

In the Council Chambers of the Municipal Building, on Thursday, July 19, 1973, at 7:00 p.m., E.S.T., with Council President Charlotte T. Zietlow presiding.

REGULAR SESSION
COMMON COUNCIL
CITY OF BLOOMINGTON,
INDIANA

Present: Councilmembers Ackerman, Behen, Davis, Fix, Mizell, Morrison, De St. Croix, Towell, Zietlow.

ROLL CALL

Absent: None.

James Register, Corporate Counsel;
Martha Sims, Controller; Marvard Clark, Assistant City Engineer;
Owen Cosby, Assistant Chief of Police.

CITY OFFICIALS PRESENT

About 14 people including members of the press.

OTHERS PRESENT

Councilman Morrison moved that the minutes of the council meeting of July 5, 1973 be approved as distributed. Councilman De St. Croix seconded the motion. The motion was carried by a unanimous voice vote.

MINUTES

7/5/73

The Mayor was not present at the meeting. Councilpresident Zietlow said that the mayor has sent to the council his recommendations for three appointments to the Housing Quality Appeals Board: Jim Medlock, Joan Caulton, and Al Towell. There are two more still pending.

MESSAGE FROM THE MAYOR

appointments to the
Housing Quality Appeals
Board

Councilman Davis moved that the Council give its consent to the mayor's nominations for the Housing Quality Appeals Board of Jim Medlock, Joan Caulton, and Al Towell. Councilman De St. Croix seconded the motion.

Councilman Towell: I recommended two of them, but not the third.

The nominations to the Housing Quality Appeals Board were approved by a unanimous voice vote of the Council.

Councilpresident Zietlow noted that Ordinance No. 73-51 is not on the agenda for this meeting, though it appears on the printed agenda.

INTRODUCTION OF GENERAL AND SPECIAL ORDINANCES

agenda correction -
73-51 not on agenda

Councilman De St. Croix moved that Ordinance No. 73-48 be introduced and read by the clerk by title only with posting for two weeks as required by law. Councilman Morrison seconded the motion. The motion was carried by a unanimous voice vote.

73-48 - rezoning,
Northwest Territories
RS to RSPUD

Grace E. Johnson, City Clerk, read ordinance No. 73-48 by title only.

Councilman Mizell noted that this is a rezoning to a PUD and that this may require more study by councilmembers than a normal rezoning.

Councilman De St. Croix moved that Ordinance No. 73-49 be introduced and

73-49 - rezoning,
Knightridge and SR 46
RR to BL

read by the clerk by title only with posting for two weeks as required by law.

Councilman Morrison seconded the motion. The motion was carried by a unanimous voice vote.

Grace E. Johnson, City Clerk, read Ordinance No. 73-49 by title only.

Councilman Mizell noted that this is the area between Knightridge Apartments and S.R. 46; it is the Dolzall property which was recently annexed into the city. The corner itself is already BL, this is between the corner and Knightridge apartments.

Councilman De St. Croix moved that Ordinance No. 73-50 be introduced and read by the clerk by title only with posting as required by law.

73-50 - repealing sections of title 14 of the city code

Councilman Morrison seconded the motion. The motion was carried by a unanimous voice vote.

Grace E. Johnson, City Clerk, read Ordinance No. 73-50 by title only.

Councilpresident Zietlow noted that a memo had been prepared for the council showing the sections of the state law and the sections of the city code concerned in the ordinance. Councilman Behen expressed concern that the Councilmembers would have to research the sections in question .

Councilpresident Zietlow noted that some sections of the city code duplicate state law and that this duplication is prohibited by another state law.

Councilman Davis moved that the agenda be expanded to include Ordinance No. 73-52 and that the ordinance be introduced and read by the clerk. Councilman DeSt. Croix seconded the motion. The motion was carried by a unanimous voice vote.

EXPANDING AGENDA for first reading of 73-52 - traffic signs

Grace E. Johnson, City Clerk, read Ordinance No. 73-52 in its entirety.

Councilpresident Zietlow noted that the omission of this ordinance from the printed agenda was a mistake.

Councilman De St. Croix moved that Ordinance No. 73-47 be advanced to second reading and read by the clerk by title only. Councilman Morrison seconded the motion. The motion was carried by a unanimous voice vote.

ORDINANCES - SECOND READING

73-47 - amending chapter 15.64 of the city code - traffic signs

Grace E. Johnson, City Clerk, read Ordinance No. 73-47 by title only.

Councilman DeSt. Croix moved that Ordinance No. 73-47 be adopted. Councilman Morrison seconded the motion.

Councilman Davis: All of these signs did come from the Traffic Commission and have been carefully scrutinized by them.

Councilman Ackerman: Is it true that before they come to the council there has been a ninety day trial period to make sure that it works out?

Councilman Davis: There is a ninety day order by which the police chief can write up an order to install these signs. We always do that but they are not final until the council acts.

ORDINANCE no. 73-47 WAS ADOPTED BY A ROLL CALL VOTE OF AYES 9, Nays 0.

Councilman Towell moved that Ordinance No. 73-40 be tabled indefinitely until committee work has been done on it. Councilman De St. Croix seconded the motion. The motion was carried by a unanimous voice vote.

73-40 - tabled.

Councilman De St. Croix moved that Resolution No. 73-47 be introduced and read by the clerk. Councilman Morrison seconded the motion. The motion was carried by a unanimous voice vote.

RESOLUTIONS

73-47 - investment of funds

Grace E. Johnson, City Clerk, read Resolution No. 73-47 in its entirety.

Councilman De St. Croix moved that Resolution No. 73-47 be adopted. Councilman Towell seconded the motion.

The motion was carried by a ROLL CALL VOTE OF AYES 9, Nays 0.

Councilman De St. Croix moved that Resolution No. 73-48 be introduced and read by the clerk. Councilman Towell seconded the motion. The motion was carried by a unanimous voice vote.

73-48 - transfer of funds

Councilman De St. Croix moved that Resolution No. 73-48 be adopted. Councilman Morrison seconded the motion.

Councilman Morrison asked what the transfer from cumulative capital was for. Council President Zietlow noted that, according to the memo from the Board of Public Works, the money was to pay for repairs to the heating and cooling system and installation of new telephone equipment.

Councilman Morrison: Mr. Register, does installation of telephone equipment come out of the cumulative capital fund?

Mr. Register: This is for new equipment which would come under cumulative capital. We may not take ownership of the equipment but it is still capital equipment and a capital improvement. It is something that hopefully will not happen year after year.

Councilman Mizell: How many units does this \$1000 represent - how many phones?

Mrs. Sims: I do not know that - this was all worked out by the board of public works office. I don't know whether this applies to changes of existing equipment or just installation of new equipment. I don't know what it was for.

RESOLUTION NO. 73-48 WAS ADOPTED
BY A ROLL CALL VOTE OF AYES 9, NAYS 0.

Councilman De St. Croix moved that
Resolution NO. 73-49 be introduced
and read by the clerk. Councilman
Morrison seconded the motion.
The motion was carried by a
unanimous voice vote.

SCHEDULED BUSINESS

Resolution No. 73-49
Indiana Bell
Telephone
Rate Increase
Request

Grace E. Johnson, City Clerk, read
Resolution NO. 73-49 in its entirety.

Councilman De St. Croix moved that
Resolution No. 73-49 be adopted.
Councilman Morrison seconded the motion.

Councilman De St. Croix moved that
Resolution No. 73-49 be amended by
changing the word "minimum" in the
second line of paragraph eight, to
read "maximum". Councilman Towell
seconded the motion.

73-50 - repealing
sections of title 14
of the city code.

Councilpresident Zietlow noted that
this is simply a matter of fact.

The motion to amend was CARRIED BY
A UNANIMOUS VOICE VOTE.

Councilman Behen: I received Resolution No. 73-49 at
ten minutes after seven.

Councilpresident Zietlow: It was ready yesterday morning.

Councilman Behen: I did not receive it until 10 minutes after
seven. The public service commission has been dealing with this
problem with undoubtedly quantities of facts that I don't
have before me and once again this council is being asked to act
impetuously without having facts or figures. I would surmise that
if a resolution were presented to this council this evening
that we resolve that a loaf of bread sells for 20¢ in the
community, this would have widespread acceptance in the community
because we are all lacking in willingness to pay the 40 some odd
cents the bread sells for. I personally don't know how much the
raw product of wholesale flour is - I don't know the wages of
bakers. I don't know the cost of ovens and so I consequently
cannot give an intelligent opinion on how much and why a loaf
of bread has to sell for what it sells today; no more than I can
give a logical explanation, without facts and figures before me -- the
public service commission has dealt with this problem for six or
seven weeks and they are being presented with facts and they are
going to come up with an intelligent answer and I personally cannot
vote in any way but in a negative way to this resolution because we
have not been presented facts or financial statements from Indiana
Bell Telephone - how much their employees are being paid. How much
the raw materials of an actual telephone costs and I wanted to make
my opinion very clear on some of the things that we as council people
have been asked in the past and tonight to vote on when we don't
have the facts before us from but one side.

Councilman De St. Croix: I believe that Councilman Behen may be
making a valid point however one of the realities of this
council session is that we have representatives from both sides
of this issue before us this evening and I believe an opportunity
to in fact have the facts of the case presented to us. It may very
be the council's determination after hearing both presentations that
we don't have enough facts and that we may choose to make a decision
at some further point, but I think that in an attempt to begin to
meet perhaps councilman Behen's objections we ought to proceed with
hearing testimony from both sides on this issue so that we can begin
to gather some facts.

Councilman Towell: I have sort of a half serious question and

that is - this is for Councilman Behen - if taxes went up 64% in three years, would you need any more knowledge than that? To take a position?

Councilman Behen: Can you tell me how much taxes went up in that same number of years? percentage wise?

Councilman Towell: I don't think that that...

Councilpresident Zietlow: this is a matter of a hypothetical question I think.

Councilman Towell: Yes, I don't think they have but I don't know the exact amount. I STILL think the question is somewhat relevant. I regard the telephone rates as something like taxes - it is something that if you live in the modern age you have to have and you have to pay for it.

Councilpresident Zietlow: Could we get solid information from the two sides?

Councilman Behen: In the past we have always passed information around among ourselves before we open it to the floor and I want to. I just wanted to make a point. I was quizzed rather extensively at one time by one of my fellow councilmembers who wrote this resolution as I was asked one time who wrote the resolution that I presented. If that is pertinent or if it is important...

Councilpresident Zietlow: I wrote part of it and I worked with Dr. Finkel on the resolution which Mr. Kenniff knows.

Councilman Behen: Thank you.

Councilman Morrison: I just have one thing to say, personally, as a businessman, I just say that the telephone is much more reliable than a smoke signal.

Councilpresident Zietlow: It would be appropriate at this time to have representatives from Indiana Bell and Inpircg speak. We don't want to have a debate. I think it would be just a matter of presenting information at this time.

Mike Kenniff and Ted Ringer were present to speak for Indiana Bell. Mr. Kenniff addressed the Council, reading the following statement: "I appreciate the opportunity to appear before the Council in connection with the pending resolution. I will not attempt a detailed analysis of our rate case. This is appropriately being done before the Public Service Commission in hearings in Indianapolis and elsewhere in the state. I am sure the pros and cons of our case will be considered thoroughly.

"However, I do want to make a general statement to this Council about the role of our company in Bloomington, its interest in serving the city well, and the relationship of good earnings to this service objective.

"The telephone business makes an important economic contribution to Bloomington, and reliable, fast communication is essential to the conduct of the city's business and social life. You depend on us for such communication. We are an important employer, a taxpayer, and an industrial citizen from whom you expect the same things as from other business.

"You have a right to. And we have a responsibility to fulfill your expectations. We try our best to do so.

"We provide jobs, good jobs, more than 400 people in the Bloomington area.

"We have an annual payroll here of more than \$4,000,000 a year.

"We have more than 50,000 telephones in service and handle over a quarter million local and long distance calls daily.

"Last year we spent some 4 and one half million dollars to expand and improve your telephone service. This year's planned construction expenditures for the Bloomington area are something over 6 million dollars. As a matter of fact, from 1967 through 1974, Indiana spent more than a total of \$27,000,000 in Bloomington to enlarge our facilities and update communications.

"These expenditures make it possible to provide the most advanced facilities available to meet your present and future needs. They accommodate continuing growth in the number of telephones and in usage of these phones -- we added 2497 phones in the Bloomington area last year and our customers, on the average, made 10% more local calls. The facilities also pave the way for 911 emergency service and "dial-tone first". With the latter, you won't need a dime to reach an operator and place an emergency call.

"When our new building addition is fully equipped in 1975, we plan to make Bloomington the principal city switching center for long distance calls entering and leaving the 812 numbering plan area. Bloomington will be the communications hub of Southern Indiana.

"Bloomington is only one of the 132 exchanges we serve in Indiana. We are continuing to expand and improve services in many of them as we are doing here. Nobody wants to drive a Model-T Ford any more, unless he's an antique car buff, and no one wants Model-T telephone service.

"But just as today's cars cost more, so does today's telephone service. Our investment amounts to \$1,000 for every telephone we add in service.

"It takes money, lots of money, to provide high quality phone service today. We must build consistently to serve well, and we must earn well to build.

"If you think being a regulated monopoly in the areas we are franchised to serve, guarantees us a profit and guarantees you no deterioration of service, take a look at the railroads. They are also regulated.

"We are subject to the same inflationary costs of doing business as any other company.

"Our labor costs have doubled since 1960. We are not complaining. We want to protect our employees against inflation, reward them for good performance, attract capable people and be competitive in the employment market.

"Labor costs are not the only problem.

"A telephone pole which cost \$10 in 1960 is \$23 now. A pound of copper -- which we use in great quantities in our wires and cables -- is up from 32 cents to 50 cents. An outdoor telephone booth which cost \$258 in 1960 costs \$391 now. The cost of labor to install and maintain coin telephones, collect coins and so on -- to say nothing of repairing vandalism -- has doubled.

"We are asking for a 20-cent coin phone rate because at the present 10-cent level, coin telephone service isn't properly paying its way. The dime rate was established back in the early fifties in the days of the nickel newspaper and 4-1/4 percent mortgage. We believe it is fair that the people who use the coin phones pay for the service rather than spread the costs over the bills of telephone users generally.

"The cost of borrowing money is up too, we have to borrow on the money market about half the funds we spend each year to maintain and improve telephone service and serve new customers. They don't want to get on a long waiting list for a phone any more than you want slow dial tone, tardy responses from an operator, or delayed repair service.

"We don't want these things either. That's why we keep on building more service facilities. But would you invest your savings in a company earning 5.73 per cent on the fair value of its facilities? That's what we earned last year. And that's the heart of our problem. That's why we need higher rates. We can not continue to attract investors' money if our earnings aren't competitive with the return investors could get elsewhere. Any profits we earn must be spread among 3,000,000 A.T.&T. shareholders, including 37,000 in Indiana. Half of these shareowners own 60 shares or less.

"(Parenthetically, I would like to add that the \$29,000,000 Indiana Bell paid to A.T.&T. in dividends last year is vastly exceeded by the \$40,000,000 that A.T.&T. returned to Indiana to invest in the continuing growth of our service and facilities.)

"We don't like to raise prices any more than people like to pay them. We try to avoid it by operating efficiently, by stressing productivity of employees and by adopting innovative methods to offset higher costs. We've done all these things. Now we think it is in the public interest to raise prices to assure continued good service and prevent any telephone 'blackouts'. We aren't asking a penny more than necessary, and the effects of the new state tax law already have been reflected in a reduction of our rate request to the Public Service Commission.

"If some of the proposed rate increase seem large, perhaps it is because we had held the line too long against inflation and waited 20 years before we started seeking general state-wide increases in basic service rates compensatory with today's costs.

"Indiana Bell rates aren't the highest nor the lowest, compared with those elsewhere. They rank in the middle.

"The measurement that makes sense to people is how much money, on the average, comes out of their pockets each month for their total telephone bill. If you list the states from lowest to highest, on this basis, Indiana ranks 24th. The low figure is \$11.49 a month, the high, \$20.56. Indiana ranks in the middle at \$15.97, as of the end of 1972.

"Our critics draw conclusions which are sometimes incorrect, almost always inappropriate. They pick out isolated charges and ignore the whole picture. Which is like comparing tax burdens solely on the basis of state sales taxes. You obviously have to add income tax, property tax, excise tax, gasoline tax, cigarette tax and any other kinds of taxes, too.

"The same applies to comparison of telephone charges. You need look at the total bill. And when you compare how much the average residential customer pays each month for total telephone service, Indiana Bell charges are at the mid-point.

"But regardless of our relative standing on rate levels, our revenue requirements are not currently being met and that is the real key to our seeking higher rates.

"Good earnings are not an end in themselves. They are a means to an end -- service; and that is our reason for being, our license to exist.

"Now in conclusion, if I may, I'd like to say just a few words as a resident of Bloomington, interested in the well-being of this city. I am active in civic affairs as are many of my telephone colleagues. I am interested in being a good citizen in my community. As such, I question the appropriateness of this resolution and I am disturbed by the reflections it casts on a company which has been a part of Bloomington's business life for more than 50 years. I suggest that its passage would do nothing to enhance Bloomington's image as a good place to be in business. I urge you to consider whether this represents the wishes of the constituents you represent. I urge you to consider that Indiana Bell is a permanent part of this city, very visible and accountable for our stewardship, interested in serving you to the best of our ability and being a good industrial citizen. Thank you."

Councilpresident Zietlow: "Thank you."

Councilman De St. Croix: I have a question for the gentleman, if I might. You indicated that...

Mr. Ringer: Before Mr. Kenniff answers, I'd like to interject something that - I believe it was Councilman DeSt. Croix who mentioned it - and that is that this would be a hearing or that there would be testimony given - that is not the case from our point of view and I wish to make that clear now.

Councilpresident Zietlow: I think I stated that before, that there would be no debate.

Councilman DeSt. Croix: Yes, I just thought it was an opportunity for you to present some facts to us and for the other people to present some facts, and I don't see it as a debate or hearing. You indicated that according to your figures that at the end of 1972 Indiana ranked 24th - or essentially mid point - in the charges across the states. My question is what ranking will Indiana hold with the proposed rate increases that Indiana Bell is requesting.

Mr. Kenniff: I can't give you an exact number - I can't answer your question to this extent; it's our best guess that we will still remain in the mid point because many of the states which were measured in this study at the end of 1972 are currently undergoing rate activity - they are in various stages of pending rate cases. It would be extremely difficult to know in advance or even to project what portion of their rate cases would in fact be approved. We anticipate that we will still fall in the midpoint.

Councilman De St. Croix: But what you are telling us then is that the activity with Indiana Bell now requesting a rate increase is an action that is occurring nationwide, with a large percentage of the AT&T family...

Mr. Kenniff: That would be a very safe statement.

Mr. Ringer: It is not only the AT&T family, it is all utilities - all utilities are in the same position of having to seek rate adjustments.

Councilman De St. Croix: There was just one other point that I wanted to clear up and I felt it was perhaps an inaccurate description in your testimony and that is to compare the quote railroad monopoly with the telephone monopoly. It seems to me that the services that the railroad provides - the transportation of goods and people is not exactly a monopoly in that they have open competition with the trucking industry and the air industry, as opposed to the only voice to voice communication facility that I can think of that might compete with the telephone company would be short wave radio. I can't think of any other but I just think it is important to point that out.

Mr. Kenniff: I submit to you that this is in fact a valid analogy. There is only one utility in the transportation business that can offer you the transportation of heavy goods at as low a unit cost as can a railroad. And I would submit that their problems financially stem from some of the regulatory problems and some management problems.

Mr. Ringer: The comparison with a railroad was not meant to infer a similar industry... (some of what Mr. Ringer said was not clear enough to transcribe as he was not at the microphone)... it was to show the comparison of a regulatory body's effect on the particular industry.

Councilman De St. Croix: I see.

Councilman Ackerman: Just to ask in another way the question that Councilman De St. Croix asked, you said you don't know exactly where that would put Indiana on the overall list if this rate increase would do - right now did you say that our average is \$15.90 - the Indiana average?

Mr. Kenniff: Within a few cents, yes.

Councilman Ackerman: Alright, but then you must know what that would up that to if this rate increase, as is, goes through.

Mr. Ringer: It would add about \$1.85 to each bill, on average. This is what the increase is on a one-party customer - actually it would be less because not everybody has one-party service.

Councilman Ackerman: Ok, it would then up it \$1.85. Where would that put Indiana on the list, if no one else changed?

Mr. Ringer: With nobody else changing, we would probably be in the upper two thirds. We would fall between the figures for Wyoming and Idaho.

Councilman Ackerman: Okay, we are one-third of the way down, roughly 18th...?

Mr. Ringer: No, we are 24th. That's not likely to.... I am giving you that \$1.85 was for (not clear what he said next). As I said it would be much less than that - some less than that because not everybody has flat rate service, so it would be less than \$1.85. So maybe we wouldn't even rank that high, maybe we wouldn't come up that much.

Councilman Ackerman: Ok, the concurrent question I had along with that was do you have any idea what the average rate increase requests are - you said everybody is in flux. Are they all like 24 or 25% raises or...

Mr. Kenniff: I really can't answer that question, Councilman Ackerman and I am not sure that not many people could right off

the top of my head because I am sure each utility or each telephone company or each electric company in these states face a regulatory agent distinct to their state unless they are - for example we are across state lines, we have FCC to contend with and they regulate us - but they face different regulatory agencies, different environmental conditions which affects what kind of capital equipment they need. It is just a whole new ballgame from state to state.

Councilman Ackerman: But it would seem to me that that kind of question would get - would be a kind of question that would be asked by the commissioners who are going to make the decision - you know, where does this rate increase request stand in relationship...

Mr. Ringer: I don't know that we can say that question has not been asked, we have not had a chance to see the testimony, we - our company has just finished eight days of testimony and cross-examination before the public service commission in Indianapolis. We have not seen that particular information. That would be a question of direct testimony that would not be put into direct testimony because the commission has already ruled on a motion to introduce other states rates as being inadmissible in this particular hearing because they deal with different geographical areas, different problems that the company faces in supplying telephone service so that the public service commission of Indiana has ruled that such information, while of interest and curiosity, interest is not relevant to the particular rates that Indiana Bell needs to earn an adequate rate of return.

Councilman De St. Croix: What is the schedule on the hearings before the public service commission - when are they scheduled to end and a decision likely to be handed down? Do you have any time frame on that?

Mr. Kenniff: I could only give you my best guess - they are conducting regional hearings at this time, one of which will be in Bloomington on Monday (July 23). They have...

Mr. Ringer: They are actually conducting field hearings as some of you know - it has been publicized in the newspapers - the field hearings will be the next week or so, with intervenors presenting their information - I think we have hearings here in Bloomington next week and that will be some time later, I am not sure when that cross examination will begin and when the decision is made I don't think anybody knows....(faded out)

Councilman De St. Croix: I was just wondering, are we talking about decisions coming down in a month, or longer, or shorter?

Mr. Ringer: I don't see how we could say - we don't have any idea.

Mr. Kenniff: I think your guess is probably as accurate as ours.

Councilman Mizell: do you have any figures on other earnings rates that are considered appropriate by the public service commission of Indiana for other public utilities?

Mr. Kenniff: I can't speak to that, I can speak to the fact that the public service commission in their last rate activity felt that it was proper for us to earn at 6.95 - we have never earned at that level. That was their finding. They felt that based on our costs and the financial situation we face that we should earn at 6.95. Last year we earned at 5.73. We have never earned at the level that they found just at their last hearing.

Councilman Mizell: You don't know what the electric service or the gas - what their earnings are?

Mr. Kenniff: I don't. I have no idea.

Mr. Ringer: I would have no idea.

Councilman Mizell: This rate increase of - that is proposed, how close would that bring you to your earnings of 6.95 per cent?

Mr. Ringer: Well, I would say that based on the test year of 1972, so every period of time that passes, with inflation keep going up and up and the cost of living will put us further from that 6.95. How much I really don't know. There is the test year of 1972; this is what is known as regulatory lag and therefore you get into a situation that the facts you present are different from the situation you are operating under. I don't think we can say.

Mr. Kenniff: Maybe I can make that perhaps more clear - if your prices are set - the prices you can charge are set on the costs you faced in 1972, which is our test year, as you move into '73, '74, '75, if those costs in the real world increase appreciably across the board through, you know, rather steady and inflationary jumps in the economy it is a little more difficult for the prices that you were granted on last year's and preceding years' costs to catch you up to an adequate earning level. Does that help at all?

Councilman Mizell: Well, I need some additional information. Do you anticipate that the - your increased costs for both labor and capital improvements - does your company anticipate that this would have to be met by internally generated cash or by attracting outside investment?

Mr. Kenniff: Well, it would be most desirable to be able to attract - to generate as much capital money internally as possible as it has no cost - no market cost - you pay no price for it say as you would if you went to the bond market. But the two sources we would like to use are internally generated funds or investors - shareholders who want to invest their money in us through purchases of common stock. However, if your earnings are not attractive enough - or are not competitive enough with similar type quote blue chip investments, these people are not willing to give you their money - they can earn on a secure investment on a higher rate consequently that source of funds is shut off or decreased for you and you have to move into the bond market and you get into the bond market and you get into high fixed costs of borrowing money. In other words you want to use their money and they say that is fine but we want to charge you a price for it.

Councilman Mizell: What are the current rates for bond interest right now? If you had to go outside into the money market for additional capital?

Mr. Ringer: Councilman, I would like to interject something. We are not financial experts and I am afraid we are getting into an area in which our expertise is not very strong - this is really more the business of the financial people... (faded out)

Mr. Kenniff: I could give you a general answer as to what the prime was - I read in the wall street journal the other day that the prime went to eight or better - that will give you an idea of what money costs you these days.

Mr. Kenniff: I would stress that we will try to answer your questions to the best of our ability but we are not rate experts; we are general managers and we can assure you that the very questions you are asking were examined in depth in the hearing rooms of the public service commission by people who are very knowledgeable in these matters on both sides.

Councilman Towell: You mentioned several times in your presentation that Bell has a four million dollar payroll here and employees here and a good number of people here and so on. I am just wondering, could you give us some idea of the kinds of wages that are paid to those people for different types of jobs - like secretaries, and laborer, and - I am trying to see whether we are getting a good thing, a good deal or not.

Mr. Kenniff: I really don't have specific knowledge of what our hourly rates are, I know they are competitive with other unionized industries.

Councilman Towell: What does your secretary make?

Mr. Kenniff: I don't know that she would want me to make that a matter of public record.

Councilman Towell: Or any secretary you know about?

Mr. Kenniff: I frankly don't think that is appropriate for me to answer that.

Councilman Towell: I think, you know, in general if you are talking about the benefits to the community you have to be prepared for the type of question in general that I put to you.

Mr. Ringer: Well, we can get that information to you. This type of information was made available during the hearing in Indianapolis before the commissioners, but we would be glad to make it available to you.

Mr. Kenniff: I would again stress that we did not come prepared nor should this be a forum for a give and take hearing on our rate case per se; we - on this, we simply are not in a position to present that kind of testimony, nor do you have the time - not only did it take eight days for our testimony to be examined thoroughly through cross examination - it was filed publicly with the public service commission months ahead of that time for scrutiny by their staff.

Councilman Behen: This might just partially answer Mr. Towell's question, as many of you know I have been in the ready to wear shoe business for quite some time and it has been my observation that the women employees of Indiana Bell seem to be able to be rather frivolous with their money in their expenditures on their attire so apparently I have always drawn the conclusion that they were among the better paid women in the community.

Councilman Towell: In this context I will just recall that the representative from Bell said that they needed to be able to attract investment and so on and make enough money in order to give us good service not model-T service, and, you know, I was trying to see whether we in effect giving model-T service or not willing to pay for it or that sort of thing in the city - make a comparison there - because I think there is a real comparison. We are both essentially giving essential services to the citizens of Bloomington - things that we can't do without and there is one choice of having a Ma Bell do the service for us and the other choice of doing it through government. And I would like to think that we would be as interested in good service in government and also in paying our employees as well in government.

Councilpresident Zietlow: I would also like to say that as far as I can see - as I interpret the resolution, this resolution in no way impugns the quality of the Bell Telephone service which to my satisfaction is very good. I do not see that that is the issue whether or not we are pleased with the service or not - I do think that as far as the city of Bloomington goes we are in a position where, as the resolution states, we have no tax increase to deal with, we will be having an increase in the city budget itself of about 9% (from phone increases, if approved) - the people of the city of Bloomington will be paying a 26% increase - I realize that this will cover several years and that you would have to consider that over several years - it wouldn't be every year the same, but nevertheless a considerable increase in their telephone rates and that we have been talking here very often about the poor citizens of the city of Bloomington, I do think that it is appropriate for us to consider them in light of a rate increase which they really individually cannot speak to very effectively, as individual citizens. I think that for that reason that it is appropriate to discuss this here tonight as we have discussed it.

Councilman Morrison: Can I interject a thought here? On two occasions I heard of the model-T ford, which is my company and I would like to inform you gentlemen that the model-t ford has gone modern with a Philco radio.

Sidney Finkel, a consulting financial analyst retained by the Indiana Public Interest Research Group to examine the financial and economic

position of Indiana Bell Telephone and to present testimony to the public service commission on the economic and financial needs at this time for a rate increase; addressed the Council: We will be filing testimony next week and we will be going to Indianapolis for cross examination. Like the gentleman from Bell, I don't particularly want to get into a debate at this time on the facts of the issues or the financial and economic analysis. There are a few things I want to say, however, first, with respect to what Mr. Behen was saying earlier, I am sorry if he did not get a copy of this resolution until 7:10 - but I beg to differ with you that this is an issue that was suddenly thrust on the common council of the city of Bloomington with no preparation. I have a copy in my hand of a letter to Ted Najam from Bruce Hazelett, the commercial manager of IndianaBell and the first paragraph states, "attached please find the material which you requested regarding Indiana Bell's rate request, filed with the Public Service Commission of Indiana. One document is a general statement of our needs and objectives for the rate increase." This was available to the city on May twenty-second. INPIRG, after we learned that that information had been provided to the city, requested a meeting with the city council - an informal session simply to acquaint them with particular facts involved in the case as we saw them. We did meet before the hearing started in Indianapolis. Mr. Behen at that time came at the beginning of the meeting and, for reasons best known to himself, he chose to leave that meeting before it began. So I would argue that if Mr. Behen is in ignorance about the facts and issues in this case it is his fault and is not the fault of either Indiana Bell or the Indiana Public Interest Research Group or other intervenors. We have tried to bring this information to the public.

Second, let me talk about the propriety of a council such as yourself in passing the resolution. The Indiana Public Service Commission held hearings on testimony in June on the various evidence presented by the petitioner Indiana Bell. The public service commission has also chosen to go out all over the state of Indiana - they are coming to Bloomington, they are going to New Albany, they are going to Anderson, they are going to Kokomo, and they are going to South Bend, for the express purpose of getting citizen input into their decision on this case. They want to hear from - not only experts in the case but from the ordinary people because it is the ordinary people who will be affected. And I think it is just and proper that a city council which represents the people of the city of Bloomington pass a resolution - at least decide on a resolution as far as this case is involved. I would like to also point out that the cities of Muncie, Anderson, New Albany, Jeffersonville and Clarksville - that the city councils in all of those cities have already passed resolutions in opposition to this rate increase along with the Town Board of Clarksville and the Clark County Commissioners and the Clark County Council. You will notice that a lot of those areas that have passed this resolution are in the New Albany-Jeffersonville Area. Those people are hopping mad down there. I was down there Monday, talking with some of the local officials and talking with some of the press. Because they are being asked if this increase goes through - they are being asked to pay \$10.60 per month for the same telephone service - the exact same telephone service the people across the river in Louisville are paying \$7.60 a month for. WE HAVE HAD a few statements of fact by the men from Indiana Bell and, as I say, I don't want to debate the issues with them - this is not the place to do that. But I think some of those facts need clarification. First of all on comparisons of rates, the intervenors, myself included, and Indiana Bell have been at odds over how do you compare rates ever since this hearing began. And I guess we will continue to be at odds over this particular question. Indiana Bell wants when they look at the cost of telephone service, want to look at your average monthly bill - well your average monthly bill includes service, it includes any special equipment you may have - extensions, cords or that sort of thing, touch tone, princess telephone - it includes all of your toll charges and it includes state and federal taxes. We want to look at the basic monthly charge to put in a telephone in your house - how much does it cost you, each month, to have that telephone in your house. We are not interested in toll charges, we are not interested in the cost of a princess phone, we are not interested in the various tax structures around the country, and it is on this basis that we say that if this rate increase goes through that the charge for a one-party residence phone in the Indiana Bell system will be higher than any other Bell system in the country. We have also heard a lot of

comments from Indiana Bell on their need for money and their need for earnings and the rate of return. And the figure 5.73 per cent rate of return was used in the conversation just a few minutes ago. Now that is a correct rate of return. But what the gentleman from Indiana Bell did not tell you was that that 5.73 per cent rate of return is on the fair value of the plant and equipment and to get the fair value of their plant and equipment they take the original cost of their plant and equipment and inflate it upwards to represent reproduction costs at today's rates. So while they have approximately seven hundred and eighty million dollars in plant and equipment, by the time they get through increasing that upward with their fair value rate it gets pretty high and this naturally lowers their rate of return. A rate of return which I am more interested in is the rate of return on equity, which is the rate of return on what the shareholders have invested in the firm. And with the last rate increase that Indiana Bell received in 1973, it made their rate of return on equity the highest that it has been in the last eleven years. Now I think the fact that Indiana Bell is making plenty of money is reflected in the fact that in the first quarter of 1973 Indiana Bell increased, not decreased - not kept the same - but they increased their dividend payment, and those of you who has studied the stockmarket or know anything about business know that you don't increase your dividend payments unless you are making substantially higher money. The gentleman said that AT&T was pouring forty million dollars into Indiana Bell system - or poured forty millinn dollars into Indiana Bell system last year. This is correct, AT&T did give over to Indiana Bell forty million dollars; in return for that forty million dollars, Indiana Bell will pay AT&T four million dollars this year, next year and so forth and so on, which works out to about 10 percent. So that this money from AT&T is not handed over with any sort of kid gloves or here you can have it. The gentleman indicated the necessity of Indiana Bell to go out and raise money in the bond market - this is true, they do have to raise a large amount of capital. However the Indiana Bell bonds right now have the highest rating that you can have as a bond - they are rated triple A - you cannot get a higher bond rating and I think that this indicates that the financial community thinks that Indiana Bell bonds are very top quality and they will have no trouble borrowing any amount of money they want. If there are any questions I would be happy to answer them.

Councilman Ackerman: I have several questions. First of all, what is the rate of return if it is based on equity? and an interrelated question, who sets the fair value?

Mr. Finkel: Yes, Indiana is a fair value state which means that the regulation when the public service commission looks at the - how much money Indiana Bell has earned, they look at the fair value of their plant and equipment and give them an allowable rate of return on that fair value.

Councilman Ackerman: And who sets the fair value - the fair value return was 5.73?

Mr. Finkel: Last year the fair value return was 5.73 percent.

Councilman Ackerman: Alright, and who sets the fair value and what was the rate of return based on equity rather than fair value?

Mr. Finkel: Well, the fair value is actually stated - is presented by Indiana Bell. In fact, one of the reasons the gentleman couldn't tell you specifically what the fair value was was because Indiana Bell in their testimony has presented four different measures and told the commission to take their pick in a sense, hoping, of course, that they will pick the highest one. But the commission - the public service commission of Indiana ultimately sets what the fair value is and how much they should be allowed to earn and consequently what their profits will be.

Councilman Ackerman: And how about the return on equity?

Mr. Finkel: Well, the rate of return on equity is simply derived from the financial statement and the rate of return on average equity in 1972 when you take into effect the last rate increase which was

2.1 million in may of this year was 8.8 per cent. In the first quarter of 1973 the rate of return on the average equity went over 9 per cent with Indiana Bell. Indiana Bell had a very good first quarter - their level of earnings increased twenty percent.

Councilman Behen: I just want to clarify an opinion Mr. Finkel seemed to have of myself of my excusing myself from a meeting INPIRG had with a few city councilmembers. I have never been accused of lack of enunciation and I quite clearly pointed out to the people in attendance at that meeting that when issues of controversy came up and there was not a quorum of councilmembers I was going to excuse myself and did and I did take your literature and I did receive Indiana Bell's literature and I just wanted you to know that I wasn't that unaware it was just the resolution that I was concerned with.

Councilman Towell: I first got a reading of this resolution over the phone today from one of the Bell representatives and I immediately asked him were there any mistakes in fact in the resolution and the one point that came up was the point that Mr. Finkle has been making and I would like to point out that this may be the one question of fact in dispute. And that is the business of paying higher rates than any other subscribers in the Bell system and we discovered that one thing is based on the basic rate for single party phones and the other is based on what the average person having a phone pays. So it seems to me that in as much as we have had a lot of information I have been following the hearings in the newspaper and I am as interested in this as I think any taxpayer is in higher taxes that might come up. We are essentially informed--what we want to do with that is another question.

Councilman Ackerman: Yes, I think that to speak to this point that councilman Towell made, I happen to disagree with you that the main thing is just the single family single phone and that a fairer basis of comparison is the overall costs - take that premise, would that affect your judgement?

Mr. Finkel: Well, you see, I have - the figures speak for themselves; I can't dispute the figures - the average monthly bill is different. What you have is a situation, for example -when I saw the average monthly bills, I looked down there and the last - the people with the highest bill were the people in Nevada and it isn't because telephone service costs so much in Nevada because if you want to call somebody long distance in Nevada right away you are calling three, four and five hundred miles and when you consider this type of distortion and consider the distortion in the fact that there are different options for example that average monthly bill takes into account whether you have a princess phone or a touch tone phone or one other type of phone - I simply don't think that that is an adequate comparison. It is like saying Chevrolets are more expensive than Cadillacs because more money is spent on Chevrolets than on Cadillacs or that if beef were selling for a dollar a pound in Bloomington and two dollars a pound in Indianapolis that because people bought more in Bloomington and therefore beef was more expensive. But the problem that we are interested in is what is going to cost a person each month to have a basic black rotary dial telephone - this is the really crucial issue as far as the public is concerned. If you want to go beyond that and call people long distance, if you want to put in extensions, if you want to put in touch tone, then this is a whole nother area because these are not essential services. But it is essential - in fact the vice president of Indiana Bell testified in the hearings that there is no substitute for basic telephone service and this is what we are talking about - basic telephone service - what does it cost you to have one telephone in your house each month.

Councilman Behen: This council just a week or so ago used the sewage system out west of town as the almost the same example only in reverse, in that the property owners aren't just buying pipe, they are buying the service that goes with the sewage disposal so you can't compare just one phone, it has to be the operation and the total expenses of the total company that brings that service into your home.

Councilman Davis: But you control part of it. You can choose to make long distance calls or not make them, but not your basic phone. You don't control that.

Mr. Finkel: Yes, I think that this is a point that we are trying to make. You have to have that phone. I don't think any of us consider doing without it. What does it cost you for that phone? Then, if you want to go on and add more service, then you have freedom of choice over that particular item.

Councilman Ackerman: This resolution and you talked about the dividends - are you - is this AT&T dividends or is this...?

Mr. Finkel: No, these are Indiana Bell is wholly owned by AT&T and they pay dividends to AT&T, just like other companies pay - ofcourse AT&T pays dividends to its shareholders.

Councilman Ackerman: Does that mean all profits beyond that which was reinvested to further development of facilities?

Mr. Finkel: Right.

Councilman Ackerman: And what percentage?

Mr. Finkel: Right now Indiana Bell is paying about 85 percent of their profits - they are paying that in dividends to AT&T.

Councilman Ackerman: Is that set by AT&T?

Mr. Finkel: No, well, it is set by the Board of Directors of Indiana Bell. Now, the way you have a board of directors is they are voted on by the common stock holders. Now there is only one common stock holder in this case and that is AT&T.

Councilman Morrison: Mr. Finkel, you talked about the input from the ordinary citizen. What type of input are you talking about?

Mr. Finkel: The input I was talking about was the reason, as I understood it, that the public service commission was conducting field hearings and the express purpose of those hearings is for any individual who will be affected to come in and testify before the public service commission and to express his or her opinion on the rate increase - how it will affect them, whether they are for it or against it or whatever they wish to say about telephone service.

Councilman Morrison: So in other words then you're talking about the input is the monetary input, right?

Mr. Finkel: No, I am talking about testimony that will be given at the field hearing.

Councilman Morrison: Well, what outside of what testimony could an ordinary person give about a complex system of telephone system, outside of number 1 the cost, number 2 how to dial and totalk over it?

Mr. Finkel: Well, I think there are a fair number of people - I think everybody is affected in one way or another by the telephone service. I think there are people who are members of organizations who are affected and their costs. Indiana Bell is a utility; its a private corporation, but it is also a public utility, and what we have here is a situation where the people of Indiana tell Indiana Bell you can operate as a monopoly but you have to be responsible to the public and I think the question to the public service commission, and of course I can't speak for them as to why they are coming here, but they want to see if the public feels that Indiana Bell has been responsive to the public.

Councilman Morrison: Well, isn't their responsibility to provide the service to the public?

Mr. Finkel: Their responsibility is to provide service to the public in an efficient manner - now I am quoting not directly but I am paraphrasing the Indiana Supreme Court decision on Indiana Bell - their job is to provide, they should charge rates which will enable them to earn a fair rate of return, provided they are providing efficient service.

Councilman Morrison: Well, this is the whole name of the game because I would say that an ordinary person, if you was to ask him to explain the functions of a telephone he would probably give you a preliminary function but not a function that is theoretical.

Mr. Finkel: Oh, I agree, he couldn't or wouldn't be expected to give economic and financial testimony. In fact if he tried to I think the Indiana Bell attorneys would question his expertise.

Councilman Morrison: Well, if not, Indiana Bell would not be performing a good service, would not FCC step in?

Mr. Finkel: No, as far as the intrastate operations, this is solely in the jurisdiction of the Public service commission of Indiana. The FCC regulates AT&T, and they regulate intra-interstate telephone lines but they do not regulate any intra state operations such as basic monthly charges, installation charges. Well, let me give you an example, there was a previous set of hearings in April which considered the question of changing the installation costs and Indiana Bell wanted to change it from \$15 to \$25. And there was a public hearing in Indianapolis, where members of the public came in and in their findings on that particular decision, the public service commission gave as part of their reason why they denied the increase from \$15 to \$25 and changed it only from \$15 to \$20 was that they had heard testimony from certain groups and they felt that low income individuals would be effectively prohibited from installing the telephone if the installation price was raised to \$25. I think this is the type of testimony that they are seeking. They are not interested in - they want to make sure that nobody is frozen out of telephone service - that a large segment of the population is not frozen out of service.

Councilman Morrison: Well it just seems to me like the same old story that we are confronted with a lot of times like on providing excellent service to the city of Bloomington, but yet when we increase this cost in our budget to provide those services, then the people don't like it. And yet they want good service. So there is one thing about it, when you get good service you have to pay for it. We are in the same position on this city council - when we provide good service to the city of Bloomington we have to have this money from somewhere because we cannot provide good service on a mediocre budget. We are in the same position as Indiana Bell. I am assuming that they can't give good service without the proper amount of revenue so that they can get good competent help. So I think that your money and your service both go hand in hand.

Mr. Finkel: I agree with you, I think the basic question which we are bringing up is that the other AT&T subsidiaries also provide good service - they provide, as far as I know, the same quality of service as Indiana Bell - why are Indiana Bell subscribers being asked to pay so much more? And this is what has gotten people riled up in New Albany and Jeffersonville - it is exactly the same service - the gentleman said we can't make comparisons because of different geographic areas or different commissions or different something - it is the same service down there and Indiana subscribers are being asked to pay \$3.00 more. And I think this is the question they want to ask, Why should we pay more for service than other people have to pay?

Councilman De St. Croix: I have a question - for either Mr. Finkel or the representatives from Indiana Bell - Does Indiana Bell have a service similar to one I know they have in California called "life line service" which is a minimal rate for a single party phone with I believe up to thirty calls per month provided with the basic rate and then a charge of so-much for calls over that.

Mr. Finkel: YEs, that is called measured service and I believe Indiana Bell provides it in the more populated exchanges in the C classifications and up, Indiana Bell does provide that service.

Councilman De St. Croix: What is the C classification and up?

Mr. Finkel: The telephone rates in the state of Indiana and in all states - instead of being a single rate, there is a structure of rates and the structure is determined by the number of main telephones in each area. And you have classifications. In Indiana you have A through G, I believe. And the theory is that the more people you can call the greater the value of your telephone service and consequently the more that you pay. and this is why people in Indianapolis pay more than the people in Bloomington.

Councilman De St. Croix: And they also have the zone system, within the various areas, like for example I pay a dollar more because I live two mile from city hall.

Mr. Finkel: Right, if you live outside of the main area of an exchange you also pay more. This is one of the things - the value of service things as I said, again going back to New Albany and Jeffersonville - there is a little town down there named Gelena, a very small community - Indiana Bell ran a trunk line from Gelena into New Albany which is also hooked into Louisville and so these people in Gelena are paying for the use of 305,000 phones, so they will be paying the highest rate in the state - they already are paying the highest rate in the state and they will be paying the highest rate in the country at this rate.

Councilman De St. Croix: What effect will the rate increase have on the measured service?

Mr. Finkel: It has been - it is increased, they are increasing it slightly less - or they are asking for an increase slightly less than the -increase in basic monthly - one party residential service - I don't know exactly how much that is. These gentlemen may have that information.

Mr. Ringer said something about it currently being at \$5 and the rest was faded out as he was too far from the microphone. Councilman De St. Croix responded to Mr. Ringer: So that is \$1.15 increase.

Mr. Finkel: That's about 22% increase whereas they have a proposal of about 24% for other charges.

Councilman De St. Croix: So they are giving a 2% break to the low income people essentially.

Councilman Ackerman: In following this discussion the key issue seems to me to be what you spoke about and what Mr. Kenniff spoke about and what Councilman Behen spoke about - whether we as a council should vote on this, whether we are in a position - are you suggesting that the commissioners need the support or the input from the people of the council of Bloomington in order to see that there is a difference between a seven dollar charge in Louisville and ten dollars in New Albany or what is the point? I thought they are appointed to try to work out what is most fair for the people after they have heard the expert testimony of both sides - what is the roll of popular input in this final decision?

Mr. Finkel: I can't really speak exactly to that because I don't know what the public service commission uses to make up their mind. I can - there are two ways I could answer this. First of all the people on the council are affected in three ways - one is the increase that would come about in your budget which requires you to cut back in other areas, two, is the fact that business rates are going up substantially and this will tend to make Bloomington non-competitive with other communities of its size, and three is the fact that residential rates are going up which will mean that the people of Bloomington will be paying more and you are their representatives. As far as what the commission will do and how they will rate your resolution vs. the other evidence, I think I can only go back to the point again that Indiana Bell is a public utility, with the emphasis on public. They are granted a monopoly by the state of Indiana in return for providing good telephone service at fair rates with a reasonable

rate of return and the idea of what is a reasonable rate of return is very complex - we don't really know. And all I can say is that as a public utility it is desirable in my opinion at least for the public to be able to express their opinion - what the commission will do with that I really can't say.

Councilman Ackerman: Except both sides have said that you don't really want to debate the issue before the council and so it is therefore difficult to get everything out, aren't the commissioners themselves the representatives of the people of Indiana?

Mr. Finkel: Yes they are.

Councilman Ackerman: In the same way we are?

Mr. Finkel: They are appointed, they are not elected.

Councilman Ackerman: They are appointed by elected people but they will also have access to more information than we could possibly have access to.

Mr. Finkel: No, I think that five years ago I think I probably would have agreed with you but after the war in Vietnam and after the Watergate hearings I don't think there is too much merit in this argument that somebody else has more access to information than I do. I really don't. The commissioners are not technical people, they are not economists or financial analysts - two of the three commissioners have to be lawyers and I think all three commissioners are lawyers.

Councilman Behen: They are zeroing in on this one thing which we are after. We are being asked in a span of a few hours to review and do something about and these people on this commission are reviewing it at length and taking testimony from both sides at length not in a short term of one evening and I would assume that they would have far more knowledge than any of us up here would have by the time they are through going through there - so I wouldn't agree with what you just said in that, you know, that they possibly would not know what they were doing.

Mr. Finkel: No, I didn't mean to imply that they didn't know what they were doing.

Councilpresident Zietlow: It seems to me you know that one of the things we hear a lot about big government growing and growing and growing and I think probably the things that have much more effect over our lives than big government growing and growing and growing is big corporations growing and growing and growing - we have no elective effect on them at all - you know, I am sure that what is good for General Motors is good for the nation and all that but I do think that when we have even a tiny little word to say to any of these large corporations that I think that maybe we should take that opportunity because I personally feel a lot more hemmed in by a lot of big corporations who in fact are creating the rise in my daily life to a much greater extent and the cost of my daily life to a much greater extent than any government operation. And, you know, I don't know - we hear people feel powerless in the face of government and can't speak but they have elections and I feel powerless too.

Councilman Behen: You can always have them disconnect your phone.

Councilpresident Zietlow: No.

Councilman Ackerman: I am not very happy with the last paragraph of that resolution which puts us on record as opposed to any rate increase. I think this, as Mr. Kenniff says, this is almost I forget the phrase you used, a slap in the face or something like that, at the Bell. I don't think that we should go - that we should put ourselves ever in that position of categorically opposing any increases and I would like to propose the amendment to "opposed to the requested rate increase".

Councilman Towell seconded the motion.

Councilman Mizell: I think the amendment is a step in the right direction, I just wonder if rather than the wording which was proposed, substituting for "to any" the words "an unreasonable" because we really have no information as to whether, whatever the rate increased that is proposed will be reasonable or not - this is up to the commission to decide.

Councilmen Ackerman and Towell accepted that amendment to their motion.

Councilman Fix: I sometimes wonder what we are really trying to do here with this resolution. I do feel that the city does have a stake in its own phone bill and how the rate increases affect its own phone bill. I think also this discussion about a raise in the basic monthly phone bill for single family service and people with low incomes. I think we can address ourselves to that. I am bothered a little bit by some of our whereases - I think maybe we are getting out of our realm here when we go into the financial structure of the company. I would even like to pull it down even to the basic monthly charges - rate increases for those.

Councilman Mizell: Put that in a motion and I will second it.

Councilman Towell: I have perhaps a wording. How about adding a whereas somewhere that whereas the proposed rate structure places an undue burden on residential phones and pay phones used by individuals. I would like to just add a whereas, if that is acceptable, because I think the thing that comes up to me in the proposal as I have read it is that the increases are at the bottom - they are not to the big customers, they are to individual households and, in other words, inverse to the appropriate ability to pay principle which I think would apply to Bell as well as to governments.

Councilman Morrison: Well, I can't see where you see that because business phone go to \$24.40 and that is about a \$4.50 jump a month.

Councilman Davis: 25%

Councilman De St. Croix: Well, I think it is important to point out in terms of Al's argument here is that the city's rate increase under the present proposal would be a minimum of 9.2% and we are discussing rate increases in the 22% range for basic monthly rated service, and 24% for residential service. That is kind of a difference between 22 and 24% and 9.2%.

Councilman Towell: Pay phones go up a full 100% don't they under the proposal? And what proportion of the 50 million or so is being raised from residential phones?

Councilpresident Zietlow: It is 30 and a half million.

Mr. Ringer: As far as we know, it is proportionate, I don't have the figures to give you in dollars and cents but the increase is fairly close. We tried not to obviously discriminate against the residential customers - we have nothing to gain by having customers that want not have phones because they will possibly be making long distance calls and generating revenue.

Mr. Finkel: I think I can answer that question for you. There are two types of business - two large categories. One is simply the single telephone or a telephone with some extensions like I am sure Mr. Morrison has in his shop. The other is the type of business service where you have a switchboard and then extensions off of the switch board. Now the single party business phone is being increased in the same general proportion as the single party residence phone. However, the pbx, the large business uses it, are being increased only in about the eight to ten percent range and this is why the city's telephone bill would only go up about 9.2%. Indiana Bell - the way that they make rates is they decide first of all how much can they afford to raise the pbx, and they are competitive in the area of pbx you can buy other than bell pbx equipment and plug it in, and the rate supervisor testified that they raised this about as much as they thought they could get by with it and then they simply lumped everything else on the one party business and the one party

business. I would also like to say that your resolution, if you approve it to say that the city is opposed to any unreasonable charges is pretty much of a worthless resolution on the assumption that I don't think any of you are in favor of unreasonable charges. The question is whether or not you are in favor of any or part of the proposed rate increase that is before the public service commission of Indiana. Simply to go on record being opposed to unreasonableness I think is pretty much a waste of your time and mine too.

Councilman De St. Croix: As I understand the proposed wording it would appear to me that given the lead in to the now, therefore, be it resolved paragraph that the implication is that the preceding is unreasonable.

Mr. Finkbl: Well maybe I did misunderstand, can you tell us how it would read?

Councilpresident Zietlow: "opposed to an unreasonable increase for Indiana Bell Telephone."

Councilman Towell: I think the implication is clear.

Mr. Finkel: Alright, if the implication is clear that's fine.

Mr. Ringer: If I could make a comment for a moment. We would like to stress that we feel the other way - that you don't need to make any statement and that the public service commission has good perspective and they are doing a tremendous job. They will be able to evaluate the testimony as you all have said without any influence of the people. Mr. Finkel and others are presenting cross examination of our witnesses, they are presenting testimony and they have done considerable publicity in Bloomington, I would say that they are doing a good job and we are not concerned about the wording of the resolution being acceptable - we would hope that you wouldn't pass a resolution.

Councilman Towell: A man who can afford to praise his judge and also his opposition must be in the catbird seat.

Councilman Mizell: The reason that I suggested the term unreasonable is because I have had experience in other communities with similar public utilities and before I came to Bloomington I lived in a community that received its water supply from a reservoir that was some sixty miles away from the community and the rate there for water was one-third of what I have to pay here in Bloomington and I cannot turn the water off in my house, I have to pay that and yet the public service commission has determined that, for Bloomington, this is a reasonable rate. I am saying that evidently there are reasons which may justify - which we do not have in this resolution.

Councilpresident Zietlow: I think this is an agreement between the city of Bloomington and the state department of natural resources that we are paying an unreasonable amount of money for water.

Councilman Mizell: No, that too is fixed by the public service commission.

Councilpresident Zietlow: I know and national groups have said that is unreasonable, I don't think we can count in that case on the public service commission acting in a reasonable fashion.

Councilman Ackerman: Is this the same three people - the same commission that made the decision on water rates that is going to make the decision on telephone rates?

Councilpresident Zietlow: Yes.

Councilman Fix: I would like, personally, to tie the resolution down to an increase in the basic monthly charges.

Councilpresident Zietlow: In this particular amendment?

Councilman Fix: Well, I have always been against changing amendments or motions.

Councilman Ackerman: As the maker of the amendment I guess I do agree a little bit with what Mr. Finkel and some of the INPIRG said that it might not be clearly understood, so if the implication is there - if a general implication is what you really want to say, we should say to "this unreasonable" which does not preclude rate increases, but it does object to this rate increase.

Councilman Towell said he was willing to accept that change in the motion.

Councilman Behen: This in essence, then, calls Bell Telephone unreasonable.

Councilpresident Zietlow: This particular proposal.

Councilman Behen: It calls their management unreasonable.

Councilman De St. Croix: I would like to speak to the proposed amendment. I consider the wording intemperate.

Councilman Towell: I am in favor of either wording that has been proposed - I think both are better than the resolution as drafted.

Councilman Ackerman: Bowing to what I hear, I would like to go back - if my seconder is still with me -- to "the proposed rate increase", I want to take the sharpness out of this resolution rather than calling it unreasonable.

Councilman Towell: Alright, fine.

Councilpresident Zietlow restated the MOTION restated motion: That resolution No. 73-49

be amended by changing the last paragraph

by changing "to any rate increase" to

read "to the requested rate increase".

THE MOTION TO AMEND RESOLUTION

VOTE ON MOTION TO AMEND

NO. 73-49 WAS CARRIED BY A ROLL

CALL VOTE OF AYES 7, NAYS 2

(Nays: Morrison, Behen).

Councilman Fix: I would like to move that Resolution No. 73-49 be amended by changing the last paragraph, beginning in line four to read "opposed to the basic monthly charge increase requested by Indiana Bell Telephone."

Councilman Towell seconded the motion.

Councilman De St. Croix: I have a question for Councilman Fix. Are you also including in that consideration the increase for the coin operated telephone charges or what? I am just wondering if you consider that covered by that or if you choose not to.

Councilman Fix: I did not consider that covered by that.

Councilman Ackerman: You are considering the business increase and the single family increase?

Councilman Fix: Yes, the basic monthly charge.

Councilpresident Zietlow: What are the other increases requested?

Mr. Finkel: The other rate increases are increases in pbx equipment and the increases in coin operated telephones, I believe other than the basic one party residence and business - of the 30.5 million approximately 24 million is involved in the basic one party service. I think this is the opposition which the Indiana Public Interest

Research Group is primarily opposed to, and the one party residence service in particular. I don't think INPIRG would be in this case if Indiana Bell were restricting their rate increase to large customers - large pbx customers. They have a rate increase before the commission concerning mobile phone rates and I don't think INPIRG is opposed to this. The opposition also includes the ten cents to twenty cents coin operated telephone charge.

Council president Zietlow: We have petitions and communications at nine o'clock and we have agreed a long time ago that we would honor that time. I believe we do have a petition. This means that we will stop this discussion, go to the petitions and then come back to the discussion of Resolution No. 73-49

PETITIONS AND COMMUNICATIONS

Councilman Morrison: I am assuming that all of you councilmen have received this in the mail (he held up a blue brochure put out by the westside PAC) and I am sure all of you have read it. This is the proposal from the westside PAC coordinator for funding of a loan - not a department, it could be a department, but the city redevelopment for the westside. As you people know that this is the final year for NDP to be phased out and this is a proposal to the city council which I will give to the city council president and I hope she will present it to the mayor for his reading so he can take it and look it over and also I would like to remind this city council of one thing - I think the city of Bloomington is really overlooked. Your ndp funding which has a direct bearing on your revenue sharing was brought to this city and instigated by the westside, it was not brought by any area in this city - not the downtown area or the miller drive area. The ndp funding to the original application of the city was contiguous upon the fact of the westside - at that time when they passed a law that they could supply the downtown area if it was contiguous to a residential area, which at that time the downtown area was piggyback to the westside, then came the miller drive area piggyback to the westside when they were trying to cut down on their conventional urban renewal system. So this is a proposal which any other area of the city can do the same thing. But this is a proposal which is drawn up by the PAC coordinator, Mrs. Bridgewater who is in the audience out here - it is a workable program and we have had a great deal of input into this we also have a petition of the people that was decided and approved that this be a fine thing for the low income of the westside. This has also been drawn up from the facts and figures and experience that the westside has learned from the rehabilitation of older homes. And I would wholeheartedly hope that this city council will endorse this program which will then present it to the mayor which will then carry on the westside rehabilitation that is just now going. AND I would like if Mrs. Bridgewater has anything to speak to this position, I would like for her to stand up and give her comments.

Petition for loan program with revenue sharing funds

Mrs. Bridgewater: I was led to write this proposal because after my experience as coordinator of the westside being interested in low income housing and the problems for poor and low income people in owning homes. It, so far as I am concerned, this is a problem that speaks more than just a place to live at a low cost. It speaks to a total philosophy of the advantages of single family dwellings - the quality of life that single family dwellings generate. And from what we have learned, poor people cannot afford to own property, or young people cannot afford to buy a home, especially at the labor scale we have in Bloomington.

To buy a home and finance it at a bank, you must have one half of the value of the value of the home. For instance, if you are buying a home that costs \$12,000 you must have \$6,000 to pay down, plus credit and all other types of things -- that doesn't include closing costs. If you go to a home loan organization, most of them now are requiring 20% down, which would mean you would have to have \$4,000 down, even at 10% you have to have around \$2,000. So this puts it out of the reach of low-income people. It is my contention that the only place that people of this category can receive help is from government. The Dyer area, the low income housing that was built there required \$200 down - only government can afford to do that -- financial institutions cannot afford to accept this kind of money down. And at the rate of interest that is on the regular market, the people in that area, we figured out some of them would pay \$52,000 for an \$18,000 home. And this is not a poor man's home. There is another reason we speak to rehabilitation rather than to renewal. Renewal clears the land and the housing and all buildings is taken off of your tax but with rehabilitation a house stays there and the tax value increases so that you are not destroying revenue; aside from that a house that is properly rehabilitated has a life of from twenty to twenty five years. Even the older houses that you find on the westside. Since 70 percent of the people on the westside are retired people -- that means they are in the neighborhood of 65 or older, as they die or as they have to leave their homes because they can no longer live alone, these houses can be resold to young families and young families will not have to move in and immediately try to start rehabilitating the houses that they can afford to buy. Aside from that, I feel that if the government - or if the city dedicates a part of revenue sharing money - that was a mere suggestion that it be \$100,000.00 - that you can use a concentrated area of, say, ten square blocks and you can make real impact and it starts the neighborhood to coming back. Now it has been our experience in the ndp program that in the target area where we have had a great deal of rehabilitation in the last three months, that people who were not fixing their properties are beginning to invest their money in it. And yet some of those people cannot afford to do this. But if they had the 3 percent loan such as one under ndp they could afford to do this. And in the report I gave you there were two types of 30 percent - three percent for the year would really be a beneficent gift to people. But I was also speaking to another concern of mine in that government is constantly needing money - it is always putting out and never taking in. At quarterly interest you - the government would make enough money to reflow it in to rehabilitation. Now rehabilitation and blight is not exclusive to the westside in Bloomington. And it is my contention that as you start and rehabilitate one area you can move to the next over a period of years. I don't think that the capital type lending institution can afford to do that. It is only government that can afford to do it. Now there is some possibility that the ndp program may be resurrected by congress but it seems to be very slight. And the philosophy behind revenue sharing was that programs that had originally been funded by the federal government - that money would be moved to the cities and the states where the local people would have more control over the use of this money. So I am suggesting to you that housing for low income people is a continuing problem - a very acute problem and one certainly to which I would hope that this council would speak. Now I don't care whether it is the exact resolution I sent you - based upon the experience that we have found, we have found that an adjusted income of \$3000 causes many people - elderly people - who have a small job on the outside where they maybe make \$1000 in a year, it puts them too high to have their home rehabilitated and yet they are too low to do it themselves so for that reason we suggested that the adjusted income to which you would finance a three percent loan or a three percent grant would be \$4000, instead of the \$3000 that it now is under the ndp program. We have also found that to bring houses up to code and take care of incipient code violations you need the average of five to six thousand dollars. So if we are going to do the program, it is better to do it well. And I think that the ndp program has shown a way and a real potential and possibility - the only thing is that with the inflation of prices the

\$3500.00 grant is not enough and the low cost loans I think would be taken up by those people that can afford to pay. I suggested that this program be run by a committee composed of a business man, a banker and a person selected by the people of the westside for the westside and as the program moves I think one person should come from the area where the program is going on. The reason I suggest this is because they know the needs of people, they know the needs of the neighborhood and it is very difficult when you don't live in the neighborhood to really understand it and really understand its full problems. To know the people and to know what they are capable of and what they aren't capable of financially and every other way. So this is the reason that I have written the proposal. The other reason was that nobody else seemed to be doing it.

Councilman Morrison: I would like to add just one thing to what Elizabeth said. If, when you read this proposal if you have any knowledge of the ndp handbook - the guidelines they use, you will find this proposal very closely parallels the guidelines that were put down by hud and ndp so it is pretty well spelled out what it intends to do and not do.

Councilman Behen: As Mrs. Bridgewater was speaking I was thinking - the thought came to my mind in support of your program - the thought came to my mind of how successful in the late thirtys the FHA program which was instigated - it was one of the few federal programs where people were allowed to save their homes that the federal government did recoup most - they turned a profit as a matter of fact, recouping the money extended to people to save their homes.

Councilman Morrison: As councilman from the westside I would certainly hope that the council would endorse this, it is a good program in that I say it is a two way street - I think the city is pretty well obligated to certain functions of the westside as well as I think the westside is obligated in certain functions to the city. We both have to work as a team. But I would like to restate that the ndp in its origination was for the westside of the city of bloomington.

Councilman Towell: As councilman for the northside adjoining the westside I would like to state that I have already signed the petition in favor of the program.

Councilpresident Zietlow: I don't have the wording of the petition in front of me, does it request the amount for a loan program for the westside only?

Mrs. Bridgewater: No, it only suggests that it be concentrated on the westside since impact has already been made there that you concentrate in that area until that is completed and just keep moving on because now in the target area impact is very evident and as soon as a neighborhood shows evidence of rehabilitation and going back the other way rather than dying then you withdraw from that area and go to the next.

Councilman Mizell: I can think of no better way for a council to encourage its city to grow and develop than to encourage people to improve their own living quarters. I think it would be an excellent thing for this council to do.

Councilman De St. Croix: I don't have any speeches, I just think it is a good idea.

Councilman Morrison moved that the Council endorse the proposal of the Westside PAC in principle and forward the proposal to the Mayor. Councilman De St. Croix seconded the motion.

Councilman Towell noted that he thought there were a few things that would need to be worked out before such a proposal could actually be put into effect.

Councilman Morrison said he thought credit should be given to Elizabeth Bridgewater for writing the proposal.

The motion was carried by a ROLL CALL VOTE OF AYES 9, NAYS 0.

(The Council took a ten minute break.)

After the break, the Council resumed discussion of Resolution No. 73-49.

resolution
no. 73-49 -

Councilpresident Zietlow noted that there was an amendment on the floor that Resolution No. 73-49 be amended by changing the last paragraph, beginning in line four to read "opposed to the basic monthly charge increase requested by Indiana Bell Telephone." This motion was made by Councilman Fix and Seconded by Councilman Towell (see page 21 above).

discussion
continued

Councilman Towell: I understand the motive for the amendment but I think it does narrow things down too much - that we do want to include other rates. So this can be fixed up some way and I would be willing to go along, but otherwise, I would have to oppose.

Councilman Fix: My feeling is, in response to that, that this is a basic charge and I think it is more than theory that anything above this is service and a service that should stand alone. If a service isn't paying for itself, a man should have an opportunity for saying, no, I don't want it. And I think if it is more expensive to give this additional service, then it is going to have to be financed someway.

Councilpresident Zietlow: Could you repeat what the proportionate parts of the rate increase...

Mr. Finkel: It is the basic - the basic, one party monthly charge comprises about five sixths of the proposed rate increase. Again, I think this is what my opposition to the rate increase is, as far as the other charges I see no real reason to restrict bell in increasing the charges for something other than basic monthly service, except that one other charge - and maybe this is what Councilman Towell was getting at - is the coin operated telephone from 10¢ to 20¢. This would be a particular hardship in view of the fact that the installation charge for a telephone has already risen; I think also that the commission will give Bell some rate increase, we don't know how much at this time and this increases the threshold cost of a telephone and the people that can't afford a telephone have to go to these public telephones. I think the gentleman from Indiana Bell stated the problem with public telephones was not that they are losing money, it is that they are not, as he put it, paying their way. I think it is my position that Indiana Bell is making a profit from its coin operated telephones - these are more of a public service and they are a way of providing the service to low income individuals who cannot afford a telephone in their home and therefore the cost should stay at ten cents.

Councilman Towell: Could I offer then just a friendly amendment to the amendment - just add "and pay phone charges."

Councilman Fix: I will accept that, I see a difference here in that I use pay phones a lot myself and it would be a hardship on me to increase it to 20 cents but I will go along with this amendment. Not for that reason, but for other reasons.

Councilpresident Zietlow: This leaves us, as I understand it, in the kind of strange position of opposing the rate increase as far as the city of Bloomington is concerned but not opposing that rate increase. In other words, the only one left out then is the pbx increase. And that is the one that is going to apply to the city of Bloomington.

Councilman Mizell: Well, my interpretation of the amendment is that if you can take the analogy of telephone service to automobiles, the way this country is developed it is almost basic to have transportation as well as telephone in order to communicate and take care of your needs and so on and the basic charge is something which people of all walks of life are going to have to deal with,

however, beyond that point - any of the frills that you would add such as a princess phone, or touchtone or what have you, these are accessories which should really pay their own way, so to speak, much like getting a small four-cylinder automobile or buying a cadillac - it will still provide the same transportation, get you from one point to another - the basic rate will get you in touch - the old black telephone which had a separate receiver for your ear and another one to speak into still got you in contact with whoever you wanted to - a princess will do the same thing, only a little more deluxe. I would be opposed to an increase in the basic monthly charge but if the accessories to phone service cost more they ought to pay their own way.

Councilpresident Zietlow: But there is no request for an increase in the cost of accessories if I'm not mistaken.

Councilman Mizell: Well this would be pbx and so on, this is another accessory. I recognize that if the city chooses to have 3000 telephones and the pbx system that it may want to pay for it. I think we are speaking for our constituents in opposing an increase in the basic rate charge... the charge that someone has to pay in order to have communication with the outside world.

Councilpresident Zietlow: I would think then we would have to delete the paragraph about the - the previous paragraph.

Councilman Mizell: Well, that is another question.

THE MOTION WAS DEFEATED BY A ROLL
CALL VOTE OF AYES 4, NAYS 3, ABSTENTION 1 -
(Nay: Davis, Behen, De St. Croix, Zietlow;
Abstention: Morrison)

Councilman Towell: I have another amendment. I would move to insert the following Whereas, presumably right before the end: "Whereas the proposed rate structure puts an undue burden on rates paid by those least able to pay, namely single-party and pay phone rates".
Councilman Ackerman seconded the motion.

Councilpresident Zietlow: I think that speaks in a slightly different way to Councilman Fix's amendment.

Councilman Towell: I just want to say, pursuing the analogy between taxes and phone rates, this is what I most object to about the proposed increases.

THE MOTION WAS CARRIED BY A ROLL CALL
VOTE OF AYES 7, NAYS 0, Abstentions 2
(Abstentions: Behen, Morrison).

Councilman De St. Croix moved that Resolution No. 73-49 be amended by adding another whereas clause, just before the final paragraph, to read: "Whereas the Indiana Bell Telephone company, Incorporated, although a private company is a public utility."
Councilman Towell seconded the motion.

Councilman Morrison: Indiana Bell is not a private company, it is a corporation. A company is owned by one person, a corporation by numerous of people with a board of directors.

Councilman Mizell: I think its an important statement to verbalize but I am getting concerned about the numbers of whereas statements. And, if in fact these are not going to subtract from the impact, by the time people get through reading the whereases, people may be whereased-out and not be able to really get down to the resolved portion and I think all of the information that is contained in the whereas sections is information that these people have already received and have had it well documented and spoken to many times. And I just toss out as a talking point the possibility of striking some or possibly all of the Whereases except for the first one and get right down to the heart of the matter. Leave the last whereas section that we had and then the resolved section. I think it is being a little redundant. The people at the public service commission have seen all of this.

information before.

Councilpresident Zietlow: I don't imagine we are going to inform them.

Councilman Mizell: I think that what we do want to inform them of is our resolution - our resolve in a certain direction.

Councilman De St. Croix: The intention of my amendment, irrespective of what happens to this resolution, is merely to clarify what interest that common council of the city of Bloomington might have in this matter. It appears to me that this resolution never really states that the common council might have a direct concern because of the public utility function of the phone company. I don't know if that is appropriate or not - I am willing if council deems that to be a specious addition, I am willing to withdraw.

Councilman Mizell: No, I didn't mean to single out a particular amendment or whereas section, I think the point of the matter is really in the resolve section. Really everything else is already known.

Mr. Finkel: I just wanted to point to that. I think Mr. Mizell is correct, however, having already appeared before the public service commission, I think they are not only interested in what your opinion is but why you formed that opinion and if you do strike those whereases, you strike why you formed that opinion and I think that if the resolution did pass and was presented to their commission, Mr. Hill would simply say, well, why is it that you are opposed - on what basis did you make that decision. And you would be back again repeating the whereases. I think that is the purpose for them. If there is any one particular one which doesn't represent the opinion of the council then, indeed, it should be stricken.

councilman De St. Croix: It would also appear that having read the substance of the resolution, it seems that perhaps two hours worth of debate was wasted.

Councilman Towell called for the question.

Councilpresident Zietlow restated the motion - to amend Resolution NO. 73-49 by adding a whereas to read Whereas the Indiana Bell Telephone Company, Incorporated, although a private company is a public utility.

The motion was carried by a ROLL CALL VOTE OF AYES 9, Nays 0.

Councilman Davis: The sixth whereas, concerning property tax relief, I think has been accounted for in the request and therefore I think it would be inappropriate for us to include that whereas, and therefore I would move that Resolution No. 73-49 be amended by deleting the sixth whereas, which reads as follows: "Whereas the Indiana Bell Telephone Company will realize savings of over \$3 million a year from the newly enacted property tax reform in the State of Indiana,"

Councilman Towell seconded the motion.

The motion was CARRIED BY A ROLL CALL VOTE OF AYES 8, Nays 0, Abstention 1 (Abstention: Morrison).

Councilman Towell moved that debate be closed. Councilman Ackerman seconded the motion. The motion WAS CARRIED BY A ROLL CALL VOTE OF AYES 9, NAYS 0.

Councilman Towell moved that Resolution No. 73-49 as amended be adopted. Councilman Morrison seconded the motion.

RESOLUTION NO. 73-49 WAS ADOPTED BY A ROLL CALL VOTE OF AYES 7, NAYS 2 (Nay: Morrison, Behen).

Votes were explained as follows:

Councilman Morrison: I would like to explain this vote in the

fact that I don't like to be hit in the billfold any harder than anybody else but I am certain that I wouldn't like somebody to pass judgement on my business that does not possess the knowledge of it, so therefore I don't want to pass judgement on Indiana Bell, I vote No.

Councilman Towell: I believe that there is very little difference between a phone rate increase and an increase in taxes and that the company does have a public responsibility and there is an inadequate way in which public sentiment gets heard in these matters unless bodies like ourselves take action, therefore, I will vote yes.

Councilman Behen: I will mimic Mr. Morrison's remarks and add too the fact that scrutinization of businesses that are considered -- large corporations are considered monopolies -- I would assume that the next firm that we might put under scrutinization might be Bloomington Hospital -- the spiraling costs of medical attention has caused no great alarm in the community -- I vote no.

Councilman De St. Croix: My vote in no way is to be interpreted as an attempt to judge Indiana Bell -- I intend to do that in my direct communication with the company if I have a complaint. However, I am concerned that pbx operations are increasing at a percentage rate that is well under half that being imposed on people who can probably least afford the cost of telephone service. I am particularly concerned about the elderly people and people on fixed income - low income people who very much need phone services in case of an emergency in many instances it represents their only link with the outside world, I vote yes.

Councilman Fix: I would like to take this opportunity to say the many times I say that I agree with Councilman De St. Croix and vote the opposite way, tonight I agree with him, I vote the same way, I vote yes.

Councilpresident Zietlow: Again I would like to say that I do not feel that this should reflect in any way on my feeling about the services from Indiana Bell. I think we are in a very tough budget situation where governments in the state are not allowed to raise their taxes, where many people on fixed income are not getting raises and I feel that we have heard that big companies have to have more money to earn more money but I feel that we are all pretty much in the same boat and I will vote yes.

NONE.

REPORTS FROM BOARDS
AND COMMISSIONS

NONE.

REPORTS FROM STANDING
COMMITTEES

NONE.

REPORTS FROM SPECIAL
COMMITTEES

NONE.

REPORTS FROM CITY OFFICIALS
AND DEPARTMENT HEADS

Councilpresident Zietlow: I would like to say, as a councilmember this last week I went to look at ambulances and to hear about the ambulance service and I think that we are very fortunate to have the ambulance service, I think we probably have about the best ambulance service in the state which I was very proud to learn about. I was very impressed by the training and the equipment which the city now has and I think we should be thinking about that too when we are working on the budget. Apparently the ambulance drivers who work answer about seven times as many calls as any other fireman and are not getting any other additional pay. There may be a request for that but it is something to consider. Also,

MESSAGES FROM COUNCIL-
MEMBERS

Charlotte Zietlow

ambulances

Last week the workable program presented to the department heads. I attended the meeting and want to notify the council members that we should be thinking about policy regulations for the workable program which is supposed to be really a working policy for the city for the next three years. Rather than just make it a boiler plate recommendation we should be thinking about some specific proposals that we would like to see carried out in the city of Bloomington in all areas in the next three years. The council will have to act on it eventually but we are also asked to make recommendations at this time - in the next couple of months.

Also, I have one more thing. I have just gone to a number of different kinds of meetings this week and I think this IS VERY active and interesting community. We have, for instance, a Hilltop Council which we are also supporting by the budget is organizing a citizens group to support gardening for the children of Bloomington - something that I am sure the other council members are aware of. I would like to bring it up to the council at this time and to recommend that they support it individually. I think we will support it to a very small degree with the parks department budget.

Councilman Mizell: I am very happy that you have opened these areas of discussion. I too was very impressed with the city ambulances because I was viewing the remodeling that had been done at several of the fire stations by the firemen themselves and was tremendously impressed with the workmanship and the degree to which, just the basic feeling of the stations had been changed from when I had seen them before the remodeling was done. I think they have done an excellent job and at minimal expense to the city. And I would like to complement them to that. And as an added benefit I was given an opportunity to have a demonstration of the ambulance and the knowledge of the ambulance attendants who - which also impressed me. And while we were standing there there was a call for an ambulance. And by the time the dispatcher had given information as to where the location was the motor was starting and they were out of the firehouse. We had a chance to, if you will, chase the ambulance and observe what they were doing. It was an automobile accident and they had the people who were unfortunately injured in the ambulance and the ambulance on the way to the hospital and by way of the radio were notifying the hospital as to what the injuries were, all well within less than ten minutes.

Councilpresident Zietlow: The ambulance people have training of 26 hours of first aid and then 81 hours in addition to that, plus ten hours of internship, as it were in the emergency room before they go out on runs.

Councilman Mizell: And they do have to leave town I understand for that 81 or 84 hour session of training.

Councilpresident Zietlow: And they do that on their own time.

Councilman Mizell: It really is an impressive operation. I would also like to speak in favor of the hilltop program, having two children who are currently involved - one for the fourth year. It is a very worthwhile program, especially in a time of high costs of vegetables, we are getting a lot of fringe benefits from it also. But I would like to stress

that literally hundreds of children have been trained over a period of 26 years that this program has been in operation. A lot of people in the community don't realize that it has gone on that long and that people who are trained in it have gone across the country to start other programs. It has been very well received outside the community as well as within.

Councilman Towell: I would like to request that we put these messages up after item 3 in the future. Secondly, I have had an opportunity to actually be so to speak rescued by our ambulance service and seeing it from the inside was very impressive. Thirdly, I am very impressed with one of our boards and commissions, that is the human rights commission; they have just completed hearings and so on on a very difficult case. And I am not speaking to the justice of that decision I am speaking about the fairness with which they conducted themselves and the hearing and in general I think we owe a tremendous debt to the people who without pay undertake to look into such difficult matters. I am myself convinced that we need that kind of work in the community and I think we are very fortunate with the way in which the commission is working.

Council president Zietlow announced that there will be a special meeting of the Council on Tuesday, July 24, at 7:30 p.m. in the Council Chambers for the introduction of Ordinance No. 73-51.

SPECIAL SESSION
for 7/24/73

Councilman Towell moved the meeting be adjourned. Councilman Morrison seconded the motion. The motion was carried by a unanimous voice vote.

ADJOURNMENT

The meeting was adjourned at 10:02 p.m.

Charlotte T. Zietlow
Charlotte T. Zietlow, Council president

ATTEST:

Amy G. Mann
Amy G. Mann, Secretary

RESOLUTION No. 73-47

July 19, 1973

INVESTMENT OF FUNDS

BE IT HEREBY RESOLVED by the Common Council of the City of Bloomington, Indiana, that the Controller of said City is hereby empowered to make the following investment into Government Securities yielding the highest rate of interest obtainable, consistent with safety, to-wit:

| <u>FUND</u> | <u>AMOUNT</u> | <u>MATURITY DATE</u> |
|-------------------------------------|---------------|----------------------|
| Cumulative Capital Improvement Fund | \$300,000.00 | Six Months |
| Federal Revenue Sharing Trust Fund | \$250,000.00 | Six Months |

Charlotte T. Zietlow
Charlotte T. Zietlow, President
Common Council, City of Bloomington

Francis X. McCloskey
Francis X. McCloskey, Mayor
City of Bloomington, Indiana

Adopted: July 30, 1973
Date

RESOLUTION No. 73-48

July 19, 1973

BUDGET TRANSFER

BE IT HEREBY RESOLVED by the Common Council of Bloomington, Indiana, that the City Controller of said City may adjust the appropriation of the following budget, to-wit:

CUMULATIVE CAPITAL

| | | |
|---------------------------|------------|------------|
| FROM #72--Equipment | | \$4,500.00 |
| TO #25--EQUIPMENT REPAIRS | \$4,500.00 | |

FIRE DEPARTMENT

| | | |
|---------------------------|-----------|-----------|
| FROM #11--Salaries | | \$ 900.00 |
| TO #37--Other Supplies | \$ 800.00 | |
| #55--Subscriptions & Dues | \$ 100.00 | |

approved:

July 20, 1973

Francis X. McCloskey
Francis X. McCloskey
Mayor, City of Bloomington

Charlotte T. Zietlow
Charlotte T. Zietlow
President
Common Council, City of Bloomington

WHEREAS, the Common Council of the Civil City of Bloomington, Monroe County, Indiana, is informed and believes that Indiana Bell Telephone Company, Incorporated, has requested a rate increase which, if approved, would raise the one party, residential phone basic monthly charge from \$6.90 to \$8.70 and the one party, business phone basic monthly charge from \$17.90 to \$22.40, and

WHEREAS, the Indiana Bell Telephone Company, Incorporated, has received rate increases in 1970, 1971, 1972, and 1973 totaling over \$50 million, and

WHEREAS, if the rate increases are approved it will mean that basic, one party residential phone costs for Bloomington will have risen by 64% since 1970, and

WHEREAS, the new rates, if approved, will have the Indiana Bell Telephone Company subscribers paying higher rates than any other subscribers in the Bell System, and

WHEREAS, despite the claims of Indiana Bell Telephone Company of the need for new funds, the Company raised its dividends by 20¢ a share in the first quarter of 1973, and

WHEREAS, it is the belief of this Council that the new proposed rates, particularly the increase in coin operated telephone charges from 10¢ to 20¢ will be a severe hardship on those persons with fixed or level incomes, and

WHEREAS, the City of Bloomington, budgeting within a frozen tax rate, with a maximum average pay increase for city employees of 5%, would have to pay a rate increase under the present proposal of a minimum of 9.2%, and

WHEREAS the proposed rate structure puts an undue burden on rates paid by those least able to pay, namely single-party and pay phone rates, and

WHEREAS the Indiana Bell Telephone Company, Incorporated, although a private company is a public utility,

NOW, THEREFORE, BE IT RESOLVED, by the Common Council of Bloomington, Monroe County, Indiana, that said Council, on behalf of its citizens that they represent, go on record as opposed to the requested rate increase for Indiana Bell Telephone Company and that the Public Service Commission of Indiana be notified of the objection of said City of Bloomington, Monroe County, Indiana.

passed: July 19, 1973

Charlotte T. Zietlow

Charlotte T. Zietlow
President
Common Council
City of Bloomington
Monroe County, Indiana

adopted:

July 20, 1973

Francis X. McCloskey

Francis X. McCloskey
Mayor
City of Bloomington
Monroe County, Indiana