





BOARD OF DIRECTORS

Left to Right Above:

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ROBERT M. COPELAND, *Vice-President*

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WILLIAM H. COBURN, JR.

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Treasurer-Controller

ALAN L. BINGHAM
Public Information Manager



ANNUAL REPORT

Year Ended June 30, 1962

THE COVER—City of Alameda is first of communities in alphabetical order served by Alameda-Contra Costa Transit District to be featured on successive annual report covers. A personality city of many moods, Alameda can boast of shaded streets, a mode of life geared to recreation and outdoor fun, thriving industry, busy seaport facilities, and a Naval air station that brings annual buying power of \$60,000,000 to the community. For its 63,900 residents, the island city is leisurely living at its best, as typified by artist's cover sketch of new South Shore residential development.

To the Citizens of the

TRANSIT DISTRICT:

The Board of Directors is pleased and gratified to report that the District has enjoyed a year of impressive growth and accomplishment.

We have moved constantly ahead, and we have kept our promises to the citizens of the District. New lines have been put into service, bringing the first bus transportation to many areas. Improvements have been made to almost every line. And we continue to move forward to make bus riding not only fast and efficient, but convenient and attractive.

These accomplishments were achieved with no increase in the tax rate and no increase in fares.

The citizens, in turn, have freely—and often with expressed warmth and appreciation—supported their bus system. AC Transit passenger revenue has shown a consistent, healthy climb—and at a time when the transportation industry generally is experiencing a downward trend.

More East Bay people than ever are riding the bus—and liking it—obviously agreeing that “It’s Smart to Ride the Bus.”

We are operating on a firm financial basis, generally following the estimates made by engineers who drafted the detailed prospectus for the organization before it became operational in October, 1960.

As we enter our third full year of operations, we can take pride in these achievements:

- A total of 21,849,270 annual service miles, of which 1,652,800 were added in the past year.
- A fleet of 630 motor coaches in service, including 250 new units to handle basic service on most East Bay and transbay lines.
- Inauguration of new fresh ideas in transit, including an exclusive bus lane on the San Francisco-Oakland Bay Bridge; park and ride facilities, and a Sunday and holiday pass.
- Salary adjustments for supervisory personnel and office employees, resulting in an average increase of 6 per cent, plus an hourly wage increase of 5.5 per cent for contract employees.
- Pension plan and vacation and sick leave benefits extended to non-contract personnel.

While the past year has been one of satisfaction in achievement, it was saddened by the death of John R. Worthington, first general manager of the District, whose planning had much to do with the success of operations.

In choosing his assistant, Kenneth F. Hensel, to fill the general manager-ship, the directors selected a recognized leader in the transportation field, with the experience, vision, and imagination to implement further the progressive thinking of the Board.

The District has come a long way during its brief existence and has met many of its challenges. As to the future, we intend to continue the program of improvements to which we originally were pledged. We are looking forward to further betterments, particularly in the field of speeding up and streamlining existing service and in achieving an unsurpassed transit system to meet the needs of every rider.

BOARD OF DIRECTORS

William J. Bettencourt

William J. Bettencourt
President

REVIEW OF THE YEAR BY THE GENERAL MANAGER

At the end of a fiscal year which may well be one of the most significant in the history of the Alameda-Contra Costa Transit District, the people of the District can take pride in a sound and progressive operation.

It has fulfilled its basic responsibility of providing better bus service for its citizens.

The District has continued—and will continue—efforts to improve East Bay transit. Along these lines, we will study the possible rerouting of present lines, to better serve postwar population shifts and travel habits. We will develop transit plans for new areas—and, looking further ahead, we will make long-range studies of ultimate service areas.

The past year has been a busy one, both in service improvements and in innovations which have given the district an imaginative new look. We can point with pride, we believe, to these accomplishments.

- Passenger revenue: \$11,913,440, an increase of 4.8 percent.
- Riders carried: 49,986,600, representing a growth of 4.5 percent.
- Inauguration of six new lines; extensions of improvements affecting almost all transbay and local service.
- Annual mileage increase of 1,652,800 miles or 8.2 percent.
- A total of 250 new buses in service, and 30 new buses on order, to provide even better service for an increasing number of riders.
- Rehabilitation completed on all diesel-operated equipment acquired from the privately owned Key System Transit Lines.
- Fares reduced for teenagers on East Bay and transbay lines.
- New information signs installed at downtown Oakland bus stops and at the Transbay Transit Terminal, San Francisco.
- New tokens and token holders issued.
- The public information program expanded to provide special services for patrons.

PASSENGER REVENUES

Passenger revenue increase in the last 12 months of operation totaled \$541,360, up 4.8 percent over the same period of a year ago—which included nine months of District operation and three months of private ownership. During the past year, local revenue increased 5.0 percent, while transbay operations showed a revenue increase of 4.3 percent. In all, passenger revenue amounted to 54.5 cents per mile operated.

Transbay operations were stimulated during the third and fourth quarters by the State's establishment of an exclusive bus lane on the lower deck of the Bay Bridge to take some of the pressure off evening rush hour congestion. Commute book sales gave one indication of the lane's effectiveness, increasing 8.5 percent in February, the month after the lane was established; 6.5 percent in March; 13.7 percent in April; 8.3 percent in May; and 3.7 percent in June.

MAJOR IMPROVEMENTS

The District has continued to make service improvements, bringing transit into new areas and bettering existing service. Many of the improvements are beyond those recommended in the engineering report which served as the basis for initial operation expansion.

By the end of the fiscal year, the District had increased local mileage from 13,720,000 to 15,172,200, a boost of 10.6 percent. Transbay mileage had grown from 6,476,400 to 6,677,000, an increase of 3.1 percent.

Six new lines were inaugurated, with Lines 90, 91, 92 giving Hayward area residents a new network of neighborhood service. Line 60 was put into operation to serve the upper Broadway Terrace and Snake Road areas of Montclair. San Lorenzo residents were provided with their first neighborhood service, and addi-



tional transit was made available for South San Leandro, with establishment of Line 93. In Alameda, new service for the South Shore area and additional service for Bay Farm Island was furnished by Line 63.

In addition, for the 49,986,600 riders carried during the past year, there were service improvements on almost every line, including route extensions, additional schedules and more frequent service.

The fleet of new buses has continued to grow, with all of the 250 originally ordered by the District in operation and another 30 expected during the early part of the 1962-63 year.

The rehabilitation of all usable diesel equipment taken over from the privately owned Key System Transit Lines was completed, with 276 coaches repainted in the AC Transit colors. In addition, 20 gasoline powered coaches were dieselized and repainted; 32 additional gasoline buses were rehabilitated, and work was underway on a remaining 18 buses.

The entire rehabilitation program, which started in October, 1960, will be completed at a cost of \$246,650 which represents a reduction from original cost estimates of \$113,340 or 31.5 percent.

OTHER DEVELOPMENTS

Continuing its program of encouraging youngsters to make use of public transportation, the District extended fare reductions to teenagers through 16 years of age, inviting them to ride any place and at any time in the East Bay for 10 cents, a low rate previously enjoyed by youngsters in the 5 to 13 age group. Another fare cut reduced transbay fares for the teenagers by an average of 60 percent.

At the request of the Cities of Fremont, Newark and Union City in Washington Township, discussions were held by representatives of the District and the municipal governments involved as to possible annexation to the District. An engineering study, to be paid for by the District and the three cities, was to get underway early in the new fiscal year as to feasibility of extending service into the area.

Growth of the new inter-city express system linking Berkeley, East Oakland, San Leandro, Hayward, San Lorenzo and downtown Oakland was particularly gratifying. At the close of the fiscal year, revenue from the four express lines had increased 60 percent over fares collected during the first full month the lines were in operation in April, 1961.

INNOVATIONS

As an experiment in giving patrons something extra in the way of service, a "park and ride" center was opened in Berkeley at Henry and Berryman Streets. The center provides free parking for 51 cars, allowing passengers to make use of their own automobiles between their homes and a convenient stop on the transbay line to San Francisco and the 33 inter-city Express line to downtown Berkeley and Oakland. If successful, as it gave every indication of being, the center will be duplicated in other East Bay cities.

To encourage residents to do their sightseeing and visiting by bus, a Sunday and holiday pass was to go on sale as the first event of the new fiscal year. The pass, to sell for 60 cents, will entitle the purchaser to ride anywhere in the East Bay, regardless of fare zones, on the date for which it is issued.

A new type of metal sign—an innovation in the transit industry—was posted at all of the district's 175 downtown Oakland bus stops to make it easier for riders to use their transportation system. They list the buses observing the stop, along with destination and principal street traveled. They were designed, after a year's study, so riders unfamiliar with the service could determine quickly and easily which bus to take.

New signs, larger and with improved detailed information, also were erected at 30 loading zones at the Transbay Transit Terminal in San Francisco to assist an increasing family of commuters.

The distinctive color design of AC Transit equipment received recognition at the annual National Fleet Maintenance conference in New York City where highest award in the field of fleet motor vehicle color design was presented to the District.

Safety and training programs conducted during the year with District personnel resulted in an improved record of "safe-miles" operated. To augment this continuous and important program, special gold pins were presented to bus operators in recognition of their years of safe driving.

RELATIONS WITH PEOPLE

A public information program has further developed the District's basic concept of operating a bus system dedicated to serving its riders. To help residents enjoy the East Bay's colorful Christmas decorations and events, a guide was prepared describing what there was to see and how to get there.

A 32-page booklet, planned for all-year use, was prepared to point the way to "Transit Trails" of adventure. Featuring 14 illustrated bus tours and an attractive, two-color cover, it was designed to encourage summer travel specifically, as well as bus riding for fun throughout the year. For the second year, a long list of "Things to Do for Summer Fun—with AC Transit" also was compiled.

New route maps, showing service provided by East Bay local lines, intercity express lines and transbay lines to San Francisco, were prepared to help the public to fully utilize their system. The multi-colored guides also listed points of interest in the East Bay and how they may be reached by bus.

As another public service, the District set up a free "bus riding class" to aid mentally and physically handicapped youngsters in learning how to ride public transit. A bus, with an instructor, visited one school to give 60 mentally retarded children experience in boarding and leaving a coach, in paying fares and in signaling for a stop. Other schools were informed the bus would be available when, and as often as it is needed.

In addition to providing a good product we conducted an aggressive program of advertising to promote our product. Advertising was used in daily and weekly newspapers throughout the area, on radio and on outdoor posters. The theme "It's Smart to Ride the Bus!" was used to carry the message of the comfort, convenience and carefree features of bus riding. The slogan caught on with the public and contributed to the greater acceptance of bus riding with AC Transit.

FINANCES

Financial results of the 12-month period were substantially more favorable than had been anticipated at the year's outset, despite major service expansion and the effects of a wage increase for district personnel.

While operational costs of the full fiscal year cannot be compared directly with the brief nine months of the previous fiscal year in which the District was in operation, net operating revenue of \$1,267,600 nevertheless was approximately \$243,000 greater than had been estimated at the beginning of the year.

This most encouraging increase can be attributed to several factors, including a sizeable growth in charter revenue, maintenance and other operating efficiencies, and savings resulting from a decision of the Board of Directors to operate its own claims department and convert its indemnity program to a partial self-insurance plan.

A careful analysis of year-end results and trends established during the period indicates a continuing increase in patronage during the forthcoming year which I anticipate will be sufficient at the current level of fares and property taxation, together with available surplus funds, to meet all foreseen obligations, provide for further service improvement and maintain the financial integrity of the District.

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As general manager I wish to extend my thanks to the 1300 men and women who have worked together so harmoniously, given complete loyalty to the District and performed their functions conscientiously and expertly. Their morale could not be higher and their efforts have contributed importantly to the success of the District.



K. F. Hensel
General Manager

EXHIBIT A
ALAMEDA-
CONTRA COSTA
TRANSIT
DISTRICT

SPECIAL
TRANSIT SERVICE
DISTRICT NO. 1

BALANCE SHEET
JUNE 30, 1962

ASSETS

CURRENT ASSETS:

Cash (including time deposits of \$1,967,360)		\$ 2,547,137	
Accounts and accruals receivable		119,284	
Investment in U.S. Treasury obligations at amortized cost which approximates market value		942,276	
Prepaid expense:			
Materials and supplies	\$ 178,181		
Insurance and other	129,484	307,665	
Total current assets			\$ 3,916,362

PROPERTY, PLANT AND EQUIPMENT:

	<u>Cost</u>	<u>Accumulated Amortization or Depreciation</u>	
Property and equipment acquired from Key System Transit Lines and Bay Area Public Service Corporation— Note 1	\$ 7,516,559	\$ 595,917	
Other property and equipment:			
Motor coaches	7,712,460	709,694	
Parts, service cars, shop and miscellaneous equipment	69,709	3,764	
Office furniture and equipment	26,842	8,847	
Totals	<u>\$15,325,570</u>	<u>\$ 1,318,222</u>	14,007,348
Total assets			<u>\$17,923,710</u>

LIABILITIES AND ACCUMULATED NET REVENUE

CURRENT LIABILITIES:

Accounts payable	\$ 233,106	
Salaries and wages payable	166,835	
Payroll taxes collected and accrued	187,123	
Provision for public liability claims—self-insured portion—Note 2	272,220	
Accrued interest on general obligation bonds	207,796	
Unredeemed tickets and tokens	64,302	
Other current liabilities	<u>11,623</u>	
Total current liabilities		\$ 1,143,005

GENERAL OBLIGATION BONDS—NOTE 3:

Maturing within one year	\$ 600,000	
Maturing after one year	<u>15,900,000</u>	16,500,000

ACCUMULATED NET REVENUE—EXHIBIT B	<u>280,705</u>
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Total liabilities and accumulated net revenue	<u>\$17,923,710</u>
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LYBRAND, ROSS BROS. & MONTGOMERY
Certified Public Accountants
 1330 BROADWAY
 OAKLAND 12, CALIFORNIA

August 22, 1962

To the Board of Directors,
 Alameda-Contra Costa Transit District
 Special Transit Service District No. 1:

We have examined the balance sheet of the ALAMEDA-CONTRA COSTA TRANSIT DISTRICT, SPECIAL TRANSIT SERVICE DISTRICT NO. 1 as of June 30, 1962, and the related statement of revenue, expense and accumulated net revenue for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and statement of revenue, expense and accumulated net revenue present fairly the financial position of the Alameda-Contra Costa Transit District, Special Transit Service District No. 1 at June 30, 1962, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

LYBRAND, ROSS BROS. & MONTGOMERY

EXHIBIT A

ALAMEDA-
CONTRA COSTA
TRANSIT
DISTRICT

SPECIAL
TRANSIT SERVICE
DISTRICT NO. 1

BALANCE SHEET
JUNE 30, 1962

REVENUE:

Passenger	\$11,913,439	
Charter	232,485	
Advertising	60,251	
Other operations	<u>15,041</u>	
Total operating revenue	\$12,221,216	
Proceeds from taxation	<u>455,165</u>	
Total revenue		\$12,676,381

EXPENSE:

Maintenance of equipment, shops, garages, buildings and grounds	\$ 1,669,298	
Transportation	7,194,404	
San Francisco terminal and other station expense	62,535	
Traffic solicitation and special service	103,504	
Public information and advertising	143,188	
Insurance and safety	665,683	
Welfare and pensions	409,828	
Administrative and general	589,433	
Operating taxes and licenses	523,666	
Operating rents	<u>47,245</u>	
Total expense		<u>11,408,784</u>
Net operating revenue before depreciation and amortization		\$ 1,267,597

DEPRECIATION AND AMORTIZATION

	829,861	
Net operating revenue	\$ 437,736	

OTHER EXPENSE AND INCOME:

Interest on bonded debt—Note 3	\$ 466,024	
Less: Interest earned and other income—net	<u>99,386</u>	<u>366,638</u>

EXCESS OF REVENUE OVER EXPENSE \$ 71,098

ACCUMULATED NET REVENUE:

Balance, July 1, 1961	465,301	
Add refunds of prior years' insurance premiums	<u>122,316</u>	
Subtotal	\$ 658,715	
Less items paid from bond proceeds:		
Rehabilitation costs	\$ 66,316	
Bond interest—Note 3	<u>311,694</u>	<u>378,010</u>
Balance, June 30, 1962		<u>\$ 280,705</u>

EXHIBIT B

ALAMEDA-
CONTRA COSTA
TRANSIT
DISTRICTSPECIAL
TRANSIT SERVICE
DISTRICT NO. 1STATEMENT OF
REVENUE, EXPENSE
AND ACCUMULATED
NET REVENUE

For the Year Ended
JUNE 30, 1962

NOTE 1: On October 1, 1960, the District purchased the physical operating assets of the Key System Transit Lines and its parent company, Bay Area Public Service Corporation. The following allocation of the purchase price was based on an engineering report rendered by Arthur C. Jenkins & Associates of San Francisco, California, under date of January 10, 1961:

	Cost	Accumulated Amortization or Depreciation
Land	\$ 2,332,400	
Buildings and other structures	1,473,242	77,973
Motor coaches, parts and equipment	3,336,475	468,567
Service cars, shop and miscellaneous equipment	324,372	40,394
Office furniture and equipment	50,070	8,983
Totals	\$ 7,516,559	\$ 595,917

The assets acquired by this purchase as well as all assets subsequently acquired are being charged against operations according to amortization and depreciation schedules prepared for the District by the same firm of consulting engineers. When certain property acquired in the initial acquisition was sold subsequently, proceeds from the sale were added to the accumulated amortization account, thereby not disturbing current amortization charges but reducing amounts to be written off at the end of the amortization period.

NOTE 2: On January 1, 1962, the District began to self-insure all liability claims for personal injury and property damage up to a maximum of \$50,000 per any one accident or occurrence. Claims in excess of this amount are insured with commercial insurance carriers.

NOTE 3: The District voters authorized a general obligation bond issue of \$16,500,000 at an election held on October 20, 1959. The bonds mature serially in amounts ranging from \$600,000 on September 1, 1962, to \$1,400,000 on September 1, 1980. Interest on these bonds ranges from 1% for the longest series up to 6% for the shortest series. The terms of the bond indenture provide that the first year's interest be paid from bond proceeds rather than from current revenue. Accordingly, the interest payment of \$311,694 made on September 1, 1961, covering the six months then ended, is shown as a charge to bond proceed disbursements. The charge against current operations of \$466,024 represents the interest paid and accrued after that date.

NOTE 4: Delivery of thirty new motor coaches at a cost of approximately \$800,000 is pending, with payment due in September 1962.

NOTE 5: Claims have been filed against the District for its share of certain election costs. In the opinion of counsel, settlements, if any, of this contingent liability are expected to be of amounts readily met from anticipated revenue.

EXHIBIT B

ALAMEDA- CONTRA COSTA TRANSIT DISTRICT

SPECIAL TRANSIT SERVICE DISTRICT NO. 1

NOTES TO FINANCIAL STATEMENTS

For the Year Ended
JUNE 30, 1962



ALAMEDA-CONTRA COSTA TRANSIT DISTRICT

1106 Broadway • Oakland 7, California

