

MINUTES OF THE CITY COUNCIL

CITY OF AUSTIN, TEXAS

Regular Meeting

August 19, 1976
4:30 P.M.

Council Chambers
301 West Second Street

The meeting was called to order with Mayor Friedman presiding.

Roll Call:

Present: Mayor Friedman, Mayor Pro Tem Snell, Councilmembers
Himmelblau, Hofmann, Lebermann, Linn, Trevino

Absent: None

The Invocation was delivered by FATHER RICHARD E. McCABE, Director of Catholic Charities.

APPROVAL OF MINUTES

Councilmember Himmelblau moved that the Council approve the Minutes of August 12, 1976. The motion, seconded by Councilmember Lebermann, carried by the following vote:

Ayes: Mayor Pro Tem Snell, Councilmembers Himmelblau, Hofmann,
Lebermann, Linn, Trevino

Noes: None

Not in Council Chamber when roll was called: Mayor Friedman

PUBLIC HEARING ON PROPOSED 1976-79 WATER AND
WASTEWATER PROGRAM

Mayor Friedman opened the public hearing scheduled for 4:30 p.m. to consider the proposed 1976-79 Water and Wastewater Bond Program. He stated that due to his absence from the City, there were certain details that he had not reviewed; therefore, he noted that the setting of an election date would be placed on the agenda for Council consideration on August 26, 1976.

MR. WOODROW SLEDGE, representing the Austin Independent School District, felt that the City could work together on this Bond Proposal for its passage. Mr. Sledge stated that in his opinion this proposal does speak to the important issues of water and wastewater.

MS. PAT CUNEY, Chairperson of the University of Texas Student Government City Council Lobby Committee, addressed the Council regarding their position on the Water and Wastewater Bond Program. She noted that her statements were based on work performed by an engineering student at the University and a member of the Committee. Ms. Cuney felt that the proposed bond program does nothing to address the matters associated with Austin Tomorrow and the Austin Transportation Study; that this proposal will encourage force growth into the southwestern regions of the County and cause the ruination of the very areas the Council has said to be preserving. Ms. Cuney felt that the Council should find out just what the citizens want for Austin, and one way of doing this would be by the creation of a commission on growth, along the lines of the Santa Barbara Study. She asked that this commission be appointed before the 1976-79 Bond Program is voted on, thereby allowing for more opportunity for citizen input.

In referring to the Bond Proposal on water and wastewater, Ms. Cuney stated that items covering (1) major main extensions; (2) house connections; (3) extensions to the customers; (4) cost differences; and (5) minor relief and rehabilitation mains, are vaguely worded and asked that they be investigated. She also felt that a responsible method be devised to control the transfer of funds after the bond program has passed; that the installation of sewer pipe down creek beds also be checked. Ms. Cuney requested the deletion of the following projects as outlined in the bond program:

1. 73/49-18 Ullrich WTP Phase II Expansion
2. 77/49-04 Ullrich WTP Dual Media Filters
3. 73/49-30 Ullrich WTP Raw Water Line
4. 73/49-32 Ullrich WTP Medium Service Pump
5. 76/49-01 Ullrich WTP High Service Pump Station
6. 76/49-02 Ullrich WTP Low Service Pipe Header
7. 77/49-03 Ullrich WTP Dual Power Circuit

She stated that the Committee also expressed concern about the Southwest Austin Transmission Main, and that if it is built, that it terminate at 360; and that the possibility of locating the transmission main geographically east also be explored. In conclusion, Ms. Cuney stated that in order for the Council to receive the full support of the student government on this matter, this commission on growth must be created, tight control on future bond funds and deletion of specified projects.

In response to Councilmember Himmelblau's question concerning Jeff Hall, the engineering student that prepared the Committee's report, Ms. Cuney commented that she didn't know which department this particular student was associated with at the University. Councilmember Himmelblau responded that Dr.

Gus Fruh, a member of the Environmental Board and who teaches environmental engineering, supports the program strongly.

Mayor Friedman pointed out that no transfer of funds are made without the Council's authorization.

Councilmember Trevino stated that since the bond program is such an important matter, he felt that there should be more public hearings conducted before an election is held. He suggested that the hearings be conducted at various locations throughout the City to allow for maximum input from the citizens; he felt this extension of hearings would certainly aid in making this a successful election. Mayor Pro Tem Snell stated that he was in agreement with Councilmember Trevino and felt that the meetings should be set as soon as possible.

Mayor Friedman stated that several public hearings have been held already and did not think it was necessary to prolong this matter. He felt that additional meetings could be conducted after the Council decides what issues will be presented to the voters.

Councilmember Linn noted that it was her understanding that the Environmental Board had not voted whether they supported the bond program or not. She commented that if the meetings are held in the various communities throughout the City, she hoped everyone would attend and offer productive suggestions on the program.

Motion

Councilmember Trevino moved that the Council set neighborhood meetings on the Water and Wastewater Bond Program at the August 26, 1976, Council meeting, and that an election date be considered also at that time. The motion was seconded by Councilmember Linn.

MR. DON WALDEN, member of the Environmental Board, responded to Councilmember Linn's question concerning the vote pertaining to the bond program, and noted that the Environmental Board did not take a formal vote on the matter. The item came up at the July 6, 1976, Environmental Board meeting, and it was not discussed in any great detail. He noted that there was very little interest in discussing the Water and Wastewater Bond Program at the meeting. The final comments were that what the staff recommended was agreeable to the Board. Mr. Walden stated that since there was not any opposition and it was not a controversial item, he assumed everyone on the Environmental Board agreed with the recommendation. He stated that if the Council desires a formal vote to be taken, he would be glad to have this done.

Councilmember Himmelblau requested that comments from Dr. Fruh and Dr. Morgan be obtained concerning this matter.

Roll Call on Motion

Ayes: Mayor Pro Tem Snell, Councilmembers Himmelblau, Hofmann, Lebermann, Linn, Trevino, Mayor Friedman

Noes: None

DR. GUS FRUH, a member of the Citizen's Advisory Board on the Environment and Resource Management, appeared in support of the Water and Wastewater Bond Program. He felt that the projects contained in the Program are desperately needed by Austin and had been studied very thoroughly by the necessary City departments, especially the Planning Department.

In response to Councilmember Himmelblau's question, Dr. Fruh stated that he is the Director of the Environmental Health Engineering Program at the University of Texas; a professional engineer and has been working on water problems in Texas for the past 12 years; and was responsible for some of the beginning work that was done on the Highland Lakes. In response to Councilmember Linn's question, Dr. Fruh noted that he also serves as a consultant.

City Manager Davidson stated that with the failure of the last Water and Wastewater Bond election the City is already one year behind, and he suggested that the Council set a date for the Bond election. After the date has been set, he suggested that the work sessions or hearings be set to educate the people concerning the importance of this Bond program. He urged the Council not to delay setting this date any longer.

In referring to another item on the Council agenda regarding the work sessions for the CIP and the Operating Budget, Mayor Friedman suggested that the neighborhood meetings be held beginning at 7:00 p.m. after the work sessions.

In response to Councilmember Lebermann's question, City Manager Davidson commented that due to the busy time in the City right now he felt it would be very damaging for the election not to be held by November. He felt that the public should be given ample opportunity to become aware of this election.

RELEASE OF EASEMENT

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

The east seven and one-half (7.50) feet of the north 157.40 feet of Lot 1, Block B, Onion Creek Section Two Amended, a subdivision in Travis County, Texas. (Requested by Mr. James G. Vier, Vice-President of Land Development, Lumberman's Investment Corporation, owners of Lot 1, Block B)

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

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

LICENSE AGREEMENT

Councilmember Linn moved that the Council adopt a resolution authorizing a License Agreement permitting encroachment by light poles, trees, shrubbery and a fence on east side of Red River Street between the north line of East 10th and the south line of East 11th Street. (Requested by Eugene Wukasch, representing Austin Urban Renewal Agency) The motion, seconded by Councilmember Trevino, carried by the following vote:

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

UTILITY JOINT USE AGREEMENT

Councilmember Himmelblau moved that the Council adopt a resolution for authorization to execute a Utility Joint Use Agreement with the State Department of Highways and Public Transportation on Loop 360 from Lake Austin to FM 2244 (Bee Caves Road). The motion, seconded by Councilmember Lebermann, carried by the following vote:

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

CONTRACT WITH TEXAS STATE LIBRARY

Councilmember Hofmann moved that the Council adopt a resolution for a contract between the Texas State Library and the City of Austin in the amount of \$179,356, for the purchase of library materials and the continuation of the Central Texas Library System Coordinator's Office, with the addition of other supportive personnel. The motion, seconded by Councilmember Trevino, carried by the following vote:

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

CONTRACTS AWARDED

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

TRACOR, INC.
6500 Tracor Lane
Austin, Texas

- Gas Chromatograph, Water and Waste-water Treatment.
Item 1 - \$9,444.72

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

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

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

Bid Award:	- Air Switches, Electric Department.
TECHLINE, INC. 8750 Shoal Creek Austin, Texas	- Items 1 and 2 - \$12,600.00
SOUTHWAY ELECTRIC UTILITY SERVICE 3201 Longhorn Boulevard Austin, Texas	- Items 3 and 4 - \$12,368.00
ALLIS-CHALMERS CORPORATION 310 South St. Mary's Street San Antonio, Texas	- Items 5 and 6 - \$10,455.00

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

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

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

BYRON-JACKSON PUMP DIVISION 6330 Dixie Drive Houston, Texas	- Repair of two Vertical Hydropress Pumps for use with Boiler Feed Pumps Nos. 51 and 52, Seasholm Power Plant. Item No. 1, estimated \$14,191.00 Item NO. 2, estimated \$13,954.00 Estimated cost: \$28,145.00
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The motion, seconded by Councilmember Lebermann, carried by the following vote:

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

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

WATSON DISTRIBUTING COMPANY 9111 Broadway San Antonio, Texas	- Ryegrass Seed, Parks and Recreation Department. Item 1 - \$12,050.50
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The motion, seconded by Councilmember Lebermann, carried by the following vote:

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

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

Bid Award:

- 12 Months Supply Agreement for Milk and Ice Cream Products for Brackenridge Hospital.

MILK PRODUCTS

CARNATION COMPANY

5600 Airport Boulevard
Austin, Texas

- \$37,143.00

ICE CREAM PRODUCTS

BORDEN'S MILK COMPANY

409 East Ben White
Austin, Texas

- \$2,340.60

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

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

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

SIMPLEX TIME RECORDER COMPANY
8900 Shoal Creek Boulevard
Austin, Texas

- Equipment and Supervision for Installation of a Fire and Smoke Alarm System for old section of Brackenridge Hospital, Construction Management Department.
Items 1 and 2 - \$19,764.00

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

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

In response to Councilmember Hofmann's question, City Manager Davidson noted that this system would be compatible with the present system that is in the building. MR. WILLIAM BROWN, Administrator of Brackenridge, stated that it was pointed out in a survey done that the present system was incomplete and Mr. Brown noted that since this survey was done he had worked very hard with various City departments to try and determine the minimum cash involvement of the City to meet this important safety regulation. He commented that the Joint Commission on Accreditation informed him that every building must have an electronically supervised, manually operated fire alarm system which transmits an alarm automatically to the fire department. He commented that no additional funds will be needed for this system.

AUTHORIZATION TO CHANGE NAME OF BOAT RENTAL CONCESSIONAIRE

Councilmember Linn moved that the Council adopt a resolution for authorization to change the name of a boat rental concessionaire on Town Lake from Claude Hargrave dba Town Lake Sail-Away, Inc., to Lillian A. and Richard A. Creasy dba Town Lake Sail-Away, Inc. The motion, seconded by Councilmember Trevino, carried by the following vote:

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

TEMPORARY CLOSURE OF CERTAIN TRAFFIC AND PARKING LANES

Councilmember Linn moved that the Council adopt a resolution temporarily closing the parking lane and two northbound traffic lanes in the 700 block of Congress Avenue from 2:00 p.m. to 12:00 midnight on September 12, 1976, as requested by Mrs. James H. Albright, Heritage Society of Austin. The motion, seconded by Councilmember Trevino, carried by the following vote:

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

AMENDING JOINT AGREEMENT CREATING AUSTIN TRANSPORTATION STUDY

The Council had before it for consideration amending the Joint Agreement creating the Austin Transportation Study. Councilmember Lebermann stated that he had a resolution that had been distributed to the Council concerning this matter, and he felt that the County representation and the City representation should be increased on the Policy Advisory Committee and the Steering Committee. Mayor Friedman stated that he had received phone calls concerning this and that it be postponed until the Austin Transportation Study group has had an opportunity to review it as well as the Urban Transportation Commission consideration also. Councilmember Himmelblau noted that she would like the City to have more representation on the committees.

WOODROW SLEDGE commented that the City and the County are not represented very well on the Policy Advisory Committee and felt there should be more.

Motion

Councilmember Lebermann moved that the Council adopt the following resolution:

"WHEREAS the City of Austin, the County of Travis, and the State of Texas on April 6, 1973, did agree to participate in the Austin Transportation Study in order to facilitate and insure comprehensive transportation planning; and

WHEREAS the Austin Transportation Study has been officially designated as the Metropolitan Planning Organization (MPO) for the Austin urbanized area; and

WHEREAS Title 23, Chapter 1, Part 450, Subpart A, Section 450.106(d) of the Federal Regulations pertaining to Urban Transportation Planning specifies that:

Principal elected officials of general purpose local governments within the jurisdiction of the MPO shall have adequate representation on the MPO; and

WHEREAS the Austin City Council does not have adequate representation on the Policy Advisory and Steering Committees of the Austin Transportation Study;

NOW, THEREFORE, BE IT RESOLVED that the Austin City Council recommends the following amendments to the existing joint agreement between the City of Austin, the County of Travis, and the State of Texas:

- First: that the Policy Advisory Committee be increased to eleven (11) members to be as follows: State Senator, 14th Texas Senatorial District; four (4) Travis County State Representatives; three (3) Austin City Council members; and three (3) Travis County Commissioners;
- Second: that the Steering Committee be comprised of twelve (12) non-elected members to be as follows: six (6) designated by the City of Austin; three (3) designated by Travis County; and three (3) designated by the Texas Department of Highways and Public Transportation.
- Third: that the Governor of the State of Texas, the Honorable Dolph Briscoe, is requested to redesignate the Policy Advisory Committee of the Austin Transportation Study as the Metropolitan Planning Organization."

The motion was seconded by Councilmember Himmelblau:

Mayor Friedman pointed out that these changes will not eliminate the local government control of the MPO. Councilmember Lebermann stated that the Policy Advisory Committee has the ultimate authority of policy making, etc.

Roll Call on Motion

Ayes: Councilmembers Himmelblau, Hofmann, Lebermann, Linn, Trevino, Mayor Pro Tem Snell

Noes: None

Abstain: Mayor Friedman*

*Mayor Friedman stated that he felt this matter should have been handled by the Urban Transportation Commission and the Austin Transportation Study first.

LEASE AGREEMENT FOR SPACE IN ROSEWOOD VILLAGE SHOPPING CENTER

The Council had before it for possible authorization approving a Lease Agreement for space in the Rosewood Village Shopping Center for use as a Dental Clinic. Councilmember Trevino noted that he was still working on this matter and would like to postpone any decision regarding it until he had a completed report.

SETTING PUBLIC HEARING ON THE 1976-77 ANNUAL OPERATING BUDGET

City Manager Davidson requested that the Council postpone any action on this item until August 26, 1976, at which time the Operating Budget will be presented.

ORDINANCE APPROPRIATING CERTAIN MONEY TO WATER AND WASTEWATER ACCOUNT

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 FROM CAPITAL INCREMENT FEE ACCOUNTS TO PRIORITY WATER AND WASTEWATER ACCUMULATED BALANCE ACCOUNTS; AND SUSPENDING THE RULE REQUIRING THE READING OF ORDINANCES ON THREE SEPARATE DAYS.

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

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

The Mayor announced that the ordinance had been finally passed.

ZONING ORDINANCE

Mayor Friedman introduced the following ordinance:

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

- (1) THE EAST 46 FEET OF LOT 7, HORST'S SUBDIVISION, OUTLOT 19, DIVISION "D," LOCALLY KNOWN AS 105 WEST 20TH STREET, FROM "O" OFFICE DISTRICT TO "GR" GENERAL RETAIL DISTRICT; AND,
- (2) A 1,050 SQUARE FOOT TRACT OF LAND, LOCALLY KNOWN AS 4535 EAST MARTIN LUTHER KING, JR., BOULEVARD, AND ALSO BOUNDED BY SPRINGDALE ROAD, FROM "LR" LOCAL RETAIL DISTRICT TO "C" COMMERCIAL DISTRICT; AND,

(3) TRACT 1: LOT A, CALHOUN SMITH ADDITION NO. 2, SAVE AND EXCEPT A 1,057 SQUARE FOOT TRACT OF LAND, FROM INTERIM "A" RESIDENCE, INTERIM FIRST HEIGHT AND AREA DISTRICT TO "GR" GENERAL RETAIL, FIRST HEIGHT AND AREA DISTRICT; AND,

TRACT 2: A 1,057 SQUARE FOOT TRACT OF LAND, FROM INTERIM "A" RESIDENCE, INTERIM FIRST HEIGHT AND AREA DISTRICT TO "C" COMMERCIAL, FIRST HEIGHT AND AREA DISTRICT;

LOCALLY KNOWN AS 1601 EAST ST. ELMO ROAD, AND ALSO BOUNDED BY INTERSTATE HIGHWAY 35; AND,

(4) A 436 SQUARE FOOT TRACT OF LAND, LOCALLY KNOWN AS 2250 EAST BEN WHITE BOULEVARD, AND ALSO BOUNDED BY CATARINA DRIVE, FROM "GR" GENERAL RETAIL DISTRICT TO "C" COMMERCIAL DISTRICT;

ALL OF SAID PROPERTY BEING LOCATED IN AUSTIN, TRAVIS COUNTY, TEXAS; SUSPENDING THE RULE REQUIRING THE READING OF ORDINANCES ON THREE SEPARATE DAYS; AND PROVIDING AN EFFECTIVE DATE. (The Austin National Bank, Trustee, C14-76-051; Stalong Company, C14-76-056; Calhoun-Smith Distributing Company, Inc., C14-76-057; Stalong Company, C14-76-055)

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

Ayes: Mayor Friedman, Mayor Pro Tem Snell, Councilmembers
Himmelblau, Hofmann, Lebermann, Linn, Trevino

Noes: None

The Mayor announced that the ordinance had been finally passed.

ZONING ORDINANCE

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

AN ORDINANCE ORDERING A CHANGE IN USE AND CHANGING THE USE MAPS ACCOMPANYING CHAPTER 45 OF THE AUSTIN CITY CODE OF 1967 AS FOLLOWS:
LOT 17, AND THE NORTH 74 FEET OF LOT 18, BLOCK 1, (SAVE AND EXCEPT THE WEST 40 FEET WHICH SHALL REMAIN ZONED "A" RESIDENCE, FIRST HEIGHT AND AREA DISTRICT), OUTLOTS 51 AND 52, DIVISION "B," CREST HAVEN SUBDIVISION, LOCALLY KNOWN AS 2108-2202 REDWOOD AVENUE, FROM "A" RESIDENCE DISTRICT TO "GR" GENERAL RETAIL DISTRICT; SAID PROPERTY BEING LOCATED IN AUSTIN, TRAVIS COUNTY, TEXAS. (Ella Pfeffer, Annie Kiecke, Henry Herring, Otto Lehman, Albert Brown, George Miller, May Olive Miller and Vivian Hubener, C14-76-007)

Motion

Mayor Pro Tem Snell moved that the third reading of the ordinance to cover the change be denied. The motion, seconded by Councilmember Linn.

Substitute Motion

The ordinance was read the third time, and Councilmember Himmelblau moved that the ordinance be finally passed. The substitute motion, seconded by Councilmember Trevino, carried by the following vote:

Ayes: Councilmembers Himmelblau, Hofmann, Lebermann, Trevino
Noes: Mayor Pro Tem Snell, Councilmember Linn, Mayor Friedman

The Mayor announced that the ordinance had been finally passed.

AMENDING ELECTRIC RATE ORDINANCE

City Manager Davidson noted that this item was in connection with the Mayor's Commission on Electric Rates report; however, Mayor Friedman stated that the Commission was not ready to present a final report and suggested that consideration of the Electric Rate Ordinance be considered in conjunction with that report.

Emergency Item

REJECTION OF PROPOSALS CONCERNING AUSTIN'S SHARE OF THE SOUTH TEXAS PROJECT

Councilmember Lebermann moved that the Council adopt a resolution rejecting all proposals for the purchase of Austin's share of the South Texas Project. The motion, seconded by Mayor Pro Tem Snell, carried by the following vote:

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

PROPOSED WORK SESSIONS AND PUBLIC HEARINGS FOR CAPITAL IMPROVEMENT PROGRAM AND OPERATING BUDGET

Mayor Friedman moved that the Council set the following work sessions and public hearings for the Capital Improvement Program and Operating Budget:

CIP Work Sessions

Friday, August 20, 1976, at 4:00 p.m.
Tuesday, August 24, 1976, at 4:00 p.m.
Thursday, August 26, 1976, at 7:00 p.m.
Friday, August 27, 1976, at 4:00 p.m.

Operating Budget Work Sessions

Tuesday, August 31, 1976, at 4:00 p.m.
Wednesday, September 1, 1976, at 4:00 p.m.
Friday, September 3, 1976, at 4:00 p.m.
Monday, September 6, 1976, at 4:00 p.m.
Friday, September 10, 1976, at 4:00 p.m.
Saturday, September 18, 1976, at 10:00 a.m.

Public Hearings on Operating Budget

Thursday, September 9, 1976, at 2:30 p.m. (Proposed public hearing)

Thursday, September 16, 1976, at 7:30 p.m.

Thursday, September 23, 1976, at 2:30 p.m.

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

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

Noes: None

PROPOSAL TO EXEMPT CERTAIN PERSONS FROM LICENSE FEE FOR PEOPLE'S
RENAISSANCE MARKET

Councilmember Linn stated that her proposal would be to exempt persons over 60 years old from the People's Renaissance Market license fee and to set aside a reserved area for senior vendors. She commented that this area would be located at the third tree toward San Antonio Street, one slot facing the building south and one facing 23rd Street. In response to Mayor Friedman's question as to these persons being allowed to go to other areas, Councilmember Linn noted that these two areas would stay reserved.

WOODROW SLEDGE appeared in support of this provision for older citizens.

Councilmember Linn moved that the Council accept the proposal to exempt persons over 60 years old from the People's Renaissance Market license fee and to set aside a reserved area for senior vendors, and instructed the Legal Department to prepare an ordinance for presentation on August 26, 1976. The motion, seconded by Councilmember Lebermann, carried by the following vote:

Ayes: Mayor Friedman, Mayor Pro Tem Snell, Councilmembers
Himmelblau, Hofmann, Lebermann, Linn, Trevino

Noes: None

PRESENTATION OF 1976-77 ANNUAL OPERATING BUDGET - WITHDRAWN

City Manager Davidson stated that this presentation would be done at the August 26, 1976, Council meeting.

APPEARANCE TO DISCUSS TRANSCENDENTAL MEDITATION PROGRAM - POSTPONED

Mr. Jerry Danials and Mr. Robert W. Semands, representing International Meditation Society, had requested to appear before the City Council to present research and recent developments regarding the Transcendental Meditation Program; Mr. Semands submitted a letter requesting a postponement until August 26, 1976, due to illness in the family.

SCHEDULE OF APPOINTMENTS

Mayor Friedman announced that the Council would meet in an Executive Session at 9:00 a.m. on August 26, 1976, to make the following Board appointments:

1. Arts Commission (6)
2. On-Going of Goals Assembly (3 plus 1 alternate)
3. Boggy Creek Ad Hoc Committee (2)
4. Building Code Board of Appeals (2)
5. Building Standards Commission (1)
6. Historic Landmark Commission (1)

Mayor Friedman announced that the Council would meet in an Executive Session on September 2, 1976, at 9:00 a.m. to make the following appointments:

1. Human Relations Commission (3)
2. Navigation Board (2)
3. Parks and Recreation Board (1)
4. Plumbing Board of Appeals (1)
5. Ethics Review Commission (1)
6. Energy Conservation Commission (2)

Mayor Friedman stated that the Executive Sessions would be starting at 9:00 a.m. from now on until further notice.

The Council then recessed until 7:00 p.m.

EVENING SESSION
8:00 P.M.

Mayor Friedman called the evening session to order.

TEXAS PUBLIC EMPLOYEES WEEK

Mayor Friedman read and then presented a proclamation to Mr. Raymond Schaaf proclaiming the week of August 15-21, 1976, as "Texas Public Employees Week" in Austin and called on all citizens to share in this public commendation of our public employees. Mr. Schaaf thanked the Council for the proclamation.

APPEARANCE CONCERNING OPERATION OF MUNICIPAL GOLF DRIVING RANGES

Mr. William B. Hilgers appeared before the Council to request termination of the contracts for operation of the Municipal Golf Driving Ranges. He asked the Council to consider some type of action to save four businesses from destruction and referred to a map that he presented which depicted the locations of the private driving ranges that existed on May 21, 1976. Mr. Hilgers stated that all of the City golf courses are within very close driving distance of the private golf driving ranges. After becoming aware that the three City driving ranges were being operated at public expense, he found that the private driving

ranges were being forced out of business almost immediately. Mr. Hilgers contacted the City staff concerning this matter, and was informed that this was done to serve the convenience of the public.

At this time, Mr. Hilgers referred to a letter that was transmitted to the City Manager from the Director of the Parks and Recreation Department which stated that the commercial facilities would generate approximately \$1,000 in additional revenue to the City. He then referred to other figures in the report regarding City revenues and facilities at City ranges and private ranges. In conclusion, Mr. Hilgers urged the Council to investigate this matter to see if it is a fair situation.

Mayor Pro Tem Snell pointed out that in the report referred to by Mr. Hilgers, it should be pointed out that the City does not advertise and private ranges do. Also, most of the golfers use the driving ranges for practice and there are no lights on any of the driving ranges at the golf courses at night. He felt the driving ranges were placed at the golf courses for the convenience of those golfers who would like to hit a few balls before they play, and could not see any direct competition with the driving ranges.

City Manager Davidson pointed out that he had met with Mr. Hilgers and pointed out that the City did not start the operation of these ranges prior to the time they were approved by the City Council. They were started after the matter was placed on a Council agenda, considered at a public meeting and approved by the Council. The recommendation to establish municipal golf ranges was first made in 1974 when a golf consultant presented a report to the Parks and Recreation Board, Golf Advisory Committee and the Council. City Manager Davidson stated that the City was not competing with the private operations, but he felt that Mr. Hilgers had presented some good points that needed to be considered. Mr. Davidson stated that he would be presenting to the Council some recommendations that will further rectify any present conditions that might lead to unfair competition with private enterprises.

City Manager Davidson emphasized that this matter was not brought before the Council to be adopted as a revenue producing measure, but that public demand indicated a desire to establish these municipal golf driving ranges. After reviewing golf course operations throughout the state, Mr. Davidson stated that most of the golf courses do have commercial driving ranges associated with the golf courses themselves.

In conclusion, Mr. Davidson commented that he would be bringing certain recommendations to the Council that will help insure that the City is not in an unjustified manner trying to compete with private enterprise. He recommended that the City continue with the operation of the municipal driving ranges.

Mayor Friedman felt that it is clear that there is going to be a demand by the public for services provided by the City of which the City has an obligation to meet that demand; however, any attempt to force private industry out of the way is not the policy of this Council.

Mayor Pro Tem Snell stated that he definitely encouraged the City to not sell any golf balls after 4:00 p.m.

Mr. Hilgers urged the Council to put the status quo in operation as it was on May 21, 1976, and allow the businesses that are already a success to continue to serve the public.

MR. WILLIAM CROMWELL, President of the Golf Advisory Board, reiterated that this proposal was presented by the golf consultant to more utilize the ranges that are currently in operation. The Golf Advisory Board supported the installation of the driving ranges. He felt that the operation of the ranges is a service provided that helps defray the cost of operating the range, the cost that the City would have whether it is a commercial range or one where you would hit your own balls.

In response to Mayor Friedman's question as to eliminating the driving ranges at the golf courses, Mr. Cromwell felt that this would not be satisfactory with the golfers. He expressed concern that the golf professionals are not making a very successful living at the present time, and the added revenue will be of help to the golf pro.

MR. CARL TURNER, representing the Capital City Golf Association, appeared in opposition to any changes with the arrangements at the driving ranges. He felt that private driving ranges can exist with the other ranges. In response to Mayor Pro Tem Snell's question, Mr. Turner stated that he was opposed to any fee structure change.

City Manager Davidson stated that there should be some adjustments made to the municipal range operations and as soon as these can be processed they will be presented to the Council. Mayor Friedman stated that no action would be taken on this matter tonight, and that the Council would await the City Manager's recommendations. He asked that Mr. Hilgers be contacted as to what these recommendations are as well as contacting the Golf Association and the Parks and Recreation Board.

Emergency Item

REQUEST FOR USE OF CERTAIN CITY FACILITIES FOR GENERAL ELECTION

Councilmember Linn moved that the Council approve a request from Ms. Doris Shropshire, County Clerk, to use the following City of Austin facilities for polling places in the General Election, to be held on Tuesday, November 2, 1976:

Doris Miller Auditorium
2300 Rosewood

Austin Recreation Center
1213 Shoal Creek Boulevard

City of Austin Fire Station
506 West M. L. King, Jr., Boulevard

Pan American Center
2100 East 3rd Street

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

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

SETTING PUBLIC HEARING ON REVISED PAINT AND GLUE SNIFFING ORDINANCE

Councilmember Trevino read the following statement and motion for the record:

"For many months, we have recognized that our City faces a grave and increasing problem involving youths from all sectors of the community. This problem lies in the use of dangerous inhalants; indeed, this form of drug abuse was cited by a recent conference on drug problems held in Mexico City as the number one international problem in drug abuse. Sadly, our community reflects this world-wide trend.

As a result of their concern in this area, a number of citizens from both the private and public sectors have been working together on a feasible solution for this habit which threatens the physical, psychological and emotional well-being of our youths. Particular praise is due Sgt. Henry Gonzales of the Austin Police Department, Roland Persons of Bardford Paints, Marie Scalzo of Parks and Recreation, Jessie Flores of Youth Advocacy, and Ray Kilgore of J. C. Penney. These are but a few of the many citizens who have contributed to the current effort to help prevent the spread of this danger.

The result of this community-wide cooperation is a proposed amended paint-sniffing ordinance which should do a great deal toward lessening the use of dangerous inhalants. This proposed ordinance not only increases the list of toxic substances to be regulated, but provides adequate measures to prevent the illegal procurement of such substances by our youths. In order that the Council give consideration to this important document as soon as possible, I move that we adopt a resolution setting a public hearing on the proposed ordinance for 3:00 p.m. on Thursday, August 26, 1976. Thank you."

The motion was seconded by Councilmember Himmelblau.

MR. RAY KILGORE, associated with J. C. Penney Company, appeared in support of the revised paint and glue sniffing ordinance and felt it will be a good ordinance for the City.

MR. JESSIE FLORES, associated with Youth Advocacy, urged the Council to adopt the amendments to the ordinance and felt it will provide for better control over the problems associated with the inhalant problem.

POLICE CHIEF FRANK DYSON indicated his support of the revised paint and glue sniffing ordinance and felt it is very important that the ordinance be revised since crimes associated with this are becoming more violent.

Roll Call on Motion

Roll Call on Councilmembers Trevino's motion, Councilmember Himmelblau's second adopting a resolution setting a public hearing on August 26, 1976, at 3:00 p.m. to discuss the revised paint and glue sniffing ordinance showed the motion carried by the following vote:

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

CONTRACT AWARD FOR LAUNDRY SERVICE AT BRACKENRIDGE HOSPITAL

The Council had before it for consideration awarding a contract involving the following:

JACK BROWN'S FABRIC CARE
SERVICE
615 Martin Luther King, JR.,
Boulevard
Austin, Texas

- Laundry Service for Brackenridge Hospital. Three Year Service Agreement, including extensions for up to 2 additional 1-year periods.
Item No. 1 estimated 2,250,000 lbs. @ \$0.128/lb.
Item No. 2 estimated 20,000 pc. @ \$0.68/ea.
Estimated total of \$301,600.00 first year.

Mr. Joe Liro, Assistant City Manager, stated that the main concerns associated with this contract are (1) how the employees of the laundry will be effected, and (2) the fiscal advantages of contracting as opposed to continuing in-house service. Analysis has concluded that it is to the City's advantage to contract rather than to continue the operation in-house; and extensive preparations have been made to insure that no present employee of the laundry will suffer any professional or financial hardships as a result of the move.

At the present time, there are 30 employees at the laundry and if the Council desires to contract for the services, 11 of these employees will be retained as laundry support staff. The remaining employees will be offered other positions in the hospital or in another City administrative department. No employee will be terminated or suffer a reduction in pay or seniority.

Mr. Liro spoke to the area of fiscal concerns and stated that there would be a double fiscal benefit to the City under a contracted operation. The City would be relieved of the financial responsibility of providing a laundry facility which at the present time it is estimated that the laundry space included in the plan is approximately \$200,000 to complete. If the laundry services are contracted, this investment will not have to be made. In addition to this amount, there will be also be the added cost of laundry equipment which is projected at \$217,000 for a 400-bed facility; and \$343,000 for a 650-bed facility.

Under the bids received, the contractor can process the laundry for less than the City can do. Mr. Liro stated that he expected first-year capital savings of \$415,000 and an annual operating savings of at least \$40,000 by

contracting for the service. According to a recent survey of the American Hospital Association, less than half of nearly 6,000 hospitals surveyed use in-house services; 30.2% relied on commercial services; 11.6% use linen rentals. Trends in the survey indicated that the majority of the hospitals in the United States, the majority of state and local government hospitals, and the majority of hospitals the size of Brackenridge do not use in-house services. Of the six hospitals surveyed in Texas, the same statement is true. In response to Councilmember Linn's question, Mr. Liro stated that he did not have the names of these hospitals with him, but would be glad to obtain this information. Councilmember Linn expressed concern as to just how the trucks would be kept sterile if the laundry is contracted.

Councilmember Trevino stated that reports have been received which stated that preventive maintenance had ceased last July and if this is true, then it could be expected that the equipment would not be functioning properly. Mr. William K. Brown, Administrator of Brackenridge, indicated that he was not aware that the maintenance had terminated. City Manager Davidson commented that the study to recommend suggestions along this area began before that time. Mr. Brown noted that there is a major preventive maintenance program in the hospital and the records are notated showing this.

Councilmember Trevino asked if the City did contract the service, could it be assured that there would not be any cross contamination involved. Mr. Brown stated that this question has been investigated and felt there would not be any problems.

Councilmember Linn pointed out that she had not received the requested information concerning the names of the hospitals in Texas that are contracting laundry service. City Manager Davidson commented that he would be glad to obtain these names. Councilmember Linn asked that she be furnished with information as to the cost of overhauling the machines in the laundry and a report on the preventive maintenance and oiling procedures.

Councilmember Trevino noted that if the laundry is contracted, it was stated in the back up material that only two bids applied for the service. The staff commented that one of these two firms was inadequate which would leave only one firm to deal with and Councilmember Trevino felt this could cause problems later. Mr. Brown felt assured that the Purchasing Department had checked this very carefully to make sure the City is protected.

Mayor Friedman then asked Mr. Liro a question concerning the tax cash flow out of the operating budget and the proposed additional money because of repairs to the equipment, and wondered if there are sufficient bonds available to complete Brackenridge construction as well as finding the necessary money to buy the equipment for the laundry. Mr. Liro stated there was not.

Councilmember Trevino referred to some information from the staff regarding the condition of the laundry equipment and felt that it was not that old and would possibly last for several more years. City Manager Davidson stated that he submitted his judgement concerning this to the Council, which was that the equipment will not last. He felt that if Councilmember Trevino had better advice, he should accept that advice and use it for the Council to make a decision. Mayor Pro Tem Snell commented that it was not a question of better advice, but that it is information the Council would like to have.

MR. JIM LUMPKIN, Assistant Manager of the Brackenridge laundry, stated that prior to his vacation on July 9, 1976, the maintenance was being done on the equipment. Since his return from vacation, the maintenance has not been done.

MR. WALKER, an employee in the laundry, commented that he was informed that the equipment was being maintained once a week. He felt that this equipment should be oiled more than this, and this is being discussed at the present time. Mr. Walker stated new maintenance procedures are occurring at this time which has been requested by Mr. Joe Baird, maintenance supervisor.

Councilmember Himmelblau stated that she is interested in saving money and still having the service by contracting it. She felt that it is important to save every way possible at Brackenridge. Councilmember Hofmann expressed she was concerned that there is possibly just one firm that can do the laundry. Councilmember Trevino stated that he felt several of the Councilmembers have questions regarding this matter and he would like additional time to look at the various concerns.

Mayor Friedman pointed out that the budget would be reviewed in the coming weeks and \$40,000 possibly does not sound like a big savings for the hospital, but he stressed that this amount is a lot of money. He felt that if this item concerning the hospital is going to be postponed, he suggested that it be discussed in conjunction with the Brackenridge Hospital Budget. Mayor Friedman noted that there are serious concerns about the money situation at Brackenridge.

Mayor Friedman requested that the City Manager contact the low bidder and ask if he will abide with the Council or resubmit at a later Council meeting. He felt that when the Council realizes the budget situation the City is in, they will have enough facts to see the type of operation the City can provide for the citizens in the future.

MR. RICHARD GOODMAN, a member of the Brackenridge Hospital Advisory Board, commented that this report concerning Brackenridge laundry was not given to the members of the Board and he would like to consider it before the Council makes a decision.

MR. LOUIS BLACKWELL, a supervisor in the laundry at Brackenridge, expressed his appreciation that the staff and City is concerned about the employees at the laundry as well as the quality of the linen service. Mr. Blackwell stated that he had spoken with individuals at St. David's Hospital and Holy Cross Hospital about laundry service received from Jack Brown's Fabric Care Service and was informed that they were not satisfied with his service. He noted that Seton Hospital changed from Jack Brown because of not being satisfied with his service. Mr. Blackwell stated that the reason Brackenridge built its own laundry was due to problems with contract service it had encountered years ago.

Mayor Friedman pointed out that the point in question is whether or not the City is in a position to afford operating a laundry and are the citizens in a position to pay for all of the ancillary operations of not only Brackenridge but all City departments.

Mayor Pro Tem Snell stated that another concern should be that if the hospital is going to pay prices for laundry service, it should not be receiving dirty linen. City Manager Davidson stated that if this was the case, he would not be recommending this contract. In response to Councilmember Linn's question, Mr. Davidson commented that Seton Hospital was contacted regarding their laundry service and disagreed with the comments presented by Mr. Blackwell.

City Manager Davidson stated that the City does extensive business with private enterprises each year and felt that Purchases and Stores does a fine job in evaluating contracts before recommending them. He reiterated that if he felt there were such things as pointed out by Mr. Blackwell associated with contracting the laundry, he would have never endorsed the recommendation to contract it out.

Mr. Blackwell asked that an outside institution be obtained to do a more thorough study on the linen situation at Brackenridge Hospital. In conclusion, he felt the hospital would be better if it kept its own laundry service.

PUBLIC HEARING ON CAPITAL IMPROVEMENT PROGRAM FOR 1976-81

Mayor Friedman opened the public hearing scheduled for 7:30 p.m. to discuss the proposed Capital Improvement Program for 1976-81. City Manager Dan Davidson recognized Mr. Miguel Guerrero, Chairman of the Planning Commission, who worked with this commission to consider a five-year Capital Improvements Program. City Manager Davidson prefaced the discussion of this program by stating his appreciation to the Planning Commission for their extensive review of the program. Due to this extensive review, Mr. Davidson felt that the program had been evaluated to the fullest. At this time, Mr. Jorge Carrasco, Capital Budget Officer, presented the Capital Improvements Program for the City of Austin.

Mr. Carrasco stated that the recommended five-year program totals:

General Government	\$121.57 million
Electric	338.76 million
Water and Wastewater	<u>140.57 million</u>
Total	\$600.90 million

Mr. Carrasco noted that three human services centers are included in the Human Resources portion of the program. They would replace three currently leased facilities and would address the needs voiced by residents during the Housing and Community Development hearings.

The proposed Health Department improvements include four neighborhood health centers, and Administration Building, and two new health clinics.

The Parks and Recreation area proposes continued emphasis in parkland acquisition and development. Over the next five years, expenditures of \$7,170,000 for parkland acquisition and \$19,153,000 for park development and improvements are proposed.

Proposed Library improvements give top priority to the continued development of branch libraries. The program includes expansion of the North Austin Library and construction of a new Carver Branch library in the first two years.

The Fire Program includes construction of four additional fire stations, relocation of Fire Station #1 and the Communications Center, construction of a Fire Prevention and Training Academy, and construction of a maintenance garage for fire fighting equipment.

A revised Water and Wastewater Bond Program is proposed that emphasizes central City needs and that makes maximum use of existing facilities. The recommended bond program that will finance our requirements for the next three years totals \$92.7 million dollars. The proposed five-year water and wastewater improvements have decreased by 53%.

Last year:	\$298.11 million
This year:	140.57 million

The Electric Utility Capital Improvements Program has been revised and evaluated with the result being a revised five-year plan that represents a reduction in cost of over \$7 million.

Existing bond authority approved by the voters in last year's election can finance the majority of the first two years of the proposed program. New bond authority is necessary, however, for Water and Wastewater projects and for Human Services Centers. The five-year program continues to rely heavily on federal assistance, approximately \$20,000,000 dollars over the next five years. In addition, State participation of \$2,332,000 is anticipated. Revenues from municipal operations also continue to increase in importance for the financing of capital improvements. Because of continually increasing demands on operating revenues and because of the impact capital improvements have on operating costs, very carefully economic planning will be necessary in order to insure that capital projects that have an impact on the operating budget are carefully assessed.

MR. MIGUEL GUERRERO extended his thanks to all of the City staff and the boards and commissions that aided in the creation of this program. City Manager Davidson stated that he was proud to recommend this program to the Council.

Mayor Friedman noted that work sessions have been set on the CIP and the public is invited. He stated that it would be approximately three weeks or longer before approval of any projects would be expected.

MARILYN SIMPSON, 2307 Mimosa, appeared before the Council concerning the William Cannon Road Project. She stated that she was not opposed to the highway but did not think there should be six lanes. She requested that this be made a four-lane road with curb, gutter and bike paths off the road. Mrs. Simpson also expressed concern about the zoning and what the presence of a large highway would do. Mayor Friedman noted that the decision as to the number of lanes would be discussed when the contract is let. Mrs. Simpson stated that the CIP states William Cannon will be six lanes and she hoped this would not happen.

DR. WYLIE JORDAN, a member of the Parks and Recreation Board, commented that the Board voted unanimously on two items in the CIP. Project #77/75-01, the 8th Street Pedestrian Mall and Project #77/86-21, Neighborhood Swimming Pool - Martin Junior High School. Dr. Jordan commented that the Board voted to recommend that this pool be located in the Montopolis area.

WILLIAM CROMWELL, 3500-D Enfield, a member of the Golf Advisory Board, referred to project #76/86-30, the Morris Williams Golf Course Improvements. He asked that the bids be let on this project along with the Jimmy Clay Golf Course at the same time. Mr. Cromwell asked that the \$22,000 scheduled for 1977-78 be moved up to 1976-77.

VIRGINIA BEDINGER signed a card to speak on CIP #77/86-12; however, she was not present when her name was called.

ROBERT J. FINLEY, 7206 Eganhill Drive, stated that he is a resident of the West Cherry Creek area and expressed his agreement with the comments presented by Mrs. Simpson concerning William Cannon Drive.

EFTON F. GEARY, 2614 Lazy Oaks, felt there had not been adequate planning of the William Cannon Road and that the ordinances relating to development of housing areas had not been analyzed sufficiently.

RONNIE HOUGHTON, a member of the Brookdale Homeowner's Association, commented that there is definitely a need for William Cannon Road being made a thoroughfare and he concurred with the comments of Mrs. Simpson.

Mayor Friedman stated that this was the first of several hearings that will be held on the CIP as well as several work sessions.

PUBLIC HEARING ON PROPOSED NEW ELECTRIC RATES STRUCTURE

TERRY SASSER, a member of the Mayor's Commission on Electric Rates, presented the Commission's final report to the Council. The Commission report recommended the following:

1. The Council hold at least three (3) public sessions.
2. No final action be taken until 30 days after August 19, 1976.
3. That the City Council and the Commission hold a joint meeting.
4. That the City get an economic impact statement on the rate proposal.
5. That the Council employ an outside rate consultant.

Mr. Sasser stated that there was a majority report and a minority report reflecting two (2) different rates on the matter of the O and M charges.

SHUDE FATH suggested the City do computer runs of the current rate structure and the proposed rate structure and exclude the fuel cost from both. She also stressed the need for annual audits to be done on all the City figures. She also agreed with the recommendation of bringing in an outside management consultant at least once every 5 years.

ROBERT YOUNG, a member of the Mayor's Commission on Electric Rates, made the following recommendations:

1. That there be a review board to oversee the electric utility.
2. That service regulations be laid down.
3. A new cost accounting system.
4. A system of credit plans for utility customers in economic need.
5. To abandon the declining block rate and set a cost commensurate with the amount of energy used.
6. That there be a utility review period of 30 days.

Mr. Young also stated that although rates will go up next year, under the new rate structure, rates would decrease by 1% to 45% compared to the existing rate structure with the fuel cost included.

DR. ROBERT YOUNG, an engineer and utility consultant for Scarbroughs and the Texas Retail Federation, stated that the Commission report does not clearly show that the new proposed rate structure is equitable because it does not conform with accepted accounting practices. He stated that electricity needed to be priced on a cost of service basis and that construction and progress should not be included in the base rate. He stated that peak load pricing does not work because people still use their utilities anyway and there is not conservation of energy. He asked the Council for another 60 days to gain the economic impact of the new rate proposal on the public.

RAY KILGORE also requested 60 days to work on the new utility rate.

BOB JENKINS, of the State Board of Control, stated that the City computer print-out was in error in the difference in the fuel charge. He stated that there were too many "blocks" in the declining block rate and that the cost between large buildings and residences was disproportionate.

ROYAL MASSET questioned where the 6 million dollar revenue difference between the current rate and the proposed rate would come from. Mayor Friedman stated that the revenue projections were discussed in the Commission's report.

JOHN KELLY, a physicist, stated that he found that there was no relation between what was said in the rate text and the actual bills. He stated that there was no decrease in billing even during the 8-month winter period. He stated that where his own bills for his residence were consistently higher, larger buildings that use the majority of energy were paying less on their bills than they actually used. Mayor Friedman stated that the fuel cost adjustment that has been built into the base rate will be checked. He also said that modifications would be looked at before the rate is passed.

NIM EICHELBERGER stated that the City should raise taxes rather than the utilities to gain revenue so that businesses could claim tax deductions on their Federal Income Tax. He also suggested that the City hire some rate experts to assist with the rate structure.

TOM CURTIS, representing Capitol National Bank, Highland Mall and The Building Owners and Management Association, stated that it was inevitable that rates would go up next year. Mr. Curtis stressed having outside rate experts come in to work on the proposed rate structure.

JIM PARKER asked the Council to make a delay in taking any action on the rate problem and also suggested that an economic impact study be made.

STEVE McELROY, Director on the Building Owners and Management Association, also stressed the need for an additional outside opinion to be brought in. He also suggested an extension of 60 days and an environmental impact study. Mr. McElroy also stated that a computer run he had made on a particular building in Austin showed that the cost for the structure under the existing program was lower than it would be under the proposed new rate structure.

MICHAEL EAKIN, representing Citizens for Fiscal Responsibility, cited the inequities of the current rate program. He stated that the data on the proposed rate structure was hard to comprehend, and it appeared as regressive as the current rate structure. Two problems Mr. Eakin cited were the raising of rates during the summer months for small businesses and residences and the public subsidizing of disproportionate amounts of energy used by large office buildings which he termed a substitute form of taxation. Mr. Eakin also suggested using a flattened rate.

JAY STOKES, representing Stokes Construction and Development Company and the Stokes Building, requested 60 days to study the proposed rate and also an economic impact study. He also suggested that the City Energy Conservation Commission be given more money and a larger staff and be specifically directed towards conservation of energy in the private business sector. He also requested the recommendation that the City supply some figures adjusted for some total revenue across the board, to be able to tell exactly what revenue money was needed where.

RICK EVANS emphasized the necessity for an expert study of the Commission's report. He requested the Council to hold back approval of any rate change until a complete study is done.

WAYNE HUFFMAN, a comparison of the rate proposals could not be made with the elimination of the fuel cost. Mr. Huffman questioned the distribution cost in the new proposal and suggested that a study be made in this area. He felt that the distribution cost should be distributed differently than the capital distribution cost. He also stated that there needs to be some sort of incentive for load management.

TOM KOLKER, due to the late hour requested assurance to speak before the Council at a later date. Mayor Friedman stated that there has never been any problem for anyone trying to contact the Council.

JIM SEYMOUR commended certain items from the Commission report. Mr. Seymour suggested abandoning comparing cost between residential users and commercial users because there is a qualitative difference between residential use and commercial use. He also suggested restructuring the proposal in a way that would shift the greater part of the burden of paying for the system on the commercial users. And it would shift away from residential users, the burden

of paying some of the cost. He also recommended that if the City hire an outside consultant, to have that person make recommendation on what can be done.

FRANK McBEE, JR., stated that the new concept would not encourage conservation on the part of industry. He also suggested that the Council look into reducing cost all the way from the gas to the billing.

MARK SCHNEIDER, speaking for Ms. Pat Cuney, cited the turn-on charge that greatly effects the student populace due to their high mobility. He also cited the distribution charge as being arbitrary and unsubstantiated.

BILL GURASICH, a member of the Commission, cited the necessity for an adaptable rate structure that could apply well in the future when different forms of energy are used.

Mayor Friedman stated that he was pleased over the concern being shown over the proposed new electric rate structure. He also commended the work of the Electric Rate Commission. The Mayor pointed out that the elimination of the declining block rate would cause higher users to pay additional money.

The Mayor doubted the necessity for another joint meeting between the Council and the Commission and suggested that any Council member or Commission member who had any questions on anything, could meet privately if they so desired. The Mayor also suggested that the City hire a rate consultant who could come up with a rate structure that reflects the fairness of everyone paying their fair share on electricity instead of the traditional subsidized declining block method.

Motion - Method

The Mayor moved that the Council authorize the City Manager to come back with some proposed names of consultants that the Council could look to towards validating or invalidating the rate structure as proposed by the Commission and someone who could also do some of the economic impact. He also moved that a second public hearing be set for September 2, 1976, at 4:00 p.m. The motion was seconded by Councilmember Linn.

Amendment - Not accepted

Councilmember Himmelblau offered a friendly amendment that a full legal review of the proposed electric rate structure ordinance be done before it is acted upon by the Council. Mayor Friedman did not accept the amendment, but stated it could be an instruction to the legal staff to answer any legal questions that the Council may have.

Roll Call

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

CONTINUED HEARING ON SOUTHWESTERN BELL TELEPHONE RATE INCREASE

Mayor Friedman opened the continued hearing on Southwestern Bell Telephone Rate Increase scheduled for 8:30 p.m. MR. DON BUTLER, Legal Counsel, reviewed the data regarding the rate increases for the telephone company and noted that Mr. George Hess, rate consultant, was present tonight to present his report.

MR. GEORGE HESS commented that he had presented his completed report to the Council and emphasized that the same procedure was used in preparing his report as has been used in the past. In noting the major differences in the report, Mr. Hess commented that Southwestern Bell calculates the annual depreciation expense on fair value and he calculates it on original cost.

Another difference is the weight given the reproduction cost which under the Texas Utility Regulatory Act of 1975 would be twice as much as the maximum. Mr. Hess commented that if his procedures are applied by the telephone company to the 1975 data, it would indicate they would be entitled to an increase of about \$4.2 million. One further adjustment Mr. Hess made in his report was in trying to estimate the effect of eliminating the excess profits earned by Western Electric on sales to Southwestern Bell on the basis of the best data that could be obtained. After correcting their figures and making the Western Electric adjustment, based on 1975 data, they would be entitled to an increase of \$3.8 million. In referring to two other figures, Mr. Hess noted that the value of service concessions to employees for 1975 would amount at \$145,000; and that there will be an increase in yellow page advertising revenues in December of 1976 which will result in an annual amount of \$369,000.

In response to Councilmember Linn's question, Mr. Butler stated that the concession to employees is where an employee of the company receives phone service which he does not pay for or else does not pay full price.

Mr. Butler indicated that another item to be taken into consideration in granting any increase is the fact that there will be an increase in yellow page advertising of \$369,000, which the Council could consider as a part of any rate increase. He also noted that Mr. Hess used the 70-30 weighting to the elements of the rate base whereas the law actually allows as much as a 75% weighting to original cost.

In response to Mayor Friedman's question, Mr. Hess commented that he used the 70% instead of 75% because this was the same method that had been used in the last two reports and that was based on what the Railroad Commission was doing at the time. Mayor Friedman noted that the figures regarding Western Electric were not exact figures and felt that possibly there was more information that could be provided by the telephone company to justify certain figures. Mr. Hess commented that more accurate determination could be made as to precisely what was purchased from Western Electric and still remains in service today.

MR. GRAY BRYANT, Division Manager of Southwestern Bell, commented that if the telephone company can get the \$4.1 million, it would take it since they are losing thousands of dollars every day. He encouraged the Council to take action and at the minimum give them the recommendation of Mr. Hess.

MR. JOHN D. LAWRENCE, attorney for Southwestern Bell, felt that Mr. Hess inappropriately applied the concept of double leverage. He felt that their case had been proven and that a clear revenue need on the part of Southwestern Bell is justified. In response to Councilmember Linn's question, Mr. Lawrence commented that property is not rendered on a fair value concept but on cost, less depreciation. It is a matter of negotiation between the company and the City's Assessor and Collector as to what is appropriate.

Mr. Bryant stated the telephone company had complied with every requirement of the Tax Assessor and the figures match, which he would be glad to present. Councilmember Linn asked that she be furnished with these figures.

In explaining the concession to employees, Mr. Bryant stated that this was something that an employee earns as he has greater seniority, as they get elevated in management and as a form of compensation.

In response to Councilmember Trevino's question, Mr. Butler stated a \$2.1 million could also be justified since the DC Commission cut out service concessions and is not put in as an adjustment. This would be simply part of the rate increase that might be given to the company. In referring to Councilmember Linn's question regarding the taxes, Mr. Butler noted that there is a difference between what they seek a rate of return on, and what they pay taxes on and this can be calculated fairly easily.

Mayor Friedman asked Mr. Butler if he would get the figures based on the 75% breakdown and bring back the report next week showing the exact breakdown to that 2.1 instead of the 3.8 million.

In response to Councilmember Lebermann's question, Mr. Hess stated that the \$3.8 million is what the company would be entitled to following the recommendations of the February 6, 1976, report. Mr. Hess stated he would have no problem with coming back next week on figures regarding the 75%.

Mayor Friedman moved that the Council continue the public hearing on the Southwestern Bell Telephone Rate increase on August 26, 1976, at 2:00 p.m. The motion, seconded by Councilmember Linn, carried by the following vote:

Ayes: Councilmember Trevino, Mayor Friedman, Mayor Pro Tem Snell,
Councilmembers Himmelblau, Hofmann, Lebermann, Linn, The

Noes: None

ADJOURNMENT

The Council adjourned at 12:30 a.m.

APPROVED

Mayor

ATTEST:

Grace Monroe
City Clerk