

MINUTES OF THE CITY COUNCIL

CITY OF AUSTIN, TEXAS

Special Meeting

June 24, 1953
9:30 A.M.

Council Chamber, City Hall

The Meeting was called to order with Mayor McAden presiding.

Roll Call:

Present: Councilmen Long, Pearson, Thompson, White, Mayor McAden
Absent: None

Present also: W. E. Seaholm, City Manager; W. T. Williams, Jr., City Attorney; C. G. Levander, Director of Public Works., J. D. Huffman, Jr., Director of Finance.

The Mayor announced that this was a meeting called for the purpose of considering the proposed pay increase for city employees and revenues necessary to take care of them.

The City Manager submitted the following detailed report and exhibits:

"23 June 1953

"MEMORANDUM

TO: Honorable Mayor and Members of City Council
FROM: City Manager
SUBJECT: Report on Questions submitted by Councilwoman

"Attached hereto are a number of exhibits and enclosures which constitute our report on several questions raised by one Council member.

"Austin has always prided itself on the financial record of its municipal government. Never has the City defaulted on any of its bonded debt, and, since the initiation of council-manager government in 1926, the City has never been forced to borrow for current operations. This is not true of several other Texas cities and quite a few throughout the United States where deficit financing is a practice.

"The very essence of sound, business-like financing is conservative estimates of revenues, and liberal estimates of expenditures. When a member of the Council accused your City Manager of just this practice, we considered it a compliment, as we believe the citizens of Austin would, for we want no part of deficit financing, juggling of figures to obtain needed money to meet payrolls, or defaulting to our vendors because our budget estimates were faulty.

"In keeping, then, with these principles of financing, we submitted a budget late in 1952 in which we estimated that at the end of this year, the General and Utility Funds would have \$29,299. As stated many times before, we see nothing at this time to indicate to us that figure will be very far off.

"On the contrary, there is every possibility that we will be hard-pressed to break even financially this year. Several indicators point to a forced 'tightening of our belt' to bring expenditures into line with revenues. First, our electric picture is above what we had hoped for and estimated. Some 2,000 customers were added in 1952. We had believed that building permits would be down this year and so provided for 1300 new customers in this year's budget. Already in five months we have added 1,000 and there is every indication this trend will continue unabated. If building does continue to hold up, we shall be hard-pressed to hold our utility expenditures in line with any revenue increase that may accrue to our system through more customers. It should be remembered in this connection that the average customer does not pay for himself until he has had 5 years of service. After that time, the city can begin to look forward to a net revenue gain from the average individual's installation.

"Secondly, our water plant, instead of being 80% completed as estimated in the budget, may be some 85% complete. This means the outlay of some \$75,000 that we had not counted on and there is no bond money left for this purpose. In addition, it will require almost 750,000 to complete the water plant next year for use in May and not one cent of bond money remains to finish that job. All of the completion money must come out of the General Fund or Utility Fund budget next year. Certainly, with this in sight, we need to conserve every bit of available revenue we may lay hands on this year, for next year is going to be just as bleak for financing the city.

"Now, forgetting the future for the moment, one of the best ways we know to judge the picture is to look at the record for the first five months of 1953.

"Referring to the financial statement for five months handed to you last week, you will note that our General Fund Revenue is 70.80% collected this year compared to 68.14% at the same time last year. This is balanced by the fact that our General Fund expenditures through May totalled 40.56% against 38.48% at that time last year. Turning to page 6, we find the Utility income is actually lagging behind our percentage last year, 34.01% (\$2,351,000 of \$6,912,000 estimated for 1953) against 35.38% (\$2,243,000 of \$6,340,000 collected in 1952) for the first five months of 1952. Similarly, utility expenditures are lower, but by a smaller percentage. This year, 39.44% (\$894,495 of \$2,268,000) against 39.58% (\$835,582 of \$2,111,000) for five months of 1952.

"It might be well to point out that the General and Utility Funds are the only ones where we can make changes to improve our cash position; money set up in Bond Funds of course is reserved for capital projects and cannot be transferred to either of the other funds. Too, it should be remembered that the percentage figures in the paragraph above represent all expenditures.

Actually, personal service expenditures are running exactly even, percentagewise. These expenditures have been computed through May 21, the end of a payroll period; and through that time, amounted to 38.7% of the entire budget. It so happens that 38.7% is the percentage of the year represented by the 141 days from January 1 to May 21, so that, as we stated, personal service expenditures are exactly even with normal time schedules.

"I think by this time there should be no question of the Manager's right to transfer appropriations from one expenditure account to another in the same department. The charter amendment, now Article VII, Section 8, last sentence, reads: 'The City Manager shall have authority, without Council approval, to transfer appropriation balances from one expenditure account to another within a single office, department, or agency of the City'."

"Several exhibits will show how this is being done to the best interests of the city. Projects set up in our budget to be done by city labor ('Force account') are sometimes contracted out for good reason. One reason could be that the private contractor bid lower than the city estimated it could do the job. On any of our major projects, a close estimate is made of the cost to the city if done by the department concerned. If it is believed this estimate might be bettered by a private contractor, bids are taken and low bid among all bids, private and city, is awarded the contract. A second reason for contracting out certain construction work is that our own forces may not be able to reach a certain project that must 'move'. In this latter case, money set up in the budget for personal services is not used as such, but rather is used, along with other money, to pay a contractor an over-all price.

"One other example of inter-departmental transfers might be cited here. The Street and Bridge Division is now utilizing personal service appropriations to some extent for materials because a source of gravel is being used on the west side of the city which saves trucks coming all the way across town to reload when they are already working on the west side. The advantages of inter-department transfers thus seems obvious to us.

"Your City Manager protests very strongly the insinuation found in many of the questions listed that nothing is being done to collect delinquent accounts owed by citizens and taxpayers of Austin. Several of the questions are worded to make it appear that no effort has been made to mail notices, statements, or bills to delinquent taxpayers and hospital patients. I am happy to let the facts and figures speak for themselves in the accompanying exhibits.

"Two examples will suffice here:

"(1) The auditor's figure of \$170,000 in delinquent water and light bills was correct, but what was not brought out was that this represented uncollected accounts on more than \$24,000,000 worth of business over a period of 5 years---a collection record of .7 of one per cent. This record of collections would be hard to match in any business, public or private. Further, \$105,000 of the \$170,000 is current delinquencies and collections are being made all the time on this amount.

"(2) The Councilwoman asks that the Manager be instructed to send bills on all delinquent hospital accounts. Already in this month, before the

the Councilwoman's questions had ever arisen, 3,000 such statements had been mailed and in this year of 1953, the City has already collected \$73,919 from delinquent hospital accounts, almost 50% more than the auditor estimated would ever be collected.

"Finally, one comes back in the last reckoning to estimates of revenue and expenditures for the last seven months of 1953. I am not willing to stake my professional reputation on one cent of surplus on December 31, 1953, that is now in the budget. By that, I am not saying there will be none. There might be \$100,000 or even \$200,000 unexpended at the end of this year, but it is a GAMBLE in capital letters. Boat ramps, electric cable, emergency pay increases, (such as the one already granted garbage and other laborers) and many other matters don't wait to be included in the budget---they have a knack for turning up at the worst possible times. The City even now has another \$62,000 hanging over its head on damage suits filed by five different individuals for differing reasons. None of these presuppose really expensive emergencies---tornadoes, floods, fires, and other catastrophes.

"My recommendation is the same as on May 11, 1953. A salary increase is badly needed by our municipal workers, but it is not within our present financial ability to grant such increase.

WES"

"To transfer immediately, into a special reserve for salary increases, the following cash funds:

1. The \$38,000 collected for sale of veterans housing, and the amount collected or to be collected from sale of Negro veterans housing.
2. The \$50,000 excess in the appropriation for refunds to subdividers.'

"As stated in my memorandum of May 11, the two sums mentioned above are available. This Totals \$88,000 plus an estimated \$4,000 from the sale of the negro veterans housing which we expect to sell in the very near future.

"However, just as we have this unexpected revenue, so do we have unexpected expenses. It is only fair to set the two side by side and see what the total picture is.

Subdividers refunds	\$50,000	Boat ramp - Laguna Gloria	\$ 4,300
Veterans housing	38,000	Boat ramp - New	1,500
Negro vets housing	4,000 (?)	Charter election	13,450
Total	\$92,000	City Planner (7 mo)	3,800
		Labor and Trades pay increase (8 mo)	15,000
		Fine Arts Assn.	1,164
		Cooker-Abattoir	8,356
		Electric cable	73,860
		Total	\$ 121,430

"The above figures do not include two important items which may need to be taken care of this year:

"(1) The City now has 5 damage suits filed against it and the loss of any of these major suits could do serious damage to the budget. The suits are as follows:

		Suing for	Possible cost to City
George Park	former employee killed	\$190,000	\$20,000
Joy Kelley	former employee killed	54,000	20,000
James Golden	former employee injured	10,000	10,000
Curtis Schmedes	citizen - property damage	10,000	10,000
Mrs. Viola Long	taking of property	2,000	<u>2,000</u>
Maximum Possible Cost to City			\$ 62,000

"(2) The General Contractor on the Police and Courts Building is running approximately 1 month ahead of schedule and may finish that Building by December 1, instead of January 1, 1954 as originally planned. No provision has yet been made for furniture for the new building or for renovating the third floor of the City Hall so that other city departments might claim badly needed room. This was figured to be a 1954 budget item and will probably have to remain that way, but any surplus existing at any time could definitely be applied to these usages if the contractor does finish early.

"Naturally, we hope to take care of some of the unexpected items in various ways. I told the Council that higher revenue at the Abattoir would help pay for the Cooker, but that higher revenue cannot pay for the Cooker and be dissipated elsewhere too. I also told the Council that the electric cable would come out of the current electric budget and that we could stand it. That is true, but it means delaying work for the citizens of Austin and if, for example, our present vacancies were to be "frozen" in addition to this already planned "time out", then we would surely be hard-pressed to deliver the proper service to the citizens of our community.

'To prepare an ordinance to amend the budget on Page 10, estimated revenue from the Hospital, to read \$625,450 instead of \$575,450. To transfer this \$50,000 of anticipated revenue to the reserve for salary increases created in Item 2.'

"Let's look at the record. We estimated in the 1953 budget that we would collect \$575,450 at Brackenridge Hospital this year. For the first five months, we have collected \$268,074 or 46.54% of the total which is some 5% ahead of our percentage figure on May 31 of 1952.

"Now, this \$268,074 includes \$73,919 in delinquent accounts which has been collected. This means that the 'cream' of the delinquents has already been collected and we can probably expect a slow-up there from now on. The \$73,919 figure is already almost 50% more than the auditor expected we would ever collect and it is only common sense to figure that the 'easiest money' has been

collected and we can face progressively more difficulty in the delinquent phase of this revenue source.

"Secondly, why do we not think the Council should set up \$50,000 more in this revenue account? We have stated it before: the hospital building plans are ready and will be submitted to the State Health Department and the U.S. Public Health Service for approval immediately. Construction should be underway by early fall and that certainly will reduce revenue when the hammering actually gets under way.

"IF the plans are held up somewhere along the line, IF we do not get underway for some reason, the \$50,000 might be there to spend, but just 'wishing it' is not going to make this so. We must be realistic and conservative about these financial matters and this unexpected \$50,000 is just not in the picture at the present time."

' To instruct the Manager to have bills sent on delinquent hospital accounts totaling \$628,000, and to assign one of the present hospital personnel to full-time work collecting accounts. The auditor estimates that at least \$50,000 of the delinquent accounts are collectible, perhaps more with hard work.'

"This statement is misleading and inflammatory on the surface. If the Councilwoman were interested in the facts about this matter and had inquired of us the correct figures, she would have learned that:

(1) Whereas the auditor estimates \$50,000 collectible, we have already collected \$73,919 this year on delinquent accounts, and more will be collected.

(2) 1951, 1952, and 1953 accounts are all being billed once each month (on 6th of month), with one of our four differently worded credit letters accompanying the statement, depending on the status of the delinquent account. In this month of June alone--and before any question had been raised by the Council member, over 3,000 statements had been mailed--(copies of credit letters are enclosed).

(3) Indicative of the conscientious work being performed by our hospital personnel--one employee is spending about one-half of his normal time on delinquent accounts, and is spending Saturday afternoons and Sundays, without compensation and using his own car, to go to nearby communities--as far as Marble Falls and Dripping Springs,--to make personal calls on delinquencies.

"This administration resents very much the implication that persons walk into the hospital and walk out again without any effort being expended by the City

to collect proper charges.

"Administrative procedures have been worked out and are in effect so that from the time a person is admitted until long after their dismissal from the hospital, records are kept and work is accomplished toward clearing the hospital bill.

"A review of some of these procedures might give the Council a better idea of the workings of the city's largest hospital:

"(1) Citizens coming into the hospital are received at the Admission Desk where deposits are required in virtually every case unless the individual has insurance. The exceptions to this rule are the emergencies which occur. There, the patient is cared for first and the city presses its collection later, for our municipal hospital is dedicated to the welfare of the whole community without regard to race, color, or income status.

"This simple procedure of pre-entry deposits, as well as other administrative processes, is not helped any by interference of certain Council members. Cases have occurred in the past--one just recently--where special concessions have been sought. This, we believe, to be inimical to the best interests of the hospital and the city and we shall resist it at every turn.

"(2) Records completed at the time of admission go to the Business Office for evaluation of credit. During the entire time the patient is in the hospital, his record is being watched and as the bill becomes higher, members of his family counseled with to make financial arrangements. Even on insurance cases, the bill is watched periodically so that when insurance coverage is exceeded, conferences are held to make certain that the hospital will be covered.

"(3) Finally, on dismissal, the patient, if not cleared financially, is required to sign a promissory note to make monthly payments on his account, and as mentioned, these are followed up religiously.

"The Credit Manager spends about one-half of each day making telephone calls to delinquent citizens, following up closely the work of the statements which are mailed monthly. In addition, several clerks spend a portion of their time processing the statements, and one part-time employee does nothing but bill delinquent "out-patient" accounts.

"In closing, I would like to mention our previous year's accounts once again. The auditor and the Councilwoman both used \$628,000 as the total of accounts receivable for all years. Approximately \$275,000 of this total has already run beyond the two year statute of limitations and the Council, in accordance with the auditor's recommendations, will be asked to write this amount 'off the books'.

"To reiterate, the accounts of 1951, 1952, and early 1953 are receiving close attention under the supervision of Hospital Business Manager Lee Hopkins. They are being billed monthly, telephone calls are being made, and all possible work pushed to increase these collections. Where all other methods fail, the City Attorney will institute suit. Recommendation has been made to previous Councils to employ an outside collection agency, but this suggestion has been turned down.

(Attached here were copies of form letters sent out by the Hospital regarding payment of bills. Letters on file with this report)

'To instruct the Manager to have notices mailed to all persons owing delinquent taxes. On January 1, there was \$1,536,020 owed in delinquent taxes, and more taxes have gone delinquent since that time. The auditor considers the greatest part of these tax resources collectible, and it is not fair to raise taxes on those who pay because some don't or won't pay.'

"No one should be more aware of the city's tremendous effort in this direction than the author of this suggestion. From the employment of a special attorney to press collection of delinquencies, through the installation of modern machinery to process the terrific amount of "paper work" involved in billing such owners, to the present time when all efforts are being bent to file some 6,000 suits before a new law becomes effective which will greatly curtail collection of aged delinquencies, -- the previous Council and the present Council have been kept informed of the administration's continued effort to pursue this revenue source. Your City Manager, in informal talks at the end of Council meetings, through weekly newsletters, monthly reports, and in every other way, has kept the Council informed that this effort is being made. No little space has been given the same question by the press and radio.

"What have been the results and what does the future look like?

"First, the complete delinquent personal roll was billed in October, 1952. This numbered 40,000 items and was no small job in itself. Following that, the Tax Assessor-Collector began writing collection letters at the rate of ten per day to delinquent tax payers. These were followed by letters from the Tax Attorney and where these methods failed, the Attorney followed through to the extent of 206 tax suits filed last year, even though he was only employed a little over six months. This pace has been stepped up in recent months, and at this time, the Tax Assessor-Collector is writing 20 letters each day, asking for payment, and informing persons that their files will be turned over to the Attorney if they do not settle. Since January 1, an additional 251 suits have been filed and are being actively pursued.

"The billing, the different letters and the filing of suits has paid off. In 1952, \$266,536 was brought in from delinquent assessments and already in five months this year, another \$126,670 has been collected. This is all encouraging and represents a vast amount of work, but it is not enough. We are not satisfied with the results yet and we know the Council is not satisfied. Plans have been laid for some time and beginning July 1, the City will again bill delinquent property owners and it is expected that this number will approximate 30,000 this time. The interim time since the last billing has been spent by at least several employees in tracing new addresses for delinquent owners. By January 1, 1954 we will be billing delinquent taxpayers monthly and following up with suits.

"The state law, signed recently by the Governor, which places a four-year statute of limitations on personal property tax suits, places a heavy burden on the Tax Department to bill, and sue, if necessary, these thousands of accounts before August 26, 1953, the effective date of the new law. All efforts are being bent toward that end at this moment and all available personnel used in this matter.

"Finally, where does this leave us? Our 1953 budget set an estimated \$140,000 revenue from our delinquent tax roll. This figure was stretched to the hilt and will be met only by energetically following through in every measure --- billing, mailing of notices, and in the end, court suits. I would not be worthy to be any city's Manager if I tried to "pump up" this source of revenue to what I cannot reasonably anticipate.

"I agree with the Councilwoman that this source of revenue is a very fine one and that in all fairness, maximum collections should be made from this source before raising taxes off those who pay currently. I cannot agree, however, in her implication that everything possible is not being done with available personnel. Our Tax and Finance Departments are composed of capable, conscientious employees, supervised by responsible department heads, and any "step-up" in the program outlined to you above will of necessity involve more personnel and more expense. These particular City employees are giving the citizens "full measure" for their salary dollar.

"This is borne out by the city's auditor. In his last report, the auditor does not state that the city should "begin" to press collection of delinquent taxes, but rather, has this to say on page V; "We recommend that the City continue to make every effort to collect delinquent taxes." (Underlining ours). That, we are doing.

"To instruct Manager to have department heads involved in the delinquent accounts totalling \$79,496 on Page XVIII of audit to assign one member of present personnel to collect those accounts. This includes delinquent bills at the abattoir, cemetery, airport, paving, rodent control, central stores, and \$23,396 worth of miscellaneous delinquent accounts."

"For clarification, let's reprint just what the auditor had on page XVIII of his latest report:

	<u>Total</u>	<u>Current</u>	<u>30-60 days</u>	<u>60-90 days</u>	<u>90 days and over</u>
General Fund					
Abattoir	\$6,250.01	5,842.10	1,407.91		
Airport	7,476.65	5,241.99	1,092.30	309.38	832.98
Cemeteries	3,001.24	1,733.50	33.00	15.50	1,219.24
Paving	303.59				303.59
Miscellaneous	4,817.13	3,395.34	156.00	-	1,265.79
Rodent	1,528.07	52.30	22.50	21.50	1,431.77
Paving Assmt					
Liens	24,500.71	1,006.02	919.59	4,616.66	17,958.44
	<u>\$ 47,877.40</u>	<u>17,271.25</u>	<u>2,631.30</u>	<u>4,963.04</u>	<u>23,011.81</u>
Utility Fund					
Central Stores	8,222.95	(2,144.59)	333.28	961.58	9,072.68
Miscellaneous	23,396.17	4,859.85	1,558.14	1,152.56	15,825.62
	<u>31,619.12</u>	<u>2,715.26</u>	<u>1,891.42</u>	<u>2,114.14</u>	<u>24,898.30</u>
	<u>\$ 79,496.52</u>	<u>19,986.51</u>	<u>4,522.72</u>	<u>7,077.18</u>	<u>47,910.11</u>

"Initially, it should be pointed out that \$19,986.51 were current accounts and in no way can be called delinquent. By current is meant accounts billed during the month of December, 1952--the month the auditor closed his books.

"Much of the remaining \$59,510.01 has been paid during this year. For example, the Abattoir now lists no delinquent accounts and actually has had little loss in several years. The Airport now lists only \$287.86 instead of \$2,234.66 on December 31, 1952. The major portion of that \$287.66 is a bill for \$179.66 against an estate which has no money at all.

"Similarly, the Cemeteries, listed for \$3,001.24, has brought that figure down considerably. One of the big accounts shown in the audit that had been due over 90 days was that of a funeral home in the city which had changed hands. The new owner is making payments on this account. The miscellaneous and rodent accounts are, for the most part, uncollectible, the former representing many, many small items, including such things as \$5 and \$10 bills for damage to city property, and the latter representing services performed for individuals several years ago.

"One of the largest accounts listed by the auditor was paving assessment liens. During the years 1950, 1951, 1952, the City purchased one hundred twelve (112) paving certificates for a total face value of \$37,336.41. These certificates were not purchased as an investment. They were purchased to prevent gaps being created in streets which were being paved, in those cases where the contractor who was paving the streets thought the chance of collecting the certificates was too remote for him to proceed with the paving if he had to keep the certificates.

"As of December 31, 1952, thirty-one of these certificates had been paid in full. Installments on twenty more were being made regularly. Several others had had one or more payments made on them. The total paid on them to December 31, 1952, was \$11,610.80, and the balance due at that time was \$25,725.61.

"Since all of the property involved is homestead, no valid liens exist to secure payment of the certificates. The only legal action we can take in any case is to obtain personal judgment against the owner with the hope of collecting the judgment later. However, as long as we do not bring suit, the certificate creates a cloud on the title to the property, and if the property is sold, the purchaser will require payment of the certificate or a judgment showing the property is not subject to the lien. The seller, in such a case, finds it more desirable to pay the certificate. Therefore, we feel that it is a mistake to file suit until just before the date is barred by limitations.

"To date five suits have been filed. Eight more will be filed within the next week. Others will be filed before they are barred by limitations.

'To instruct the Manager to put into effect the recommendations of the Auditor on page XVI of his report with regard to delinquent water and light bills. With \$170,000 in delinquent accounts, and more than 5,000 accounts where the deposit hasn't been applied to the final bill, we again have the proposal to raise rates on those who pay to make up for those who don't.

To instruct the Manager to have one or more of the present personnel of the water and light office assigned to collecting these bills.'

"I believe businessmen will agree that a collection record of 99.3% over the past 5 years is something not to be chided about, but to be proud of.

"Here is the record for city utilities:

Year	Gross Electric Revenue	Gross Water Revenue (In Thousands)	Total
1948	\$ 2,716	\$ 1,147	\$ 3,863
1949	3,002	1,154	4,156
1950	3,371	1,261	4,632
1951	3,749	1,781	5,530
1952	4,026	1,877	5,903
	<u>\$16,864</u>	<u>\$ 7,220</u>	<u>\$24,084</u>

"Thus, the total gross business for 5 years was \$24,084,000. The auditor listed \$170,000 in delinquent accounts on December 31, 1952 which means that the city had not collected seventy cents out of every \$100.

"What are the collection records of some other utilities? The local gas company sets up a 2% reserve for bad debts, more than 3 times what the City's record has been running. The 2% figure was used by the gas company in presenting their last rate increase to the City Council.

"Actually, only \$65,000 of that \$170,000 listed by the auditor should be written off and it represents collection efforts against people with final bills who have moved out of town, owing more than their deposit would cover, and hardship cases which should be written off. \$105,000 of the total amount represents current delinquents' and that money is being vigorously collected by 3 employees who comb the city every day with delinquent bills in their hands. If collection letters and collection calls make no impression on the delinquents, then we are resorting to cut-off of services. During the first 3 weeks of June alone, over 150 meters have been cut off due to non-payment of bills.

"These methods and procedures are being further improved daily by the installation of modern machinery. The mechanics are almost complete for closer-than-ever follow-up of delinquent bills to follow this schedule below:

"If first and second month's bill goes unpaid:

10 days after second bill -- notice of delinquency mailed
 20 days after second bill -- notice of cut-off given
 27 days after second bill -- cut-off if not paid

"Thus, in 87 days, the customer is given adequate notice to either pay up or face loss of service.

"In summary, it would seem to us that our city utilities have had an excellent collection record, one which we intend to improve as we go along to

be sure, but one which is already sound. An additional collector was employed this year and has been used to good advantage. The 5,000 accounts spoken of have nearly all been closed out and we are following up on all delinquent accounts in a thorough manner.

'To instruct the Manager not to fill any jobs now vacant, until the Council has had time to review the list of vacancies, hear the Manager's recommendations about them as a result of the study he has initiated, and decide whether that job should be abolished and the salary appropriation transferred to the reserve for salary increases. The Manager should also make recommendations as to jobs now filled which could be abolished and the occupant transferred to another position now vacant.'

"Exhibit 1.1 shows 120 full-time permanent jobs now vacant, but those bare figures tell only part of the story.

"The explanation of those vacancies has at least three angles:

"(1) A vacancy does not mean that we can do without the job. It means that the remaining employees are under a hardship to fill in for the vacant position. One of the prime reasons for the vacancies is that we cannot get personnel at present salaries and hours of work. We try to not hire a person just to fill a job --- we try to ascertain their qualifications for the position, for we have found as you probably have that a misfit in a job is worse than no one at all.

"(2) Because we cannot recruit a person at our present salary does not mean that we should abolish the job entirely. We hope, through the pay increase which is so badly needed, to make our municipal service attractive enough to employ more persons. We need them badly, particularly in some of our construction divisions where citizens are waiting longer than they should have to for services.

"(3) Finally, and most significant of all, since we have been unable to get suitable personnel, we have been contracting for work, thus spending over-all budget money while saving (on the surface only) our personal services appropriation.

"This will be brought out in several different ways. One example might be cited here, however: the Engineering Division of the Public Works Department is short on an entire field party crew. They have been unable to get a competent party chief to head such a party; therefore, in lieu of that, this Division has contracted the services of O. E. Metcalfe and Marvin Turner to do engineering work. Personal services salaries involved amount to \$10,740 for the year. Another \$5,000 was set up in the budget for private engineering services. Cost of the private engineering firms is estimated at \$16,200, which means that the Division will actually spend \$460 more than budgeted over-all.

"Some 33 vacancies appear at the Hospital, but this is such a fluctuating situation that it really means nothing. All of these positions are needed,

that is certain; it involves doubling up to carry their load if they cannot be employed.

"Your City Manager repeats his assurance to the Council that he is anxious to promote efficiency and economy of operation wherever feasible. However, the 2121 employees budgeted in this year were arrived at after careful deliberation and severe pruning of departmental estimates and I would not at this time recommend that any one of the vacant positions be "frozen".

(EXHIBIT 1.1 - LIST OF POSITIONS VACANT - June 19, 1953

EXHIBIT 1.1 - ADDENDA, Cumulative Employment Report - June 19, 1953

EXHIBIT 1.2 - ADDENDA, Overtime Pay 1st five months - 1953

EXHIBIT 1.2, 1.3, and 1.4, Personal Service Expenditures (five months)

WATER DISTRIBUTION DEPARTMENT (Listing of 1953 Projects costing \$3,000 or more

WATER CAPITAL

SUBDIVISIONS APPROVED IN 1953

PUBLIC WORKS DEPARTMENT - Sanitary Sewer Construction (Listing of 1953 Projects costing \$3,000 or more

PUBLIC WORKS DEPARTMENT - Street and Bridge - Construction

Listing of 1953 Projects costing \$3,000 or more

PUBLIC WORKS - (General exhibit General Inspection Division -2400, etc.)

FILTER PLANT - Water Treatment (Listing of 1953 Projects Costing \$3,000 or more) and Estimated Expenditures for 1953.

SEWAGE TREATMENT PLANT (Listing of 1953 Projects costing \$3,000 or more)

SEWAGE TREATMENT PLANT EXPANSION - Estimated Expenditures for 1953

RECREATION - Listing of 1953 Projects costing \$3,000 or more

GENERAL FUND - 9 Exhibits

ELECTRIC CAPITAL SUMMARY

The above exhibits together with report is one file in the City Clerk's Office under EMPLOYEES - Pay increase, 1953.

Discussions were held on the shortage of \$750,000 necessary to complete the water plant and other items in the utility system. (Detailed statements made are on file in the City Clerk's Office under EMPLOYEES - Pay increase, 1953.

The next item of discussion covered delinquent taxes. The City was preparing to file about 6,000 suits on delinquent personal taxes, and it was explained the difficulties in filing suits on real property.

The City Manager's report, Item No. 7 - Utility accounts was gone into. It was noted that the percentage of collection in the Water and Light funds was in excess of the average for business and commercial institutions--99.3%, and was a pretty good average.

Discussion on delinquent accounts at the Hospital, No. 3 of the City Manager's report was held.

The Council, after briefly discussion Item No. 2 of the Report, recessed until 2:00 P.M.

Recessed Meeting

2:00 P.M.

The Council resumed business at 2:00 P.M.

At this time the Council took up the discussion on PERSONAL SERVICE EXPENDITURES, EXHIBIT 1.2, 1.3, and 1.4. Councilman Long believed there to be 120 vacant jobs as of June 19th. It was shown on the Exhibit and explained that money for personal expenditures was spent on contract work--contracting nurses for the hospital, and other contract work. It was the feeling of some of the Councilmen that if the jobs that are listed as vacant are taken out of the budget, the money would not be available to complete the jobs because the people could not be hired, or it could not be contracted for.

The City Manager explained the estimate of the water revenue; revenue at the abattoir, and went into detail on the Electrical Capital Summary. Some jobs had to be postponed to take care of this cable job, which had top priority of \$78,000. Regular Construction set up of \$417,000 had had \$377,000 spent out of it for five months for connecting 1018 new homes. He predicted 1150 more customers the next seven months. Discussion of reducing inventory was held.

The Council recessed until 2:00 P.M. Thursday, June 25, 1953.

APPROVED

CA H Eady
Mayor

ATTEST:

City Clerk

(Continuation of this Special Meeting on
June 25, 1953 - See page .