

MINUTES OF THE CITY COUNCIL

CITY OF AUSTIN, TEXAS

Regular Meeting

August 31, 1978
9:00 A.M.

Council Chambers
301 West Second Street

The meeting was called to order with Mayor McClellan presiding.

Roll Call:

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

Absent: None

REVEREND EFRAIN BUENFIL, El Buen Pastor Presbyterian Church, presented the Invocation.

UNIVERSITY HILLS OPTIMIST COLT ALL-STARS DAY

Mayor McClellan read a proclamation designating Thursday, August 31, 1978, as University Hills Optimist Colt All-Stars Day. The All-Stars baseball team was present in the Council Chamber to receive the proclamation. Their coach, BILL HAWTHORNE, thanked the Mayor on behalf of the team and one of the players presented her with an autographed baseball.

UNITED WAY WEEK

The week of September 2-8, 1978 was proclaimed by Mayor McClellan as United Way Week in a proclamation she read and presented to representatives of United Way, JOHN GRAY, JIM MUSICK, DEREK DORN and RAM WOLF. Mr. Gray thanked the Mayor for the proclamation and Mr. Jim Musick invited the Mayor and Council to attend the kick-off luncheon at noon, Thursday, September 7, 1978, in the Municipal Auditorium. The invitation was extended on behalf of the 38 agencies that are a part of the United Way.

MINUTES APPROVED

Councilmember Snell moved that the Council approve the Minutes for August 17, 1978, and Special Meeting of August 16, 1978. The motion, seconded by Councilmember Trevino, carried by the following vote:

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

BOARD AND COMMISSION APPOINTMENTS TO BE MADE

Mayor McClellan announced that the following board and commission appointments will be made September 7, 1978:

Arts Commission - 6
Building Standards Commission - 2
Electrical Board - 1
Heating, Air Conditioning and Refrigeration Appeals Board - 2
Historic Landmark Commission - 1
Solicitation Board - 1
Dental Health Advisory Committee - 1
Community Development Commission - 1
Manpower Advisory and Planning Council - 15
Vending Commission - 1
Parks and Recreation - 2

MASERU, LESOTHO - NEW SISTER CITY

Councilmember Goodman moved that the Council adopt a resolution to establish a sister city relationship with Maseru, Lesotho. The motion, seconded by Councilmember Snell, carried by the following vote:

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

LEASE EXTENDED

Councilmember Goodman moved that the Council adopt a resolution to approve a one-year extension of a lease to East Austin Optimist Club on City-owned property at 1187 Chestnut Street. The motion, seconded by Councilmember Snell, carried by the following vote:

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

MONTOPOLIS LIBRARY LEASE RENEWED

Councilmember Goodman moved that the Council adopt a resolution to renew the lease agreement with Mary Helen Culp for space for the Montopolis Branch Library. The motion, seconded by Councilmember Snell, carried by the following vote:

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

CITY-OWNED LAND SOLD

Councilmember Goodman moved that the Council adopt a resolution to approve sale of a tract of City-owned land to adjacent owner, E. S. (Eddie) Robinson and Marian Robinson:

3,838 square feet of land out of and part of Lot 1, Tarrytown 7.

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

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

CAPITAL IMPROVEMENTS PROJECT

Councilmember Goodman moved that the Council adopt a resolution to authorize acquisition of certain street right-of-way and easements for Stassney Lane, Phase 2 project. CAPITAL IMPROVEMENTS PROJECT No. 73/62-30:

Four tracts of land out of that certain 5.378 acre tract of land out of the William Cannon League. (Joe P. Hoffman Lumber, Inc.)

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

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

EASEMENT RELEASE

Councilmember Goodman moved that the Council adopt a resolution to authorize release of the following easement:

The ten (10.00) foot Public Utility Easement along the common line of Blocks A and B of Quail Creek Phase 2, Section 5, a subdivision in the City of Austin, locally known as 1211 Rutland Drive. (Requested by J. H. Cupit, Construction Manager for National Convenience Stores.)

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

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

STANDARD UTILITY AGREEMENT

Councilmember Goodman moved that the Council adopt a resolution to authorize entering into a Standard Utility Agreement, and Contract Work Statement with the State Department of Highways and Public Transportation for the adjustment and relocation of facilities on I. H. 35 and Clearmont Avenue. The motion, seconded by Councilmember Snell, carried by the following vote:

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

PAYMENT AUTHORIZED

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

O. H. CUMMINS	- The cost difference of 12"/8" water mains and 18"/8", 15"/8", 10"/8" wastewater mains installed in Shiloh Phase 2, Section 1 - \$65,831.53.
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The motion, seconded by Councilmember Snell, carried by the following vote:

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

WATER APPROACH MAIN

Councilmember Goodman moved that the Council adopt a resolution to authorize the following water approach main:

E. E. EPPERSON	- To construct a 6-inch water approach main to serve the Resubdivision of Lot 2 of Stone Subdivison. (No cost participation by City)
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The motion, seconded by Councilmember Snell, carried by the following vote:

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

WATER AND WASTEWATER APPROACH MAIN

Councilmember Goodman moved that the Council adopt a resolution to authorize the following water and wastewater approach main:

- JACK FRITTS and STEVE STRICKLAND - To construct both a 6-inch water approach main and an 8-inch wastewater approach main to serve the Fritts & Strickland Subdivision. (Cost to City for wastewater main - \$13,500.00; none for water main)

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

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

CONTRACTS APPROVED

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

- AUSTIN ENGINEERING COMPANY - CAPITAL IMPROVEMENT PROJECT -
6304 West Bee Caves Road North Meadows Phase III-A, 8 inch
Austin, Texas and 10 inch wastewater mains -
\$100,175.00 CIP No. 73/50-02

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

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

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

- WESTINGHOUSE ELECTRIC CORPORATION - Network Protector Parts, Electric
201 N. St. Mary's Street Department.
San Antonio, Texas Items 1 through 42 - \$17,653.44

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

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

Councilmember Goodman moved that the Council adopt a resolution to approve the following contracts:

- Bid Award:
- Street lighting luminaires, Central Stores Division to be used by Electric Department.
- WESTINGHOUSE ELECTRIC SUPPLY
9230 Research
Austin, Texas
- Items 1-6, 8 and 10 - \$98,615.80
- GRAYBAR ELECTRIC DEPARTMENT
7434 North Lamar
Austin, Texas
- Items 7, 9 and 11-14 - \$13,270.11

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

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

Councilmember Goodman moved that the Council adopt a resolution to approve the following contracts:

- Bid Award:
- Concrete Mixer Body and One Truck Cab and Chassis, Vehicle and Equipment Services Department.
- CONCRETE TRANSPORT MIXER COMPANY
4985 Flyer Avenue
St. Louis, Missouri
- Item 1, 1 ea. - \$12,859.00
(Concrete Mixer Body)
- LEIF JOHNSON FORD TRUCK CITY
502 East Ben White Boulevard
Austin, Texas
- Item 1a, 1 ea. - \$21,916.00
(Truck Cab and Chassis)

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

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

INTEGRATED CRIMINAL APPREHENSION PROGRAM

Councilmember Goodman moved that the Council adopt a resolution to authorize a contract with Ernst & Ernst to conduct an evaluation of the Integrated Criminal Apprehension Program at a cost of \$5,950.00. The motion, seconded by Councilmember Snell, carried by the following vote:

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

GRANT APPLICATION - LAW ENFORCEMENT

Councilmember Goodman moved that the Council adopt a resolution to authorize submission of a grant application to the Law Enforcement Assistance Administration in the amount of \$378,477 for the program entitled "Integrated Criminal Apprehension Program - Phase II" for the period February 1, 1979, through July 31, 1980. The motion, seconded by Councilmember Snell, carried by the following vote:

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

GRANT APPLICATION - URBAN TRANSPORTATION

Councilmember Goodman moved that the Council adopt a resolution to submit an application to the Urban Mass Transportation Administration, U.S. Department of Transportation, for a Technical Studies Grant in the amount of \$100,000 with an in-kind match of \$20,000. The motion, seconded by Councilmember Snell, carried by the following vote:

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

AGREEMENT TO SPEND HIGHWAY FUNDS

Councilmember Goodman moved that the Council adopt a resolution to enter into an agreement with the Austin Transportation Policy Advisory Committee, providing for the expenditure of Section 112 Federal Highway Funds totaling \$42,396.00. The motion, seconded by Councilmember Snell, carried by the following vote:

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

REIMBURSEMENT OF FAMILY PLANNING SERVICES

Councilmember Goodman moved that the Council adopt a resolution to enter into a contract with the Texas Department of Human Resources for reimbursement of family planning services to indigent patients. The motion, seconded by Councilmember Snell, carried by the following vote: (Contract \$60,000)

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

Councilmember Goodman moved that the Council adopt a resolution to enter into a contract with the Texas Department of Human Resources for reimbursement of Family Planning Services to welfare recipients under Title XX. (Contract amount \$93,604; period September 1, 1978, through August 31, 1979.) The motion, seconded by Councilmember Snell, carried by the following vote:

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

TRANSPORTATION FOR THE ELDERLY PROGRAM

Councilmember Goodman moved that the Council adopt a resolution to submit an interim third year renewal application to the Capital Area Planning Council, Area Agency on Aging, for Title III Older American Act funds in the amount of \$6,150 for transportation for the elderly program. (City share \$700.00 - December 31, 1978 through February 28, 1979) The motion, seconded by Councilmember Snell, carried by the following vote:

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

TENNIS PRO'S CONTRACT EXTENDED

Councilmember Goodman moved that the Council adopt a resolution to authorize extension and amend existing contract with MR. JOHN FULTON, Tennis Pro-Manager at the Caswell and Austin High School Tennis Centers. The motion, seconded by Councilmember Snell, carried by the following vote:

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

AUSTIN RAPE CRISIS CENTER

Councilmember Goodman moved that the Council adopt a resolution to implement a grant for the Texas Criminal Justice Division for the project "Austin Rape Crisis Center." (Grant amount \$12,046 Criminal Justice Division support; Program period October 1, 1978, through September 30, 1979; City cash match \$21,585.) The motion, seconded by Councilmember Snell, carried by the following vote:

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

SOLAR UTILIZATION/ECONOMIC DEVELOPMENT

Councilmember Goodman moved that the Council adopt a resolution to submit a grant application to the Community Services Administration for a Solar Utilization/Economic Development and Employment Project in the amount of \$140,657, sponsored by CSA, Department of Energy and Department of Labor. (Obligates \$289,604 in CETA Title VI funds in FY 1978-79) The motion, seconded by Councilmember Snell, carried by the following vote:

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

CETA TITLE III YCCIP

Councilmember Goodman moved that the Council adopt a resolution to submit a grant application to the U.S. Department of Labor and receive \$115,172 to provide employment opportunities for eligible youth, ages 16-19, under CETA Title III YCCIP (Youth Community Conservation and Improvement Programs)(program, period beginning October 1, 1978, through September 30, 1979.) The motion, seconded by Councilmember Snell, carried by the following vote:

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

CETA TITLE III YETP

Councilmember Goodman moved that the Council adopt a resolution to submit a grant application to the U.S. Department of Labor and receive \$583,450 to enhance job prospects and career opportunities for disadvantaged youth, ages 14-21, under CETA Title III YETP (Youth Employment and Training Program) beginning October 1, 1978, through September 30, 1979. The motion, seconded by Councilmember Snell, carried by the following vote:

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

CETA GRANT APPLICATIONS

Councilmember Goodman moved that the Council adopt a resolution to submit and accept grant application to the Department of Labor for CETA Programs, Titles I at \$2,805,000, II at \$164,506 and VI at \$1,282,733 for the first 3 months of the fiscal year 1978-79. The motion, seconded by Councilmember Snell, carried by the following vote:

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

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION CONTRACT

Councilmember Goodman moved that the Council adopt a resolution to enter into a contract in the amount of \$45,500 with the Equal Employment Opportunity Commission for FY 1978-79. The motion, seconded by Councilmember Snell, carried by the following vote:

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

JOHNSON HOME RESTRICTIVE COVENANT

Councilmember Goodman moved that the Council adopt a resolution to accept a restrictive covenant that the Johnson Home will not be sold or demolished without one hundred and twenty (120) days prior notice to the City of Austin from Travis Post #76, American Legion. The motion, seconded by Councilmember Snell, carried by the following vote:

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

TEMPORARY GAS RATES FOR U.T.

Mayor McClellan introduced the following ordinance:

AN ORDINANCE ESTABLISHING TEMPORARY RATES FOR NATURAL GAS SERVICE TO THE UNIVERSITY OF TEXAS; SUSPENDING THE RULE REQUIRING THAT ORDINANCES BE READ ON THREE SEPARATE DAYS; AND PROVIDING AN EFFECTIVE DATE.

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 Goodman, carried by the following vote:

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

The Mayor announced that the ordinance had been finally passed.

1% CITY SALES TAX EXEMPTED

Mayor McClellan introduced the following ordinance:

AN ORDINANCE EXEMPTING RESIDENTIAL USE OF GAS AND ELECTRICITY FROM THE ONE PERCENT (1%) CITY SALES TAX EFFECTIVE OCTOBER 1, 1978; SUSPENDING THE RULE REQUIRING THE READING OF ORDINANCES ON THREE SEPARATE DAYS; AND PROVIDING AN EFFECTIVE DATE.

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 Goodman, carried by the following vote:

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

The Mayor announced that the ordinance had been finally passed.

Later the Council voted to clarify the ordinance as follows:

Councilmember Cooke moved that the Council add the following wording to the ordinance exempting the residential use of gas and electricity from the 1% City Sales Tax: "Exemption shall apply to each regular monthly billing period beginning after October 1, 1978." The motion, seconded by Councilmember Goodman, carried by the following vote:

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

BOAT RACES

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

AN ORDINANCE AMENDING CHAPTER 29 OF THE AUSTIN CITY CODE OF 1967, SECTION 29-13; PROVIDING REGULATIONS PERTAINING TO THE OPERATION OF MOTOR BOATS ON THE COLORADO RIVER BETWEEN THE DAM AT PLEASANT VALLEY ROAD AND THE TOM MILLER DAM; PROVIDING CERTAIN EXCEPTIONS; SUSPENDING THE RULE REQUIRING THE READING OF ORDINANCES ON THREE SEPARATE DAYS; AND PROVIDING AN EFFECTIVE DATE.

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

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

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

PUBLIC HEARING RESCHEDULED

Councilmember Trevino moved that the Council reschedule for Thursday, September 7, 1978, at 10:00 a.m. a public hearing on an appeal from MR. PAUL WENDLER of the decision of the Landmark Commission denying a demolition permit for the Jacob Larmour House, 1909 Whitis, Case No. C14h-76-010. The motion, seconded by Councilmember Cooke, carried by the following vote:

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

Noes: None

Not in Council Chamber when roll was called: Councilmember Cooke

MRS. MARY ELLEN HESTER appeared before Council to make a statement since she will not be able to attend the September 7th meeting. She and her husband are interested in moving the house and are in the process of obtaining a lot to move the house to. She asked Council, in its consideration, to allow her 120 days to continue her search. Mayor Pro Tem Mullen indicated that the people in the bank trust department involved in the house are not opposed to the 120 days. In answer to Councilmember Goodman's question if the house can be moved, she told Council how it can be done and said that she is now getting estimates. A man who did not identify himself told Council that he supported Mrs. Hester's statement that the house can be moved and that he was getting bids from two house movers for the job.

ZONING HEARINGS

Mayor McClellan announced Council would hear zoning cases scheduled for 10:00 a.m. Pursuant to published notice thereof, the following zoning cases were publicly heard:

HARRY HIGH
C14-78-126

9941 Research Boulevard

From Interim "AA" Residence
1st Height and Area
To "GR" General Retail
1st Height and Area
RECOMMENDED by the Planning
Commission

Councilmember Trevino moved that the Council grant "GR" General Retail, 1st Height and Area District, as recommended by the Planning Commission. The motion, seconded by Mayor Pro Tem Mullen, carried by the following vote:

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

Noes: None

The Mayor announced that the change had been granted to "GR" General Retail, 1st Height and Area District, and the City Attorney was instructed to draw the necessary ordinance to cover as an emergency.

Ordinance Passed - Emergency Basis

Mayor McClellan introduced the following ordinance:

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

A 0.55-ACRE TRACT OF LAND, LOCALLY KNOWN AS 9941 RESEARCH BOULEVARD; FROM INTERIM "AA" RESIDENCE, INTERIM FIRST HEIGHT AND AREA DISTRICT TO "GR" GENERAL RETAIL, FIRST HEIGHT AND AREA DISTRICT; SAID PROPERTY BEING LOCATED IN AUSTIN, TRAVIS COUNTY, TEXAS; SUSPENDING THE RULE REQUIRING THE READING OF ORDINANCES ON THREE SEPARATE DAYS AND DECLARING AN EMERGENCY. (C14-78-126, Harry High)

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 Mayor Pro Tem Mullen, carried by the following vote:

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

The Mayor announced that the ordinance had been finally passed as an emergency measure.

LEONARD PASSMORE
& J. H. CONNOLLY,
TRUSTEE
By Jeff Geeslin
C14-78-130

12555-12563 U.S. 183

From Interim "AA" Residence
1st Height and Area
To "GR" General Retail
1st Height and Area
RECOMMENDED by the Planning
Commission

Councilmember Trevino moved that the Council grant "GR" General Retail, 1st Height and Area District, as recommended by the Planning Commission. The motion, seconded by Mayor Pro Tem Mullen, carried by the following vote:

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

The Mayor announced that the change had been granted to "GR" General Retail, 1st Height and Area District, and the City Attorney was instructed to draw the necessary ordinance to cover.

KAUFMAN & BROAD
MULTIFAMILY, INC.
By John T. Jones
C14-78-131

601-839 Highway 71

From "GR" General Retail and
"B" Residence
1st Height and Area
To "DL" Light Industrial
1st Height and Area
RECOMMENDED by the Planning
Commission

Councilmember Trevino moved that the Council grant "DL" Light Industrial, 1st Height and Area District, as recommended by the Planning Commission. The motion, seconded by Mayor Pro Tem Mullen, carried by the following vote:

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

The Mayor announced that the change had been granted to "DL" Light Industrial, 1st Height and Area District, and the City Attorney was instructed to draw the necessary ordinance to cover.

MILNER S. THORNE
By Tom Curtis
C14-78-134

11508 Highway 183
11363 Jollyville Road

From "GR" General Retail
1st Height and Area
To "C" Commercial
1st Height and Area
RECOMMENDED by the Planning
Commission

Councilmember Trevino moved that the Council grant "C" Commercial, 1st Height and Area District, as recommended by the Planning Commission. The motion, seconded by Mayor Pro Tem Mullen, carried by the following vote:

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

The Mayor announced that the change had been granted to "C" Commercial, 1st Height and Area District, and the City Attorney was instructed to draw the necessary ordinance to cover.

THE CAPITAL
NATIONAL BANK
in AUSTIN
By Tom Curtis
C14-78-135

300 block West 8th
Street
700 block Guadalupe

From "C" Commercial
3rd Height and Area
To "C" Commercial
4th Height and Area
RECOMMENDED by the Planning
Commission

Councilmember Trevino moved that the Council grant "C" Commercial, 4th Height and Area District, as recommended by the Planning Commission. The motion, seconded by Mayor Pro Tem Mullen, carried by the following vote:

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

The Mayor announced that the change had been granted to "C" Commercial, 4th Height and Area District, and the City Attorney was instructed to draw the necessary ordinance to cover.

AUSTIN HOTEL
LIMITED PARTNER-
SHIP
By James Morris, Esq.
C14-78-138

6000 Middle Fiskville
Road

From "C" Commercial
3rd Height and Area
To "C-1" Commercial
3rd Height and Area
RECOMMENDED by the Planning
Commission

Councilmember Trevino moved that the Council grant "C-1" Commercial, 3rd Height and Area District, as recommended by the Planning Commission. The motion, seconded by Mayor Pro Tem Mullen, carried by the following vote:

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

The Mayor announced that the change had been granted to "C-1" Commercial, 3rd Height and Area District, and the City Attorney was instructed to draw the necessary ordinance to cover.

FIDEL U.
ESTRADA, JR.
C14-78-139

5105-5111 Custer Road

From "A" Residence
1st Height and Area
To "C" Commercial
1st Height and Area
RECOMMENDED by the Planning
Commission

Councilmember Trevino moved that the Council grant "C" Commercial, 1st Height and Area District, as recommended by the Planning Commission. The motion, seconded by Mayor Pro Tem Mullen, carried by the following vote:

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

The Mayor announced that the change had been granted to "C" Commercial, 1st Height and Area District, and the City Attorney was instructed to draw the necessary ordinance to cover.

M. V. AND VIVIAN 11222 Jollyville Road
LESTER
By Joe E. Davis,
Realtor
C14-78-140

From Interim "AA" Residence
1st Height and Area
To "O" Office
1st Height and Area
RECOMMENDED by the Planning
Commission

Mr. Lillie reviewed the application by use of slides. Councilmember Himmelblau said she felt that "O" Office would be too intense and said she would prefer "BB" Residence zoning. Mr. Davis, for the applicant, said that the majority of this piece of property is in the County and only a small part is in the City. Mr. Lillie informed Council that "BB" Residence adjoins "O" Office across the street from the property. After further discussion the Council voted to grant the application.

Mayor Pro Tem Mullen moved that the Council grant "O" Office, 1st Height and Area District, as recommended by the Planning Commission. The motion, seconded by Councilmember Trevino, carried by the following vote:

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

The Mayor announced that the change had been granted to "O" Office, 1st Height and Area District, and the City Attorney was instructed to draw the necessary ordinance to cover.

BENNIE FOJTIK 113-115 Stassney Lane
By Richard Mathys 114-118 Sandra Lane
C14-78-127

From "GR" General Retail and
"A" Residence
1st Height and Area
To "C-1" Commercial
1st Height and Area
RECOMMENDED by the Planning
Commission save and except
for a 59.68 by 5 foot rectangle on the
southwesternmost corner (along Sandra Lane)
to remain "A" Residence. An amendment was
made to include a sign "No Trucks Allowed
and No Right Turn" at the driveway and a
letter by the applicant that he would not
request removal of "A" Residence to the
west of subject tract.

Councilmember Goodman moved that the Council grant "C-1" Commercial, 1st Height and Area District, as recommended by the Planning Commission, save and except for a 59.68 foot by 5 foot rectangle on the southwesternmost corner (along Sandra Lane) to remain "A" Residence, subject to conditions. The motion, seconded by Councilmember Trevino, carried by the following vote:

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

The Mayor announced that the change had been granted to "C-1" Commercial, 1st Height and Area District, save and except a 59.68-foot by 5-foot rectangle on the southwesternmost corner (along Sandra Lane) to remain "A" Residence, subject to conditions, and the City Attorney was instructed to draw the necessary ordinance to cover.

SAMUEL E.
DUNNAM, IV
By Sandy Nichols
C14-78-128

700 West Martin Luther
King, Jr., Boulevard

From "B" Residence
2nd Height and Area
To "O" Office
2nd Height and Area
(as amended)

RECOMMENDED by the Planning
Commission "O" Office and to require
approval of a site plan prior to any
construction or demolition on the front
3/4 of the tract (excluding the back
portion where the old houses are located)
and also applicant to meet with the neigh-
borhood prior to bringing it back to the
Planning Commission.

Mr. Lillie reviewed the application by use of slides. MR. SAM DUNNAM, the applicant, appeared before Council and gave them the history of his property which is known as the Wooten House. Since the house is a losing proposition as a boarding house, he wants the zoning change in order to refurbish the building for high grade office use. He does not want it zoned "O-H" Office-Historic, because there would be difficulty getting the remodeling loan from a bank for the amount needed. Mayor Pro Tem Mullen asked him if he intended to sell the house after he has restored it. Mr. Dunnam said he does not intend to sell.

MR. PAUL COLBERT appeared to oppose "O" Office zoning, but said that if certain conditions are met they would agree if the property is preserved and if there is no interruption to the neighborhood. He requested a postponement of "O" Office until "H" Historic is granted. MR. TIM JONES, Executive Secretary of College House appeared in opposition to "O" Office zoning. MR. BOB RUSSELL, also an Executive Secretary of College House, said the Council should be certain of Mr. Dunnam's guarantee not to sell the property. MR. PAUL HUXLER commented on the name of the house and opposed the "O" zoning. Mr. Dunnam returned to say that he will invest \$600,000 to \$1,000,000 to fix up the house, and he could not get that kind of mortgage money if the property is zoned "H." Mayor Pro Tem Mullen questioned him about whether or not he intends to demolish the structure. Mr. Dunnam stated that the house is already on the National Register and he has spent too much money on it to demolish it. Councilmember Goodman said he thought Mr. Dunnam's intentions to be "admirable," that he personally would be more comfortable if the zoning were "O-H" and he asked Mr. Dunnam if he would give Council his word that he would come before them and apply for "H" before it is sold, if he intends to sell in the future. Mr. Dunnam said that would be no problem, unless the mortgagee disallowed him to do so. Mr. Goodman stated that for the record, Mr. Dunnam had given his word. Mr. Dunnam

answered that he has, and added that he does not want to have to gain explicit approval of the neighborhood, and that he has the best intentions to restore and improve the building. He added that he has no quarrel with the neighborhood.

Councilmember Goodman made a motion to accept the recommendation of the Planning Commission with restrictive covenant to give City 60 days notice if property is to be sold. Councilmember Himmelblau said, "There is no wording here that no demolition permit will be issued on it. Would you object to a restrictive covenant that no demolition permit would be issued for the main part of the property?" Councilmember Goodman said, "I will accept that amendment." "Then I will second your motion," replied Councilmember Himmelblau.

Roll call on Councilmember Goodman's motion, Councilmember Himmelblau's second, to grant "O" Office, 2nd Height and Area District, as recommended by the Planning Commission, subject to conditions, and further subject to a restrictive covenant: in the event property is to be sold, City shall be given 60-day notice; no demolition permit can be issued for main part of property, showed the following vote:

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

The Mayor announced that the change had been granted to "O" Office, 2nd Height and Area District, subject to conditions, and the City Attorney was instructed to draw the necessary ordinance to cover.

WILLIAMS INSULA-
TION COMPANY OF
TEXAS, INC.
By C. Robert
Dorsett
C14-78-129

4300-4312 Nixon Lane

From Interim "AA" Residence
1st Height and Area
To "DL" Light Industrial
1st Height and Area

RECOMMENDED by the Planning
Commission "DL" Light Industrial with a
report from the Urban Transportation
Department to the City Council on
accommodating street traffic and dedica-
tion of 10 feet of right-of-way to help
accommodate intensified usage permitted by
the zoning change.

Mr. Lillie reviewed the application by use of slides. Mr. Joe Ternus, Director of Transportation, told Council he is concerned about the condition and right-of-way. Mr. Lillie told Council that this case and the one filed with it (C14-78-133 follows) both needed 15 feet of right-of-way rather than 10 feet.

Councilmember Goodman moved that the Council grant "DL" Light Industrial, 1st Height and Area District, as recommended by the Planning Commission, subject to conditions, with the addition of 15 feet of right-of-way required. The motion, seconded by Councilmember Cooke, carried by the following vote:

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

The Mayor announced that the change had been granted to "DL" Light Industrial, 1st Height and Area District, subject to conditions, and the City Attorney was instructed to draw the necessary ordinance to cover.

Zoning Ordinance Passed - Emergency Basis

Mayor McClellan introduced the following ordinance:

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

A 9.779-ACRE TRACT OF LAND, LOCALLY KNOWN AS 4300-4312 NIXON LANE; FROM INTERIM "AA" RESIDENCE, INTERIM FIRST HEIGHT AND AREA DISTRICT TO "DL" LIGHT INDUSTRIAL, FIRST HEIGHT AND AREA DISTRICT; SAID PROPERTY BEING LOCATED IN AUSTIN, TRAVIS COUNTY, TEXAS; SUSPENDING THE RULE REQUIRING THE READING OF ORDINANCES ON THREE SEPARATE DAYS AND DECLARING AN EMERGENCY. (William Insulation Company of Texas, Inc., C14-78-129)

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

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

The Mayor announced that the ordinance had been finally passed as an emergency measure.

DEBORA A.
THREADGILL
By Don
McElwreath
C14-78-133

4314-4404 Nixon Lane

From Interim "AA" Residence
1st Height and Area
To "D" Industrial
2nd Height and Area
NOT Recommended by the Planning
Commission.

RECOMMENDED "DL" subject to 10 feet of
right-of-way to help accommodate intensi-
fied usage permitted by the zoning change.

Councilmember Goodman moved that the Council grant "DL" Light Industrial, 2nd Height and Area District, as recommended by the Planning Commission, except subject to 15 feet of right-of-way. The motion, seconded by Councilmember Cooke, carried by the following vote:

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

The Mayor announced that the change had been granted to "DL" Light Industrial, 2nd Height and Area District, with the addition of 15 feet of right-of-way, and the City Attorney was instructed to draw the necessary ordinance to cover.

UNIQUE CABINETS
By Terra Firma
Planning
C14-78-137

11619 Jollyville Road

From Interim "AA" Residence
1st Height and Area
To "C" Commercial and
"O" Office
1st Height and Area District
NOT Recommended by the Planning
Commission
RECOMMENDED "O" Office as
amended by applicant.

Councilmember Himmelblau moved that the Council grant "O" Office, 1st Height and Area District, as amended by applicant, as recommended by the Planning Commission. The motion, seconded by Councilmember Goodman, carried by the following vote:

Ayes: Mayor Pro Tem Mullen, Councilmembers Snell, Cooke,
Goodman, Himmelblau

Noes: None

Not in Council Chamber when roll was called: Councilmember
Trevino, Mayor McClellan

The Mayor announced that the change had been granted to "O" Office, 1st Height and Area District, and the City Attorney was instructed to draw the necessary ordinance to cover.

ALLEN R. RUNDELL
By W. T. Carson
C14-78-136

3913-3953 Steck Avenue
8101-8133 Kerith Dale

From Interim "A" Residence
1st Height and Area
To "O" Office
1st Height and Area

NOT RECOMMENDED by the Planning Commission
RECOMMENDED "O" Office save and except for
a 25-foot strip of "A" Residence on the
easternmost boundary of subject tract and
restrictive covenant which includes that
said "O" Office would conform to perform-
ance standards compatible with the proposed

Planned Unit Development C814-78-005; no 3-story building
within 25 feet of southernmost boundary; no paving along a
25-foot strip of southernmost boundary; and finally any 2-
story building within a 25-foot strip of southernmost
boundary have no windows facing Planned Unit Development;
no access for automobiles in the 25-foot area.

Mr. Lillie told Council that the applicant agrees to recommendation. MR. W. T. CARSON, representing the applicant, pointed out to Council that the recommendation that the applicant had agreed to was for a restrictive covenant for "O" Office use only and no apartments had been omitted.

Councilmember Cooke moved that the Council grant "O" Office, 1st Height and Area District, as recommended by the Planning Commission, save and except for a 25-foot strip of "A" Residence on the easternmost boundary of subject tract, subject to conditions, with restrictive covenant for "O" Office use only and no apartments. The motion, seconded by Mayor Pro Tem Mullen, carried by the following vote:

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

The Mayor announced that the change had been granted to "O" Office, 1st Height and Area District, save and except for a 25-foot strip of "A" Residence on the easternmost boundary of subject tract, subject to conditions and restrictive covenant, and the City Attorney was instructed to draw the necessary ordinance to cover.

ALLEN R. RUNDELL
By W. T. Carson
C14-78-005

3901-3913 Steck Avenue
8001-8101 Kerith Dale
4100-4124 Spicewood
Road

From Interim "A" Residence
1st Height and Area
To a residential Planned Unit
Development called "THE
WOODLANDS"
RECOMMENDED by the Planning
Commission

Councilmember Cooke moved that the Council grant the change to a residential Planned Unit Development, as recommended by the Planning Commission. The motion, seconded by Mayor Pro Tem Mullen, carried by the following vote:

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

Noes: None

Not in Council Chamber when roll was called: Councilmember Himmelblau

The Mayor announced that the change had been granted to a residential Planned Unit Development, and the City Attorney was instructed to draw the necessary ordinance to cover.

SEEKATZ-GARDNER
HOUSE
By City of Austin
C14h-78-016

1101 West 31st Street

From "A" Residence
1st Height and Area
To "A-H" Residence-Historic
1st Height and Area
RECOMMENDED by Planning Commission

A woman who did not identify herself questioned how "H" zoning effects rental property. Mr. Lillie told her that property zoned "H" can be rented or sold, but cannot be torn down.

Councilmember Goodman moved that the Council accept the finding of fact (a, c, h, i, l) and grant "A-H" Residence-Historic, 1st Height and Area District, as recommended by the Planning Commission. The motion, seconded by Councilmember Trevino, carried by the following vote:

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

The Mayor announced that the change had been granted to "A-H" Residence-Historic, 1st Height and Area District, and the City Attorney was instructed to draw the necessary ordinance to cover.

COON-GILBERT-
DOGGETT
By City of Austin
C14h-78-020

1402 West Avenue

From "A" Residence
1st Height and Area
To "A-H" Residence-Historic
1st Height and Area
RECOMMENDED by the Planning
Commission

Councilmember Goodman moved that the Council accept the finding of fact (a, c, h, i, l, m) and grant "A-H" Residence-Historic, 1st Height and Area District, as recommended by the Planning Commission. The motion, seconded by Councilmember Trevino, carried by the following vote:

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

The Mayor announced that the change had been granted to "A-H" Residence-Historic, 1st Height and Area District, and the City Attorney was instructed to draw the necessary ordinance to cover.

WEISIGER-WHITE
HOUSE
By John C. Evins
C14h-78-029

4104 Avenue F

From "A" Residence
1st Height and Area
To "A-H" Residence-Historic
1st Height and Area
RECOMMENDED by the Planning
Commission

Councilmember Goodman moved that the Council accept the finding of fact (a, h, i, k, l, m) and grant the change to "A-H" Residence-Historic, 1st Height and Area District, as recommended by the Planning Commission. The motion, seconded by Councilmember Trevino, carried by the following vote:

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

The Mayor announced that the change had been granted to "A-H" Residence-Historic, 1st Height and Area District, and the City Attorney was instructed to draw the necessary ordinance to cover.

RISHER-NICHOLAS 422-424 East 6th Street
BUILDING
By Bob Nicholas
C14h-78-030

From "C-2" Commercial
4th Height and Area
To "C-2-H" Commercial-Historic
4th Height and Area
RECOMMENDED by the Planning
Commission

Councilmember Goodman moved that the Council accept the finding of fact (a, f, g, h, i, k, l, m) and grant the change to "C-2-H" Commercial-Historic, 4th Height and Area District, as recommended by the Planning Commission. The motion, seconded by Councilmember Trevino, carried by the following vote:

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

The Mayor announced that the change had been granted to "C-2-H" Commercial-Historic, 4th Height and Area District, and the City Attorney was instructed to draw the necessary ordinance to cover.

Zoning Case Denied

FARM & HOME
SAVINGS
ASSOCIATION
By Charles Lambert,
Jr.
C14-78-132

2000 block of Teri Road

From "LR" Local Retail
1st Height and Area
To "GR" General Retail
1st Height and Area
RECOMMENDED by the Planning
Commission subject to final approval of
site plan by the neighborhood association
and Planning Commission.

Mr. Lillie reviewed the application by use of slides. Councilmember Himmelblau said similar zoning requests have been denied because roads too small.

Councilmember Himmelblau moved that the Council DENY the zoning change. The motion, seconded by Councilmember Goodman, carried by the following vote:

Ayes: Councilmembers Himmelblau, Snell, Cooke, Goodman
Noes: Mayor Pro Tem Mullen
Not in Council Chamber when roll was called: Councilmember
Trevino, Mayor McClellan

The Mayor announced that the zoning case had been DENIED.

Zoning Application Withdrawn

H. E. & MARY
MCKINNEY
By H. Brown
Suffield
C14-78-124

2702 Enfield also
bounded by Exposition
Boulevard

From "A" Residence
1st Height and Area
To "D" Office
1st Height and Area
NOT Recommended by the Planning
Commission

Councilmember Himmelblau moved that the Council allow WITHDRAWAL of the zoning application. The motion, seconded by Councilmember Trevino, carried by the following vote:

Ayes: Councilmembers Snell, Trevino, Mayor McClellan, Councilmember
Himmelblau, Mayor Pro Tem Mullen
Noes: None
Not in Council Chamber when roll was called: Councilmembers Cooke,
Goodman

The Mayor announced that the zoning application had been WITHDRAWN.

Pending Zoning Applications

BILLIE J. LYNAS
C14-72-263

3504 & 3506-3510 Darby
Lane
6219-6309 Wilcab Road

From "A" Residence
1st Height and Area
To "C" Commercial
1st Height and Area
RECOMMENDED EXTENSION by the
Planning Commission

Councilmember Trevino moved that the Council grant Extension for the above zoning case. The motion, seconded by Councilmember Goodman, carried by the following vote:

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

The Mayor announced that the zoning case had been EXTENDED.

CHARLES C. ALLISON 1800 Stassney Lane
& C. R. GILSTRAP
By Terry J. Sasser
C14-73-141

From Interim "A" Residence
1st Height and Area
To "O" Office
1st Height and Area
RECOMMENDED EXTENSION by the
Planning Commission.

Councilmember Trevino moved that the Council grant extension of the above zoning case. The motion, seconded by Councilmember Goodman, carried by the following vote:

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

The Mayor announced that the zoning case had been EXTENDED.

RICHARD B. 1139D-1141D Springdale
ROBINSON, ET UX Road
C14-74-014

From "A" Residence
1st Height and Area
To "C" Commercial
1st Height and Area
RECOMMENDED DISMISSAL by the
Planning Commission

Councilmember Trevino moved that the Council grant EXTENSION of the above zoning case. The motion, seconded by Councilmember Goodman, carried by the following vote:

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

The Mayor announced that the zoning case had been EXTENDED.

DUNNING CHARLES 9312-9318 Cameron Road
BRIGHT & ROSEMARY 1417-1427 Rundberg Lane
DEE BRIGHT HANOVER
By Tom Curtis
C14-75-021

From Interim "A" Residence
1st Height and Area
To "GR" General Retail
1st Height and Area
RECOMMENDED EXTENSION by the
Planning Commission

Councilmember Trevino moved that the Council grant EXTENSION of the above zoning case. The motion, seconded by Councilmember Goodman, carried by the following vote:

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

The Mayor announced that the zoning case had been EXTENDED.

LAND EQUITIES,
INC.
By Doren Eskew
C14-75-022

4825-5009 East Riverside
Drive, also bounded by
Kirksey Drive and Kenneth
Avenue

From Interim "A" Residence
1st Height and Area
To "LR" Local Retail and
"B" Residence
1st Height and Area
RECOMMENDED EXTENSION by the
Planning Commission

Councilmember Trevino moved that the Council grant EXTENSION of the above zoning case. The motion, seconded by Councilmember Goodman, carried by the following vote:

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

The Mayor announced that the zoning case had been EXTENDED.

ERNEST RUTHER-
FORD, JR.
C14-75-080

2002 Koenig Lane

From "A" Residence
1st Height and Area
To "LR" Local Retail
1st Height and Area
RECOMMENDED DISMISSAL by the
Planning Commission

Councilmember Trevino moved that the Council grant EXTENSION of the above zoning case. The motion, seconded by Councilmember Goodman, carried by the following vote:

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

The Mayor announced that the zoning case had been EXTENDED.

PUBLIC HEARING ON STREET VACATION

Mayor McClellan opened the public hearing scheduled for 11:00 a.m. on vacating the following and passage of Ordinance:

A portion of Mesa Woods Drive in Mesa Park Phase Two, Section Two, (Requested by NPC Realty Company, Austin Texins Association, and Austex Development Co., Ltd.)

Mr. John German, Director of the Public Works Department, told the Council that the public hearing was to consider the vacation of excess street right-of-way. He stated that the land is owned by the Employee Association at Texas Instruments. He stated that the street is no longer needed for access and the Association wants to replat the property. Mr. German stated that the request was in order and that they recommended approval.

MR. STANLEY PARROT, speaking for the Mesa Park area, asked why the street is being vacated when it fronts on to the Texas Instruments recreation park. He stated that the reaction time for emergency vehicles going into the park will be lengthy due to the excess traffic on adjoining streets. Mr. German stated that even though the street right-of-way will be vacated, they will still maintain a driveway into the park for emergency traffic.

Mayor McClellan introduced the following ordinance:

AN ORDINANCE VACATING AND PERPETUALLY CLOSING THAT CERTAIN PORTION OF MESA WOODS DRIVE IN THE CITY OF AUSTIN, TRAVIS COUNTY, TEXAS; RETAINING AN EASEMENT IN THE CITY FOR DRAINAGE AND PUBLIC UTILITY PURPOSES; SUSPENDING THE RULE REQUIRING THE READING OF AN ORDINANCE ON THREE SEPARATE DAYS; AND PROVIDING AN EFFECTIVE DATE.

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

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

The Mayor announced that the ordinance had been finally passed.

PUBLIC HEARING ON STREET VACATION

Mayor McClellan opened the public hearing scheduled for 11:00 a.m. on vacating the following and passage of Ordinance:

671 square feet of EXCESS RIGHT-OF-WAY on the south side of Riverside Drive east of Parker Lane. (Requested by W. G. Crouch representing the Gulf Oil Corp. and Gordon Edwards representing Riverhills N.V.)

Mr. John German, Director of the Public Works Department, made a slide presentation of the proposed street vacation. Mr. German indicated that the proposed vacation was necessary in order to provide access to some of the property at the corner. He stated that the adjacent property owner has put up a check for \$1,000 for the 671 square feet of right-of-way that will be vacated. Mr. German stated that this has been reviewed by all departments including the Planning Commission, and that the Commission recommends approval.

MR. C. BEN HIBBERTS, a property owner to the west of Parker Lane, asked who would maintain the excess right-of-way. Mr. German stated that it would be up to the adjacent property owners if they would like to acquire some of the excess right-of-way. He stated that they would have to make an official request and go through the review procedures, just as other property owners do.

Mayor McClellan introduced the following ordinance:

AN ORDINANCE VACATING AND PERPETUALLY CLOSING THAT CERTAIN PORTION OF RIVERSIDE DRIVE IN THE CITY OF AUSTIN, TRAVIS COUNTY, TEXAS; RETAINING EASEMENTS IN THE CITY FOR STORM SEWER, TELEPHONE AND WATERLINE PURPOSES; SUSPENDING THE RULE REQUIRING THE READING OF AN ORDINANCE ON THREE SEPARATE DAYS; AND PROVIDING AN EFFECTIVE DATE.

Councilmember Trevino moved that the Council close the public hearing, waive the requirement for three readings, declare an emergency and finally pass the ordinance. The motion, seconded by Mayor Pro Tem Mullen, carried by the following vote:

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

The Mayor announced that the ordinance had been finally passed.

KICKBALL FIELD

The Council had before it for consideration a report on a request from the Greater East Austin Youth Association for a kickball field adjacent to the Municipal Airport. City Manager Dan Davidson stated that they could not recommend at this time that airport property be used for the use requested. He stated that they would like an opportunity to work with citizens involved in examining some other possible locations which would be satisfactory for their activities. Mr. Davidson stated that they could start looking at some of these other sites by next week.

Councilmember Snell moved that the Council direct the City Manager to work with Mrs. Williams to find a more suitable location for the kickball field. The motion, seconded by Councilmember Cooke, carried by the following vote:

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

CONTRACT

The Council had before it for consideration, the following contract:

I.B.M. CORPORATION
1609 Shoal Creek Boulevard
Austin, Texas

- Lease of Typing System Equipment
not to exceed a 24-month period,
Law Department.
Item 1 - 1 ea. - \$12,502.28

City Attorney Jerry Harris told the Council that the typing system is needed to more efficiently input case information on to the City computer system. In response to a question from Mayor Pro Tem Mullen, Mr. Harris indicated that this measure is due entirely to the City taking over the claims from private industry.

Mayor Pro Tem Mullen moved that the Council adopt a resolution approving a contract with the I.B.M. Corporation for a typing system for the City Legal Department. The motion, seconded by Councilmember Himmelblau, carried by the following vote:

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

STREET CLOSING

The Council had before it for consideration a resolution to temporarily close the 2500-2600 block of Pearl Street and the west end of Graham Place from 3:00 p.m. to 6:00 p.m., September 8, 1978, as requested by MR. CHARLES E. SMITH.

City Manager Dan Davidson stated that they asked that this item be pulled because of an indication of concerns. Mr. Joe Ternus, Director of the Urban Transportation Department, told the Council that a MR. RALPH LEWIS, Manager of the Old Maine Apartments, has expressed opposition to the closure of the street. Mr. Ternus stated that Mr. Lewis was concerned about the activities of the organization last year when the street was closed. He stated that, as a general rule, they do not recommend closure if someone objects to it and therefore could not endorse the closure. In response to a question from Mayor Pro Tem Mullen, Mr. Ternus indicated that it has been a long-standing practice of his department to not recommend a street closure if one person objects to that closure.

Councilmember Trevino moved that the Council adopt a resolution temporarily closing the 2500-2600 block of Pearl Street and the west end of Graham Place from 3:00 p.m. to 6:00 p.m., September 8, 1978, as requested by Mr. Charles E. Smith. The motion, seconded by Councilmember Goodman, carried by the following vote:

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

CETA TITLE VI PROJECTS

The Council had before it for consideration a resolution authorizing negotiation of contract extensions with eighteen (18) non-profit agencies to operate Comprehensive Employment Training Act (CETA) Title VI projects beginning October 1, 1978. Councilmember Himmelblau wanted to know if there were other agencies which had applied and were rejected. MS. JACKIE WILLIAMS, ESL Title III, told the Council that there were 12 agencies that were not recommended because the time period between their 12-month limitation was less than a month. She named the agencies in question. Ms. Williams stated that they invited all of the agencies not recommended to submit proposals for next year's funding.

Councilmember Himmelblau moved that the Council adopt a resolution authorizing negotiation of contract extensions with eighteen (18) non-profit agencies to operate Comprehensive Employment Training Act (CETA) Title VI projects beginning October 1, 1978. The motion, seconded by Mayor Pro Tem Mullen, carried by the following vote:

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

RECESS

The Council then recessed at 12:00 noon, CST. Mayor McClellan stated that the Council meeting would reconvene at 2:00 p.m. that afternoon.

FUNDING REQUEST

MR. CHUCK WATTLES, Director of the Austin Tenant's Council, appeared before Council to request funding from the Housing and Community Development contingency funds. Mr. Wattles told the Council that they were requesting \$16,431. In HCD contingency funds beginning in the new fiscal year October 1, 1978. He stated that their goal in the proposal is to encourage the repair and rehabilitation of substandard rental property in the City of Austin which constitutes about 68% of the substandard property in the City. Mr. Wattles indicated that currently there are no monies being spent out of the HCD funds towards the rehabilitation of rental property, and only \$15,000 of next year's funding will be spent in that direction with the Clarksville Rent Repair Program. The proposal includes the following activities:

1. Counselling of individual tenants on their rights to repairs and mediation services between tenants and landlords to try to bring them to a point where the repairs can be made.
2. Publishing materials on how to get repairs done as well as innovative ideas in working with your landlord on joint projects.
3. Work shops and seminars.

4. Coordinating different resources within the community.
5. Assisting neighborhood groups in developing comprehensive approaches to the repair of rental property.
6. Helping to develop and encourage tenant participation in some of repairs of rental properties, where the tenant does not want the rent to go sky high.

Mr. Wattles stated that they have submitted the proposal to all the neighborhood center advisory boards, and that three of them have responded favorably. He gave these response letters to the City Clerk. Mr. Wattles also stated that three of the boards have not responded as of yet. Mr. Wattles stated that two major concerns were brought up by the advisory boards:

1. Who would be served - Mr. Wattles stated that there was a mistake in the proposal and that they do not intend to limit their activities to only three neighborhood centers but to make their services available to all the neighborhood centers and their target areas.
2. Would the landlord benefit more than the tenant from some of the activities - Mr. Wattles stated that this was not their intention and that they hope to write a lease which will protect the tenant by maintaining current rent levels and by preventing eviction.

Mr. Wattles indicated that the Community Development Commission has reviewed the proposal, but has not had a quorum at their last meeting. He stated that they will be having a meeting Tuesday night at which time they will make their recommendation on the proposal. Mr. Wattles stated that they also submitted the proposal to the Planning Department and, upon Council's request, they will make their comments.

Mr. Wattles stated that they hoped the Council would give the proposal favorable approval.

In response to a question from Councilmember Trevino, Mr. Wattles stated that the CDC has reviewed the proposal but has not yet taken any action on it. He stated that the proposal has not been submitted to the Planning Commission.

Mr. Daron Butler, Director of the Research and Budget Department, stated that within the past week they have visited on two different occasions with the joint committee composed of members of the CDC and the Planning Commission, about the funding options and reprogramming matters for HCD block grant funds. He stated that the item is on their agenda at this time but that he has not been advised as to the extent of their decisions. Mr. Butler stated that they were in the process of completing a package to bring to Council.

Councilmember Trevino suggested holding the matter in abeyance for a couple of weeks to give the sub-committee a chance to take action on the proposal. In response to a question from Councilmember Snell, Mr. Wattles stated that the funding would be for an additional staff person, some supplementary funds to some other salaries and materials and supplies for an additional office space.

Mr. Wattles also stated that he did not think this service was being duplicated by any other agencies. He indicated that they may be asking for additional funding for the program in the future. Councilmember Snell asked how they will determine if the program is a success or not. Mr. Wattles indicated that they would gauge the programs success by the number of persons they are able to make reconciliations with. Councilmember Trevino suggested that Mr. Wattles put his comments in writing for the Council. Mr. Wattles indicated that he would do this.

In response to a question from City Manager Dan Davidson, Mr. Buck Apelt stated that the joint sub-committee should be able to consider the proposal some time within the next two weeks. However, he felt that it would probably be late September before the proposal went through the entire process. Mayor McClellan emphasized that the proposal be considered and brought back to Council as quickly as possible.

Councilmember Trevino moved that the Council hold the matter in abeyance and refer it to the joint sub-committee of the Community Development Commission and the Planning Commission and report back to Council. The motion, seconded by Councilmember Snell, carried by the following vote:

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

SUMMER WASTE WATER RATES

MR. A. HAMMONS appeared before Council to discuss the summer wastewater rates. Mr. Hammons suggested that the City change wastewater usage to residential and in the summer time reduce the rate by about 50%. He felt that the City was charging for a service that it was not performing. City Manager Davidson stated that they would like to examine Mr. Hammons' bill and explain the wastewater charges to him. He suggested that Mr. Hammons meet with Mr. Curtis Johnson, Director of the Water and Wastewater Department, in order to make a computation of his bill. Mr. Davidson then stated that they would send to Mr. Hammons and the Council a report on what is determined.

ARTS AND CRAFTS FAIR

Councilmember Cooke moved that the Council approve a request from MR. DAN VALDEZ, Chairman of the Sertoma Poor Boy Art Fair, for the use of Auditorium Shores for the weekend of September 9, 1978, and September 10, 1978, for the 17th Semi-Annual Poor Boy Arts and Crafts Fair. The motion, seconded by Councilmember Snell, carried by the following vote:

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

BANNER REQUEST

Councilmember Snell moved that the Council approve a request from MRS. P. L. BAKER, Public Relations Chairperson for the Junior League of Austin, to have a banner hung on Lamar Boulevard north of 38th (between 38th and 39th) and on Burnet Road south of Anderson (about 2 spans back) on October 30th and December 13th. The motion, seconded by Councilmember Cooke, carried by the following vote:

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

Noes: None

PARADE PERMIT

Councilmember Goodman moved that the Council approve a request from MR. VICTOR VALADEZ, JR., representing the Austin Charro Association, for a parade permit from 10:00 a.m. to 12:00 noon, September 16, 1978, beginning at 73 San Marcos Street to East 1st Street, east on East 1st to Llano Street, south on Llano Street to Willow, west on Willow to Chicon Street, south on Chicon Street to Festival Beach. The motion, seconded by Councilmember Trevino, carried by the following vote:

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

Noes: None

Mr. Valadez invited the Council to this year's Coronation, and also thanked the Council for approval of their request.

BANNER REQUEST

Mayor Pro Tem Mullen moved that the Council approve a request from the National Honor Society of Anderson High School for permission to install a banner across the 8100 block of Mesa Drive. The motion, seconded by Councilmember Cooke, carried by the following vote:

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

Noes: None

POLLING PLACES

Mayor Pro Tem Mullen moved that the Council approve a request from MRS. DORIS SHROPSHIRE, Travis County Clerk, for the use of the following City facilities as polling places for the General Election November 7, 1978:

Doris Miller Auditorium - 2300 Rosewood
City Communications Building - 2610 Robinson
Ulrich Water Treatment Plant - 1000 Forestview Drive
Austin Recreation Center - 1213 Shoal Creek Boulevard
City of Austin Fire Station - 506 West Martin Luther King, Jr. Boulevard
City of Austin Fire Station - 100 East 43rd Street
Pan American Recreation Center - 2100 East 3rd Street

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

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

MUNICIPAL UTILITY DISTRICT

The Council had before it for consideration a request from Westview Development, Inc., for the creation of Davenport Ranch Municipal Utility District (MUD) No. 1. MR. JOE BEAL, representing Espey Huston & Associates Consulting Engineers, told the Council that they were prepared to answer any questions from the Council concerning the MUD. Mayor McClellan felt that the appropriate thing to do would be to refer the matter to staff for the time being.

Councilmember Goodman moved that the Council refer to staff a request for the creation of the Davenport Ranch Municipal Utility District No. 1, and report back to Council by October 26, 1978. The motion, seconded by Councilmember Trevino, carried by the following vote:

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

Councilmember Cooke made a request that all concerned parties be made aware of the staff recommendations prior to the Council meeting of October 26.

EMERGENCY WATER SUPPLY

MAYOR RAYMOND M. LITTON of Round Rock appeared before Council to request emergency supply of water from the City of Austin. He stated that Round Rock's aquifer has failed and that the City is experiencing a deficiency in water supply even though a construction phase has been initiated which would bring on distribution to the system. He stated that the City now needs immediate relief to its system until long range programs can be brought on line within the next 18-24 months. Mayor Litton indicated that the City currently has a contract with the Brazos River Authority to bring in some 6 million gallons of water from the North Fork Reservoir. He stated that at the present time, Round Rock does not have the well capacity to meet its water demands. Mayor Litton indicated that they would be testing in three different areas for well capacity. He requested that the City of Austin sell Round Rock an average of 1 million gallons of water per day.

In response to a question from Councilmember Cooke, Mayor Litton indicated that 1 million gallons per day was only an average figure, and that the amount needed could be more or less depending on the demand. Mayor McClellan felt that the request would hinge upon an emergency basis. She pointed out that Austin's first responsibility, however, would be to its own citizens and that she would not consider any kind of a long range contract for water supply to Round Rock. Councilmember Himmelblau posed the following questions:

1. How many households and/or individuals would the average amount requested take care of?
2. Would the City of Austin have the right to disconnect once the water supply is hooked up?
3. The cost to Austin of pumping this amount of water?
4. How many acres of the Brushy Creek Subdivision remains to be developed?

Mayor Pro Tem Mullen felt that the \$500,000 cost of routing water to Round Rock was not a temporary solution to the problem. Mayor Pro Tem Mullen suggested installing an overland water line which would be temporary in nature. Mayor Litton indicated that the nature of his request would be predicated upon what kind of facility the Council found most desirable. Mayor Litton also suggested that the water line remain intact after well projects are completed in the event that some problem arises with the wells. In response to a question from Councilmember Snell, Mayor Litton indicated that the request was being based upon the present needs of Round Rock. Councilmember Goodman asked if Round Rock would be willing to not extend water service outside of its City limits. Mayor Litton indicated that the City has suspended all building permit applications and that this would dictate the amount of water usage outside of the City. Councilmember Goodman asked if the Round Rock City Council has considered the Extraterritorial Jurisdiction (ETJ) area around the intersection of 1325 and I. H. 35. Mayor Litton indicated that the Round Rock Council has not discussed the matter as of yet. Councilmember Goodman asked what the capacity of the water line would be. Mayor Litton stated that at 1 million gallons per day, an 8-inch water line would be necessary.

Councilmember Cooke asked what would happen if the proposed well projects proved to be unsuccessful. Mayor Litton stated that they were trying to develop resources with the North Fork Reservoir and LCRA, but that they would have to cut back on consumption if necessary. In response to a question from Councilmember Cooke, Mayor Litton indicated that Round Rock is using an average of 2.302.5 million gallons of water per day. He pointed out that consumption has been less the last few days as people become aware of the urgency of the situation.

Motion

Councilmember Goodman moved to postpone action on the matter for one week and direct the staff to meet with the Round Rock staff to make a definitive determination of what is needed for the City.

Mayor McClellan indicated that she did not want to get involved with any kind of a long-term commitment. She stated that she would be willing to help Round Rock on an emergency basis only.

Substitute Motion

Mayor Pro Tem Mullen moved that the Council not supply water to Round Rock on a long-term basis but on a short-term emergency basis only, and to direct the staff to come back next week with a report for furnishing water on a short-term emergency basis. The motion was seconded by Councilmember Cooke.

Motion Withdrawn

Councilmember Goodman withdrew his motion to direct staff to meet with the Round Rock staff to make a definitive determination of what is needed for the City.

Mayor McClellan again reiterated that she did not want to make any kind of long-term commitment for water with Round Rock. She also felt that any cost in the matter should be borne by the City of Round Rock. Mayor Litton pointed out that they would be open to a short-term agreement but that they were in need of immediate relief. He stated that they would lay the pipeline overland also.

In response to a question from Councilmember Goodman, Mayor Litton indicated that they have had a water problem since July 1, and that they have been pursuing the well drilling process ever since. Councilmember Goodman felt that it was unfair for Round Rock to press the Austin Council for immediate action when the problem has been known for some time.

In response to a question from Councilmember Himmelblau, City Attorney Jerry Harris stated that the City would have the right to disconnect the water line if it chose to do so. Mr. Harris indicated that he would like a chance to speak to the question further. Councilmember Himmelblau asked about the cost of pumping and treating water to Round Rock. She asked if this line would reduce pressure in any of the subdivisions currently being served by Austin. Mr. Curtis Johnson, Director of the Water and Wastewater Department, stated that he did not have exact figures as to the pumping and treatment costs, but that he would supply this information. As to reduced water pressure, Mr. Johnson indicated that they have been contemplating installing an additional pump which would compensate for the pressure necessary to route water to Round Rock. He pointed out also that the availability of water would be of a temporary nature only. Mr. Johnson stated that they have recommended January 15th as the cut-off date for water service to Round Rock. He felt that Round Rock could have wells in operation by this time. Mr. Johnson stated that the project would require three miles of pipeline which could be laid within three weeks. He stated that if Round Rock can yield 2.6 million gallons of water per day, based on Austin's pro capita average usage the City should have enough water.

MR. STEVE CAULMAN, City Engineer for Round Rock, indicated that approximately 10,000 people were being served by Round Rock's water system. He stated that the level of the aquifer is currently as low as the drought of 1956. Mr. Caulman stated that they have the facilities to provide about 6 million gallons of water per day, but that because of the level in the aquifer and the depth of

the existing wells, the City cannot pull any more than 2.6 million gallons per day of water out of the wells. He stated that Round Rock was presently capable of holding its own with the cooperation of the citizens, and that they could supply 220-260 gallons per capita. In response to a question from Councilmember Cooke, Mr. Caulman indicated that the water Round Rock obtains from the City of Austin would in no way enable Round Rock users to step-up their lawn watering. Mr. Caulman pointed out that the aquifer could go out completely due to lack of rain and that this would be justification for the requested pipeline.

Mr. Johnson felt that the City of Austin could not furnish an average of one million gallons of water per day to Round Rock. Mayor McClellan felt that the City of Austin should set a maximum flow rate of 720,000 gallons of water per day. This amount breaks down to 500 gallons of water per minute. Mayor McClellan stated that she wanted some assurances from the Round Rock Council before any action is taken. Mayor Litton indicated that his Council would be meeting prior to the next Austin City Council meeting. Councilmember Snell indicated that he wanted to know exactly what the cut-off date will be.

Roll Call on Substitute Motion

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

Mayor Pro Tem Mullen suggested that permission be obtained from the Texas Water Commission as to whether or not Austin can sell water to Round Rock. City Attorney Harris indicated that he would bring back details on this next week.

MR. T. PAUL ROBBINS urged the Council to be humble in its decision to route water to Round Rock because Austin, he said, might be in the same situation within the next few years. He also spoke in regard to electric energy conservation. Mr. Robbins made reference to a letter he sent to Mayor McClellan recommending a 1/3 reduction in electric energy usage via conservation. He remarked that the City Manager stated that if this suggestion is followed, the cost of electricity will increase by 50% by the year 1985. Mr. Robbins indicated that he was at a loss to understand how decreasing energy usage by 1/3 would increase utility costs by 50%. He asked that the Council consider conservation as an alternative to the rising cost of the South Texas Nuclear Project.

PUBLIC HEARING ON ANNEXATION

Mayor McClellan opened the public hearing scheduled for 2:30 p.m. to consider annexation of and directing the administration to institute annexation proceedings to annex the following:

- a. 10.67 acres of land out of the Henry P. Hill League. (Case No. C7a-78-002). (Pulled from consideration)

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- b. 58.724 acres of land out of the James Coleman Survey and James Mitchell Survey. (Case No. C7a-78-001).
 - c. 149.73 acres of land out of the L. C. Cunningham Survey No. 68 and the Thomas C. Collins Survey No. 61. (Case No. C7a-78-003).

Mr. Dick Lillie, Director of the Planning Department, requested that item "a" (10.67 acres of land out of the Henry P. Hill League) be pulled due to an error in field notes. He stated that this is a tract of land at Barton Creek and Loop 360 which is owned by the City of Austin.

Mr. Lillie stated that item "b" is a portion of the Great Hills Subdivision and is included in a Planned Unit Development (PUD), which has received approval from the Planning Commission and the City Council. Mr. Lillie indicated also that item "b" includes a portion of the right-of-way of Loop 360. He stated that a fiscal note was prepared for this proposed annexation by the Research and Budget Department.

Mr. Lillie stated that item "c" includes a two-mile extension of City limits along I.H. 35 to the Pflugerville Interchange. He stated that it includes right-of-way and approximately 100 feet of private land on either side of the Interstate Highway (I.H.) Mr. Lillie stated that there are about 16 property owners involved in this annexation. He stated that the primary purpose of this particular annexation was due to a concern expressed by the Mayor and Council of Pflugerville. He pointed out that with this annexation the City could extend its two-mile jurisdiction and then all subdivisions would have to meet Austin's urban standards for streets and drainage. Mr. Lillie indicated that, over the long-term, subdivisions developed under the City of Austin's urban standards would be compatible with other development which would be annexed by the City. This annexation has also been approved by the Planning Commission.

MR. VERNON SCOFIELD, a property owner, spoke before the Council in relation to item "c." Mr. Scofield suggested that the Council consider extending the City limits along 1325. He stated that this would accomplish the purpose of acquiring greater Extraterritorial Jurisdiction (ETJ) within the Pflugerville area. Mr. Scofield stated that property owners along I.H. 35 were concerned that their properties would be brought in under residential zoning. He stated that this would necessitate property owners having to go before the Planning Commission to obtain permission to use their properties for commercial purposes. Mr. Scofield asked if the area is annexed, would property owners be required to obtain sewage facilities. He asked also if outdoor advertising would be allowed.

Mr. Lillie stated that 1325 is a good deal west of I.H. 35 and could not help the City in its two-mile jurisdiction extension. He stated that the land along the highway would be annexed as Interim "AA" Residence zoning, and that a zoning application would have to be filed in order to amend that zoning to some other classification. Mr. Lillie stated that City services will be available to the area and that the sanitary sewer is scheduled to be at Walnut Creek within the next 2 to 3 years. He pointed out that State statutes call for comparable services to areas that are annexed to like areas within the community. He stated that there is no real requirement for the City to extend sewer into the area until it is developed. Mr. Lillie indicated that outdoor advertising signs would become non-conforming in nature and can remain there indefinitely. There is now requirement that they come down within a certain period of time.

Mr. Scofield did not think it was logical to annex territory towards Pflugerville. He stated that 1325 has subdivisions all the way out and that there are approved and platted subdivisions already in this direction.

MS. MILDRED KRIENKE felt that annexation would not be worth the property taxes she would have to pay. She stated that the only thing the City could furnish that they do not already have is garbage pick-up. Ms. Krienke expressed concern that her property value would decrease if her property is zoned Residential.

Mr. Frank Scofield urged that some consideration be given to the annexation of property under a classification which would permit commercial property usage to continue without property owners having to request a change. He recommended that the entire area be brought into the City under a commercial zoning classification.

Councilmember Goodman moved that the Council close the public hearing and direct the administration to institute annexation proceedings to annex (b) 58.724 acres of land out of the James Coleman Survey and James Mitchell Survey, and (c) 149.73 acres of land out of the L. C. Cunningham Survey No. 68 and the Thomas C. Collins Survey No. 61. The motion, seconded by Mayor Pro Tem Mullen, carried by the following vote:

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

Noes: None

Not in Council Chamber when roll was called: Councilmember Trevino, Mayor McClellan

CLARKSVILLE WATER AND WASTEWATER IMPROVEMENTS

The Council had before it for consideration, appropriation of \$240,000 in HCD funds for Clarksville Water and Wastewater Improvements. Councilmember Cooke indicated that he wanted a perspective of what was in program contingency.

Mr. Daron Butler, Director of Research and Budget Department, told the Council that if it approved the appropriations ordinance there would be no second year contingency money available to reappropriate. He pointed out that there was \$38,000 in first-year contingency money, \$202,000 in the second year and \$332,000 in the third year. Mr. Butler stated that they got to the \$240,000 because of a program which was closed down and its funding moved into the contingency. He stated that this money was allocated for administrative expenses within the Human Services Department. Mr. Butler indicated that staff is in the process of preparing some options on the full-range of monies which could be considered by the Council. Councilmember Himmelblau asked if the \$240,000 was needed due to cost overruns. Mr. Butler replied that when the contracts came in, there was a shortage in the water and wastewater amount originally appropriated and that the \$240,000 was needed in order to back the funding for the contract so that the contract could be awarded and the work begun. Mr. Butler indicated that most of the money for the water and wastewater part of the Clarksville Project was out of bond funds. He stated that the \$240,000 was an additional amount of money needed to fund the contract. City Manager Dan Davidson stated that they recommended this option to amend the contract.

In response to a question from Councilmember Himmelblau, Mr. Butler stated that the project total was in excess of \$1 million and that he would be willing to get the full contract amount for the Council. He pointed out that when the contract was brought to Council for approval, they identified this as one of the sources that they would be asking to appropriate the contract. In response to a question from City Manager Davidson, Mr. Curtis Johnson, Director of the Water and Wastewater Department, indicated that the amount of the contract award was approximately \$1.2 million. He stated that this was for all of the wastewater, all of the storm sewer work and a small portion of actual street paving. Mr. Johnson stated that this one contract would complete the project as it relates to water and wastewater for Clarksville.

Councilmember Himmelblau asked if there were any other current projects which are HCD funded and might encounter overruns. Mr. Butler stated that there are some current projects for which they predicted additional needs. He stated that this would come before Council in the reprogramming package. Councilmember Himmelblau stated that if money is taken from the second year contingency, the Council's only recourse would be to tap into the current year or to go back and pick up some of the \$38,000 from the first year's contingency. Mr. Butler stated that there are a list of needs in HCD projects that can be met within the existing funds available through a series of other actions that the Council will be looking at. He indicated that they'd met the Clarksville need when it came up and now they were trying to present the options that will meet the other identifiable needs with HCD funds. Mr. Butler pointed out that when the programming packages do come to the Council, the contingency balances will be boosted and changed as a result of some of the options the Council will have concerning the funding of future projects.

Mayor McClellan introduced the following ordinance:

AN ORDINANCE AMENDING ORDINANCE NO. 770922-A, ANNUAL BUDGET ORDINANCE FOR FISCAL YEAR 1977-78, BY APPROPRIATING 1977-78 COMMUNITY DEVELOPMENT BLOCK GRANT CONTINGENCY FUNDS FOR THE WATER AND WASTEWATER COLLECTION AND TRANSFERRING THESE FUNDS TO THE 1977-78 OPERATING BUDGET FOR CLARKSVILLE WATER AND WASTEWATER IMPROVEMENTS; SUSPENDING THE RULE REQUIRING THE READING OF ORDINANCES ON THREE SEPARATE DAYS; AND PROVIDING AN EFFECTIVE DATE.

Councilmember Cooke 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 Pro Tem Mullen, Councilmember Snell, Mayor McClellan,
Councilmembers Cooke, Himmelblau

Noes: None

Not in Council Chamber when roll was called: Councilmembers Trevino,
Goodman

The Mayor announced that the ordinance had been finally passed.

DOG KENNEL

The Council had before it for consideration a report on the request of MR. PRICE concerning the definition of the term "dog kennel." Mr. Albert De La Rosa, Assistant City Attorney, told the Council that Mr. Price had asked for a definition of "dog kennel" as relates to the number of dogs a single owner can keep on his property. Mr. De La Rosa indicated that current City Ordinance makes no provision for the number of animals a person may keep, and that the word "kennel" is assumed to be commercial in nature. He stated that the report presents some options that the Council could enact if it is determined that some action is necessary to correct the problem. Mr. De La Rosa stated that within Chapter 45 (Zoning) of the Austin City Code of 1967, the Council could provide some definition of commercial dog kennels, which would clear up the situation and maintain the situation as it currently exists. He stated that commercial dog kennels would then be regulated through the existing provisions of Chapter 45 and the private keeping of dogs could remain essentially the same. As an option, Mr. De La Rosa pointed out that the Council could provide under Chapter 45 a broader definition of "dog kennels," which would cover both commercial and private activities. He stated that a third option to the Council would be to enact a comprehensive ordinance to be placed under Article II of Chapter 45, which already contains some existing regulations concerning the keeping of dogs. Such an Ordinance would provide expressed limitations on the number of dogs kept or maintained at any one particular location, depending on the size of the premises and the type of enclosure which is provided on the site. Mr. De La Rosa indicated that the Ordinance would also establish minimum requirements on the distance of the kennel from any other dwellings.

A fourth option would be to enact the same type of Ordinance within the Zoning Ordinance, which would change the current structure and provide new controls in the Zoning Ordinance as relates to the keeping of dogs. Mr. De La Rosa cited as a fifth option for consideration, enactment of an Ordinance amending Chapter 45 requiring a license for maintaining a dog kennel, which would mean both commercial and private dog kennels, and would also provide some minimal distance requirements. The report includes some sample Ordinances of the type envisioned.

Councilmember Himmelblau felt that the problem could be taken care of through the City-County Health Department, and was not in favor of changing anything. In response to a question from Mayor McClellan, Mr. De La Rosa indicated that the City has had no communication with the Humane Society or the Veterinarians' Association. City Manager Dan Davidson stated that they would be happy to bring back a specific recommendation to the Council. Mayor Pro Tem Mullen also stated that he was not in favor of taking any action on the situation. Mr. De La Rosa felt that there was a certain ambiguity within the current Ordinance as to the meaning of dog kennel. He stated that his recommendation would be to enact a definition of a commercial dog kennel, which makes clear what the term means in the Zoning Ordinance, and to leave the private keeping of dogs as it currently exists. Mr. De La Rosa felt that there would be serious enforcement problems connected with the regulation of the number of dogs a person may keep. City Attorney Jerry Harris recommended that the matter be referred to the Planning Commission for a definition of a commercial dog kennel.

Mayor Pro Tem Mullen moved that the Council refer the matter to the Planning Commission for amendments to the Zoning Ordinance as relates to the definition of a commercial dog kennel. The motion, seconded by Councilmember Himmelblau, carried by the following vote:

Ayes: Councilmembers Snell, Trevino, Mayor McClellan, Councilmembers Goodman, Himmelblau, Mayor McClellan

Noes: None

Not in Council Chamber when roll was called: Councilmember Cooke

MONTHLY FINANCIAL STATEMENT

Mr. Monty Nitcholas, Director of the Finance Department, presented to Council the Monthly Financial Statement for the period ending July 31, 1978. A taped version of this presentation is currently on file in the City Clerk's Office.

FAA BUILDING

The Council had before it for consideration a report on the proposed Federal Aviation Administration (FAA) Building. Mr. Roy Bayless, Director of Aviation, stated that Congressman J. J. Pickle was attempting to get about \$4 million in the FAA 1979 fiscal year budget for facilities here in Austin. He stated that these new facilities would be a new tricon building (Terminal Radar Approach Control Facility) which would house the Arch II automatic radar system. Mr. Bayless indicated that this radar would eliminate all of the traffic control problems between Mueller Airport and Bergstrom Air Force Base at the intersection four miles off Bergstrom and one mile south of Mueller Airport. He stated that the facility would be some 9000 square feet and would be built over the old employee parking lot. He pointed out that the facility would also provide parking for the 56 traffic control personnel who would be working in the building. Mr. Bayless stated that he and Mr. J. D. Murchison, City Architect, both felt that the building could fit in well with the existing terminal facility. He stated that the FAA presently has a target date for construction for April 1st, and that they are now in the planning and design phase. Mr. Bayless stated that they felt the Council should be aware of the facility before the FAA proceeded with it. He stated that at some later date prior to the actual construction of the building, they would bring a lease agreement to the Council for consideration. Mr. Bayless pointed out that under the Airport and Airways Development Act, the lease would incur no revenue for the City. He stated that under Federal law the City must provide the facility for that purpose.

Mayor McClellan made the following statement for the record:

"I think it would be most certainly appropriate for us to go on record as wanting to continue to work with the FAA on this. I know Congressman Pickle has certainly been very instrumental in helping us on this and we want to pursue it every way we can."

Councilmember Goodman moved that the Council approve the proposed FAA building. The motion, seconded by Councilmember Cooke, carried by the following vote:

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

Noes: None

Not in Council Chamber when roll was called: Councilmember Trevino

Mr. Bayless introduced to Council several representatives from the FAA who were present in the audience.

COMMUNITY DEVELOPMENT DISTRICT PROGRAM

Mr. Dick Lillie, Director of the Planning Department, stated that the program was started in 1973 and is for the purpose of providing a minimum level of standard public facilities in all parts of the City. He stated that there were approximately 109 miles of streets in need of major repair, including unpaved streets and those streets without curbs and gutters. Mr. Lillie indicated that 273 miles of water and wastewater lines were needed and some 568 miles of sidewalks, including streets which had no sidewalks or intermittent sidewalks. Mr. Lillie pointed out that since 1973, the City has either begun or completed work on eight of the twelve community development districts. He stated that there are four remaining. Those which have been done so far have cost about \$10.5 million. Mr. Lillie stated that the remaining four will cost \$9 million. He stated that the remaining four will cost \$9 million. He stated that the City has also undertaken or completed work on St. Johns, Clarksville and Georgian Acres for a total of \$3 million. He stated that of the needs which were expressed in 1973, 29% of the paved but sub-standard streets have been undertaken, 61% of the unpaved streets have been taken care of, 6% of the sidewalks and 14% of the water and wastewater lines. Mr. Lillie stated that part of the report also indicates a priority for undertaking community development districts beyond the highest priority of twelve. They also looked at medium family income, sub-standard housing, streets and unpaved streets, and ranked each of the 43 community development districts for the Council to help them in allocating resources under the Capital Improvements Program (C.I.P.) and the operating budget to take care of the needs of these areas.

MEDICAL ASSISTANCE PROGRAM

Ms. Sue Prothro Edwards, Acting Deputy Director of the Austin-Travis County Health Department, made a report to Council on the Medical Assistance Program. She stated that the report was the final product of the transition process established to implement the April 6th City Council decision to reorganize the provision of indigent health services in Austin. She indicated that the process involved a Task Force and various committees with representation from all effected City Departments. Ms. Edwards stated that implementing the decision taken by the Council involved a major reorganization of the out-patient service responsibilities previously shared by the Health Department and Brackenridge Hospital. She stated that it has required the creation of a unified Medical Assistance Program (MAP) by consolidating elements previously

scattered over several departments and by creating new planning, grant administration, and fiscal management sections in the Health Department. The result is a program which will meet the fundamental goal of the Council's decision-- providing quality health care while controlling costs.

Ms. Edwards stated that one major element of the reorganized system, the Eligibility Determination Unit, has already been implemented. She stated that the Council, at its June 8, 1978, meeting, adopted the budget adjustments necessary to transfer this subsystem, including 11 staff from Brackenridge Hospital to the Health Department and approved the policies and procedures proposed for processing eligibility determination decisions. These changes were implemented effective June 18, 1978. Ms. Edwards indicated that the balance of the program is now being presented for Council consideration.

Ms. Edwards stated that under the 1973 economic guidelines, 43,000 persons were eligible for the program, and about 14,000 were actual users. She stated that with the implementation of the 1977 guidelines, 60,000 persons are eligible for the program. However, it is projected that only 18,500 persons will participate. Ms. Edwards indicated that the cost of the program as outlined is \$7.8 million, an increase of \$700,000 over what will be spent in 1977-78 for clinic cardholders in Brackenridge Hospital and Health Department budgets. She stated that while the eligible user population has increased 29%, the budget has increased only 9%.

Ms. Edwards stated that the report presented to Council has been divided into five sections defining services to be provided, systems required, staffing, facilities and operations, and costs-revenues. Each section also details requirements and outlines recommended actions. Ms. Edwards then reviewed the five major sections of the report presented to Council (SEE: Appendix I).

Ms. Edwards stressed that the following items be considered by Council within the near future:

1. The establishment of a MAP Advisory Council.
2. The enactment of a \$2.00 per patient fee for clinic card holder.
3. The enactment of a \$.50 fee for the replacement of clinic cards.
4. The consideration of the provision for pharmacy services.
5. The consideration of a contract for actuary services.

Mayor McClellan asked City Clerk Grace Monroe to remind her about the formation of the MAP Advisory Council. City Manager Dan Davidson thanked Ms. Edwards for the report, and told the Council that they would be bringing back specific recommendations for Council consideration.

Councilmember Snell indicated that there were many persons in the audience who wanted to speak on the MAP, and felt that the Council should hear those individuals. Councilmember Himmelblau asked about the eligibility criteria for senior citizens who are on fixed incomes. Ms. Edwards indicated that a report has been prepared addressing this problem, and that they would share the

report with the Council. She stated that they had six weeks of experience with the new eligibility guidelines and that they monitored those persons who were 65 and over who came to apply for a clinic card. Ms. Edwards pointed out that the report breaks down into the configuration of family size and income. She stated that 72% of the people who are 65 years of age or older, have been brought into the Medical Assistance Program. Ms. Edwards stated that when the Council adopted the new guidelines, the gross income guidelines left no leeway for any exceptions. Under the old policy of the 1973 guidelines, not only is there an income guideline but there is also a source of income which is taken into consideration. The policy stated that people who had Social Security or SSI were automatically eligible for a clinic card, regardless of what their income and family size was. Ms. Edwards stated that this was a practice which discriminated against individuals who had a fixed income, but other sources other than Social Security and SSI.

Councilmember Snell stated that he was concerned about closing St. John's. He felt that there would be a problem in transferring patients from St. John's to Rosewood-Zaragosa. Councilmember Snell felt that this was one area which the Council needed to concentrate on. Ms. Edwards indicated that she has met with area residents to get their recommendations, and that they have tried to come up with alternative ways to provide a service for them.

Councilmember Snell moved that the Council set a public hearing on the Medical Assistance Program for September 7, 1978, at 10:30 a.m. The motion, seconded by Councilmember Goodman, carried by the following vote:

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

Noes: None

Not in Council Chamber when roll was called: Councilmember Trevino

ESTIMATED ENDING BALANCE IN UTILITY FUND

The Council had before it for consideration a report from the City Manager on the estimated ending balance in the Utility Fund. Mr. Monty Nitcholas, Director of the Finance Department, made the presentation to the Council. NOTE: A verbatim transcript of this presentation and subsequent discussion is attached under Appendix II.

SENIOR CITIZENS' HOUSING PROJECT

The Council had before it for consideration allocation of Community Development Funds for site improvements for Senior Citizens' Housing Project.

Motion

Councilmember Snell moved that the Council refer the matter to the Community Development Commission/Planning Commission Sub-committee. The motion was seconded by Councilmember Trevino.

Assistant City Manager Jim Miller told the Council that the contractor thinks work will be finished by the end of September. He pointed out that the concrete contractor still has some inside work to do and he has been asked to hold up his work as much as possible without stopping. Mr. Miller stated that they were hoping to move into 41 of these apartments by the last of September. He felt that the best thing to do would be to call a sub-committee meeting as soon as possible to discuss the matter. Mr. Miller stated that they would try to arrange the committee meeting for Tuesday night in order to get the item back on the Council agenda for the following week.

Roll Call on Motion

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

TRANSPORTATION CENTER

Councilmember Trevino moved that the Council authorize the City administration to conduct a feasibility study for a Transportation Center, in cooperation with private companies, and report back to Council within six (6) months. The motion, seconded by Councilmember Goodman, carried by the following vote:

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

Mayor McClellan indicated that she would forward any communications on the matter to both staff and the Council.

OFF-STREET PARKING

Councilmember Trevino moved that the Council refer to the Planning Commission revisions to provisions of the Zoning Ordinance relating to the location of off-street parking areas for churches and other uses. The motion, seconded by Councilmember Goodman, carried by the following vote:

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

PUBLIC HEARING ON SPECIAL PERMIT FOR PATTERSON TOWNHOUSES

Mayor McClellan opened the public hearing scheduled for 5:00 p.m. on an appeal of the decision of the Planning Commission denying a Special Permit for the Patterson Townhouses, 801-809 Patterson Avenue, from the applicant, James W. Person. (C14p-078-038)

Dick Lillie identified the location of the property and stated that the zoning was "A" Residence, which would permit the building of four duplexes or single-family dwellings. The applicant had applied for 9 townhouses on the property. The Planning Commission had recommended that the special permit be denied for the following reasons: 1) adequacy of street size and paving and 2) detrimental for safety and general welfare of the area. The staff had recommended approval of the project subject to ordinance requirements and a reduction to 8 townhouses.

Councilman Cooke asked the City Attorney to comment on factor #9.

City Attorney Jerry Harris stated that factor #9 was a general catchall category and that it was very important when using it that the Council make specific findings.

Mr. Lillie stated that Mr. Joe Ternus had prepared a report on street adequacy and paving. Mayor McClellan then asked Mr. Ternus to give the report.

Mr. Ternus stated that Patterson Street was a narrow street varying in width from 30 to 20 feet in most places, but narrowed to 12 feet at 8th Street. The street was scheduled for improvement under the Clarksville street improvements program, but not for two more years. There was a problem with widening the intersection at 8th Street. If the Council authorized 8 townhouses, there would be no change in the traffic pattern from 4 duplexes. If 9 units were allowed, there would be a slight increase in traffic.

Charles Harker, architect for the Patterson Townhouses project, cited some examples of deterioration in Clarksville and stated that he was concerned about the area and wanted to see it developed responsibly. The townhouse project was a part of the overall scheme, and was preferable to duplexes. He then described some of the design considerations of the townhouses. The townhouses would sell for about \$50,000 and were not out of line considering the pressures of today's market in the area.

Robert Baker, 608 Patterson, a real estate appraiser, stated that he agreed with Mr. Harker in regard to property values in the area. He had reviewed the site plan and supported the townhouse project.

Malia Johnson, 810 East 32nd Street, spoke in support of the townhouses.

Allen Barber, one of the partners in Mr. Harker's firm, stated that he also represented Cecil Smith, who owned a lot on Waterston Street. He felt that the townhouses were the best option of what could be built on the lots.

Gail King, a property owner in the Clarksville area, stated that Mr. Harker had built a house for her and she was pleased with it. She favored the townhouses over duplexes.

Greg Erickson, 1621 Waterston Street, spoke in favor of the townhouses. He cited two examples of the rapidly rising property values in the area.

Rodney Smith, 802 Theresa, favored the townhouses over duplexes.

Mrs. Hal Box, 708 Patterson, felt that townhouses would be the best structures for the site.

Charles Marsh, 600 Harthan Street, stated that he was a real estate investor. He spoke in favor of the townhouses.

John Henneberger, representing the Clarksville Neighborhood Advisory Board, spoke against granting the special permit for the following reasons: 1) inadequate provisions to handle any increase in traffic and 2) adverse effect the project would have on the stability and quality of life in one of Austin's oldest neighborhoods. He showed some slides to illustrate existing traffic problems in the area.

Reverend W. B. Southerland spoke against the townhouses. He requested that they at least be delayed until Phase III of the Clarksville improvement program was passed.

There was discussion regarding townhouses versus duplexes and the effect on traffic.

Malcolm Greenstein, 720 Patterson, a member of the Clarksville Neighborhood Advisory Board, spoke against the townhouses. He stated that the community had formed a non-profit construction company for the purpose of building low-cost housing and selling it to people who had been displaced from Clarksville and wanted to move back. The houses would range from \$14,000 to \$17,000 and would contain 1,000 to 1,200 square feet.

Horace Carrington, a former resident of Clarksville, stated that he wanted to move back to Clarksville but could not buy a lot. Speculators would sell lots only to people who also let them do the building. Mr. Carrington was an architectural engineer who wanted to design and build his own house. He was opposed to the townhouses. He stated that a fire truck could not get into the area under discussion.

Mr. Lillie stated that the Fire Department did not indicate that there was any problem regarding access to the area.

Mary Baylor, a lifelong resident of Clarksville, cited various examples over the years to drive people out of Clarksville. She wondered when something was going to be done for the residents of Clarksville. She opposed the townhouses.

Pauline Brown, a member of the Clarksville Neighborhood Advisory Board, spoke against the townhouses.

Elliott Naishtat, a member of the Clarksville Neighborhood Advisory Board, spoke against the townhouses. He asked that any construction be delayed at least until Phase III was completed. He thought that the townhouses would be the beginning of the end for Clarksville.

Motion - Died for Lack of a Second

Councilmember Snell moved the Council close the public hearing and deny the special permit. The motion died for lack of a second.

Councilman Cooke stated that as much as one might want to lean toward the economic and social reasons for denying the permit, denial had to be based on the law or the intent of the law. He reviewed and commented on the various issues raised tonight and then stated that safety and whether or not it affected the stability of the neighborhood was the key issue. He did not feel that the testimony given supported denial of the special permit.

Motion

Councilman Cooke moved the Council approve the townhouse project with eight units. The motion, seconded by Mayor Pro Tem Mullen, carried by the following vote:

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

Councilman Mullen stated that the City Council had heeded pleas from the residents of Clarksville for capital improvements. In the process, property values had increased, and if some residents sold out, the Council had no control over it. He was distressed over being put into a box over a social issue which the Council had no power to stop.

Councilman Snell stated that the people from Clarksville would not be the losers. For forty or fifty years they had tried to get the streets paved and water into the area. He felt sure that with new people coming into the area that it would not be long before the entire area had paving and water.

BUDGET WORK SESSIONS AND HEARINGS SCHEDULED

Councilmember Cooke, moved that the Council approve the following schedule for budget work sessions and hearings:

Cancelled: Work Session - September 12, 1978 - 2:00 p.m.
Public Hearing - September 14, 1978 - 7:00 p.m.

Reset: September 13, 1978 work session scheduled for 2:00 p.m.
Reset as public hearing for 2:00 p.m. (Contract agencies)

Set: Work Session - September 6, 1978 - 2:00 p.m.
Public Hearing - September 7, 1978 - 7:00 p.m.

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

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

Noes: None

Not in Council Chamber when roll was called: Councilmember Snell

ADJOURNMENT

The Council adjourned at 8:15 p.m.

APPROVED

Carole Keeton McClellan
Mayor

ATTEST:

Grace Monroe
City Clerk

Services

The services recommended for incorporation in the Medical Assistance Program represent a consolidation and reorganization of existing health services, rather than any fundamental expansion of services. While the scope of available services will not be expanded, levels of service will grow substantially as a result of the adoption of the revised eligibility criteria. The Transition Task Force recommends that the Medical Assistance Program offer the following to the medically indigent population of the City of Austin:

1. Outpatient Services: The Task Force recommends that general primary care services in the areas of internal medicine, obstetrics and pediatrics be provided at each clinic site.

The Task Force recommends that the general obstetrics, internal medicine and pediatric clinics be transferred from Brackenridge Hospital to the outpatient clinics.

The Task Force recommends that laboratory and radiology services at the outpatient clinics be purchased from Brackenridge Hospital, except where unavailable or offered elsewhere at no cost.

The above recommendations seek to maximize coordination of care in the MAP by making available a broad range of primary care services on an outpatient basis at the neighborhood clinics and by eliminating unnecessary duplication of services at Brackenridge Hospital.

2. Outpatient Ancillary Services:
 - (a) Pharmaceutical Services Alternatives outlined in Attachment A. A contract with a pharmacy which will provide services in the areas served by the clinics is recommended.
 - (b) Specialty services: laboratory and x-ray services to be provided through arrangements with Brackenridge Hospital.
3. Specialty Clinic Services: The Task Force recommends that specialty outpatient care for MAP eligibles be limited to the specialty and subspecialty clinics at Brackenridge Hospital, i.e., high risk maternity, cardiac, neurology, dermatology.
4. Inpatient Services: The Task Force recommends that inpatient services for MAP eligibles be provided solely at Brackenridge Hospital.
5. Emergency Care: The Task Force recommends that emergency care for MAP eligibles be provided solely at the Brackenridge Hospital.
6. Public Health Services: The Task Force recommends that each clinic site provide public and family health services, to include well

child conferences, family planning, maternity care, WIC, and public health nursing services such as TB and VD clinics and immunizations.

The Medical Assistance Program controls the number of eligible individuals in the program through the Eligibility Determination Unit. In order to control, to some degree, the costs and kinds of services provided, it has been recommended that the City be financially responsible for only those services provided by Brackenridge Hospital and the Health Department.

These six recommendations are to clarify that the MAP is essentially a service delivery program providing the eligible population with medical services available through the outpatient clinics and Brackenridge Hospital. The MAP should not guarantee the availability of medical services not provided through these sources and should not be considered an insuring agent. This policy should be made clear to MAP eligibles as well as medical care providers in the Austin community.

Systems

The fundamental rationale behind the consolidation of the Medical Assistance Program under the Health Department lies in the opportunities provided to unify program management, consolidate service delivery, control program costs and assure service quality. Capitalizing on these opportunities required the establishment of a systematic approach to implementing program management responsibilities in the areas of eligibility determination, service acquisition, service provision, cost and quality control. In pursuit of these objectives the restructured Medical Assistance Program proposes the following systems be established and makes the following specific recommendations to the City Council:

Community Input System

A system to assure citizen and client input to program planning decisions. Attachment B outlines alternative organizational arrangements for such a system. The Task Force recommends alternative three, a nine member MAP Advisory Council composed of 3 consumers (recipients), 3 service providers and 3 citizens at large.

Eligibility Determination System

A system to examine and certify program eligibility. Implemented, pursuant to June 8th City Council action.

Program Planning and Fiscal Management System

A system to organize long-range program planning relative to health systems development in the community and oversee the expenditure of funds for the provision of defined services to certified eligible participants. For

the promotion of these parallel systems the Task Force staff makes the following recommendations:

1. expansion of the existing Health Department Planning Unit by the addition of three staff positions;
2. expansion of the Health Department's Fiscal Unit by the addition of two staff;
3. establishment within the Health Department's budget of a special fund for all MAP activities;
4. creation of an automated management information system to track MAP funds, participants and services;
5. development of a system to monitor the quality of services delivered to clients; and
6. acquisition of the services of a health management consultant to assist in the development of data, methods and procedures necessary to the efficient and effective management of the MAP and the control of program costs.

Although the city has historically provided medical services for the indigent, the MAP is the first attempt to consolidate a system of entitlement for inpatient and outpatient medical services to a specific population. Due to the relative lack of experience of city staff in certain technical aspects of establishing a data management system for the MAP, the complexities of the data requirements and the newness of the task, the Task Force felt the city would be well advised to obtain expert professional assistance in this area.

The consulting services proposed will be the intensive training of city staff in the methods and procedures required to implement the data management system and monitor program performance relating to health care. The consulting services will primarily focus on the establishment of mechanisms to monitor and project program enrollment, utilization, service costs and revenues; to evaluate provider performance; and to predict the impact of policy decisions affecting parts of the system on the total system's operation and costs.

Quality Control System

The Task Force recommends that utilization review be conducted on the charts of MAP patients receiving inpatient care.

Federal regulations require that the charts of hospitalized Medicare and Medicaid patients be screened by a utilization review team to assure that patient care, the length of stay, etc., meet established medical standards for their diagnosed illness. If the length of stay or care received were more than the level indicated by the diagnosis, and the physician does not justify the variance, the government will not pay for the extra services.

It is recommended that inpatient utilization review be conducted on the charts of hospitalized MAP patients in a manner similar to Medicare and Medicaid patients.

Staffing

The systems approach to program management outlined in the preceding section requires the alteration of staffing patterns and in certain cases staffing levels from those in previously existing systems. Staff expansions result from two factors. First, the adoption of revised eligibility criteria and the transfer of patients from Brackenridge Hospital will effectively increase outpatient visits at the Health Department by approximately 31,000 patient visits, from 25,000 patient visits in FY 1977-78 to 56,000 in FY 1978-79. Serving this increased patient load will require 19 additional clinic staff and 5 additional eligibility determination staff. Second, the establishment of systems to provide for consolidating program planning and stringent cost control requires the expansion of planning and fiscal management units within the management structure of the Health Department to handle the broader responsibilities, and involves the creation of 5 new positions. Of the 29 positions, 5 of these will be transferred from Brackenridge Hospital staff. The proposed staffing pattern and structure for the medical clinics outlined in Attachment C: Organizational Structure and Staffing Charts.

Recommendations

1. The Task Force recommends that the staffing patterns of the outpatient clinics maximize the use of non-physician personnel such as nurses and nurse practitioners in the delivery of primary care.

The appropriate use of non-physician providers allows physician time to be used in the most cost-effective ways, helps to increase patient volume, speed patient flow and lower overall program costs.

2. The Task Force recommends that a central support team consisting of a health educator, nutritionist, public health nurse, and a dental hygienist rotate through each of the three clinics to provide staff development in health education, some direct patient services and community health education.

This recommendation reflects the philosophy that long-term improvements in health status can be made only by changing behavior patterns that underlie illness. The support staff would provide the core for an expanded illness prevention and public health education effort to be focused upon MAP eligibles as well as the community.

3. The Task Force recommends that for FY 1978-79 the physician services be provided by staff physicians employed by the Health Department--an arrangement which is currently in existence. See Attachment D.

Facilities and Operations

The provision of the services outlined above in fulfillment of the management objectives of the Medical Assistance Program will require no additional facilities, and can be accomplished through expansion and renovation of the Health Department's existing decentralized network of Primary Care and Public Health Centers. Limited expansion and renovations will be required to accommodate the following factors:

1. the transfer of the 7,000 patient visits at the existing Brackenridge Hospital Outpatient Clinic to existing Primary Care Centers; and
2. the addition of an estimated 24,000 patient visits inherent in the expanded caseload resulting from the revised eligibility criteria.

Taken with the existing 25,000 patient visit load of the existing Health Department programs, these additions require facilities and space to accommodate an estimated 56,000 patient visits in FY 1978-79. The more than doubling of facility utilization encompassed in this expansion can be accomplished through limited expansions and renovations for an estimated \$21,900. The minor renovations will be necessary for examination rooms at Rosewood Zaragosa and some storage area improvements at Model Cities.

The consolidated, cost effective delivery of the services entailed in the Medical Assistance Program and the most effective and efficient use of the facilities available requires adjustment of clinic operating hours. These hours of operation are based on prior operating experience and provide for the most timely, effective and efficient provision of outpatient and public health services possible.

1. Facilities: The Task Force recommends that three general medical centers be established for the provision of outpatient services to MAP eligibles. The following are the recommended locations: Rosewood Zaragosa, Model Cities and South Austin.

This recommendation reflects the Task Force's concern that a full range of integrated primary care services, health education and support services be available to MAP eligibles in neighborhood settings.

Patient Load: Under the new MAP eligibility guidelines, a level of approximately 18,700 patient visits is anticipated for each primary care clinic, for a total of 56,100 visits a year. currently, combined patient visits at the neighborhood centers total about 25,000 per year. The additional visits required could be met by expanding the physical plant in South Austin, minor structural changes at Rosewood Zaragosa and Model Cities, as well as some rearrangement of staff offices and clinic space at Model Cities and Rosewood Zaragosa.

Because of an anticipated gradual increase during the first year in the number of MAP patient visits at the clinics under the expanded guidelines, no major changes in facilities at the current sites are foreseen for the present. However, our current CIP recommends the expansion of Rosewood Zaragosa to provide full services, including public health services, to be completed within 2 years.

2. House of Operation: The Task Force recommends that two clinics be open from 7 a.m.-8 p.m. with physician services available from 8 a.m.-8 p.m. and one clinic be open from 9 a.m.-6 p.m. This schedule is consistent with existing patient utilization patterns and allows ample time for people who work during the day to obtain services in the evening. Due to a smaller patient load and the spatial limitations of its current facility, the South Austin Clinic can initially be open either from 8-5 or from 9-6. When expanded facilities are available or when patient use increases, it is anticipated that South Austin Clinic hours will be expanded to those of the other MAP clinics.

Costs and Revenues

The establishment of the Medical Assistance Program reflects a concern for developing the capacity to measure and control the cost of providing health services. The MAP may negotiate contracts for the provision of services with various vendors of service in the community, if so desired, and will be able to monitor delivery and payment to control costs. Organizational planning has proceeded from the premise that it is important that program clients be given a firm sense that they are full participants in the process, including sharing, no matter how minimally, in the costs of the program.

Costs

The total cost of the Medical Assistance Program as outlined will be approximately 7.8 million dollars in FY 1978-79. This involves an increase of 24,000 additional patient visits from the extended eligibility criteria and the establishment of consolidated program planning and fiscal management systems.

Revenues

Revenues are taken to include both client participation through proposed fees and third party billings for reimbursement. This latter element can be more forcefully pursued through the consolidated system and is expected to increase as a component of the overall financial picture of the program. Such an aggressive program is estimated to yield \$523,750 in third party reimbursements from all sources, while the proposed fees would yield an estimated \$128,000 for total revenues of approximately \$651,750.

1. The Task Force recommends that all MAP eligibles be assessed a \$2.00 fee for each clinic visit. This is to reduce unnecessary utilization of MAP services and to provide a mechanism to enable MAP recipients to participate in meeting the cost of their care. It is anticipated that when the MAP system is fully operational, each patient will be given (for their information) a statement at the end of each visit noting the services received and their costs.
2. The Task Force recommends that a \$.50 charge for replacing a lost MAP eligibility card be instituted. Currently, lost cards are replaced without charge. It is felt that a small charge may provide an incentive for card holders to keep better track of their cards.

For a summary of the costs and revenues of the Medical Assistance Program, see Attachment E. (All attachments for MAP Report are currently on file in the City Clerk's Office.)

Implementation

The final phase of transition to the reorganized system and implementation of the Medical Assistance Program should be timed to coincide with the advent of FY 1978-79 in October 1978. Therefore, unless otherwise indicated, all transfers and activities should be scheduled to be effective Monday, October 2, 1978.

Beginning in September, an information office, with a bilingual staff, will be established in Brackenridge's Outpatient Clinic to inform MAP recipients, potential eligibles and the public about changes in eligibility guidelines, clinic structure, etc. Information on these changes is also being made widely available to social service agencies, churches, neighborhood centers and the media.

All clinic card patients will be sent a letter advising them of the changes in the MAP and the location of outpatient clinics. Patients will be asked to select one clinic as their primary care center and use that clinic for all outpatient care. This will enable patients free choice of clinic and facilitate recordkeeping as the patient chart will be kept at that clinic.

The Health Department and Crackeridge Hospital are currently working on written policies and procedures which will ensure maximum coordination between the two Departments to provide for a smooth and effective transfer and continued operation of the Medical Assistance Program.

DISCUSSION ON THE ESTIMATED ENDING BALANCE IN UTILITY FUND

MAYOR: ..items from the Council, and the first one on there, one certainly of major importance and significance, is discussion of the estimated ending balance in the utility fund. We have been delivered a memorandum today, speaking to options available and perhaps, Mr. Davidson, we could hit the highlights on that. I don't think, due to the fact that the Council just received this today, and it is a complicated area..I don't think we are going to be ready for action today. Of course, we can't really act on some of these options until our fiscal year is complete anyway. I am still anxious for us to be able to refund whatever is possible and still keep the fiscal soundness of the utility system.

DAVIDSON: I would ask, and I certainly respect the need for brevity where possible. I would point out that this..some aspects of this report are extremely complicated..

MAYOR: I agree.

DAVIDSON: ..and I think that I need to ask Mr. Nitcholas to explain each option and condition in detail. Mr. Nitcholas..

NITCHOLAS: Okay, thank you. I will try to be as brief as possible, but I don't think I can be too brief in this area. The report that you received today concerns, as you said, the utility fund balance, and addresses two basic areas of concern that we have all had.

The first area deals with the source of the balance, above and beyond the original estimate, and the projected status of that balance at year end. We call this in the report, the Origin and Status portion of the report. The other area deals with the various options that we have looked at as available for the distribution of this balance in the considerations or so-called trade-offs that are involved in each one of these options. And finally the report does make a recommendation..not like the dog kennel.. but we made a recommendation on this particular report from the financial point of view.

Now in the Origin and Status we did a new projection. I just did another one a minute ago because I went out and it was raining. We reduced it another \$100, but we did a separate projection from the original one in the budget, and we came up very close. The most recent projection after an actual 10-months of actual history, sets this estimated ending available cash balance..again, we are talking about available cash balance..we are not talking about fund balance of the fund..set this at just over 14.8 million dollars. Now this is an increase of 14.041 million over the original budget, and it is about 560 thousand dollars different from the estimate that you have in the proposed budget document. That's the status, and that's an estimated status. We still have August, part of August, actually August is about gone now, but we didn't have August figures when we did this, so we have August and September to include to get the actual.

The origin of this money well, first of all the beginning balance from the previous year of 76-77 was increased 1.6 million more than what was in the original budget, because that was an estimate at that time. The large contributors of course are the electric sales, and that is about 9 million

dollars, and the investment interest, which is 2.3 million. Water and wastewater sales are estimated to be up 802,000 dollars. Expenditures are increased just under a half a million dollars, which has a decreasing effect, but not one of any great magnitude.

The breakdown of these figures is shown on Page 1 of the report, called the Source schedule, and the first breakdown is of the sources of this revenue. The second breakdown on that page, actually is an explanation of what happened in the expenditure area, and came up with that half a million dollars difference.

Also on page 1, although the..no that's all on page 1, I guess. On Page 2..I am skipping a few other notes that I don't think you would be interested.. yes.

COOKE: Page 1..projection of transfer to other funds now projected at 20.1 million, based on an additional 1.9 million decreasing out of the revenue, is that right?

NITCHOLAS: That's right. The general fund transfer is proposed in the proposed budget, is some 20 million dollars, which is actually almost 2 million dollars more than was actually in the original budget. Actually, that is a proposed transfer, and the reason it is up that high, is because revenues are up, and the maintenance and operating cost of the system are down. So that's the reason that was projected as a proposal to be higher.

COOKE: How could we see how that was dispersed, other than just dispersed to General Fund?

NITCHOLAS: Yes, it goes into the General Fund much like Sales Tax or any other item not identified to a specific department or specific activity in the general fund.

Okay, on Page 2 of the report, we relate some of the reasons why the electric revenues are being substantially above the budget..as I said, over 9 million dollars. Yes.

MAYOR: Sorry to slow you down. Are you going to talk about that expenditure category any?

NITCHOLAS: I will. As I said that the..total amount is not a significant portion, but there are a lot of differences in where it was spent. For example, maintenance and operating cost, which includes fuel is down 3.3 million dollars from the original budget. Debt service is up 1.8 million, and transfers, as I said, is up about 2 million..1.98.

MAYOR: Okay, Capital Outlay and CIP costs under the expenditure category?

NITCHOLAS: I believe that amount was..

COOKE: 75,000.

NITCHOLAS: Right, it was budgeted at 9.5 million, and the current projection is 9.6.

MAYOR: Okay, that's what I wanted to talk about just a minute. At the top of Page 2, it talks about how Capital Outlay and CIP amount is included for council consideration, is actually less than the annual depreciation figure of 11.5 million.

NITCHOLAS: Yes, and it is..

MAYOR: So what we budgeted in our original budget was less than what the depreciation figure is?

NITCHOLAS: Yes, it was, somewhat less. The depreciation figure on the fixed asset of the system is a guideline for maintaining equity. We should invest similar amounts in the CIP. We have not always done it. Some years we have been able to invest a little more, some years a little less, but we have tried over the years, to place enough money in the CIP or in Capital Outlay to purchase fixed assets in an amount somewhat equal to the depreciation.

MAYOR: But..okay. All I wanted to clarify though is that what we budgeted and what we actually..our current projection is, is less than the annual depreciation figure.

NITCHOLAS: Yes, and that annual depreciation fee is somewhere around 11.5 million..I would have to check at the end of the year to see what it actually is. That's of the total system. That..when I talk about total system,.I am talking about electric, water, and wastewater. That's the utility fund includes those 3 activities.

COOKE: Monty, can I come back to..are you through Mayor?

MAYOR: Well, yes, for now.

COOKE: I am still struggling with the 20 million, trying to understand okay if we originally expected to transfer 18 million, and now we are transferring 20 million, how can I as a Council member get an appreciation for either how that money is allocated or is that money going to show up in the ending balance?

NITCHOLAS: That is part of that 9.7 million or 10.1 million dollar estimated ending balance in the General Fund.

COOKE: Okay.

NITCHOLAS: That's one of the reasons for the increase in the balance in the General Fund.

HIMMELBLAU: Gosh, I was going to spend it twice.

NITCHOLAS: Okay, on Page 2 we talk about some of the reasons that we have 9 million dollars in electric revenue over the budget..one of course, as I say, is the weather, the conditions this summer, and the other is the late implementation of the lowered winter rates under the new rate schedule that was originally to be effective in November 1. It became effective on April 1. And as a result of that, we billed 5 of the winter months under the old rate, which was a high rate, and that..according to the Touche Ross projection and based on some calculations of those projections, it would produce

under the Touche Ross study 52 million dollars for those winter months, but under the actual it produced 55.2 million dollars, which is about 3.2 million dollars more than what the Touche Ross projection was. The old rates being all but one of those winter months.

COOKE: Which we wouldn't expect that.

NITCHOLAS: Not on a continued basis, no. The summer period expected by Touche Ross to yield 86.5 million dollars, it looks like will be 93..a little over 93 million dollars, and that's a 6.8 million dollar increase during those summer months.

COOKE: And you are saying that's because of the weather.

NITCHOLAS: Yes. The weather, the growth in the generation, the growth in the system..I am sure a great deal of it contributed to weather, and probably the building growth in Austin and also..you know.

COOKE: ..that Touche Ross maybe was underestimating..

NITCHOLAS: A little bit..they were underestimating the growth of the system to some extent. If I recall.

COOKE: How does that impact our ability for Capital outlay then?

COOKE: If we are growing..if we are anticipating growth, certainly a certain amount, and Touche Ross is estimating how we are going to grow, there has got to be some consultation going on in the short term, because this is a short term situation, with regard to the fact that we have got to have the capital there to meet the growth demand. In other words, we have got to have the poles and we have got to have the people, we have got to have the system out there, and it seems to me that Touche Ross would have that much more at their finger tips because it is a short range situation, because we would have to have the money appropriated by the Capital..because it is in this year. Are you following my...exactly?

NITCHOLAS: Maybe I am and maybe I am not.

COOKE: I can restate it. I am saying that Touche Ross was working on a study last summer, and this winter, and presented it to us, and at the same time we had to have deliberated how much the electric system anticipated it was going to grow and thus appropriate the money to meet that capital demand. So certainly there should have been some in concert..in other words we can't grow faster than our ability to put the system out there, and we have got to have the bucks to put the system out there.

NITCHOLAS: While I am hot, let me see if I can answer that. First of all, the history of the past two years before Touche Ross did the study was not particularly good, and you know, any rapid growth was not really anticipated to that extent. Secondly, because there was considerable growth in the system is one of the reasons that we have a cash flow problem in the Capital Improvements Program. Because what happened as we try to transfer current revenues to offset this growth. If we can't transfer enough of those revenues, then more of the bond money is eaten up, because these are ongoing projects, and we finance them with bond money when we run out of current money, is the basic way we do the Capital Improvements Program..

MAYOR: Has that been a problem for several years?

NITCHOLAS: It has been a problem..yes, it has, off and on and mostly on.

MAYOR: Not something just this year?

NITCHOLAS: No, but it happened again this year. We also had some growth..

MAYOR: It happened again this year, but , yes, I am with Richard, how long..?

GOODMAN: Yes, how long has it been happening?

NITCHOLAS: Well, I think we point out in the 72 bond issue, the bond money didn't last near as long as it had been anticipated for those projects.

GOODMAN: Is that when it started..when we started having these cash flow problems in the CIP. We have it off and on, when did it begin?

NITCHOLAS: I don't know that I could answer that.

GOODMAN: Specifically, you know, when our cash flow accumulated by the fact that the 72 bond issue did not last 5 years but 3.

BARKER: I can pinpoint it almost to the day, Councilman Goodman. Up until ..I mean in general terms, if I may. Up until 1972, the City of Austin was increasing its equity in plant, and increasing the equity in plant, means that we are plowing back more money out of current earnings, then we are using up among other things. We were acquiring equity..our percentage equity was going up. Starting in 1973, it started trending down. At the present time it is down 10.46 of where it was 5 years ago. I am saying that our equity in 1974 was 46%..very good equity picture for an operational electric utility. Today it is 38%, and still trending down. We hope that terminates within the next 24 to 36 months.

MAYOR: Can you try to..Norman..I 'm no. Can you try to ..it seems like.. a tie up for me in what you are saying right there, how we have been projecting, have we been projecting accurately in our budget projections, knowing what's been happening since 1973. Were our projections for this year sound?

BARKER: Yes, I think so. I think in the..

MAYOR: Could we make it if we had stuck right on our projections for this year?

BARKER: It would have been much more difficult.

MAYOR: Could we have made it if we had stuck on our projections? Kept our good bond rating, kept our times coverage?

BARKER: Mayor, you are dealing in probability, and I can't give you the certainty as far as an answer. I believe that yes, we would have made it, but it cannot continue indefinitely. What has not been brought out is in this 5 years, we have had some years we have earned less revenue than

was projected and we had to eat it, we had no magic fund from which we could take the money.

MAYOR: What my real concern right this moment, is this year and what we projected and what we have got and what can we do with it. And so, what I.. the only way I can.. I need some background, some basis for judging these options, what we can do. And when you read through these, you get the feeling that you can't do as much as I would think you should be able to do if our projections are sound and accurate. And I don't know if I am making sense. ..make myself clear.

BARKER: I think I get the sense of your question, now. There are of this.. you know.. the ending balance that had a magnitude of 14 million dollars, as reduced by the things that Monty has been telling. For instance there was a 7 million dollar expense item that doesn't show up in the budget, but which has to be in the accounting record. That immediately reduces that balance forward by that 7 million. And we get into the options that Mr. Nitcholas has given you, and has been repeated by the City Manager, and there are the options of what you can do with the remaining amount. What my slant was that for good operating efficiency we need the overs as much as we have absorbed the shorts in prior years, to stay on a good operating business basis.

MAYOR: Okay, let me go back to my question again. We couldn't have had good operating efficiency if we hadn't had this over.. you know.. if we had been on target with what we budgeted, we would not have had good operating efficiency?

BARKER: We would be running closer to the border line. I am not saying the City of Austin would have closed up and gone away, but we would have had to take some precautionary measures..

MAYOR: One thing I am asking is have we made good decisions, good judgement, good sound projections, whether it is in adopting our electric rate structure, or what not. Have we made sound projections in these utility areas?

BARKER: Mayor, I think so. We have still some projections that are untried, and then certainly the dollar reduction of the reduced winter rates, that is a great big unknown, in which.. which it will be also good business practice..

MAYOR: Suppose right at this point, we had.. I know we are playing probabilities, but if we hadn't had a hot, dry summer, and now we have been in the summer rates and we are getting ready to go to winter rates pretty soon, thank goodness. I.. suppose we hadn't had that hot, dry summer.. suppose it was like today, it had been raining all summer..

GOODMAN: We would be up in water..

COOKE: No, they wouldn't..

MAYOR: Really, that's what I am after.

BARKER: I am trying to answer, Mayor. We have some "unfunded liability" that sometime in the future must be faced up to. This gives us some ability to fund some of those unfunded liabilities, one of which the City Manager has pointed out, would be an equitable and adequate thing to do,

is that we owe either LoVaca or our customers about 4 million dollars.

MAYOR: I think we owe our customers. I don't think we owe LoVaca.

BARKER: No, the Court will decide, one or the other. That thing has to be a product of cash somewhere along the line. This is a good opportunity to furnish that cash, where before we just recognized the liability in the books, and be a proper disposition of some of this. It would be a benefit to our customers.

DAVIDSON: You know, Mayor, let me try one other thing that Mr. Barker has to deal with every day. He makes projections and we have to depend that the.. He makes projections and we have to depend or hope that we are going to receive good interest rates for the bonds that are sold, and that has of course to do with the timing in connection with the market, or the information that is coming out about this industry, and.. But, sometimes we don't hit the market at the right time, but we have to go ahead and sell the bonds in order to meet our obligations. As a result, the high interest costs sometimes are higher than what we would like to pay. It creates a tighter situation as far as we have to manage the rest of the assets, the rest of the cash available. So there are several projections that have to be made by Mr. Barker in managing this cash flow, which we cannot predict, and we have some good years, which we have had in the past, and we have had some bad years, and history has proven that we do in fact have some of both, and just as surely as this has been a wet..or a dry, hot summer, we have got a wet cold summer ahead of us. We don't know if it is next time, or not. And again history has proven good business judgement you have to make allowance for that year, that bad year whenever it comes. We don't know when it is coming.

MAYOR: Well, that's..I agree with everything you have said, and that's exactly why I am asking the questions I asked. Had we trimmed ourselves so thin, had we endangered our system so much, if that summer had happened this year, that we wouldn't have, you know, had the times coverage for bond sales. We wouldn't have had all those things that we always assume and count on in the City of Austin. I agree with everything you said. I would think because of those things he said, even more so, you know, that were our projections good and sound?

BARKER: Mayor, I believe so, Mayor, I believe starting with the budget area projections, I believe that through the functions of the City staff, if we projected what we think is going to happen in the budget in a very optimistic way, we would be doing a terrible disservice in asking the City Council to adopt that budget. Your chances of it not happening are magnifying. When you project a conservative budget Mayor, it gives you some leeway, but dealing with the specific years..

MAYOR: Let me just ask..let me just pull out one question on that, Norman, if this is not related, tell me so, because I will admit this is complicated and I get confused. Is the Capital outlay in the CIP what was original budget and what you know was that..was that what you would consider an optimistic, pessimistic projection? It was less than what the annual depreciation figure is.

BARKER: Yes, ma'am, that is the guide line.

MAYOR: Is that considered a pessimistic or an optimistic..

BARKER: I believe I am with you now. The only way that we can elevate that amount of money transferred to capital improvements program, to increase it..well, there are several ways, and I would like to go over them with you. One is of course to reduce expenses, some of which are practically irreducible. The next one is to reduce transfer to General Government, then you will have more money for this. If you have an ending balance, you can use that to buy fixed assets. Or the other..the other thing that is always available to the City Council is raise rates and increase your revenue..

MAYOR: Sure, nobody wants to do it, but I am asking..my question was was that an optimistic or a pessimistic..

BARKER: In my opinion the budget was presented to the City Council in a conservative manner.

MAYOR: Because, I just heard..you know, I just heard the statement that, you know, we can't make overly optimistic..

GOODMAN: Mr. Barker..

MAYOR: Was that overly optimistic?

GOODMAN: On Page 3 of this report, it says "Future bond sales are tentatively proposed for 79, March and September," etc. "with present revenues intact, we will end up.. with a 10% safety factor built in..we will end up with a time coverage factor of 1.36."

BARKER: Yes, that is my best estimate.

GOODMAN: Is that correct?

BARKER: Yes, sir. That's based on the revenue ending 9-30-1978, because all of the projections we have indicate that the City of Austin will have less utility revenues next year than they have this, so of course, we will base our coverage on the best..

GOODMAN: Doesn't that cut it pretty tight, and if we hadn't of had this extra revenue, what would our time's coverage..what would it have been?

BARKER: Pardon. Our extra revenue, now we are including one more sale here, which is a fall sale, or if you wish the first of 1978..a 1980 sale, only went through this spring projection. If we had not had this good year, we had projected using the rates recommended by Touche Ross, that our coverage would be down to 1.375. That was part of the shaping of those rates. We are saying now it would be 1.45, but look farther on down the line, and here is the shape we are going to start getting into in 1980.. and having not experienced it, Mr. Goodman, the Council has consistently been told ever since we have had Touche Ross that they are contemplating that we have a rate increase at the end of 1979. The magnitude of which could well be dictated by whether we had a good year this year or not.

MAYOR: But that is also a time though where your fuel cost..there should be,you know, because of the diversification of fuel, we should have a

reduction in fuel cost, and therefore the overall impact to the ratepayer..

BARKER: ..exactly in the ..

MAYOR: ..should not be what?

BARKER: That belongs in the statement, too....

MAYOR: ..and the reason that the concern..I think the reason we talk so much about now trying to do something for our rate payers..is a time when they are carrying that peak load on fuel costs, and that's precisely why when you wind up with, you know, a tremendous margin..more difference of ending balance than what was originally projected. You look for ways to let those who are suffering now benefit from those.

BARKER: I believe a fair thing to do, and we are all rate payers, everyone on the Council, and I am too, is to use such monies as we can to fund that liability which we now assume will be to the customers, the \$4 million. Anything else will..any other option that we have will reduce the amount we can put into fixed assets, which means for dollar for dollar we have borrowed money. Ultimate facts of life on borrowing a dollar, is that we will pay back about \$2.50 for that. It is kind of a business balance how much you charge your current customers, and how much load you put on your future customers, and that's part of the borrowing philosophy.

GOODMAN: Mr. Barker, in the City Manager's cover letter here, it says that during the year 72-77, the unbilled but recoverable fuel cost account accrued a \$27 million..so forth..the transfer then to the CIP was reduced by a similar amount \$26.8 million..now, roughly about \$20,000,000. If we had received that revenue during that period, how would the present situation with the shortfall of funding for Fayette be effected?

BARKER: It is a direct relationship. What happened in the 1972 bond sale was a projection that we would plowback in the next 5 years about \$67 million of current money into fixed assets, in lieu of borrowing money. We were able to put in the fixed assets..that \$26 million less than planned. So we used \$26 million more bond money, because the projects did not go down. I have not traced them project by project, but I think it is safe to assume that our overall cost did not go down, that we have projected for costs of fixed assets. So it literally meant that..Councilmember Goodman, we used up our bond funds faster than we had projected. There is no deceit involved, just that we did not have that money to put into assets and had to use the other side of our pocket, which was our borrowed money, and it went faster.

GOODMAN: So it directly impacted the shortfall which we now experience with Fayette.

BARKER: No, sir, I didn't say that. I said the direct result of what has happened is that we had to put \$27 million into fuel that we did not recover from our customers, and putting the money into that fuel meant that it was not available to put into fixed assets. Therefore we used more of the borrowed money than was contemplated.

GOODMAN: For the total system..

BARKER: , but not related. Right.

GOODMAN: For the total system improvements and therefore effected our funding crisis right now, with Fayette project. If we had recovered this revenue all along, we would have \$26 million more.

BARKER: That's true, but it is not directly related..

GOODMAN: ..it would be available for funding of Fayette.

BARKER: It would be available for funding of any fixed asset..Fayette is a name.

GOODMAN: ..including Fayette..right now where we are lacking some money. Yes, that is the only reason we are bringing that one up.

BARKER: But Fayette didn't cause any of it.

COOKE: ..though to try and find that money..

MULLEN: It's a hard one not to bring up, Richard.

DAVIDSON: I would like to point out that,as I have before,that that in itself in connection with the use of bond funds is not unusual. You can take and line up 12 propositions, one for public works, one for parks and recreation, one for libraries, etc. And it is very seldom that you would be able to accomplish every single project that's lined up on that sheet of paper at the time the Council votes to have a bond election. So even though, yes, we are talking about you know, a considerable amount of money, the idea of having not enough money to complete all that was originally anticipated over a 3, 4, or 5-year period is not at all unique or unusual. Isn't that correct, Mr. Barker?

BARKER: That's exactly right. I think the gist of what we are saying is that using the name Fayette in there, the Fayette project, that was the result, that wasn't the cause of the shortfall.

DAVIDSON: That's right.

MULLEN: What was unique was the unusual fuel cost, we faced at that time. We are not really faced by the people that were utilizing those, andnow we are having to pay.

GOODMAN: When was the 6-.....,averaging system rolled in to our procedure for recovering the added fuel cost..

BARKER: I believe it was 1951, when the..when the then fuel cost adjustment was devised and adopted by City Council. Or it may have been..it is about 20 years old.

GOODMAN: So that didn't effect the unbilled recoverable fuel cost that we

started to build up in 72-77.

BARKER: No, what was the basis of it, Councilman Goodman, it was a good formula for the time that it was adopted. It was adopted in a period when we had contracts that were reliable on gas costs, and we could project those gas costs into the next year, and almost into the next decade. It was based on the existing machines then..and a certain power factor running them and a certain heat-rate efficiency as known at the time they were adopted. They were good rates at that time, but subsequent events ..first that we started putting larger machines which were more efficient and had better heat rate is one thing. But the thing that clobbered everything was that this month's gas cost was significantly higher than last month's gas cost and was escalating straight up and the formular simply did not fit.

GOODMAN: When we start receiving money from Houston Light and Power..in our power sales contract, where will that revenue go, and how will that effect any way the categories of funds that we are talking about here.

COOKE: Are you talking about the 16 million.?

GOODMAN: 16 million, yes.

BARKER: That money will go where the City Council directs it to go. Our recommendation is..our options are to treat it as miscellaneous revenue, our options are to use this as a reduction of the deferred fuel cost. But in any case that disposition of that money is to be determined finally by the City Council. It is not dedicated by anything but the City Council.

GOODMAN: Somewhere here in this report, there is some consideration given to what the bond companies..how they view the recoverable fuel cost balance that we have and whether or not we will ever be able..the City's independent auditors and Finance staff have expressed some concern about the recoverable fuel cost balance and the City's intention to actually bill these costs to the customer. Can you elaborate on that a little bit?

BARKER: I can and can call the auditor who has that concern. He is the City's new independent auditor. First I would like to explain it. There needs to be a uniform plan that a reasonable man would believe was the intention and the ongoing intention of the City to do. We have a gap in the recovery of that fuel cost from the time that we implement the first two years of Touche Ross' study. It was held that the lowest cost to the customer be to freeze that recovery until after this two-year period and start the recovery from the customers. The recovery means an increased cost to the customer at the same time our fuel costs are going down. In October 1, 1979, an auditor's rightful concern is that a continuing obligation of the City of Austin that cannot be changed in order for that to be 100% pass that on the books. I would like to call our auditor if I may.

DAVIDSON: Mr. Tom Nourse.

BARKER: Mr. Nourse from Peat Marwick & Mitchell.

GOODMAN: As Tom is coming up to the microphone, in short..well, I will ask Tom. In short, Tom, what we are saying here is that to give a refund

this year might not be so wise. Is it a warning against a refund?

NOURSE: Well, Councilman, I got in..when I started reading the papers, we were just getting into the audit, so..

GOODMAN: We did too.

NOURSE: ..I will have to say that I have been extremely concerned about this refund, because I am afraid, number one, that if the refund is passed, it is going to go against 1978 earnings, which that coupled with an amortization of this deferred fuel charge might put this bond coverage level really in jeopardy. And I think that if a refund is passed, that under generally accepted accounting principles, and that is what the times coverage is under, because all the bond underwriters and what we sell bonds on is generally accepted accounting principles, not the cash basis of accounting. And there are two significant differences there. Big differences between cash basis and accrual basis. Under accrual basis we do have..you are looking at 14 million from a cash standpoint. But what's going through that income statement is the 7 million dollar amortization of deferred fuel charge..coming from 27 million from Sept 30, 1977, to 20 million at March 31, 1978, whenever the ordinance was passed to cushion the new rates under the Touche Ross plan. Because what happened under the Touche Ross plan is that they did not, or Council did not, add to the fuel cost adjustment under their rate enough to amortize the 21 million over say a 5-year period or some reasonable period of time.

GOODMAN: It was just shelved.

NOURSE: It just stopped. Amortization of the account stopped. This is the question we have. What is the validity of this asset? I can't go out and touch it; I can't go count it; I know..we don't have it; we have spent it. And it is like Norm says..it really did hurt the equity we had built up in our fixed assets and plant, because as everyone knows a free-enterprise utility system can go out and sell stock preferred and common to get enough money to invest in plant. Where an enterprise like this one..an enterprise fund that's under a municipality doesn't have that available, so it has got to plow back earnings sufficient enough to keep its equity in plant to a level that the bond underwriters are going to be comfortable with. The equity in this plant has dropped 10 percentage points in the last 4 years, from 46% to 36%. I think maybe this deferred fuel cost problem is one of the reasons.

MAYOR: What..

NOURSE: Let me go on with my..I am talking complicated. We had some accounting questions on this deferred fuel cost..how it got there, why it got there. The multiplying actual cost rate on the old 1959 ordinance to the actual usage of kilowatt hours and to see how much was actually passed on. We just had several questions we haven't really been able to get in deep enough to say which way we would recommend, but looking at this thing, we just put in the fuel cost..or fuel..the rate right now, we just changed it on April 1. You are going to have heavy demand in the summer the way this rate was structured. You are going to have low demand in the winter..or low demand and also lower rates. And from talking to City management, they are anticipating a very tight cash flow during the winter time. And it could be that the estimated revenues in the winter time are

not going to be as great as they have been over the budget in the summer time. So for the Council to pass a rate..or a refund of rates at this time, without looking at a whole year's spectrum under these rate changes which were significant, and I can only be your independent auditor and advisor. And with your declining equity in your plant, and with the questions of deferred fuel cost sitting up here, and with your bond counsel and your bond advisors and bond underwriters sitting up there looking at this declining equity and being very careful that we get 1.25 of coverage..all of those uncertainties lead me to suggest that you think very..or consider very strongly before you pass an ordinance refunding some of this money.

MAYOR: Are you also speaking to the LoVaca refund?

NOURSE: No. No.

MAYOR: Let me ask you another question, Mr. Nourse. What do you think on.. what sort of course would we be on..where would we be now..we know that winter months are going to be tighter. Suppose we had been on projections..suppose we hadn't had that hot summer, and we know we have had declining equity, and you talk about the 1.25 coverage, and all this sort of thing. I don't want to ask you an unfair question.

NOURSE: Well, I know what the question is, the question is what you have been asking the City Manager, and let me say this, I kind of asked that I be given a chance to speak before Council, because I am the independent auditor for the Council and the City, and I just wanted to express my concerns, but your concern is..it is okay we had budgeted and they apparently have a conservative budget, but you have got to remember it is a cash budget, and this is one thing that I when I get into it..there is a much different picture when you get a cash budget, and a full accrual budget from the financial accounting standpoint. But the point that you were trying to make is had they been right on budget, would we have been in any worse condition? I think that what they are saying is that that spread or that bond coverage at that time 1.25 would have been closer to their target. Right now they have got a little cushion in it.

MAYOR: But what about all the things..other things you are concerned about..

NOURSE: The deferred fuel cost? That's an item at this point I have just got a question. I am getting into it. I am researching it. I don't know the answer to that. I know what the other accounting firms have agreed to. I am not saying to you that we can't agree to it, but I have been looking at the computations from both sides, and how it got there, and that I do have a question about it. And one of the questions I have is that we have deferred amortization of that, or actually deferred billing it until October 1, 1979.

MAYOR: All I am trying to say is you know, bond counsel and everyone else involved in this picture, you know, we..we doing it like we ought to be doing it.

NOURSE: I don't know if you have done it in the past like you should have been doing it. That's the question I don't know.

MAYOR: You don't know. That's precisely what I am asking.

COOKE: When do you think you might be able..

NOURSE: From generally accepted accounting principles we have capitalized cost that are called deferred fuel charges that had been billed on a moving average 6-months basis, based upon a formula that was created in 1959 by a bond ordinance, which formula really and truly applied to the total kilowatt hours and usage passed on actually much more than the monthly excess fuel cost.

MAYOR: I'll tell you what you do know, I sure do want to know what you know.

NOURSE: Yes, ma'am. This...well, I think..and I do just want to reiterate to you that I do have these questions..I have these concerns. That's why I am here.

MAYOR: That's why we are here. That's why is here.

MULLEN: I think your firm is hired by a 7-0 vote, so we are glad you are here.

NOURSE: 6-1, Mr. Snell..

MULLEN: Oh, I am sorry.

GOODMAN: When we start amortizing the 20 million dollars in October, 1979, ..

NOURSE: It won't be 20 million. I need to explain that. We can live with that..

GOODMAN: Right.

NOURSE: We have got to discount that right now, because we don't have the use of that money. That money is not an investment, it is not earning interest, it is sitting there until getting ready to be billed, at which time we will start billing it over a 4-year period, as I understand the bond ordinance that was passed effective April 1, 1978. Therefore, we are going to have to apply some kind of a discount factor to the loss of the use of money during the period of time that we are holding that asset, that is not earning interest.

COOKE: You are talking about 1 October, 1979.

NOURSE: October 1, 1979, plus a factor to get it on down over a 4-year period. The other thing that I think I must tell you that we have real concerns about is the fact that..to be able to use revenues from the Houston Power and Light contract to offset that is not a rational.. or reasonable allocation of that account. In other words that account got there from some other method. It is not a receivable from Houston Power and Light. It is deferred fuel cost expended over a period of 4 years, and to take the receipts from Houston Power and Light and credit it against that deferred charge is not related. Therefore under generally accepted accounting principles when you have an asset like that, you have got to get it off the books in a systematic and rational basis.

GOODMAN: Okay. Is it systematic and rational to recover from a different group of rate payers over that period, than those rate payers that helped us to incur that..or that unrealized asset?

NOURSE: If I understand you, you are saying is it okay to take..restate it, Richard.

GOODMAN: Is it more rational to collect that money that is unbilled right now..is it more rational to start in October, 1979, to collect it from a different group of rate payers? You see, I don't see that that is any more rational insofar..

NOURSE: That is another question we have. And all of these..I am not passing judgement either way. These are accounting questions that I don't feel like that we are going to try to help the City of Austin, but we are also going to be under general accepted accounting principles.

GOODMAN: The reason we haven't tried to recover that money before October, 1979, is it would just get too unbearable, is that it, Mr. Barker. Are we trying to do what we can to delay some collections?

BARKER: I think that is a reasonable statement, and I would like to make another statement, too, that we do not agree with Mr. Nourse, and that is the proper application of that 16 million dollars, and that is to be decided in the future. Our rationale would be that yes, the customers created that 20 million dollar deficit by not being billed for that amount. Those same customers are..our mix that exists now is entitled to that refund of 16 million dollars that we get from Houston Lighting and Power and the two offset each other.

NOURSE: Well, let me explain this. I am certainly not saying don't go through the Houston Power and Light contract. I think that sounds like a real good deal. I haven't looked at the proposed contract, but what we are talking about is an accounting entry, and that is when we charge off the deferred charge as compared to when we bring in the income, the Houston Power and Light contract. The timing may be significantly different. Which could significantly effect our bond rating. That is the point. It is not that the City won't benefit from the Houston and Power contract. It is that when do we have to amortize the 21 million, over what period of time, and can we go against the 8 million in each year for the Houston Power and Light. That's the question. Now..these are only questions that I am bringing up. These have not been resolved.

MULLEN: What we could do is to give a refund every month on 16 million, and then a charge every month for the amortization that he is talking about to make it up, and the net result is that Houston Power and Light pays for it and accounting wise this is taken care of.

NOURSE: Well, the problem I have is you give a refund for 16 million, you have still got the asset. You have got to put it somewhere.

MULLEN: Well, we can put it back to..okay.

NOURSE: You might be doubling up there, Ron, I am not really sure. Anyway, my only purpose here today, and I did invite myself..I asked the staff if I could come up..is to express some concerns we do have. We are just now getting into some of these things.

MAYOR: I tell you what..it is somewhat comforting to know that you have questions and concerns..

NOURSE: Well, I don't want to imply that the accounting is wrong..

MAYOR: I know that, it is just that I have got a lot of questions and concerns, and..

MULLEN: But your recommendation right now is don't run out and spend it.

NOURSE: Absolutely. I cannot make that decision for you, because I wouldn't be independent, but I sure got to advise you..I have got to advise you as your independnet accountant. I would not make a refund.

MAYOR: But you advise that there is no problem with refunding the 4 million..?

NOURSE: No, ma'am.

MAYOR:..which is out of that 14.

NOURSE: That's right. Now let me explain..that is a liability that was set up as a liability and I think rightly so when we were burning fuel oil, and the cost of fuel oil as many of you remember was extremely higher than the cost of gas from LoVaca. The only problem is we couldn't get the gas from LoVaca, so we had to burn fuel oil. What we did, is we took that excess cost and took it against LoVaca's bill. Okay, that 4 million dollars..not it was really 3.5 or something like that..was really billed on to your consumers. But instead of taking that into revenue, we put it into a liability account. It was never reported in revenue and never effected bond coverage. Okay, but we knew we might have to pay it back, either to LoVaca or to the consumer. Okay, hope we have won the LoVaca case to that point, but it isn't final yet.

MAYOR: No, as it gets final though in January, then you can refund that ..

NOURSE: You can refund that 4 million dollars, because it has been accruing interest at the rate of I believe, 6%, and that is due to consumers..the customers..taxpayers. But that is already recorded as a liability.

MULLEN: Where would that have come from, though, if it hadn't of got this extra money? How would we have gotten the refund available to the customers?

MAYOR: Right, good question.

NOURSE: If we hadn't have got what extra money?

MAYOR: If we didn't have this 14 million.

MULLEN: If this is extra money..I don't know, you..

NOURSE: Well, no, you have got other..you have got some assets in the utility system that are encumbered for capital projects, and that is billed into equity in the plant that you need to..

MULLEN: But that has to do with bond coverage.

NOURSE: But you have also got some..you are also acquiring 9 million dollars

of assets this year, I believe, and..

GOODMAN: All these things..that if we paid it out some other way, it would have effected our equity, wouldn't it?

NOURSE: That's right, but you know that money may be there..

MAYOR: Good thing we got this 14 million. We wouldn't be able to comfortably ..

NOURSE: You might have had to scratch to get that, you know. I am not real sure, I haven't looked at the balance sheet, but the point is, as you have got it, and it looks like that that money could be, one of the things the Council could do is earmark that money now until the settlement is completed and at that time refund it. I don't think you could refund it until you get the final settlement.

MULLEN: We're not..I don't think anybody's talking about that. I am just trying to come up with what your thinking processes are going through.

GOODMAN: I have one more question of Mr. Barker. What are some of the other major unfunded liabilities that you referred to a while ago? The major ones are the ones I am interested in. Is this the biggest one?

BARKER: No more surprises.

GOODMAN: Thank you.

BARKER: It was never intended to be a surprise, of course, it was out on the table. It was just what it is called, an unfunded liability.

GOODMAN: This old LoVaca debt.

BARKER: Yes, sir, now you did ask..

GOODMAN: Is this the biggest of them all, of all our unfunded liabilities.

BARKER: This is the only one that I know, other than repayment of debt.

GOODMAN: Okay.

BARKER: You did ask a good question, that there is no easy answer to Councilman Goodman, and that is can we deal with the customers that existed at the time that the event happened. And there is no discernable way, no matter much you would like to, those customers are a different mix every month.

GOODMAN: For the record, it is the present voters who are of utmost concern.

MAYOR: For the record, we will all go along with that.

NOURSE: Any more questions for me? Thank you.

MULLEN: Appreciate your coming and taking your time.

MAYOR: We sure will look forward to some answers.

NOURSE: We are working on them with..

MULLEN: Thank you.

DAVIDSON: Mr. Nitcholas.

NITCHOLAS: I think Mr. Nourse and Mr. Barker just gave my report.

MAYOR: I think they did too.

NITCHOLAS: Most everything in the report actually I believe they discussed. There is a..five options listed..some of them are considerably good options, some are probably not particularly good but there are different ways that you could distribute this cash money. The..of course, the first option that we listed is the one that was included in the 78-79 budget proposal. That was to carry the balance forward to next year. The second option deals with the refund to the customer which we have discussed, I think, probably very thoroughly at this point. The third option is to place these funds in the CIP at the year end, of this particular fiscal year 77-78, and that's doing the same thing as we would do if we put it in the CIP at the end of next year, except that we would have that money to fund this low income producing period..winter month, that we were talking about, or that Mr. Nourse or Mr. Barker talked about under the winter rates. Option four, would be to transfer the funds to the General Fund, which would be an excessive..well.. more than..larger than normal transfer to the General Fund, and on a one-time basis, and of course that would allow a major tax reduction because of it in that one particular year..but on the other hand it would not be consistent and the next year those taxes would probably have to go back up to make up the difference, and it doesn't appear to be a very good option on a..for a continual financial management. Option number five, the last option is to utilize 4 million dollars of this to..of this ending balance to fund this contingent liability that Mr. Nourse just talked about, and we would recommend, as a matter of fact, from a financial point of view that that be done and the balance of the money remain in the ending balance for those future contingencies such as the low income producing months of early next year, and to help fund the CIP at the end of the year.

COOKE: If the Council chose to select that option, 4 million when LoVaca was finally settled out, which would be early next year, as you said, have you all given thought to a consideration of how that will be disbursed..in other words, are you going to disburse it on a percentage of bill, or are you going to disburse it on just so much per customer, or..?

NITCHOLAS: Normally, the only way..much like the interim rate adjustment that we put in when the Touche Ross study was working, if you remember, we had been over-collecting fuel cost at that time, or..either that or revenue, and we put in the interim rate adjustment until the new rates came in, and we did it..distributed that on a kilowatt hour consumption basis. You know it is not the same people exactly or the same amount of usage, but that is probably the fairest way to do it, off the top of my head.

BARKER: That's a good statement. That's about the only practical way that we can do it, but prior to recommending that to the City Council, we would certainly have legal opinion to the Council if that was the proper way. Thank you.

MAYOR: I think that this is of a magnitude and importance and complicated enough that it would be precipitous to try to act today, and unnecessary too. We can't do anything any way until at least the end of the fiscal year, and if we are talking about refund on LoVaca, that's probably going to be January, and I personally want some more time to really look at this. I think we have all got a lot of questions, and I appreciate your laying these options out, and the staff laying these options out. I certainly would favor us refunding that LoVaca settlement money when that is finalized. Hopefully, that's by January, and that doesn't endanger.. apparently it doesn't effect the coverage and what not.. I think though, again, that there's a lot of information here that we need to very carefully scrutinize and..

NITCHOLAS: And Mr. Barker and myself, Mr. Nourse, the entire staff will be willing to talk to you individually..

MAYOR: I am sure that our Electric Utility Commission, too, will want to get in on these options.

NITCHOLAS: Yes, they are getting copies of this.

MAYOR: I don't know if we need any action today.

GOODMAN: Let's move on if there aren't any questions.

NITCHOLAS: Thank you.

DAVIDSON: Thank you, Mr. Nitcholas..Mr. Barker.

MAYOR: We appreciate your being here too, Mr. Nourse.
