

## MINUTES OF THE CITY COUNCIL

CITY OF AUSTIN, TEXAS

Regular Meeting

February 12, 1976  
10:00 A.M.Council Chambers  
301 West Second Street

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The meeting was called to order with Mayor Friedman presiding.

## Roll Call:

Present: Councilmembers Himmelblau, Hofmann, Lebermann,  
Linn, Trevino, Mayor Friedman

Absent: Mayor Pro Tem Snell

The Invocation was delivered by REVEREND CARLTON O. EATON, Covenant Presbyterian Church.

## APPROVAL OF MINUTES

Councilmember Linn moved that the Council approve the Minutes for February 5, 1976. The motion, seconded by Councilmember Himmelblau, carried by the following vote:

Ayes: Mayor Friedman, Councilmembers Himmelblau, Hofmann,  
Linn, Trevino

Noes: None

Absent: Mayor Pro Tem Snell

Not in Council Chamber when roll was called: Councilmember Lebermann

## RECOGNITION

Mayor Friedman read and presented a resolution to Dr. Gary Lulenski in memory of his late brother Steven Paul Lulenski, Brackenridge Emergency Room registered nurse. The resolution recognized the dedication and heroic action of Steven Paul Lulenski, and the Council extended their sincere sympathies to the friends and family of this outstanding municipal employee; and called on all citizens to join the Council in recognition of his singular act of bravery.

Dr. Lulenski thanked Mayor Friedman for the resolution and noted that he had spent the past few days with friends of his brother, and that everyone had made him feel that his brother was someone special.

#### NATIONAL VOCATIONAL EDUCATION WEEK

Mayor Friedman read and then presented a proclamation to Gloria Rodriguez, CVAE; Jeanie Wood, Cosmetology; Jana Sprenkle, HECE; Donna Hayes, VOE; and Mary Sconci, Decka, proclaiming the week of February 9-13, 1976, as "National Vocational Education Week" and urged all citizens to assist in according this observation the attention and importance to which it is so rightly entitled.

Gloria Rodriguez thanked the Council on behalf of the vocational clubs at Crockett High School.

#### PARENTING WEEK

Councilmember Trevino read and then presented a proclamation to Mrs. Jann Swearingen proclaiming the week of February 29, 1976, as "Parenting Week" and called upon all concerned parents of Austin to share in these vital discussions which will only serve to better the quality of life for both parent and child. Mrs. Swearingen thanked the Council and invited everyone to attend the conference to be held concerning the many problems and issues that confront every family.

#### BLACK HISTORY MONTH

Councilmember Linn read and then presented a proclamation to Reverend Freddie Dixon and members of the Association for the Study of Afro-American Life and History, proclaiming the month of February, 1976, as "Black History Month" and urged all residents to join the Council in this observance during a month when we honor three men who symbolize the triumph of personal and national liberty over tyranny--George Washington, Abraham Lincoln, and Frederick Douglass. Reverend Dixon noted his appreciation of this proclamation and stressed that all ethnic groups helped to shape this nation, and that the Blacks were here as early as 1619, so were a part of molding this nation.

#### SUSAN B. ANTHONY DAY

Mayor Friedman read and then presented a proclamation to Debbie DeBose proclaiming February 15, 1976, as "Susan B. Anthony Day" and encouraged all residents to join the Council in honoring this woman, her energy and steadfast purpose, and the millions of women who follow her example, finding fulfillment in meeting the challenges and responsibilities of freedom. Ms. DeBose stated she was very pleased to accept the proclamation on behalf of the Austin National Organization for Women and women everywhere.

## VOLMA OVERTON DAY

Mayor Friedman read and then presented a proclamation to Volma Overton, President of the NAACP, proclaiming February 13, 1976, as "Volma Overton Day" and further proclaimed that Congress Avenue shall be called Volma Overton Avenue throughout the day of February 13, and called on all residents to join the Council in paying tribute to this outstanding man.

Mr. Overton thanked the Council and noted his gratitude to his friends that had made this recognition possible. At this time, he introduced his wife, Juanita, who had helped him so very much and shared the many struggles with him. Mr. Overton noted his involvement in the work for freedom and stated that he is proud to be associated with the NAACP.

## BROTHERHOOD WEEK

Mayor Friedman read and then presented a proclamation to Michael Kentor, Leon Cashaw and Tom Prud'homme proclaiming the week of February 15-22, 1976, as "Brotherhood Week" and urged all citizens to observe Brotherhood Week as a time to reassert these principles and renew our allegiance to them. Mr. Cashaw accepted the proclamation and hoped that it would always be remembered that everyone is his brother's keeper. Mr. Cashaw noted that he expected a tremendous amount of involvement during the week of February 15-22.

## APPEARANCE CONCERNING A ZONING CASE

Mr. Leroy Lange had requested to appear before the Council concerning Zoning Case No. C14-75-002, owned by the Barrow Corporation; however, Mr. Nelson Puett appeared in his stead. Mr. Puett stated he is total owner of the Barrow Corporation that owns this property in question.

He began his presentation by stating that since the Council is now being paid that they should have the attitude of being attentive to the needs of the citizens. Mr. Puett commented that he was appearing before the Council concerning his zoning case and was asking the Council to use fairness, righteousness and honesty in this matter. Even though he had paid his share of City taxes, this zoning had been held up and had proved quite costly for him. Mr. Puett indicated that the zoning had been approved by the Zoning Commission, as well as other appropriate City departments, and finally by the past Council. However, this Council had caused a delay on the zoning for nearly one year, and with the increase in taxes it was proving costly to him. He asked that the Council be fair, righteous and honest and pass this Ordinance so he could proceed with plans for this property.

Motion

Councilmember Himmelblau moved that this zoning be granted. The motion was seconded by Councilmember Lebermann.

In response to Councilmember Hofmann concerning the normal procedure to be followed on this type of matter, City Attorney Don Butler submitted that normally when all requirements have been met, then the ordinance is passed.

Mr. Homer Reed, Deputy City Manager, stated that the problem with the final approval on this particular case was due to the availability of utilities.

Mr. Curtis Johnson, Director of Water and Wastewater, noted that there would be no problem in providing the utilities to this area now. In December when it was presented to the Council, the study that was being done had not been completed, and that was the basis for the postponement.

Mayor Friedman pointed out that there were some restrictions placed on this zoning and that requirement was not met by the applicant until later in the year, so there was not a delay by the Council in causing it to be heard in December. In response to Councilmember Hofmann's question concerning the comments from the neighborhood association, Councilmember Linn stated that the Council had informed the association that it would oppose any strip zoning along Brodie Lane. Mr. Dick Lillie, Director of Planning, indicated that the association felt that if there were zoning granted, that it be concentrated in one location.

City Attorney Don Butler was concerned that this item was placed on the Agenda under Citizen's Communications and that there was no real indication that an Ordinance would be passed. If the Council so desires, the Ordinance can be placed on the agenda for next week.

Councilmember Himmelblau expressed that the question she had in December concerning the availability of water and wastewater had been answered and the requirements had been met.

#### Withdrawal of Motion

Councilmember Himmelblau withdrew her motion since there was concern regarding how the matter was placed on the agenda, and she was sorry to delay the applicant because she felt the zoning was right for the area. Councilmember Lebermann withdrew his second.

Mayor Friedman noted that this would be postponed until February 19, 1976, and would be placed on the agenda under Ordinances.

#### APPEARANCE CONCERNING ELECTRIC SERVICE PROBLEMS

MRS. HARRY C. HASTINGS, President of the Towne Oaks Community Association, appeared before the Council concerning electric service problems of approximately 300 tenants of Towne Oaks. She felt that the tenants were being treated unfairly regarding the utility rates. Mrs. Hastings stated that as of December 31, the tenants started paying their own electricity bills and that the apartments were separated and given pure meters. The management has refused to certify the purity of these meters, and now there seems to be several discrepancies in the bills. She asked that the Council instruct the Electrical Department to check the bills and the charges being made to the tenants; and that there be a committee on utility problems organized with someone from their association as a member of the committee. Mrs. Hastings noted the many phone calls she had received from people wanting to join the association to achieve reasonable treatment in the area of utility charges. At this time, she read a letter from Mr. Joe Connell stating their concern of the utility charges.

Mayor Friedman pointed out that since July there has been a special rate commission gathering this type of information. The City does not have any control concerning the apartment owner's desire to use individual meters and felt the questions being raised by Mrs. Hastings should be answered through the Apartment Association and the individual owner. The City is doing all it can to obtain some relief with the utility rates; however, the meters can be checked on individual bills for any discrepancies. The idea of having a commission will definitely be considered when the Mayor's Commission on Electric Rates report is presented.

Councilmember Linn commented that she had encountered the same problem as to the meter purity problem and was informed by the Electrical Department that the company that did the wiring would have to check this.

#### APPEARANCE CONCERNING ELECTRIC SERVICE PROBLEMS

Mr. F. NEWTON MILLEN referred to the Electrical Utility Service Regulations, concerning deposits and felt there was a discrimination against tenants since the regulations stated they were required to pay deposits and homeowners were not. He requested that the Council investigate this matter on deposits to see what can be done. Mr. Millen felt that this problem was not a matter just between the tenant and the owner, but involved the City also.

Mayor Friedman commented that for the last four years, the City had been urging the Apartment Association to use individual meters for apartment units.

Mr. Millen felt that the City was making a profit on utilities and that the taxpayer had no way of controlling just where this tax utility money was going. As to the Utilities Commission, Mr. Millen felt that if it was going to benefit the residents that the Council should consider any recommendations from the commission to be binding, and urged that an apartment tenant member be appointed to that commission. RUSS WARD, associated with the Austin Apartment Association, supported the efforts of the Towne Oaks Community Association and asked that an apartment resident be on the Utility Commission.

#### APPEARANCE CONCERNING OFFICIAL RECOGNITION

MS. KAY HART, President of We Care, appeared before the Council to request official recognition of the Congress Avenue Council. She stated that since the inception of the organization, their long range goal has been the revitalization of the downtown area. Ms. Hart commented she was very grateful for the support that the Council had contributed in this matter especially on the projects at Congress & 10th and Congress & 11th. On January 29 of this year, a Council was formed that included representatives from each block of Congress Avenue and We Care has two members working with this Council. At the meeting that was held on January 29, the members of the Congress Avenue Council expressed their desire to have the committee recognized as a planning committee established to work with the City in developing plans for Congress Avenue. Therefore, on behalf of the owners and merchants of Congress Avenue, We Care was requesting formal recognition from the Council for the Congress Avenue Planning Council. Ms. Hart read from a list the people that had agreed to serve on the Council. In response to Councilmember Himmelblau's question as to expense to the City, Ms. Hart stated there would be none.

Councilmember Hofmann moved that the Council formally recognize the Congress Avenue Planning Council. The motion, seconded by Councilmember Himmelblau, carried by the following vote:

Ayes: Councilmembers Himmelblau, Hofmann, Lebermann, Linn,  
Trevino, Mayor Friedman

Noes: None

Absent: Mayor Pro Tem Snell

#### HEARING TO CONSIDER THE CLOSING OF WEST 8TH STREET

Mayor Friedman opened the public hearing scheduled for 10:30 a.m. to consider the closing of West 8th Street to vehicular traffic between Guadalupe and San Antonio Street. MR. BILL BULLOCH, Assistant Director for Systems Development, commented that the transportation needs of the west central area of the Central Business District had been studied in order to determine the feasibility of the following:

1. Closing a portion of Eighth Street between Guadalupe and San Antonio Streets to vehicular traffic.
2. Changing Eighth Street between San Antonio and Nueces Streets to one-way operation and narrowing this street section.

The factors involved in this analysis include the determination of the use of Eighth Street by vehicular traffic flow in the area and the accessibility to the area with the street closed. The character of the area surrounding Eighth Street changes dramatically along the street west of Congress Avenue. The land use transitions from predominately governmental and financial activities between Congress Avenue and Guadalupe Street to residential and office between Guadalupe Street and West Avenue. On the south side of the proposed closing is the historic Bremond block, and on the north side is the new central library. Farther west, there are residences, small offices, and a restaurant in a converted home, providing a residential atmosphere along Eighth Street between San Antonio Street and West Avenue.

Due to this change in land use, this section of Eighth Street would also provide an appropriate transition for the street's transportation function. A reorientation from vehicular to pedestrian traffic would be consistent with the character of the area. Roadway facilities that provide access to and from the Central Business District include Guadalupe and Lavaca Streets, Fifth and Sixth Streets, and Ninth and Tenth Streets. The presence of these facilities minimize the importance of Eighth Street west of Guadalupe to provide for area transportation needs. The fact that Eighth extends only to West Avenue, not Lamar, also diminishes the importance of this roadway with respect to through traffic flow.

Mr. Bulloch noted that the Eighth Street traffic patterns are primarily related to the Guadalupe-Lavaca Street one-way pair. The traffic flow along Eighth Street during the evening peak period experiences a dramatic reduction at these two major streets. To the east of the proposed closing, the traffic flows along Eighth Street show heavy northbound turning movements at Lavaca and southbound movements at Guadalupe. The flow west of Guadalupe is much smaller than that to the east.

He commented that based on a traffic flow analysis, most people traveling along Eighth Street do not have destinations in the area adjacent to the proposed closing. If the 400 block of West Eighth Street was closed, the turning movements now occurring west of Guadalupe would occur primarily at Lavaca and Guadalupe Streets. The impact of closing this section of Eighth Street to vehicular traffic has been developed, and based on an analysis of this flow, normal operations of the streets will accommodate the added turning movements with approximately 400 vehicles per hour additional capacity.

Other developments that would have an impact on the closing of Eighth Street include the proposed Capital National Bank along Eighth Street between Lavaca and Guadalupe Streets and the expanded central library. With the four one-way streets surrounding the bank tract, excellent circulation around the site is and will be available. Access to the bank can be provided by Eighth Street from the east, but since Eighth does not extend to Lamar, good access by Eighth from the west is not available. Based on the adjusted p.m. peak hour traffic, there is additional peak hour capacity for site generated traffic from the library and the proposed bank and parking garage onto Eighth Street of approximately 600 vehicles per hour.

In order to improve circulation, the present one-way south/eastbound operation along San Antonio/Seventh Street (on the upper level of Seventh Street between San Antonio and Guadalupe) should be reversed. Implementing this proposal, while retaining the two-way nature of San Antonio Street between Eighth and Ninth Streets would create a natural clockwise circulation pattern. This pattern will serve the library while retaining the local access necessary for those who live along the effected streets. In addition, this circulation pattern and the proposed closing would serve as a buffer from external through traffic, thus creating an atmosphere more appropriate to the character of the area.

Mr. Bulloch pointed out that the closure of Eighth Street would require people traveling west to turn south at Guadalupe. The two lanes presently serving the left-turn movement can continue this function. The designation of additional left turn lanes is not feasible, due to the limited parallel turning capabilities of drivers. A proposed channelization design for the treatment of Eighth east of Guadalupe was shown in some slides that Mr. Bulloch presented. The design would consist of extending the north curb between Guadalupe and Lavaca Streets to create additional landscaped space. The street widths would be narrowed leaving two travel lanes and retaining the two lanes of parallel parking. This design technique is specifically tailored to the traffic characteristics at these two intersections. The traffic flow and safety for people turning at both intersections will be improved through this curb extension.

With the proposed pedestrian mall extension towards Congress Avenue, pedestrian access to the library site should be safer and in a more appropriate setting. The extension should encourage more pedestrian usage to the library and improve the people-oriented atmosphere in this unique development. An important part of this mall development will be the removal of curb barriers so that all persons will have ease of access and opportunities for enjoyment in the area.

The design of the proposed mall has several additional aspects which should be considered. One of these includes parking presently existing in the area of the library. There will be 22 on-street parking spaces and 104 city employee off-street parking spaces removed by the mall and library development. To

February 12, 1976

provide parking for library employees, and to a limited extent, library visitors, there will be 60 spaces located in the library alleyway. Additional off-street parking is anticipated to be provided in the future by the proposed Capital National Bank Parking Garage on the north side of Eighth. The mall development and library construction will have a short-term impact on parking in the area of the library which should be alleviated by future off-street parking construction.

The cost of redeveloping the Eighth Street into a pedestrian area is estimated to be approximately \$84,000, and should be realized that these costs are tentative and will be developed in detail as part of the Capital Improvements Program process if approved by Council.

The closure of Eighth Street between Guadalupe and San Antonio to vehicular traffic, and provision for pedestrian use will provide an area close to the heart of the Central Business District where people can relax in a leisurely atmosphere surrounded by a cultural heritage of many backgrounds. This section is not necessary for vehicular traffic.

Mr. Bulloch requested that the Council accept the endorsement of the concept so that preliminary design studies can begin through the 1976-77 CIP program. Since the library is not projected to be completed until May of 1978, final approval of the street closure and design of the mall can be considered in late 1977 and still be properly phased with the completion of the library. This recommendation is the product of numerous reviews by various boards and commissions throughout the City.

In response to Councilmember Linn's question as to the closing of Eighth Street, Mr. Bulloch commented it would not be closed until the library was completed.

Councilmember Himmelblau felt this was a little premature since it was not reflected in the CIP. Mr. Bulloch stated that he was only requesting for an endorsement of the concept so they could come back in the CIP process to start looking at preliminary designs. Councilmember Himmelblau was concerned with the traffic count that was prepared, and requested to see an updated count before she voted on anything. Mr. Bulloch noted this would be supplied.

In response to Councilmember Lebermann's question regarding the Lamar Savings complex that would be located in the proposed area, Mr. Bulloch stated that there would not be a significant impact on Eighth Street. As for the Capital National Bank development, he felt that the proposed section could be closed and still provide proper construction access to their development. Councilmember Lebermann felt that it might be appropriate to see these other major facilities constructed before proceeding with the proposed plan so there would be definitive data.

Councilmember Linn commented that she was in favor of the concept.

MR. FRANK McBEE spoke in favor of closing Eighth Street and felt that the mall would be good for the neighborhood. He also felt it would improve the library.

MR. CHUCK CHRISTENSON, an owner of a business in the area, stated that he basically supported the concept and agreed with Councilmember Lebermann that no action should be taken financially until the Lamar complex and the Capital National Bank is developed as well as the library.

FRED SACKETT, 1402 Windsor, commented that he was representing the Library Commission and was very much in favor of the concept of the plan. He urged the Council to give the necessary endorsement so the plan could proceed.

DR. WILEY JORDAN, Parks Board, felt that the concept would improve the traffic flow and that it was a good idea. He urged the Council to allow the plan to proceed.

FRANCIE BREYFOGLE, Austin Tomorrow On-Going Committee, stated that they highly endorse the closure of Eighth Street for the reasons found in the Goals document.

BILL COATES, Chairman of the Parks Advisory Board, stated their endorsement of this concept.

ELIZABETH CUNNINGHAM noted that she had given the plan considerable study and felt that any action considered should be for the benefit of the people at large rather than just for a few. She noted several factors that needed to be studied before implementing this plan.

WILLIAM J. WOOLSEY expressed his concern for the property that belongs to him that was located in the proposed area and was opposed to anything that would destroy the utility of the property. Mayor Friedman noted the proposed location of the mall and felt there would be no problem for Mr. Woolsey.

MRS. RALPH HANNA, a property owner in the area, objected to vacating a City street and felt it would be setting a precedent. She also thought it would create a parking problem.

TOM CURTIS, Capital National Bank, stated that he had read the study and wondered if there really was an urgency with this matter. He felt that the impact should be determined with the development.

#### Motion

Councilmember Linn moved that the Council close the public hearing and instruct the Planning Department and the Urban Transportation Department to proceed with the design plans. The motion was seconded by Councilmember Trevino.

Councilmember Trevino reiterated that all the staff was requesting was authorization to look at the concept and this is not action to close the street.

#### Roll Call on Motion

Roll call on Councilmember Linn's motion, Councilmember Trevino's second, showed the following vote:

Ayes: Councilmembers Hofmann, Linn, Trevino, Mayor Friedman\*  
Noes: Councilmembers Himmelblau, Lebermann  
Absent: Mayor Pro Tem Snell

\*Mayor Friedman stated that if it was closed at this point, there would be a problem without seeing the impact of the construction, particularly with the library about to start. Since this is just a matter of further study with the property owners and various boards and commissions, he felt the study could proceed.

\*Councilmember Himmelblau felt that it was premature, and if Urban Transportation wanted to come back next year and discuss plans and designs, she possibly would be amiable to it, however, at the present time she would vote "no."

#### HEARING ON ROY'S TAXI SERVICE TO AMEND ITS TAXICAB FRANCHISE

Mayor Friedman opened the public hearing scheduled for 11:00 a.m. to consider the application by Roy's Taxi Service to amend its Taxicab franchise. MR. CARLOS VELASQUEZ, representing Roy's Taxi Service, noted that this request for 10 additional permits was needed in order to continue in providing good service. He commented that Roy's Taxi Service was the oldest company operating in Austin and had the fewest permits.

In response to Councilmember Linn's question concerning the terminal fees, Mr. Velasquez submitted that the reason for the increase in terminal fees was due to the salary increases. In response to Councilmember Himmelblau's question concerning the former terminal fee, Mr. Velasquez stated it was \$25.00 and was now \$30.00.

BARRY OWENS, an owner and operator of a cab at Roy's, urged the Council to grant this request for the additional permits since the company was growing and needed the cars.

CRAIG POWELL spoke in favor of the additional permits and stated there was a definite need for the additional cabs.

JAMES TOWNSEND, representing Harlem Cab Company, distributed a letter to the Council which stated their opposition to granting the additional permits. In response to Councilmember Trevino's question concerning the number of permits Harlem Cab Company had, Mr. Townsend indicated they had 38 cabs operating and Yellow Cab had 60.

Councilmember Hofmann was concerned that a statement had been made by Yellow Cab and Checker Cab Companies that business had dropped, yet Roy's was requesting more cabs. Mr. Townsend commented that he was not familiar with the operation of the other cabs, but his business was remaining constant. Mr. Velasquez stated that if the additional permits were granted, Roy's would have a total of 40.

In response to Councilmember Linn's question as to a need for the permits being requested, Mr. Bill Bulloch, Assistant Director for Systems Development, noted that at the present time Roy's Taxi is utilizing all 30 permits and could not see any objection to the additional permits being granted.

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

AN ORDINANCE AMENDING SECTION 1 OF AN ORDINANCE ENTITLED "AN ORDINANCE GRANTING TO ROY VELASQUEZ, DOING BUSINESS AS ROY'S TAXI, A FRANCHISE TO OPERATE A TAXICAB SERVICE IN THE CITY OF AUSTIN, AND PRESCRIBING THE TERMS, CONDITIONS, OBLIGATIONS AND LIMITATIONS UPON AND UNDER WHICH SUCH FRANCHISE SHALL BE EXERCISED," FINALLY PASSED BY THE CITY COUNCIL OF THE CITY OF AUSTIN ON THE 20TH DAY OF SEPTEMBER, 1951, RECORDED IN ORDINANCE BOOK "Q," AT PAGES 666-671 OF THE ORDINANCE RECORDS OF THE CITY OF AUSTIN, BY AMENDING SECTION 1 THEREOF PRESCRIBING THE NUMBER OF TAXICABS AUTHORIZED TO BE OPERATED, PROVIDING FOR PUBLICATION AND THREE (3) SEPARATE READINGS.

The ordinance was read the first time, and Councilmember Trevino moved that the public hearing be closed and the ordinance passed to its second reading. The motion, seconded by Councilmember Himmelblau, carried by the following vote:

Ayes: Councilmembers Lebermann, Linn, Trevino, Mayor Friedman,  
Councilmembers Himmelblau, Hofmann

Noes: None

Absent: Mayor Pro Tem Snell

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

#### AFTERNOON SESSION 2:00 P.M.

Mayor Friedman called the afternoon session to order.

#### RECOGNITION

Councilmember Himmelblau read and presented a resolution signed by the Council to Mr. W. P. Watts in recognition of the fact that Mr. Watts had contributed much to the City of Austin while serving as a trustee of the City of Austin retirement fund, and Councilmember Himmelblau called on all residents to join the Council in commending him for his outstanding work on behalf of a great City. It was noted that Mr. Watts retired after 24 years of service. Mr. Watts thanked the Council and commented that his service had been a labor of love. He felt that the City has a system that it can be proud of.

#### RECOGNITION

Councilmember Hofmann read and presented a resolution signed by the Council to Mr. C. Willard Houser in recognition of the fact that Mr. Houser had contributed much to the City of Austin while serving as a trustee of the City of Austin retirement fund, and Councilmember Hofmann called on residents to join the Council in commending him for his outstanding work on behalf of a great City. It was noted that Mr. Houser retired after 24 years of service.

Mr. Houser also stated that his service was a labor of love and also felt the retirement system is the best in the State.

#### SOCIAL POLICY ADVISORY COMMITTEE

Councilmember Trevino noted that all the members of the Council had received a memorandum signed by the Mayor and Councilmember Trevino regarding the proposed Policy Advisory Committee. Councilmember Trevino stated that he was asking for formal adoption of a policy of the City in which the County Commissioner's Court, the School District and United Way would be approached to begin formulating a master social plan.

Mayor Friedman clarified that it was in response to the Council's authorization last May to develop this proposal authorizing the staff and any member of the Council that desired to develop this proposal. What is being proposed here is basically a part of that proposal that has been submitted to the Federal government. After discussing this matter with the government, Mayor Friedman noted that they were concerned that they be dealing with a coordinated effort rather than just with the City. They want to make sure that Austin can get the cooperation of the School District, United Way and the County Commissioners. This committee would in no way establish the plan but would just be to get the Council to authorize this to invite the other agencies to also send their members to this advisory panel so the Federal government can see that the coordinated effort is being obtained. This would be just the grant proposal stage.

Councilmember Linn expressed her disappointment with the manner in which this was carried out. She had worked very hard on this and had been waiting very patiently for the staff to report on what process was being carried out. Councilmember Linn indicated that she had not heard anything regarding this until now and there were people waiting to meet with the staff to discuss how the first advisory commission would be set up. Therefore, she suggested that this be postponed until there could be a work session regarding this matter.

Mayor Friedman stated that every Councilmember had the opportunity to work with the staff on the development of this, and this advisory panel would not develop the plan itself. This would be in direct response to the Federal government that if we hope to obtain the money, we will have to respond to their wishes and form a group. Councilmember Linn felt the rest of the Council should have been included in the planning of whatever occurred.

Councilmember Trevino stressed that what was being requested was that Councilmembers and staff be authorized to proceed with making official contact with the necessary organizations. The concern of Mayor Pro Tem Snell was regarding citizen input, but this would just be to show the government that there is a general agreement so the money can be funded.

Councilmember Linn was not convinced that this was the best way to begin the program and was not convinced that this would be the best composition of a commission whereby there would be elected officials for the first advisory commission. She requested an answer as to why she was not informed of the progress when the matter was her idea to begin with.

Mr. Andy Ramirez, Director of Human Resources Department, commented this was part of the application that was submitted to the Council which was approved. This recommended structure is in that proposal and thought that her office had received a copy of it. He reiterated Mayor Friedman's remarks concerning the good faith effort that the government was requesting. Councilmember Linn informed Mr. Ramirez that it was his responsibility to keep every member of the Council aware of this type of situation.

City Manager Davidson noted that if the staff has erred, he would fully acknowledge it. But in this case, he felt there had been a communication problem between the Council and that it was not a staff error. He indicated that information was submitted to the Mayor and separate members of the Council and assisted in placing this item on the agenda. He thought that the entire Council wanted this to proceed.

Councilmember Linn commented that she had tried to obtain information concerning this and was unable to locate any information until late yesterday afternoon. Mayor Friedman noted that this was delivered to all Councilmembers as soon as it was printed and he was not contacted concerning this. He stated that he talked with Mayor Pro Tem Snell regarding this matter and that the Mayor Pro Tem was not completely satisfied but understood that every Councilmember had the same opportunity to read the proposal when it was submitted. He indicated that this was on the agenda in direct response of the Federal government's indication as to what they would be interested in funding.

City Manager Davidson stated that it has been the practice of the Council that one member of the Council spends more time on one particular project than another one does; and it has been his effort to respond to the individual interests as best as he could. He submitted that if the Council felt there was a problem with working on this type of basis, then possibly the entire Council needed to discuss this.

#### Motion

Councilmember Linn moved that consideration of the Social Policy Advisory Committee be postponed for one week. The motion died for lack of a second.

Councilmember Linn felt that this was something that dealt with many things and that every Councilmember should have the opportunity to be involved with setting up this advisory committee.

Mayor Friedman stressed that this committee would simply show our good faith to the Federal government that we have the cooperation of the other policy making committees. The government does not want to see funds for separate entities. Councilmember Linn felt that good faith should be shown to the citizens of Austin and have a few non-elected people on the first advisory commission.

Mr. Ramirez noted that the plan does call for citizen input and the involvement of existing boards and commissions of the City, County Commissioner's Court and the Austin Independent School District. The policy decision as to who has the primary responsibility for certain kinds of services needs to be determined.

Motion

Councilmember Trevino moved that the Council accept as policy the proposal before them and that representatives of the Travis County Commissioner's Court, the Austin Independent School District Board of Trustees and the United Way Board be invited to participate in the formation of a Policy Advisory Committee for Social Policy; and furthermore, that this committee be established with the intent of producing a comprehensive social service plan for Austin and Travis County, and that all participating agencies have equal input in the planning and implementation of said policy. The motion, seconded by Councilmember Hofmann, carried by the following vote:

Ayes: Councilmember Trevino, Mayor Friedman, Councilmembers Himmelblau, Hofmann, Lebermann, Linn

Noes: None

Absent: Mayor Pro Tem Snell

Councilmember Linn noted that each Councilmember should be involved in the primary stage. Councilmember Trevino assured Councilmember Linn that there would be the opportunity for citizen input.

CONSIDERATION OF AN APPROPRIATE HONOR FOR A CITY  
EMPLOYEE

Mayor Friedman noted that this was a request that the Hospital Advisory Board be authorized to develop an appropriate honor in memory of the late Mr. Steven Paul Lulenski, R.N., who was killed in the line of duty at Brackenridge Hospital. Councilmember Lebermann moved that the Council instruct the Hospital Advisory Board to proceed in developing an appropriate honor in memory of the late Mr. Steven Paul Lulenski. The motion, seconded by Councilmember Linn, carried by the following vote:

Ayes: Mayor Friedman, Councilmembers Himmelblau, Hofmann, Lebermann, Linn, Trevino

Noes: None

Absent: Mayor Pro Tem Snell

CHANGE ORDERS

Councilmember Linn moved that the Council adopt a resolution approving the following change order:

Change Order No. 3, in the amount of \$6,224.58 to AUSTIN ROAD COMPANY for Project Number 4036 3, Community Development District Number 3.

The motion, seconded by Councilmember Trevino, carried by the following vote:

Ayes: Councilmembers Himmelblau, Hofmann, Lebermann, Linn, Trevino, Mayor Friedman

Noes: None

Absent: Mayor Pro Tem Snell

Councilmember Linn moved that the Council adopt a resolution approving the following change order:

Change Order No. 1, in the amount of \$13,507.95 to TERRY EDWARDS CONSTRUCTION COMPANY for Project Number 6265 5, Assessment Paving Group 60B.

The motion, seconded by Councilmember Trevino, carried by the following vote:

Ayes: Councilmembers Himmelblau, Hofmann, Lebermann, Linn,  
Trevino, Mayor Friedman  
Noes: None  
Absent: Mayor Pro Tem Snell

#### CONTRACTS AWARDED

Councilmember Linn moved that the Council adopt a resolution awarding the following contracts:

Bid Award:	- Large Lamps, Central Stores Division, 12 Month Supply Agreement
GULF COAST ELECTRICAL SUPPLY COMPANY 3207 Polk Houston, Texas	- Item 1-2 - \$14,647.50
DEALERS ELECTRIC SUPPLY COMPANY 7121 North Lamar Austin, Texas	- Item 3-5 - \$21,692.00

The motion, seconded by Councilmember Trevino, carried by the following vote:

Ayes: Councilmembers Himmelblau, Hofmann, Lebermann, Linn,  
Trevino, Mayor Friedman  
Noes: None  
Absent: Mayor Pro Tem Snell

Councilmember Linn moved that the Council adopt a resolution awarding the following contracts:

Bid Award:	- Miscellaneous Police Equipment, Police Department
BAILEY'S HOUSE OF GUNS, INC. Route 3, Box 327 A Houston, Texas	- Items 1, 2 and 7 - \$6,600.00
ART SIMON, MODUS OPERANDI 8415 Twin Hills Houston, Texas	- Item 4 - \$590.40

BETTS & MAJORS, INC.  
11848 C. E. N. W. Highway  
Dallas, Texas

- Item 5 and 6 - \$84.20

The motion, seconded by Councilmember Trevino, carried by the following vote:

Ayes: Councilmembers Himmelblau, Lebermann, Linn, Trevino,  
Mayor Friedman

Noes: None

Absent: Mayor Pro Tem Snell

Abstain: Councilmember Hofmann\*

\*Councilmember Hofmann noted her abstention was to the contract with Bailey's House of Guns, Inc.

#### POSTPONEMENT OF A CONTRACT AWARD

Mayor Friedman commented that due to some concerns of Mayor Pro Tem Snell, the following contract would be considered at the February 19, 1976, Council meeting:

CONNECTICUT GENERAL LIFE INSURANCE COMPANY Suite 126 Jefferson Chemical Building 3336 Richmond Avenue Houston, Texas	- Health, Accident, and Life Insurance Coverage for City of Austin Employees, March 1, 1976 - March 1, 1979
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#### TEMPORARY STREET CLOSURES

Councilmember Linn moved that the Council adopt a resolution authorizing the temporary closing of the following street:

PEARL STREET from 24th to 25th, from 3:00 p.m. to 6:00 p.m.  
on February 20, 1976, requested by Ms. Claudia Clinton representing  
Kappa Alpha Theta Sorority.

The motion, seconded by Councilmember Trevino, carried by the following vote:

Ayes: Councilmembers Hofmann, Lebermann, Linn, Trevino,  
Mayor Friedman, Councilmember Himmelblau

Noes: None

Absent: Mayor Pro Tem Snell

Councilmember Linn moved that the Council adopt a resolution authorizing the temporary closing of the following streets:

100-300 Block of EAST 3RD and 200-300 Block of BRAZOS, SAN JACINTO,  
and TRINITY beginning at 6:00 p.m., February 14, 1976, and ending at  
8:00 p.m., February 18, 1976, requested by Mr. Beverly S. Sheffield  
representing the Office of Bicentennial Affairs.

The motion, seconded by Councilmember Trevino, carried by the following vote:

Ayes: Councilmembers Hofmann, Lebermann, Linn, Trevino,  
Mayor Friedman, Councilmember Himmelblau  
Noes: None  
Absent: Mayor Pro Tem Snell

Councilmember Linn moved that the Council adopt a resolution authorizing the temporary closing of the following street:

SAN GABRIEL from 24th to 25th Street from 12:00 noon until 6:00 p.m.  
on March 6, 1976, requested by Mr. Bill Finnegan representing  
Kappa Sigma Fraternity.

The motion, seconded by Councilmember Trevino, carried by the following vote:

Ayes: Councilmembers Hofmann, Lebermann, Linn, Trevino,  
Mayor Friedman, Councilmember Himmelblau  
Noes: None  
Absent: Mayor Pro Tem Snell

#### INSTALLATION OF STREET LIGHT DUCTLINE

Councilmember Hofmann moved that the Council adopt a resolution authorizing the installation of 12,000 feet of street light ductline on Burnet Road from Anderson Lane to U. S. Highway 183 in connection with the State Department of Highway and Public Transportation for widening Burnet Road - \$52,140. The motion, seconded by Councilmember Trevino, carried by the following vote:

Ayes: Councilmembers Lebermann, Linn, Trevino, Mayor Friedman,  
Councilmembers Himmelblau, Hofmann  
Noes: None  
Absent: Mayor Pro Tem Snell

#### AMENDING AN ARCHITECTURAL AGREEMENT IN CONNECTION WITH GIVENS PARK RECREATION CENTER

Councilmember Linn moved that the Council amend a current Architectural Agreement in connection with the following Capital Improvements Program Project for the Parks and Recreation Department: (Independent Architects)

#### Givens Park Recreation Center

The motion, seconded by Councilmember Himmelblau, carried by the following vote:

Ayes: Councilmembers Linn, Trevino, Mayor Friedman, Councilmembers  
Himmelblau, Hofmann, Lebermann  
Noes: None  
Absent: Mayor Pro Tem Snell

## SELECTION OF PROFESSIONAL ENGINEERING SERVICES

Councilmember Trevino moved that the Council select W. C. COTTEN for Professional Engineering Services in connection with the following 1975-76 Capital Improvements Program Project for the Public Works Department:

Pecos Street Bridge (Taylor Branch)

The motion, seconded by Councilmember Linn, carried by the following vote:

Ayes: Councilmember Trevino, Mayor Friedman, Councilmembers  
Himmelblau, Hofmann, Lebermann, Linn

Noes: None

Absent: Mayor Pro Tem Snell

CONTRACT WITH AUSTIN-TRAVIS COUNTY MENTAL HEALTH AND MENTAL  
RETARDATION CENTER

Councilmember Linn moved that the Council adopt a resolution authorizing a contract with the Austin-Travis County Mental Health and Mental Retardation Center, to provide training and technical assistance to the Brackenridge Hospital emergency room staff and Emergency Medical Services Department staff. Contract amount: \$15,000 to be provided by MHMR. (Program Period February 1, 1976, to August 31, 1976) The motion, seconded by Councilmember Trevino, carried by the following vote:

Ayes: Mayor Friedman, Councilmembers Himmelblau, Hofmann,  
Lebermann, Linn, Trevino

Noes: None

Absent: Mayor Pro Tem Snell

## GRANT REQUEST

Councilmember Himmelblau moved that the Council adopt a resolution authorizing the submission of three grant requests totaling \$773,255 to the Federal Aviation Administration for funds enabled by the Airport Development Aid Program. The motion, seconded by Councilmember Linn, carried by the following vote:

Ayes: Councilmembers Himmelblau, Hofmann, Lebermann,  
Linn, Trevino, Mayor Friedman

Noes: None

Absent: Mayor Pro Tem Snell

## GRANT APPLICATION

Councilmember Himmelblau moved that the Council adopt a resolution authorizing submission of a third and final year grant application to the Texas Criminal Justice Division for the project entitled "Development Assistance for Rehabilitation, Inc." in the amount of \$49,000. The motion, seconded by Councilmember Linn, carried by the following vote:

Ayes: Councilmembers Himmelblau, Hofmann, Lebermann, Linn,  
Trevino, Mayor Friedman  
Noes: None  
Absent: Mayor Pro Tem Snell

#### CONTRACT FOR BLACK HERITAGE EXHIBIT

Councilmember Linn moved that the Council adopt a resolution authorizing a contract with Delta Sigma Theta Sorority, Inc., Austin Alumnae Chapter for a Black Heritage Exhibit. The motion, seconded by Councilmember Trevino, carried by the following vote:

Ayes: Councilmembers Hofmann, Lebermann, Linn, Trevino,  
Mayor Friedman, Councilmember Himmelblau  
Noes: None  
Absent: Mayor Pro Tem Snell

#### AUTHORIZATION TO SUBMIT A PRE-APPLICATION FOR THE BOGGY CREEK AREA

Councilmember Trevino moved that the Council adopt a resolution authorizing submission of a pre-application for \$300,000 of discretionary funds under the Housing and Community Development Act of 1974 to be used to alleviate effects of flooding in the Boggy Creek Area. The motion, seconded by Councilmember Himmelblau, carried by the following vote:

Ayes: Councilmembers Lebermann, Linn, Trevino, Mayor Friedman,  
Councilmembers Himmelblau, Hofmann  
Noes: None  
Absent: Mayor Pro Tem Snell

#### POSTPONEMENT OF AN ITEM

Councilmember Hofmann requested that the Transportation Improvement Program and Appropriate Action be postponed until February 19, 1976.

#### ORDINANCE FOR CONSTRUCTION OF STREET IMPROVEMENTS

Mayor Friedman introduced the following ordinance:

AN ORDINANCE DECLARING THE NECESSITY FOR AND ORDERING THE PAVING AND IMPROVEMENT OF PORTIONS OF CERTAIN STREETS IN THE CITY OF AUSTIN, APPROVING PLANS AND SPECIFICATIONS FOR SUCH WORK, AUTHORIZING THE CITY MANAGER TO ADVERTISE FOR BIDS, DIRECTING THE PREPARATION OF ESTIMATES, INVOKING THE ALTERNATE PROCEDURE PROVIDED BY ARTICLE I, SECTION 5 OF THE CHARTER OF THE CITY OF AUSTIN AND CHAPTER 106 OF THE ACTS OF THE FIRST CALLED SESSION OF THE 40TH LEGISLATURE OF TEXAS, DETERMINING THAT THE COST OF SUCH IMPROVEMENTS SHALL BE PAID BY THE CITY OF AUSTIN, PROVIDING A METHOD OF REIMBURSING THE CITY OF AUSTIN FOR A PORTION OF SUCH COSTS BY ASSESSMENT OF A PORTION OF SUCH COSTS AGAINST THE PROPERTY ABUTTING SUCH STREETS OR PORTIONS THEREOF TO BE IMPROVED, AND FOR THE FIXING

OF A LIEN TO SECURE PAYMENT OF SUCH ASSESSMENTS, STATING THE TIME AND MANNER PROPOSED FOR PAYMENT OF ALL SUCH COSTS, DIRECTING THE CITY CLERK TO CAUSE A NOTICE OF THE ENACTMENT OF THIS ORDINANCE TO BE FILED IN THE MORTGAGE OR DEED OF TRUST RECORDS OF TRAVIS COUNTY, TEXAS, AND DECLARING AN EMERGENCY. (North Lamar Boulevard)

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

Ayes: Councilmember Trevino, Mayor Friedman, Councilmembers  
Himmelblau, Hofmann, Lebermann, Linn  
Noes: None  
Absent: Mayor Pro Tem Snell

The Mayor announced that the ordinance had been finally passed.

#### ORDINANCE FOR WORK ON PEYTON GIN ROAD

Mayor Friedman introduced the following ordinance:

AN ORDINANCE RECEIVING AND ACCEPTING THE WORK OF IMPROVING PORTIONS OF PEYTON GIN ROAD IN THE CITY OF AUSTIN, TEXAS, WITHIN THE LIMITS HEREINBELOW DEFINED, PERFORMED BY PAT CANYON EXCAVATING COMPANY; AUTHORIZING AND DIRECTING THE ISSUANCE OF SPECIAL ASSESSMENT CERTIFICATES IN CONNECTION THEREWITH; DECLARING AN EMERGENCY; AND PROVIDING THAT THIS ORDINANCE SHALL BECOME EFFECTIVE IMMEDIATELY UPON ITS PASSAGE.

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

Ayes: Councilmember Trevino, Mayor Friedman, Councilmembers  
Himmelblau, Hofmann, Lebermann, Linn  
Noes: None  
Absent: Mayor Pro Tem Snell

The Mayor announced that the ordinance had been finally passed.

AMENDING THE 1975-76 OPERATING BUDGET AND  
CAPITAL IMPROVEMENTS PROGRAM

Mayor Friedman introduced the following ordinance:

AN ORDINANCE AMENDING ORDINANCE NO. 750925-D, ANNUAL BUDGET ORDINANCE FOR FISCAL YEAR 1975-1976, AND ORDINANCE NO. 750911-B, CAPITAL IMPROVEMENT PROGRAM BUDGET FOR FISCAL YEAR 1975-1976, BY APPROPRIATING AND TRANSFERRING 1974-1975 HOUSING AND COMMUNITY DEVELOPMENT CONTINGENCY FUNDS; AND DECLARING AN EMERGENCY.

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

Ayes: Mayor Friedman, Councilmembers Himmelblau, Hofmann,  
Lebermann, Linn, Trevino  
Noes: None  
Absent: Mayor Pro Tem Snell

The Mayor announced that the ordinance had been finally passed.

AMENDING THE CAPITAL IMPROVEMENTS PROGRAM

Mayor Friedman introduced the following ordinance:

AN ORDINANCE AMENDING ORDINANCE NO. 750911-B, CAPITAL IMPROVEMENT PROGRAM BUDGET FOR FISCAL YEAR 1975-1976, BY APPROPRIATING AND TRANSFERRING FUNDS FOR NEW CARVER BRANCH LIBRARY TO 1975-1976 CAPITAL IMPROVEMENT BUDGET; AND DECLARING AN EMERGENCY.

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

Ayes: Councilmembers Himmelblau, Hofmann, Lebermann, Linn,  
Trevino, Mayor Friedman  
Noes: None  
Absent: Mayor Pro Tem Snell

The Mayor announced that the ordinance had been finally passed.

CONTINUATION OF TELEPHONE HEARING ON REQUESTED  
RATE INCREASE AND FRANCHISE REVISIONS

Mayor Friedman opened the continued hearing scheduled for 2:30 p.m.

MR. GRAY BRYANT, District Manager, Austin Exchange, Southwestern Bell Telephone Company, introduced Mr. John Lawrence, General Attorney, Texas, and Mr. John Hayes, Assistant Vice President, both of Southwestern Bell.

MR. LAWRENCE spoke briefly before the Council and then introduced Mr. Hayes, who presented an overview of the Company's rebuttal to the reports of Dr. Jack Hopper and Mr. George Hess.

MR. JOHN E. HAYES stated that the rebuttal had three main purposes:

1. To demonstrate that using Mr. Hess' and Dr. Hopper's methodology (after correction of certain errors and legal misunderstandings), Southwestern Bell's revenue requirement is not \$1,988,000, but should be at least \$4,882,780 and would be as large as \$5,695,405 if Mr. Hess had been consistent with the approach he used ten months ago.
2. Even though Southwestern Bell's case was filed as required by Texas law as a "fair value" case, when such filing is converted to a net book approach, the requested revenue increase of \$6,700,000 is fully justified and that the net book rate of return and corresponding return on equity produced by that requested revenue requirement is totally reasonable, is consistent with sound rate-making principles and is entirely consistent with requests made by Southwestern Bell in the other jurisdictions it serves.
3. Attached at the conclusion to the rebuttal are position statements by Southwestern Bell on the issues of separations, end-of-period plant rate base and the so-called NARUC income tax adjustment.

The following assumptions consistent with the Hess and Hopper approach were made for purposes of developing the figures and outline of revenue requirements discussed in the rebuttal:

1. Rate base and expenses were separated on the basis of "full Ozark."
2. Average net plant figures, as opposed to end of period net plant figures are used.
3. The "fair value" rate base is the same 70% - 30% mixture recommended by Mr. Hess and Dr. Hopper, unless otherwise noted.
4. The fair rate of return is 12.25% on AT&T's common equity.

Mr. Hayes stated that it should be made clear that Southwestern Bell agreed with none of the above assumptions as being appropriate to Texas ratemaking. They were simply used to remove any argument concerning the issues and to show that under the Hess and Hopper approach the purported revenue deficiency of \$1,988,000 was a gross understatement.

Mr. Hayes then referred to the following exhibits in the rebuttal:

HESS AND HOPPER APPROACH  
CORRECTED  
AVERAGE 30% FAIR VALUE -- 70% NET BOOK  
12.25% RETURN ON PARENT EQUITY

1. Revenue Deficiency Found by Hess	\$1,988,437.
2. Increased Revenue Deficiency due to Corrected Double Leverage	797,259.
3. Inclusion of 1975 Wage Increase	1,480,887.
4. Inclusion of Economic Depreciation per Texas Law	661,231.
5. Exclusion of Contributions and Lobbying Expenses	<u>(45,034.)</u>
TOTAL CORRECTED REVENUE DEFICIENCY	\$4,882,780.

HESS AND HOPPER APPROACH  
CORRECTED  
AVERAGE 40% FAIR VALUE -- 60% NET BOOK  
FULL OZARK  
12.25% RETURN ON PARENT EQUITY

1. Revenue Deficiency at 7.85% computed from Hess' Schedule 5	\$2,550,584
2. Increased Revenue Deficiency due to Corrected Double Leverage	827,328.
3. Inclusion of 1975 Wage Increase	1,480,887.
4. Inclusion of Economic Depreciation per Texas Law	881,641.
5. Exclusion of Contributions and Lobbying Expenses	<u>(45,034.)</u>
TOTAL CORRECTED REVENUE DEFICIENCY	\$5,695,406.

Mr. Hayes questioned Mr. Hess' use of double leverage to test the adequacy of Dr. Hopper's 7.85% rate of return by showing that it would produce a return on AT&T's common equity of 12.25%. Double leverage had the purpose of sourcing the capital invested in Bell system property. It attributes to that invested capital the proportions of the capital structure by which the Company is financed. Mr. Hayes stated that Mr. Hess had made two basic errors in his approach to that capital structure by using double leverage:

1. He had ignored the existence of the interstate operation Long Lines Division, which represented 10% of the Bell system. Mr. Hess did not allocate portions of common and preferred invested equity and invested debt to the Long Lines Division and thereby attributed more debt to Southwestern Bell than was possible otherwise to do.
2. He treated Southwestern Bell's retained earnings as paid-in common equity. Mr. Hayes stated that retained earnings were the product of the operation of the subsidiary company and were the property of the common equity owner. If 12.25% were the proper common equity return, then the stockholders had a right to have the retained earnings earn 12.25%. Otherwise, they should demand that the Company do whatever was necessary to produce the retained earnings, turn them over to the stockholders and let them invest the money where it would earn 12.25% with no greater risk.

Accepting Mr. Hess' numbers other than the corrections and correcting for the two errors to produce a 12.25% return on Bell system common would require an additional \$797,259 each year.

Regarding out of period wages which were disallowed by Mr. Hess, Mr. Hayes stated that Mr. Hess had committed three errors:

1. In the previous Austin rate case, Mr. Hess had allowed \$1,096,746 in out of period wages. That case was based on test year 1973, and out of period wages were allowed which became effective July, 1974. The present case was based on test year 1974, and out of period wages became effective August 3, 1975. Mr. Hess had calculated a \$1.988 million shortfall in revenue requirements with out of period wages being disallowed. If the Company was unable to earn the allowed rate of return in 1974 with the out of period wages included in the previous recommendation, there is no way that the allowed rate of return can be earned in this case if out of period wages are disallowed.
2. Mr. Hess went 7 months beyond the test year 1973 to pick up out of period wages. He also reached 11 months beyond the test year to pick up a revenue increase adjustment. In the present case, Mr. Hess reached 5 months beyond 1974 to pick up \$3.6 million in increased revenues awarded in the previous case. Mr. Hayes agreed the action was proper, but he wondered why Mr. Hess would not reach another 60 days beyond May to pick up out of period wages.
3. In Exhibit 2, pages 1 through 3, Mr. Hayes had attached to his testimony a list of recent rate cases throughout the Bell system in statewide jurisdiction where for rate making purposes, out of period wages were allowed. The weight of authority from other jurisdictions dictated that out of period adjustments reaching into the future were appropriate. Otherwise, facing the impact of inflation and rising costs the Company would not be able to earn a fair rate of return on their investment in Austin.

Mayor Friedman noted that the Dallas rate case was not included in Mr. Hayes list of rate cases where out of period wages were allowed. He noted that only 50% of out of period wages were allowed. He asked why the Dallas case was not listed.

Mr. Hayes stated tht he did know if the wages were identified separately in the revenue requirement in the Dallas case. In that case the disallowance from the amount requested was so small that much or all of the out of period wages were included in the award. Mr. Hayes stated that to have included the 1975 out of period wages would have increased the revenue requirements by \$1,480,887 for the Austin rate case.

Statutes covering the regulation of telephone rates in Texas provide that the rates shall be sufficient to provide a fair return on the fair value of the property. To achieve a fair return, it is necessary in rate cases that depreciation expense be computed recognizing the fair value of the property to be depreciated. In Mr. Hayes' opinion Mr. Hess erred in using a fair value rate base, while not using fair value depreciation. Had he done so, there would have been an additional \$661,231 revenue requirement.

In response to Mayor Friedman's question, Mr. Hayes stated that he did not know whether or not the Texas Railroad Commission followed the use of economic depreciation. Mayor Friedman then asked if other state fair value commissions where Bell operated used economic depreciation. Mr. Hayes stated that Kansas and Arkansas were original cost. Missouri and Oklahoma were fair value states but did not use economic depreciation because there was no Alvin case in those states.

Mr. Hayes stated that it was clear that Dr. Hopper intended to exclude all contributions and lobbying expenses from the Company's booked expenses. Mr. Hess had included those expenses in his Schedule 3, and to reflect accurately what Dr. Hopper had intended, Hayes' Exhibit 4 showed what the revenue effect was if those amounts were deducted from the Company's claimed expenses. Correcting Mr. Hess' mathematical error reduced the Company's revenue requirements by \$45,034.

Mr. Hayes stated that correcting the preceding items 2 through 5 in Hayes' Exhibit 5 would show a revenue deficiency of \$4,882,780 instead of \$1,988,437, using 30%/70% rate vase as proposed by Mr. Hess. If the consultants had been consistent with the last Austin rate case, a 40%/60% rate base would have been used. Hayes' Exhibit 6 showed that using a 40%/60% rate base would show a revenue requirement of \$5,695,406.

Mr. Hayes stated that even though the case had been filed under fair value following Texas law, that when converting fair value to net book the \$6.7 million request was fully justified. Mr. Hayes then discussed his methodology used to determine cost of capital. In Exhibit 7, page 1, Mr. Hayes felt that the common equity invested in Bell system properties should earn not 12.25%, but at least 14%. When applied to the Bell system consolidated capital structure, and the costs weighted, the total revenue requirement was 10.18%. He felt that the appropriate rate base to which the 10.18% rate of return should be applied was at least net investment.

To his knowledge, there had never been any dispute over the accuracy of Southwestern Bell's booked revenues, expenses and investment. To test the reasonableness accurately of the Company's filing would be to set forth the Company's 1974 rate case on an average net plant basis using Mr. Hess' methodology, then add into revenues the \$6.7 million rate increase request to see what rate of return would be generated versus the rate of return required to cover the minimum cost of capital. Hayes' Exhibit 8 set forth that test. The basis used an average net book full Ozark separated rate base and only original cost average depreciation. According to Mr. Hess, all of the methods should be used by the Company in city cases to be completely fair and straightforward with regulators and the public. Adjustments for the out of period rate increase granted the Company in 1975 as well as other Company adjustments, including wages, were exactly as presented in the Company's fair value filing to the City. In Hayes' Exhibit 8, page 1 of 1, under the 1974 column, line 11, the earned rate of return without rate relief was 6.33%. Adding the \$6.7 million rate increase request would generate a 10.31% rate of return, which was only 13 basis points from the minimum cost of capital set forth in Exhibit 7, page 1. There was not a jurisdiction in Southwestern Bell where the Company would file a net book rate increase request without including forward looking expense, revenue and investment components, such as attrition allowance and end of period plant.

Even using Mr. Hess' and Dr. Hopper's methods, the Company was not asking for money from Austin customers to which the Company was not entitled. Cases throughout the Bell system were based on sound business principles, the laws of the state, basic economics and minimum financial need. In Mr. Hayes' opinion, remarks to the contrary were nonsense.

Mayor Friedman then called upon the City Attorney for his comments.

City Attorney Butler commented as follows:

1. The recommended rate increase was the consultants', not his.
2. Some aspects of the Bell application should have been investigated further, specifically, the Western Electric adjustment. Many cases cited by Bell to support other positions did look to the Western Electric problem.
3. Under the City Charter, the Company had to prove by clear and convincing evidence that the rate increase request was justified.
4. The 20¢ pay telephone and charge for directory assistance were throwaways. The main issue was the requested increase in line charge.
5. Progress was being made in the discussion of certain issues, such as the use of the Ozark plan.
6. Rate of return - Regarding the use of double leverage, he disputed Mr. Hayes' contention. Double leverage was simply a check to see the result of the rate of return allowed on the rate base of the Company. Regarding the 10.31% rate of return requested by Mr. Hayes, the City Attorney had provided the Council with a list of rates of

return from various cities covered by the Bell system during the last two years. The 8.8% rate of return recommended by Austin's consultants was slightly above the average rate of return shown on the list. He was surprised that Bell would quarrel with the rate of return matter, since Bell had requested a 7.01% rate of return. Mr. Hess had stated that the 7.01% rate of return reflected inappropriate regulatory practices. Allusions made to ratemaking in the last Austin case came from a high Bell official, not from the City Attorney or Austin's consultants.

7. Economic depreciation - Bell could not cite one example where economic depreciation was allowed. The Texas Railroad Commission did not allow it, nor did gas company counsels even ask for it.
8. The City would take the reduction proposed by Bell for contributions and lobbying expenses.
9. He was surprised that the Company had not checked Texas law before accusing the consultants of being inconsistent in applying a 70%/30% rate base. Since the last Austin case, Texas had enacted a law to provide for a weighting of 60% to 75%. Austin's consultants had simply taken a figure which was about in the middle. He would have been more impressed if the Company had come in with a figure somewhere in the range of that law.
10. To his knowledge, no one had allowed Bell a 14% equity rate of return.
11. Wage adjustments - Technological advances within the telephone system had allowed wage increases to be offset by other factors, such as increased productivity. In considering wage adjustments, a rule of thumb was not to go beyond six months because an imbalance would occur. He had considered running a productivity study both on 1974 and 1975, since there were adjustments in each year. After discussion with the consultants it was decided to give Bell all of 1974 and to disallow 1975, since the end results would be about the same. He had provided the Council with a list of rates in other Texas cities which showed Austin's rates to be about average. The telephone company had used a list to show that Austin's rates were among the lowest in the country. He felt that Austin's rates might even be a little high and certainly should be no higher than San Antonio. He was concerned that less than three years ago, single-party residence telephone rates had increased by 44.5% (\$29.40/year). There had been no Railroad Commission or LoVaca Gathering Company to blame for the increase. He felt that what the consultants had done on the adjustments was proper and that the weight of authority rested with the City, not the telephone company. He cited several examples from around the country which showed that out of period adjustments were either disallowed, limited to six or less months or were lower than the ones proposed by Austin. In Dallas, 1974 wage adjustments had been cut in half. In late 1974-early 1975 there was a round of rate

February 12, 1976

increases in Texas. The Company did not get 1975 adjustments. Austin would be the only major city in the state to grant such adjustments if the City agreed with Bell. If Bell really needed the 1975 adjustments, the Company would have filed for rate increases in other cities. In Dallas, the Company agreed to no rate increase for two years, even though only about half of 1974 adjustments were granted. He disagreed with Bell's suggestion that 10.31% on net book was being allowed by other commissions on telephone cases. He strongly recommended that the Council adopt the recommendations of Mr. Hess and Dr. Hopper, particularly regarding adjustments. It might be desirable to pursue the Western Electric offset and a productivity study should be run on both 1974 and 1975, particularly if any consideration was to be given to the 1975 wage adjustment. He saw no reason to examine again why the 1974 adjustment was allowed and the 1975 adjustment disallowed. Due to certain factors at the time, Mr. Hess had been generous with the adjustment, but those circumstances did not exist this time. The Company was responsible for any delay in filing the present rate increase request. The City had moved on it expeditiously. He felt that the \$1.9 million increase was more than generous and probably a bit too much.

Mayor Friedman then opened the floor to comments from any citizens.

STEPHEN McNALLY stated that the \$45,034 should be deducted from the proposed \$1,988,437 rate increase. Ratemaking should be done at the state level, not City level because of staffing problems. He endorsed the recommendations of the City Attorney and felt that the telephone company should have to come before the Council prior to reducing service.

EARL L. CALDWELL, JR., Vice President, Southwest Interconnect, Inc., a competitor of Bell, requested that any rate increase be applied across the board to both line charges and equipment charges.

ROBERT BROWN opposed a charge for directory assistance. He proposed that the vacation service rate be one-half of the base rate without frills. Bell should provide an interconnect to eliminate charges for trunk lines. Some type of arbitration should be available to the average citizen in dealing with the telephone company. Austin should proceed toward a 911 program for emergencies.

JIM BOYLE and PAUL KENS, Texas Consumer Association, proposed an Austin Utility Consumer Advocate Program be created to monitor the practices and rate setting policies of Southwestern Bell. Money to staff the Program would come from a voluntary checkoff on individual telephone bills. Initially, there would be a board of seven directors appointed by the City Council. The method by which the money would be collected should be incorporated into the present negotiations with Southwestern Bell.

Mayor Friedman stated that there would be negotiations with the telephone company whereby the voluntary checkoff would be collected at no expense to the Company. The Program would not be limited to the telephone company but would cover all utilities. He hoped that Mr. Boyle, Mr. Kens and the City Attorney could work with the telephone company to establish such a procedure.

In response to Councilmember Linn's question, Stephen McNally enumerated several items which he regarded as a reduction in services. In reply, Mr. Gray Bryant stated that there had been no reduction in service in Austin. In response to Councilmember Linn's question, Mr. Bryant stated that he could document his statement.

Mr. Bryant then refuted other charges and stated that the \$157,000,000 the Company had spent in Austin in the past five years to improve services did not degrade services. In summary, he felt that the bulk of the over 156,000 subscribers in the Austin Exchange got good service and that they would continue to into the future.

In response to Councilmember Hofmann's question, City Attorney Butler stated that after it was determined what the increase would be, he would bring in an ordinance which would spell out some of the more popular items, such as line charges. In the past it had been the City's practice, absent any cost of service information or any clear indication that something was out of line, to spread the charges across the board percentage-wise. He felt that the one-party residence line charges were out of line and that the City might need to get back below San Antonio on that charge.

#### Motion

Councilmember Himmelblau moved that the hearing be closed and that we accept the recommendations of Mr. Hess and Dr. Hopper for an increase of 1.9 million dollars and to instruct the Legal Department to prepare an ordinance and to deny any increase in pay telephone charges and for directory assistance and that there be an equitable installation charge, but not the one that has been requested by Southwestern Bell.

Mayor Friedman asked if Councilmember Himmelblau would accept an amendment that would include specifying cooperation on working on the Austin utility consumer ideas presented as well as the work the City Attorney had to do on the franchise agreement for the gross receipts tax. Councilmember Himmelblau accepted the amendment.

In response to Councilmember Hofmann's request that Councilmember Himmelblau enlarge upon the term, equitable, Councilmember Himmelblau stated that she felt it was self-explanatory.

City Attorney Butler stated that what the City would try to do on installation charges would be to compare rates elsewhere and try to arrive at some reasonable solution. As he understood the motion, Southwestern Bell would not get anything near the amount requested.

Councilmember Hofmann stated that she had been disturbed over the installation charges being applied uniformly. City Attorney Butler felt that the City could work with the Telephone Company on their proposed three-element plan of installation charges.

#### Second to Motion

Councilmember Lebermann seconded the motion.

At that point, Mr. Bryant asked if the motion was being made on the actual increase of \$1.99 million as the consultant recommended. Councilmember Himmelblau replied, "yes." Mr. Bryant then asked if Mr. Lawrence could address the Council, and Mayor Friedman agreed.

MR. JOHN LAWRENCE asked that the Council pass the item as an emergency provision through all three readings at this time.

Mayor Friedman stated that the ordinance was not being passed at this time because the rate spread was unknown. The City Attorney was just being instructed as to the maximum amount the Council was authorizing for Southwestern Bell.

In response to Mr. Lawrence's question regarding the time element involved, City Attorney Butler stated that the ordinance could be passed through three readings next week, but it could not become effective immediately as an emergency item. The earliest that the ordinance would be effective would be ten days from February 19th.

Mayor Friedman stated that the ordinance could be passed next week, depending on the cooperation of the telephone company as to the agreements as to how charges would be spread.

#### Roll Call

Ayes: Councilmembers Himmelblau, Hofmann, Lebermann, Mayor Friedman\*

Noes: Councilmember Linn\*

Absent: Mayor Pro Tem Snell

Not Present: Councilmember Trevino

\*Councilmember Linn qualified her "no" vote by stating that she opposed any pay telephone rate increase and a charge for directory assistance and that she was against any kind of rate increase because people could not afford a rate increase.

\*Mayor Friedman stated that he voted "yes" because the consultant report basically kept the increase to a cost of living adjustment of about 5.4% to 5.6%. He thought that the spread of those charges with a minimum increase on the residential single-family telephone would be kept down by the City Attorney. In fairness to Mr. Hayes and the telephone company over the past few weeks, there was no inconsistency with the consultant or the City's report at this point. It was just following proper judicious ratemaking procedures.

#### HEARING ON REQUIRING ENCLOSURE DEVICE AROUND SWIMMING POOLS

Mayor Friedman opened the public hearing scheduled for 3:30 p.m. to consider requiring an enclosure device around private residential pools and semipublic pools; requiring building permits for enclosure devices. He stated that the ordinance was discussed by past Council and defeated on the second reading to require a self-locking gate and the minimum fence height requirement around any swimming pool in a residential or a semipublic area.

ELIZABETH MAYLAND, a registered nurse, urged adoption of this ordinance and that it be a requirement for all pools.

WAYNE WALDON, Vice President of the Austin Association of Builders, noted that the association supported the ordinance and urged the adoption of the ordinance. This position is also one maintained by the National Safety Council and the Texas Safety Association.

RUSS WARD, Austin Apartment Association, appeared in favor of the ordinance; however, he felt that if the ordinance was adopted to require pools already built to erect a fence, that it would place a burden on landlords.

DR. CLIFTON PRICE, unofficially representing the Austin Pediatric Community, noted that he had reviewed the data that has been compiled by Brackenridge Hospital concerning drownings. He felt that this was a serious problem and wanted to endorse this ordinance, and commented that it should be required for any past pools built to have this requirement.

MRS. AFTON BEUTLER appeared in support of the proposed ordinance and presented a petition with names to support it. She asked that this requirement be for all pools past and present.

PAT DEENY supported passage of the ordinance.

JOHN JENKINS appeared in favor of the ordinance and that it be required for all pools.

Councilmember Linn requested that some type of a retroactive clause be considered to include in the ordinance.

City Attorney Don Butler stated that this would be difficult to include in the ordinance and the Council might want to consider this awhile longer.

Mayor Friedman recommended that the ordinance be approved as it is now for all construction from this point forward and ask the Legal Department for suggestions concerning the retroactive clause.

Mayor Friedman introduced the following ordinance:

AN ORDINANCE AMENDING CHAPTER 43 OF THE AUSTIN CITY CODE OF 1967 BY REQUIRING AN ENCLOSURE DEVICE AROUND PRIVATE RESIDENTIAL POOLS AND SEMIPUBLIC POOLS: REQUIRING BUILDING PERMITS FOR ENCLOSURE DEVICES; PROVIDING FOR ENFORCEMENT OF CHAPTER 43 BY THE HEALTH OFFICER OR THE BUILDING OFFICIAL; SUSPENDING THE RULE REQUIRING THAT ORDINANCES BE READ ON THREE SEPARATE DAYS; AND DECLARING AN EMERGENCY.

Councilmember Hofmann moved that the Council close the public hearing, waive the requirement for three readings, declare an emergency and finally pass the ordinance effective immediately. The motion, seconded by Councilmember Lebermann, carried by the following vote:

- Ayes: Councilmembers Hofmann, Lebermann, Linn, Mayor Friedman, Councilmember Himmelblau
- Noes: None
- Absent: Mayor Pro Tem Snell
- Not Present: Councilmember Trevino

The Mayor announced that the ordinance had been finally passed.

Mayor Friedman instructed the staff to provide suggestions on some type of a retroactive requirement for pools that already have been built.

## SENIOR ACTIVITY CENTER SITE

MR. JACK ROBINSON, Director of Parks and Recreation Department, noted that the recommendations of the Parks and Recreation Advisory Board, the Retirees' Coordinating Board and the Parks and Recreation Department staff concerning the proposed Senior Citizen Center had been distributed to the Council. Mr. Robinson commented that he had worked a number of months on this report and that the first year Housing and Community Development funding of \$468,000 requires the following:

1. The building be centrally located to serve the total city.
2. The center be accessible to public transportation.
3. It benefit seniors of all economic dispositions, including large numbers of low and moderate incomes.
4. Adequate parking be provided.
5. The center be municipally owned and provide a full range of activities oriented towards a spectrum of meaningful experience to provide for the physical and mental enrichment of seniors.

Mr. Robinson stated that the center would provide Austin with its first multi-purpose resource center approximately 9,000 square feet. It will be programmed for the senior citizens in conjunction with the Parks and Recreation Department as the operating agency. This center will act as a nucleus of senior centers from which the Parks and Recreation Department can continue to provide and operate neighborhood centers at various locations in public or semi-public facilities.

In selecting a site, the PARD Advisory Board, the PARD staff and the Retirees' Coordinating Board, composed of 18 various senior groups, have worked together in evaluating several sites. In evaluating the site locations, consideration was given to the location of existing senior citizens facilities as shown by slides presented by Mr. Robinson. At the present time, no senior citizen facilities are offered in north or west Austin.

After reviewing the various sites available and the requirement of the grant, it is the recommendation of the Retirees' Coordinating Board and the concerned City staff that the following sites be considered by the Council in the priority in which they are listed:

1. Bailey Park
2. North Lamar and West 29th Street (City-owned).
3. First Presbyterian Church - Bull Creek Road and Jackson Street.
4. North Lamar and San Gabriel (City-owned).
5. West 12th Street and Elm (City-owned).
6. Duncan Park - West 10th and Shoal Creek.
7. Batts Mansion - Enfield Road and Windsor Road (City-owned).

February 12, 1976

## CITY OF AUSTIN, TEXAS

A brief summary of each site considered with advantages and disadvantages is included from those sites least suitable to most suitable. The first three locations were initially eliminated from consideration for the reasons indicated:

Batts Mansion (City-owned) - Enfield Road and Windsor Road

The use of the existing home would require extensive remodeling and refurbishing. In addition, the lot is too small to provide adequate parking without destroying the existing plant material and regrading.

Duncan Park - Shoal Creek at West 10th Street

Most of the tract is within the 100-year floodplain with that portion outside of the 100-year floodplain requiring the removal of several large Live Oak trees.

West 12th Street at Elm Street (City-owned)

The site is small in size, not adjacent to any existing park area and situated within a single-family-zoned neighborhood. Opposition might arise from the neighborhood with this proposed use.

San Gabriel Street and North Lamar Boulevard (City-owned)

Advantages:

1. Highly visible to general public and accessible city-wide.
2. Zoning is appropriate.
3. Level site with adequate space for development.

Disadvantages:

1. Bus service five blocks away.
2. Off-street parking would intrude on park area.
3. Area is adjacent to Shoal Creek Greenbelt, but requires crossing busy North Lamar to gain access.
4. High speed traffic adjacent to site.
5. No utilities in this immediate area.
6. Somewhat isolated by its location.
7. Traffic - noise pollution.

First Presbyterian Church - Jackson Avenue and Bull Creek Road

Advantages:

1. The grant proposal guidelines are met with respect to location by census tract.
2. Public transportation is available.

3. Suitable for city-wide participation.
4. Off-street parking is available.
5. Buildings are available.
6. The immediate availability of this facility would eliminate possible escalation of construction costs resulting from the building of a new structure.

Disadvantages:

1. The cost of remodeling and repairs would be above and beyond the purchase price.
2. The buildings presently lack control from security and operating standpoint.
3. The buildings are not connected and exposure to the elements is necessary when going from one building to another.
4. Rest rooms are not available in the fellowship hall.
5. The fellowship hall basement is not accessible from the main floor in the fellowship hall.
6. Future widening of Bull Creek Road would eliminate 23 existing parking spaces possibly requiring future parking lot expansion.
7. Property Management Department anticipates that the appraisal value of the property could exceed \$500,000. It is anticipated that only \$400,000 could be made available for land purchase since the rest would be needed for remodeling and refurbishing. It is our understanding that an appraised value would have to be offered, unless prior to entering into negotiations a firm offer is given by the seller and they decline any relocation costs.
8. The site is adjacent to an existing private senior citizen development, Westminster Manor.
9. The area is not accessible to other park areas.
10. Traffic - noise pollution.

Lamar Boulevard and West 29th Street (City-owned)

Advantages:

1. Located on two bus lines and two major thoroughfares.
2. Highly visible to general public.
3. Adjacent to traffic light crossing on North Lamar for access to Shoal Creek Greenbelt Hike and Bike Trail.
4. Zoned for use.

5. Utilities available.
6. Sufficient land available for use and parking.
7. Excellent central location within City.
8. Generally safe area for night use.

Disadvantages:

1. Busy traffic corner with high traffic count and noise pollution.
2. Minor grading necessary to level site.

Bailey Park

Advantages:

1. Sufficient acreage in park for development and parking.
2. Park setting available with advantage of existing development for use by seniors such as wading pool for therapeutic water activity and tennis courts for tennis play.
3. Zoning appropriate.
4. Close to Shoal Creek Hike and Bike Trail and Greenbelt with access by crossing only residential streets.
5. Located within a quiet area with minimum traffic congestion.
6. Near medical complex.
7. No removal of trees are necessary for proposed development.
8. Surrounding use is compatible.
9. Will be compatible with the Parks and Recreation Department plans for developing the park as an adult area with recreational facilities for the office worker during the noon hour and as an open space area within what is potentially an office complex area. Funding is currently available to begin development of the playground toward this use. This area has shown a continuous shift from use by children to young adults as a decline in neighborhood housing has occurred.
10. The location of this recreational facility within Bailey Park is in keeping with the overall city program of providing recreational structures within park areas in balance with open space. The Senior Citizen Center is comparable with other recreational facilities that have been located within park areas such as Givens Park Recreation Center, currently under design, or Metz Recreation Center.
11. Utilities available, including night lighting of grounds.
12. Bus service one block away on Lamar with availability of two bus lines.

Disadvantages:

1. A small portion of park land would have to be used for parking.
2. Sandlot ballfield would have to be relocated to Shoal Creek area two blocks to the west in an area that allows for greater open space activity.

In view of the above information, the Retirees' Coordinating Board, the Parks and Recreation Advisory Board, and the Parks and Recreation Department staff recommends by priority that the following locations be considered:

1. Bailey Park.
2. West 29th Street and North Lamar.
3. First Presbyterian Church.

MR. GEORGE BRAY, Chairman of the Retirees' Coordinating Board, stated their support of the recommendations made by Mr. Robinson and commented that the senior citizens wanted a place to meet and to carry out their activities. He noted the many activities performed by the senior citizens and that a place to meet would be a great help to them. Mr. Bray asked that the senior citizen activity center be located in Bailey Park.

MR. AL BURGER, a member of the group and Vice Chairman of the Retirees' Coordinating Board, felt that the center should be designed and located where it will serve all the elderly in Austin. He stated that the proper location of the center was vital and stated the factors that should be considered in making this decision. The Bailey Park location was their first choice.

MR. TOM JOHNSON, Chairman of the Retirees' Coordinating Board, reviewed the efforts of the Coordinating Board to arrive at the recommended locations. Mr. Johnson pointed out that nationwide the retired people comprise about 10% of the population and felt that up to this time, they have not received 10% of federal funding. He noted the help he had received from Mr. Jack Robinson and Mr. Jim Miller in assisting them in their efforts for the site location. After reviewing many sites, Mr. Johnson commented that the Parks and Recreation Department convinced him that the center needed to be more than a meeting place. As the number of retired people in Austin increased, then additional neighborhood centers would be needed. He noted the preference for the Bailey Park location.

ANN SHERIFFS asked that the Council approve the Bailey Park site location for the senior citizens.

WOODROW SLEDGE indicated that he is a member of two of the organizations associated with the senior citizens and felt that this group present today are the older Americans of Austin.

LYLE HAMNER pointed out that the Governor's Committee on Aging had stated that the number of people 65 and older in Travis County is 12% rather than 10%.

FELIX CRAWFORD commented that he was acquainted with Bailey Park and noted that there was not extensive activity at the park and felt it would be an ideal location for the center.

In response to Councilmember Himmelblau's question as to the length of time it would take to relocate the athletic facilities to the 34th Street location, Mr. Robinson stated he had met with the Brykerwoods School PTA and discussed the development of a natural area on the west side of 34th Street. The equipment could be relocated very easily and if the City does build at Bailey, the play area should be at 34th Street when construction starts.

#### Motion

Councilmember Himmelblau moved that the Senior Activity Center Site be located at Bailey Park. The motion was seconded by Councilmember Lebermann.

In response to Councilmember Hofmann's question concerning the preference of a location by the senior citizens, Mr. Robinson indicated that they preferred the Bailey Park area because it had less traffic and is easily reached. Mr. Robinson felt very strongly that a play area at 34th and Shoal Creek should be developed very soon.

Mayor Friedman expressed concern that parkland would be destroyed in this proposed location at Bailey Park and felt that this should be given serious consideration. Councilmember Himmelblau felt that a new park could be created and serve the same purpose as the parkland being taken and at the same time would be giving the seniors a home.

#### Roll Call

Ayes: Councilmembers Himmelblau, Hofmann, Lebermann

Noes: Mayor Friedman, Councilmember Linn

Absent: Mayor Pro Tem Snell

Not Present: Councilmember Trevino

Mayor Friedman noted that the motion failed to carry, since 4 votes are required for it to pass.

The Council suggested that this item be placed on the agenda for the February 19 Council meeting to consider it when a full Council is present.

Mayor Friedman stated that he did not think it was feasible to trade parks and felt that there were several questions that had not been answered by the report which could be satisfied by construction at 29th Street and Lamar. There is a usable park at Bailey Park and the City has appropriated money because of the increase in use. Mayor Friedman felt that if Mr. Robinson thought it was best to close Bailey Park and trade it for 34th and Shoal Creek, then it should have been suggested before when money was authorized for Bailey Park. He felt that 29th and Lamar was a good site and the same structure and use could be obtained there; and he would not vote to destroy Bailey Park.

Councilmember Lebermann felt that the Bailey Park site was an excellent location and an appropriate recreational style use, an alternative use of parkland. Councilmember Linn stated that she was never in favor of using parkland in the center of the City.

MR. JACK TINKLE urged the Council to think about protecting the older citizens and not to send them to an area that would be unsafe to meet at.

MR. TOM JOHNSON commented that the senior citizens wanted a center that would be used and felt if it was not located at Bailey Park, there would not be much use. Mayor Friedman assured Mr. Johnson that there would be safety features wherever the site was located.

AMENDING RESOLUTION TO REVISE COST OF REPAIRS  
AT HOLLY POWER PLANT

The Council had before it for consideration amending the resolution of October 23, 1975, to revise the estimated cost of repairs to Boiler No. 3 at Holly Power Plant to \$1,200,000. Mayor Friedman noted that this item was in conjunction with another item on the agenda which was an ordinance amending the 1975-76 Operating Budget to transfer operating funds from Electric CIP to Electric Power Production.

MR. H. L. PETERSON, Assistant Director of Electric Utility, reviewed the problems that had occurred with the boiler and noted that it had been acid cleaned in 1975. After this cleaning was accomplished, it was found that the acid cleaning had not done the job as they thought it would. In response to Councilmember Linn's question as to the improper use of the acid cleaning, Mr. Peterson commented that the acid cleaner was used properly, but the scaling was more severe than had been anticipated.

After discussion as to how the repairs were handled, Councilmember Linn felt that there should be some type of formalized training for City personnel when problems like this arise. Mr. Peterson indicated that they were examining the maintenance program and initiating some changes in the program and hoped this did not occur again.

The repairs needed on the boiler will be done by a firm that is presently already on the job and there will be a warranty on the present work they perform which will be one year.

Councilmember Linn was concerned with the amount of money being spent and whether or not an adequate procedure was followed to make sure that proper repairs would be made. Councilmember Lebermann felt there was no alternative but to repair the boiler but did think that Councilmember Linn's concerns should be pursued through the City Manager's office.

City Manager Dan Davidson stated that Mr. Handock, Director of Electric Utility, assured him that measures have been instituted to prevent this type of problem occurring again. He felt that at the work session scheduled for tomorrow on Electric Utility would be a good time to investigate the concerns of the Council and that his office could be prepared either separately or as a part of the budget consideration next year to present the kind of resources that Mr. Hancock is planning to use in this kind of area.

Councilmember Linn felt that any time a boiler is cleaned, that it should be double-checked to make sure the proper procedures were followed. Councilmember Hofmann commented that she would like to visit the location of this boiler. Mr. Davidson stated this would be fine.

Councilmember Lebermann moved that the Council adopt a resolution amending the Council resolution of October 23, 1975, to revise the estimated cost of repairs to Boiler No. 3 at Holly Power Plant to \$1,200,000. The motion, seconded by Councilmember Himmelblau, carried by the following vote:

Ayes: Mayor Friedman, Councilmembers Himmelblau, Hofmann, Lebermann, Linn

Noes: None

Absent: Mayor Pro Tem Snell

Not Present: Councilmember Trevino

#### Ordinance

Mayor Friedman introduced the following ordinance:

AN ORDINANCE AMENDING ORDINANCE NO. 750925-D, ANNUAL BUDGET ORDINANCE FOR FISCAL YEAR 1975-1976, AND ORDINANCE NO. 750911-B, CAPITAL IMPROVEMENT PROGRAM BUDGET FOR FISCAL YEAR 1975-1976, BY TRANSFERRING APPROPRIATED ELECTRIC UTILITY CAPITAL IMPROVEMENT PROGRAM FUNDS TO ELECTRIC DEPARTMENT POWER PRODUCTION MAINTENANCE BUDGET; AND DECLARING AN EMERGENCY.

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

Ayes: Councilmembers Himmelblau, Hofmann, Lebermann, Linn\*, Mayor Friedman

Noes: None

Absent: Mayor Pro Tem Snell

Not Present: Councilmember Trevino

The Mayor announced that the ordinance had been finally passed.

\*Councilmember Linn requested to see all contracts associated with this.

#### RESOLUTION TO URGE CONGRESS TO APPROVE THE HIGH CRIME AREA PROGRAM

Mayor Friedman moved that the Council adopt a resolution urging Congress to approve the High Crime Area Program proposed by the Law Enforcement Assistance Administration and requesting the Metropolitan Austin Criminal Justice Planning Council to initiate planning for implementation of this program in Austin and Travis County. The motion, seconded by Councilmember Linn, carried by the following vote:

Ayes: Mayor Friedman, Councilmembers Himmelblau, Hofmann, Lebermann, Linn

Noes: None

Absent: Mayor Pro Tem Snell

Not Present: Councilmember Trevino

Mayor Friedman commented that this is a program that will hopefully aid in reducing the high crime problem.

## NATIONAL PARKS SERVICE GRANT TO AID CLARKSVILLE

Mayor Friedman referred to a letter that had been received from Mr. Truett Latimer, Executive Director of the Texas Historical Commission and Mr. Joe Williams, Director of the National Register Programs for Texas, informing him of the Commission's approval of the nomination of the Clarksville Historical District to the National Register of Historic Places. He noted that the Register is the official list of the nation's cultural resources worthy of preservation, and the Commission was preparing the nomination for submission to the National Parks Service for final approval. If listed on the Register, any property located within the boundaries of the Clarksville Historic District would be eligible to apply to the National Parks Service for a 50% matching grant for restoration. The money already allocated to Clarksville in the 1976-77 HCD plan is eligible for use as matching funding. Mr. Duncan Muckelroy, Coordinator of the Texas State Historical Commission, recommended that the City proceed with the preparation of an application for \$900,000, even though some of the funds allocated for Clarksville may be ineligible as matching money.

Mayor Friedman felt that the area was one worthy of restoration and recommended that the Council go on record as being in total support of the Commission and its nomination of Clarksville to the National Register of Historic Places. He also recommended that the City staff proceed to procure the additional funding that becomes available for restoration of the Clarksville district.

Mayor Friedman moved that the Council support the Commission's nomination of Clarksville to the National Register of Historic Places; and authorize the staff to proceed to procure the additional funding that becomes available for restoration of the Clarksville district. The motion, seconded by Councilmember Linn, carried by the following vote:

Ayes: Councilmembers Himmelblau, Hofmann, Lebermann, Linn,  
Mayor Friedman

Noes: None

Absent: Mayor Pro Tem Snell

Not Present: Councilmember Trevino

## POSTPONEMENT OF AN ITEM

Councilmember Lebermann noted that consideration of an amendment to the Wrecker Ordinance had been postponed until February 19.

## FINAL REPORT FROM CHARTER REVISION COMMITTEE

Mr. Charles Miles, Co-Chairman of the Charter Revision Committee, reviewed the procedure that was followed by the committee in creating this report, which was distributed to the Council. He felt that the public had sufficient input into creation of the report. Mr. Miles thanked the various City departments that made the completion of the report possible, with a special thanks to Mr. Steve Gutow, the Staff Coordinator of the Charter Revision Committee.

MARY BETH ROGERS, Vice Chairperson of the Committee, reiterated the remarks made by Mr. Miles concerning the thanks to all that made this final report possible. She commented that there are approximately 40 sections in the Charter that would have changes and at this time reviewed the following changes:

1. Article I - Incorporation, Form of Government, Powers  
Changes - none
2. Article II - The Council  
Changes - Sections 1, 2 and added Section 15
3. Article III - Elections  
Changes - outlined
4. Article IV - Referendum and Recall  
Changes - Sections 2, 4, 5, 6, 7, 8, 9, 10
5. Article V - Administrative Organization  
Changes - Sections 4, 6
6. Article VI - Municipal Court  
Changes - outlined
7. Article VII - Finance  
Changes - Sections 4, 5, 6, 7, 10
8. Article VIII - Taxation  
Changes - Sections 3, 10
9. Article IX - Personnel  
Changes - Section 4
10. Article X - Planning  
Changes - Sections 1, 2
11. Article XI - Franchises and Public Utilities  
Changes - none
12. Article XII - Ethics (New Article)  
Sections 1, 2, 3, 4, 5
13. Article XIII - General Provisions  
Changes - Sections 2, 15

Mr. Miles referred to the resolutions located at the conclusion of the report and asked that the Council consider them for implementation. He also asked that the Council consider setting the public hearing so it can be held within 10 days to discuss the report.

MR. BARR McCLELLAN, a member of the Charter Revision Committee, distributed a letter signed by 11 of the Committee members, which is 44% of the Committee, that asked for some additional time to review the recommendations that were made. Mayor Friedman felt that any minority reports could be made at the public hearing.

Ms. Rogers noted that included in the motion to present the final report to the Council there was also a part that requested the assistance of the City Manager to assist in the preparation of a minority report; and that the time for the presentation of the minority report be extended.

Mayor Friedman moved that the Council accept the final report, acknowledging that minority reports would follow; thank the Charter Revision Committee for their hard work; disband the Committee, and set a public hearing on February 26, 1976, at 7:00 p.m. on the Charter. The motion, seconded by Councilmember Lebermann, carried by the following vote:

Ayes: Councilmembers Lebermann, Linn, Mayor Friedman,  
Councilmembers Himmelblau, Hofmann

Noes: None

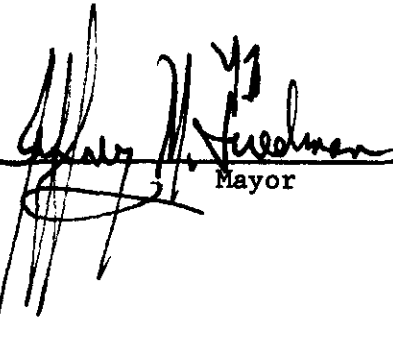
Absent: Mayor Pro Tem Snell

Not Present: Councilmember Trevino

#### ADJOURNMENT

The Council adjourned at 6:30 p.m.

APPROVED

  
Mayor

ATTEST:

  
City Clerk