The meeting was called to order Mayor McClellan presiding.

Roll Call:

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

Absent: None

Mayor McClellan stated that this was a Special Called Meeting for the purpose of discussing bond proposals. She then asked Mr. Daron Butler to review bond election information which had been circulated to the Council.

Mr. Butler stated that information from the City Manager recommended a water and wastewater program of $84.8 million, which adjusted the last two years of the program by an inflation factor of 9 per cent. The program would be funded for 1979-80, 1980-81 and 1981-82. Additional funding authority was required in the 1979-80 Electric CIP in the amount of $1.7 million. If the Council desired to fund fully that CIP, the City Manager recommended that an additional two years of bond authority be included in the Electric Program.

Following adoption of the CIP, several funding areas which were critical were identified for the City Council. The Aviation program required an additional $4,565,000 in authority to provide full funding for the program as identified by the airlines and costed out by the City's consulting engineers. It was recommended that voter approval for general obligation bonds be sought, but that as soon as possible with the sale of those bonds that the City begin transferring airport revenues to the debt service
retirement fund to pay principal and interest on those bonds. He felt that the full $7 million projected and existing bond authority could be funded with transfers of airport revenues. The 1979-80 operating budget deposited a transfer of $1 million to the airport CIP. Conversations with the airlines and industry indicated a willingness to accept some rates and charges adjustments to allow the City to take on the new costs through the airport revenue system.

Mr. Butler stated that it was being recommended that $4,485,000 be submitted to the voters for provision of additional parking at the Brackenridge Hospital Health Complex. In the material distributed to the Council today there was a memorandum from Mr. Spurck and Mr. Ternus outlining not only the existing parking needs but a five-year projection of what parking needs would be as that health complex developed.

The proposed package included $8,795,000 for parkland and greenbelt acquisition as well as some minor facility improvements. Also included were funds for railroad crossing safety improvements ($4,610,000); civic center and coliseum ($20,885,000) with a first option on development for those improvements and $4,880,000 to complete development of the Municipal Court and Police Department Complex. The basic program totalled $48,220,000. In addition, the approved CIP outlined numerous other areas that the Council could consider for submission to the voters.

Mayor McClellan suggested that the original plan for the coliseum be considered whereby there would be expansion to the east, increased seating capacity.

JAY EVANS, representing the Austin Livestock Show, agreed with Mayor McClellan that the original plan should be followed with regard to the coliseum. That plan called for an expenditure of about $1.3 million.

Mayor McClellan suggested that the Council go with the original plan for the coliseum and civic center, which with inflation, amounted to $20,885,000.

Mayor Pro Tem Himmelblau stated that she would prefer to wait for the whole package.

Mayor Pro Tem Himmelblau asked for discussion on parking for the hospital complex.

Bob Spurck, Hospital Administrator, stated that he was asking the Council to consider completing the Brackenridge health complex parking garage. Anticipated needs were about 1598 spaces. About 788 spaces were available currently.
In response to Councilmember Cooke's question, Mr. Spurck said that no decision had been made with regard to future use of the old Brackenridge Hospital building, but that some members of the Hospital Board were recommending razing the building and using it either for parking or another professional office building.

Mayor Pro Tem Himmelblau stated that she wanted to see the parking in the bond program and that she had always understood that it was a two-phase proposition.

Mayor McClellan stated that she supported the parking proposal.

Mr. Spurck explained to Councilmember Cooke that additional parking was not on last bond issue because the need was not foreseen. At that time it was felt that 690 spaces would be adequate. However, the professional office building was approved after the bonds were approved. That area could have been used for a staging site for construction for the remainder of the hospital. Additionally, there was no way to anticipate the success of the outpatient services which had grown phenomenally in the last eight months.

Councilmember Cooke stated that he had no problem with the need for the parking, but did have a problem with the time frame. He would have no problem supporting the issue in 1981.

Councilmember Goodman indicated his support for the parking addition.

The Council next took up Water and Wastewater projects. Mayor McClellan asked Curtis Johnson to discuss the Southwest Main and Martin Hill Reservoir.

Mr. Curtis Johnson said the Martin Hill Reservoir is the one they feel should be constructed next to the north part of our system, north of 183. Councilmember Himmelblau said the Three Points Reservoir looked like it would be in Pflugerville and wondered if we would be obligated to serve them. Mr. Johnson said no, this was the most optimum place to put it because of the elevation. The two reservoirs took close on the map but the elevations where they are placed should be utilized to serve the expansion of the system as it grows to the north to fit in with the existing systems of the water service area. Discussion followed concerning both of the reservoirs, and then turned to a discussion of the Jollyville reservoir. Total capacity for it will be 10-11 million gallons.

Mayor McClellan reminded Council they have until the 17th to finally vote on the bond package and thought it would be wise to direct staff as to what they want brought back in ordinance form on the 10th.
Councilmember Himmelblau said, "I would like to see us go with the water and sewer projects which we adopted when we adopted the C.I.P. this year. I don't want to see any additions to it. I'm not interested in sewering Barton Creek. ...I'm in favor of going with $84.8-million without any additions."

Mayor McClellan said that her inclination is to go with $1.7-million in the electric area.

Mr. R.L. Hancock, Director of Electric Utility, defined the $1.7-million as follows: "When the last electric bond issue was prepared for regular construction it was anticipated that about $9.5-million would be plowed into this years regular capital construction from revenue from the system. The bond issue was approved on that basis and provided bond funding at that level. When the budget was approved in September that transfer to CIP was not the $9.5-million anticipated in conjunction with the bond issue but was about $7.5-million in the approved budget. This left a deficit of approximately $2,000,000 that would have to come from somewhere. In conjunction with the preparation of this we re-assessed expenditures for that year and an additional funding of $1.7-million is required to complete this year's capital construction and regular construction and that's the genesis of the $1.7 million in the document here. It is for normal routine of services in subdivisions i.e. street lighting and the regular local construction activity...capital construction activity. It will be for poles, underground cable in the residential subdivisions, meters, line devices, transformers, etc. If it is determined to authorize the 1.7 in conjunction with this bond issue, additional funding will have to be provided for in the subsequent years, and if that is done in a timely manner it would mean July of this year. We'd need to be looking at the authorization for funding for those subsequent years, which if we stay on the historical basis we have, would mean another bond consideration at that time." Mayor McClellan asked why that soon. Mr. Hancock told her "Authority would have to be provided for capital funding that would be initiated in October of 1980 in conjunction with the new CIP." Mayor McClellan asked, "If you submitted the $18.3 how long would that carry you...when would you need another electric bond election?" Mr. Hancock said June or July of 1982. To carry it until a year from now would take $1.709 plus $8.9...the funding for fiscal year 80 and 81 .... for $10.65 million.

Discussion followed concerning the timing of previous bond elections to coincide with need by the Electric Department.

Mayor McClellan and Mayor Pro Tem Himmelblau expressed displeasure at the prospect of having to come back in July with another bond election.

Mayor McClellan told Council that they all have a lot more questions and suggested they schedule another meeting to continue the discussion of bond proposals. She asked City Clerk Monroe to schedule a Special Called Meeting of the Council for January 9, 1980 at 4:30 P.M. in the Council Chamber.
ADJOURNMENT

Council adjourned its Special Called Meeting at 6:15 P.M.

APPROVED

Mayor

ATTEST:

City Clerk
Councilmember Goodman agreed.

Daron Butler next addressed the question raised by Councilmember Cooke on the civic center regarding the type of financing. Mr. Butler recommended tax (General Obligation) bonds for the following reasons:

1. No track record of attracting booking and generating revenues at the civic center to know (a) whether the center would pay its own operating costs or (b) generate the revenues and billings necessary to pay debt service and interest payments on the outstanding debt.

2. General Obligation bonds could be sold at a lower interest rate and the investor would have a known track record to appeal to when he was buying.

Mr. Butler recommended that over a five-year period that the Council begin booking and using the facility and examining it closely to move it to a self-sustaining basis. Once that posture was achieved, the Council had two options:

1. Continue the bonds as tax bonds and transfer facility revenues into the debt service retirement fund to pay principal and interest on those bonds or

2. Evaluate the marketplace at that time and refund (refinance) the outstanding bonds with revenue bonds once a track record was established on the profitability of the civic center.

Mayor Pro Tem Himmelblau asked if the health complex parking could be looked at in the same way.

Mr. Butler replied that it certainly was an option which would depend on the types of fee structures that the Council would establish, both for employees and visitors and the types of relationships worked out with the doctors' hospital complex there to lease spaces from the City. There already was a commitment on the part of the doctors, but he was sure that the lease arrangements were set with specific intention of recovering operating or debt service costs. The Council had the option of moving in that direction with the new facility if it so desired, and would be in line with the decision to make the hospital as self-supporting as possible in all of its operations.

Mayor Pro Tem Himmelblau asked how soon it would be known whether the health complex parking could be supported by revenue bonds.

Mr. Butler responded that he did not have an answer right now and needed to sit down with staff to look at what needed to be analyzed at this point. He would return with an answer as quickly as possible.
Mayor McClellan requested the City Attorney to draw up in ordinance form options at different levels of funding.

Motion

Councilmember Goodman moved that the Council set Special Council Meetings for Monday, January 14, 1980 at 4:00 p.m. and Tuesday, January 15, 1980 at 5:00 p.m. in the First Floor Conference Room, Municipal Building for the purposes of discussing bond proposals and considering an ordinance calling a General Obligation and Revenue Bond Election for Saturday, February 23, 1980 and placed the same item on the agenda for January 17, 1980. The motion, seconded by Councilmember Mullen, carried by the following vote:

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

Noes: None

ADJOURNMENT

Council adjourned its meeting at 5:10 p.m.

APPROVED

[Signature]

Mayor

ATTEST:

[Signature]

City Clerk