



Will DSR Subsidy Aid Regional Bus System?

By TIM RICHARD

The suburbs may have a stake in the Detroit Common Council's debate on whether to subsidize the city's bus system. The question is how a subsidy to the debt-ridden DSR would affect the chances of setting up a consolidated, three-county bus system under the new Southeastern Michigan Transportation Authority (SEMTA).

SEMTA already has consultants' proposals that it buy Detroit's DSR and seven privately-owned companies. The purpose would be to avoid overlapping service and to give what is a single economic area a single bus system.

That proposal is contained in a first report to the fledgling SEMTA. Other reports will follow on the actual methods for accomplishing it.

RECENTLY, HOWEVER, the DSR, which has been run for many decades on passenger revenues, has found it can't meet expenses. One big item is the pensions.

And so DSR General Manager Robert E. Tooley asked the Detroit Council to place on the ballot charter amendments proposals allowing DSR to be subsidized out of the general fund. For the city, it will mean in effect that a nearly autonomous utility will become a city department under the budget control of the council.

Tooley says that erasing the DSR's deficits will make it a more valuable property when time comes to negotiate its sale to SEMTA. He figures that won't happen for five or 10 years, though.

WHAT DOES SEMTA think? It could go either way, depending on the decisions of the city administration," says SEMTA's top executive.

William H. Ostenson, executive secretary of the authority, says DSR's pension system would be a matter for negotiation when SEMTA gets ready to buy. Because it's negotiable, Ostenson chooses his words carefully when commenting on it.

He's in favor of putting the DSR on a financially sound basis. "It's pension costs are the highest in the country because

"We doubt that the city's general fund is a likely place for the long haul" subsidy of the transit system. "Wholly aside from the fierce pressure on city finances, the city cannot be expected—and will not in fact—shoulder the whole burden of subsidizing what is—or must become—part of a regional public transit network . . .

"In this case as in others, the community is more than the central city. It's the whole region, including neighborhoods where few residents even think of riding a bus to work."

—Detroit News editorial

"The Legislature, which created the authority (SEMTA), has let one small detail up in the air: No one knows how the whole project is going to be financed . . .

"And the question of a subsidy—even though it is at the heart of the problem of creating a regional system—might also be the bugaboo that would scare some of SEMTA's member governments off from the start."

—Detroit Free Press editorial

It has so many retirees," Ostenson points out. SEMTA's position, he says, is that the pensions are a city obligation and should remain the city's. The city shouldn't unload that liability onto SEMTA, he said.

JUST HOW expensive DSR's pension costs are was pointed out by Coverdale & Colpita, SEMTA's consultant on bus operations:

"DSR's costs are similar to those of other systems (6-8,

Newark, Los Angeles, Baltimore, Philadelphia) with the exception of the caption 'Administrative and General Insurance and Safety.'"

"The unusually high figure for the DSR under this caption stems from the exceptionally heavy burden of retirement benefits."

"This item alone accounted for 13.67 cents, or 18.4 per cent, of the total DSR cost per bus-mile of \$31.4 cents in fiscal 1968."

The shocker is that whereas

DSR has about 2,500 active employees, it has a whopping 2,360 retired persons and beneficiaries.

OSTENSON FRANKLY admits that SEMTA today couldn't afford to purchase the DSR.

SEMTA, though it has potentially the biggest job compared to other regional agencies—Council of Governments, TALUS, the Huron Clinton Park authority—is the only one with no solid source of revenue. It keeps going on federal study grants, some modest state help, and contributions from three counties.

Ostenson says SEMTA asked the Legislature for a tax bill. One proposal: A consumers tax imposed at the county level by referendum.

He readily admits it would be a difficult tax to sell to the public, only a small minority of whom are bus users at the moment.

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PETER S. THOMAS, of 15801 Norwich St., Livonia, has joined the Metal Chemicals Division of Ventron Corporation as its mid-west technical sales representative.

A graduate of the University of New Hampshire, Thomas joined Ventron from a post with General Electric. He is a member of the American Chemical Society and the New England Chemical Club. He and his wife, Lorraine, have five children, and have lived in Livonia since 1965.

42 County Hospital Jobs To Be Filled

Filling of 42 new positions at Wayne County General Hospital has been authorized by the County Board of Supervisors. The positions, which include eight new jobs in Michigan's largest artificial kidney center, were included in the hospital's budget for the current year.

After taking office in January, the new board of supervisors ordered a freeze on the filling of all new jobs pending review of the need by the supervisors. The order was issued due to the danger of a deficit in the budget which the new board inherited from the old.

Zelden Passes Securities Exam

Robert Zelden, 22204 N. Branden, Farmington, has passed a qualifying examination of the National Association of Securities Dealers.

Zelden is a registered representative for John Hancock Distributors, Inc., a broker-dealer for mutual funds. Zelden is regional supervisor for Hancock, covering 12 district offices in Michigan.

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YPSILANTI Eastern Michigan University, in cooperation with the U.S. Small Business Administration, will sponsor a one-day "Going Into Business Workshop" on Thursday, Sept. 18. To be held in the Tower Room of McKenny Union, the session will run from 8:30 a.m. to 5 p.m.

The workshop, open to all present and prospective small business owners, is designed to help develop a better understanding of the managerial skills necessary for successful operation of such a business. It will cover planning, financing, site selection, taxes and other areas. Participants will hear speakers on the various topics from SBA and EMU.

There will be no registration, tuition or other fees, but reservations are limited and will be accepted in the order received. Application should be made to M. Clidrey Parsons, director, Bureau of Business Services and Research, Eastern Michigan University, Ypsilanti.

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Moderate Living Needs \$9,864 Income In Area

How much does it cost to live in greater Detroit?

According to a survey compiled by the Research Department of the Greater Detroit Chamber of Commerce, only four cities had a total living cost lower than Detroit while the others ranged from two per cent to 13 per cent higher. The average total "moderate" income in 1968 in Detroit was \$9,864. New York, Chicago, Los Angeles and Washington, D.C., were all more expensive places to live.

The survey was based on costs from 1968 using nine indicators and comparing Detroit with New York, Chicago, Los Angeles, Washington, D.C. and 11 other cities.

All comparisons were based on a four-person family with moderate income— that is, income less the luxury, but more than subsistence.

Using Detroit as a base of 100, the survey compared costs of food, housing, clothing, transportation and several other items.

Food, surprisingly cost the same in Chicago and Washington, D.C., but cost 10 per cent more in New York.

As expected, housing costs were much higher in New York and Chicago, than in Detroit. But transportation in the two cities with rapid transit, New York and Chicago, was much less than in Detroit.

TIMOTHY J. COLLINS, of 14364 Yale Avenue, Livonia has been named director of group administration and industrial relations for Lear Siegler Inc., of Detroit. Collins joined the company in 1964 through its automotive division, has served in various industrial relations posts in the firm, after working for Ford Motor Co. in labor relations. The father of four, Collins is a University of Detroit graduate and a member of the Industrial Relations Association of Detroit.



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Clubs Can See County Show

The audio-visual presentation, "Meeting Human Needs—Your Wayne County Services," is available for viewing by clubs, civic organizations and other citizens' groups during the coming months.

The 30-minute show uses three color slide projectors and three screens simultaneously to give audiences a sweeping view of how some \$185 million in county budget dollars are allocated. Services that are depicted range from emergency hospital care and Juvenile Court to law enforcement and Metropolitan Airport.

To schedule a showing, contact Lawrence Gareau, public information coordinator, Wayne County Board of Supervisors, 1320 City-County Building, Detroit, 48225, phone 224-0025.

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