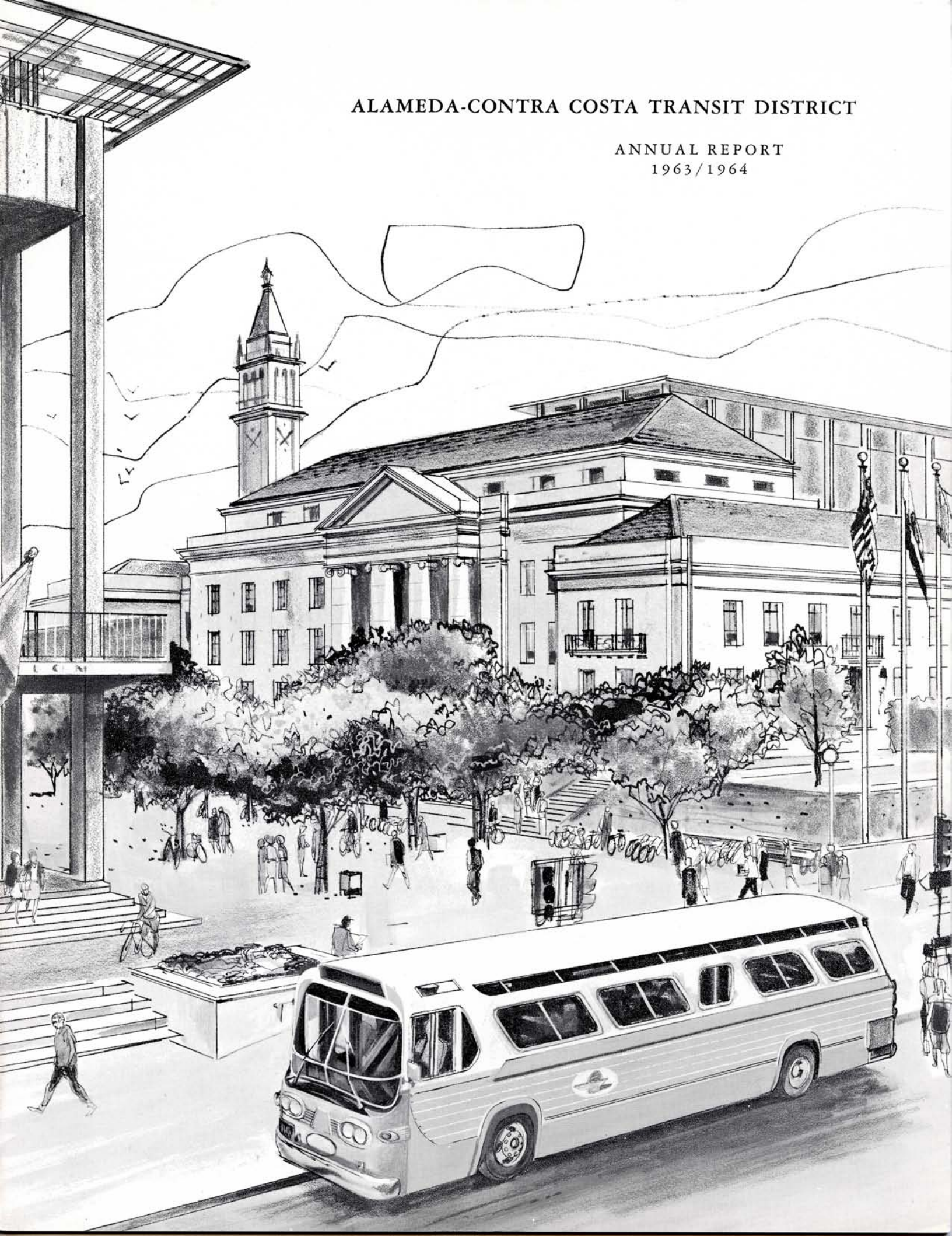


ALAMEDA-CONTRA COSTA TRANSIT DISTRICT

ANNUAL REPORT
1963/1964





BOARD OF DIRECTORS



ROBERT M. COPELAND
President



WILLIAM J. BETTENCOURT



WILLIAM H. COBURN, JR.
Vice President



RAY H. RINEHART



WILLIAM E. BERK



JOHN L. McDONNELL



E. GUY WARREN

TO THE CITIZENS OF THE TRANSIT DISTRICT:

This year, we commemorated a century of transportation progress—and at the same time, recorded in our ledgers a period giving additional significance to history.

As taxpayers and passengers, all of you can take pride in the achievement of the District.

Virtually alone, among all transit properties in the nation, your network of public service has operated “in the black,” providing expanded, faster, and improved transportation in a financially sound and efficient operation. No “miracle” has made this possible.

As service is improved, as new equipment is added, as wages are increased, costs of operating your transportation system grow beyond passenger revenue. By holding expenditures safely below projected estimates, we ended this fiscal year with an excess of operating revenue over operating expenses.

As we kept firmly within our budget during the past fiscal year, we plan the same for the year ahead. Improvements affect virtually all parts of the District, but no increase is to be made in the tax levy of 12.5 cents per \$100 of assessed valuation.

As services improve, more and more motorists learn they can ride with AC Transit, going many times faster and easier, and saving money in the bargain. Public transportation is becoming more attractive and popular, a habit of esteem, as well as practicability.

Our passenger revenue, scarcely growing during the first six months, began to climb the last half of the fiscal year, as availability of motor coaches bettered—with bus lines going to the people and to areas where they are most needed and

speeded service changed to meet requirements of riders. We ended the year with passenger and charter revenue totaling \$13,072,444, an increase of 3.5 per cent over \$12,625,979 taken the previous year.

Operating expenses, excluding depreciation and bond debt service, were \$12,900,288, an increase of \$530,751, or 4.3 per cent for the year past. By attentive management in the fiscal year, expenses were held to \$219,737, or 1.7 per cent below original estimates.

Reduction of expenses below that original projection must be credited to skillful control of mileage operated, as well as careful limitation

Completion of attractive Washington Street Mall in downtown Oakland provides smooth traffic flow for buses.



of all costs, particularly in improved practices of maintenance and in extremely high achievement of traffic and passenger safety.

The Board of Directors and the staff alike strive to trim costs, to gain in efficiency and to operate this vast transit network in more detail than in a small business as we know it more important to have constant progress. From better service, and public knowledge of that service, more buses will roll and more people can ride.

We continue to look forward, to make changes, to experiment with new ideas and new concepts of travel, to try innovations and to attract additional riders within reasonable fares. Changes include consolidations of existing routes to minimize costs and avoid duplication of service. These changes include additional lines, inauguration of new express service, both popular and increasingly successful. For commuters in virtually every area travel time has been slashed. More residents than ever before are receiving bus transportation as lines are rerouted and extended into new areas of population growth.

To the transit industry nationally, which has known a serious and continuing loss of riders, the District remains a phenomenon—alert and progressive, and an operation to be watched and followed, a transportation “prodigy” which con-

tinues to thrive through public response to efficient service and new ideas.

For the future, initial discussions have started with the Bay Area Rapid Transit District to achieve full coordination of AC Transit service with that system. A fact-finding team of District personnel is studying integrated transit systems in other cities to develop guide lines and a set of principles for solving the intricate problems involved.

At the same time, the District is continuing to cooperate in studies for adjoining areas on transit problems, such as central Contra Costa County and Pinole.

During the past 100 years, the necessity of people to move about, to cross the bay and travel from one community to another, led to marvelous achievements with the beginning of the first train-ferry commute service in September, 1863. Slowly, from that initial organized “commute” came the growth of transportation, from one means to another, by one group of promoters after another.

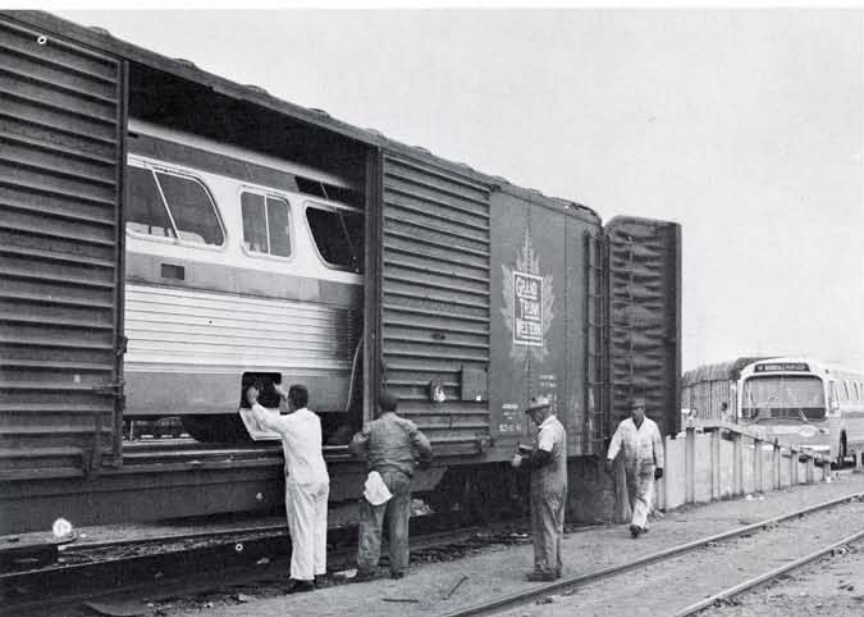
In this fiscal year, we began a new century of transportation, with practical knowledge in public ownership and well-equipped to face the challenge of moving a rapidly growing population further distances, at greater speeds, through traffic conditions undreamed of a dusty century ago.

As citizens and taxpayers, and therefore owners of this public transportation system, you have a voice in the affairs of the District. We earnestly solicit your expressions concerning levels of service which you believe we should perform. For our part, you will find us responsive to transportation needs of the community today and in the years ahead.

BOARD OF DIRECTORS

Robert M. Copeland

Robert M. Copeland
President



First buses delivered in shipment of 30 new coaches added to AC Transit fleet during the year are unloaded in Oakland yards.

Ancient horse car leads parade marking centennial anniversary of public transportation in East Bay cities.



New modernistic shelter is installed at San Pablo Station—one of East Bay's oldest and best known transfer points.



AC Transit bus painted and decorated to resemble large Christmas package, and Santa Claus greet area youngsters.

REVIEW OF THE YEAR BY THE GENERAL MANAGER

The past fiscal year has been a year of special importance, a year of change and a year in which we have been able to move forward and plan with confidence on the firm ground of operating experience already gained.

The District no longer is a tottering newcomer in the transportation industry. And with nearly four years of operating experience as a publicly-owned district we remain dedicated to providing fast and efficient service which meets the most idealistic concepts of public transportation, at realistic costs.

Again, we more than achieved our anticipated results. Again, we were able to maintain a growth in passenger revenue and to operate a financially sound and healthy network, despite an increase of costs—a word which undoubtedly has become as familiar to the cost-conscious housewife and the working man as it has to business generally.

We have kept our commitments in adding

new equipment. We have offered additional innovations for passenger convenience. There has been a continuing—and a strengthening—of the warm, friendly relations which has marked the District's association with its passengers and with its employees.

At the same time, it has been a year of many changes, as the period ahead will be. For while the practical knowledge of running a conscientious, efficient transportation system has given us a solid foundation, it also has intensified our conviction that we must look ahead to new ideas and further developments to better meet the needs of the communities served.

The Board of Directors already has made this possible by authorizing the staff to either reduce operating miles in recognition of seasonal changes and shifts in riding habits or to increase mileage on those lines which are experiencing growth.

This flexibility, which makes the best use of



AC Transit women operators explain to waiting passengers advantages of new 'Shop-a-Round' Pass introduced in downtown Oakland.



Bus operator in full formal attire and decorated bus enhance charter trip to garden show premier.

the corresponding flexibility of motor coach operations, has enabled the District to practice economies in the last 12 months through better utilization of equipment and manpower, while carrying forward a vital project of constant improvements.

Simply, we have proceeded with a carefully-studied plan of reducing non-productive miles and adding more productive service, "tailoring" operations to reduce unnecessary costs, while providing numerous extensions, better routings, new lines and more frequent and faster transportation, including additional express service.

At the same time, through close surveillance and improved maintenance practices, we were able to meet the added expense of wage increases, the costs of service improvements, the commitment of adding another 30 new buses to the District's fleet, bond debt requirements, and ultimately ending the year with total expenses less than originally projected at the beginning of the fiscal period.

We can be pleased, that in a time of booming costs and in the face of a nation-wide decrease in the use of transit, we have maintained a steady, improving service, on a stable financial basis.

We have financed all capital items within the concept established at the beginning of the fiscal year, living within the current tax rate of 12.5 cents per \$100 of assessed valuation... an accomplishment we intend to match in the new fiscal period.

Our efforts to further streamline AC Transit

service will continue and exhaustive studies will be developed which may well have great impact in the future.

Fares, general patterns of service and many other familiar concepts of transportation have continued, decade after decade, in almost blind reliance on inherited procedures, dating back in some instances to the days when horses provided "oat burning" transit. We believe accumulation of reliable data concerning basic passenger needs is essential to intelligent direction of operation. Such data must be developed slowly and with extreme care, since its results will be far reaching. But only with comprehensive study and evaluation can we plan efficiently and effectively, furnishing the kind of public transportation which operates where it's needed and which will firmly attract—and serve—more riders.

PASSENGER REVENUE

Although the District's growth tapered off slightly during the year, improvements and a stepped-up promotion program continued to keep the financial picture on the bright side.

Passenger and charter revenue totaled \$13,072,444, an increase of \$446,465 or 3.5 per cent over the 1962-63 fiscal year and higher than original engineering projections.

On our East Bay lines, revenue tallied \$7,796,162, as compared to \$7,692,917 for the year before, an increase of 1.34 per cent. Transbay operations showed revenue of \$4,928,728,

an increase of 4.87 per cent over the previous year. Of the East Bay total, express service accounted for \$553,505 in revenue, while Sunday and holiday pass sales added \$41,266.

During the past year, we carried 52,721,215 passengers, a growth of nearly two per cent. Nationwide, patronage declined an average of 2.06 per cent.

Transbay commute travel has continued to grow, with 11,032,874 riders carried on transbay buses during the year, a boost of 3.0 per cent. Commute book sales, which have shown a steady increase, were up 3.9 per cent over the previous fiscal year.

Two special revenue achievements were added to District records in February, with some of the credit going to Leap Year and favorable weather.

For the first time in 11 years, total passenger revenue hit the million dollar mark for the particular month of February—\$1,022,100—an increase of 7.5 per cent over February, 1963.

Riders using one of the District's new inter-city express lines, Line 38-Bancroft Ave., also topped records with revenue increasing 84.7 per cent during its first seven weeks of operation.

MAJOR IMPROVEMENTS

Success of limited-stop service was factually confirmed when the first quarterly report for the new fiscal year showed express lines had increased 14.8 per cent in revenue over the same period in 1962 and 40.6 per cent over an identical period in 1961.

Along with inauguration of commuter Line 38, to serve an area of East Oakland and San Leandro that was without fast, limited stop

transit, the District proceeded with a number of projects to cut traveling time throughout the area served.

The first freeway commute express service between downtown Oakland and Richmond was inaugurated with Line 31. Also serving Albany and El Cerrito, it cut previous traveling time in half.

Extension of Line 33-Berkeley express from its Berkeley terminal into Albany, El Cerrito and Richmond provided the first direct transit between the downtown areas of the four cities.

Extension of Line 34-MacArthur Express from its terminal on MacArthur at 76th Ave. to Estu-dillo Ave. in San Leandro during peak hours also provided direct service for additional commuters.

By rerouting some schedules of the Line 34 Express and the Line N Express to the new extension of MacArthur Freeway, traveling time was cut again for many travelers to downtown Oakland and San Francisco.

First direct transbay service for commuters in the Park Blvd. and Glenview area of Oakland was provided by inauguration of Line V peak-hour express buses, which make use of Park Blvd. and the MacArthur Freeway to slash 10 minutes from previous riding time to the Montclair and Crestmont residential areas.

New, direct commute service also was inaugurated for Piedmont and the Oakland Ave. area with the Line C-Highland Express.

Increased transbay express service for commuters between El Sobrante and San Francisco was provided by improvements to Line L-Richmond Express, which at the same time, furnished better service for Richmond patrons using the line to and from San Francisco.

Along with additional express service, the Dis-

MAJOR EXPENSES AND REQUIREMENTS

	1963-64		1962-63	
	AMOUNT	PERCENT	AMOUNT	PERCENT
Salaries, Wages and Fringe Benefits	\$9,928,755	66.02	\$9,453,780	65.30
Bond Principal and Interest	1,201,974	8.00	1,214,218	8.39
Taxes and Tolls	953,829	6.34	925,381	6.39
Provisions for Equipment Renewal	936,036	6.22	892,963	6.17
Claims	299,059	1.99	274,930	1.91
Fuel and Oil	469,660	3.13	455,815	3.15
Materials and Supplies	513,846	3.42	523,658	3.62
Tires and Tubes	192,495	1.28	178,668	1.23
Insurance	175,155	1.16	162,703	1.12
Public Information and Advertising	126,184	.84	121,901	.84
Miscellaneous	241,305	1.60	272,701	1.88



Drivers sharpen their skills to compete in new 'Bus-o-Rama' contest, wheeling through an obstacle course of 41 simulated driving problems.

Champion drivers among 350 operators competing in 'Bus-o-Rama' contest receive trophies.



trict inaugurated two new lines, both of special benefit to college students. Line 91A furnishes week-day transportation between downtown Hayward and the California State College in Hayward, while Line 51C provides peak-hour service between University Village in Albany and the Berkeley campus of University of California.

By extending service on a number of lines, the District was able to bring, in many cases, the first public transportation to additional areas of the district.

One of these was the U. S. Coast Guard Station on Government Island, which received its first public bus service through extension of certain schedules on Line A—a boon to working personnel and to recruits, who now are able to leave the island for week-end liberty.

Improved service similarly was provided in a number of other areas, through line extensions, frequency changes, rerouting, and in some cases, by consolidation of existing routes to provide a better pattern of operation.

Increased use of freeways and conversion of decks on the San Francisco-Oakland Bay Bridge to one-way traffic, along with stepped-up express service, also have combined to give commuters the fastest transbay service in history. Alameda commuters, for example, can now board Line O buses at Park St. and Santa Clara Ave. and reach San Francisco in 24 minutes—11 to 18 minutes faster than the train and ferry service of a quarter of a century ago.

By the end of the fiscal year, the District had increased its total local mileage from 15,577,203 to 15,725,037, a boost of .95 per cent. Transbay mileage had grown 4.13 per cent, from 6,901,584

to 7,186,401 annual miles. In all, the District operated 22,911,438 miles of scheduled service during the year.

NEW EQUIPMENT

Again, we can announce with satisfaction that we have added another 30 new motor coaches, bringing the total of new buses in service to 310—approximately half of the District's total fleet of 639 coaches.

As a result of a study into latest developments, the District was able to offer its passengers more comfortable seats and an easier operating rear-door exit with the new coaches. The \$823,000 order of new buses included both 53-passenger and 45-passenger buses, with half assigned for use on neighborhood lines and the rest designated to supplement other East Bay service.

With the new arrivals, the District was able to retire the last of the gasoline-powered 36-passenger "1300" series from neighborhood lines, moving the project of modern, all-diesel equipment that much closer to completion.

Withdrawal of the 16 smaller gas buses left only 28 gasoline-model "Macks" still in service, and their retirement was in sight as the District took advantage of a money-saving option in April to place an order for another 30 new buses, which will bring the fleet of "Transit Liners" to a total of 340.

It might be added that while the State of California was proceeding with freeway construction which ultimately speeds bus transit, cities also were making efforts to solve problems

It's coffee and doughnuts on the house for Richmond division drivers who topped safety goal record four months in a row.



which have the effect of aiding motor coach movement.

One of these was the "miracle which came to Washington St."—the turning of one of Oakland's main downtown thoroughfares into the attractive, landscaped Washington Street Mall, with special turnouts for coach stops, allowing buses to travel and stop unhampered by traffic congestion.

INNOVATIONS

A novel "Shop-A-Round" pass, which offers more advantages than the usual "shopper's shuttle"—and at virtually no cost to the district—was introduced in the downtown Oakland area early in March with promising results.

During a four-month experimental period, 29,726 passes were sold, proving its value as a customer service. The Board of Directors has voted to continue the pass and studies are under way concerning its extension to other cities.

The pass makes use of existing service to offer the equivalent of unlimited free riding on all buses in the designated central Oakland business district between 9 a.m. and 3 p.m., Monday through Saturday. Sold for a regular fare on any bus in the central business district, the pass also provides free transportation home before the 3 p.m. deadline—a bargain for the rider and a new concept in costless convenience that has proven of special interest to the transit industry nationally.

Plans also were under way to welcome new residents to AC Transit's network of transportation with the distribution of special free round-trip bus tickets. The program calls for initial distribution in Berkeley, Albany, El Cerrito, and Kensington by the California Hospitality Service. Discussions also are under way to distribute tickets in San Leandro through cooperation of Newcomer Greeting Service.

Success of the Sunday and holiday excursion pass, which allows riders to travel at will on any line in the East Bay for 60 cents, continued to grow, with sales passing the 100,000 mark in March. During the fiscal year, the pass added \$41,300 to district revenue—another experiment which has paid off in revenue value and popular appeal.

The "Park-n-Ride" center in Berkeley, established as a passenger service, continued to attract additional riders, leading to plans to establish a similar center near downtown San Leandro as an initial project in the new fiscal year.

PASSENGERS • REVENUE • MILEAGE

	1963-64	1962-63	% CHANGE
REVENUE PASSENGERS			
East Bay . .	41,688,341	40,999,107	+ 1.68
Transbay . .	11,032,874	10,711,048	+ 3.00
PASSENGER REVENUE			
East Bay . .	\$ 7,898,006	\$ 7,791,556	+ 1.37
Transbay . .	\$ 4,826,884	\$ 4,601,091	+ 4.91
Charter . .	\$ 347,554	\$ 233,332	+48.95
VEHICLE MILES			
East Bay . .	15,725,037	15,577,203	+ .95
Transbay . .	7,186,401	6,901,584	+ 4.13



Greatest achievement in safety improvement of any U.S. transit system serving urban population of 1,000,000 or more persons is recognized by award.



The district also was proceeding with erection of passenger shelters at main transfer points, after directors authorized the building of open structures at Davis St. and Douglas Dr. in San Leandro, Fargo St. and Washington Ave. in Washington Manor, and at a suitable location in Hayward.

For the first time in the memory of East Bay residents, the transportation system took official notice of the yuletide season and transformed a bus into a decorated "Christmas package." The gift-wrapped coach served as a "Candy Cane Express," taking part in special activities at business centers and operating in regular service on major trunk lines. The district even supplied "St. Nick"—Nicholas P. Alevizos, superintendent of the Richmond division, and a veteran "Santa Claus" for over 30 years, who accompanied the coach to shopping districts to pass out candy canes.

Bus drivers had the challenge of sharpening their skills—and the District made an added investment in safety—in a unique "Bus-O-Rama" contest to select the "Driver of the Year."

Approximately 350 drivers competed in the contest, which was designed to demonstrate their ability to wheel through a series of simulated driving problems encountered in regular work. The winner was named "Driver of the Year," with appropriate trophies awarded to the top three contestants. A large perpetual trophy was awarded to the home division of the winner.

The "Bus-O-Rama" climaxed a year marked by a number of safety improvements. A driver refresher course was conducted, with small groups of operators receiving retraining in classes and on-the-scene practice. "Man to man" instruction on safe working methods to prevent on-the-job accidents was undertaken, with both operators and mechanics receiving individual instruction on procedures to avoid needless mishaps.

The District also conducted safety classes and gave bus riding demonstrations at seven East Bay schools, as a means of instructing primary grade children and those with mental or physical handicaps on the safe way to ride a bus—a program which we plan to continue.

For second year in a row, AC Transit's excellent maintenance performance wins highest recognition of the transit industry.



Mechanic changes oil filter in diesel engine at rear of bus as part of 5,000-mile preventative maintenance check-up.

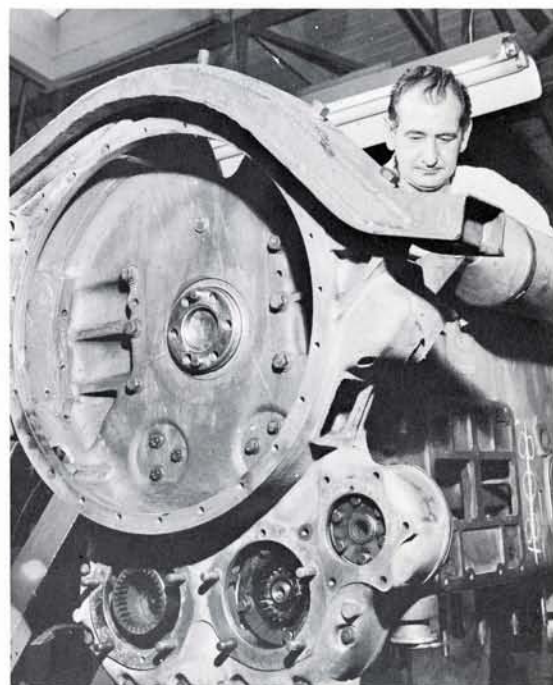
Standing in maintenance shop pit, mechanic inspects diesel engine of AC Transit bus as part of regular 200,000-mile overhaul.



Engine parts receive thorough steam cleaning before they are reassembled during major bus overhaul.



Large drill press bores through pieces of metal to be used in replacing worn or damaged sections on bus chassis.



During major overhaul, mechanic replaces parts as needed and rebuilds engine for another 600,000 miles of transit service.



Each AC Transit bus undergoes a nightly scrubbing: floors are swept and windows, bulkheads and seats are washed as part of strict cleanliness program.



Water splashes high while bus moves through revolving brushes in wash rack at Emeryville division. Buses get their faces washed every other night.

SAFETY

Although AC Transit was operating more miles at a faster pace, its passengers were getting their safest ride, according to safety figures.

During the calendar year of 1963, traffic accident frequency was reduced 9.2 per cent, passenger accident frequency was reduced 18.8 per cent, and the number of miles operated per accident increased an encouraging 14.2 per cent—a record which led to national recognition when the District was awarded a special citation by the American Transit Association for the greatest achievement in safety improvement of any U.S. transit operation serving an urban population of 1,000,000 or more persons.

For the second year in a row, AC Transit's excellent maintenance performance also resulted in the highest recognition in the industry—the Fleet Owner Maintenance Efficiency Award for 1963.

The maintenance department was operating with balanced efficiency, achieving levels of

maintenance which reflect good practice, while reducing costs. Unit repair work previously handled at Richmond and Seminary divisions was consolidated with the work of the general unit room at the Emeryville division, with more effective use and saving of manpower. Addition of a small building section to the general unit room also resulted in better supervision, while the making of a new tool for testing of injectors resulted in increased mileage on some equipment—keeping a margin of manpower according to total miles operated.

ACCOUNTING

Selective employment of data processing equipment, prior to a computer system, added to efficiency of accounting methods and procedures in the treasurer-controller's department, stepping up preparation of statements and ac-

cumulation of statistical material, as well as cost analysis and control. Through elimination of time-consuming hand operations, more accurate and rapid development of information needs was being met, with more effective use of personnel.

CLAIMS

Claim department statistics showed a total of 3,352 accidents and occurrences during the year, with costs for bodily injury accidents totaling \$196,299, while property damage accidents reached \$30,557. Damage to district property, mainly buses, amounted to \$34,747. Claims paid in the fiscal year amounted to 1.735 per cent of total operating revenue.

WAGES

Automatic wage increases boosted checks of approximately 1400 employees in December and January, with some 950 bus operators receiving an additional 10 cents an hour for a new hourly rate of \$2.91. Other union employees got the same 10 cents per hour increase, except for mechanics, dispatchers and parts clerks, who received a hike of 15 cents an hour. Some 175 supervisory personnel and non-union office employees had their wages raised 3.56 per cent.

During the year, 383 of the District's workers availed themselves of a payroll deduction program to purchase United States savings bonds with a maturity value of \$187,550.

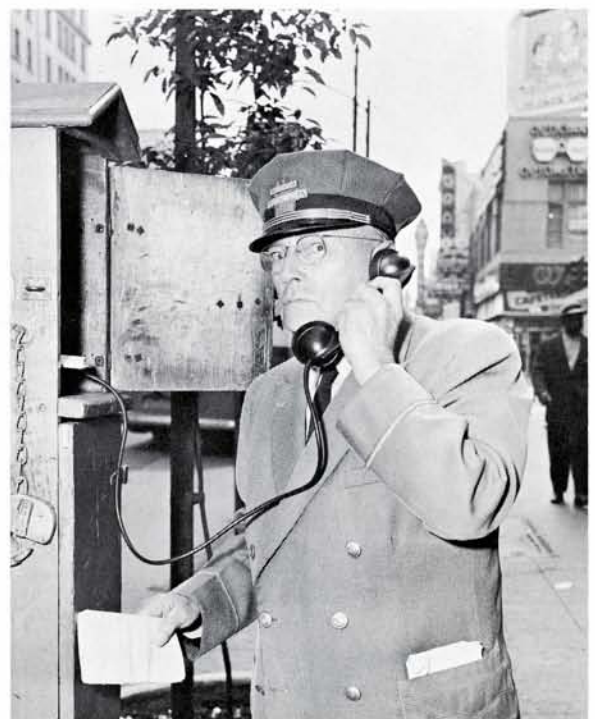
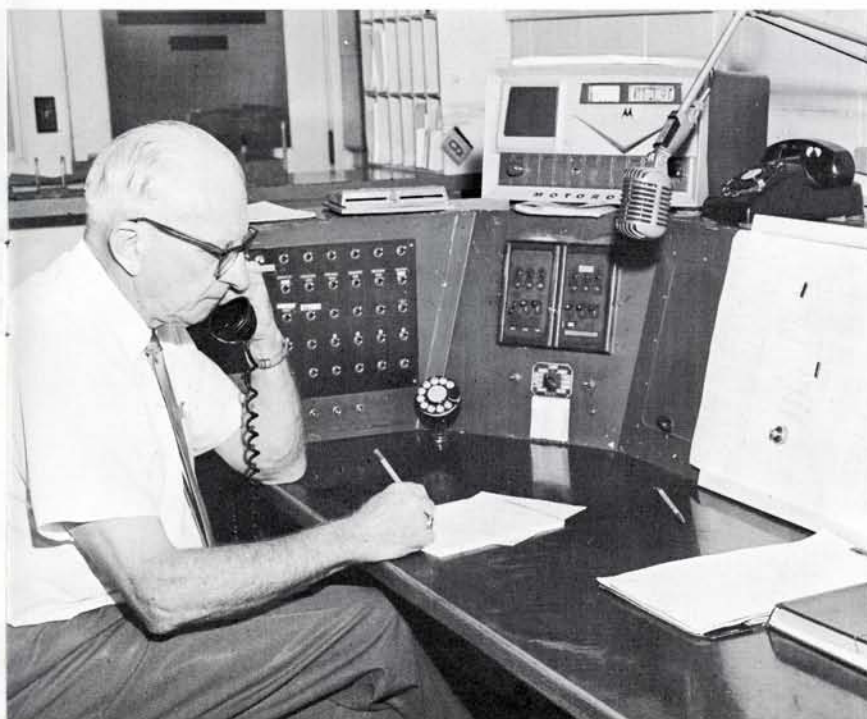
RELATIONS WITH PEOPLE

Informative and pleasant relations with residents have continued to thrive, as the district made full use of all sources to keep its citizens fully aware of service changes and innovations. To maintain this important relationship—the District's most vital asset—special attention was given to ways of adding "fun" to bus riding, making motor coach transportation an adventure as well as a means of traveling comfortably, easily and economically from one point to another.

A different idea in "bus excursions" was introduced for Springtime use, a specially prepared tour of the Berkeley hills, designed to use regular service and to boost midday riding. The "adventure" was detailed in an illustrated booklet given free to the public, suggesting a bus trip to discover East Bay roses, gardens, and hill-top vistas.

A new issue of "Sunshine Trails" also was prepared, taking a different and enlarged form to encourage residents and tourists to go exploring by bus to every part of the district. The free pamphlet included 40 pages devoted to illus-

Central Dispatch keeps buses moving. With aid of radio and special telephone networks, calls send supervisors wherever assistance is needed in 1220-mile transit system.





More than 2,000 calls a day for bus information are funneled into Transit Information Center where specialized telephonic equipment efficiently distributes calls to attendants.



Spiderweb of wires forms a major part of new automatic system which provides faster service for information callers.

trated excursions which could be made by bus and was attracting wide and enthusiastic attention.

To stimulate and revive pride in the East Bay's momentous transportation history, of which it now has become a part, the District spearheaded a month-long celebration marking the 100th anniversary of the start of the first train-ferry service on September 2, 1863.

With the aid of transit historical groups and the Oakland Chamber of Commerce, the event was noted by newspapers, radio and television stations as the beginning of the first transbay commute and the hub of a local and transcontinental system which sped the progress of the entire Bay area.

An exhibit of rare transportation material, largest and we believe most outstanding ever assembled in this area, was displayed in the windows of a downtown store to illustrate the change from sailing ships and horse cars to the transit of today—and tomorrow.

The District's historical booklet first issued in October, 1960, when the East Bay crossed into the era of its first publicly-owned transportation system, was updated and re-issued, to further commemorate the centennial.

A civic luncheon, one of the highlights of the commemoration, also capped a special anniversary for AC Transit—its own third birthday of actual operation. The luncheon, which gathered top civic leaders as well as men outstanding in

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

For Year Ended June 30, 1964

FUNDS WERE PROVIDED BY THE FOLLOWING:

Net income for period	\$821,881	
Add charges not requiring the outlay of cash:		
Depreciation and Amortization of fixed assets	936,036	
Excess of amortization of prepaid insurance over renewal premiums	23,220	
Amortization of other miscellaneous prepaid items	8,925	
Sales and salvage of fixed assets	21,723	
Workmen's Compensation Insurance Dividend	33,938	
Total Funds Provided		\$1,845,723

FUNDS WERE APPLIED TO THE FOLLOWING:

Bond redemptions	\$625,000	
Purchase of 30 new buses	823,282	
Purchase of new radio equipment	21,148	
Purchase of other capital assets	11,913	
Total Funds Applied		1,481,343
NET INCREASE IN WORKING CAPITAL		\$ 364,380

the transportation field—past and present—was preceded by a transit parade, which further showed the progress from horse car to today's streamlined motor coach.

Another date important to the growth of this area, the 60th anniversary of the start of "Key Route" service on October 26, 1903, was observed by the District as a forerunner of today's bus network—another nostalgic link to be preserved and remembered.

In contrast, the District offered its patrons the most advanced improvements through installation of an automatic call distributing system, first of its kind in northern California and only the second in the State. The new telephone system allows 2,000,000 residents in a 285 square mile area to make toll-free calls direct to Transit Information, where some 2,000 calls a day are automatically distributed and "stacked," adding to speed and efficiency.

The District distributed more pocket timetables during the year than ever before, giving the "time of day" to bus riders at the rate of more than 1,500,000 timetables a year.

FINANCES

We begin the new fiscal year with a determination that has not faltered since the District came into being.

Although we recognize that we have enjoyed an enviable role as one of the few major transport properties to enjoy financially sound growth,

we also are aware that costs are increasing faster than revenue and it is only by careful management that we can continue an improvement program without an increase in property taxes or transit fares.

We have closely estimated our costs and revenue, as well as probable conditions to be faced, and have adopted a "break even" budget for the new year which projects increasingly better service, while holding the line on taxes.

We intend to provide for acquisition of additional new buses, wage increases authorized for more than three per cent, innovations aimed at attracting new passengers and increasing revenue. As we continue our progress, we also intend to stay "in the black" by keeping a careful eye on costs, by employing techniques to increase efficiency on all levels, by "watching the store" as closely as any individual in personal business.

With the advantage of past experience, we now can plan even more carefully to meet increasing operating expenses. By doing a better job, and a far-thinking job, we expect to maintain our top position, carrying more riders than ever and giving our booming population the "best ride at any price."

This can only be accomplished, as it has in the past, through the dedicated efforts of the men and women of the district, who work enthusiastically and wholeheartedly for the success of the transportation system. And it is to our employees and to all citizens of the East Bay that the District does, in fact, owe its success—and its gratitude.

ADMINISTRATION

KENNETH F. HENSEL
General Manager

HOWARD D. BEEBE
Purchases and Stores Manager

ALAN L. BINGHAM
Public Information Manager

MELVIN C. CHAPMAN
Claims Manager

E. SAM DAVIS
*Director of Research
and Planning*

HAROLD M. DAVIS
*Executive Assistant to the
General Manager*

JOHN F. LARSON
Treasurer-Controller

ROBERT E. NISBET
Attorney

DONALD J. POTTER
Transportation Manager

WARREN E. ROBINSON
Superintendent of Schedules

GEORGE M. TAYLOR
District Secretary

EVERETT A. TOWERS
*General Superintendent,
Maintenance*

GORDON G. WADSWORTH
Safety Engineer

H. D. WHITE
*Operations Assistant to the
General Manager*

ALAMEDA-CONTRA COSTA TRANSIT DISTRICT
Special Transit Service District No. 1

EXHIBIT A

COMPARATIVE BALANCE

ASSETS

	1964		1963	
CURRENT ASSETS:				
Cash:				
On hand and in commercial accounts	\$ 585,032		\$ 556,668	
Time deposits (of which \$500,000 is provided for self-insured claims settlements)	<u>2,014,223</u>	\$ 2,599,255	<u>1,595,358</u>	\$ 2,152,026
Accounts and accruals receivable		116,532		110,552
Investment in U. S. Treasury obligations, at amortized cost which approximates market value		311,555		315,111
Prepaid expense:				
Materials and supplies	\$ 195,727		\$ 200,751	
Insurance and other	<u>86,306</u>	282,033	<u>119,482</u>	320,233
Total current assets		<u>\$ 3,309,375</u>		<u>\$ 2,897,922</u>
PROPERTY, PLANT AND EQUIPMENT—AT COST:				
Property and equipment acquired October 1, 1960—Note 1	\$ 7,507,575		\$ 7,516,559	
Less accumulated amortization	<u>1,247,370</u>	\$ 6,260,205	<u>925,712</u>	\$ 6,590,847
Other property and equipment:				
Motor coaches	\$ 9,330,932		\$ 8,507,051	
Parts, service cars, shop and miscellaneous equipment	120,028		92,342	
Office furniture and equipment	33,190		28,414	
Subtotal	<u>\$ 9,484,150</u>		<u>\$ 8,627,807</u>	
Less accumulated depreciation	<u>1,931,408</u>	7,552,742	<u>1,305,320</u>	7,322,487
Total property, plant and equipment—net		<u>\$13,812,947</u>		<u>\$13,913,334</u>
Total assets		<u><u>\$17,122,322</u></u>		<u><u>\$16,811,256</u></u>

The accompanying notes are an integral part of this statement.

LIABILITIES AND ACCUMULATED NET REVENUE

	1964	1963
CURRENT LIABILITIES:		
Accounts payable	\$ 283,134	\$ 239,925
Salaries and wages payable	237,885	183,334
Payroll taxes collected and accrued	168,871	185,391
Accrued interest on general obligation bonds	183,296	195,796
Unredeemed tickets and tokens	83,198	74,035
Other current liabilities	14,637	12,293
Total current liabilities	\$ 971,021	\$ 890,774
GENERAL OBLIGATION BONDS—NOTE 2:		
Maturing within one year	\$ 650,000	\$ 625,000
Maturing after one year	<u>14,625,000</u> 15,275,000	<u>15,275,000</u> 15,900,000
ACCUMULATED NET REVENUE—EXHIBIT B:	<u>876,301</u>	<u>20,482</u>
Total liabilities and accumulated net revenue	<u>\$17,122,322</u>	<u>\$16,811,256</u>

EXHIBIT B

COMPARATIVE STATEMENT OF REVENUE, EXPENSE AND
ACCUMULATED NET INCOME

For the Years Ended June 30, 1964 and 1963

	1964	1963
REVENUE:		
Passenger	\$12,724,890	\$12,392,647
Charter	347,554	233,332
Advertising	88,439	89,553
Other operations	20,500	24,277
Total operating revenue	\$13,181,383	\$12,739,809
Proceeds from taxation (based on a secured tax rate of 12.5¢ per \$100 for 1964 and 2.9¢ for 1963)	1,980,926	478,504
Total revenue	\$15,162,309	\$13,218,313
EXPENSE:		
Maintenance of equipment, shops, garages, buildings and grounds	\$ 1,929,306	\$ 1,889,911
Transportation	8,157,597	7,810,873
San Francisco terminal and other station expense	67,101	64,048
Traffic solicitation and special service	108,071	114,112
Public information and advertising	145,303	143,770
Insurance and safety	587,754	545,304
Welfare and pensions	595,862	497,711
Administrative and general	624,737	645,674
Operating taxes and licenses	620,643	601,503
Operating rents	63,914	56,631
Total expense	\$12,900,288	\$12,369,537
Operating revenue before depreciation and amortization	\$ 2,262,021	\$ 848,776
DEPRECIATION AND AMORTIZATION		
Operating revenue or (loss)	\$ 1,325,985	\$ (44,187)
OTHER EXPENSE AND INCOME:		
Interest on bonded debt	\$ 556,138	\$ 593,388
Less interest earned and other income—net	52,034	66,475
Total other expense and income	\$ 504,104	\$ 526,913
NET REVENUE OR (EXPENSE)		
	\$ 821,881	\$ (571,100)
ACCUMULATED NET INCOME:		
Balance, beginning of year	20,482	280,705
Add: Refunds of prior years' workmen's compensation insurance premiums—Note 3.	33,938	38,657
Restoration of provision for public liability claims—Note 4	—	272,220
Balance, end of year	\$ 876,301	\$ 20,482

The accompanying notes are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

For the Years Ended June 30, 1964 and 1963

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 cost column in the schedule below allocates the purchase price in accordance with an engineering report rendered by Arthur C. Jenkins & Associates of San Francisco, California under date of January 10, 1961:

	Cost	Accumulated Amortization
Land	\$2,323,416	\$ —
Buildings and other structures	1,473,242	167,085
Motor coaches, parts and equipment	3,336,475	973,535
Service cars, shop and miscellaneous equipment	324,372	87,229
Office furniture and equipment	50,070	19,521
Totals	<u>\$7,507,575</u>	<u>\$1,247,370</u>

Except for land, 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 equipment acquired in the initial acquisition was sold or salvaged 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. These proceeds totalled \$95,350 as of June 30, 1964. During the current year the cost of land was reduced by \$8,984 representing the proceeds from sale of a small strip of land to the City of Richmond.

NOTE 2: 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.

NOTE 3: The District received several refunds of prior years' workmen's compensation premiums. A refund of \$33,938, representing a premium adjustment for the policy year ended October 1, 1962, was added to accumulated net revenue consistent with past practices. Refunds totalling \$37,729 were recorded as a reduction of the current year's insurance costs, representing in part a refund of premiums paid during the current year and in part adjustments to prior years' premiums based on favorable settlements of earlier claims made during the current year.

NOTE 4: 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. As of January 1, 1963 the District discontinued making provision for unsettled claims but began to charge claim settlements directly to operations.

NOTE 5: The Board of Directors has authorized purchase of thirty new motor coaches at a cost of approximately \$810,000 to be delivered by December 1964.

NOTE 6: 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.

LYBRAND, ROSS BROS. & MONTGOMERY
Certified Public Accountants
1330 Broadway
OAKLAND, CALIFORNIA 94612

August 14, 1964

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, 1964 and 1963 and the related statement of revenue, expense and accumulated net revenue for the years 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. We previously examined and reported upon the financial statements of the District for the year ended June 30, 1963.

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, 1964 and 1963, and the results of its operations for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

LYBRAND, ROSS BROS. & MONTGOMERY

ANNUAL REPORT

1963/1964



ALAMEDA-CONTRA COSTA TRANSIT DISTRICT
LATHAM SQUARE BUILDING • OAKLAND, CALIFORNIA 94612

THE COVER—The City of Berkeley, vital, thriving, world-famous, is the third East Bay community in alphabetical order to be featured in AC Transit annual reports for contribution to progress of the transit district. Berkeley is a city of many parts, each with its contribution, independence and personality, welded together by a network of bus transportation. Heart of the city is the University of California, largest in the world, center of academic excellence which has given Berkeley an international background, as well as international fame. While the California Radiation Laboratory pioneered research for the atomic age, individuals in all fields, as well as private manufacturers, similarly have contributed to the city's status. Over 300 industries have added to a healthy economy; varied business centers offer unlimited services to the city's 117,000 residents and to neighboring populations. Berkeley today is a gem of the East Bay—colorful and beautiful, with hill-top views, hill-hanging houses, tree-lined streets; a cosmopolitan and zestful city where residents, students and visitors find living interesting—and fun.