

MINUTES OF THE CITY COUNCIL

CITY OF AUSTIN, TEXAS

Special Meeting

July 21, 1970
4:00 P. M.

Council Chamber, City Hall

The meeting was called to order with Mayor LaRue presiding.

Roll Call:

Present: Councilmen Atkison, Gage, Janes, Johnson, MacCorkle, Price,
Mayor LaRue

Absent: None

Mayor LaRue announced this was a Special Meeting of the City Council called for the purpose of discussing transportation problems in the City of Austin, and for accepting proposals from anyone interested in the transit service. It had been indicated that proposals or propositions would be accepted up until 4:00 P.M. this afternoon. He asked if anyone had any proposals to submit other than those already received. There being no others submitted, the City Attorney, MR. DON BUTLER was asked to read the proposals as received.

The City Attorney read the proposal from the AMERICAN TRANSIT CORPORATION dated July 16, 1970, a proposal of sale of the Austin Transit System to the City of Austin.

The proposal from TRANSPORTATION ENTERPRISE, INC., July 21, 1970, was read, being a proposal to provide bus service, beginning August 1, 1970.

Council members discussed and made inquiries of various sections all noting the contract would need to be more definitive. Councilman Gage asked if it were certain there was no other recourse in this problem or legal routes. Councilman Atkison favored exercising the City's legal position to see if it could enjoin the Austin Transit Corporation to keep it operating until such time as the Council could make a decision. The Mayor opened the discussion to Austin Transit. MR. BARR McCLELLAN, Attorney for Austin Transit, introduced MR. BOB BONESFIELD, Vice-President of American Transit, and MR. CLYDE MALONE, Manager of Austin Transit. He stated the proposal submitted by MR. GIACOMA spoke for itself. If the City had something else to consider, they would take any counter proposal and discuss it with all concerned. If the basic proposal is acceptable, a representative could be called to Austin and details worked out. Councilman Gage asked if there were any alternatives other than the interim time limit. Mr. McClellan stated there might be a number of alternatives available. Councilman MacCorkle noted the Council asked for a proposal and each has presented his proposal. It was pointed out by Mr. McClellan the interim service would be provided only if the City buys the equipment; otherwise the Company is pulling out.

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MR. DAN FELTS reviewed the proposal of Transportation Enterprise, Inc., which contained alternate plans. He explained the request to come before the Council frequently, maybe every 30 days, during the first year of the contract to report on their finances, and if necessary may ask to negotiate. He wanted it spelled out that they might be back in 30 days, as they did not know what they were bidding on. As to the time limit, they must place an order for equipment tonight, as production starts at 7:00 A.M. Eastern Standard Time, and the order must be placed before midnight. They are available to meet and work out details from now until midnight. The Council discussed this proposal in detail and at length. MR. FELTS said the proposal was submitted in a bonafide intent, and they are open to further questions and negotiations.

MR. ANTES, had to use the bus service as he was handicapped and his handicap prevented him from operating a motor vehicle. He was concerned that buses did not run on Sundays or at night, making it very inconvenient for those who work on the swing shift. He was interested in service out Congress Avenue looping back up South 1st.

The Council went into Executive Session to discuss the legal position of the City in this transportation crisis matter facing the City.

The Council resumed its business in open meeting.

MAYOR LaRUE expressed appreciation to those waiting for the Council to obtain legal counsel, and give the City Manager and City Attorney an opportunity to discuss this situation. He stated if the Council pursued the proposal of T. E. I., there was, as had been explained earlier, a deadline of midnight tonight.

The City Manager stated the problem at present was to try to reduce this matter to a factual situation, that there is no one at the moment who is willing to run this particular or any business at a loss of money. By the same token, franchises, all utility franchises, provide for relief either by adjustment of rates, routes, etc., in the event the company is in fact not making a reasonable return on its investment. It would appear the second section of Transportation Enterprise's proposal known as "B" does in fact follow the normal franchise type consideration; it does have a short view in the sense that at the end of a 30 day period, that 30 day notice be given that either arrangements be made so that the company does not continue to lose money, or they would have the right of curtailing the operations. The other contract provided only a purchase arrangement of the facilities of Austin Transit. It would appear that with a little work a franchise could be drawn to fit the "B" provision of the proposal of T. E. I. that would give service to the riding public of Austin.

Councilman Janes, realizing there would need to be much work on this matter, pointed out there would need to be a good deal of mutual trust. He pointed out that if the company did not provide service, or provided poor service-over-paying themselves and raising the rates- the City should have some escape clause also. He would hope the Company would agree that the City had a reasonable basis for doing something differently if their service was unsatisfactory. With those two provisions, he was in favor of accepting their proposition "B".

Councilman MacCorkle stated at this moment, the City was not in a position to go into the bus business. In principle he would accept part "B" as proposed by Transportation Enterprise.

The Mayor likewise suggested there must be a certain amount of trust, between the two individuals to the effect that will be drawn in legal terminology to better spell out the rights of the two parties. He would concur with the two previous comments. It might be an opportunity, in fact, forced to give more time to the traffic and transportation problem; and if this is looked at as a community problem, this can be overcome and find a solution.

Councilman Price said this Council was elected to provide the people transportation at the cheapest cost to the taxpayer of Austin. He did not believe the City should be in the transportation business. This route would be a resource for getting transportation for the citizens which could not be afforded under the other proposition.

Councilman Johnson also concurred. His concern was for continued service - at least a minimum service for those who must use buses for their only means of transportation; and secondly, the employment of the personnel involved. Part "B" of T. E. I. proposition provides a partial solution. With as little as is known by the City, staff-wise, about the operation of a municipal transportation system, it would be a very poor investment under these circumstances for the City to either purchase the present company or to embark independently with other means for the City to be in the bus business. The Council had authorized the Manager to pursue a transportation grant for a study of transportation in this community. Because there is a hard dead-line, and because there is a lack of knowledge on the part of staff and qualified people, the solution as offered by Transportation Enterprise is a step in the right direction.

Councilman Atkison stated he did not have sufficient time today to analyze what the eventual cost to the Austin taxpayers will be. The two solutions offered today is leading to municipal ownership, and he said he would not support municipal ownership.

Councilman Janes wanted it clearly understood that T. E. I. recognized the necessity for the City to have some method of terminating the contract if the service becomes totally unacceptable, and he asked if that were his understanding. MR. FELTS replied they would have no quarrel with such provision in the contract, provided the type of equipment that is proposed is not used as a means of saying "this is unacceptable service". Councilman Janes stated with this type of equipment the fares at some point should be reduced or the service improved.

Councilman Janes moved to authorize the City Manager to enter into an agreement with TRANSPORTATION ENTERPRISE, INC., to generally fulfill the provisions of their proposition "B" as submitted today. The motion, seconded by Councilman MacCorkle, carried by the following vote:

Ayes: Councilmen Janes, Johnson, MacCorkle, Price, Mayor LaRue
Noes: Councilmen Atkison, Gage

Councilman Atkison made the following statement concerning his vote:

" I will not be rushed into a decision of this magnitude at this time and I vote "No". "

Councilman Price made the following statement regarding his vote:

" Under the conditions and the recommendations that we have had here that we are going to have better bus service, I vote "Aye". "

ADJOURNMENT

Councilman Janes moved that the Council adjourn at this time, 6:30 P.M.
The motion, seconded by Councilman Johnson, carried by the following vote:

Ayes: Councilmen Atkison, Gage, Janes, Johnson, MacCorkle, Price,
Mayor LaRue

Noes: None

APPROVED:

Mayor

ATTESTED:

3/21/70 [Signature]

City Clerk