

## MINUTES OF THE CITY COUNCIL

CITY OF AUSTIN, TEXAS

Regular Meeting

March 22, 1962  
10:00 A.M.

Council Chamber, City Hall

The meeting was called to order with Mayor Palmer presiding.

## Roll call:

Present: Councilmen Armstrong, Perry, Shanks, White, Mayor Palmer  
Absent: None

Present also: W. T. Williams, Jr., City Manager; Doren R. Eskew, City Attorney; Reuben Rountree, Jr., Director of Public Works; Robert A. Miles, Chief of Police

Invocation was delivered by REV. BRENT FISHER, St. Luke's Methodist Church.

Councilman White moved that the Minutes of the Meeting of March 15th, 1962, be approved. The motion, seconded by Councilman Armstrong, carried by the following vote:

Ayes: Councilmen Armstrong, Perry, Shanks, White, Mayor Palmer  
Noes: None

DR. W. S. ARMS, JR. appeared before the Council inquiring why permission was granted for the use of Zilker Park by a group that was promoting confusion and chaos among the students. This affair is set up under the guise of a picnic, and there is to be an outstanding socialist speaker. Dr. Arms stated the organizations promoting this were those who were stirring up strife, and confusion, and brainwashing students; and permission for the use of a city park was granted under a misrepresentation of the gathering. He was opposed to the use of a city park by this group who was representing it was having a picnic, when its purpose was to promote one who had devoted much of his career to un-American activities and who belonged to many organizations designed to overthrow the American government by force and violence. Comments pro and con were made by MR. BOW WILLIAMS, DR. BRENT FISHER, and MR. AMOS HEROLD. The City Attorney stated at this time he had no information on the matter. The Mayor announced the matter would be investigated.

The Council had before it for discussion the following pending zoning request:

JOE J. JOSEPH  
By Lindy L. Boyd

1621 West 6th Street  
507-511 Campbell Street

From "B" Residence  
To "O" Office  
NOT Recommended by the  
Planning Commission

The property is being used as a day nursery, operated by MRS. LINDY BOYD. MR. ROBERT SNEED representing Mrs. Boyd, explained the situation, and asked that this application be referred back to the Planning Commission for another public hearing, with the idea of the zoning being considered in its entirety, since the entire area was tied in so closely with the western boulevard. He asked that Mrs. Boyd be permitted to continue her operations until another public hearing was held and additional facts and information developed before the Zoning Committee. The City Manager stated preliminary plans for the Boulevard had been prepared by a consulting engineer, and the City's engineers had reviewed them and had some questions and suggestions. It would be necessary to discuss these with the Council and to decide which plan would be followed, and this probably would be done within a year. After more discussion, Councilman Shanks moved that the zoning application be referred to the Planning Commission for further study. The motion, seconded by Councilman White, carried by the following vote:

Ayes: Councilmen Armstrong, Perry, Shanks, White, Mayor Palmer  
Noes: None

Along with the discussion of the above zoning application, it was brought out there was a fence across the sidewalk area. The Director of Public Works stated information would be forwarded to the Legal Department. MR. ROBERT SNEED stated the Boyds did not know they had any city property fenced in, and they would move the fence.

MRS. ROBERT C. HOWELL, Austin League of Women's Voters, invited the Mayor and Council to make a short talk at a kick-off coffee to be held Monday, April 9, 1962, at 9:30 Commodore Perry Hotel Deck Club. Also, the League wants the Mayor to proclaim "LEAGUE OF WOMEN'S VOTERS WEEK" for April 9th through 13th.

Mayor Palmer introduced the following ordinance:

AN ORDINANCE DECLARING THE NECESSITY FOR AND ORDERING THE PAVING AND IMPROVEMENT OF PORTIONS OF CERTAIN STREETS IN THE CITY OF AUSTIN, APPROVING PLANS AND SPECIFICATIONS FOR SUCH WORK, AUTHORIZING THE CITY MANAGER TO ADVERTISE FOR BIDS, DIRECTING THE PREPARATION OF ESTIMATES, INVOKING THE ALTERNATE PROCEDURE PROVIDED BY ARTICLE I, SECTION 5 OF THE CHARTER OF THE CITY OF AUSTIN AND CHAPTER 106 OF THE ACTS OF THE FIRST CALLED SESSION OF THE 40TH LEGISLATURE OF TEXAS, DETERMINING THAT THE COST OF

SUCH IMPROVEMENTS SHALL BE PAID BY THE CITY OF AUSTIN, PROVIDING A METHOD OF REIMBURSING THE CITY OF AUSTIN FOR A PORTION OF SUCH COSTS BY ASSESSMENT OF A PORTION OF SUCH COSTS AGAINST THE PROPERTY ABUTTING SUCH STREETS OR PORTIONS THEREOF TO BE IMPROVED, AND FOR THE FIXING OF A LIEN TO SECURE PAYMENT OF SUCH ASSESSMENTS, STATING THE TIME AND MANNER PROPOSED FOR PAYMENT OF ALL SUCH COSTS, DIRECTING THE CITY CLERK TO CAUSE A NOTICE OF THE ENACTMENT OF THIS ORDINANCE TO BE FILED IN THE MORTGAGE OR DEED OF TRUST RECORDS OF TRAVIS COUNTY, TEXAS, AND DECLARING AN EMERGENCY. (Bedford & sundry other streets)

The ordinance was read the first time and Councilman White moved that the rule be suspended and the ordinance passed to its second reading. The motion, seconded by Councilman Perry, carried by the following vote:

Ayes: Councilmen Armstrong, Perry, Shanks, White, Mayor Palmer  
Noes: None

The ordinance was read the second time and Councilman White moved that the rule be suspended and the ordinance passed to its third reading. The motion, seconded by Councilman Perry, carried by the following vote:

Ayes: Councilmen Armstrong, Perry, Shanks, White, Mayor Palmer  
Noes: None

The ordinance was read the third time and Councilman White moved that the ordinance be finally passed. The motion, seconded by Councilman Perry, carried by the following vote:

Ayes: Councilmen Armstrong, Perry, Shanks, White, Mayor Palmer  
Noes: None

The Mayor announced that the ordinance had been finally passed.

Mayor Palmer introduced the following ordinance:

AN ORDINANCE AUTHORIZING THE CITY MANAGER TO ENTER INTO A CERTAIN CONTRACT WITH NELSON PUETT, FOR THE APPROPRIATION OF MONEY PAID TO THE CITY OF AUSTIN UNDER SUCH CONTRACT; AND DECLARING AN EMERGENCY.

The ordinance was read the first time and Councilman White moved that the rule be suspended and the ordinance passed to its second reading. The motion, seconded by Councilman Shanks, carried by the following vote:

Ayes: Councilmen Armstrong, Perry, Shanks, White, Mayor Palmer  
Noes: None

The ordinance was read the second time and Councilman White moved that the rule be suspended and the ordinance passed to its third reading. The motion, seconded by Councilman Shanks, carried by the following vote:

Ayes: Councilmen Armstrong, Perry, Shanks, White, Mayor Palmer  
Noes: None

The ordinance was read the third time and Councilman White moved that the ordinance be finally passed. The motion, seconded by Councilman Shanks, carried by the following vote:

Ayes: Councilmen Armstrong, Perry, Shanks, White, Mayor Palmer  
Noes: None

The Mayor announced that the ordinance had been finally passed.

Mayor Palmer introduced the following ordinance:

AN ORDINANCE VACATING AND PERPETUALLY CLOSING TO PUBLIC TRAVEL PORTIONS OF FOUR STREETS, SAME BEING A PORTION OF JONES AVENUE, A PORTION OF BREWSTER STREET, A PORTION OF EL PASO STREET AND A PORTION OF HARDEMAN STREET, SAID STREETS BEING OUT OF AND A PORTION OF BRACKENRIDGE HEIGHTS; AND SUSPENDING THE RULE REQUIRING THE READING OF AN ORDINANCE ON THREE SEPARATE DAYS.

The ordinance was read the first time and Councilman Armstrong moved that the rule be suspended and the ordinance passed to its second reading. The motion, seconded by Councilman Perry, carried by the following vote:

Ayes: Councilmen Armstrong, Perry, Shanks, White, Mayor Palmer  
Noes: None

The ordinance was read the second time and Councilman Armstrong moved that the rule be suspended and the ordinance passed to its third reading. The motion, seconded by Councilman Perry, carried by the following vote:

Ayes: Councilmen Armstrong, Perry, Shanks, White, Mayor Palmer  
Noes: None

The ordinance was read the third time and Councilman Armstrong moved that the ordinance be finally passed. The motion, seconded by Councilman Perry, carried by the following vote:

Ayes: Councilmen Armstrong, Perry, Shanks, White, Mayor Palmer  
Noes: None

The Mayor announced that the ordinance had been finally passed.

Mayor Palmer introduced the following ordinance:

AN ORDINANCE VACATING AND PERPETUALLY CLOSING TO PUBLIC TRAVEL ALL OF THAT CERTAIN STREET, EXTENDING FROM THE NORTH LINE OF WEST 25-1/2 STREET NORTHERLY TO THE SOUTH LINE OF WEST 26TH STREET, LOCALLY KNOWN AS BOULEVARD VIEW; RETAINING AN EASEMENT, TWENTY FEET IN WIDTH ACROSS THE WEST TWENTY FEET OF SAID STREET, FOR PUBLIC UTILITY PURPOSES; AND SUSPENDING THE RULE REQUIRING THE READING OF AN ORDINANCE ON THREE SEPARATE DAYS.

The ordinance was read the first time and Councilman Armstrong moved that the rule be suspended and the ordinance passed to its second reading. The motion, seconded by Councilman Perry, carried by the following vote:

Ayes: Councilmen Armstrong, Perry, Shanks, White, Mayor Palmer  
Noes: None

The ordinance was read the second time and Councilman Armstrong moved that the rule be suspended and the ordinance passed to its third reading. The motion, seconded by Councilman Perry, carried by the following vote:

Ayes: Councilmen Armstrong, Perry, Shanks, White, Mayor Palmer  
Noes: None

The ordinance was read the third time and Councilman Armstrong moved that the ordinance be finally passed. The motion, seconded by Councilman Perry, carried by the following vote:

Ayes: Councilmen Armstrong, Perry, Shanks, White, Mayor Palmer  
Noes: None

The Mayor announced that the ordinance had been finally passed.

Councilman White offered the following resolution and moved its adoption:

(RESOLUTION)

WHEREAS, a certain easement for public utility purposes was granted the City of Austin in, upon and across two (2) strips of land, the strip of land described as No. 1 being out of and a part of Lot 11, Block M, as shown on a map or plat of Northtowne, Section One, said Northtowne, Section One being a subdivision of a portion of the George W. Davis Survey No. 15 and the James P. Wallace Survey No. 18 in the City of Austin, Travis County, Texas, and being of record in Book 10 at page 46 of the Plat Records of Travis County, Texas; the strip of land hereinafter described as No. 2 being out of and a part of Lot 11, Block M, as shown on a map or plat of First Resubdivision of Northtowne, Section One, said Resubdivision of Northtowne, Section One, being of record in Book 11 at page 49 of the Plat Records of Travis County, Texas; and,

WHEREAS, the owner of the above described property has requested the City Council of the City of Austin to release the following described portion for public utility purposes; and,

WHEREAS, the City Council has determined that said portion of said easement in, upon and across the above described property is not now needed and will not be required in the future; Now, Therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

That W. T. Williams, Jr., City Manager of the City of Austin be and he is hereby authorized to execute a release of the following described public utility easement, to-wit:

Two (2) strips of land, the strip of land hereinafter described as No. 1 being out of and a part of Lot 11, Block M, as shown on a map or plat of Northtowne, Section One, said Northtowne, Section One being a subdivision of a portion of the George W. Davis Survey No. 15 and the James P. Wallace Survey No. 18 in the City of Austin, Travis County, Texas, and being of record in Book 10 at page 46 of the Plat Records of Travis County, Texas; the strip of land hereinafter described as No. 2 being out of and a part of Lot 11, Block M, as shown on a map or plat of first resubdivision of Northtowne, Section One, said resubdivision of Northtowne, Section One, being of record in Book 11 at page 49 of the Plat Records of Travis County, Texas; each of the said two (2) strips of land is to be released from the public utility easement provided on said maps or plats of Northtowne, Section One, and first resubdivision of Northtowne, Section One, and each being more particularly described as follows:

NO. 1 BEING all of the south ten (10.00) feet of the west 114.88 feet of Lot 11, Block M, according to said map or plat of Northtowne, Section One;

NO. 2 BEING all of the north one (1.00) foot of the south ten (10.00) feet of the west 114.88 feet of Lot 11, Block M, according to said map or plat of first resubdivision of Northtowne, Section One.

The motion, seconded by Councilman Shanks, carried by the following vote:  
Ayes: Councilmen Armstrong, Perry, Shanks, White, Mayor Palmer  
Noes: None

Councilman Shanks offered the following resolution and moved its adoption:

(RESOLUTION)

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

That W. T. Williams, Jr., City Manager, be and he is hereby authorized and directed in behalf of the City of Austin to enter into a modification of the lease contract with the United States of America for the lease to the United States of a certain tract of land out of the Butler Tract owned by the City of Austin to be used by the Government for Naval Reserve Training purposes, and a copy of the instrument setting forth the terms and provisions of said modification of the lease contract agreement is attached hereto and made a part of this resolution for all purposes.

(Copy of instrument attached)

FIRST MODIFICATION OF LEASE NOy(R)-41739  
between  
CITY OF AUSTIN, TEXAS  
and  
THE UNITED STATES OF AMERICA

THIS FIRST MODIFICATION of a Lease made by and between THE UNITED STATES OF AMERICA, represented by the Chief of the Bureau of Yards and Docks, acting under the direction of the Secretary of the Navy, hereinafter called the "Government," and THE CITY OF AUSTIN, TEXAS, hereinafter called the "Lessor";

## WITNESSETH:

WHEREAS, on the 18th day of April 1947, the parties hereto entered into an agreement whereby Lessor did rent, lease, and demise to the Government certain property; and,

WHEREAS, the Government and the Lessor desire to amend the said Lease,

NOW, THEREFORE, in consideration of the foregoing and of the benefits to the parties hereto, it is mutually agreed that said Lease NOy(R)-41739 be and hereby is amended and modified in the following particulars, and only in the following particulars, to-wit:

1. That paragraph 5 of Lease NOy(R)-41739 be hereby amended to read as follows:

"5. This lease may, at the option of the Government, be renewed from year to year at a rental of \$1.00 per annum and otherwise upon the terms and conditions herein specified, provided notice be given in writing to the Lessor at least 30 days before this lease or any renewal thereof would otherwise expire: Provided that no renewal thereof shall extend the period of occupancy of the premises beyond the thirtieth (30th) day of June 1965."

With the exception of paragraph 5 above, the terms and conditions of said Lease NOy(R)-41739 shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names as of the \_\_\_\_\_ day of \_\_\_\_\_ 1962.  
In presence of

City of Austin

\_\_\_\_\_  
Lessor

\_\_\_\_\_  
Address

\_\_\_\_\_  
Title

I, \_\_\_\_\_, certify that I am the \_\_\_\_\_ of the corporation named as Lessor in the  
(Secretary, Asst. Secty., City Clerk)  
attached lease; that \_\_\_\_\_ who signed said lease on behalf of the Lessor, was then \_\_\_\_\_ of said corporation; that said lease was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

\_\_\_\_\_  
(CORPORATE SEAL)

ATTEST:

UNITED STATES OF AMERICA

By: \_\_\_\_\_

By direction of the Chief of the  
Bureau of Yards and Docks, acting  
under the direction of the Secretary  
of the Navy

Approved as to Legal Form  
this 8th day of March 1962

By s/ Maurice W. Brown  
MAURICE W. BROWN  
Counsel  
District Public Works Office  
Eighth Naval District

The motion, seconded by Councilman Armstrong, carried by the following  
vote:

Ayes: Councilmen Armstrong, Perry, Shanks, White, Mayor Palmer  
Noes: None

Councilman Armstrong offered the following resolution and moved its  
adoption:

(RESOLUTION)

WHEREAS, Southern Union Gas Company has presented to the City Council  
tentative maps or plans showing the proposed construction of its gas mains in  
the streets in the City of Austin hereafter named, and said maps or plans have  
been considered by the City Council: therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

THAT Southern Union Gas Company be and the same is hereby permitted to  
lay and construct its gas mains in and upon the following streets:

- (1) A gas main in ENFIELD ROAD, from a point 11 feet  
west of Robinhood Trail, westerly 203 feet; the  
centerline of which gas main shall be 7.5 feet  
south of and parallel to the north property line  
of said ENFIELD ROAD.

Said gas main described above shall have a cover  
of not less than  $2\frac{1}{2}$  feet.

- (2) A gas main in RALEIGH AVENUE, from a point 63 feet  
north of Clearview Drive, northerly 116 feet; the  
centerline of which gas main shall be 7.5 feet west  
of and parallel to the east property line of the  
said RALEIGH AVENUE.

Said gas main described above shall have a cover  
of not less than  $2\frac{1}{2}$  feet.



- (3) A gas main in FUNSTON STREET, from a point 214 feet north of West 34th Street, northerly 160 feet; the centerline of which gas main shall be 7.5 feet west of and parallel to the east property line of said FUNSTON STREET.

Said gas main described above shall have a cover of not less than  $2\frac{1}{2}$  feet.

THE Southern Union Gas Company is hereby put upon notice that the City of Austin does not guarantee that the space assigned above is clear from other underground utilities, but is based upon the best records we have at hand, and that the minimum depth stated does not have any reference to the fact that greater depths may not be required at special points. When the Southern Union Gas Company requires definite information upon the ground as to elevations or working points from which to base the location of their assignments, they shall apply to the Department of Public Works not less than three (3) days before such information is required. The Southern Union Gas Company is further put upon notice that they will be required to bear the expense of repairs or replacement of any underground utility damaged during the construction of lines named in this resolution.

AND THAT whenever pavement is cut in the vicinity of a fire plug, water must be used at intervals during the course of backfilling of the ditches.

THAT the work and laying of said gas mains, including the excavation in the streets, and the restoration and maintenance of said streets after said mains have been laid, shall be under the supervision and direction of the City Manager and under all the pertinent terms and conditions of the certain franchises granted to said company by the City of Austin.

The motion, seconded by Councilman White, carried by the following vote:

Ayes: Councilmen Armstrong, Perry, Shanks, White, Mayor Palmer

Noes: None

The City Manager submitted the following:

"March 20, 1962

"W. T. Williams, Jr., City Manager      Assessment Paving Contract Number 62-A-5

"Following is a tabulation of the bids received at 10:00 A.M., Tuesday, March 20, 1962 for the construction of approximately fifty blocks of pavement and accessories known as Assessment Paving Contract Number 62-A-5, consisting of 21 units.

R. B. Bowden Construction Company	\$137,053.34
Lee Maners	138,508.40
J. W. Steelman, Inc.	143,644.53
Raymond Canion and Company	156,192.35
Giesen & Latson Construction Company, Inc.	162,562.92
City's Estimate	\$143,064.91

"I recommend that R. B. Bowden Construction Company with their low bid of

\$137,053.34 be awarded the contract for this project.

"S. Reuben Rountree, Jr.  
Director of Public Works"

Councilman Armstrong offered the following resolution and moved its adoption:

(RESOLUTION)

WHEREAS, bids were received by the City of Austin on March 20, 1962, for the construction of approximately fifty blocks of pavement and accessories, known as Assessment Paving Contract Number 62-A-5, consisting of 21 units; and,

WHEREAS, the bid of R. B. Bowden Construction Company, in the sum of \$137,053.34, was the lowest and best bid therefor, and the acceptance of such bid has been recommended by the Director of Public Works of the City of Austin, and by the City Manager; Now, Therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

That the bid of R. B. Bowden Construction Company, in the sum of \$137,053.34 be, and the same is hereby accepted, and W. T. Williams, Jr., City Manager of the City of Austin, be and he is hereby authorized to execute a contract, on behalf of the City, with R. B. Bowden Construction Company.

The motion, seconded by Councilman Perry, carried by the following vote:  
Ayes: Councilmen Armstrong, Perry, Shanks, White, Mayor Palmer  
Noes: None

The City Manager submitted the following:

"March 21, 1962

"TO: Honorable Mayor and Members of the City Council

SUBJECT: Bid No. 9733X - 8-10 Ton Roller for Street and Bridge Division

"Subject bids were opened in the office of the Purchasing Agent at 2:00 P.M. March 20, 1962

"Bids are for an 8-10 ton roller per City specifications. This roller is needed in South Austin District in time for spring grading and rolling of gravel streets.

"The Street and Bridge is trading a 1953 Ingram 10-12 ton roller - City equipment No. E-151. Due to the high maintenance cost on this roller, a new roller is considered more economical. City's estimated cost was \$9,500.00 - \$3,000.00 trade in or net difference of \$6,500.00.

"Bids were sent to all firms in this area who handle road machinery. Only two bids received, the others stating that they did not handle the heavy rollers.

"Bids are as follows:

Bidder	Price	Net Trade-In	Cost to City
Roy Klossner Co. (Browning Roller)	\$9,200.00	\$3,590.00	\$5,610.00 - 2% \$5,497.80 Net
Acme Iron Works (Ingram Roller)	9,750.00	4,500.00	\$5,250.00 - 1% \$5,197.50 Net

"RECOMMENDATION: It is recommended that order be awarded low bidder, Acme Iron Works of San Antonio for the Ingram Roller.

"W. T. Williams, Jr. City Manager"

Councilman Armstrong offered the following resolution and moved its adoption:

(RESOLUTION)

WHEREAS, bids were received by the City of Austin on March 20, 1962, for the purchase of one 8-10 ton roller for Street and Bridge Division, to be used in South Austin District; and,

WHEREAS, the net bid of Acme Iron Works, in the sum of \$5,197.50 and trade-in of one Ingram Roller, was the lowest and best bid therefor, and the acceptance of such bid has been recommended by the City Manager of the City of Austin; Now, Therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

That the net bid of Acme Iron Works, in the sum of \$5,197.50 and trade-in of one Ingram Roller, be and the same is hereby accepted, and W. T. Williams, Jr., City Manager of the City of Austin, be and he is hereby authorized to execute a contract, on behalf of the City, with Acme Iron Works.

The motion, seconded by Councilman Perry, carried by the following vote:

Ayes: Councilmen Armstrong, Perry, Shanks, White, Mayor Palmer

Noes: None

The City Manager submitted the request for vacating a street known as MEDICAL ARTS SQUARE, and explained the subdivision ordinance and the reason for the request to vacate the street. He stated the Planning Commission had recommended against the vacation of this street. The City Manager stated he did not believe vacating the street would help accomplish the purpose which the property owners had hoped for. The Mayor asked that this matter be discussed in detail at a later date.

Pursuant to published notice thereof, the Mayor opened the hearing on the ZONING TEXT AMENDMENT to permit dairy products manufacture and processing in "C" Commercial classification. The Director of Planning explained that "C" Commercial permitted an ice cream manufacturing plant to be located there, but did not permit the complete processing, sterilization, pasteurizing and the

homogenization of milk. He stated it was felt this would be an appropriate change and would be in line with the useage to permit such operations as MID-TEX located north of Highway 290. The Mayor asked if this were in keeping with the proposed suggestions in amending the Zoning Ordinance as being studied by the Zoning Committee and Expert. The Planning Director stated this had not been brought up before the Committee. No opposition appeared at the hearing. After more discussion, Councilman White moved that the Council grant the change in the zoning text, whereby Item 18, of Section 6 would read, "18. Creamery, ice cream mixing plant or dairy products manufacture and processing (no animals)". The motion, seconded by Councilman Shanks, carried by the following vote:

Ayes: Councilmen Armstrong, Perry, Shanks, White, Mayor Palmer  
Noes: None

Mayor Palmer introduced the following ordinance:

AN ORDINANCE AMENDING ITEM 18 OF SECTION 6 OF  
CHAPTER 39 OF THE AUSTIN CITY CODE OF 1954 CON-  
CERNING USES PERMITTED IN THE "C" COMMERCIAL  
DISTRICT; AND SUSPENDING THE RULE REQUIRING THE  
READING OF ORDINANCES ON THREE SEPARATE DAYS;  
AND DECLARING AN EMERGENCY.

The ordinance was read the first time and Councilman White moved that the rule be suspended and the ordinance passed to its second reading. The motion, seconded by Councilman Shanks, carried by the following vote:

Ayes: Councilmen Armstrong, Perry, Shanks, White, Mayor Palmer  
Noes: None

The ordinance was read the second time and Councilman White moved that the rule be suspended and the ordinance passed to its third reading. The motion, seconded by Councilman Shanks, carried by the following vote:

Ayes: Councilmen Armstrong, Perry, Shanks, White, Mayor Palmer  
Noes: None

The ordinance was read the third time and Councilman White moved that the ordinance be finally passed. The motion, seconded by Councilman Shanks, carried by the following vote:

Ayes: Councilmen Armstrong, Perry, Shanks, White, Mayor Palmer  
Noes: None

The Mayor announced that the ordinance had been finally passed.

The Mayor announced that the Council would hear the SOUTHERN UNION GAS COMPANY Rate proposal at this time. MR. FRANK DENIUS stated on January 17, 1962, the Company filed its application and requested a hearing. He introduced MR. DAN CROWLEY, District Manager of the Southern Union Gas Company, MR. DAVE NICOL and MR. ARTHUR S. GRENIER from Dallas.

MR. DAN CROWLEY, District Manager since 1959, represented the SOUTHERN

UNION GAS COMPANY, stating the present rates had been in effect since 1955, based on 1954 figures. He said the Company had 235 employees in Austin, with a payroll in 1960 slightly over a million dollars. He pointed out the services the company performed--lighting and adjusting appliances, setting meters, checking leaks, extending mains in new areas, etc; and their services performed in their business office. He displayed a map showing the area of service in 1945, then a map showing the extensions from 1949 to December 1954; and another showing the construction from 1954 to date, stating facilities had been extended in all directions, 15 miles from north to south, and 10 miles from east to west. In 1949 the Company had 27,500 customers, and at the end of last year there were 53,700 customers, an increase of 95%. He stated areas outside the City were served by SOUTHERN UNION GAS COMPANY at the same rates set in Austin, and this revenue was included in the Austin revenue. There are 65 customers on large volume rates in Austin, plus those under contract such as the City of Austin Power Plant, and the University of Texas Power Plant.

MR. DENIUS and MR. CROWLEY discussed "Return at Present Rates Adjusted for Known Changes, Year Ended December 31, 1960" and the details for the adjustments shown in the "Summary of Adjustments for Known Changes". Mr. Crowley stated this rate adjustment was being requested due to inflation trends since 1954 and the declining value of the dollar. He distributed copies of statements, "Comparison of Costs in Certain Materials & Supplies", and "Average Wage Rates Paid in the Austin District". Mr. Crowley said the cost of getting service to the customer had increased from \$174.00 per customer in 1956 to \$220 per customer, although the cost of gas had not gone up. Mr. Crowley stated a fair rate of return on the investment would be 6.75 and explained that in 1954 their long term debt cost 3.75% interest, and the last long-term debt they had cost 4.8%.

Discussed by MR. DENIUS and MR. CROWLEY was the statement of "Fair Value Rate Base at December 31, 1960". Mr. Denius said the rates proposed would provide a 6.75 return, and this would mean an increase to residential customers of three cents a day. He distributed a chart, "Comparison of Monthly Natural Gas Bills for Residential Service by Gas Companies in the Following Towns in the State of Texas" and another chart showing the comparison of monthly natural gas bills for large commercial service by Gas Companies in various towns in the State. He pointed out Austin as being in a favorable position. Mr. Crowley stated the increase on large volume customers was at the same percentage as that of the residential customer. Discussed also was the connection and re-connection charge of \$5.00.

MR. DAVID L. NICOLS, JR. discussed the four statements, pages 11, 12, 13, and 14, which were prepared by him, and showing what the earnings of the Company would be, based on revenue received on the present rates and which had been adjusted for known changes, and showing a forecast of what their earnings would be for the coming period. The schedules on page 11 and page 12 were explained. Mr. Nicols stated the 3.455% return was much too low. Discussion on "Fair Value Rate Base" of \$10,842,435.80 was held. Mr. Nicols referred to the rates shown on their page 18 as the ones necessary to provide the additional revenues that are needed. This schedule included the \$5.00 connection charge. He stated this proposed rate would give a total return of \$728,805 or rate of return on rate base at 6.722%. The figures included also the revenue from large users.

MR. NICOLS said the 6.75% was minimum figure necessary for the company to attract additional capital for re-enforcing the facilities for the continuing demand of their customers. He stated in 1954 there was outstanding long term

debts and preferred stock at 3.73%; and at the end of 1961 there was outstanding a larger amount at 4.7, an increase of approximately 1%. Since the outstanding capital is over a half, a half increase in the rate of return was the minimum. At the present time 4.7% interest and dividends are paid to the senior segment. He said up until now, the 1960 figures had been under consideration. Pages 11a, 12a, 13a, and 14a which showed figures up to date as of December 1961, were distributed and discussed. MR. GRENIER stated figures on these pages were unaudited figures.

The Council recessed at 12:15.

#### RECESSED MEETING

2:30 P.M.

At 2:30 P.M. the Council resumed its hearing. Councilman Armstrong absent.

MR. C. T. JOHNSON distributed copies of a schedule which showed average cost of gas to the gas company in eight areas, the sales price, ratio dollars, and the percent of gross profit to sales price, and stated Austin was paying a higher percent of gross profit to sales price of the Company's seven districts, as Southern Union was buying gas for the City of Austin at a cheaper rate than any other city it served. He discussed figures from Moody's Public Utility Manual and made many inquiries of Mr. Denius and Mr. Grenier. Mr. Johnson read from his statement.

In further opposition to any gas rate increase, MR. C. K. GRAY, Majestic Cleaners, submitted his statements for almost a year showing his gas bills to run from \$54.00 to \$97.00 per month, and submitted amounts of gas bills of people making less than \$35.00 or \$40.00 a week, the bills ranging from \$8.00 to \$14.00 a month. MR. AMOS HEROLD appeared in opposition to a rate increase, and made a number of inquiries. He asked the City to look closely into the "Other Direct Expenses" of \$1,743,562.00 which were not broken down in this gas report. Mr. Nichols stated this was broken down in detail in their annual report to the City. Mr. Herold suggested lowering the evaluation of the gas company's properties, as they are asking the people of the City to put up such a high amount of money, it would be equivalent to the evaluation of their property, and they were asking for an enormous increase in rates. He asked the Council to engage some experienced Gas Consultants to study the Gas Company's figures and claims. MR. BOW WILLIAMS expressed opposition to a rate increase, as a sales tax would be due on this increase, making an additional cost which the "little" man would have to bear. MR. GRAY, Majestic Cleaners, listed the problems of those who were big users of gas, yet did not fall in the category of special rates. Mr. Denius stated he would contact Mr. Gray about that. MR. McCARTHY pointed out some problems confronting businessmen like himself in cutting down on their profits. Mr. Grenier stated a monopoly could never make certain profits, but was limited to a fair return on its property, which was the most it could earn, and stated this company had gone for six years on the same rates. Mr. McCarthy stated he had no increase either. Mr. Herold asked about the Company's surplus, and Mr. Grenier explained how the surplus occurred and how it was used. MR. CLYDE BUTTER did not believe Southern Union was entitled to the exorbitant return on its investment on the theory that it had to have such attractive rates to attract capital, as there was no risk involved to investors in this company, and they would not expect much interest return. He stressed

the fact the Council was the only buffer standing between the people and this company, and the citizens had no appeal. He opposed the \$5.00 reconnection fee, particularly in the cases of delinquent customers. He stated from figures filed, the sales were practically identical in 1961 and 1960, and it did not seem too much expansion was necessary, and they would not have to "keep running to stand still."

MAYOR PALMER stated the Council did have the power to regulate, but along with that power went the responsibility of being fair. He said the Council took this responsibility seriously and would study the matter carefully with a feeling of keen responsibility to the people.

MR. H. P. ALLEN stated the \$5.00 connection fee would be hard on the University students. He stated this 16% increase would run more than the Gas Company's stated three cents a day. As the Company has had a 95% increase of customers, and had served them, it already has the equipment which is already paid for, and this increase in their sales of gas will just add more money, as the equipment for expansion and service is already available. MR. JULIUS SCHUTZE Austin Laundry and Dry Cleaning, asked that the large users be limited to the same percentage of increase as that of the residential users, as the last time an increase was granted, the larger users had a higher increase. Mr. Grenier stated it was their pattern now to have the same percentage.

MAYOR PALMER stated the Council would take the figures and comments and study them very carefully. The Council then closed the hearing.

Councilman Perry left the Council meeting.

Councilman White moved that the City Manager be instructed to bring in an amendment to the retirement ordinance, which would permit the Retirement System to invest 10% of its assets in F.H.A. Guaranteed mortgages. The motion, seconded by Councilman Shanks, carried by the following vote:

Ayes: Councilmen Shanks, White, Mayor Palmer

Noes: None

Absent: Councilmen Armstrong, Perry

The City Manager informed the Council that he was initiating "No Parking tow-away zones" on East 11th Street between East Avenue and San Jacinto to be effective in the morning hours on the north side of 11th Street and effective in the afternoon hours on the south side of 11th Street.

The City Manager reminded the Council of the Dedication of the Interstate Highway 35 on next Thursday, March 29th, and that the Council was to meet at the Chamber of Commerce Offices at 10:30 A.M.

MAYOR PALMER announced that the City Council would hold its regular meeting at 10:00 A.M. March 28th, and he requested that Councilman Armstrong and Perry be notified of this change and that all Radio, T.V. and Newspapers be notified of the change in meeting date. MR. JIM WILSON was asked to be certain that these notifications were made.

The City Manager read a letter from GOVERNOR PRICE DANIEL which stated that MR. W. T. WILLIAMS, JR., had been appointed as a delegate from Texas to the Forty-ninth Annual National Convention of the National Rivers and Harbors Congress to be held May 16-19 at the Mayflower Hotel in Washington, D. C. The Mayor stressed the importance of this meeting, and the honor of Mr. Williams' appointment and urged that he attend.

Following discussion of the City's contract with MR. J. C. EVANS for the construction on the expansion of the Water Treatment Plant No. 2, Councilman Shanks moved that the City Manager be authorized to pay Mr. Evans \$1,500 for his bookkeeping costs regarding the State's sales tax and further stated that the City of Austin would pay the actual amount of this tax. The motion, seconded by Councilman White, carried by the following vote:

Ayes: Councilmen Shanks, White, Mayor Palmer  
Noes: None  
Absent: Councilmen Armstrong, Perry

Councilman White offered the following resolution and moved its adoption:

(RESOLUTION)

WHEREAS, the United States of America has filed an action in condemnation against the City of Austin to acquire a portion of the city-owned electric distribution system which is located on what is known as the Wherry Housing Project at Bergstrom Air Force Base, near Austin, Texas, together with the city's easement rights acquired under Air Force contract dated March 7, 1951, bearing Contract No. AF 41(007)S-39; and,

WHEREAS, it is understood that the acquisition of the above described portion of the city-owned electric distribution system in no way impairs the city's interest in the fee simple title to that land which it purchased for use by the Federal Government for Bergstrom Air Force Base; and,

WHEREAS, it is considered by the City Council of the City of Austin that the figure of Forty-Seven Thousand Four Hundred Fifty-Two and 54/100 Dollars (\$47,452.54) which the United States Government is paying in condemnation for the portion of the city-owned electric distribution system is fair and just compensation; and,

WHEREAS, it is understood that the final judgment in condemnation will make it clear that only the portion of the city-owned electric distribution system above indicated is being taken by this condemnation; Now, Therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

That the City Manager be authorized to execute this stipulation according to the terms and conditions of said stipulation.

BE IT FURTHER RESOLVED:

That the City Clerk is hereby authorized and directed to keep this Resolution together with the attached stipulation above described in the



permanent files of the City of Austin without recording said stipulation at length upon the Minutes of the City Council.

The motion, seconded by Councilman Shanks, carried by the following vote:

Ayes: Councilmen Shanks, White, Mayor Palmer

Noes: None

Absent: Councilmen Armstrong, Perry

Councilman Shanks moved that the City Manager be authorized to spend approximately \$8,000 to make necessary repairs to Disch Field. The motion, seconded by Councilman White, carried by the following vote:

Ayes: Councilmen Shanks, White, Mayor Palmer

Noes: None

Absent: Councilmen Armstrong, Perry

The Council received notice from the City Manager that the following zoning applications had been referred to the Planning Commission and set for public hearing before the City Council for April 26, 1962:

LLOYD W. PAYNE By Sue Strein	1100 Blanco Street	From "A" Residence 1st Height & Area To "B" Residence 2nd Height & Area
JACK J. AILLS	607 (609) West 9th Street	From "B" Residence To "O" Office
BEN H. POWELL, JR. By James A. Howard	5343 Burnet Road	From "C" Commercial To "C-1" Commercial
LaRIVIERA HOTEL CORP. By M.Z. Collins, Pres.	1001-1025 Interregional 1300 Edgecliff	From "O" Office To "C-1" Commercial
GORDON M. LANTZ, et al	3400-3410 Red River 830 Harris Avenue	From "A" Residence To "BB" Residence
MARTIN L. ANDERSON	1007 East 40th Street	From "A" Residence 1st Height & Area To "O" Office 2nd Height & Area
PHILLIP ARLEDGE By James R. Fautch	2213 Rountree 2929-31 Manor Road	From "A" Residence To "C" Commercial
ANDRE ABBATE By Gene Naumann	2102-2106 West 35th Street	From "A" Residence To "O" Office
LEN C. DURE By Arthur E. Pihlgren	7505-09 Burnet Road	From "GR" General Retail To "C-1" Commercial

W. A. BOWMAN, et al  
By Trueman O'Quinn

3709-15 (3700-07) Cedar  
107-113 West 38th Street

From "A" Residence 1st  
Height & Area  
To "B" Residence 2nd  
Height & Area

There being no further business the Council adjourned, subject to the  
call of the Mayor.

APPROVED

Levin E. Palmer  
Mayor

ATTEST:

Chas Hoosley  
City Clerk