

## MINUTES OF THE CITY COUNCIL

## CITY OF AUSTIN, TEXAS

## Special Meeting

February 11, 1949  
10:45 A.M.

Council Chamber, City Hall

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The meeting was called to order, with Mayor Miller presiding

Roll call:

Present: Councilmen Bartholomew, Glass, Johnson, Long, Mayor Miller  
Absent: None

The Mayor stated that the purpose of the meeting was to discuss the proposed increase in telephone rates.

The following representing the Southwestern Bell Telephone Company were present: Judge C. S. Slatton, Mr. McWilliams, Ass't General Manager, Dallas, Texas, Mr. Ben Smith, Ass't General Manager, San Antonio, Texas, and Mr. Stormy Davis, Manager, Austin, Texas.

The Mayor stated that the telephone rates had not been increased since 1938. The Telephone Company came before the Council October 1, 1948 and asked for an increase in the rates, \$9.50 for business phones, \$4.00 for one-party residence lines, and \$3.00 for 4-party residence lines. This was too much of an increase and the Council late in November, 1948 appointed the Citizens's Advisory Committee to study this matter. After considerable study the Committee recommended that the City ask for a rate slightly under the rate of Beaumont, Texas, and that the Telephone Company be required to set up a separate set of books for the Austin office so that the City may inspect same.

The Mayor stated further that the Council had made a thorough study of this matter and also of the Citizen's Advisory Committee's report and that they were ready to vote.

Each Councilman expressed his views. All except one member agreed that an increase should be given the Telephone Company and that it would be better to get a compromised rate than to take it to court because it would take a long time to have the case argued and then the City would probably lose its case as other cities had done in addition to costing the taxpayers a great deal of money.

Creekmore Fath stated that he did not agree with this and that he and a number of other citizens felt that a rate expert should be employed, as had been done in other cities and that such services would cost very little when compared to the proposed rate increase. He also favored placing this question on the ballot in the coming April election and letting the citizens decide whether the increase should be given or not.

Judge C. S. Slatton told the Council that in every state where a Rate Commission handles utility rates and where a increase had been requested by the Telephone Company, the Telephone Company had received the increase requested. He said that he would recommend the following compromised rates to his company:

Business phones

\$8.25 per month  
\$1.50 per month for extensions

\$5.50 per mo. measured public phone  
.25 per day guarantee semi-public ph.

Residence phones

\$3.25 per month for 1 party lines  
\$2.70 per month for 2 party lines  
\$2.25 per month for 4 party lines  
\$1.00 per month for extensions

PBXCommercial

\$12.38 per month for trunks  
\$ 1.50 per month for stations

Hotels

\$ 8.25 per month for trunks  
\$ .60 per month for stations

A 2% Gross Receipts Tax, and a Franchise Tax of \$1,250 per year, and this amount to be paid for 5-years in advance at this time, if the City so desires.

That the Telephone Company would give the City of Austin a letter guaranteeing the removal of all 4-party lines within eighteen months from the granting of this increase, provided no national emergency arises.

Councilman Glass moved that an ordinance be prepared incorporating the proposed rates and agreement, and that same be prepared for submission to the Council at a recessed meeting set for 5 P. M. this date; further that the City Attorney be instructed to prepare a 25 or 30 year franchise for the Telephone Company, same to be presented at the next regular Council meeting. The motion carried by the following vote:

Ayes: Councilmen Bartholomew, Glass, Johnson, Mayor Miller  
Noes: Councilman Long.

Councilman Johnson moved that the Council recess until 5 P. M. this date, which motion carried by the following vote:

Ayes: Councilmen Bartholomew, Glass, Johnson, Long, Mayor Miller  
Noes: None

ATTEST:

Helen K. Busch  
Acting City Clerk

APPROVED:

Tom Miller.  
Mayor