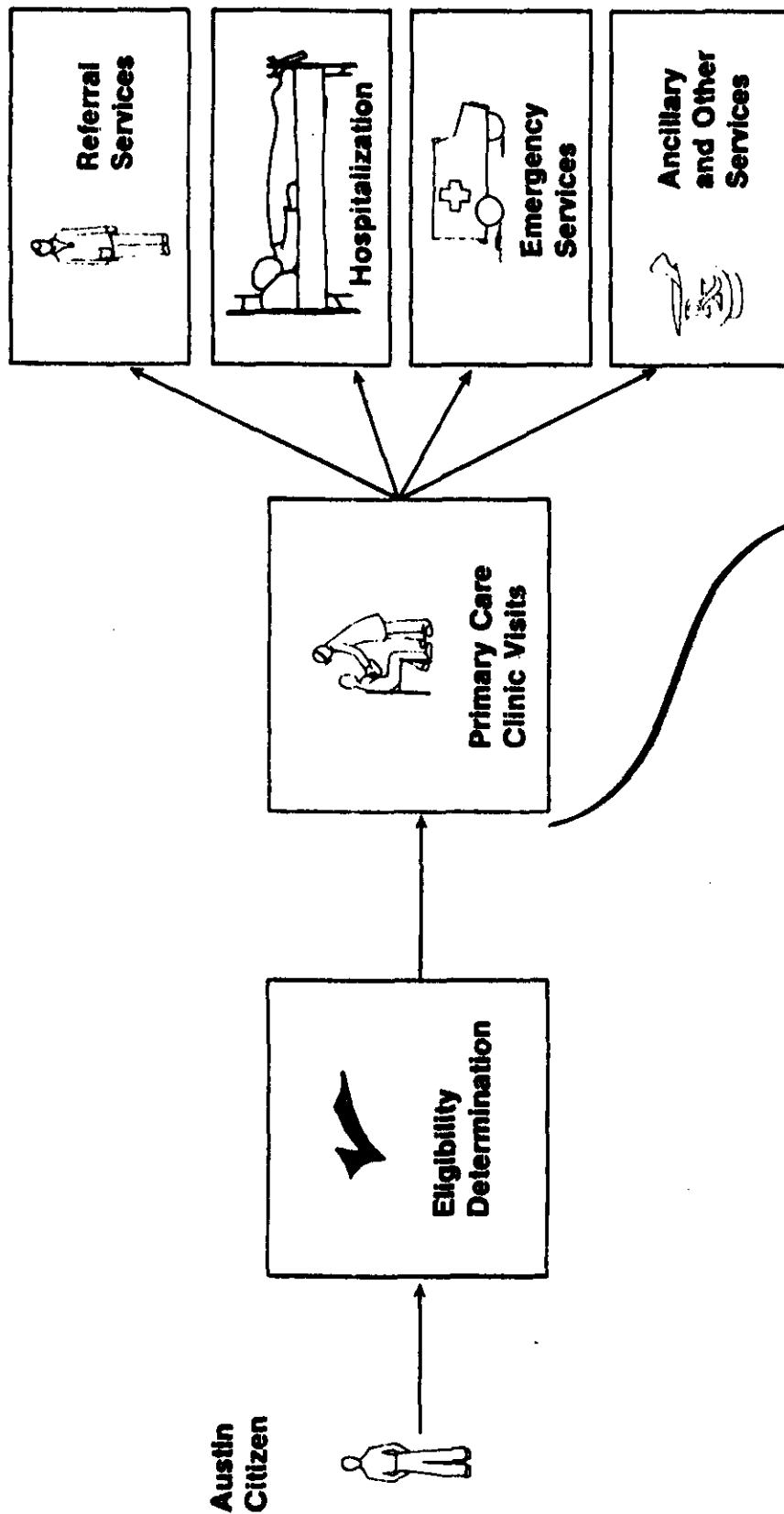
**Austin Health Systems Program
Major Components of The Recommended Plan**

1. Update eligibility criteria and reorganize eligibility processing maintained under City control.
2. Lease of Brackenridge Hospital (including inpatient and emergency facilities) to either private not-for-profit group or proprietary corporation.
3. Establish AUSTIN HEALTH BOARD (AHB) as agent and provider negotiator for public funds designated for indigent health care.
4. AHB to negotiate with a physician provider group for total medical professional coverage of indigents in both inpatient and outpatient settings.
5. City to pre-pay AHB anticipated fixed cost of services required by eligible population, with no additional funding by City to AHB required.
6. AHB to extend incentive/risk prepayment to physician provider group in order to emphasize efficiency of delivery while maintaining quality of service.
7. AHB to negotiate with inpatient (hospital) and emergency service providers for costs and availability of services required. (Probable payment on negotiated fee for service basis.)
8. AHB to establish contingency reserve and purchase reinsurance as safeguards against possible cost overruns.
9. Any savings realized by AHB to be 1) distributed as bonus to physician group; 2) retained in part by AHB for purposes of establishing reserves; 3) applied to defray future city commitments.
10. AHB and/or City to own all clinic facilities and major medical equipment required in those clinics.
11. AHB to form citizens user committee to provide feedback regarding adequacy of services delivered.
12. During interim period City would provide partial bad debt subsidy to new operator of hospital in recognition of continued needs of near poor.
13. City to maintain responsibility for EMS and certain public health activities, with public health and primary care delivery closely coordinated.

AUSTIN HEALTH SYSTEMS - (Continued)

Austin Health Systems Program

Eligible Patient Flow

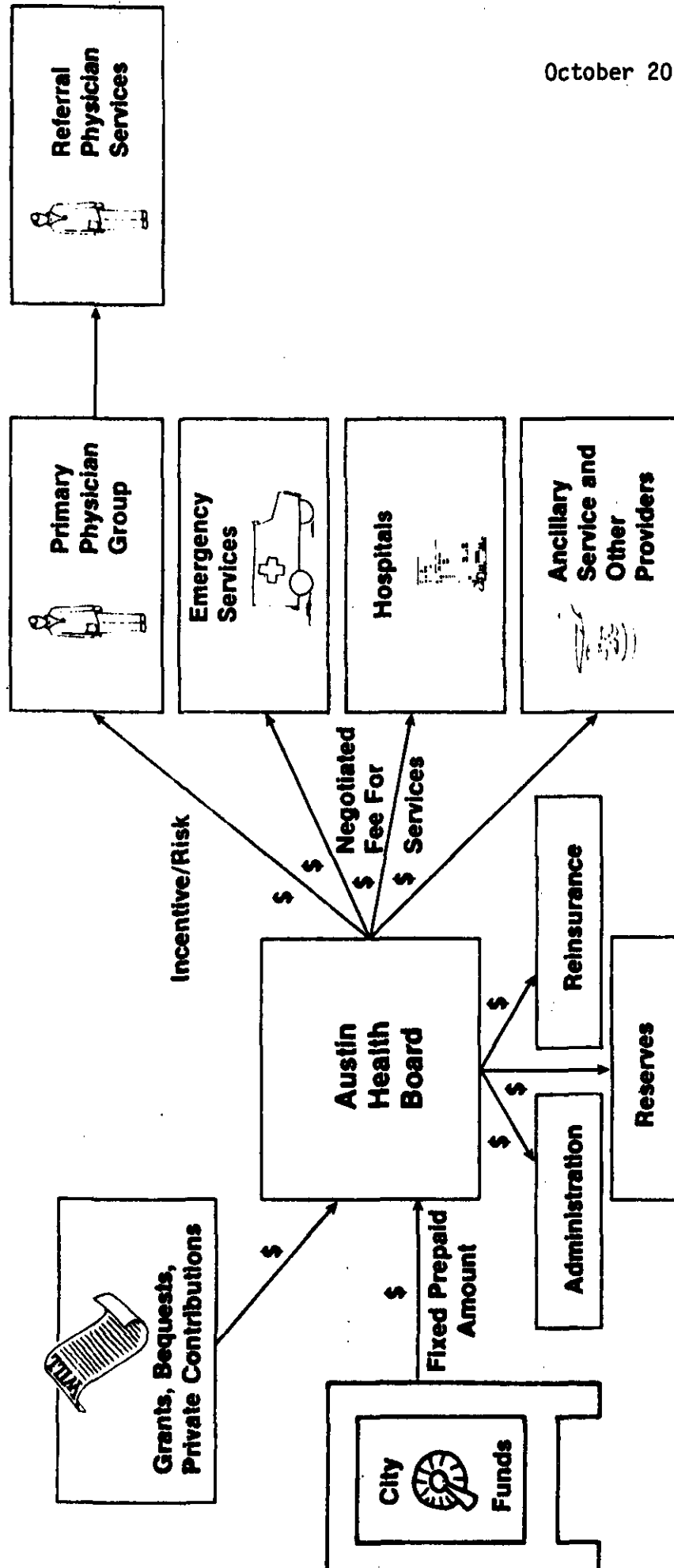


**Coordinated Medical Record and
Communication Systems**

**Primary Physician Group
Responsible For Patients In Both
Inpatient and Outpatient Settings**

Austin Health Systems Program

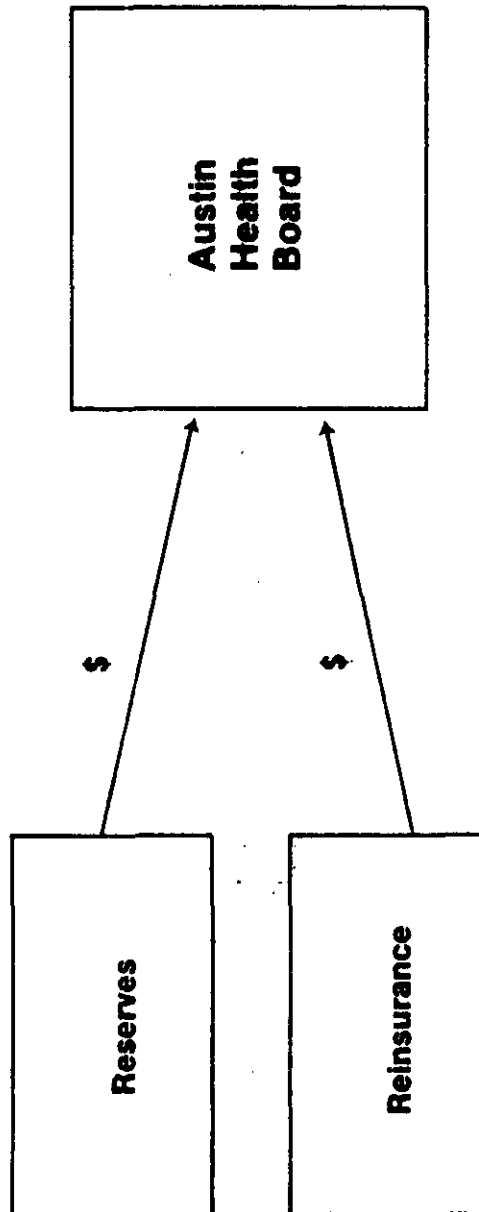
Flow Of Funds For Eligible Citizens



October 20, 1977

AUSTIN HEALTH SYSTEMS -(Continued)

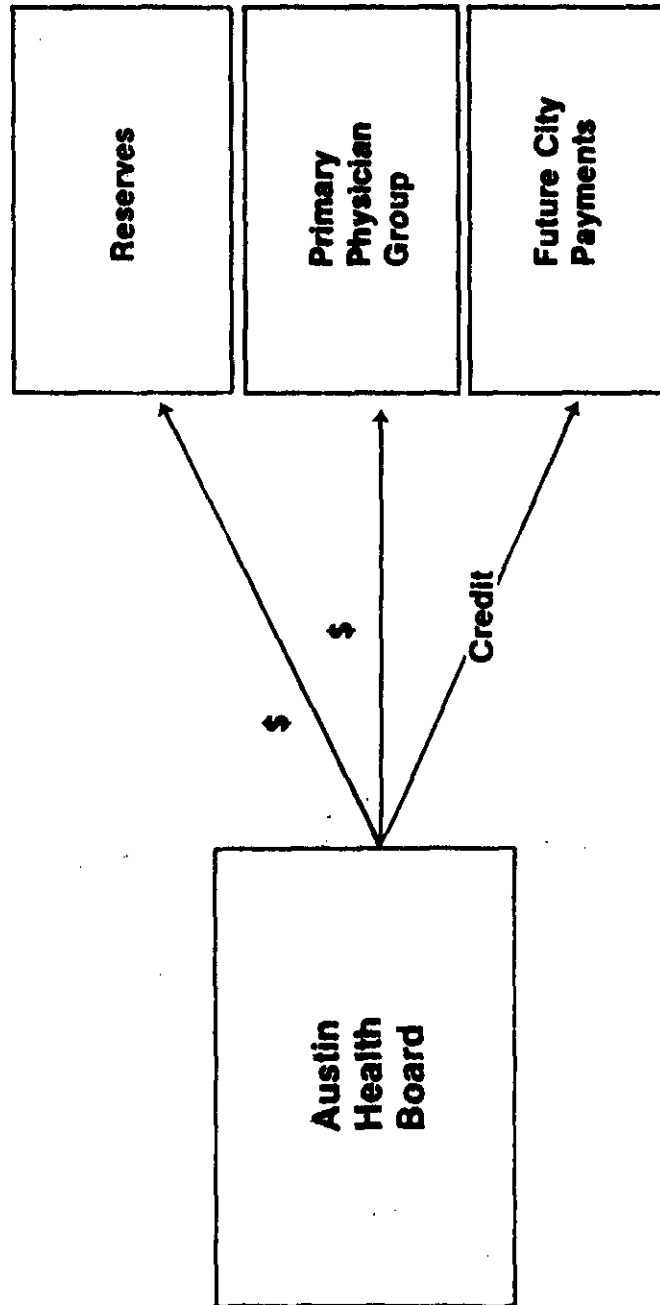
Austin Health Systems Program
In Event Of A.H.B. Budget Overrun



October 20, 1977

AUSTIN HEALTH SYSTEMS - (Continued)

Austin Health Systems Program
In Event Of A.H.B. Budget Surplus



October 20, 1977

AUSTIN HEALTH SYSTEMS - (Continued)

**Austin Health Systems Program
Advantages of The Recommended Plan**

1. City responsibility for eligibility determination and processing provides City with major control over the number of persons to be served and resultant costs.
2. Transfer of control of hospital and clinics frees the City from participation in a major enterprise activity and allows for establishment of policies and procedures that are industry comparative.
3. Establishment of AHB provides organizational buffer between City and providers, which:
 - Eliminates need for City staff negotiation with providers.
 - Avoids possibility of bottom line subsidization.
 - Minimizes political and bureaucratic involvement in providing health services
 - Capitalizes on use of money management expertise in the community
 - Allows for receipt of private contributions, bequests, etc.
4. Use of a designated physician group under incentive/risk plan with total patient responsibility allows for:
 - Development of physician/patient relationship
 - Continuity of care and records
 - Avoidance of duplication of services
 - Emphasis on efficiency of delivery
 - Maintenance of needed management information
5. Use of integrated information systems allows for close monitoring of services provided, persons served and will facilitate future negotiations.
6. AHB in arranging with physician group for appropriate quality assurance reviews allows for ongoing maintenance of responsive services throughout the system.
7. Establishment of citizens user committee by AHB provides mechanism for users to provide feedback regarding adequacy of services delivered.
8. Removal of City from role of "Bottom Line Subsidization" of providers enables control of City's financial commitment, and establishes appropriate incentives for providers.

October 20, 1977

AUSTIN HEALTH SYSTEMS - (Continued)

Austin Health Systems Program

**Projected Growth Rate of
Eligible Recipients**

	Number	Index (Using Current Eligible as Base)	Index (Using First Year Eligible as Base)
Current Eligible	15,000	100.00	—
First Year Eligible	21,950	146.33	100.00
Second Year Eligible	22,830	152.20	104.00
Third Year Eligible	23,740	158.27	108.15
Fourth Year Eligible	24,690	164.60	112.48
Fifth Year Eligible	25,680	171.20	117.00

AUSTIN HEALTH SYSTEMS PROGRAM

**PROJECTED RANGE OF POTENTIAL CITY LIABILITY UNDER
THE RECOMMENDED PLAN**

**RANGE
TOTAL PROGRAM COSTS**

	Estimated Costs Based on Improved Inpatient Use Projections <u>Costs</u>	<u>Index</u>	Estimated Costs Based on No Change in Inpatient Use Projections <u>Costs</u>	<u>Index</u>
First Year	\$9,023,000	100.00	\$9,023,000	100.00
Second Year	8,763,000	97.12	9,353,000	103.65
Third Year	8,833,000	97.89	10,040,000	111.27
Fourth Year	8,989,000	99.62	10,832,000	120.05
Fifth Year	<u>9,144,000</u>	<u>101.34</u>	<u>11,667,000</u>	<u>129.30</u>
Average annual increase		<u>.3%</u>		<u>7.3%</u>

Note: Does not include special start up or conversion costs.

October 20, 1977

AUSTIN HEALTH SYSTEMS - (Continued)

**Austin Health Systems Program
Comparative Data**

	<u>1976 Actual</u>	<u>First Year Projected</u>	<u>Change</u>	<u>Percent Change</u>
No. Eligible	15,000	21,950	6,950	46.3%
Cost of Program (000)	\$8,368	\$9,023	\$655	7.8%
Cost per Eligible	\$558	\$411	\$(147)	(26.3%)
	<u>1976 Actual</u>	<u>Fifth Year Projected</u>	<u>Change</u>	<u>Percent Change</u>
No. Eligible	15,000	25,680	10,680	71.2%
Cost of Program (000)	\$8,368	\$9,144 to \$11,667	\$776 to \$3,299	9.3% to 39.4%
Cost per Eligible	\$558	\$356 to \$454	\$(202) to \$(104)	(36.2%) to (18.6%)

Austin Health Systems Program

Summary Statements

The recommended plan, as designed, coordinates quality care for the patient within the system and does so with appropriate incentives to emphasize efficiency of delivery.

The plan proposes to extend coverage to 44 percent more persons at approximately the same total cost as the city is now spending.

Removal of the City from the role of bottom line subsidization by the plan allows for direct control over future expenditures.

Mr. Newman said that the consultants are prepared to respond to questions concerning the content of the report and other related materials at the work sessions at the request of Council. He said that while they recognize the recommendations represent significant changes to the existing health systems, they are very enthusiastic about the favorable results when can be achieved.

Mayor McClellan said that she has looked at the five-year projections on cost and comparisons and is interested in knowing the comparison of the proposed Austin Health System with results which could be obtained if changes were made at Brackenridge and it was continued as a City-owned hospital. Mr. Newman answered that he thought they could get into a lot more detail with the Council at a work session. Mayor McClellan asked about the significant factors of medical education. Mr. Newman said he thought it was significant that the report did not address medical education in detail. He is not saying that he thinks medical education should be out of the program but that the City of Austin is interested in purchasing professional coverage for the indigents. He said they have provided a plan which would allow funds to be distributed into an independent body who would negotiate with physician providers. If they chose to use medical education house staff officers and interns, or if they chose to use para-professionals, I would think, he said, all things being considered, that would be perfectly appropriate. That, he continued, would get the City away from making decisions on medical education and could be the method of providing medical coverage within the system.

Councilmember Goodman asked whether one point made "City to pre-pay AHB anticipated fixed cost of service required by eligible population, with no additional funding by City to AHB required," meant no additional funding every year. Mr. Newman answered, it could be yearly, monthly, quarterly, or however it would work best, within a certain accounting period. He said this is taking the City away from bottom line subsidization. Councilmember Goodman asked what would be done the first year when the board essentially had no reserves. Mr. Newman answered that initially additional insurance would have to be purchased. Councilmember Goodman asked how this differs from "During the interim period City would provide partial bad debt subsidy to new operator of hospital in recognition of continued needs of near poor." Mr. Newman said that the first point questioned by Councilmember Goodman talks about funding to Austin Health Board for eligible patients only. In recognition of the fact there will continue to be near poor, he said, Brackenridge Hospital would continue to have an open emergency room and an open hospital in order to provide some guarantee of coverage for the near poor but separate amount. Dollar amount would be paid to the operator of Brackenridge.

Another point Councilmember Goodman referred to was "Any savings realized by AHB to be 1) distributed as a bonus to physician group; 2) to the reserves; and 3) to defray future City commitments." He asked how those percentages would be determined. Mr. Newman said the City Council will have a lot of leverage in negotiating the finite details of how this will be set up during contractual agreements after a board has been established.

Councilmember Goodman said that in reference to purchases of equipment, the Health Board of the City would continue to own all of the clinic facilities and major medical equipment required in the clinics, he assumed that also applies to the hospital. Mr. Newman said that was not correct, it applied only to the clinics. The reason they set it up that way was in the event

of an adversary position with a physician group. If they owned the equipment, they could leave with it. This way if the City owns the major medical equipment and a new physician group is installed, the City would not run that risk. Councilmember Goodman also wanted to know how long it would take to implement the proposed Health Systems Program. Mr. Newman answered it would take about a year for everything to be implemented. Assuming we followed these recommendations, Mr. Goodman continued, part of our bad debt derives from out-of-County residents...what would happen to those out-of-County residents at Brackenridge Hospital if it were controlled by a not-for-profit group? Paying the hospital bad debt support of a little over a million dollars in the first year, would take the hospital bad debt charges from 13.2 gross charges to about 7.2 percent. The other hospitals in town are about 1% to 3% bad debt rates, and we believe, said Mr. Newman, since there would be no bottom line subsidization of the hospital, the new operator would take more steps to collect bad debts, or handle the admitting of out-of-County patients in some other way.

Councilmember Mullen asked about Mr. Newman's statement that substantial insurance would be required the first year. He asked if they had identified a carrier. Mr. Newman said they have not taken quotes but he has spoken to about three different companies who have expressed interest. Mr. Mullen said that if there was a good chance of a loss, the chances of obtaining a carrier the first year would be slim.

Councilmember Himmelblau moved that the Council accept the report and set a work session with the consultants Friday, October 28, 1977, at 4:00 p.m.; a public hearing at the Council Chambers Thursday, November 3, 1977, at 7:30 p.m.; and check on a date for a public hearing at the Rosewood-Zaragosa Center. The motion, seconded by Councilmember Mullen, carried by the following vote:

Ayes: Councilmember Goodman, Mayor Pro Tem Himmelblau,
Councilmembers Mullen, Snell, Trevino, Mayor McClellan
Noes: None
Absent: Councilmember Cooke

PAYMENT AUTHORIZED

Councilmember Trevino moved that the Council adopt a resolution to authorize the following payment:

BILL MILBURN, INC. - The cost difference of 12"/8" water main
installed in Beaconridge IV-A - \$3,244.50.

The motion, seconded by Mayor Pro Tem Himmelblau, carried by the following vote:

Ayes: Mayor Pro Tem Himmelblau, Councilmembers Mullen, Snell,
Trevino, Mayor McClellan, Councilmember Goodman
Noes: None
Absent: Councilmember Cooke

Councilmember Trevino moved that the Council adopt a resolution to authorize the following payment:

P. M. BRYANT - The cost difference of 12"/8" water line installed in The Fort Addition - \$3,112.20.

The motion, seconded by Mayor Pro Tem Himmelblau, carried by the following vote:

Ayes: Mayor Pro Tem Himmelblau, Councilmembers Mullen, Snell,
Trevino, Mayor McClellan, Councilmember Goodman
Noes: None
Absent: Councilmember Cooke

Councilmember Trevino moved that the Council adopt a resolution to authorize the following payment:

CAT MOUNTAIN PROPERTIES, Larry Morris, President - The cost difference of 12"/8" water line installed in Cat Mountain Villas PUD, Section 1 - \$13,185.64.

The motion, seconded by Mayor Pro Tem Himmelblau, carried by the following vote:

Ayes: Mayor Pro Tem Himmelblau, Councilmembers Mullen, Snell,
Trevino, Mayor McClellan, Councilmember Goodman
Noes: None
Absent: Councilmember Cooke

CONTRACTS AWARDED

Councilmember Trevino moved that the Council adopt a resolution to approve the following contract:

ROBERT C. GRAY CONSTRUCTION CO.	- Capital Improvements Program, Group
2007 Rutland Drive	62, Phase I Assessment Paving -
Austin, Texas	\$269,499.83. CIP No. 75/62-01

The motion, seconded by Mayor Pro Tem Himmelblau, carried by the following vote:

Ayes: Mayor Pro Tem Himmelblau, Councilmembers Mullen, Snell,
Trevino, Mayor McClellan, Councilmember Goodman
Noes: None
Absent: Councilmember Cooke

Councilmember Trevino moved that the Council adopt a resolution to approve the following Contract:

UNITED CONSTRUCTION COMPANY
4311 Brookview
Dallas, Texas

- CAPITAL IMPROVEMENTS PROGRAM,
Jollyville Road (Old U.S. 183)
24-inch water transmission main -
\$413,886.00. CIP 75/40-14

The motion, seconded by Mayor Pro Tem Himmelblau, carried by the following vote:

Ayes: Mayor Pro Tem Himmelblau, Councilmembers Mullen, Snell,
Trevino, Mayor McClellan, Councilmember Goodman
Noes: None
Absent: Councilmember Cooke

CHANGE ORDERS

Councilmember Trevino moved that the Council adopt a resolution to approve a Change Order in the amount of \$16,143.37 to Blount Brothers Corporation for installation of safety handrails, CIP No. 73/59-01. CAPITAL IMPROVEMENTS PROGRAM, WALNUT CREEK WASTEWATER TREATMENT PLANT IMPROVEMENTS. The motion, seconded by Mayor Pro Tem Himmelblau, carried by the following vote:

Ayes: Mayor Pro Tem Himmelblau, Councilmembers Mullen, Snell,
Trevino, Mayor McClellan, Councilmember Goodman
Noes: None
Absent: Councilmember Cooke

Councilmember Trevino moved that the Council adopt a resolution to approve a Change Order in the amount of \$42,530.00 to K & L Services, CIP No. 73/86-14. CAPITAL IMPROVEMENTS PROGRAM, GIVENS RECREATION CENTER. The motion seconded by Mayor Pro Tem Himmelblau, carried by the following vote:

Ayes: Mayor Pro Tem Himmelblau, Councilmembers Mullen, Snell,
Trevino, Mayor McClellan, Councilmember Goodman
Noes: None
Absent: Councilmember Cooke

Councilmember Trevino moved that the Council adopt a resolution to approve a Change Order in the amount of \$20,965.00 to Lawless & Alford, Inc., CIP No. 76/86-41. CAPITAL IMPROVEMENTS PROGRAM, SENIOR ACTIVITY CENTER. The motion, seconded by Mayor Pro Tem Himmelblau, carried by the following vote:

Ayes: Mayor Pro Tem Himmelblau, Councilmembers Mullen, Snell,
Trevino, Mayor McClellan, Councilmember Goodman
Noes: None
Absent: Councilmember Cooke

SERVICE CONTRACTS WITH CULTURAL AGENCIES

Councilmember Trevino moved that the Council adopt a resolution to execute contracts with cultural agencies for FY 1977-78 (Hotel Occupancy Tax Revenue). The motion, seconded by Mayor Pro Tem Himmelblau, carried by the following vote:

Ayes: Mayor Pro Tem Himmelblau, Councilmembers Mullen, Snell,
Trevino, Mayor McClellan, Councilmember Goodman
Noes: None
Absent: Councilmember Cooke

Councilmember Trevino moved that the Council adopt a resolution to execute service contracts with cultural agencies and social service agencies for FY 1977-78 (General Revenue Sharing Funds). The motion, seconded by Mayor Pro Tem Himmelblau, carried by the following vote:

Ayes: Mayor Pro Tem Himmelblau, Councilmembers Mullen, Snell,
Trevino, Mayor McClellan, Councilmember Goodman
Noes: None
Absent: Councilmember Cooke

GRANT AWARD

Councilmember Trevino moved that the Council adopt a resolution to accept a grant award of \$10,000 from the Community Service Administration to be delegated to Travis County. The motion, seconded by Mayor Pro Tem Himmelblau, carried by the following vote:

Ayes: Mayor Pro Tem Himmelblau, Councilmembers Mullen, Snell,
Trevino, Mayor McClellan, Councilmember Goodman
Noes: None
Absent: Councilmember Cooke

GRANT AWARD FOR
"COMPREHENSIVE EMPLOYEE RELATIONS TRAINING PROGRAM"

Councilmember Trevino moved that the Council adopt a resolution to accept an Intergovernmental Personnel Act (IPA) grant of \$14,425 from the Texas Department of Community Affairs for a "Comprehensive Employee Relations Training Program." The motion, seconded by Mayor Pro Tem Himmelblau, carried by the following vote:

Ayes: Mayor Pro Tem Himmelblau, Councilmembers Mullen, Snell,
Trevino, Mayor McClellan, Councilmember Goodman
Noes: None
Absent: Councilmember Cooke

WEATHERIZATION PROJECT

Councilmember Trevino moved that the Council adopt a resolution to accept a grant from the Community Services Administration in the amount of \$41,702 to operate a Weatherization Project for a 12-month period. (Local in-kind contribution of \$27,801.00) The motion, seconded by Mayor Pro Tem Himmelblau, carried by the following vote:

Ayes: Mayor Pro Tem Himmelblau, Councilmembers Mullen, Snell,
Trevino, Mayor McClellan, Councilmember Goodman
Noes: None
Absent: Councilmember Cooke

PUBLIC HEARING SET FOR ANNEXATION

Councilmember Trevino moved that the Council adopt a resolution to set a public hearing on November 10, 1977, at 11:00 a.m. to consider annexing 25.03 acres of land out of the Thomas Anderson League (Westcreek Section Two - C7a-76-012). The motion, seconded by Mayor Pro Tem Himmelblau, carried by the following vote:

Ayes: Mayor Pro Tem Himmelblau, Councilmembers Mullen, Snell,
Trevino, Mayor McClellan, Councilmember Goodman
Noes: None
Absent: Councilmember Cooke

PUBLIC HEARING SET FOR MASSAGE PARLORS

Councilmember Trevino moved that the Council set a public hearing on amendments to Ordinances regulating massage parlors at 2:30 p.m. November 10, 1977. The motion, seconded by Mayor Pro Tem Himmelblau, carried by the following vote:

Ayes: Mayor Pro Tem Himmelblau, Councilmembers Mullen, Snell,
Trevino, Mayor McClellan, Councilmember Goodman
Noes: None
Absent: Councilmember Cooke

LIABILITY PROTECTION FOR CITY PERSONNEL

Councilmember Trevino moved that the Council adopt a resolution on policy for liability protection for City personnel while operating City vehicles. The motion, seconded by Mayor Pro Tem Himmelblau, carried by the following vote:

Ayes: Mayor Pro Tem Himmelblau, Councilmembers Mullen, Snell,
Trevino, Mayor McClellan, Councilmember Goodman
Noes: None
Absent: Councilmember Cooke

(Following is an excerpt of a memo from City Attorney Harris concerning the adoption of the above resolution.)

"Under the current situation, when an employee performing governmental functions has a negligent wreck in a City car, the City can, and does, both defend the case and pay any judgment that falls within the \$10,000/\$100,000/\$300,000 limits unless the City employee has non-owned vehicle insurance coverage. If the employee does carry non-owned vehicle insurance, then his or her insurance carrier is obligated to defend the employee and pay any judgment obtained. Currently, the City, in an effort to encourage employees to carry non-owned vehicle coverage, reimburses the employee for the cost of obtaining such coverage.

The City's policy in this area is not formally written down. Recently, the Police Association has requested that the City Council adopt a policy resolution covering this area. Therefore, I recommend that the attached policy resolution be adopted by the City Council."

Councilmember Trevino moved that the Council adopt a resolution of policy on professional liability protection for City law enforcement personnel. The motion, seconded by Mayor Pro Tem Himmelblau, carried by the following vote:

Ayes: Mayor Pro Tem Himmelblau, Councilmembers Mullen, Snell,
Trevino, Mayor McClellan, Councilmember Goodman
Noes: None
Absent: Councilmember Cooke

(Following is an excerpt of a memo from City Attorney Harris concerning the adoption of the above resolution.)

"Several years ago, the City purchased an insurance policy covering claims and suits filed against police officers. This policy protected against claims of false arrest, false imprisonment, assault, etc. The premium on this policy ran approximately \$30,000 per year. Last year the carrier canceled the policy. The carrier was of the opinion the policy was uneconomical from its standpoint.

The City could not locate a replacement policy for less than \$100,000 plus per year. In addition, these policies provided less coverage. It is our judgment that the City would do well to provide its own protection in this area. The City could provide law enforcement officers the same protection provided by the former insurance policy. This would mean the limits of the protection would be \$100,000 per person and \$300,000 per incident.

As you know, the Police Association is very interested in seeing that a new insurance policy is purchased or that the City Council pass a formal policy resolution providing substantially the same coverage."

AMENDING THE CAPITAL IMPROVEMENTS PROGRAM FOR EDA FUNDS

Mayor McClellan introduced the following ordinance;

AN ORDINANCE AMENDING ORDINANCE NO. 770915-A, CAPITAL IMPROVEMENTS PROGRAM ORDINANCE FOR FISCAL YEAR 1977-1978, BY APPROPRIATING \$539,000 IN ECONOMIC DEVELOPMENT ADMINISTRATION FUNDS FOR VARIOUS CAPITAL PROJECTS; SUSPENDING THE RULE REQUIRING THAT ORDINANCES BE READ ON THREE SEPARATE DAYS; AND PROVIDING AN EFFECTIVE DATE.

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

Ayes: Councilmembers Mullen, Snell, Trevino, Mayor McClellan,
Councilmember Goodman, Mayor Pro Tem Himmelblau
Noes: None
Absent: Councilmember Cooke

The Mayor announced that the ordinance had been finally passed.

ADVANCED ADMISSION DEPOSITS - FAILED
BRACKENRIDGE HOSPITAL

Councilmember Mullen moved that the Council adopt a resolution authorizing Brackenridge Hospital to raise the ceiling on the advanced admission deposits as recommended by the Hospital Advisory Board. The motion, seconded by Councilmember Goodman, failed to carry by the following vote:

Ayes: Councilmember Mullen, Mayor McClellan, Mayor Pro Tem
Himmelblau
Noes: Councilmembers Snell, Trevino, Goodman
Absent: Councilmember Cooke

The Council requested this item be placed on the October 27, 1977, Agenda when the full Council is expected to be in attendance.

ZONING ORDINANCES

Mayor McClellan brought up the following ordinance for its second reading:

AN ORDINANCE ORDERING A CHANGE IN USE AND CHANGING THE USE MAPS ACCOMPANYING CHAPTER 45 OF THE AUSTIN CITY CODE OF 1967 AS FOLLOWS:
LOT 18, BLOCK 1, OUTLOTS 31 AND 32, DIVISION O, M.K. AND T. ADDITION, LOCALLY KNOWN AS 806 WILLOW STREET AND ALSO BOUNDED BY INTERSTATE HIGHWAY 35, FROM "A" RESIDENCE DISTRICT TO "C" COMMERCIAL DISTRICT; SAID PROPERTY BEING LOCATED IN AUSTIN, TRAVIS COUNTY, TEXAS; AND PROVIDING AN EFFECTIVE DATE. (Mrs. Raymond Matocha, C14-77-106)

The ordinance was read the second time, and Councilmember Mullen moved that it be passed to its third reading. The motion, seconded by Councilmember Goodman, carried by the following vote:

Ayes: Councilmember Mullen, Mayor McClellan, Councilmember
Goodman, Mayor Pro Tem Himmelblau
Noes: Councilmembers Snell, Trevino
Absent: Councilmember Cooke

The Mayor announced that the ordinance had been passed through its second reading only.

Mayor McClellan brought up the following ordinance for its first reading:

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:

LOT 2, CONOCO ADDITION, LOCALLY KNOWN AS 4906 BURLESON ROAD, FROM INTERIM "AA" RESIDENCE, INTERIM FIRST HEIGHT AND AREA DISTRICT TO "D" INDUSTRIAL, 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. (City of Austin, C14-77-018)

The ordinance was read the first time, and Councilmember Mullen moved that it be passed to its second reading. The motion, seconded by Councilmember Goodman, carried by the following vote:

Ayes: Councilmember Mullen, Mayor McClellan, Councilmember
Goodman, Mayor Pro Tem Himmelblau
Noes: Councilmembers Snell, Trevino
Absent: Councilmember Cooke

The Mayor announced that the ordinance had been passed through its first reading only.

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 0.172-ACRE TRACT OF LAND, LOCALLY KNOWN AS 1207 CLEARFIELD DRIVE, FROM INTERIM "A" RESIDENCE, INTERIM FIRST HEIGHT AND AREA DISTRICT TO "GR" GENERAL RETAIL, 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. (Odus S. Crumley, C14-77-084)

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

Ayes: Councilmembers Mullen, Snell, Mayor McClellan, Councilmember Goodman, Mayor Pro Tem Himmelblau
Noes: Councilmember Trevino
Absent: Councilmember Cooke

The Mayor announced that the ordinance had been finally passed.

Mayor McClellan introduced the following ordinance:

AN ORDINANCE ORDERING A CHANGE IN USE AND CHANGING THE USE MAPS ACCOMPANYING CHAPTER 45 OF THE AUSTIN CITY CODE OF 1967 AS FOLLOWS:
EAST 18.6 FEET OF LOT 30, WEST 41.4 FEET OF LOT 31, EAST 14 FEET OF LOT 31, AND WEST 46 FEET OF LOT 32, BLOCK X, VIOLET CROWN HEIGHTS, SECTION 2, LOCALLY KNOWN AS 1408-1410 KOENIG LANE, FROM "A" RESIDENCE DISTRICT TO "LR" LOCAL RETAIL 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. (Odus S. Crumley and Albert Heine, C14-77-085)

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

Ayes: Councilmembers Mullen, Snell, Trevino, Mayor McClellan, Councilmember Goodman, Mayor Pro Tem Himmelblau
Noes: None
Absent: Councilmember Cooke

The Mayor announced that the ordinance had been finally passed.

Mayor McClellan introduced the following ordinance:

AN ORDINANCE ORDERING A CHANGE IN USE AND CHANGING THE USE MAPS ACCOMPANYING CHAPTER 45 OF THE AUSTIN CITY CODE OF 1967 AS FOLLOWS:
THE NORTH 200 FEET OF THE SOUTH 240 FEET OF MRS. CLOTILDE IDA MANSBENDEL SUBDIVISION, LOCALLY KNOWN AS 3514-3526 KING STREET AND THE REAR OF 700-714 MAIDEN LANE, FROM "O" OFFICE DISTRICT TO "LR" LOCAL RETAIL 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. (T.B. & T. Building Corporation and North Austin Lions Club, C14-77-107)

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

Ayes: Councilmembers Mullen, Snell, Trevino, Mayor McClellan, Councilmember Goodman, Mayor Pro Tem Himmelblau
Noes: None
Absent: Councilmember Cooke

The Mayor announced that the ordinance had been finally passed.

PUBLIC HEARING - URBAN MASS TRANSPORTATION
CAPITAL ASSISTANCE GRANT APPLICATION

Mayor McClellan opened the public hearing scheduled for 7:15 p.m. on a Section 5, Capital Assistance Grant Application to the Urban Mass Transportation Administration. Mr. Joe Ternus, Director of Urban Transportation made the following statement:

"Mayor and members of the Council, pursuant to Federal guidelines, notices to hold this public hearing were published in newspapers throughout the community. The notices provided a brief description of the project, it's cost and the impact of relocation, environment, comprehensive planning, and the elderly and the handicapped. The purpose of this public hearing is to afford an opportunity to interested persons or agencies to be heard with respect to the social, environmental and economic aspects of the project. This project is a Capital Assistance Grant for the expansion of the administration and maintenance facility and employee parking, for benches and shelters, radio and communication equipment, and a maintenance vehicle. The total project cost is 1.182 million dollars, with the City share of \$82,808.00."

Mayor McClellan asked if there was anyone in the audience or on the Council who wanted to speak to this application. No one appeared to be heard.

Councilmember Trevino moved that the Council close the public hearing on the Capital Assistance Grant Application to the Urban Mass Transportation Administration, and approve the application. The motion, seconded by Councilmember Goodman, carried by the following vote:

Ayes: Councilmembers Snell, Trevino, Mayor McClellan, Councilmember Goodman, Mayor Pro Tem Himmelblau, Councilmember Mullen
Noes: None
Absent: Councilmember Cooke

PUBLIC HEARING - URBAN MASS TRANSPORTATION
OPERATING ASSISTANCE GRANT APPLICATION

Mayor McClellan opened the public hearing scheduled for 7:15 p.m. on a Section 5, Operating Assistance Grant Application to the Urban Mass Transportation Administration. Mr. Joe Ternus, Director of Urban Transportation made the following statement:

"Pursuant to Federal guidelines, notices to hold this public hearing were published in newspapers throughout the community. The notices provided a brief description of the project, it's cost, and the impact on relocation, environment, comprehensive planning, and the elderly and the handicapped. The purpose of this public hearing is to afford an opportunity to interested persons or agencies to be heard with respect to the social, environmental and economic aspects of the project. This project is an Operating Assistance Grant in the amount of \$484,000.00 of Federal funds to assist in the operation of regular route service, park and ride, and our special transit services program."

Mayor McClellan asked if there was anyone in the audience or on the Council who wanted to speak to this application. No one appeared to be heard.

Councilmember Trevino moved that the Council close the public hearing on the Operating Assistance Grant Application to the Urban Mass Transportation Administration, and approve the application. The motion, seconded by Councilmember Goodman, carried by the following vote:

Ayes: Councilmembers Snell, Trevino, Mayor McClellan, Councilmember Goodman, Mayor Pro Tem Himmelblau, Councilmember Mullen

Noes: None

Absent: Councilmember Cooke

PUBLIC HEARING - WATER MAIN IN LAKE LONG PARK

Mayor McClellan opened the public hearing scheduled for 7:30 p.m. to permit construction of a 16-inch water main in Lake Long Park from Decker Lake Road to the power plant. Mr. Curtis Johnson, Director of Water and Wastewater, stated that tonight's public hearing is in compliance with state law which is required anytime that grounds set aside for park purposes are to be used for any other reason. We are requesting that Council approve, in this public hearing, the construction of a 16-inch water line immediately inside the park property, along the east right-of-way line in Decker Lake Road. This item has been reviewed by the Parks and Recreation staff and has also been presented to the Parks and Recreation Board. They both recommended to the Council to comply with the request.

Councilmember Snell asked, "How was the public hearing posted?" Mr. Johnson said it must be advertised in the papers for 30 days and they have met this requirement. Councilmember Goodman asked if there was any other feasible method for installing this line. Mr. Johnson replied, "No, sir." Councilmember Mullen asked if there were any other prudent alternative. Mr. Johnson replied, "No."

Mayor Pro Tem Himmelblau asked if there was anyone in the audience who wanted to speak to this. No one appeared to be heard.

Councilmember Snell moved that the Council close the public hearing and that it be the finding of the City Council that there is no feasible and prudent alternative to the use of this land for water main purposes and that this project includes all reasonable planning to minimize harm to such land as a park, and to further move that the City Council approve this project. The motion, seconded by Councilmember Goodman, carried by the following vote:

Ayes: Mayor McClellan, Councilmember Goodman, Mayor Pro Tem Himmelblau, Councilmembers Mullen, Snell, Trevino

Noes: None

Absent: Councilmember Cooke

Councilmember Snell moved that the Council adopt a resolution dedicating to the public a water line easement out of Lake Walter E. Long Park. The motion, seconded by Councilmember Goodman, carried by the following vote:

Ayes: Mayor McClellan, Councilmember Goodman, Mayor Pro Tem Himmelblau, Councilmembers Mullen, Snell, Trevino

Noes: None

Absent: Councilmember Cooke

PUBLIC HEARING - LAKE AUSTIN DEVELOPMENT STANDARDS

Mayor McClellan opened the public hearing scheduled for 7:30 p.m. to amend Chapter 41 (Plats and Subdivisions) of the Austin City Code of 1967 to provide standards for development of land located within the watershed of Lake Austin as described by the resource maps of the Lake Austin Growth Management Plan.

Mr. Dick Lillie, Director of the Planning Department, presented a brief history of the Lake Austin Growth Management Plan, from 1974 to present. He stated that the Planning Commission, being aware of its limited power to regulate development outside of the City limits, proposed a subdivision. Mr. Lillie indicated that the proposal before Council was an amendment to that Subdivision Ordinance. He listed two important statements contained in the Ordinance:

1. The Planning Commission found that the proposed amendment, on an interim basis, is consistent with the water quality goals and objectives of the Lake Austin plan.
2. The proposal includes a preamble from the Environmental Board and the Planning Commission which provides important reasons why the amendment should be considered. Mr. Lillie outlined the preamble as follows:
 - a. The area is mostly undeveloped.
 - b. The particular watershed is different from other watersheds with City jurisdiction and has a high degree of sensitivity.
 - c. Lake Austin is the primary source of the City water supply.
 - d. City economic growth is dependent upon recreational opportunities which are in close proximity to Austin.
 - e. The lake is source of civic pride and attraction and must be preserved to promote Austin's economic well-being.
 - f. Lake Austin is a significant source of public recreation.
 - g. The lake is shallow and narrow which makes it extremely vulnerable to pollution and sedimentation resulting from development activities within its watersheds.

Mr. Lillie then described some of the ordinance recommendations. He stated that Part 1 of the Ordinance under Section 41-11, provides for additional information that must be submitted by subdividers with their preliminary plans. That additional information includes slopes (changes in declination) of gradients measured on a percentage basis, information of the 100-year flood plain based on the best available data, estimates of the amount of impervious cover in the development and submission of a grading-erosion-sedimentation control plan using the best available information. Section 41-13 provides for additional information which must be submitted with the final plat. This information would include plans for sedimentation basins and storm water detention facilities and those plans to be approved by the Director of Engineering. Section 41-35 provides for special requirements for the subdivision of land in the Lake Austin watershed including minimum standards on roadways, location and clearing and cut and fill, grading and building sites on the creation of impervious cover and on building sites on steep slopes and also on the discharge of wastewater effluents into Lake Austin and its tributaries.

Section 41-35 also provides that alternatives to these standards can be approved by the Planning Commission and that technical innovation is encouraged under the Ordinance and also under the Lake Austin Growth Management Plan. The Planning Commission can consider alternatives if they are minor ones and do not alter the scope of the project, meet the Austin drainage criteria manual, and will not result in lowering of the water quality, is capable of being legally enforced and that the alternatives are also submitted through the Director of Engineering, the City Attorney and the Environmental Board for review. The Ordinance also provides for a variance to all standards if literal enforcement of the Ordinance renders the subdivision of land impractical and would result in confiscation.

Mr. Lillie stated that Part 2 of the Ordinance provides that the Ordinance be in effect for two years from the date of passage. This interim Ordinance would allow time for Council consideration of the entire plan and also time for departments, Boards and Commissions, and developers to monitor projects that are approved. Mr. Lillie indicated that over the past 12 months, 20 subdivisions and 41 re-subdivisions of mainly one and two lots, have been filed for consideration in the 92-square-mile area of Lake Austin. Mr. Lillie presented maps outlining the various subdivision areas. He also indicated the status of the subdivision projects in the area.

Councilmember Goodman asked who would determine the acceptability of erosion control plans submitted to the City. Mr. Lillie stated that such plans will be submitted to the Director of Engineering. Mr. Charles Graves, Director of the Engineering Department, indicated that submission of all construction plans and/or improvements come through the Engineering Department. Councilmember Goodman asked if there were any requirements for cut and fill of roadways in the Ordinance. Mr. Lillie indicated that a maximum of 3 feet was designated in the Lake Austin plan. He stated that the Ordinance deletes the designated number of feet and replaces it with the need to provide for stabilization of the slopes, erosion control and restoration. Mr. Graves pointed out that lots in the area must have access to the street and that excessive cuts would result in steep slopes that would render the street inaccessible to the lots. He indicated that a retaining wall would be required for streets having steep slopes and deep cuts. Councilmember Goodman felt that the open-ended section of the Ordinance's alternatives provided large loopholes around the other stipulations in the Ordinance. Mr. Lillie stated that a part of the Ordinance was drafted in very generalized language in order to allow developers to exceed development requirements when possible. City Attorney Jerry Harris stated that the amount of flexibility provided in the Ordinance would give more decision-making power to the various review agencies such as the Planning Commission and the Environmental Board.

Mayor McClellan stated that Councilmember Cooke, though absent from the meeting, had requested that the City Attorney draft an Ordinance which would make the regulations contained in the current Lake Austin Development Ordinance apply to all development and not to subdivision development only. Mr. Harris indicated that an initial draft of the Ordinance was already in progress. Mayor McClellan stated that since there was not a full Council present, there would be no vote taken that night on the proposed amendment.

MR. GUS FRUH, a member of the Environmental Board, stated that the Board was in support of the Ordinance. Mr. Fruh noted that there were no provisions in the Ordinance for monitoring compliance with its regulations or for septic tanks. He indicated that the "alternatives" section of the Ordinance

was recommended by the Environmental Board in order to allow flexibility but at the same time tighten up the variance section of the Ordinance. Council-member Goodman asked Mr. Fruh if he had any comment on the impervious cover restrictions. Mr. Fruh stated that there had been much compromise on the format for the Ordinance but felt that the final draft was a good interim measure which would allow the City to monitor the effectiveness of the Ordinance.

MR. JOSEPH BEAL, Engineering Manager for Espey, Huston & Associates, passed out a prepared statement to the Council. Espey, Huston & Associates is responsible for the hydrologic and water quality studies for the Lake Austin Growth Management Plan. He stated that his firm felt that the plan was good in that it encouraged growth in the Lake Austin area but at the same time minimized degradation to the environment. Mr. Beal stated that numerical criteria should be used as guidelines rather than standards in determining if a development project will have an adverse environmental impact. Mr. Beal made the following comments in regard to the amendments to the Lake Austin plan:

1. (Section 41-35.3(b) - Correction of Impervious Cover.) Mr. Beal indicated that his company recommended 37% of impervious cover for slopes less than 15% and 20% impervious cover for slopes greater than 15%.
2. (Section 41-35.3(e) - Alternative Methods) Mr. Beal stated that if the present numerical criteria are applied, the kind of development that has taken place in the past will not exist and development in the area will have to change.

MR. DAVID BARROW, JR., Vice-President of the Austin Corporation, stated that the Ordinance as written would legislate some subdivisions out of existence. He also stated that the Ordinance did not really speak to the aesthetics of the area.

MR. DICK STANFORD, President of the Eanes Civic Association and member of the West Lake Hills City Council, recommended adoption of the proposed Ordinance without further dilution of it. He stated that part of the Lake Austin plan is already implemented in the ordinances of West Lake Hills. Mr. Stanford recommended that the Ordinance include more stringent regulation for septic tanks.

MR. CHARLES CLELAND, representing the Save Our Lake Association, spoke in support of the Ordinance.

MR. ROGER SIMMONS, representing Travis Audubon Society, told the Council that while in support of the proposed Ordinance, his organization felt that the current Ordinance was a weakened one from the one presented last year. He stressed reassessment of the Ordinance to provide a more equitable plan for all concerned. Mr. Simmons urged that an interim Ordinance be adopted to protect the Lake Austin area.

MS. SALLY WITLIFF, President of We Care Austin, spoke before the Council. Ms. Witliff stated that the City water supply located in Lake Austin must be kept clean.

MS. MARY LEY recommended that the Council adopt the interim ordinance. She felt that one drawback of the Ordinance was that it did not address some kind of ongoing monitoring system. Ms. Ley felt that the lack of a designated maximum width for roadways was a defect of the Ordinance. She said that this would promote very deep cuts that would be environmentally damaging. Ms. Ley indicated that the City needed present and future protection of its water supply.

MR. ARCHIE MILLER, a land owner in the Lake Austin area, told the Council that his land was governed by the 100-year flood plain. Mr. Miller pointed out that run-off from Loop 360 was a source of pollution.

MS. NAN CLAYTON, Water Quality Chairperson for the League of Women Voters, told the Council that her organization was in support of the Lake Austin Growth Management Plan. She stated that the League urged the Council to recognize the need for the Ordinance and approve it. Ms. Clayton stated that they were concerned that the Ordinance dealt with subdivisions only. They felt that the City should investigate further the possibility of controlling all development within the watershed under the powers given to home-rule cities. Ms. Clayton stated that the amount of impervious cover should be lowered from that which is allowed already. She stated that a monitoring program was needed to evaluate the Ordinance.

MS. PEGGY FERGUSON, representing the Now Or Never group, felt that the Ordinance had severe limitations. She stated that it only applied to subdivisions. Ms. Ferguson felt that weakening the Ordinance would not be in the best interest of the public and the area. She hoped that the Council would pass the Ordinance now.

MR. TOM LEACH, President of the Lake Austin Hill Country Neighborhood Association, presented a petition to the Council supporting the passage of the Ordinance. He felt that the Ordinance is not overly restrictive. He was disturbed about the maximum cut and fill deletion in the Ordinance. Mr. Leach stated that he was concerned about the variance section of the Ordinance but could see a need for it. He said he would like to see rural roads rather than City-type streets in the area. This would eliminate some of the impervious cover and curbs and gutters. Mr. Leach supported the idea of controlling other forms of development other than subdivisions.

MS. JACKIE JACOBSON, a member of the Lake Austin Hill Country Neighborhood Association and the Sierra Club, stated that the Ordinance was not as strong as needed. She felt that definite numerical criteria were needed. She felt that the City water supply needed to be protected. Ms. Jacobson urged the Council to pass the Ordinance as it is.

MR. RICHARD TIMMS felt that urban standards should not be imposed on such a rugged area. He pointed out that rural roadways in the area would have much less run-off than a City street. He urged the Council to adopt the Ordinance.

MR. CARLIN JOHNSON, a professor of law, felt that the alternate methods section of the Ordinance could be stronger. He felt that the variance-for-hardship section of the Ordinance should be enough. Mr. Johnson suggested going with the alternative methods section on a trial basis but deleting it if it did not work out.

MR. MAURY HOOD, a developer, stated that the use of the land had been restricted by the Lake Austin plan. Mr. Hood stated that he was in favor of the Ordinance but indicated that it did not address septic tanks and growth near Loop 360. He felt that the Ordinance should be redrawn with more technical information included.

MR. DOUG DANFORTH urged the Council to study the Ordinance with an open and objective viewpoint both to the property owners rights and the needs of the public

MR. MILS TANDY, an ecologist, stated that the quality of water in Lake Austin violated the minimum standards set by the State Water Quality Board. He recommended that restrictions be made as strong as possible to avoid further degradation of the lake. Mr. Tandy made the following recommendations:

1. The Ordinance be extended to include developments other than the subdivisions.
2. That septic tank restrictions be considered.
3. Monitoring of water quality in the area.

MS. BARBARA CILLEY, representing the Citizens Budget Task Force, spoke in favor of the Ordinance. She stated that protection of the Lake Austin watershed and the City water supply was vital to the well-being of Austin.

MR. FRED WERKENTHIN, an attorney and land owner in the area, told the Council that the rights of the land owners in the area had to be considered. He felt that the Ordinance would stifle development on his own property. Mr. Werkenthin stated that most of the concern seemed to be aimed at urban run-off from the area but submitted that the Colorado River was fed run-off from many locations other than just the subject 92 square miles. He suggested that the Council keep the areas property owners in mind when looking at the proposed Ordinance.

MR. HARRY MONTANDON, a land owner in the area, hoped that the Council would not make it too difficult for a developer to buy his land some day for the purposes of constructing a subdivision.

MR. TOM WOLFE, a developer, spoke in opposition to the proposed Ordinance. He stated that the Ordinance does not encourage productive innovation. He indicated that pollution control strategies can be used to minimize the amount of pollution in the area. Mr. Wolfe recommended that the Council review the specifications for impervious cover with a qualified professional person. He indicated that he wanted to see the City water supply protected in any event.

MR. TOM WATTS, a developer, felt that specified requirements for developments did not always produce the results wanted. He did not feel that the Ordinance would produce the end result that was wanted. Mr. Watts asked the Council to consider what the Ordinance is really going to effect.

MR. STEVE HANSON, Conservation Chairperson of the Sierra Club, felt that rural roadways in the area would be preferable to urban streets. He felt that the Ordinance should be designed to cover other types of land uses other than subdivisions.

MR. KEN MANNING, Chairperson of the Austin Sierra Club, stated that the main issue was the protection of the water quality of the City water source. He stated that the provisions of the Ordinance allowed the City to protect the water supply. Mr. Manning stated that one of the objectives of the Ordinance was to develop different standards for development in the Hill country to the west as opposed to the standards that are more applicable to the Shoal Creek or Walnut Creek drainage basins. He felt that the only significant restrictions in the Ordinance were those for impervious cover limitations. Mr. Manning showed some slides of the subject area. He stated that numerical criteria can be designed to accomplish the ends desired. Mr. Manning indicated that if the City did not want to impose some kind of constraints on development in the area, it would not be considering an Ordinance.

MR. JOHN CRUZ, homeowner, stated that he was in favor of the Ordinance. He felt that the Ordinance was too weak and should not be diluted any further.

MR. WILL WILSON spoke in support of the Ordinance. He felt that an interim Ordinance was a good temporary measure which could be in effect while a more lasting measure was being worked out.

Councilmember Mullen asked why the recommendations of the consultant had not been followed. Mr. Lillie stated that a series of consultant recommendations were considered. There was a bending towards the high side and low side on numbers. He stated that the Ordinance encouraged the development of land on lesser slopes, that is 0-15%, and there is a factor in the Ordinance that allows for the transfer of slope percentages. Mr. Lillie indicated that this transfer capability yielded about the same percentages as the consultant had suggested. This was a matter of dealing with the engineering relationships of land development on slopes and trying to encourage that development to occur on the lesser slopes than the steeper ones.

Mayor McClellan suggested that the item be placed on the agenda for the following week at which time action can be taken.

Councilmember Trevino moved that the Council close the public hearing and bring the item back the following week for further action. The motion, seconded by Councilmember Goodman, carried by the following vote:

Ayes: Councilmember Goodman, Mayor Pro Tem Himmelblau, Councilmembers Mullen, Snell, Trevino, Mayor McClellan

Noes: None

Absent: Councilmember Cooke

TAX APPEAL

Mayor McClellan opened the Tax Appeals Hearing scheduled for 8 p.m. on the following:

Ownership and Description	Property	1977 Rendered Value 75%	1977 Assessed Value 75%
James L. Bowman, D.D.S Personal Property No. B-30230	Supplies Furniture, Fixtures & Equipment	\$ 150 <u>5,000</u>	\$ 150 <u>7,950</u>
	Total	\$5,150	\$8,100

Property located at:
1510 West 34th Street
Suite #104

Mr. Jack Klitgaard, Tax Assessor-Collector, stated this is an appeal from Dr. James Bowman, on furniture, fixtures and supplies in his dental office. The property was appealed to the Board of Equalization both last year and this year. The Board of Equalization sustained the values fixed by the Tax Department. The main point of contention in the appeal to the Board of Equalization, continued Mr. Klitgaard, is that Dr. Bowman does not agree with the rate of depreciation that has been allowed on furniture, fixtures and equipment. There is no disagreement on supplies, as that is the same as he has rendered it. The Tax Department has valued this personal property on the same basis as all comparable personal property is valued in the taxing jurisdiction. The life expectancy and depreciation values have been applied to this property in the same manner as is done with other property. He said Dr. Bowman feels the depreciation ought to more closely parallel that which is used by the Internal Revenue Service. Mr. Klitgaard said the department has not used this method in the past, nor do they feel it is an appropriate method. He said that Dr. Bowman feels if this property were sold it wouldn't bring as much money. Again, this is a somewhat hazardous way of valuing personal property, said Mr. Klitgaard. "We believe property has a value in use, that is, fixed in a dentist office in this particular case. Similar property like shelving and display cases in most store type buildings would have very little value if removed. If you put this equipment out on the sidewalk it sells for practically nothing. We think this would be true of a dentist's office also," continued Mr. Klitgaard. "We submit for the Council's consideration that we have valued the property properly and treated it no differently than any other property."

Dr. Bowman appeared to state the City of Austin is evaluating the equipment in question as if it were worth \$10,800.00. He said the equipment is 11 years old with the exception of some that was bought in 1968. Original cost was \$18,534.00. Dr. Bowman said the only way the equipment could be worth \$10,800.00 would be if the Tax Department were taxing the equipment as though it were going to be sold as a part of the entire practice. Dr. Bowman said he has said to Mr. Klitgaard at both Board of Equalization hearings that if

he wants to pay \$10,800 for it, he will let him have it in 30 days...it is not worth that. Dr. Bowman said that automobiles that have been used 11 years are not still taxed at 60% of their value, so what sense does it make to tax dental equipment or any type of mechanical equipment that way. He said he feels dental equipment does go down at the same rate as an automobile.

Councilmember Mullen asked Dr. Bowman if he thought he had been treated differently than anybody else. Dr. Bowman answered, "No, assuming that everybody else fairly reports their cost of equipment, etc."

Councilmember Goodman moved that the Council DENY the appeal. The motion, seconded by Councilmember Mullen, carried by the following vote:

Ayes: Mayor Pro Tem Himmelblau, Councilmembers Mullen, Snell,
Trevino, Mayor McClellan, Councilmember Goodman
Noes: None
Absent: Councilmember Cooke

APPROACH MAIN CONTRACT

Mayor McClellan introduced the following ordinance:

AN ORDINANCE AUTHORIZING THE CITY MANAGER OR THE DEPUTY CITY MANAGER TO ENTER INTO A CERTAIN REFUND CONTRACT WITH CAT MOUNTAIN PROPERTIES; SUSPENDING THE RULE REQUIRING THE READING OF ORDINANCES ON THREE SEPARATE DAYS; AND PROVIDING AN EFFECTIVE DATE.

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

Ayes: Councilmembers Mullen, Snell, Trevino, Mayor McClellan,
Councilmember Goodman, Mayor Pro Tem Himmelblau
Noes: None
Absent: Councilmember Cooke

The Mayor announced that the ordinance had been finally passed.

CAT MOUNTAIN PROPERTIES	- To purchase the wastewater approach
Larry Morris, President	main serving Cat Mountain Villas, Section 1 Subdivision - \$123,054.75

Mr. Curtis Johnson, Director, Water and Wastewater Department, stated this is the request for the Ordinance to purchase this particular approach main. This differs from most of the approach main items which the Council has seen on various agendas because most of those items have been on a Resolution. Mr. Johnson said an approach main is approved before the fact, in principle, with a Resolution, along with the preliminary plat approval of the subdivision. This particular approach main, he continued, was approved by the Council by Resolution on February 19, 1976. The approach main has now been constructed in accordance with the Water and Wastewater Department's specification. It is completed, the subdivision is complete, and in accordance with the policy, it is now back on the agenda as an Ordinance to approve the actual Approach Main Contract.

ZONINGS SET FOR PUBLIC HEARING

The City Manager reported the following zoning applications had been referred to the Planning Commission for recommendation and had been set for public hearing before the City Council on December 1, 1977.

COVENANT BUILDERS, INC. By James C. Scivally, Jr. C14-77-140	13219 U. S. 183	From Interim "AA" Residence 1st Height and Area To "GR" General Retail 1st Height and Area
WRIGHT, THOMAS C. By J. E. Hayes C14-77-141	13188-13298 U. S. 183, also bounded by Balcones Club Drive	From Interim "AA" Residence 1st Height and Area To "GR" General Retail 1st Height and Area
J. HAYES BUILDINGS, INC. By J. E. Hayes C14-77-142	13414-13470 U. S. 183, also bounded by Anderson Mill Road	From Interim "AA" Residence 1st Height and Area To "GR" General Retail 1st Height and Area
STALONG COMPANY, INC. By Ford Smith and Vance Youens C14-77-143	11541-11571 U. S. 183 11500-11538 Angus Valley Road	From Interim "AA" Residence 1st Height and Area To "C-1" Commercial 1st Height and Area
JOE S. HILL & ALAN M. HILL C14-77-144	10500 Jollyville Road	From Interim "AA" Residence 1st Height and Area To "C" Commercial 1st Height and Area
TERRY WADSWORTH C14-77-145	716 West Avenue	From "A" Residence 1st Height and Area To "O" Office 1st Height and Area
AUSTIN NORTHWEST DEVELOPMENT COMPANY By Phil Mockford C14-77-146	3107 Steck Avenue, also bounded by Shoal Creek Boulevard	From "O" Office 1st Height and Area To "GR" General Retail 1st Height and Area
JET BARTLETT, ET AL By Ralph Tippit C14-77-147	3207 Manor Road	From "A" Residence 1st Height and Area To "GR" General Retail 2nd Height and Area
HARRY E. MONTANDON By Ralph Tippit C14-77-148	500 Oltorf Street, also bounded by Durwood Street	From "A" Residence 1st Height and Area To "O" Office 1st Height and Area

TRUMAN H. MONTANDON By Darrell B. Faubion C14-77-149	11508-11632 U. S. 183 11363-11505 Jollyville Road	From Interim "AA" Residence 1st Height and Area To "GR" General Retial 1st Height and Area
TRINITY HOMES, INC. By Dale Hill C14-77-150	11741-11763 Jollyville Road	From Interim "AA" Residence 1st Height and Area To "A" Residence 1st Height and Area
P & H ENTERPRISES, INC. By Edgar James C14-77-151	Angus Road, Duval Road and Thunder Creek Road	From Interim "AA" Residence 1st Height and Area To "B" Residence 1st Height and Area
L. SCOTT SOUSARES & TED M. SOUSARES C14-77-152	8500 Beach Drive	From "B" Residence 1st Height and Area To "O" Office 1st Height and Area
JAMES A. MARTINDALE By James Mabry C14-77-153	600 West 9th Street, also bounded by Nueces Street	From "B" Residence 2nd Height and Area To "O" Office 2nd Height and Area
JACK H. BARTLES By Martin Nassour C14-77-154	3412 East 4th Street	From "D" Industrial 3rd Height and Area To "C-2" Commercial 1st Height and Area
MISSOURI IMPROVE- MENT COMPANY By Frank Niendorff C14-77-155	3834 Promotory Point Drive	From "D" Industrial 1st Height and Area To "C-2" Commercial 1st Height and Area
JOHNSON HOME American Legion Travis Post #76, owner C14h-77-023	2201 West 1st Street	From "C" Commercial 1st Height and Area To "C-H" Commercial-Historic 1st Height and Area
THOMPSON HOME Zeta Phi Beta Sorority, Inc., owner C14h-77-034	1171 San Bernard Street	From "O" Office 1st Height and Area To "O-H" Office-Historic 1st Height and Area
BETHANY CEMETERY Bethany Cemetery Organization, appli- cant C14h-77-035	1300 Block of Spring- dale Road	From "A" Residence 1st Height and Area To "A-H" Residence-Historic 1st Height and Area

ALLEN R. RUNDELL By Travis R. Phillips C14-77-156	4100-4124 Spicewood Springs Road 8001-8133 Kerith Dale Drive 3901-3953 Steck Avenue	From "A" Residence 1st Height and Area To "BB" Residence and "O" Office 1st Height and Area
COMMUNITY SAVINGS & LOAN ASSOCIATION By James Woodworth C14-77-075	1000-2206 Ed Bluestein Boulevard 6302-6516 Bolm Road	From Interim "A" Residence 1st Height and Area To "DL" Industrial 5th Height and Area
ALVERT VANDERLEE C14-77-098	12001 U. S. 183 12100-12102 Bell Avenue also bounded by Howlett Court, McCoy Road and Tweed Court	From Interim "AA" Residence 1st Height and Area To "C" Commercial 1st Height and Area
FRANK T. SMITH By Walter Wendlandt C14-76-092	619 West 37th Street, also bounded by King Street and Maiden Lane	Request to terminate restric- tive covenant limiting the number of residential units to four (4) until King Street is widened. (zoned "B")

MEETING ADJOURNED

The Council meeting was adjourned at 10:55 p.m.


Mayor

ATTEST:


City Clerk