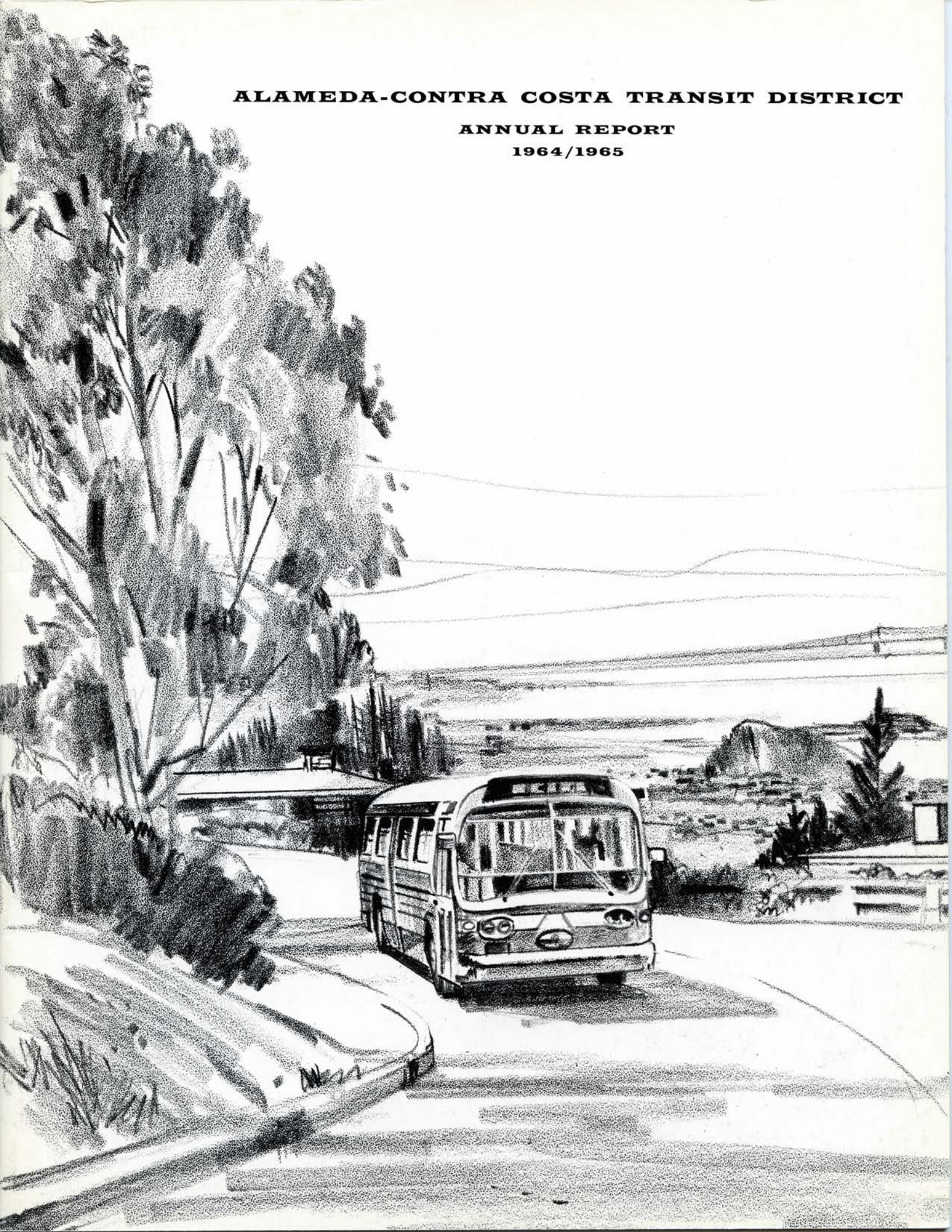


ALAMEDA-CONTRA COSTA TRANSIT DISTRICT
ANNUAL REPORT
1964/1965





BOARD OF DIRECTORS

Left to Right Above:

WILLIAM H. COBURN, JR., *President*

JOHN L. McDONNELL, *Vice President*

WILLIAM E. BERK

WILLIAM J. BETTENCOURT

ROBERT M. COPELAND

RAY H. RINEHART

E. GUY WARREN

TO CITIZENS OF THE TRANSIT DISTRICT

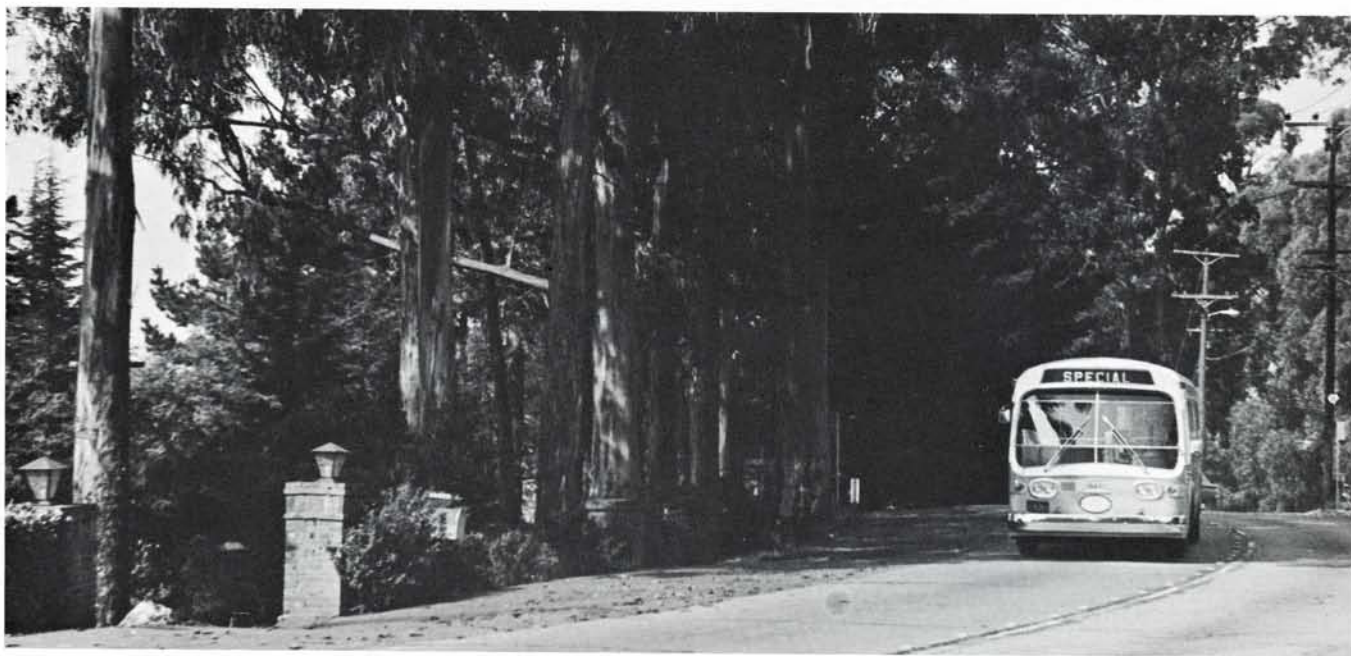
Having our commitment to provide effective, economical and popular service firmly established, the Alameda-Contra Costa Transit District embarked during the past year into long-range concepts and plans. They are expected to give you, as taxpayers and passengers, a quality of transportation unmatched in the nation.

We realize fully that a period of change is upon us. Costs are rising. Population and business centers are changing. We must successfully adjust to these changes – and continue our battle with transit's major competitor, the family car.

At the same time, we must look ahead to the future and the coordinating of existing facilities with the coming rapid transit network, planning a system that will best serve all riders.

In partnership with the federal government, we have started upon studies to develop a long range pattern of transit for millions of passengers in Alameda, Contra Costa and San Francisco counties.

The \$792,500 Northern California Transit Demonstration Project is well underway, established with the help of federal funds, to efficiently coordinate East Bay and San Francisco service with the San Francisco Bay Area Rapid Transit District.



AC Transit patrons, in the last month of the fiscal year, took a personal part in determining these transportation patterns by participating in an extensive transit survey, a study which will form a basis for work to be done in meshing district service with rapid transit.

We have taken a number of important steps—inaugurating new ideas to attract additional bus passengers, adapting routes to the realistic, ever changing desires and needs of our service area, speeding up service—concentrating on the convenience of mobile motor coach travel.

As it has in almost five years of operations, the district again fulfilled its program of improvements, adding to its fleet of new buses, streamlining its routes and extending its operation.

The district's project of equipping its basic bus fleet with a two-way radio communications system will be helped financially with a government grant. With a telephonic radio finger on the pulse of its buses, the district will be able to increase efficiency of operations, dispatching coaches where they are needed, when they are needed—of vital importance in day-by-day service and emergency situations.

Operating carefully and with experience that has allowed us to trim costs while improving service, we have finished the year within the boundaries of our estimated "break-even" budget. This experience enabled us to successfully match expansions with revenue, maintaining our dedication to faster and better service despite spiraling costs.

We intend to continue making the utmost use of the speed, convenience and mobility of bus transportation.

Bus travel IS easy. It IS low cost. It IS on many occasions far more convenient than personal driving and parking.

Nearly 53,000,000 riders were carried by AC Transit in the year past and we expect to boost that traveling family in the year ahead.

We will endeavor to go on bringing better service to the people and those areas where it is needed, patterning patronage to population requirements and traveling habits of the citizens.

BOARD OF DIRECTORS

William H. Coburn, Jr.

William H. Coburn, Jr.
President

Coordination of area transit facilities engages general managers of three agencies, and director of study project.



Operator makes test call with two-way radio to check effectiveness of planned communication network.



Aboard the 5:05 Express.

REVIEW OF OPERATIONS

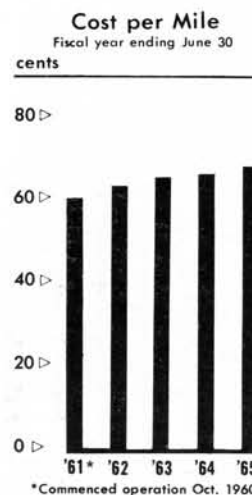
This past year may well be the period in which "mobility" has become our most notable attribute—not only in operation of the bus network, but in our total planning and activity.

Versatility and experience have been put to their utmost use to meet and surmount changes and to advance firmly into progressive and visionary transit. We can report we have continued to improve and extend service. We have added new equipment and tried new methods of bringing additional riders into our growing, traveling family.

We are well aware that the battle of zooming costs grows stronger and continues to mount, in the transit industry nationally, as well as on the home front. To maintain our operating position on the black side of the ledger required extreme care—including a dedication by all employees to excellent maintenance practices and safety procedures which reflect in cost reduction.

We realize fully that effective movement of an increasing number of riders is necessary and will involve different approaches, which must be considered, detailed and planned before the future becomes the present. We are well into this planning and on a tremendously expanded level, cooperating with other transit agencies, and with the financial assistance of the United States Government.

Financial grants by the U.S. Housing and Home Finance Agency have cleared the way for projects which are expected to alter the format of transportation and move it further into fields where we can more successfully compete with the automobile.





Last of gasoline buses retires. Right, shopping pass gets peppy San Leandro welcome.



From these projects will come answers to common questions:

- How will rapid transit affect the operations of Alameda-Contra Costa Transit District?
- How can we make the best possible use of our motor coach mobility, keeping our fleet modernized up-to-the-second on passenger needs, and offering emergency services if necessary?

To work out a practical and responsible method of coordinating AC Transit facilities and those of the San Francisco Public Utilities Commission with the San Francisco Bay Area Rapid Transit District, a year-long, \$792,500 study was begun in April.

Cost of the study is being paid by the three local transit operations and by the federal government. This study, the Northern California Transit Demonstration Project, has as its major goals the planning of local routings to "feed" passengers to rapid transit stops, the setting up of fare and transfer structures and the expedient handling of transferring passengers.

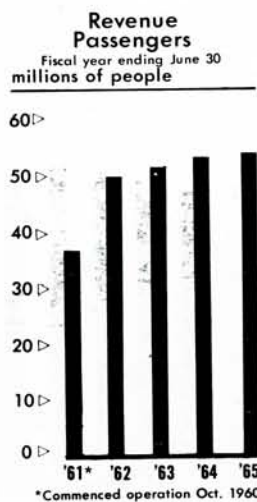
The project wheeled into high gear with the most extensive transit survey in area history, made on all district buses during June, to determine transportation patterns. Passengers, by answering questions on point of origin, destination and modes of travel, provided information which will be significant in future planning.

Directors of this district, meanwhile, indicated their intention to operate free-way bus service between East Bay cities and San Francisco after inauguration of transbay rapid rail transit, believing there are areas where bus service will provide faster, more direct and more convenient service than fixed routes of the rail system.

Coordinated feeder bus service and continued transbay bus service, however, are future projects. At present is the need to attract additional riders, to boost revenue to the healthy level where improvements can continue in service and equipment, while the district meets its costs and its bond debt requirements.

In planning for a new concept of faster, more direct and expanded public transportation, we again have "looked ahead" into the advantages of equipping our basic fleet of buses with two-way radios, giving them a "voice" which will speed up service and expand the ease of motor coach operation.

To help pioneer development of a two-way bus radio communication system, the district successfully applied to the U.S. Housing and Home Finance Agency for



a capital grant. Governmental go-ahead on the project was given with approval of a maximum \$179,333 grant, and the district now is well along with designs and technical procedures. Initially, the grant will be limited to an estimated \$134,500—half of the project cost of \$269,000—with the district supplying matching funds. Additional funds, to the maximum amount, are anticipated, however, after other planning agencies determine the status of areawide land use and transportation coordination.

With the two-way radio system, dispatchers will know location of each equipped bus and be able to switch routings or operations, according to needs, including those which will be involved in rapid transit feeder bus service. At the same time, the radio network is expected to deter hold-ups and disturbances and, we most sincerely hope, prevent a recurrence of our first major tragedy—the fatal shooting of veteran driver Perseus Copeland during an attempted robbery.

Making use of the current flexibility of our network, we have gained an unusual victory in a year which has been a difficult one for business on all levels. We believe we have turned out a better product of public transportation at no increase in fares or taxes, by curtailing expenses to help meet rising costs.

We have continued a line-by-line check of service, changing, extending or, in some cases, shifting routes to provide the best possible bus transit for a greater number of riders, meeting population changes and anticipating growth to come.

Service improvements, equipment purchases, bond debt requirements and other expenditures were kept within the lines of a “break-even” budget which also included wage increases of almost four percent for nearly 1500 employees.

Although we rank as one of the nation’s foremost transit properties for general growth, in contrast to a general decrease in riding, it is obvious that AC Transit must find new ways to increase its revenue, new services to attract riders and still additional methods of tailoring expenses to keep operations on a stable financial basis.

We intend to keep growing—soundly and realistically, by taking people where they want to go, in the simplest, most comfortable and most economical way attainable.

REVENUE HIGHLIGHTS

As projected, the district had a uniform year, with passenger revenue and the number of passengers carried showing a slight increase over the previous fiscal period.

Passenger and charter revenue totaled \$13,184,778, an increase of \$112,334 or 0.9 percent over the 1963-64 fiscal year. Operating expenses reached \$13,320,498, up \$420,210 or 3 percent.

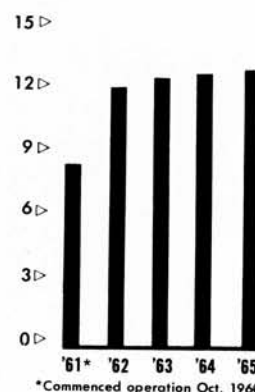
Bond debt services and provision for capital equipment renewal and additions totaled \$2,177,447 and were covered by tax proceeds of \$2,234,140, based on 12.5 cents per \$100 of assessed valuation. After all bills were paid, the district ended the year with \$99,886 netted from revenue and taxes.

On East Bay lines, revenue tallied \$7,630,234, down 2.13 percent. Transbay operations showed revenue of \$5,140,398, up 4.29 percent.

Charter operations reached \$414,146, an increase of 19.16 percent over the year before. The competitive pricing of charter service and the pleasant efficiency of drivers and other workers, were main factors for growth—along with greater public knowledge of how easy it is for groups—and schools in particular—to charter a bus.

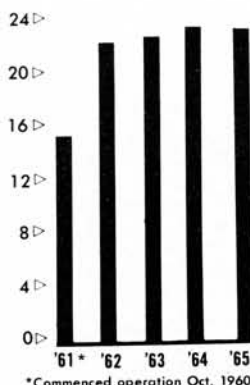
The district carried 40,866,800 passengers on local lines, a decline of 1.97 percent, but transbay travel continued to grow, with 12,047,000 carried during the year, a hike of 9.19 percent. With 361,500 charter passengers, the district’s total number of riders reached 53,275,300, up .44 percent as compared to the year before.

Passenger Revenue
Fiscal year ending June 30
millions of dollars



Instructor shows student driver proper method of fare collection.

Vehicle Miles
Fiscal year ending June 30
millions of miles



Commute book sales amounted to \$2,113,700, an increase of 3.34 percent over sales of \$2,045,400 for the previous period.

The biggest growth in East Bay service occurred on the intercity express lines. Revenue from the seven lines totaled \$621,500, some \$68,000 or 12.28 percent more than the amount dropped in fare boxes a year ago. Number of passengers using the limited-stop service also continued to boom, with 3,244,000 riders taking advantage of fast and direct transportation—a 14.51 percent boost over revenue passengers of the 1963-64 fiscal year.

The district operated 22,655,432 miles of service on East Bay and transbay lines, a decrease of 1.12 percent.

Several records were broken during the year.

The intercity express service hit its most profitable day in March, taking in \$2,757.36, highest daily revenue since the limited stop system was inaugurated in March, 1961.

In December, riders ignored the weather to give the district its top day, with \$47,337.55 jingling into the fare boxes. This record fell in May when fares jumped to \$47,706—best day yet.

In March, a record number of passengers gave the district its highest passenger count for a single month, with 4,892,000 revenue riders using the buses.

Sunday passes sold on June 27 totaled 1628—another new high.

DEVELOPMENTS IN SERVICE

Virtually every area in the district currently is served by the most thorough network of public transportation in East Bay history.

With many local and transbay lines speeded up and extended, concentration more recently has been given to adjusting the transit system to make the maximum use of labor and equipment in providing the best possible service for the largest number of residents.

Scheduling, research and planning have centered on two principal projects:

- Extension and rerouting of service to meet the potential of new patronage.
- Realignment of routes to discard inherited service patterns that no longer attract an adequate number of riders.

Twenty-five lines in all were partially rerouted during the year.

This line-by-line consideration has made it possible to offer better service coverage while at the same time achieving a slight reduction in service mileage. Thirty-two additional peak hour trips, for example, were added during the past year, 21 on transbay lines and 11 on local and express lines, with an increase of only seven coaches.

Opening of sections of the MacArthur Freeway and of the new turn-off to the Webster St. tube to Alameda shaved travel time for a number of riders. In the MacArthur area particularly, service has been speeded up, rerouted and extended, to bring bus transportation to new areas and provide coverage to districts divided by the freeway.

Alameda commuters not only had faster service, but a new branch of the transbay commuter line W was inaugurated to better serve the South Shore area.

Another new commute route was put into operation between the Simmon's mattress factory in San Leandro and San Francisco.

Service improvements included expansion of alternate trips on the transbay 12th St. line (A) around Lakeshore Ave. to Grand Ave. and MacArthur Blvd., to give the

Second Bus-O-Rama picks top drivers of year, from left: Clifford Gregg, first; Verne A. Pratt, second; Robert E. Peacock, third place winner.



PASSENGERS • REVENUE • MILEAGE

	1964-65	1963-64	% CHANGE
REVENUE PASSENGERS			
East Bay . .	40,866,812	41,688,341	- 1.97
Transbay . .	12,046,962	11,032,874	+ 9.19
PASSENGER REVENUE			
East Bay . .	\$ 7,630,234	\$ 7,898,006	- 3.39
Transbay . .	5,140,398	4,826,884	+ 6.50
Charter . .	414,146	347,554	+19.16
VEHICLE MILES			
East Bay . .	15,112,781	15,725,037	- 3.89
Transbay . .	7,542,651	7,186,401	+ 4.96



San Leandro passenger shelter "christened" with coffee and doughnuts.

neighborhood east of Lake Merritt its first, direct, fast link with downtown Oakland, along with additional transbay transportation.

The outer terminal of the Brookdale Ave. line (14) was extended via School St., Coolidge Ave. to Brookdale Ave. to serve a larger area and provide transit for a residential area cut off by the MacArthur Freeway.

Improved bus transportation in Leona Heights was provided through extension of the High St. line (79) to a new terminal at Mountain Blvd. and Knoll Ave. The Alameda end of the line was rerouted during midday hours to provide direct service from Fernside Dr. to Park St. and Santa Clara Ave.

At the same time, the 90th Ave. line (56) was extended out Golf Links Rd. to the intersection of Dunkirk Ave. to offer weekday trips, in addition to special school service. Some trips on Line 40 (San Leandro) were extended to San Leandro Memorial Hospital. Certain trips also were extended on the Hesperian Blvd. line (93) to serve industry at the foot of Grant Ave.

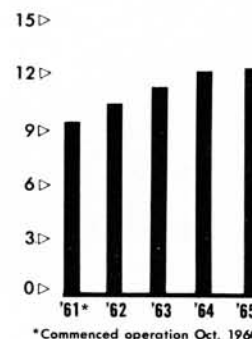
Night and Saturday bus service was provided for the southwest section of Hayward by extending the Calaroga line (92) to better serve Southland Shopping Center, Southgate shopping area, Palma Ceia Village, Palma Ceia Plaza, downtown Hayward and adjacent residential areas.

Owl service on the 14th St. line (12) was rerouted via the Oakland Army Base. The Berkeley Express (33) was rerouted via 27th St. to better serve shoppers, and the Dutton-Davis line (55) was extended through San Leandro's central business district.

Major time adjustments were made on several lines, including those traveling on East 14th St., to insure on-time operations or better transfer connections. Headways were changed on six lines, because of lack of patronage or to improve connections. Line 42 Estuary Housing loop in Alameda was curtailed to a limited number of school trips, due to closing of most of the units. Service on the Garvin-Barrett line (68) was curtailed after 6:30 p.m., also because of a lack of riders and similarly, the South Shore (63) and LeRoy Heights (70) lines had minor partial trip cancellations on first or last schedules.

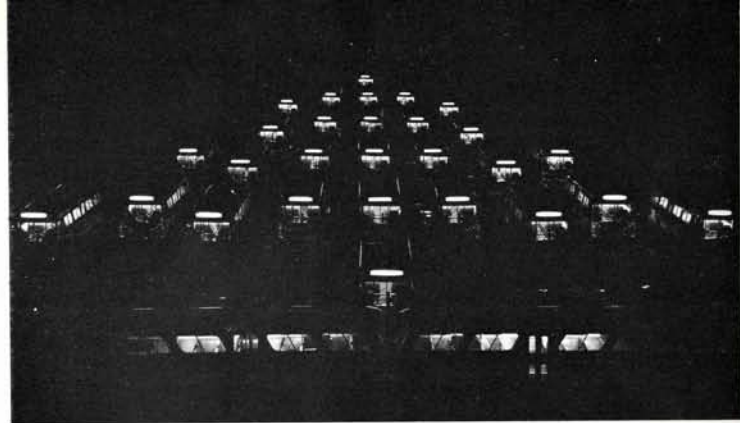
Improvements and changes resulted in a correspondingly busy year for the issuing of timetables — revised on an up-to-the-minute basis. Some 1,500,000 timetables were distributed to the riding public during the year.

One-way Route Miles
Fiscal year ending June 30
hundreds of miles





A place — and a record — for every bus part.



Christmas Tree greeting, from new buses.

NEW EQUIPMENT

The latest in bus equipment—clean, modern and comfortable—has become a familiar sight on East Bay streets and on the San Francisco-Oakland Bay Bridge, covering basic service on almost every line from remote neighborhood areas to downtown business centers.

Keeping to its equipment renewal promise, the district gave riders a \$806,900 Christmas gift—another 30 Transit Liners. Fifteen of the new 51-passenger buses went into service on lines operating in the East Oakland area while a like number of 45-passenger coaches were scheduled on crosstown neighborhood routes in various cities of the district.

The arrivals increased the district's fleet of new buses to 340, more than half of the property's total number of 637 coaches. With the shipment, the district could retire the final 26 gasoline-powered coaches, ending high maintenance costs and the era of gas fumes and balky buses.

In farewell, a memorial run was made by the last Mack coach through East Bay cities, marking a finale to nearly 44 years of gas-powered bus transit. Painted "tears" on the front of the coach expressed the only regret, along with the message, "To my friends, good-bye."

Orders also were placed by the district for another 30 new Transit Liners, to boost the total to 370 before the end of the next fiscal period.

Equipment maintenance practices retained an important role in operations. For the third year, the district received national maintenance recognition, winning the Fleet Owner Maintenance Efficiency Award for 1964 for effective balance between low maintenance costs and reliable, trouble-free operations.

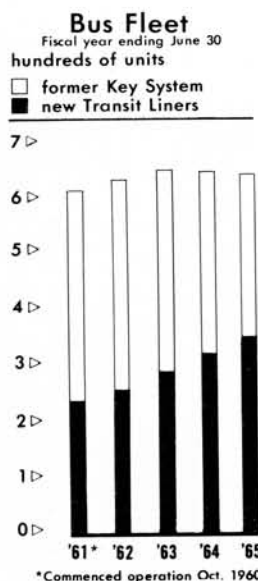
A semi-overhaul was started on the original 250 Transit Liners purchased in 1960-61, and by the close of the fiscal year work had been completed on 108. Earlier in the year the roofs and fronts of the 250 buses received a new coat of paint.

Maintenance workers turned in their best record in over a year in February when they averaged 18,108 miles per road call. Gas heating systems were installed in garage and pit areas at all three divisions to provide winter protection for employees.

Purchasing and stores, working toward standardization of all materials and supplies, from buses to pencils, received a welcome push with retirement of the gasoline buses.

The department was able to remove 960 items from maintenance stock, making available needed warehouse space. It also permitted conversion of two 12,000 gallon gasoline underground storage tanks to diesel, an aid in maintaining an adequate supply of fuel.

Standardization, with stock control and proximity of major suppliers' warehouses, has made it possible to hold the inventory of automotive parts at \$204 per bus. Cost of fuel and lubricants remained firm under a contract which assures current prices until at least next year.



INNOVATIONS

New residents in areas covered by district service have become "guests for a day" through distribution of free round-trip bus passes for use on any of the East Bay lines — a "welcome aboard" to introduce new residents to advantages of bus transportation. The two passes, along with a route map, a tour booklet and other bus information, are being distributed by various merchant "welcoming" groups in different neighborhoods and cities.

Weather protection was being provided for additional riders as the district opened neighborhood passenger shelters — some with a surprise early morning treat of free coffee and doughnuts. The modernistic shelters were built at Davis St. and Douglas Dr. in San Leandro, Fargo and Washington Aves. in Washington Manor, Parchester Village in Richmond and at Castro Valley Blvd. and Redwood Rd. in Castro Valley. The new facilities were in addition to the existing shelters at Latham Square in downtown Oakland, and at San Pablo Station on San Pablo Ave., near 40th St. in Emeryville.

Nobody was too old to enjoy Santa Claus — or the decorated "Candy Cane Express" which again carried the district's holiday greetings. A Transit Liner was painted in red and white stripes and decorated in yuletide style to operate on various lines during December as a rolling gesture of good will. When it wasn't in regular service, the bus — with the district's own Santa Claus — took part in neighborhood community festivities as a focal point of observances arranged by merchants and civic groups. Two women operators, dressed in "Candy Cane" outfits, rode buses and walked among shoppers during the Christmas season to pass out candy canes and information on the Shop-a-Round Pass, which made holiday shopping by bus a special bargain.

The Shop-a-Round Pass, introduced in downtown Oakland in March, 1964, was extended to San Leandro in September, in a flurry of free balloons, pretty girls and peppy music. The introduction was arranged with the cooperation of the San Leandro Chamber of Commerce and San Leandro Merchants Association, and announced so residents would know they could enjoy unlimited downtown riding on AC Transit buses from 9 a.m. to 3 p.m. for the payment of one fare — similar to the arrangements for the pass in Oakland.

Women drivers again took part in an "information mission" in San Leandro and Oakland, to explain advantages of the pass and to give bus information to interested residents.

Since the pass was introduced, 122,250 have been sold, proving its value as a passenger service.

The Sunday and Holiday Fun Pass, which allows riders to travel on all East Bay lines for 60 cents, has continued to attract riders, with sales nearing the 200,000 mark as the fiscal year came to a close. During the year, the pass sales added \$43,600 to revenue.

A program for recognizing extraordinary efforts performed by employees, the "Golden Wheel Award for Distinguished Service," was started during the year. It was planned to honor those transit personnel who bring particular credit to the district through personal dedication to their work.

The award includes a U.S. savings bond, a certificate and a lapel pin. The winner's picture and brief details of the basis for the award are displayed in large advertising frames on district buses, as well as at all operating divisions.

First official presentation of gold and diamond retirement pins was started in May, in recognition of the district's gratitude for years of service and valued efforts in behalf of the industry.



"Golden Award" lapel pin, a special recognition for special employee service.

Veteran bus driver proudly accepts one of first retirement pins.



SAFETY AND TRAINING

Continuance of excellent safety experience ranked high in achievements for the year. The total of traffic and passenger accidents was reduced by 4.7 percent.

Measured in transit industry figures, miles per accident increased from 11,133 miles per accident to 11,648.

From a passenger point of view, the district was able to announce the safest ride yet in February, when the three motor coach divisions averaged 13,650 miles per accident—highest figure since the district began operations in October, 1960. At the same time, drivers at Emeryville cracked a safety goal of their own, with 15,434 miles per accident—the best divisional record to date.

Operators had a chance to put their skill on the line and to pick the "Top Driver of 1965" during the second annual Bus-O-Rama, staged during June. Approximately 190 drivers competed in the contest, receiving a shoulder patch to indicate their interest in testing their ability on an obstacle course which simulated problems encountered in street operations. While newspapers and television and radio stations covered the event, three top winners from each division competed in the finals for trophies and the title, which was won by driver C. E. Gregg of Seminary Division. Seminary retained the perpetual trophy, repeating a victory as the division represented by the champion driver.

MAJOR EXPENSES AND REQUIREMENTS

	1964-65		1963-64	
	Amount	Per Cent	Amount	Per Cent
Salaries, Wages and Fringe Benefits	\$10,271,082	66.27	\$9,928,755	66.02
Bonded Principal and Interest	1,188,221	7.67	1,201,974	8.00
Taxes and Tolls	984,965	6.36	953,829	6.34
Provisions for Equipment Renewal	989,226	6.38	936,036	6.22
Claims	276,870	1.79	299,059	1.99
Fuel and Oil	466,972	3.01	469,660	3.13
Materials and Supplies	515,747	3.33	513,846	3.42
Tires and Tubes	193,871	1.25	192,495	1.28
Insurance	150,212	.97	175,155	1.16
Public Information and Advertising	124,250	.80	126,184	.84
Miscellaneous	336,519	2.17	241,305	1.60

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

For Year Ended June 30, 1965

FUNDS WERE PROVIDED BY THE FOLLOWING:

Net income for period	\$770,719
Add charges not requiring outlay of cash:	
Depreciation and amortization of fixed assets	989,226
Excess of amortization of prepaid insurance over renewal premiums	18,417
Amortization of other miscellaneous prepaid items	6,090
fixed assets	34,225
Workmen's Compensations refunds & dividends	81,427
Total Funds Provided	\$1,900,104

FUNDS WERE APPLIED TO THE FOLLOWING:

Bond redemptions	\$650,000
Purchase of 30 new buses	806,563
Purchase of coin processing and other office equipment	17,771
Purchase of autos and trucks	15,409
Purchase of other capital assets	15,294
Total Funds Applied	\$1,505,037
NET INCREASE IN WORKING CAPITAL	\$ 395,067



Underway for the second year was a school safety program, with some 850 primary grade school children from nine schools receiving class instruction and demonstration rides on a bus to acquaint them with the safe way to ride public transportation. Included in the program were children with physical and mental handicaps.

The third annual safety refresher course for employees was launched last October, concentrating on personal injury accidents and preventive measures to be observed. Classroom discussions, visual aids and driving demonstrations were used to illustrate basic operating accident problems and defensive driving techniques.

A refresher course also was conducted for transportation supervisory personnel to consider problems of fare structure, operating rules and the observation and correction of unsafe driving practices.

The "Candy Cane Express" and district Santa Claus delight school children.

CUSTOMER SERVICES

One of the district's most vital assets — pleasant and obliging relations with its passengers — was fostered on many fronts, realizing that the first "ambassadors of good will" remain the men and women behind the wheel and the telephone. They are the bus drivers and the information clerks who "make or break" friendships for AC Transit through their personal efforts.

To assure that residents are fully aware of service changes and innovations, the district makes use of all sources — newspaper releases, radio and television outlets, advertising campaigns, personal information "handouts" to passengers, cards on the inside of buses, advertising panels on the outside, and explanations by operators and clerks.

The "personal touch" — and the most constant — is supplied by drivers and by the PBX/Information Center where nearly 3000 calls a day are answered by a well-informed staff of 12 clerks.

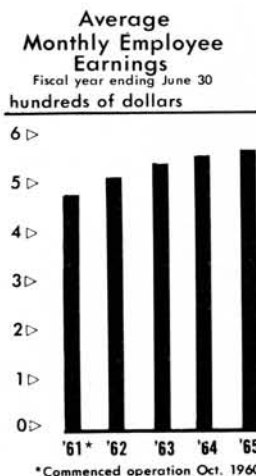
Effectiveness of the PBX/Information Center was boosted by the addition of a new recording machine which repeats a special announcement every 10 seconds to waiting customers when all lines are busy. An increase in public calls also resulted in plans to keep the center open from 5 a.m. until 1 a.m. to offer greater information coverage. Along with handling calls concerning district service, the center mails schedules, route maps and tour booklets, averaging 40 to 50 pieces of mail each day.

Inclusion of AC Transit's route description and a two-page route map in the 1965 Oakland area telephone book put bus information only a flip of a page away from the 450,000 phone customers who received the new book in May. The information and map is located at the beginning of the yellow page section — a handy reference for bus data.

The Customer Service Bureau at district general offices in downtown Oakland upheld its status as a busy place, especially during the winter months when 1200 to

When it rains, it rains lost umbrellas — a rainbow problem for drivers and lost property clerk.





1500 personal belongings lost on buses were processed each month. Umbrellas, the most usual lost item, averaged 50 a day. Most of the articles — 75 percent of them — are reclaimed, a high in effort on the part of bus drivers and bureau personnel. The center also handles from 50 to 150 phone calls each day and takes care of tickets, tokens, refunds and information for about 40 daily visitors.

The district's advertising campaign was judged one of the "Best in the West" in the annual craft competition of the Advertising Association of the West, for its "creative ingenuity and achievement of objectives in a complete campaign." A certificate of special merit was awarded AC Transit for over-all advertising efforts, in competition with advertising campaigns in the western United States.

WAGES

Where does the income go? Much of it — 66.3 percent — travels home in pay envelopes, with \$10,271,082 distributed in wages, salaries and employee benefits.

Wage increases automatically hiked checks of 1,300 bus drivers and other union workers 10 cents an hour on December 1, while some 171 supervisory personnel received wage boosts of 3.44 percent on January 1.

The increase was granted under terms of a two and a half year contract which expired before the end of the fiscal year but was extended until unresolved differences could be decided by arbitration.

CLAIMS

A decrease in accidents was noted by the claims department, with statistics showing 3,237 accidents and occurrences during the year, as compared to 3,352 accidents in the previous fiscal period.

Costs of bodily injury accidents reached \$164,300 and costs of property damage were \$38,000, totaling \$202,300. Claims paid amounted to 1.5 percent of operating revenue. Collections for damage to district property, mainly buses, amounted to \$28,557.

LEGISLATION

In the legislative field, two measures of particular benefit to the district were noted. The first would permit the California State Toll Bridge Authority to grant relief to the district on transbay toll charges, which now total \$340,000 annually. A resolution also has been introduced for consideration by the State Assembly calling for a study of gas tax relief for urban transit operators.

"Pat on the back" from a happy driver makes enthused teen-aged riders and a pleasant school run.





San Francisco story . . . Commute buses roll to position under eye of superintendent, load, and seconds later, depart Transbay Transit Terminal in precise formation.

ACCOUNTING

Striving for increased efficiency in the data processing department, the district approved the purchase of an imprinter-detacher machine, which automatically applies the "signatures" to payroll checks, separates them from continuous forms and stacks them in order. Together with a new decollator, the machine also removes carbon paper and separates the many other continuous forms prepared by the department—the statistical and accounting records which are a key to all district operations.

To improve processing of cash and tokens in the treasury department, two high speed coin-counting, bagging and wrapping machines were purchased and two coin assorter and counting machines were ordered.

In an average month, the machines sort and count over 1,500,000 tokens and 3,600,000 coins from fare boxes. In a second process, tokens are rolled for return and resale, while approximately 1,700,000 coins are bagged for banking and 1,900,000 rolled for change requirements. All told more than 10,000,000 coins and tokens roll through the treasury department every month.

ADMINISTRATION

KENNETH F. HENSEL
General Manager

HOWARD D. BEEBE
Purchases and Stores Manager

ALAN L. BINGHAM
Public Information Manager

MELVIN C. CHAPMAN
Claims Manager

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

	<u>1965</u>		<u>1964</u>	
CURRENT ASSETS:				
Cash:				
On hand and in commercial accounts	\$ 559,927		\$ 585,032	
Time deposits — partially earmarked — Notes 3 and 4	<u>2,632,693</u>	\$ 3,192,620	<u>2,014,223</u>	\$ 2,599,255
Accounts and accruals receivable		215,483		116,532
Investment in U.S. Treasury obligations, at amortized cost which approximates market value		109,552		311,555
Prepaid expense:				
Materials and supplies	\$ 188,296		\$ 195,727	
Insurance and other	<u>61,799</u>	<u>250,095</u>	<u>86,306</u>	<u>282,033</u>
Total current assets		<u>\$ 3,767,750</u>		<u>\$ 3,309,375</u>
PROPERTY, PLANT AND EQUIPMENT—AT COST:				
Property and equipment acquired October 1, 1960 — Note 1	\$ 7,507,575		\$ 7,507,575	
Less accumulated amortization	<u>1,586,755</u>	\$ 5,920,820	<u>1,247,370</u>	\$ 6,260,205
Other property and equipment:				
Motor coaches	\$10,125,948		\$ 9,330,932	
Parts, service cars, shop and miscellaneous equipment	150,596		120,028	
Office furniture and equipment	<u>50,961</u>		<u>33,190</u>	
Subtotal	\$10,327,505		\$ 9,484,150	
Less accumulated depreciation	<u>2,603,792</u>	<u>7,723,713</u>	<u>1,931,408</u>	<u>7,552,742</u>
Total property, plant and equipment—net		<u>\$13,644,533</u>		<u>\$13,812,947</u>
Total assets		<u>\$17,412,283</u>		<u>\$17,122,322</u>

See accompanying notes

SHEET June 30, 1965 and 1964

LIABILITIES AND DISTRICT EQUITY

CURRENT LIABILITIES:

	1965	1964
Accounts payable	\$ 318,249	\$ 283,134
Salaries and wages payable	282,797	237,885
Payroll taxes collected and accrued	186,692	168,871
Accrued interest on general obligation bonds .	170,296	183,296
Unredeemed tickets and tokens	85,882	83,198
Other current liabilities	<u>14,920</u>	<u>14,637</u>
Total current liabilities	\$ 1,058,836	\$ 971,021

GENERAL OBLIGATION BONDS—NOTE 2:

Maturing within one year	\$ 675,000	\$ 650,000
Maturing after one year	<u>13,950,000</u>	<u>14,625,000</u>
	14,625,000	15,275,000

DISTRICT EQUITY—EXHIBIT B

<u>1,728,447</u>	<u>876,301</u>
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ESTIMATED CURRENT COMMITMENTS

JUNE 30, 1965

Claims provision under self-insurance program	\$ 500,000
District's share of HHFA-District financed radio project . .	135,000
Bond service obligation for 1965-66 fiscal year, required to be on hand per bond indenture	
Principal payments due	\$675,000
Interest	<u>475,000</u>
	1,150,000
Purchase of 30 new buses	<u>810,000</u>
	<u>\$ 2,595,000</u>

\$17,412,283

\$17,122,322

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

EXHIBIT B

**COMPARATIVE STATEMENT
OF REVENUE, EXPENSE
AND DISTRICT EQUITY**

For the Years Ended June 30, 1965 and 1964

	1965	1964
REVENUE:		
Passenger	\$12,770,632	\$12,724,890
Charter	414,146	347,554
Advertising	83,301	88,439
Interest earned	74,027	52,034
Other operations	21,585	20,500
Total operating revenue	<u>\$13,363,691</u>	<u>\$13,233,417</u>
EXPENSE:		
Maintenance of equipment, shops, garages, buildings and grounds	\$ 1,984,133	\$ 1,929,306
Transportation	8,426,233	8,157,597
San Francisco terminal and other station expense	70,226	67,101
Traffic solicitation and special service	119,891	108,071
Public information and advertising	143,570	145,303
Insurance and safety	549,698	587,754
Welfare and pensions	626,280	595,862
Administrative and general	686,225	624,737
Operating taxes and licenses	647,340	620,643
Operating rents	66,902	63,914
Total expense	<u>\$13,320,498</u>	<u>\$12,900,288</u>
Operating revenue before depreciation and amortization	\$ 43,193	\$ 333,129
DEPRECIATION AND AMORTIZATION	<u>989,226</u>	<u>936,036</u>
Operating loss	<u>\$(946,033)</u>	<u>\$(602,907)</u>
PROCEEDS FROM TAXATION	2,234,140	1,980,926
LESS INTEREST ON BONDED DEBT	<u>(517,388)</u>	<u>(556,138)</u>
NET INCREASE IN DISTRICT EQUITY	\$ 770,719	\$ 821,881
DISTRICT EQUITY:		
Balance, beginning of year	876,301	20,482
Add refunds of prior years' workmen's compensation insurance premiums	81,427	33,938
Balance, end of year	<u>\$ 1,728,447</u>	<u>\$ 876,301</u>

See accompanying notes

NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 1965 and 1964

NOTE 1 - PROPERTY, PLANT AND EQUIPMENT: 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	211,641
Service cars, shop and miscellaneous equipment . .	3,336,475	1,239,871
Office furniture and equipment	324,372	110,561
	50,070	24,682
Totals	\$7,507,575	\$1,586,755

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 is sold or salvaged, proceeds from the sale are 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 \$114,502 as of June 30, 1965.

NOTE 2 - BOND ISSUE: 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 to 6% for the shortest series.

NOTE 3 - SELF-INSURANCE: 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 for any one 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, and provided \$500,000, included in time deposits. The Board of Directors is considering recommendations contained in a report by an independent consulting firm which had been retained to review the operations of the claims department.

NOTE 4 - PURCHASE COMMITMENTS: The Board of Directors has authorized purchase of thirty new motor coaches at a cost of approximately \$810,000 to be delivered between late 1965 and early 1966. The District has been awarded a grant from the Federal Housing and Home Finance Agency to pay half the cost of a two-way radio system. Time deposits of \$135,000 have been earmarked to pay the District's half.

NOTE 5 - PENSIONS: When the District acquired the physical operating assets of the Key System Transit Lines it also assumed the liability for current and future pensions. Payments are charged to operations in the year made; no provision is made for future pension liabilities.

NOTE 6 - LABOR CONTRACT: The labor contract between the District and its union employees expired May 31, 1965. A new contract is under arbitration.

LYBRAND, ROSS BROS. & MONTGOMERY
CERTIFIED PUBLIC ACCOUNTANTS
1330 BROADWAY
OAKLAND, CALIFORNIA 94612

September 6, 1965

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, 1965 and the related statement of revenue, expense and district equity 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. We previously examined and reported upon the financial statements of the District for the year ended June 30, 1964.

In our opinion, the accompanying balance sheet and statement of revenue, expense and district equity present fairly the financial position of the Alameda-Contra Costa Transit District, Special Transit Service District No. 1, at June 30, 1965 and 1964, 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



ALAMEDA-CONTRA COSTA TRANSIT DISTRICT
Latham Square Building • Oakland

THE COVER — El Cerrito, "city of gracious living," is the fourth East Bay community in alphabetical order to be featured in AC Transit annual reports. Comfortable, pleasant living—with space to breathe and views to enjoy—has been synonymous with El Cerrito since Victor Castro built a two-story adobe on the slopes of his father's Rancho San Pablo in 1829 and named the hacienda El Cerrito—for "little hill." Graciousness, hospitality and pride have remained a tradition for El Cerrito's population of 28,500. Her residents live easily and comfortably, enjoying the convenience of well-planned, uncrowded business areas, with fine shops and shopping centers. Yet, no further away than the nearest bus stop is direct, speedy access to neighboring cities and San Francisco. Although primarily a residential city, El Cerrito has a thriving business climate, an active, visionary city government, well-planned facilities, a low tax structure—and the kind of hillside panoramic view that takes in tomorrow, as well as today.