

MINUTES OF THE CITY COUNCIL  
CITY OF AUSTIN, TEXAS  
Special Called Council Meeting  
August 8, 1978  
7:30 P.M.  
Council Chambers  
301 West Second Street

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The meeting was called to order with Mayor McClellan presiding.

Roll Call:

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

Absent: None

Mayor McClellan opened the Special Called Meeting on the presentation of the Proposed Annual Operating Budget for 1978-1979.

INVOCATION

The Invocation was read by Reverend Jim Mayfield of the Northwest Hills United Methodist Church.

INTRODUCTION BY MAYOR MCCLELLAN

Mayor McClellan began by outlining the agenda of business for the evening. She stated, on behalf of the Council and Municipal staff, that they were grateful for this opportunity to share with the community, the presentation of the recommended operating budget by the City Manager for the 1978-79 fiscal year. Mayor McClellan stated that in keeping with her pledge of the past six months, she would not support any budget that did not incur a tax cut for the majority of Austin citizens. The Mayor indicated that she was talking about a tax rate reduction of sufficient amount, that the current year reevaluation increases will be eliminated by a lower tax rate for a majority of citizens. Mayor McClellan stated that Austin has a real tax problem due to the large amount of tax exempt property in the city. She indicated that she would support reducing desired services in order to realize a tax decrease. Mayor McClellan pointed out that the meeting tonight was designed to gain input from the public. She stated that the Council intended to reduce red tape, simplify procedures, and move towards a performance zero based budgeting process. The

Mayor indicated that upper most in her mind was a real tax cut for the tax payer. She stated that the Council had built a tax cut into last year's budget, and that this year she was determined to do it again.

#### BUDGET PRESENTATION - CITY MANAGER

City Manager Dan Davidson outlined the four following budget options:

1. The recommended budget - This option amounts to \$298.7 million, with \$89.1 million attributed to the General Fund. This proposal would allow the Council to decrease the tax levy by \$.17 per \$100 valuation.
2. The basic budget - This option amounts to 95% of the current budgeted amount. If adopted by the Council, the total would be \$278.3 million, with \$78.9 million attributed to the General Fund. Under this proposal, the Council could lower the tax levy by approximately \$.469 per \$100 valuation.

Mr. Davidson stated that these first two options really set the range of choices open to the City Council at this time. The tax rate could be cut by \$.17 and \$.469, depending entirely upon the choices that must be made by the Council during the budget process.

3. This option constitutes the current budgeted amount for this year at \$284.8 million. Under this proposal, \$84.9 million would be attributed to the General Fund. If this level of spending is desired, the Council could approve a tax decrease of approximately \$.296 per \$100 valuation.
4. This option is figured on the basis of the current budget, plus  $\frac{1}{2}$  of the recommended supplements. Such a budget would total \$292.7 million, with \$87.6 million allocated to the General Fund. This variation would enable the Council to consider a tax decrease of about \$.21 per \$100 valuation.

Mr. Davidson indicated that, under the City Charter, the Council has the authority to adopt any of the above options, ranging from \$278.3 million to \$298.7 million, or anywhere in between. He stated that the Council could adopt a General Fund budget from \$78.9 million to \$89.1 million, or they could adopt some more than this or less. Mr. Davidson pointed out that the potential tax deduction could range between \$.17 and \$.469 per \$100 valuation. Mr. Davidson further stated that under the Charter, the Council can add or eliminate programs, can create new City departments or abolish existing City departments. He stated that the Council may adjust the scope of any municipal service through the budget process. Mr. Davidson stated that as City Manager he respected this authority and would assist the Council in arriving at the desired budget and annual operating program for the City of Austin.

Mr. Davidson stated that the recommended budget submitted by the City Manager, and its possible \$.17 tax cut, is based on existing Council-established policies and service levels. He stated that if the Council changes those

policies or service levels, his recommendation will change also. Mr. Davidson emphasized this to again point out that the recommended budget can be cut based on the policy changes. He stated that he was prepared to help cut it in order to provide for a greater reduction in the tax rate. Mr. Davidson stated that the recommended budget which he submitted to the Council can be fully justified if the Council and the Austin citizenry desire to maintain the current level of Municipal activity. He stated that the budget submitted is balanced: \$240.2 million is proposed for operating costs, \$58.5 million is allocated for debt service. The general Fund ending balance and the general obligation debt service fund balance are larger than required, so that the Council may reduce the tax levy, provide more services, or a combination of both. Mr. Davidson requested that the Council retain a General Fund ending balance of at least \$3.5 million, and a general obligation debt service balance of at least \$5 million. He stated that the recommended budget provides for significant expansion of Austin's Police effort. The budget provides better maintenance of the electric distribution system and improved response to citizens who are constructing new homes and/or businesses. Mr. Davidson stated that new facilities and programs which have been approved in prior years would be staffed under the recommended budget. He stated that substantial improvement of fiscal and management auditing would be provided. The Police Department budget would add 37 additional officers and 19 civilian positions, to enhance the total law enforcement effort. Mr. Davidson pointed out the new health system will be implemented, improving public health planning and indigent care. He stated that 21 additional hospital positions are required to staff the new Brackenridge facility. More staff positions are necessary in the Planning, Building Inspection and Electric Utility Departments, to accommodate demands in the building industry. Mr. Davidson stated that more resources are added in Finance, Data Systems and Budget, in order to upgrade internal record keeping. He indicated that staff additions are required for parks and library facilities which have been completed, or will be completed under the current C.I.P. Mr. Davidson pointed out that the budget recommends severe reductions for the Water and Wastewater Department. Over \$200 million has been cut to insure that we can operate within projected revenues. He stated that 31 positions have been deleted and that this reduction can continue for about 12-15 months, then the resources would have to be reinstated. Mr. Davidson indicated that he has recommended a 5.5% wage increase for all City employees except for department heads and administrators. The cost of this proposal is just over \$5 million. Mr. Davidson stated that this is designed to partially compensate for inflation, without being inflationary. He stated that the only fee increases proposed in the document involve a 5% increase in rates at Brackenridge Hospital, and a couple of minor changes in the EMS and Parks and Recreation Departments for constructional forces. Mr. Davidson stated that water rates will have to be increased prior to the 1979-80 fiscal year. He stated that electric rates are scheduled for adjustment in October of 1979. The general Fund recommendation includes an \$11.9 million increase, or 15.4%. Mr. Davidson stated that \$1.146 million is for new approved programs, \$50,000 for the Employee Suggestion Awards Program, \$102,000 for the CPR (Cardio-Pulmonary Resuscitation) Program, \$19,600 for the Fire Lane Enforcement Program, \$21,000 for the 911 System, \$197,000 for an Economic Development Program, \$740,000 for the Medical Assistance Program, \$15,787 for enforcement of the Industrial Waste Ordinance. Mr. Davidson further stated that \$988,000 is required to operate new facilities and that \$651,000 of that is for the new Central Library, \$103,000 for the Little Walnut Creek Library, \$109,000 for the Northwest Recreation Center, \$51,000 for the Cultural Arts Center, \$15,000 for the Austin High School Tennis Court, almost \$13,000 for the L.B.J. Tennis

Center, \$4,000 to operate the new Civitan wading pool, and \$40,000 for the Southeast district Park. Mr. Davidson stated that more than \$2 million of the total General fund increase represents accounting changes which do not actually reflect budget increases. He stated that the \$2.984 million of the total increase is for the 5.5% wage increase that would apply to the General Fund. Slightly more than \$2 million of the total increase is proposed for program enhancement or expansion. This includes \$229,000 for the Planning Department, \$1.3 million for the Police Department, \$227,000 for the Building Inspection Department, \$83,000 for Auditing, \$91,000 for productivity studies in the Research and Budget Department and \$321,000 for the Finance Department. Mr. Davidson stated that the remainder of the General Fund increase is due to inflationary trends and population growth. He stated that, in addition to the decisions as to the level of Municipal spending, the Council is faced with increased requests from the contract agencies. Seventy two different agencies have asked for appropriations of \$2,134,799., representing a 163% increase over the current \$1,306,488. Mr. Davidson stated that he has recommended that no more than \$1 million be allocated for these non-municipal agencies. Mr. Davidson stated that in both format and content, this was a budget that he was pleased to recommend and that it represented the collective effort of the staffs from many City Departments, responding to their understanding of City Council goals and objectives. Mr. Davidson stated also that the budget responds to previously adopted Council policies and directives. Mr. Davidson hoped that the recommended budget document would provide maximum flexibility in determining a sound financial program for Austin. He stated that the Council has already established its calendar for consideration of the budget. He stated that the Council will face tough choices and that he and his staff would do everything possible to assist the Council in meeting the commitment and the desires of Austin's citizens, in coming up with a document and a plan of fiscal action that will truly represent the needs of the citizens of Austin as the Council sees them, for the next fiscal year.

#### REVIEW OF FISCAL PROJECTIONS - BUDGET DIRECTOR

Mr. Daron Butler, Director of the City Research and Budget Department, stated that the City's Operating Budget serves several purposes. It is the Council's primary policy statement for the next fiscal year. As such, it should be reviewed and amended to match the policy decisions of the City Council. He stated that the level of funding provided through the budget sets the tone and tenor of municipal activities for the next year. Mr. Butler stated that the budget is also a financial statement of how the staff expects to pay for each proposed expenditure. He stated that the budget can also be considered a contract executed between the City Council and the community that outlines the specific levels of services to be delivered for a specific amount of money. Mr. Butler stated that Volume I of the budget, entitled Analysis of the Budget, outlines in detail the City Manager's recommended levels of funding for each Department. Within each budget for each Department, the recommendations are listed by priority, and begin at an amount equal to 95% of the current effort. Mr. Butler stated that Volume I is a direct response to public requests for a performance, zero based budgeting system, as outlined in the goals and objectives. He stated that in Volume II of the budget, the Charter mandated document additional information is provided about the level of performance expected from a City Department under the City Manager's recommended budget. He stated that, in Volume II, information is contained about revenue projections, tax levies and

sources of income for each municipal activity, Mr. Butler stated that if the desired information is not available within the Council's document, the staff will provide the analysis and the options needed to assist the Council in making its decisions concerning the budget. Mr. Butler went on to say that the budget is also a technical document that divides City activities according to the type of revenues used for financing. He stated that two important distinctions are necessary for review of the budget:

1. The General Fund, the activity out of which the City finances general government services, is primarily financed with tax dollars, specific fees, federal aid and utility fund transfers. In terms of property tax reductions, this is the area of municipal government most effected. About 74% of all revenues from property tax is dedicated to general government.
2. Other City services which are not supported by property taxes include the Municipal Airport, the Auditorium, the Electric Utility and the Water and Wastewater Department.

Mr. Butler stated that this distinction between tax supported activities and revenue support activities is important in reviewing the budget. This difference suggests that if reductions are proposed and made, that each reduction be examined against the loss or gain in revenues associated with the specific proposal.

Mr. Butler stated that City expenditures have increased as the national inflationary costs for goods and services have increased. He stated that major increases in energy have greatly effected the City's budget. He pointed out that from fiscal 1974 to fiscal 1979, the total budget has increased by 117%, and that fuel costs alone represent one-half of this total increase. Mr. Butler indicated that in the case of inflation and the cost of energy, the City budget responds to economic forces not controllable by the City Council or the citizens.

Mr. Butler stated that the budget also responds to changes with the community. He pointed out that since 1974, local population has increased by 15%, the territory of the City has expanded by 21% and the annual index of business has almost doubled in Austin. He said that these factors indicated a growing city with growing demands and expectations for City services. Mr. Butler pointed out that municipal growth has brought about a need for additional police and fire protection, and that Austin has a more intensive parks and recreation program than the nine largest cities in the state. Community growth has led to the initiation of new services such as EMS. He stated that outside pressures outside of the city have resulted in a growing expenditure of City dollars for non-municipal purposes. Mr. Butler stated that new employees have been added to respond to increased population and the booming Austin construction industry.

Mr. Butler stated that the Operating Budget, less the amount for fuel and debt expenses, has increased by 62% since fiscal 1975. He stated that this growth is directly linked to community growth and to the changing expectations about City government. He stated that growth in the budget measured against community income suggests that this portion of the City's budget has not expanded faster than total community income. In 1975 the Operating Budget was 6.8%

of total income, and the recommended budget of \$298.7 million less the fuel and debt of 164, is 6.2% of total community income. Mr. Butler stated that the total outtake in property taxes in Austin have remained relatively constant when compared with total community income. He stated that City employment has expanded from approximately 6,400 full time employees to over 6,700 full time employees from fiscal 1974 through the proposed fiscal 1979 budget. Yet, in relation to the total population, employment has declined somewhat. Mr. Butler pointed out that the growth in City expenditures has not outstripped the growth in the community, or the community's ability to support the budget. However, this growth may be outpacing the desires of the community. Mr. Butler stated that the proposed budget responded to Council policy and to its goals and objectives. He stated that the Council's role is to interpret the desires of the community regarding the budget, and to direct the staff to adjust spending downward or upward. He stated that the Charter places final responsibility for translating community desires into budget figures, in the Council's hands. Mr. Butler stated that the City staff is fully prepared to make the budget adjustments desired. He stated that, although certain factors narrowed the Council's discretion, sufficient latitude existed in the budget to meet the goals and objectives.

Mr. Butler again referenced the four budget options as previously outlined by City Manager Davidson. He stated that the recommended level of \$298.7 million would fully implement City Council policy. Other levels would require reduced service levels and fewer employees in most cases. He stated that they were prepared to help the Council explore the full implications of any option for reduced or altered spending, and that they were prepared to implement fully and cooperatively whatever plan is decided upon. Mr. Butler stated that the City staff is available to conduct workshops on the budget process between now and August 30th. Representatives from civic or neighborhood groups may contact the Research and Budget Office in order to schedule a workshop. Mr. Butler indicated that the Council's goals and objectives call for increased citizen participation in the budget process, and stated that he and his staff were prepared to help citizens work their way through the maze of technical data necessary to understand the implications of the recommended budget and the four levels presented tonight by the City Manager.

#### COMMENTS - MAYOR PRO TEM AND COUNCILMEMBERS

Mayor Pro Tem Mullen pointed out that both he and Councilmember Cooke had requested zero based budgeting in order to better understand the budget process. He stated that this year they will be able to go through each department individually in order to see what can be cut. Mayor Pro Tem Mullen pointed out that unless people contact the Council and inform them of their desires, taxes will continue to go up. He stated that he was happy to see the group of citizens present for the budget presentation. Mayor Pro Tem Mullen stated that he would not vote for a budget that does not have a significant cut in the tax rate.

Councilmember Himmelblau stated that she also welcomed citizen input and would not vote for a budget that does not have a significant tax cut.

Councilmember Snell indicated that he was glad to see the turn out for the formal budget presentation. He hoped that the presentation would help citizens understand the Austin budgeting process better. Councilmember Snell

encouraged citizens to, in the future, continue to offer input on decisions such as this.

Councilmember Goodman stated that the entire Council wanted to reduce the budget so that taxes could be reduced. Councilmember Goodman felt that people didn't mind paying taxes for the services provided, if they were getting their monies worth. He stated that through the whole budget process, the one thing that should be kept in mind as well as reducing the taxes was a responsibility in the endeavour to maintain essential City services. Councilmember Goodman stated that he too was in favor of a tax reduction, but one that was responsible and not disruptive of the present services the City of Austin provides. He also felt that the \$1.3 million allocated to the social services is a vital part of the budget, and stated that he would vote to fund those agencies again.

#### CITIZEN COMMUNICATIONS

MR. ROYAL MASSET, Executive Director of the Austin Citizens League, recommended that the first order of business in reviewing the budget be the setting of a limit to the amount of proposed spending. He also recommended that the Council set the tax rates as the latest order of business in its budget deliberations. Mr. Masset felt that the government should increase its expenditures as caused by inflation and increases on the demand of services. He stated that they felt expenditures for this year should go up about 10% over what they were last year. Mr. Masset indicated that they believed there should be further investigation of the use of a non-union prevailing wage level in the construction of public facilities. He stated that this would save the taxpayer about 15% over the present Council policy of using a union prevailing wage rate. Mr. Masset commended the Council for doing a diligent job in reviewing the budget.

MR. JORDAN RAMM, a retired professional engineer, recommended having an income tax for everyone that works within the City of Austin. He stated that this would drop the taxes and necessitate people living in surrounding areas to Austin to pay taxes.

MR. LEO HERNANDEZ, representing the East Austin Civic Association, stated that he wanted some kind of break down as to how much of the City budget is being transferred outside of the City. Mr. Hernandez felt that at least four items which have been transferred to the Capital Improvement Program ought to be restored to the HCD fund. City Manager Davidson stated that if the Council wanted to do a survey as to the number of employees who live outside of the Austin corporate limits, they would be happy to comply with this desire and Mr. Hernandez could have access to this information. Councilmember Trevino pointed out that between 1975-76 there were about 1,100-1,200 City employees who lived outside of the corporate limits of Austin.

MS. EDITH BUSS, a member of the Community Development Commission, felt that funding should be retained for the various social services agencies. She stated that the amount allocated to social services was a very small percentage of the total budget and that, considering inflation, any decrease in social service funding would eliminate many needed services. Ms. Buss also stated

that the funding allocated to the social services agencies does not include the personnel benefits received by regular City employees. She felt that this should be considered in reviewing the allocation for social services agencies.

MR. NELSON PUETT felt that the majority of Austin citizens wanted less services. He stated that Austin has more government than is really needed. Mr. Puett felt that the utility system should not come under City control. He felt that the utility system only incurred a higher tax rate for the public. Mayor Pro Tem Mullen indicated that he would make available, the results of a study which was conducted on the prospect of selling the electric utility system.

MR. ALAN BUSSLER spoke in favor of the 911 system for Austin.

MR. JACK McCREARY spoke before the Council to voice his concern over the Council's starting the budgetary process on a proposed \$298 million budget, the largest budget in the history of the City. He added that this amount is \$36 million higher than last year's budget and over \$61 million above the budget when the current Council took office. He stated that the people have had enough and that the budget is too large for the people of Austin to support today. Mr. McCreary told the Council that reducing the tax rate does not necessarily reduce taxes. He noted that even with an estimated rate reduction of \$.20, some people in older residential areas would still have a larger 1978 bill if their appraisal went up more than 40 or 50 percent. He told the Council that taxes are only reduced effectively when the spending is stopped and the budget is drastically reduced. He also said that, although there was a tax cut of \$.03, the difference was paid by the people through other charges such as water and electricity.

Mr. McCreary said that the alternative to these high taxes would be to reduce the now mandated tax ratio assessment from 75% to 50 or 60%. This would tell the homeowners that, even though we have runaway inflation on the value of our property, we would see a stabilizing effect on our home values for the purpose of taxation. In addition, Mr. McCreary said that, since the A.I.S.D. has a contract with the City of Austin to use our values, they will have to lower their values too, or explain to the people why they need higher valuations to generate the money to run the schools.

Mr. McCreary agreed with the Council's proposal for employee pay raises, but he noted that there is too much dead weight in the departments. He also agreed with the Mayor that increases in Police and Fire protection are needed, but he said that 6,700 employees was already too many and we do not need 300 more.

In conclusion, Mr. McCreary said that, technically, the City is illegal in legally running Brackenridge Hospital because the Constitution states that welfare is a function of the State, and is a County responsibility. He stated that the City is spending our money on a State function. In addition, Mr. McCreary said that the City should get out of the utility business, noting that free enterprise would do a better job. He stated that cost overruns and the infamous \$31 million meeting between the Council, Utility Commission and the staff would be deleted by an outside professional leadership organization.



Councilmember Himmelblau indicated that she has already proposed a cut in the tax ratio from 75% to 65%, and that this would take \$5 million off of the budget. Mr. McCreary felt that this was a great start but urged the Council to also look at the other areas of the budget where the City could cut back. Councilmember Cooke felt that unless the Council did something to hold back spending, measures such as were taken in California would be necessary.

MR. ROY MOORE stated that he was pleased to hear the Council's commitment to reduce taxes. He stated that he was dismayed at the proposed A.I.S.D. budget that was being proposed.

MS. JULIE SACORA, President of the Austin Area Human Services Association, told the Council that social services were not adequately funded last year and that this year the funding level is even less. Ms. Sacora asked that the Council look at the budget carefully and give consideration to the persons who are served by social services.

MR. WILSON MICHAELS asked the Council for the choice to spend his money the way he wanted to. He asked that the City supply minimal services, thereby allowing taxpayers to personally pick up the tab for the services they wanted.

MS. CAROL SPRADLING recommended that the Council take the taxes off utilities entirely. She suggested placing a tax on other things that would give people the option as to whether or not they wanted to avail themselves of a particular service or commodity.

MR. JAMES STRICKLAND felt that funding priority should be given to agencies serving indigent people, as opposed to non-indigent people.

MR. JOHN PHILLIPS, Administrative Assistant to and speaking in behalf of District Attorney Ronnie Earl, told the Council that Mr. Earl extended his congratulations to the Council in making City government more open to the public. Mr. Earl hopes that this will be a continued project of all governments, State and local. He stated that the District Attorney's Office, though funded by the State and County, has a vested interest in the Austin budget as relates to law enforcement. He expressed appreciation to the Austin Police Department in working with the District Attorney within the last year.

MR. DAVID BLAND felt that there was a lot of fat within the City administration that could be cut. He stated that there are many City employees who are not doing their jobs.

An unidentified man recommended that the size of the City Manager's staff and the size of the City Council be decreased in order to save money. He also recommended selling Austin's 16% share in the South Texas Nuclear Project and using the funds to finish the Fayette Project and to pay for transmission lines. Councilmember Cooke felt that it would be short on judgement to sell Austin's 16% share of STP.

MR. BOYCE HORNBERG asked what the exact budgeted amount for wages and salaries was. Mr. Daron Butler indicated that the exact amount for wages and salaries was \$91,098,000. Mr. Hornburg asked if it was accurate that the average salary for a City employee was \$15,000. Mr. Butler pointed out that the budgeted amount also made provision for the retirement system, health insurance

and social security payments. Mr. Butler stated that averages were effected by large numbers, to which Mr. Hornburg replied that there must be a lot of people making a lot more than just \$15,000.

Mr. Jimmy Stapleton indicated that he wanted to see a cut in taxes.

MR. BERT ADAMS, President of the Austin Chapter of the National Business League, felt that the Council could lower the tax rate if so desired.

MR. LEE WILEY told the Council that the inflationary spiral had to stop somewhere. He suggested that the Council leave the icing off of the cake when considering the budget.

MR. JIM ECKERT asked how much the tax rate would have to be reduced in order to offset the increased assessments as a result of a revaluation. Mayor McClellan indicated that she has been asking this same question herself. Deputy City Manager Homer Reed stated that the tax rate would have to be reduced by \$.18 in order to avoid the City Tax Assessor-Collector from collecting any more money than he would have collected had there not been a revaluation. Mayor McClellan stated that she would share further information with the public. She felt that the reduction would be sizeable.

MR. JIM BOWMAN felt that the City should get out of the hospital and electric utility businesses. Mr. Bowman stated that he did not think an increase in the number of policemen was necessary. He felt that the cost for City services should be more equitably laid out, in accordance with who is receiving the services. Mr. Bowman felt that City employees should receive a pay raise of at least 10%, but that municipal hiring should be cut back by means of attrition.

An unidentified man told the Council that the taxes and utility rates in Austin were too high. He felt that efficiency was needed in government and that there was entirely too much waste.

MR. ROBERT HALE told the Council to think twice about cutting the budget and services. He felt that the city could not grow without these services. Mr. Hale felt that the City needed someone who could collect the \$4 million in bad debts at Brackenridge Hospital. He felt that proper maintenance of the water system was necessary.

MR. JIM BOWEN, a member of the Urban Transportation Commission, asked that the Council take into consideration the good work of Mr. Joe Ternus, Director of the Urban Transportation Department, and the rest of the department also. Councilmember Goodman expressed his appreciation to Mr. Bowen for serving on the Commission.

DR. STUART MCCORKLE felt that there was a need for more efficient government in Austin. Dr. McCorkle was interested to know what the Council's expenditures were, what the City's indebtedness is, and also the interests that the City is paying out. He also questioned what the City is paying for consultation work. Mr. Daron Butler stated that the Council's budget for 1978 was \$153,731. He stated that the Council is also budgeted for \$10,000 for travel expenses. Mayor McClellan felt that the Council's travel expense should be included in the Council's budget so as to be up front about it. Mayor Pro Tem Mullen in-

licated that each Councilmember should have his own expense allowance so that the public could review it. Mayor McClellan asked if an administrative chart could be sent to Dr. McCorkle. City Manager Davidson indicated that this information was available in the Public Information Office and that he had personally sent Dr. McCorkle a number of copies of the chart approximately 10 months ago. He stated that a copy of the chart will be printed in the final budget document after it is adopted by the Council. Mr. Davidson stated that there was probably more public information in each volume of the budget document than ever before. He stated that the budget will also include a tabulation of the City's debt up to date. Mr. Davidson also stated that they could provide Dr. McCorkle with a prospectus which is sent to people interested in purchasing municipal bonds. Dr. McCorkle stated that the chart provided by the Public Information Office was incomplete and that he would appreciate a more up to date copy of the chart.

In regard to the total bonded indebtedness, Mr. Norman Barker, Finance Administrator, stated that the City's General Obligation Debt is \$89,779,000 and with interests added in is \$135 million. Mr. Barker stated that revenues amounted to \$340,855,000 and with interests added in is \$535 million. Mayor Pro Tem Mullen stated that 80% of the consultants utilized by the City are architects. He felt that specialized consultation work was very beneficial to the City and was cheaper than putting someone on the staff payroll to do the same kind of work. Councilmember Goodman felt that the City should not hire consultants unnecessarily and felt that the Council has not done that.

DR. DURWOOD BELL spoke in opposition to the funding decreases for human services. He asked that Council look into administrative costs versus service delivered costs.

MR. HARRY NOLEN felt that City employees should not receive a pay increase. Mr. Nolen indicated that he joined with the Labor Department in placing a limit on the amount of an average pay increase. He felt the Proposition 13 would have a great effect on the future elections of the County and City.

An unidentified woman asked how much the Citizen's Financial Guide presented to the public cost the City. City Manager Davidson indicated 68¢ per copy.

MR. MOE TERRELL, Chairperson of the Property Owners Protective Association, told the Council that his organization would be studying the budget and would hopefully have some recommendations to submit to the Council.

MR. WALTER TIMBERLAKE, President of the Austin A.F.L./C.I.O. Central Labor Council, spoke in favor of a unionized prevailing wage scale.

MR. C.R. DANSBY told the Council that he wanted to obtain a copy of the total budget within the near future. Mr. Dansby felt that the percentage of increase in fuel costs since 1974 went up a good deal more than 85% as suggested by the City.

MR. H.W. DOGGETT told the Council that it would take a great deal of courage to reduce the budget. He stated that taxes in Austin have been increasing for the last 32 years and that it was getting difficult for retired people on fixed incomes to pay grocery bills and taxes.

An unidentified man suggested that the Council solicit free media notification of all such public hearings and City events. Mayor McClellan outlined the schedule for budget sessions and public hearings as follows:

<u>WORK SESSIONS:</u>	August 30th	<u>PUBLIC HEARINGS:</u>	September 14th @
	September 5th		7:00 P.M.
	September 12th		September 21st @
	September 13th (contract agencies)		7:00 P.M.

Councilmember Goodman indicated that he has suggested soliciting free media notification on such things as Board and Commissions appointments and other items that the City needs publicized, but that a large part of the budget goes to newspaper printing of legal postings which the newspaper lobbyist have gotten through the legislature.

MS. JOSEPHINE HUNTLY asked Councilmember Cooke how he justified his remark that the City would be sorry if it sold its interest in the South Texas Nuclear Project. She asked if he was taking into account that cost overruns would continue and that there was still a problem of radioactive waste materials. She stated that nuclear power plants are already obsolete. Ms. Huntly stated that if the City would let homes become solarized, there would be enough fossil fuel to support industry until they too became solarized.

Mayor McClellan concluded the meeting by saying that the event had been beneficial. She stated that the more they hear from the taxpayers and citizens, the healthier Austin's economic situation will be. Mayor McClellan felt that such meetings would help the Council devise a budget that the public wanted. She commended all persons in attendance for taking the time and the effort to come to the meeting. Mayor McClellan reiterated her commitment to a real reduction on tax bills, and felt that the Council was committed to doing this.

#### Motion

Councilmember Cooke moved that the Council hold a public hearing on the proposed 1978-79 Annual Operating Budget on September 14, 1978, at 7:00 P.M., and September 21, 1978, at 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, Councilmembers Snell, Trevino  
Noes: None

#### ADJOURNMENT

The Council adjourned at 10:30 P.M., CST.

August 8, 1978

APPROVED

Carole Keeton McClellan  
Mayor

ATTEST:

Grace Monroe  
City Clerk