



# Austin City Council MINUTES

For SEPTEMBER 3, 1987

Council Chambers, 307 West Second Street, Austin, Texas

## Memorandum To:

Mayor Cooksey called to order the meeting of the Council, noting the presence of all Councilmembers.

### EXECUTIVE SESSION

Mayor Cooksey announced Council would enter into executive session pursuant to Article 6252-17, Texas Revised Civil Statutes Annotated, to discuss matters of land acquisition, litigation, and for personnel matters. No final action, decision or vote by the City Council will be taken on any subject or matter unless specifically listed on the agenda for this meeting.

#### 1. Pending Litigation - Section 2, Paragraph e

##### a. City of Austin v. Houston Lighting and Power

### RECESS

Council recessed its meeting at 1:40 for executive session and resumed its recessed meeting at 2:10 p.m.

### AGREEMENT IN PRINCIPLE, SOUTH TEXAS NUCLEAR PROJECT

Mayor Frank Cooksey gave the following statement found on the next seven pages concerning agreement in principle to sale of the City of Austin's 16% share in the South Texas Nuclear Project. A press conference followed.

#### Motion

The Council, on Councilmember Carl-Mitchell's motion, Councilmember Humphrey's second, approved the Agreement in Principle with Houston Lighting and Power. (7-0 Vote)

**Press Statement - South Texas Nuclear Project****Mayor Frank C. Cooksey****September 3, 1987**

For a number of years the City of Austin has been attempting to sell or trade its 16% share of the South Texas Nuclear Project and to be removed from any further obligation, financial or otherwise, connected with that project. We have attempted to accomplish these objectives in a way that reasonably recognizes the value of our investment in the project, gives Austin the same amount of power which we wished to obtain from the South Texas Nuclear Project and settles all current legal controversies between the City of Austin and Houston Lighting and Power Company.

Through a long period of negotiation during the last two years, including very recent negotiations related to our lawsuit against Houston Lighting and Power Company, we have finally achieved agreement with HL&P on a conceptual framework for settling all outstanding claims and disputes between us and removing Austin as a participant in the South Texas Nuclear Project. This is an agreement which accomplishes major goals for both parties.

This agreement upon a conceptual framework is only the first step toward a final settlement, but this step is a major breakthrough in our negotiations. The next step in the process includes negotiation and

agreement upon definitive documents, which will spell out the detailed terms of the agreement. Following agreement on the definitive documents, the settlement will need approval of regulatory authorities and action by our partners in the South Texas Nuclear Project.

The proposal for a conceptual framework was unanimously agreed upon and signed by each member of the City Council prior to submission to HL&P and has been accepted by the Chief Executive Officer of HL&P. I wish to thank the representatives of HL&P for entering into good faith negotiations and hard bargaining with the City of Austin in order to accomplish agreement on this conceptual framework. Each member of our City Council and our city staff negotiating team deserves commendation for their steadfast efforts to achieve this goal, as well.

The terms of the agreement on a conceptual framework for settlement are as follows:

(Read terms of settlement)

This agreement will not result in surrendering our trial date in the litigation now pending in Dallas. Preparation for that litigation will continue in due course until a final agreement is reached and the definitive documents have been approved and signed by both parties.

AGREEMENT IN PRINCIPLE

Houston Lighting & Power Company ("HL&P") and the City of Austin ("Austin") hereby set forth the terms of their agreement in principle, as follows:

1. The City of Austin would convey its 400 MW interest in STP, together with nuclear fuel and related property, to HL&P in exchange for a 400 MW interest in HL&P's Limestone lignite plant, which has been completed and placed in service. This conveyance would result in Austin having an undivided proportionate interest in the land, capital equipment, and fixed personal property in Limestone.
  - (a) A 200 MW interest in Unit 1 of Limestone would be conveyed on June 1, 1988.
  - (b) A 200 MW interest in Unit 2 of Limestone would be conveyed on January 1, 1990.
  - (c) HL&P would operate each unit in accordance with a detailed Operating Agreement to be mutually agreed upon as part of a final definitive agreement.
2. HL&P would (a) assume Austin's STP obligation for to-go construction and fuel costs effective September 1, 1987, (b) pay Austin \$19.7 million for a portion of construction costs incurred during negotiations and (c) purchase Austin's nuclear fuel for \$30 million.
3. HL&P would assume Austin's obligation for continuing capital improvements and decommissioning for its 16% STP interest.
4. Austin would assume responsibility for its portion of the capital improvements and fuel, operating and maintenance expenses (including indirect costs) at the Limestone plant, as established by annual audit conducted by the City of Austin through a mutually agreed upon auditing firm of excellent national reputation for accuracy and fairness. All records bearing on cost would be available and be fully indexed and described to the auditors for inspection. Any dispute concerning the annual audit would be submitted to arbitration under the terms of the arbitration clause, with interest at prime rate accruing during the pendency of arbitration on sums due to either of the parties under the audit, if such audit is upheld.

5. HL&P would reimburse Austin for its actual reasonable litigation expenses in pursuing its claims against HL&P and Austin would reimburse HL&P for disputed Brown & Root legal costs. (Currently estimated as approximately \$12.0 million in Austin legal costs and \$1.0 million in HL&P disputed Brown & Root legal costs.)
6. HL&P and Austin would dismiss all litigation and other claims currently pending against one another and enter into mutual covenants necessary to effectuate the terms of this agreement.
7. The present purchased power contract between Austin and HL&P would be reduced to 500 megawatts effective January 1, 1987. Such reduction shall result in 1987 payments to Austin by HL&P of \$7.0 million in excess of the payments made and to be made by HL&P during 1987 based on the assumption that such contract provided for a 300 megawatt requirement. All claims arising out of performance thereunder prior to January 1, 1987 would be released.
8. The settlement would be contingent upon approval by the Public Utility Commission (PUC) and the Nuclear Regulatory Commission, by final orders rendered on or before December 1, 1987. It would be necessary that the PUC final order (1) approve the amendments of certificates of public convenience and necessity, (2) contain an unqualified ultimate finding that the transfers of ownership herein proposed are in the public interest, (3) approve the transfer of Limestone investment dollars to the 16% interest in STP, and (4) contain no findings, conclusions, reservations or observations by a majority of the Commission that raise reasonable doubt that the transfers would result in rate treatment to HL&P less favorable than the rate treatment of HL&P prior to the transfer of interests.
9. The settlement would be contingent upon customary closing conditions, including favorable actions and approvals by the Boards of Directors of HII and HL&P and the City Council of Austin. No contract obligation, express or implied, would come into existence until the formal execution of definitive documentation, including but not limited to, the Operating Agreement for the Limestone plant.
10. The settlement would be contingent upon the following:
  - (a) Austin would have the right to its net ownership share, 200/720 of the available capability of the unit, firm, at all times the unit is on line.

Austin would have the right to use its share of each unit as responsive spinning reserve in accordance with ERCOT guides and would have the right to full dispatchability of its share of each unit. Details of these uses would be in accordance with the Operating Agreement.

- (b) HL&P will deliver power and energy to Austin without wheeling or line loss charges by HL&P. Austin will assume responsibility for claims for line losses and wheeling charges asserted by third parties.
  - (c) Neither unit of Limestone would be taken out of service for reasons other than ordinary and necessary maintenance without the consent of both owners, which consent would not be unreasonably withheld.
11. HL&P would provide Austin a proportionate share of the benefits of the warranties and performance guarantees it has received from its contractors and suppliers. Austin, prior to signing definitive documents, would be allowed to use experts to inspect all operational records of the plant and the plans and specifications and as-built plans for the plant, as well as conduct an on-site inspection of the plant. HL&P is obligated to provide Austin with a written list of all presently known defects or operational problems at Limestone 10 days following execution of this agreement in principle, and would supplement such list 10 days prior to signing of definitive documents and to execute an affidavit at closing stating that such disclosures have been made. Disclosures concerning matters actually or potentially in litigation would be treated so as to preserve any relevant legal privileges. The definitive documentation would provide that, upon final closing, Austin's acquisition of its share of Limestone would not be based in any respect upon any warranties or representations by HL&P as to the plant, its equipment, capabilities, defects or other characteristics, other than those shared benefits of warranties and performance guarantees provided by contractors and suppliers of HL&P, described above.
12. HL&P would endeavor to comply, in good faith, with all state and federal regulatory requirements, including air and water quality and solid and hazardous waste disposal requirements, in the operation of Limestone, and use appropriate equipment to maintain ambient air quality standards, or better, required by federal and state law. Austin may refuse to pay its share

(400/1440) of any fines or penalties imposed as a result of any enforcement action prosecuted by a state or federal regulatory agency for a violation of air or water quality or solid waste disposal regulations related to the operations of Limestone. However, HL&P could seek to have Austin pay its share of such fines, either through Austin's consent or through arbitration, if such fines or penalties were imposed in spite of HL&P's adherence, in good faith, to the then prevailing interpretation of legal standards and requirements or a good faith effort to achieve compliance with law and regulations for which there was no generally accepted prevailing interpretation of legal standards and requirements. In addition, HL&P would hold Austin harmless from any legal liability resulting from the operation of Limestone by HL&P, without Austin's consent, in violation of any valid order of a state or federal regulatory agency respecting air or water quality or waste disposal, unless: (1) such agency had issued a variance or indulgence permitting the temporary continuation of the violation pending efforts to correct the problem, or (2) legal compliance with such order was not required until a final administrative and/or judicial determination.

13. HL&P would indemnify Austin and hold it harmless from any damages which may result from Austin's ownership of its 16% share in STP.
14. HL&P would operate Limestone Units 1 & 2 in good faith to the benefit of all owners of Limestone, and will not act in an arbitrary and capricious manner to the detriment of any owner. HL&P will notify Austin of all material information regarding or affecting operation of Limestone within a reasonable time upon receipt of such information. Except for detrimental results occurring from actions by HL&P or Austin undertaken in bad faith, or carried out in an arbitrary and capricious manner, all benefits, burdens, losses and liabilities resulting from ownership or operation of Limestone would be shared on the basis of Austin bearing 400/1440 and HL&P bearing 1040/1440 thereof, unless otherwise provided in this agreement in principle.
15. Austin would refrain officially from:
  - (a). any negative actions related to the licensability and public reputation and integrity of STP;
  - (b) any negative actions related to the quality, safety, engineering, and construction of STP; and

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(c) any negative actions related to the character and competence of HL&P and other owners of STP.

16. Austin would neither aid nor assist intervenors in any STP proceedings, including NRC and PUC proceedings.
17. There would be no public release of information about this proposal without an agreement between HL&P and Austin as to the manner and timing of the release.
18. All disputes between Austin and HL&P concerning interpretation and performance under this contract would be subject to mandatory and binding arbitration. The arbitration clause will be drafted as a part of the definitive documents and its mutual acceptability is crucial to the consummation of this agreement.
19. Within two weeks of the approval by HL&P and Austin of this conceptual framework for settlement, San Antonio and CP&L would have to indicate to HL&P their intention not to request withdrawal from STP. The contract would be contingent upon San Antonio and Central Power and Light Company unconditionally waiving their rights of first refusal within four weeks after the execution and approval of definitive documentation.

The undersigned hereby execute this Agreement in Principle to evidence their approved of the terms hereof this 3rd day of September, 1987.

HOUSTON LIGHTING & POWER  
COMPANY

CITY OF AUSTIN

By

Don D. Jordan  
Chief Executive Officer

By

Frank C. Cooksey

Smoot Carl-Mitchell

Sally Shipman

Michael Max Nofziger

John Trevino, Jr.

Charles E. Urdy

George Humphrey



Council held a press conference following the signing of the Agreement in Principle.

#### RECESS

Council recessed its meeting from 3:00 p.m. to 3:25 p.m.

#### MINUTES APPROVED

The Council, on Councilmember Carl-Mitchell's motion, Councilmember Humphrey's second, approved minutes for special meetings of August 24, 25, 26 & 27, 1987. (4-0 Vote, Councilmembers Urdy and Shipman and Mayor Pro Tem Trevino out of the room)

#### CITIZEN COMMUNICATIONS

Mr. David Kirkland discussed City of Austin Fire Code. Ms. Linda L. Wiles discussed permits granted to American Cab Company. Mr. Dan Harrison, Ms. Nina Butts, Mr. Paul Robbins and Mr. Jeffrey A. Hunt did not appear.

#### OLD BUSINESS - ORDINANCES

The Council, on Councilmember Humphrey's motion, Councilmember Carl-Mitchell's second, approved the following ordinances as follows, all in one consent motion. (5-0 Vote, Councilmember Urdy and Mayor Pro Tem Trevino out of the room, unless otherwise stated.)

##### Southern Union Gas Company Franchise

Passed through second reading of an ordinance amending Ordinance No. 860918-T granting a franchise to Southern Union Gas Company. (4-0 Vote, Councilmember Urdy and Mayor Pro Tem Trevino out of the room, Councilmember Shipman abstained.)

##### Austin 150 Commission

Passed through second/third reading of an ordinance creating the Austin 150 Commission.

##### Item Postponed

Postponed to October 15, 1987 is consideration of second/third readings of an ordinance amending the Water and Wastewater Service Area Ordinance (810820-B) to include the Uplands.

##### Zoning Ordinances

Passed through second/third readings of ordinances amending Chapter 13-2A of the Austin City Code (Zoning Ordinance) to cover the following changes:

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(1) AARON P. and  
STELLA GARDNER  
C14-85-288.196

S. H. 71 West

From "I-SF-2"  
to "GO"

First reading on June 18, 1986, (7-0). Conditions  
have been met as follow: Restrictive Covenant incorporating  
conditions imposed by Council has been executed.

(2) JOHN N. NESS  
C14-85-288.190

6908 Old Bee  
Caves RoadFrom "I-RR"  
to "CS"

First reading on June 18, 1986, (7-0). Conditions  
have been met as follows: Restrictive Covenant incorpor-  
ating conditions imposed by Council has been executed.

(3) L.H.C. JOINT VENTURE S. H. 71 West  
By Thomas J. O'Meara, Jr.  
C14-85-288.56

From "I-RR"  
to "GR" & "LR"

First Reading on June 18, 1986, (7-0). Conditions have  
been met as follows: Restrictive Covenant incorporating  
conditions imposed by Council has been executed.

#### CONSENT RESOLUTIONS

The Council, on Mayor Pro Tem Trevino's motion, Councilmember  
Humphrey's second, adopted the following resolutions in one consent  
motion: (7-0 Vote)

#### Capital Improvements Program

Approved acquisition of a 0.3650 acre (15,898.45 S.F.) tract of  
land for the purpose of U.S. Highway 183 right-of-way. C.I.P.No. 85/62-02.  
Marvin K. Collie, et al, owner)

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Approved acquisition of 0.11 acre of land for street purposes  
on the Industrial Street (North) United Drive Project. (Nagel  
Manufacturing and Supply Company) C.I.P. No. 85/62-62.

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Authorized the filing of Eminent Domain Proceedings to acquire:

- a. A 3,164 square foot tract of land and a 2,040 square foot  
tract of land in fee simple out of the James M. Mitchell  
Survey No. 17 in Travis County Texas from Larry Peel for the  
Spicewood Springs Road, Phase II Project. C.I.P. No.73/62-31.

Capital Improvements Program - Continued

Authorized and approved of the development of a professional services agreement for engineering services required for the planning, design and construction of Water and Wastewater Utility Adjustments for Phase I of the Highway 183 from Loop 1 to Southern Pacific Railroad Project. C.I.P. Nos. 83/22-05 and 83/23-05.

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Authorized and approved of an agreement with Southwestern Bell Telephone Company for the adjustment of their facilities from a private utility easement located within the new right-of-way for Brodie Lane Phase II. C.I.P. No. 79/62-14.

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Approved of the following change orders:

- a. In the amount of \$34,506.20 to Garney Companies, Inc., for the South IH 35 Transmission Main Contract. (1.66% increase of the original amount of \$2,075,421.80)  
C.I.P. Nos. 85/22-64, 87/22-39 and 85/62-56.
- b. In the amount of \$41,143.84 to Chasco Contracting for the East Bouldin Creek Lower Channel By-Pass, Phase 1. (5.40% increase of the original amount of \$761,903.00 -  
Total change orders to date equal 20.928.

Contracts Approved

Approved the following contracts:

- a. NELCOR  
25495 Whitesell Street  
Hayward, California
  - Eight (8) Pulse Oximeters, Brackenridge Hospital
  - Twelve (12) Month Supply Agreement
  - Total \$46,596.00 BH7-081
- b. SIEMENS ENERGY & AUTOMATION, INC.  
12200 Northwest Fwy., Suite 200  
Houston, Texas
  - Two (2) Vacuum Pumps for the main condenser on the #4 Unit at the Holly Power Plant, Electric Utility Department
  - Total \$79,600.00 87-0356-QM
- c. PAN TECH ENGINEERING  
804 Park Two Drive  
Sugarland, Texas
  - Two (2) Boiler Gas Oxygen Analyzers for the Decker Power Plant, Electric Utility Department
  - Total \$49,350.00 87-0372-QM

Pipe Line License Agreement

Approved entering into a pipe line license agreement with the Missouri-Kansas-Texas Railroad right-of-way to interconnect the Green and Davis Water Treatment Plants.

Public Hearings Set

Set public hearings on the following:

- a. An appeal of the Building Standards Commission's order of repair on the historic landmark structures located at 1801 Nelms Drive: September 17, 1987 at 3:00 P.M.
- b. Amending Chapter 13-13 of the Austin City Code (Sign Ordinance): September 17, 1987 at 4:00 P.M.
- c. Establishing the fee to be paid for sign operating permits authorized under Section 515 of Chapter 13-13 of the Code of the City of Austin, 1981: September 17, 1987 at 4:30 p.m.

INTERLOCAL AGREEMENTS

The Council, on Councilmember Carl-Mitchell's motion, Councilmember Nofziger's second, adopted a resolution approving of Interlocal Agreements with the cities of Georgetown, Round Rock, and Pflugerville, Williamson County and Travis County, and the Capital Metropolitan Transportation Authority for the purchase of abandoned Missouri-Kansas-Texas Railroad property between Austin and Georgetown. (4-0 Vote, Councilmembers Urdy, Humphrey and Mayor Pro Tem Trevino out of the room)

WAIVER TO COMPREHENSIVE WATERSHEDS ORDINANCE

The Council, on Councilmember Carl-Mitchell's motion, Councilmember Humphrey's second, waived the requirement for three readings and finally passed an ordinance granting Comprehensive Watersheds Ordinance waiver extensions to Legend Oaks. (5-2 Vote, Mayor Cooksey and Councilmember Nofziger voted No.)

Withdrawn was a waiver for the Jenkins Tract.

PROFESSIONAL SERVICES CONTRACT

The Council, on Councilmember Shipman's motion, Mayor Pro Tem Trevino's second, adopted a resolution extending the Professional Services Contract for land acquisition services for CIP projects on a temporary basis with the three following acquisition firms: (7-0 Vote)

- a. Trans-Texas Land Services
- b. Texas Field Services
- c. S.A. Garza Engineers, Inc.

CAPITAL IMPROVEMENTS PROGRAM

*adopted a resolution*

The Council, on Councilmember Carl-Mitchell's motion, Councilmember Urdy's second, ~~waived the requirement for three readings and finally passed an ordinance~~ approving the following change order:

- a. In the amount of \$1,160,540.00 to S.A. Healy Company for the Govalle Wastewater Services Area Interception and Diversion System. (4.69% increase of the original contract amount of \$24,755,000.00) C.I.P. No. 86/23-10

(5-1 Vote, Councilmember Humphrey voted No, Mayor Pro Tem Trevino out of the room.)

CONTRACT AMENDMENTS

The Council, on Councilmember Carl-Mitchell's motion, Mayor Pro Tem Trevino's second, adopted a resolution to approve the following contract amendments:

- a. Increase the contract with Shared Medical Systems (SMS) by \$93,000.00 plus expenses.
- b. Increase the contract with Arthur Anderson & Company by \$171,000.00 plus expenses for a total estimated contract award of \$1,073,000.00 plus expenses to SMS and a total estimated contract award of \$1,232,000.00 plus expenses to Arthur Anderson & Company.
- c. Provide a contingency of \$70,000.00 to cover any additional expenses not presently anticipated (\$45,000.00 for Arthur Anderson & Company and \$25,000.00 for SMS)

ITEM POSTPONED

Postponed until September 17, 1987 is consideration of authorizing the execution of contracts for implementation of the 13th Year Community Development Block Grant (CDBG) Program.

PUBLIC HEARING - APPEAL

Mayor Cooksey opened the public hearing set for 3:30 p.m. on an appeal from Mr. G. Wayne Dykes of Page Southerland Page on the denial of the Site Development Permit Application No. 87-07-4969 for the Page Southerland Page Employee Parking Lot and Retaining Wall Reconstruction, PSP #187340.

Speaker cards are on file in the City Clerks office for those who spoke.

Motion

The Council, on Councilmember Shipman's motion, Councilmember Humphrey's second, closed the public hearing, and upheld the appeal. (6-0 Vote, Mayor Pro Tem Trevino out of the room)

**PUBLIC HEARING - VACATION OF STREETS**

Mayor Cooksey opened the public hearing set for 3:45 p.m. on vacating a portion of 9th Street and Congress Avenue right-of-way and 9th and Colorado Streets right-of-way. (Request submitted by Sue P. Edwards on behalf of First Republic Bank Austin) Speakers cards are on file in City Clerk's office.

Motion

The Council, on Councilmember Shipman's motion, Councilmember Urdy's second, closed the public hearing, waived the requirement for three readings and finally passed an ordinance vacating a portion of 9th Street and Congress Avenue right-of-way and 9th and Colorado Streets right-of-way. (6-0 Vote, Mayor Pro Tem Trevino out of the room.)

**PUBLIC HEARING POSTPONED - STREET VACATION**

Postponed until October 1, 1987 at 4:30 p.m. is a public hearing to consider vacating the following; and passage of ordinance.

- a. A portion of East Seventh Street right-of-way, 2700 Block. (Request submitted by Mario Rocha)

**PUBLIC HEARING - TIPS WAREHOUSE**

Mayor Cooksey opened the public hearing on Tips Warehouse. Speaker cards are on file in City Clerk's office. A public hearing on C.O.P.'s will be held October 15, 1987 at 6 p.m., on Councilmember Carl-Mitchell's motion, and seconded by Councilmember Humphrey, 7-0 Vote. The Tips Warehouse will be discussed once more on September 24, 1987.

**EXECUTIVE SESSION**

Mayor Cooksey announced Council would enter into executive session pursuant to Article 6252-17, Texas Revised Civil Statutes Annotated, to discuss matters of land acquisition, litigation, and for personnel matters. No final action, decision or vote by the City Council will be taken on any subject or matter unless specifically listed on the agenda for this meeting.

1. Pending Litigation - Section 2, Paragraph e
  - d. (on the agenda) Water Treatment Plant #4
2. Land Acquisition - Section 2, Paragraph f
  - a. Aviation Issues

## RECESS

Council recessed for executive session at 6:31 p.m. and resumed their recessed meeting at 7:35 p.m.

## EXECUTIVE SESSION

Mayor Cooksey announced that Council would go into Executive Session pursuant to Article 6252-17, Texas Revised Civil Statutes Annotated, to discuss matters of land acquisition, litigation, and for personnel matters. No final action, decision or vote by the City Council will be taken on any subject or matter unless specifically listed on the agenda for this meeting.

## 1. Pending Litigation - Section 2, Paragraph e

## a. City of Austin v. Houston Lighting and Power

## RECESS

Council recessed its meeting for executive session at 7:36 p.m. and resumed its recessed meeting at 7:50 p.m.

## RECESS FOR SPECIAL CALLED MEETING

The Council recessed its meeting at 7:52 p.m. for a Special Called Meeting and resumed its recessed regular meeting at 8:29 p.m.

## PUBLIC HEARING ON PROPERTY TAX SET

The Council, on Councilmember Carl-Mitchell's motion, Mayor Pro Tem Trevino's second, adopted a resolution to set a public hearing on Monday, September 21, 1987 at 6:00 p.m. to consider taking a record vote on a proposal to increase the property tax rate by 8% over the effective rate calculated pursuant to the State Property Tax Code.

Vote on the property tax will be taken on September 24, 1987.

## 1987-88 FINANCIAL PLAN

Council had before them for consideration the third reading of the 1987-88 Financial Plan.

Motion

Councilmember Carl-Mitchell made a motion, seconded by Councilmember Shipman to adopt the Capital Outlay Reduction List and add \$145,524 to the cuts list. Motion passed by a vote of 7-0. (The list is on file in the City Clerk's office.)

## (Budget Cuts)

Motion - FAILED

Councilmember Humphrey made a motion, seconded by Councilmember Nofziger to make cuts totaling \$5,638,000, including reducing PARD maintenance mowing to \$100,000; eliminate part of the computer mapping program from \$500K to \$300K; reduce City employee pension contributions by .8% saving \$750K; eliminate some preventive dental services for \$100K; AustinPlan fiscal analysis by \$50K; reduce roadway overlay program by \$100K; General Fund department cuts excluding EDIT, Health, APD, Library and Municipal Court by 1%; additional capital cuts of \$100K; eliminate an additional 75 vacant positions for \$1,875,000 decrease; and a 2% salary reduction for Councilmembers, and those over \$40,000 for \$313K. Motion FAILED by a vote of 2-5 with Councilmembers Urdy, Shipman and Carl-Mitchell, Mayor Pro Tem Trevino and Mayor Cooksey voting NO.

## (Employee Pension Reduction)

Motion

Mayor Cooksey made a motion, seconded by Councilmember Humphrey to reduce City of Austin contributions to employee pension plan by 8/10s of one percent. Motion passed by a vote of 7-0.

## (Vehicle Replacement)

Motion - FAILED

Councilmember Cooksey made a motion, seconded by Councilmember Humphrey to reduce funding of vehicle replacement in General Services by \$750,000. Motion FAILED by a vote of 3-4 with Councilmember Carl-Mitchell, Shipman and Urdy and Mayor Pro Tem Trevino voting NO)

## (Vehicle Fund)

Motion

The Council on Mayor Cooksey's motion, Councilmember Nofziger's second, reduced the General Services vehicle fund by \$400,000, but no reduction in emergency vehicle funding. (7-0 Vote)

## (Arts Funding)

Motion

The Council, on Councilmember Shipman's motion, Councilmember Nofziger's second, adopted the Arts Commission recommendation for funding with several minor adjustments, these are adjustments to several groups to correct some minor inequities to underfunded groups; and further that all arts groups be funded at 95% of the Arts Commission recommendation and stipulate that if the City of Austin revenues approach the projected \$868,000 designated for the arts that the arts groups receive the full 100% of the Arts Commission funding recommendation; funding is as follows: (7-0 Vote)

(SEE FOLLOWING TWO PAGES)



Austin Circle of Theatres	\$ 19,950
La Pena	19,155
Austin Writers League	11,875
Austin Visual Arts Association	14,250
Dance Umbrella	13,818
Austin Lawyers & Accountants for the Arts	6,650
Music Umbrella	10,000
Austin on Tap	5,266
Roy Lozano's Ballet Folklorico	15,532
DU - Prechter/Bustamante	631
DU - Gregg/Alpert	926
DU - Heloise Gold	696
DU - Sally Jacque	322
DU - Ricardo Garcia	1,580
DU - Kay Braden	1,226
Texas National Dance Company	5,838
Sharir Dance Company	11,600
DU - Prechter/Lobdel	641
Austin Contemporary Dance Company	1,313
Texas Youth Ballet	677
Deborah Hay	9,800
Ballet East	10,000
Texas Folklife Resources	10,784
People's History In Texas	1,340
TC - Susan Bright	1,993
AWL - Texas Fine Literature Association	1,580
Texas Circuit	8,159
AWL - Hedwig Gorski-Garner	700
Austin Symphony	50,691
Laguna Gloria	132,369
Zachary Scott Theatre	33,642
Paramount Theatre	42,085
Ballet Austin	40,477
Capitol City Playhouse	16,077
ACTV - Deby Childress	809
Austin Film Society	1,548
ACTV - Abe Cortez	1,580
BAA - Hartzog and Congo	940
WTW - Liatris Media	1,630
ACTV - Steve Lidenbaum	1,226
ACTV - Robert Rodd	2,055
Austin Arts Umbrella	3,819
Women and Their Work	27,685
Austin Children's Museum	12,411
Mexic-Arte	24,855
WTW - DU - BAA	2,387

Black Arts Alliance	29,735
DU - ACOT	2,864
BAA - La Pena - AVAA	575
Academia De Danza	10,488
LUCHA	5,000
Austin Chamber Music Center	1,601
Austin Federation of Musicians	16,659
MU - Pinnacle Brass Quintet	261
TFR - Santa Cecelia Mariachi	4,905
MU - Creative Opportunity Orchestra	4,385
Austin Civic Orchestra Society	2,942
Austin Lyric Opera	8,408
Austin Symphonic Band	1,242
Austin Civic Chorus	959
MU - Chamber Soloists of Austin	1,331
Texas Music Museum	2,375
Austin Choral Union	5,024
MU - Austin Boys Choir	1,260
BAA - Scintilla Productions	4,905
ACOT - Austin Shakespeare Festival	3,354
Shakespeare Encounter	3,367
Live Oak Productions	6,424
Big State Productions	5,826
Different Stages	5,042
ACOT - Word of Mouth Women's Theatre	4,466
ACOT - Mario Lorenz	3,027
ACOT - Oliver & Helen Handley	1,011
FNDTN for Remembrance of Holocaust	356
ACOT - Soma Theatre	712
ACOT - Friends of the Summer Musical	311
AVAA - Fidencio Duran	2,008
AVAA - Laurel Butler	3,714
AVAA - Arts Warehouse	1,027
AVAA - Seibert, Adie, Bresette, Manghan	6,401
Texas Photographic Society	4,927
Laurie Gant	3,489
Friends of Elisabet Ney Museum	950
AVAA - AMOR	2,055
AVAA - Artistas Indigenas	2,055
AVAA - Shirley Lewis	1,104

TOTAL----- \$749,034

1987-88

APPROVED FACILITY USES DAYS  
8/10/87PARAMOUNT THEATER

✓ Austin Symphony Orchestra (Kinderconcerts)	1	1,000
• Ballet Austin	3	3,000
✓ Mexic-Arte	2	2,000
• Texas National Dance	1	1,000
✓ Santa Cecelia Mariachi	1	1,000
• Creative Opportunity Orchestra	1	1,000
✓ Roy Lozano's Ballet Folklorico	2	2,000
• Austin On Tap	1	1,000
• Dance Umbrella/ACOT	1	1,000
✓ Sharir Dance Company	1	1,000
	<u>14</u>	<u>14,000</u>

CAPITOL CITY PLAYHOUSE

✓ Texas National Dance (children's program)	2	900
✓ Sharir dance Company	4	1,800
• Gregg/ Alpert Recital	2	900
✓ Academia de Danza	2	900
✓ Dance Umbrella (workouts)	2	900
✓ DU/ BAA WTW	1	450
1/2 Open Day	$\frac{1}{2}$	154
	<u>13<math>\frac{1}{2}</math></u>	<u>6,004</u>

ARTS WAREHOUSE

✓ AVAA -- as requested	60	350
✓ Women And Their Work	30	175
	<u>90</u>	<u>525</u>

## • • Different Stages

3 1,350

Producers may make decision on location  
in lieu of Austin Fifth Street Theater  
closing

LIVE OAK THEATER

✓ Deborah Hay Dance Company	3	1,287
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TOTAL

123.5 23,166

(Austin Choral Union)

Motion - WITHDRAWN

Mayor Cooksey made a motion, seconded by Councilmember Carl-Mitchell to indrease Austin Choral Union funding by \$5,000 and take that money from the contingency fund. The motion was WITHDRAWN.

(Golf Surcharge)

Motion

The Council, on Councilmember Shipman's motion, added a \$1.00 surcharge to all rounds of golf with the proceeds directed toward the lease with the University of Texas for buying the Municipal Golf Course. (7-0 Vote)

(Rosewood Pharmacy)

Motion

Councilmember Shipman made a motion, seconded by Councilmember Urdy requesting the proposal in the Health Department's budget for the City to be in the pharmaceutical business at the Rosewood Center be deferred for thirty days to allow the Health Department to meet with the Pharmaceutical Association and allow them to present some alternative proposals for Council consideration, which would put us at the first of October which is before we could set up a pharmacy, and request the Health Department report back to Council the specific need for the pharmacy, break out the cost for the pharmacy, space allocation planned and what the dollar amount will be to actually establish a full-fledged pharmacy at Rosewood and I would like to ask that the next 30 days be spent in discussion with the pharmaceutical association. (5-2 Vote, Mayor Cooksey and Councilmember Carl-Mitchell voted No.)

(Permitting Stations)

Motion - WITHDRAWN

Councilmember Shipman made a motion, seconded by Councilmember Humphrey to close two leased permitting sub-stations and consolidate them in the Annex. The motion was withdrawn.

(Consultant Contracts)

Motion - WITHDRAWN

Councilmember Shipman made a motion, seconded by Councilmember Nofziger to reduce the \$1.1-million in consultant contracts allocated in the General Fund by \$650,000 so that amount of money can be added to the proposed tax cut. Motion withdrawn for further information.

(Elec. Utility Budget re STNP)

Motion

The Council, on Councilmember Nofziger's motion, Councilmember Shipman's second, deleted \$25.5-million from the Electric Utility budget for decommissioning South Texas Nuclear Project. (7-0 Vote)

RECESS

Council recessed its meeting from 9:55 p.m. to 10:37 p.m.

The Council, on Mayor Pro Tem Trevino's motion, Councilmember Carl-Mitchell's second, approved the following Social Service funding: (7-0 Vote)

## Social Services Funding Fiscal Year 1987-88

<u>AGENCIES</u>	<u>FY 87</u> <u>ALLOCATION</u>	<u>FY 88</u> <u>REQUEST</u>	<u>FY 88</u> <u>FUNDED</u>
American Institute for Learning	\$ 85,790	\$ 105,000	\$ 85,790
Association for Retarded Citizens-Austin	23,212	29,367	23,212
Austin Area Urban League	42,511	46,090	42,511
Austin Child Guidance and Evaluation Center	145,128	159,636	145,128
Austin Community Nursery	100,000	105,000	105,000
Austin Families	19,200	23,040	18,900
Austin Family House	41,000	70,000	41,000
Austin Rape Crisis Center	69,217	70,707	69,217
Austin Rehabilitation Center	95,000	115,000	95,000
Austin Resource Center for Independent Living (ARCIL)	30,394	32,201	30,394
Austin Tenants' Council	57,874	57,874	57,874
Austin/Travis County MHR	1,200,000	1,325,000	1,200,000
Austin/Travis County Refugee Services (Sponsor Coord.)	48,169	48,169	35,000
Austin/Travis County Shelter for Infants and Children	33,000	33,000	33,000
Austin Wilderness Counseling	17,745	18,630	17,745
Austin Women's Center	52,496	56,394	52,496
Big Brothers/Big Sisters	84,526	91,752	84,526
Blackland Community Development Corporation	10,800	14,400	10,800
Capital Area Easter Seal Rehabilitation Center	246,000	270,600	246,000
Capital Area Food Bank	58,500	61,500	61,500
Caritas	98,950	108,845	108,845
Center for Battered Women	70,564	97,620	90,000
Center for Development of Non-Formal Education	61,697	84,300	61,697
Central East Austin Community Organization	36,050	47,959	36,050
Child and Family Services	51,123	53,679	51,123
Child Assault Prevention Project	25,000	32,616	25,000
Child, Incorporated	362,200	362,200	362,200
Community Advocates for Teens and Parents	30,000	107,125	42,000
Community Bound	21,322	25,000	-0-
Development Assistance for Rehabilitation	73,152	76,809	73,152
Extend-A-Care	39,320	41,286	39,320
Gents Club	43,216	-0-	-0-
Greater Austin Council on Alcoholism	33,600	40,000	33,600
Holy Cross Hospital	10,000	17,549	10,000
Legal Aid	188,934	198,381	188,934
Middle Earth	51,000	63,520	61,000
Open Door (Project Normalization)	33,471	41,795	36,844
Parents Anonymous	20,627	24,000	-0-
Pebble Project	15,000	15,000	15,000
People's Community Clinic	150,000	175,508	150,000
Planned Parenthood	35,000	40,000	35,000
Salvation Army	12,256	97,756	90,000
Seniors' Sitter Service	15,000	16,000	15,000
Services for the Elderly	71,044	86,656	71,044

South Austin Neighborhood Youth Bureau	32,946	42,010	36,000
South Austin Youth Services	40,000	64,483	40,000
Teenage Parent Council	18,000	23,810	18,000
Travis County Adult Literacy Council	18,500	35,750	18,500
United Action for the Elderly	116,334	125,640	122,150
United Cerebral Palsy	40,706	44,775	40,706
University Y:			
a. Austin Community Gardens	43,265	60,848	43,265
b. Women's Counseling and Resource Center	31,092	45,446	31,092
c. AWARE	25,103	26,358	25,103
Vaughn House	85,444	89,760	85,444
Volunteer Center	27,883	33,272	27,883
Youth Advocacy	29,308	29,308	29,308
Youth Employment Service	124,892	126,221	124,892
<u>New Agency Applicants</u>			
Austin Community YWCA	-0-	22,150	-0-
Communities In Schools-Austin, Inc.	-0-	67,505	-0-
Community Welfare Association	-0-	14,400	-0-
Comprehensive Adolescent Treatment Services, Inc.	-0-	39,314	-0-
Ebenezer Child Development Center	-0-	25,000	-0-
Family Eldercare, Inc.	-0-	5,218	-0-
Family Recess, Inc.	-0-	14,000	-0-
vis County Council for the Deaf	-0-	31,306	-0-
Opportunities Enrichment	-0-	64,229	43,216
Contingency; EHVP, Project HELP	162,000		
		(Contingency)	34,500
Homeless Allocation (Includes FY 87 Rollover \$65,400)	166,000		250,000
Teen Pregnancy Prevention RFP		(Needs Assessment)	15,000
	<u>\$4,970,561</u>	<u>\$5,617,767</u>	<u>\$5,035,961</u>

### Friendly Amendment to Social Service Funding -FAILED

Mayor Cooksey made a motion to amend the Social Service funding by adding \$21,322 for Community Bound. Councilmember Nofziger seconded the motion which FAILED by a vote of 2-3-0, Mayor Pro Tem Trevino, Councilmembers Carl-Mitchell and Shipman voted No, Councilmembers Urdu and Humphrey abstained.

(Cablevision)

### Motion

The Council, on Councilmember Shipman's motion, Councilmember Nofziger's second, adopted a resolution as follows: Should present settlement dispute negotiations with Austin Cablevision be resolved in such a manner that the City is re-imbursed any or all its legal fees which were allocated from 1987 General Fund, these funds, up to \$200,000 will be distributed toward MHMR and other social service funding and the balance of the funds shall be allocated to the Arts. (7-0 Vote)

(Compensation Study)

Motion - FAILED

Mayor Cooksey made a motion, seconded by Councilmember Humphrey for exempt positions only implement the Compensation Study and make reduction to maximum hourly rate of the new structure for employees earning above the rate and above \$30,000 for a savings of \$1,482,445. (3-4 Vote, Mayor Pro Tem Trevino, Councilmembers Carl-Mitchell, Shipman and Urdy voted No)

(Deputy Dir. Resource Mgmt)

Motion

The Council, on Councilmember Nofziger's motion, Councilmember Humphrey's second, deleted the deputy director position for Resource Management. (5-2 Vote, Mayor Pro Tem Trevino and Mayor Cooksey voted No.)

(AustinPlan)

Motion - DIED FOR LACK OF SECOND

Councilmember Humphrey made a motion to reduce the AustinPlan Economic and Fiscal Analysis by \$50,000. Motion DIED for lack of second.

(Roadway Changes)

Motion

The Council, on Councilmember Carl-Mitchell's motion, seconded by Mayor Pro Tem Trevino, approved certain amendments to roadway section of C.I.P. (7-0 Vote) as follows:

Jim Smith, Director of Transportation and Public Services Department, stated: "The proposal you have in your Capital Improvements Book has to be amended to accommodate some of the directions you have already given us. A memo has been sent to you detailing what is in your book and what we are recommending you change. We have approximately \$69,000,000 to spend on street & drainage improvement projects. That called for us to make recommendations on deferral of approximately \$45,000,000 worth of projects. In your book is a list of deferrals and we provided you a memo on that." He referred to the first attachment which are recommended projects and the second attachment which shows that after the committed projects there was approximately another \$24,000,000 available to cover the rest of the projects. "On Attachment 2 the projects were prioritized 1-14 which we were able to fund. The rest of them had to be deferred. If you turn to Attachment 3 we are proposing we amend what is in your current CIP budget book to accommodate several changes that you have directed us to make. One of them is Grove Boulevard. We have met with ACC and have worked out an arrangement whereby cash flowing \$600,000 next year we will be able to initiate the Grove Boulevard project. We also had to change in around to accommodate your direction on Parmer Lane. To acquire the right-of-way on Parmer Lane we had to cash flow some money for next year. For the Parmer Lane line we have budgeted \$3.1-million. That is the low end. It could go higher depending on what some of the settlements are. The maximum it can go to is about \$6,000,000. Depending on the ultimate cost of Parmer Lane, Brodie may have to be knocked off the list which is the object we have as the lowest priority on that list. The other thing amended and added into your list is \$160,000 for Tony Berger because that is going to give us access into the St. Elmo Service Yard which will be completed shortly

To comply with the site plan requirements we have to provide that access. Otherwise, what is contained in your C.I.P. book is what is recommended, with those three exceptions."

(Adoption of C.I.P.)

Motion

The Council, on Councilmember Carl-Mitchell's motion, Councilmember Shipman's second, adopted the Capital Improvement Project budget as amended by Council. (7-0 Vote)

(Adoption of Budget)

Motion

The Council, on Mayor Pro Tem Trevino's motion, Councilmember Carl-Mitchell's second adopted the Operating Budget for FY 1987-88 as presented by the City Manager, incorporating all amendments adopted by the City Council on the First, Second and Third Readings of the Ordinance. (6-1 Vote, Councilmember Humphrey voted No.)

(Historic Property Tax)

Motion

The Council, on Mayor Pro Tem Trevino's motion, Councilmember Shipman's second approved the Historic Property Tax Exemptions as presented in the budget. (7-0 Vote)

(Historic Property Tax)

Motion

The Council, on Mayor Pro Tem Trevino's motion, Councilmember Humphrey's second, approved fees, rates and charges as amended. (7-0 Vote)

(Sales Tax Gas & Elec. Rates)

Motion

The Council, on Mayor Pro Tem Trevino's motion, Councilmember Carl-Mitchell's second, approved reimposing the sales tax on gas and electricity for residential use. (6-1 Vote, Councilmember Humphrey voted No.)

PUBLIC HEARING ON TAX RATE SET

The Council, on Councilmember Carl-Mitchell's motion, Mayor Pro Tem Trevino's second, adopted a resolution to set a public hearing to consider taking a record vote on a proposal to increase the property tax rate by 8% over the effective rate calculated pursuant to the State Property Tax Code for: September 21, 1987 at 6:00 P.M. (7-0 Vote)

Council will vote on the tax rate on September 24, 1987.

ADJOURNMENT - Council adjourned its meeting at 12 Midnight.