MINUTES OF SPECIAL MEETING OF CITY COMMISSION HELD ON JANUARY 28, 1970, AT 7:00 PM AT JUNIOR HIGH SCHOOL AUDITORIUM TO CONDUCT PUBLIC HEARING ON REQUEST OF LUFKIN TELEPHONE EXCHANGE, INC., FOR RATE INCREASE IN LETTER DATED SEPTEMBER 2, 1969

On the 28th day of January, 1970, the City Commission of the City of Lufkin, Texas, convened in special meeting in the regular meeting place of said City, with the following members thereof, to-wit:

Carl Liese	Commissioner, Ward No. 1
Dayle V. Smith	Commissioner, Ward No. 2
Byron McNeil	Commissioner, Ward No. 3
Edgar C. Wareing	Commissioner, Ward No. 4
W. O. Ricks, Jr.	Commissioner at Large, Place A
Basil E. Atkinson, Jr., M.D.	Commissioner at Large, Place B
Harvey Westerholm	City Manager
Robert L. Flournoy	City Attorney
Lynn Durham	City Secretary

being present, and

Earl Nisbet	Mayor

being absent, constituting a quorum, when the following business was transacted:

1. Dayle V. Smith, Mayor Pro Tem, called the meeting to order with prayer by BMcN. DVS stated the purpose of the hearing and gave procedural rules to follow.

2. HW gave a brief background on the rate request and stated that he and City Attorney had made a study of information furnished by Lufkin Telephone Exchange, Inc., on their earnings and fair value of their properties. He stated that Telephone Company signified their rate of return was 5.6% and desired a return of 6.88%. HW further stated that the Company was allowed under the law a return on fair value of property of not more than 8%. HW stated study made using figures furnished by the Telephone Company indicated a return of 7.15% which he thought was adequate.

3. DVS called for remarks by visitors in the audience -- there being some 75 to 80 people present.

   T. T. Powell

   Stated service in his area, Fuller Springs, was very bad and listing of numbers in directory was erroneous in many respects. Very much against any increase in rates.

   Dan V. Davidson

   Stated that although he lived outside City Limits, would like to call attention to poor service rendered by the Telephone Company. He went into considerable detail in pointing out definite areas and instances of such poor service. Also lack of pay telephones and bad locations of ones in service.

   H. C. White, Jr.

   Called attention to bad service and especially with regard to his Company in Diboll and long distance calls made. He stated the Telephone Company was entitled to an equitable return on their investment but also were obligated to give the best of service to their customers.

   Lloyd Parrish

   Called attention to very bad service in rural areas and stated he was unable to get calls through on several occasions, making it necessary to personally drive to see party or parties he desired to talk to.

Clayton Jones

Stated he lived in Lufkin but works in Diboll in a managerial position. Called attention to very bad service in making calls at his place of business. Stated in some instances, would have been better off if had not gone to work since most of his business transactions are handled by telephone.

Chester A. Neel

Requested and received information on salaries of directors and officers.

William Bailey

Stated he was Mayor of Wells and his interest in being at this hearing was in regards to poor service that the town of Wells was receiving from the telephone company. He further stated that he could fill this building with people from Wells regarding the poor service of the telephone system. He stated that if the City of Lufkin granted the increase, that Wells had no other alternative but to receive an increase in rate.

J. B. Jordan

Stated he lived outside City Limits of Lufkin but the services received from the telephone company was the poorest that could be imagined. He further stated that if other utility companies gave the same service as the telephone company, that the customers would be unable to carry on their regular mode of living. He was against the increase in rate in every respect since he was sure it would not improve telephone service.

Richard F. Guest

Stated that he was against the increase in rate due to services rendered and that the telephone company was eligible for 5% income tax reduction in 1970 which should yield a sizeable amount in their earnings.

Glynn Rogers

Stated that rate increase should be determined by quality of service rendered and not by statistics.

Senator Charles Wilson

Congratulated City Commission for conducting this open hearing on rate increase request by the Lufkin Telephone Exchange, Inc. He read a prepared statement giving data on the City of Lufkin rates as compared to rates all over the United States in cities of similar size which showed that Lufkin was already paying higher rates than these cities. He stated that rural customers had no protection from rate increases and he was working on the idea of getting a Utility Commission appointed to protect customers in rural areas.

This concluded remarks by interested citizens at the hearing and DVS called on Mr. Marion Clay of the Lufkin Telephone Exchange, Inc., for any remarks he would like to make. Mr. Clay stated he had taken notes on all the complaints mentioned by the above citizens and would see that each one was followed through to conclusion. He read in its entirety his company's request for rate increase as contained in letter dated September 2, 1969, and went into considerable detail on reasons for requesting the increase. He was questioned by a number of citizens in the audience. At the conclusion of Mr. Clay's remarks DVS called the public hearing to a close and then called the City Commission into special session.

CL stated that in addition to the information presented this evening, we have had the opportunity to study the matter of this telephone rate increase request for the past 4 months or more. In view of the

information developed during this time, I move that we instruct the City Attorney to prepare an ordinance denying this rate increase request for consideration at our meeting of February 3, 1970. BEA seconded the motion and a unanimous affirmative vote was recorded.

4. There being no further business, meeting was adjourned at 9:30 PM.

Mayor ~~Pro Tem~~ - City of Lufkin, Texas

ATTEST:

City Secretary - City of Lufkin, Texas