District Workers Awarded 10% Wage Increase; Line Held on Taxes for Year

Pay Boosts, Employee Benefits Hit New High

An arbitration board this month awarded AC Transit workers a 10 per cent pay increase over the next two years plus improved health and pension coverage, at a cost of more than $2,100,000.

The decision gives to over 1200 members of the Carmen’s Union a minimum 30-cent hourly pay boost over the life of the new two-year contract expiring May 31, 1967.

An initial 15 cents an hour raise is retroactive to June 1 of this year, and the other 15 cents will become effective next June.

Bus operators had been making $3.01 an hour - one of the highest rates in the country.

Mechanics Class A were awarded an increase of 23 cents an hour retroactive to June 1, and another 20 cents next June 1 - for a total of 43 cents. The current wage was boosted to $3.80 per hour with the award.

The new wage rates will be applied to all union classifications beginning Oct. 1, to be followed by a four-month retroactive payroll by the end of Oc-

Greater Rider Growth Needed to Meet Costs

Expenses are zooming upward for AC Transit, as they are for business and private citizens generally, but the district will maintain its present tax rate for another year.

To reach a stable financial balance, however, more passengers must be attracted to use their bus network, now considered topflight in the nation.

Despite efforts to trim expenses to meet spiraling costs, revenue growth is not keeping up with inflation, according to General Manager K. F. Hensel.

While studying areas from which additional funds can be drawn, district directors decided against any immediate changes and voted to retain the tax rate at 12.5 cents per $100 assessed valuation.

The board adopted a budget estimated last June of $15,833,100 — some $350,000 higher than the "break-even" budget of the past fiscal year.

The estimate did not provide for increases in wages which resulted from arbitration of a new labor contract be-

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Arbitration Board Gives Minimum 30-cent Hourly Pay Boost to All Union Employees

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tober, according to John F. Larson, treasurer-controller.

The district, which now puts $12.85 per month into a group health insurance program for each employee, will be required to boost the amount to $15 a month effective Sept. 15. Next year, on June 1, an additional $3 per month will bring the total to $18 for each union employee.

Annual costs of the district's pension plan were more than doubled. The program, which cost $276,000 in the 1964-65 fiscal year, will be increased on March 1 by five per cent of the payroll, amounting to approximately $756,000 for this coverage. The additional amount will cover new benefits not yet agreed upon, pending discussion and detailing of a funded, joint-administered plan.

An additional holiday, to be selected by the union, also was added to the seven now given to transit workers.

The award established a new classification of chief dispatcher for each division, at a monthly salary of $657. The dispatcher rate was set at $614 and the assistant dispatcher, at $575.

The award will raise district costs by $2,102,000 over the life of the contract, according to General Manager Kenneth F. Hensel.

Largest Pay Hike

The increase is the largest amount awarded since AC Transit took over from Key System in 1960.

The personnel and public relations committee of the board of directors is scheduled to meet early in October to consider salaries of non-union employees.

William H. Coburn, president of the transit district board, said the increase will put the budget for the new fiscal year in the red by $750,000.

He said the award was higher than we expected and it is obvious the district must find either new sources of revenue or devise economic measures to provide the funds needed to meet higher wage levels.

"We have made every effort to provide comparable wages for our employees, at reasonable levels. At the same time, we must maintain the district on a solvent, economic basis. We have to be able to pay our labor costs, and still develop the kind of public service that will attract larger numbers of riders," he added.

At a meeting last Aug. 25, directors voted to maintain the tax rate of 12.5 cents per $100 of assessed valuation, in hope the district could meet "normal" wage increases out of reserve funds.

Second to Top

The wage raise will put district drivers in second place among bus properties on the West Coast. Only comparable property to surpass AC Transit is the San Francisco Municipal Railway, which pays drivers $3.224 cents an hour under a city charter requirement, based on the average of the two highest basic wage scales of properties in the United States serving a population of at least 500,000.

The labor contract went to arbitration in June after union workers rejected AC Transit's basic offer of a 21-cent hourly increase over two years, plus fringe improvements. The union had a 25-cent hourly increase for a one-year contract, with improved fringe benefits.

The contract award was opposed by the transit district's two representatives on the five-man arbitration board.

Transit operations experienced a summer lull during July, first month of the new fiscal year, with both revenue and the number of passengers carried showing a decrease for the month.

Passenger revenue totaled $1,050,731, a drop of $24,879 or 2.3 per cent compared to $1,075,610 deposited in the fare boxes in July, 1964.

Number of riders carried during the month on East Bay and transbay lines reached 4,082,706, a decrease of 3.03 per cent below the 4,210,378 who rode a year ago.

Transbay commute sales for July totaled $173,783, against $176,890 for the same month in 1964, while the district operated 1,862,064 miles of regular service, a decrease of 42,499 or 2.2 per cent.

The district's total income of $1,297,960 was sufficient to cover operational expenses of $1,121,810, up 0.2 per cent over a year ago, plus amortization and depreciation. It was not sufficient, however, to provide for full bond debt requirements. Deficit for the month totaled $7,539.

The transit industry nationally indicated a decrease of 1.82 per cent for the month in number of passengers carried.

It's Another New High for Sunday, Holiday Pass

A new record in the sale of the Sunday and holiday fun pass was set on Aug. 1, with 1,688 purchased by riders, it was reported to directors by General Manager K. F. Hensel. The previous high of 1,597 was reached on May 23, indicative of the steady growth of the all-day pass.
Buses Get 'the Rush' at Skyline High

A special bus fare didn't discourage Skyline High students, who used 30 AC Transit coaches for deluxe ride home at end of first day. A 30 cent round trip rate was established to pay costs of special off-route mileage.

Special AC Transit buses seemed like a bargain this month to most Skyline High students, who for the first time were paying their own tab for off-route mileage to the school.

On the first day of school, the district took 2,141 youngsters to and from the hilltop high, compared to 1,752 who rode on opening day last year.

By the second day, the count rose to 1,125 making the trip to classes in the morning and 1,187 coming home for a total of 2,312. The tally was expected to go even higher after the youngsters had to pay for Skyline High service.

While riding was up, there was some complaint from parents about why their youngsters had to pay more for Skyline High service.

Enrollment was 2,056 last year and about 2,300 this year.

The students are paying the usual 10 cents to ride to the school in the morning and 1,200 paid 15 cents for the ride home, with the extra ninkle going to the school district to pay half of its subsidy expense of $21,000.

Last year, an average of 1,000 students paid 10 cents in the morning and 1,200 paid 15 cents for the ride home, with the extra ninkle going to the school district to pay half of its subsidy expense of $21,000.

With major school openings spread over two weeks, transit staff members could expect about a month of operational problems before the most efficient schedules are determined for the 50,000 youngsters handled each school day.

FCC Approves Additional Radio Channel for District's Bus Communications Network

Permission to add a new channel to AC Transit's radio network was granted this month by the Federal Communications Commission — another step towards equipping 300 district buses with radio units.

The FCC approved the district's application to add a new base station and 300 mobile units for bus use. The same call letter KMA 776, will be used.

Specifications for the new system are being prepared by Watson Communication Engineering of Richmond, now in the process of confering with various manufacturers. Bids for the equipment will be advertised after the Federal Government approves the specifications.

A capital grant from the U. S. Housing and Home Finance Agency is helping to finance the project, which is designed to combat vandalism, robberies and assault on bus operators, as well as to assist in bus operations.

New Workers Added to Transit Divisions

AC Transit's family began growing again in August, with the following employees going to work:

**Emeryville Division**

**PBX/Information:** Sidney L. Baldwin, 2601 Marina Blvd., Apt. 8, San Leandro, clerk.

**Transportation:** J ohnie Paulding, Jr., 1525 Russell St., Apt. 7, Berkeley, mail messenger, vacation relief.

**Bus Operators:** J. G. Foran, 1405 Bay St., Alameda; F. C. Gazaway, 716 14th St., Apt. 3, Oakland; L. D. Bloom, 456 Buena Vista Ave., Apt. 105, Bldg. 17, Alameda.

**Richmond Division**


**Seminary Division**


AC TRANSIT transfers haven't gotten this big, even if privileges have been expanded. Bus Driver R. J. MacDonald just used the large version to explain "stop-off and go-again" riding in different cities served by the district. Advantages of new transfer plan were of particular interest to Del Smith, president of El Cerrito Chamber of Commerce, and Judith Rae, "Miss Contra Costa County."
We’re Off and Rolling on United Crusade

Personal experiences with some of the challenges met during the past year by United Bay Area Crusade — including a look at the flood areas in Northern California and at the service men making their last stop here en route to Vietnam — has given AC Transit employees a special interest this month in whipping up 100 per cent participation in the 1965 campaign.

The joint “over-the-top” drive, staged by the district and Division 192 of the Carmen’s Union, was officially launched at a luncheon at the Athens Athletic Club, with representatives of different departments getting together to plan the crusade.

But interest already has been shown among workers who, this year especially, have seen what their United Crusade gift can buy, according to W. G. “Bill” Skilling, assistant treasurer-controller, who handles public agency accounts. Elmo Mazera, left, bank vice president and general manager, holds some of redeemed bonds. Payment reduced balance of outstanding bonds to $13,950,000.

“Our goal is 100 per cent participation, with each employee deciding on how much they can help with health, welfare and recreational services offered by United Crusade agencies,” Skilling said.

“It has been suggested that a fair share for each person is one hour’s pay a month for 12 months — an easy gift through the payroll deduction plan,” Skilling said.

The district drive will be conducted by division superintendents, including J. D. Goodman, N. P. Alevizos, T. P. McLean; maintenance representatives A. R. Lucchesi, Joe Enos, D. C. Rodrigues; by John Krajcar from stores, Frank Curcio from general offices, and other helpers. Heading the union participation will be president L. V. Bailey.

Death Takes Pensioner

Gregor L. Espell, former street car motorman and bus operator, died Sept. 4, shortly before his 73rd birthday. Espell, who lived at Wilseyville, entered service in 1928 and was pensioned in 1958.

This is a letter of appreciation for the pleasant, thoughtful service of the bus operator (E. V. Costa) with whom I rode to work most of this summer. In addition to his competence as a driver, he was courteous and kindly to everyone who boarded his bus... he quickly learned to recognize his “regulars” and looked for them as he approached the stop where they boarded, waiting a second or two if he saw them coming... James McClelland Long Beach

We wish to extend a vote of thanks to your driver (T. B. Petersen) on the behalf of our guests that took a field trip. Through his efforts, the trip was made successful and enjoyable for our guests... Adrian Scharlach The Leamington Hotel Oakland

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For 20 years I have commuted from Alameda to San Francisco... today we never had it so good. I am subject to car sickness when the coach is full of smoke smell... Driver 1760 (R. C. Carroll) has insisted that there be no smoking. This is especially difficult for him because some of the most stubborn smokers are women past middle age and he is a very courteous young man... we vote him a citation for conduct over and above required duty.

Allen Bassett Alameda

I am writing this letter in behalf of one of your operators (Wayne Barker) ... I have yet to see him be anything but most courteous to all passengers, helpful in giving directions as to transferring to other bus lines and being an extraordinarily safe driver at all times...

Mrs. H. C. Logan Oakland

This note is to tell you that your bus driver No. 1705 (C. A. Chapin) is a most pleasant and helpful person... I appreciate his courtesies. When he has a blind or disabled passenger, he is most careful to see that the person is cared for... He drives the 43 bus which passes the Alameda County Courthouse... My co-workers wish there were more drivers like him.

Mrs. Mary Cliff Walnut Creek

... a group of students from Hamilton Junior High School were taken on a tour of San Francisco in two or your buses... the two men on the buses were (J. D. Self) and (V. L. Hart)... We wish to commend them for their courtesy and friendliness and driving efficiency.

Mrs. Ranada Bohenna Oakland

John F. Larson, right, AC Transit treasurer-controller, makes payment of $930,433 on AC Transit’s bonded debt to George R. Dagwall, Bank of America vice president, who handles public agency accounts. Elmo Mazera, left, bank vice president and general manager, holds some of redeemed bonds. Payment reduced balance of outstanding bonds to $13,950,000.
At an adjourned regular meeting August 25, 1965, the Board of Directors:

• Fixed tax rate for 1965-66 fiscal year at 12.5 cents per $100 of assessed valuation, on motion of Director Berk.

At the regular meeting, September 8, 1965, the Board of Directors:

• Approved contract with Watson Communication Engineering of Richmond for consultation services on design of two-way bus radio system, at a fee not to exceed $5,000, on motion of Director Rinehart.

Alternatives Sought on How to Meet Expenses

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between the district and the Carmen's Union.

The additional wages and fringe benefits will raise the budget estimate to $16,450,000, resulting in a deficit of approximately $750,000 Hensel said.

Costs Top Income

Wages, salaries and employee benefits accounted during the past year for approximately 70 per cent of total district expense and have risen an average of 3.5 per cent annually - at a higher rate than income.

William H. Coburn, Jr., president of the board, has asked Hensel to develop information on four alternates to meet increasing costs.

Coburn said increased expenses could be met by revision of the fare structure, increase in tax rate, adjustments in level of service or curtailment in purchase of new equipment.

In the past, revenue has been sufficient to cover operating expenses, while tax funds have been used for new equipment purchases and the retirement of $16,500,000 in bonds issued in 1960 when the district took over from Key System Transit Lines.

With three directors absent, four directors voted in accord on a resolution to maintain the tax rate.

Director Ray Rinehart, finance committee chairman, who was out of the state, and did not attend the meeting, urged in a letter that a 2.5 cent tax increase be authorized at this time rather than deplete reserves.