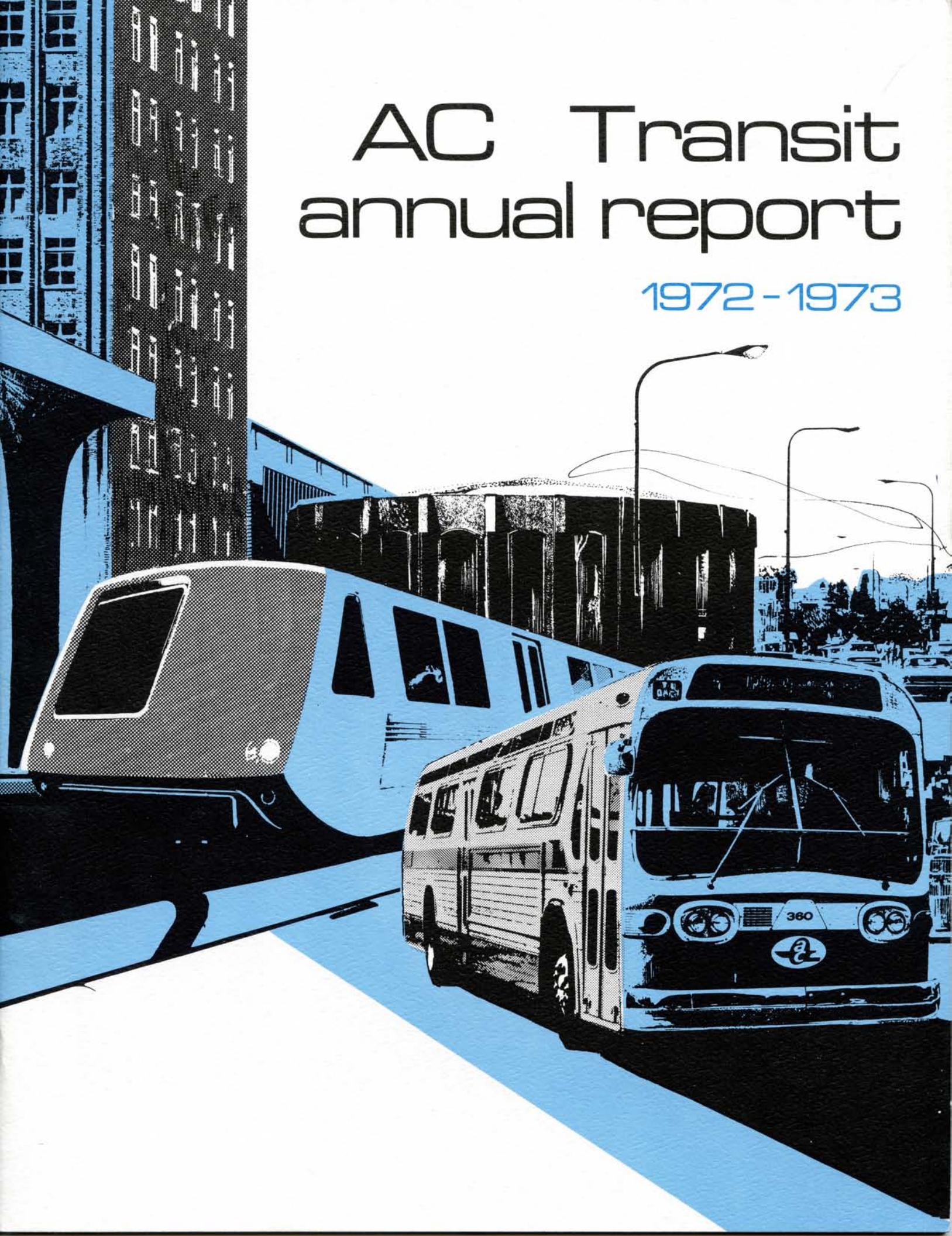


AC Transit annual report

1972-1973



BOARD OF DIRECTORS



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President



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AC Transit bus waits for passengers from BART train, a familiar example of the new look in East Bay transportation.

HIGHLIGHTS

- AC Transit adds one million annual miles of service to carry riders to BART.
- All-out information program alerts public to joint bus-train ride.
- Two-year contract assures labor peace.
- Sales tax on gasoline helps fund service improvements.
- Site picked for Dial-A-Ride project.
- Entire modern bus fleet fitted with pollution control devices.
- Spacious "jet age" coaches go into service.
- Riding growth continues.
- Line held on tax rate and fare despite rising costs.

THE COVER: The coordination of AC Transit and BART brought buses and trains into close relationship during the year, giving an exciting new face to public transportation. The cover highlights scenes along the line from Oakland to Richmond, but the background is purely symbolic. Buses are whisking into BART stations from one end of the AC Transit district to another, and people are discovering transportation no longer is one mode or another, but a combination of modes designed to carry the public swiftly and effectively to wherever they want to go. AC Transit and BART are working together and finding it rewarding.

THE YEAR'S RECORD

Revenue passengers totaled 50,722,473, an increase of .2 percent over the previous fiscal year. Passengers who rode East Bay lines totaled 35,939,411, down 1.0 percent compared to the 1971/72 period. Transbay riding totaled 14,783,062, up 3.3 percent over a year ago.

Revenue collected in fare boxes totaled \$15,068,502, up .3 percent over the year before. East Bay revenue came to \$7,748,505, a decrease of 2.5 percent, while transbay revenue was \$7,319,997, an increase of 3.5 percent compared to the previous fiscal period.

Charter revenue came to \$618,932, a decrease of 5.4 percent below the year before.

The District had total passenger and charter revenue of \$15,687,434, an increase of .1 percent compared to the previous fiscal period.

Total operating revenue, including bus advertising, was \$16,511,064, reflecting an increase of 1.5 percent over the 1971/72 figure.

Proceeds from a consolidated property tax rate of 31.1 cents per \$100 of assessed valuation came to \$9,315,497. An additional \$3,417,185 of local transportation funds was received, giving the property operating and non-operating income of \$29,243,746.

Total expenses, including depreciation and repayment of bonded debt came to \$28,521,007, leaving an increase in equity of \$722,739.

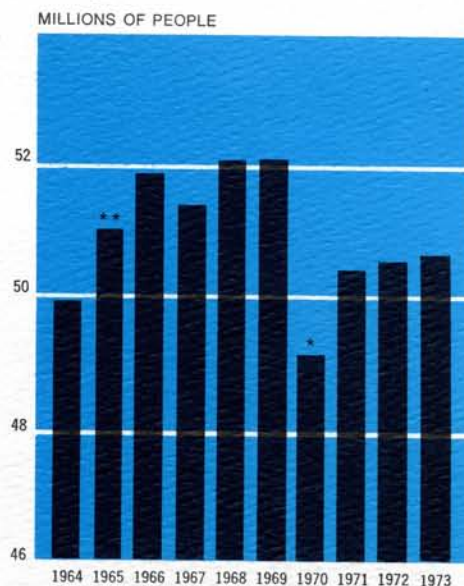
AC Transit operated 26,351,107 miles of service, including charter, up 2.0 compared to year-ago mileage.

One way route miles increased, with a total of 1488.2, compared to the year-ago total of 1436. System expenditures per mile rose to 108.24 cents from 99.81 cents for the year before, an increase of 8.4 percent.

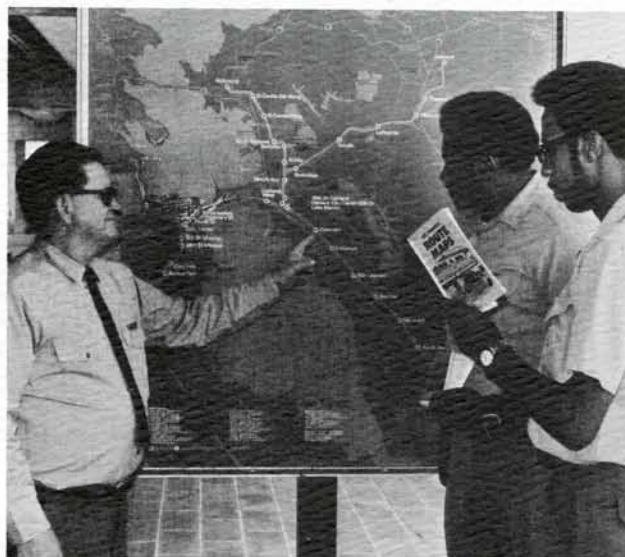
The bus fleet count was 762, compared to 720 in service during the previous fiscal period. The number of employees at year end rose to 1647, an increase of 28 workers over a year ago.

REVENUE PASSENGERS

Fiscal year ending June 30



**Passengers restated from previous Annual Report to give effect to passenger count procedure change effective September, 1965 and subsequent months.
*Reflects 19 day strike.



Getting ready for start of BART, bus drivers undergo retraining, with the help of specially-prepared new route map booklets.



Special "To BART" light and new headsign insert informs waiting passengers this bus is headed to a BART station.

Souvenir buttons, distributed by AC Transit, proclaim "I WAS THERE," in behalf of "first day" bus riders.

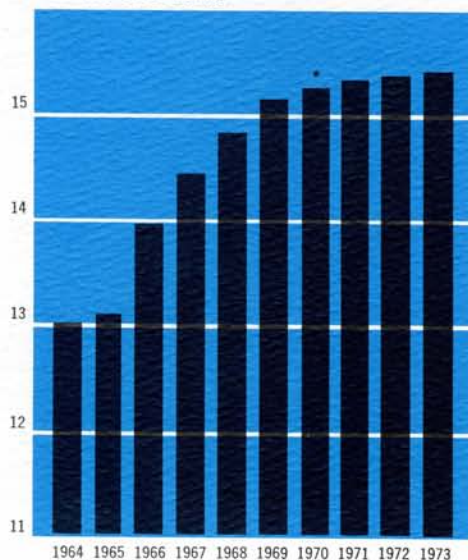


Decorated horse car commemorates historical significance of new transit era; carries riders to BART/Hayward station on first day of train service, Sept. 11, 1972.

PASSENGER REVENUE

Fiscal year ending June 30

MILLIONS OF DOLLARS



*Reflects 19 day strike.

This was the year AC Transit became a new bus system.

After 10 years of work on the coordination of an existing 12-city bus system with 58 miles of activated rail service in the East Bay, AC Transit again proved its dedication to the public and a professionalism that comes from years of operating experience with many forms of transportation—horse cars, trains, ferry boat, street cars and buses.

The shift into a new pattern of bus service was smooth, faultless—and fun.

With the opening of BART train service between Oakland and Fremont on Sept. 11, 1972; with start of operations on the line from Oakland to Richmond on January 29, 1973 and with the extension to Concord on May 21, 1973, buses took on additional duties and additional importance.

Eighty-seven lines were providing connector service to the 17 BART stations in the AC Transit service area. At the same time, buses still were dipping into neighborhoods to pick up riders as close to home as possible.

Some passengers switched to the potentially faster service of high-speed trains, mainly those who previously rode express bus lines into downtown Oakland. Others continued to use the East Bay and transbay bus service which best meets their needs.

Whatever the mode or combination of modes, indications were strong at the end of the fiscal year that public transportation itself was on the upswing. People were more aware of public transit and were riding buses and BART in increasing numbers.

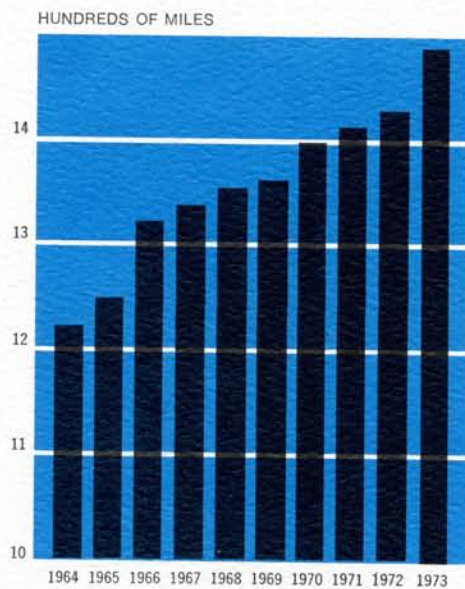
START OF BART

To gear up for the start of BART in Alameda and Contra Costa counties, AC Transit did these things:

- Installed special "TO BART" lights in 552 coaches.
- Prepared plastic "TO BART" window signs for other buses.
- Made 35,000 inserts to headsigns and side signs to include BART information.
- Installed 5,680 new bus stop signs.
- Retained 1,165 drivers in classroom and behind the wheel on routing changes and BART station access.
- Prepared schematic route map booklets for operators to show line realignments and station routing.
- Printed new timetables to include BART station information.
- Prepared special timetable inserts for bus lines which do not operate frequently, telling passengers what train to take to avoid long wait at transfer point.
- Placed "take one" flyers on buses, with information on how to use bus and BART, plus brief description of line changes.

ONE-WAY ROUTE MILES

Fiscal year ending June 30



Richmond Division Superintendent, N. P. Alevizos, wears 1891 motorman's uniform and badges from early transit system to hand out souvenir buttons at BART station.



Special cards, fastened to bus stop poles, alert public to operation of historic horse car, which operated 82 years before on same Berkeley route.

- Installed cards in advertising racks aboard buses, alerting riders to watch for BART light, and how to take advantage of joint transfer plan.
- Activated joint transfer, whereby bus passengers en route to BART pay regular fare. On return trip, before leaving BART, riders obtain bus transfer from transfer machine and present it to operator for single zone ride.
- Prepared news stories and magazine articles on coordination of AC Transit with the fixed rail line.
- Prepared special informational newspaper advertisements on how to ride AC Transit and BART.
- Trained PBX/Information clerks from both properties on handling inquiries on bus and train services. Linked the two agencies by telephone tie line to facilitate joint information service.
- Updated route maps to include service to BART stations.
- Assigned supervisors to stations to answer passenger questions and monitor bus operations.

COMMEMORATION

In the flurry of work involving every person on the property, there still was time to remember a District background which includes romanticism and a flair for historical significance. AC Transit considered the opening of high speed train service a memorable occasion, to be happily commemorated.

An original horse car was borrowed, decorated with red, white and blue bunting, and hitched up to two black horses. Signs on the car and on bus stop poles along the line of travel invited passengers aboard for free rides.

With much bell ringing, the horse car slowly lurched over part of an original horse car route in Hayward, carrying officials and riders to the BART/Hayward station for opening day ceremonies.

In Oakland, a motorized cable car played a similar role after it was decorated and signed to travel over another historic route on Broadway, carrying riders free to BART stations downtown.

Passengers who rode the horse car, cable car or regular service received free souvenir buttons from AC Transit proclaiming "I WAS THERE" on "Day One."

Events were repeated with opening of the BART extension to Richmond.

Again the horse car traveled over part of the route followed by the same car seven decades before. Officials, including Berkeley's mayor, were aboard for the first ride. And then the public climbed into the tiny car, to enjoy the trip into the past—and the future.

Souvenir buttons again were handed out carrying the AC Transit and BART emblem, the date and "I WAS THERE" message for "R Day."

BART took over the souvenir button department when the Concord line opened. Only one station—Rockridge—was added to the AC Transit count when the train service to Contra Costa County was activated; other stations on the Concord line are outside of the AC Transit service area, as are the stations at Union City and Fremont.

WORKING TOGETHER

Working relationships between the two properties was tested successfully when the President of the United States, Richard Nixon, paid a surprise visit to Oakland to ride the BART system. For security reasons, BART shut down and AC Transit set up a bus shuttle between all stations on the Fremont line. Sixty-nine buses were rolled out to bring charter groups to Oakland International Airport to greet the President.

In another area of coordination, AC Transit was producing leaflets for different communities and a variety of facilities, explaining how to use bus service to BART. Public agencies, in an outstanding example of cooperation, were mailing out the leaflets with service bills.

By the end of the fiscal period, leaflets had been distributed to residents of Hayward, Alameda and Berkeley, to workers and visitors at Hayward City Hall; Kaiser Hospital, Hayward; Emeryville Marina, students at Merritt College; and workers in the south Hayward industrial area.

Flyers were under preparation for Chabot College, University of California at Berkeley and Alameda County offices.

PUBLIC INPUT

The practice of going to the bus rider for opinions was being continued as the District contemplated further changes in connection with BART coordination.

Cards detailing proposed changes were handed out on 15 East Bay and transbay lines and customers were asked to comment. Views of these riders will be analyzed before additional rerouting proposals are brought before the Board of Directors for action.

Rider protests to abandonment of some express lines between the south Alameda County area and Oakland resulted in a different approach to service withdrawal in west Contra Costa County.

Two intercity express lines—scheduled for abandonment—were kept in service on a curtailed basis, with a policy of gradual cutback to match any loss in patronage.

JOB SECURITY

With approval of a new two-year labor contract in July, Alan L. Bingham, general manager, took the occasion to write all employees, reassuring them of job security in connection with BART operation.

The general manager answered the question "What about AC Transit and BART" in this fashion:



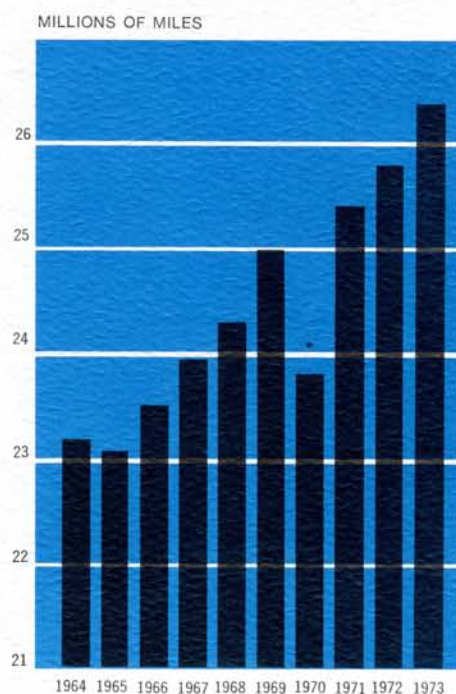
Mrs. Edna Bowman, 89, receives an "I WAS THERE" button from an AC Transit instructor, Cecil Gross, as she steps aboard horse-car. She rode the same car 75 years before.



Before leaving BART station, passenger obtains free bus transfer. Presented to drivers, transfers are good for single zone ride. AC Transit and BART share the costs.

VEHICLE MILES

Fiscal year ending June 30



"The two systems are not in competition. Each is separate and has its own function. AC Transit provides an East Bay and transbay coordinated bus service. BART is a regional, rail transit operation. The objective is to establish the best possible service between the two systems which will serve the traveling public. Only by a combination of both can we provide the best," the general manager said in part.

The letter stressed all present employees would be needed and perhaps even more added with the possibility of extended service into outlying areas.

"Your continued future with AC Transit has been and is of major concern," Bingham said, "and it is my intention that no one will be terminated on the property as a result of the BART operation."

The two-year labor contract gave 1475 drivers, maintenance workers and other union members a wage boost and improved fringe benefits. During the current year, the wages of drivers were increased 26 cents an hour, to a total of \$5.20. Cost of living increases brought the total to \$5.22 by the end of the fiscal period.

The District, which already covered health costs of employees, agreed to pick up costs for dependents. Same contract benefits also were granted to non-union personnel. The bill to the transit property was estimated at \$1,249,390 for the first year.

FINANCIAL PICTURE

Finances, always important, took on even more significance as the District faced its first year of BART. Added operating costs, including equipment and drivers, were estimated at \$1,100,000 for the year.

AC Transit was able, however, to maintain the same fares and to hold the line on property taxes at the former rate of 31.1 cents per \$100 of assessed valuation.

Actual expenditures for the year were \$28,521,007, an increase of \$2,736,902 or 10.6 percent over the previous year's expenditures of \$25,784,105. The boost was attributed to higher labor, fringe benefits and material costs, plus additional mileage operated.

Funds to balance the expenditures included \$16,511,064 in operating revenue, \$9,315,497 in property tax proceeds and local transportation funds.

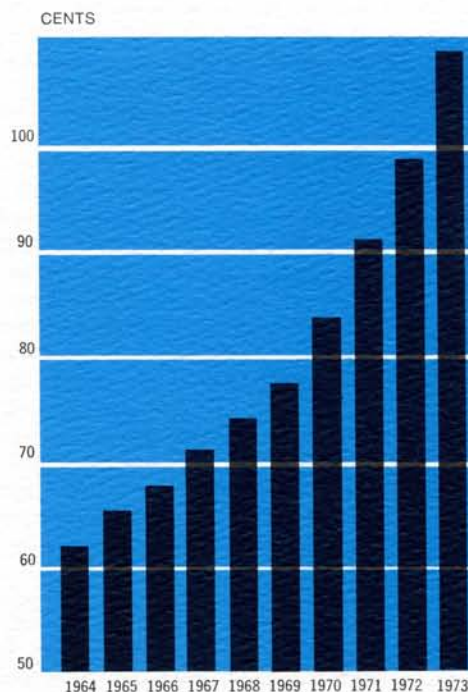
The Metropolitan Transportation Commission, in administering funds from the State gasoline tax, approved AC Transit's claim for \$3,417,185, helping finance the numerous service improvements involved in bus and train coordination.

Another welcome boost to AC Transit's financial picture came when tolls for buses on the Bay Bridge were reduced from 50 cents to 10 cents per round trip by the California State Toll Bridge Authority. The toll reduction, the fourth in six years, cut AC Transit's bill from \$137,000 per year to \$27,000.

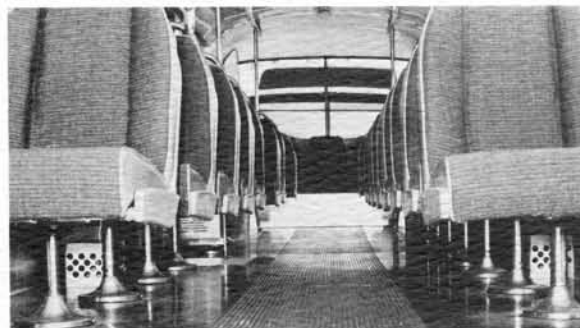
The reduction was in line with growth in transbay commuting, up 111 percent since 1960. Buses were carrying 52.5 percent

SYSTEM EXPENDITURES PER MILE

Fiscal year ending June 30



Carpeting on the ceiling? There's a reason for it. The carpeting, installed on one of the transbay buses, is part of an experiment to reduce interior noise. Maintenance Manager A. R. Lucchesi and PBX/Information Clerk Kathy Fischer examine installation.



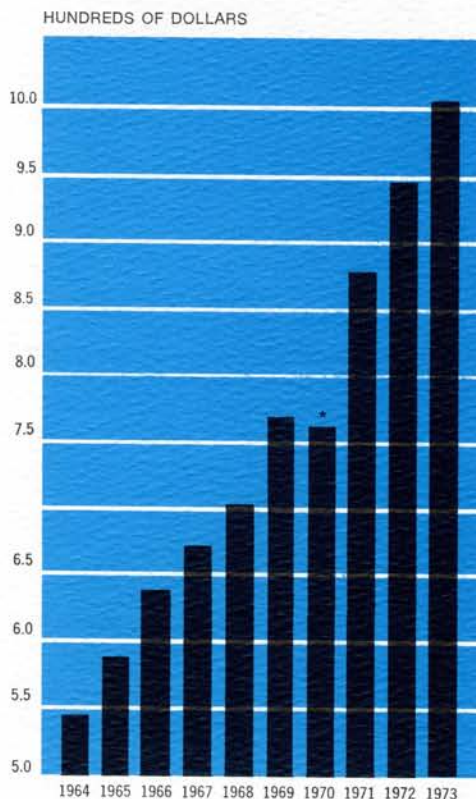
"Jet Age" designed interiors give new fleet of buses a spacious look—and more leg room for passengers.



Transbay passenger reads survey card asking his opinion about proposed service changes to coordinate with BART transbay operations.

AVERAGE MONTHLY EMPLOYEE EARNINGS

Fiscal year ending June 30



of the commuters crossing the span during the peak of the commute, with coaches rolling through the toll plaza area on an exclusive lane at the rate of one every 8.2 seconds.

DIAL-A-RIDE

Several steps were taken toward inauguration of door-to-door transportation which can be summoned by a phone call. After Board authorization, a federal grant was sought and received to help fund a \$40,000 technical study into a DIAL-A-RIDE site and a preliminary design for the system.

After adoption of a set of guidelines and the measuring of 15 candidate sites against stipulations, Richmond was selected as the location with the greatest potential for a successful operation.

Expansion of AC Transit bus service into adjoining areas—an on-going possibility—was put on firm foundation when directors spelled out the District's position on expansion.

The policy statement reiterated AC Transit legally can expand into all of Alameda and Contra Costa Counties and is in favor of doing so. AC Transit also can assist areas which are attempting to obtain funds from the sales tax on gasoline or other sources.

The level of service may be different; therefore the District may consider establishing special transit service districts with separate property tax rates in areas requesting annexation.

The statement also pointed out AC Transit could contract for bus service with outside areas, providing all costs are paid by the communities involved.

JET AGE LOOK

Another step toward more attractive equipment and cleaner air was taken with arrival of 60 new buses with newly designed interiors and Environmental Improvement Program kits.

EIP packages further reduce the minimal amount of pollution attributed to diesel-burning buses, but it was the interior of the coaches that moved AC Transit into the "jet age."

The buses have deep, fabric-covered bucket seats mounted to the wall and supported by a center pedestal. Adding to more leg room and the look of spaciousness is white paneling, sprinkled lightly with gold. Advertising racks were removed, except for two contoured frames to accommodate advertising customers. The buses also have outside safety lighting for convenience of passengers riding at night.

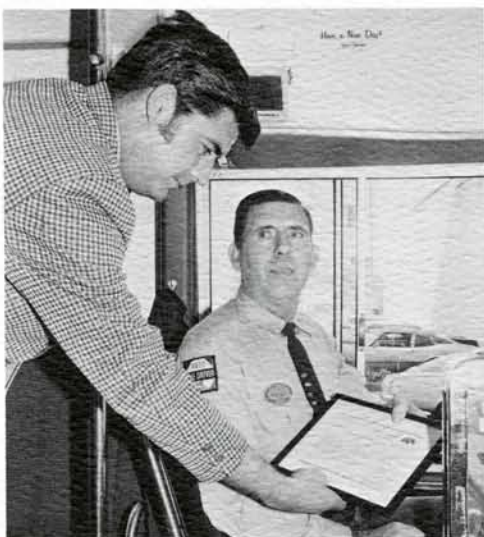
Delivery gave the District 90 buses with improved fuel injectors and vertical exhaust stacks—main features of the EIP kits.

In addition, the maintenance department finished converting all "new look" buses—462—to the new fuel injectors, giving the District one of the cleanest burning fleets in the nation.

Maintenance also continued its reputation for outstanding work, receiving the Fleet Owner Maintenance Efficiency Award for the 11th consecutive year.



Maintenance worker Wayne West, left, from AC Transit, and Michael Lang, of Santa Clara County Transit District, work together installing car card in a San Jose bus. AC Transit helped the new district get into operation under a unique management contract.



Driver Eddie Haffer receives a Certificate of Appreciation from Thomas O. Donohue, Deputy Chief of the Oakland Police Department, for reporting an attempted armed robbery and shooting. Drivers are helping to protect the community by alerting authorities to problems. People in distress also are often helped by radio calls for aid. Messages pass through Central Dispatch.



Maintenance Department workers wear new plastic protection against injury. Wearing the white "bump caps" are Emeryville Division employees, from left: Clarence Caldwell, John Ramos, William Halstead and H. O. "Frenchy" Gartman.

AC Transit, meanwhile, was doing its own experimentation with interior noise reduction. Carpeting was installed on the ceiling of one bus—to the approval of passengers. Another bus, purchased 13 years ago for transbay travel, also was completely refurbished—including the cutting down of high back seats. Riders welcomed it as a "bright, new model bus." Similar refurbishing was in order for other buses of the same series.

TRANSBUS

Bus design was news nationally as a Federally-sponsored competition got underway. The TRANSBUS project, funded by a \$25 million Urban Mass Transportation Administration grant, calls for development of nine advanced prototype urban transit buses. Three manufacturers are building three buses of a similar design, with slightly different construction details.

The buses promise to be innovative, quieter, more comfortable and with propulsion systems that will emit substantially less smoke and odor. The best design will be incorporated into an industry standard for future buses purchased under UMTA's Federal grant program. Capabilities for handicapped persons will be included.

AC Transit's general manager was named chairman of the American Transit Association Bus Technology Committee, to advise UMTA on development of specifications for the new bus.

SUPERBUS

A Super Bus project, which may change the pattern of future urban bus transportation, moved into action with award of a \$226,080 grant by UMTA. AC Transit's successful experimentation with its articulated bus, the Freeway Train, acted as springboard for the project. The grant to National Transportation Center in Pittsburgh, Pa., will allow analysis of the feasibility of using high capacity buses, such as articulated vehicles or double-deckers, in American cities. AC Transit is one of seven properties participating in the project, with Bingham serving as chairman of the National Consortium of Transit Operators supervising the study.

STEAM BUS

Participation in the California Steam Bus Project was completed successfully when AC Transit demonstrated its steam bus during revenue service. First modern steam bus to go into operation, Coach 666 had nine faultless days in revenue operation, running until conclusion of the project in September, 1972. The bus steamed 353 miles during the final test period on a line between Hayward and downtown Oakland, picking up passengers at BART stations en route, with no stops for operational problems. In all, the bus ran 3,403 miles under the novel propulsion system.

BICYCLE BUS

The "Pedal Hopper" was back in service, carrying regular passengers, as well as bike riders and their two-wheelers across the San Francisco-Oakland Bay Bridge. Operating on a

regular schedule on a transbay line, the bus runs weekends and holidays to give bicyclists a lift across the span.

Expenses are kept to a minimum by removing seats along the street side of a "new look" bus each Friday night to accommodate 12 bikes. The seats are replaced again for the Monday morning commute run. While it's in operation as a "spokeswagon," the 51-passenger bus carries 37 passengers, plus the bicycles.

SPECIAL SERVICE

It was "Batter Up" for AC Transit, as well as the Oakland A's, when the home-town baseball team batted its way into the first World Series ever played in Oakland.

District buses rolled into special service, carrying 14.1 percent of the more than 200,000 who attended the play-offs. In a new operation for AC Transit, buses also shuttled between BART/Coliseum station and the stadium itself, carrying thousands of train passengers to the World Series.

Oakland rooter caps were worn by bus drivers operating to the Coliseum, leaving no doubt about local support.

Caps—the "bump" kind—became part of regular maintenance department equipment. Worn by workers on the job, the plastic helmets are a protection against injury.

NEW DIRECTOR

Alameda and Contra Costa County voters returned two directors to office and elected a new one. Ray Rinehart was re-elected Director at Large and William E. Berk retained his post as Director of Ward II. Joining the Board as a new member and Director of Ward I was Roy Nakadegawa.

At the beginning of the calendar year Director William J. Bettencourt was elected President of the Board. Miss Kimi Fujii, only woman member of the Board, was elected Vice President.

In unprecedented action, AC Transit took over management of the new Santa Clara County Transit District on Jan. 1, 1973 with responsibility for transportation operations, equipment and building maintenance, scheduling, accounting, employment and training, purchasing and stores, public relations and marketing. District workers put in marathon hours to get the new property off and rolling on New Year's Day.

SCCTD coaches were cleaned, inside and out. Buses got newly-painted white wheels, silver-painted fareboxes, newly-painted stairwells, the name of the Santa Clara County Transit District across the back and the District logo in white, orange and blue on the front, sides and rear. A car card installed near the operator's seat, informed riders the new District was on its way.

More than 90 bus drivers received retraining before start-up; maintenance workers were issued new coveralls and hard hats; timetables were updated and reissued, along with route maps.



Santa Claus, taking his annual ride aboard a decorated bus, climbs down from a roof top sleigh to talk to an ecstatic child.



Five "Raiderettes" stress the theme "Don't be caught behind the line" in urging Oakland Raider fans to use special express buses when going to games.



How quickly buses can be used to evacuate schools in event of an emergency—including a hill fire—was demonstrated when 23 buses were sent to a surprise test at Skyline High.

A toll-free system of transit phone information was inaugurated; an informational program for news media was instituted.

After all around help from AC Transit in getting started, the new transit district gradually took over, retaining AC Transit management on a consultant basis.

RIDING GROWTH

Passenger travel showed a continuous growth on long inter-urban transbay lines, with trips added for riders from Hayward, San Lorenzo, Broadway Terrace in Oakland, Berkeley, Richmond and El Sobrante. Buses also were added to Line 37 - Warren Blvd. express between downtown Berkeley and Merritt College.

A new Line 86 was inaugurated to provide peak hours trips between BART/Hayward and the Hayward Industrial Park. Sunday service also was started between Fairway Park, downtown Hayward and Southland Shopping Center.

Buses were running faster on transbay Lines R and L and East Bay Line 12 on weekends and again on Line R at nighttime. Travel time adjustments also were made on other lines.

The maximum a.m. peak hour equipment requirements increased 27 coaches, to a total of 677. Five coaches were added to transbay service for a total of 301 coaches and 22 were added to East Bay service, to a total of 376.

In addition, six coaches were shuttling passengers between BART/MacArthur station and San Francisco.

One-way street miles increased from 638.9 to 656.9, an increase of 18 miles. One-way route miles increased from 1436 to 1488.2, up 52.2 miles. Total weekday schedule miles increased from 84,074 to 87,816, up 3742 miles.

A boost in the number of pocket timetables distributed—19.7 percent—reflected the large number of line changes connected with BART coordination. Some 2,399,000 timetables were distributed, an increase of 396,000 over the year before.

SENIOR CITIZENS

A special 10-cent fare for senior citizens was continued for the 1973 calendar year and the period the fare is in effect was extended from 3 p.m. to 4 p.m.

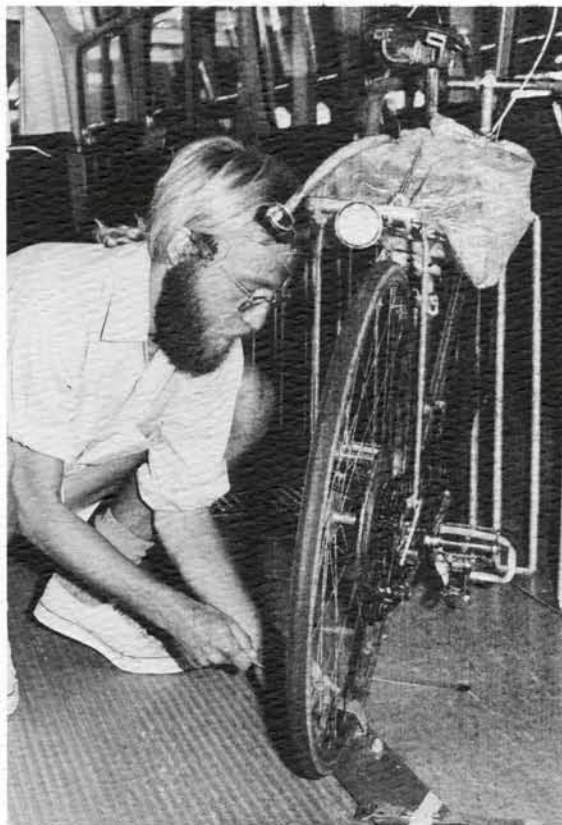
Senior citizen surveys taken six months apart showed riding was holding fairly steady compared to the year before.

The riding count taken on a Friday, Saturday and Sunday in October, 1972, showed 25,116 senior citizens using service, compared to 26,470 the year before. A survey made on the same days in March, 1973, resulted in a count of 28,312 riders, compared to a previous March tally of 28,414. Results were affected, however, by rain on both Saturday and Sunday during the March survey. The weekday survey in March showed a riding increase of 7.7 percent.

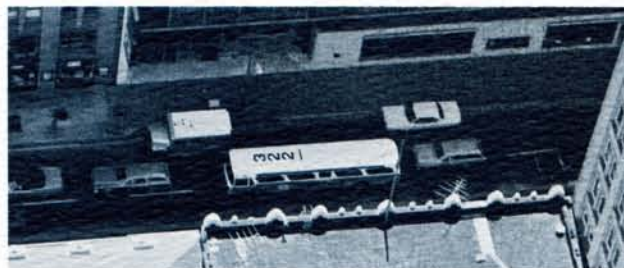
A new type of customerized service was providing shopping benefits for senior citizens living in the Palo Vista housing



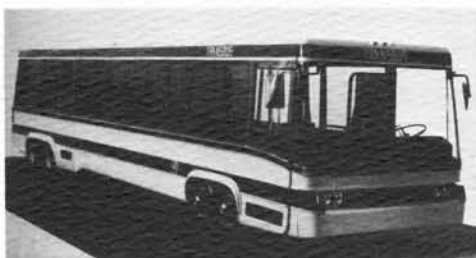
Richmond Division drivers set new safety record of 21,793 miles per accident, and become the first winners of a new safety trophy. General Manager Alan L. Bingham, presents the award to drivers Dorothy Faria, Willie Chadwick and Don Morgan, while Superintendent Nick Alevizos looks on.



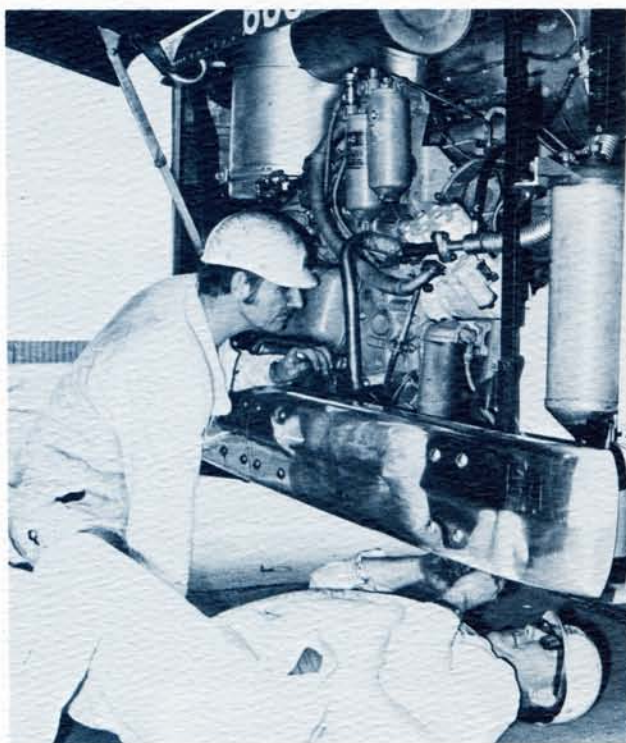
Bus passenger cinches the strap holding down his bicycle aboard the "Pedal Hopper" which carries bikers and their two-wheelers across the Bay Bridge.



Photograph taken from Oakland Police Department helicopter shows numbers painted on top of bus to enable officers to pick specific coaches in any emergency.



Three major bus manufacturers display prototype models of the "bus of the future," being developed under government funding. The new buses will be quieter, more comfortable and will emit substantially less smoke and odor.



Finishing touches are applied to diesel engine in coach Number 666, reconverted to regular fleet status after a brief career as the first of three operating steam buses in the United States.

development. Residents were being taken to and from a major shopping center on Tuesday and Friday mornings. The special service replaces regular service which had been scheduled on a limited basis and was not attracting riders.

Buoyed by successful operation of sightseeing tours during the summer of '72, the District expanded from 14 excursions to 25 in the summer of '73, giving residents and visitors a chance to enjoy fun riding. Destinations included art festivals, wine tasting, historical sites and scenic countryside. The response, particularly from senior citizens, placed the tours in the limelight as a popular—and practical—service.

SAFETY

It was a busy year for safety and training, as drivers and supervisory personnel went through instruction on new routing in connection with BART coordination.

In conjunction with class instruction for BART, a new program on "A Following Distance You Can Count On" was presented to every driver, establishing simple, but more accurate methods of determining safe following distance.

Unusually bad weather conditions during a large part of the year, increased traffic congestion, the system-wide change in operations—plus an increase in coach mileage—were reflected in the total accident picture.

Traffic accidents per 100,000 miles traveled were 5.79, compared to 5.33 the year before. Passenger accidents per one million riders carried were 8.13, compared to 7.08 for the 1971-72 period.

Coach mileage increased from 25,888,773 miles to 26,540,542 miles, up 2.5 percent.

Individual awards for 12 months of driving without an "at fault" accident were presented to 854 drivers.

ACQUISITIONS

Purchases and Stores participated in the purchase of 55 new buses; a new mechanical bus washer at the Richmond yard, improved yard lights at Seminary and Emeryville divisions, 100 new radios, a new fuel contract, bus stop poles, signs and decals, material to furnish and modify 60 45-passenger buses and new shop tools and equipment.

Computerized inventory control was broadened to the point that all items except fuel and oils were being processed by computer.

CLAIMS

Cost of accidents for the fiscal year was \$180,420 for bodily injury and \$62,439 for property damage, a total of \$242,859, compared to the previous year's experience of \$315,930. Settlement of claims amounted to 1.80 percent of operating revenue, compared to 1.94 percent for the 1971-72 period. A total of \$47,735 was recovered for damage to buses, compared to \$34,417 in the previous fiscal period.



The last of more than 2700 Low Sac Needle fuel injectors is installed by Seminary Division mechanic Francis Eaton, completing conversion of 460 buses to the improved injector. The program reduces engine exhaust emissions and smoke production.

Driver Kenneth Jackson displays the ribbon given him by a passenger, who declared he "is the friendliest man we know." Riders frequently praise drivers for courtesy, proficiency and thoughtfulness.

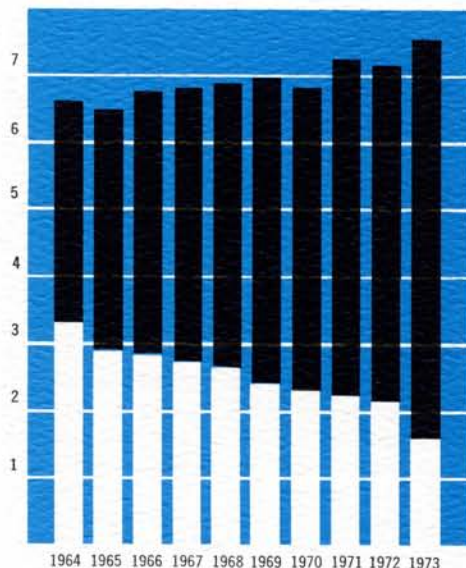


BUS FLEET

Fiscal year ending June 30

HUNDREDS OF BUSES

■ New Transit Liners
□ Former Key System



Cost of Workmen's Compensation cases under the District's permissibly uninsured program totaled \$170,290, some \$154,710 under the projected premium that would have been paid to the State Compensation Insurance Fund. Recoveries totaled \$6,934.

A GREAT TEAM

Although it seemed one of the busiest and most exacting periods in AC Transit history, the year also was one of the most rewarding.

After years of work, often frustrating, the "countdown to BART" became an actuality. AC Transit buses started providing connector service to BART stations, while still offering other East Bay and transbay transportation. People had a choice of transit and a means of transit new to this decade.

There still were things to do, to give the public the best possible combined services, but first goals were reached. And with this accomplishment came a great deal of satisfaction.

It was clearly evident AC Transit has capable, professional, dedicated people who push a little harder to carry out their own jobs and to help fellow workers—whatever transit property is involved—to carry out theirs.

From the experience has come even stronger teamwork. Our people are busy, but they are lined up together, continually moving forward to accomplish one job and then another. The result is a good feeling and a proud feeling to be appreciated and shared by everybody on the property.



Ninety new buses already have devices which minimize pollution, giving AC Transit one of the cleanest burning fleets in the nation.

MANAGEMENT



ALAN L. BINGHAM
General Manager



HAROLD M. DAVIS
Assistant
General Manager
for Personnel



GEORGE M. TAYLOR
Assistant
General Manager for
Administration and
District Secretary



VIRGINIA DENNISON
Public Information
Manager



J. DALE GOODMAN
Transportation
Manager



OZRO D. GOULD
Claims Manager



JOHN A. KRAJCAR
Purchases and
Stores Manager



ANTHONY R.
LUCCHESI
Maintenance
Manager



ROBERT E. NISBET
Attorney



WARREN E.
ROBINSON
Transportation
Engineer



GORDON G.
WADSWORTH
Safety Engineer



LOWELL D. WEIGHT
Treasurer-Controller

PASSENGERS - REVENUE - MILEAGE

	1972-73	1971-72	% Change
Revenue Passengers			
East Bay	35,939,411	36,293,840	(1.0)
Transbay	14,783,062	14,310,613	3.3
Total	50,722,473	50,604,453	.2
Passenger Revenue			
East Bay	\$ 7,748,505	\$ 7,945,128	(2.5)
Transbay	7,319,997	7,075,821	3.5
Charter	618,932	654,145	(5.4)
Total	\$15,687,434	\$15,675,094	.1
Service Miles			
East Bay	16,063,400	15,543,754	3.3
Transbay	9,780,522	9,722,008	.6
Total	25,843,922	25,265,762	2.3

ALAMEDA-CONTRA COSTA TRANSIT DISTRICT SPECIAL TRANSIT SERVICE DISTRICT NO. 1

STATEMENT OF CHANGES IN FINANCIAL POSITION

	Years ended June 30	
	1973	1972
Sources of working capital:		
Proceeds from taxation	\$ 9,315,497	\$8,800,167
Local transportation funds	3,417,185	—
Federal grant funds	1,699,130	98,980
Proceeds from sale of equipment	28,215	21
	<u>14,460,027</u>	<u>8,899,168</u>
Applications of working capital:		
Operating loss	10,869,041	8,374,277
Less depreciation and amortization	1,456,366	1,313,833
	<u>9,412,675</u>	<u>7,060,444</u>
Interest on bonded debt	245,069	272,091
Current installments due on bonded debt	900,000	875,000
Current installments on lease-purchase agreement	340,779	340,780
Acquisition of property, plant and equipment	2,577,788	189,723
	<u>13,476,311</u>	<u>8,738,038</u>
Increase in working capital	\$ 983,716	\$ 161,130
Summary of increase in working capital:		
Cash	\$ (646,169)	\$ 231,157
U.S. Government securities	2,286,222	84,111
Accounts receivable	66,175	(37,930)
Other current assets, net	4,030	19,589
Accounts payable	(223,978)	(48,192)
Accrued pension costs	(196,938)	(250,663)
Unredeemed tickets and tokens	(5,225)	25,221
Self-insurance reserve	(233,000)	100,000
Amount due within one year on long-term debt	(24,999)	(50,001)
Other current liabilities, net	(42,402)	87,838
	<u>\$ 983,716</u>	<u>\$ 161,130</u>

See accompanying notes.

**ALAMEDA-CONTRA COSTA TRANSIT DISTRICT
SPECIAL TRANSIT SERVICE DISTRICT NO. 1**

BALANCE SHEET

ASSETS	June 30	
	1973	1972
Property, plant and equipment, at cost (Note C):		
Property, plant and equipment acquired October 1, 1960	\$ 6,295,489	\$ 6,435,584
Less accumulated depreciation	2,940,244	2,797,779
	<u>3,355,245</u>	<u>3,637,805</u>
Other equipment:		
Motor coaches	17,291,086	14,907,972
Shop and miscellaneous equipment, service cars and building improvements	1,042,820	851,905
Office furniture and equipment	114,311	111,678
	<u>18,448,217</u>	<u>15,871,555</u>
Less accumulated depreciation	9,963,584	8,762,689
	<u>8,484,633</u>	<u>7,108,866</u>
Total property, plant and equipment	<u>11,839,878</u>	<u>10,746,671</u>
Current assets:		
Cash:		
On hand and in commercial accounts	649,800	275,833
Time deposits	8,100,000	9,120,136
	<u>8,749,800</u>	<u>9,395,969</u>
U.S. Government securities, at amortized cost (approximates market)	2,677,836	391,614
Accounts receivable	590,512	524,337
Materials and supplies, at cost	235,074	214,328
Prepaid expenses	69,977	86,693
Total current assets	<u>12,323,199</u>	<u>10,612,941</u>
	<u>\$24,163,077</u>	<u>\$21,359,612</u>
 LIABILITIES AND DISTRICT EQUITY		
Long-term debt, less amounts due within one year:		
General obligation bonds, due serially to 1980, various interest rates (1% to 3.25%)	\$ 7,600,000	\$ 8,500,000
Lease-purchase agreements, due in annual installments to 1974 (4%)	—	340,779
Total long-term debt	<u>7,600,000</u>	<u>8,840,779</u>
Current liabilities:		
Accounts payable	552,269	328,291
Salaries and wages	394,861	323,138
Accrued payroll taxes and amounts withheld from employees	194,450	215,021
Accrued pension costs (Note A)	1,508,333	1,311,395
Accrued interest on bonded debt	79,900	88,650
Unredeemed tickets and tokens	176,864	171,639
Self-insurance reserves	733,000	500,000
Amount due within one year on long-term debt	1,240,779	1,215,780
Total current liabilities	<u>4,880,456</u>	<u>4,153,914</u>
District equity	<u>11,682,621</u>	<u>8,364,919</u>
	<u>\$24,163,077</u>	<u>\$21,359,612</u>

See accompanying notes.

**ALAMEDA-CONTRA COSTA
TRANSIT DISTRICT
SPECIAL TRANSIT SERVICE
DISTRICT NO. 1**

**NOTES TO
FINANCIAL STATEMENTS**

June 30, 1973

A. Summary of accounting policies

Property plant and equipment—Property, plant and equipment acquired October 31, 1960 from Key System Transit Lines and its parent, Bay Area Public Service Corporation, is being amortized on a composite basis over assigned lives which range from ten to thirty-five years.

Other property is depreciated on the straight-line method over the estimated useful lives of the assets which are as follows:

Motor coaches	15 years
Shop and miscellaneous equipment, service cars and building improvements	5 to 30 years
Office furniture and equipment	5 to 10 years

Self-insurance reserve—The District is self-insured for personal injury and property damage claims up to \$50,000 for any one occurrence and for workmen's compensation claims to \$25,000. Claims in excess of these amounts are insured with commercial carriers and the State Compensation Insurance Fund. It is the District's policy to provide, in each period, reserves to cover the estimated charges for the self-insured portion of these claims which are properly attributable to that period.

Pensions—The District has a pension plan covering all union employees and provides similar retirement benefits for non-union employees. In accordance with the terms of a 1972 agreement with the Amalgamated Transit Union, contributions by the District to the union plan are to be made at the discretion of the District, except that they shall not be less than the contribution made for the year ended June 30, 1971 (\$552,000). In 1973 and in prior years, the District has contributed 5% of compensation for hours worked by covered employees for current and future benefits. This was equivalent to 3.8% of gross payroll. Actuarial valuations of the plan were made as of January 1, 1971 and August 31, 1972.

In view of these valuations and increased pension benefits provided by the 1972 agreement, District contributions to the union plan for the year ended June 30, 1974 will be increased to 5.10 percent of the gross payroll of union employees.

These funding practices do not provide for complete funding of future pension liabilities. Based on the 1972 actuarial valuations, the 1973 provision for pensions is estimated to be \$1,300,000 less than the minimum provision for 1973 as determined under generally accepted accounting principles. The 1972 provision was estimated to be \$600,000 less than the minimum provision for that year based on the 1971 actuarial valuations. Correspondingly, accrued pension costs at June 30, 1973 and 1972 are \$1,900,000 and \$600,000 less than the minimum amounts required.

B. Local transportation funds

Pursuant to the Transportation Development Act of 1971, the District received an apportionment of local transportation funds generated within Alameda and Contra Costa Counties to meet, in part, its operating and capital requirements. The funds were apportioned based on a claim filed by the District and approved by the Metropolitan Transportation Commission. Local transportation funds are used for operating expenses, principal and interest on bonded debt and the acquisition of property, plant and equipment.

C. Federal grants

The District has two grants from the Urban Mass Transit Administration of the U.S. Department of Transportation which provide federal funds for the acquisition of motor coaches and other equipment and improvements over a five-year period through 1977. Budgeted capital additions applicable to the grant projects are \$12,922,312. The related federal participation is two-thirds or \$8,614,874 of which \$1,798,110 had been earned at June 30, 1973. In connection with the grant projects, the District has contracted to purchase 55 new motor coaches at a cost of approximately \$2,019,000, of which two-thirds will be provided by federal funds.

At June 30, 1973, motor coaches and other equipment with a cost of \$4,630,000 had been purchased under federal grant projects. Under the terms of the grants, if any project equipment is sold during its useful life and the proceeds not reinvested in like equipment, then two-thirds of such proceeds will be refunded to the federal government.

ALAMEDA-CONTRA COSTA TRANSIT DISTRICT SPECIAL TRANSIT SERVICE DISTRICT NO. 1

STATEMENT OF REVENUE, EXPENSE AND DISTRICT EQUITY

	Years ended June 30	
	1973	1972
Revenue:		
Passenger	\$15,068,502	\$15,020,949
Charter	618,932	654,145
Advertising	227,952	216,390
Interest earned	399,752	362,052
Other operations	195,926	17,534
	<u>16,511,064</u>	<u>16,271,070</u>
Expense:		
Transportation	16,878,442	15,325,168
Maintenance	3,255,149	3,085,607
Depreciation and amortization	1,456,366	1,313,833
Operating taxes and licenses	941,936	763,062
Administrative and general	1,327,520	1,225,925
Welfare and pensions (Note A)	2,204,330	1,853,871
Insurance and safety	1,015,730	804,451
Public information and advertising	300,632	273,430
	<u>27,380,105</u>	<u>24,645,347</u>
Operating loss	(10,869,041)	(8,374,277)
Non-operating items:		
Proceeds from taxation	9,315,497	8,800,167
Local transportation funds (Note B)	3,417,185	—
Less:		
Provision for current year's redemption of bond principal	(895,833)	(866,667)
Interest and fees on bonded debt	(245,069)	(272,091)
Net proceeds from taxation available for operations	<u>11,591,780</u>	<u>7,661,409</u>
Increase (decrease) in equity after provision for bond principal redemption	722,739	(712,868)
District equity:		
Balance at beginning of year	8,364,919	8,112,140
Restoration of provision for bond principal redemption deducted above	895,833	866,667
Federal grant funds for capital acquisitions (Note C)	1,699,130	98,980
Balance at end of year	<u>\$11,682,621</u>	<u>\$ 8,364,919</u>

See accompanying notes.

ARTHUR YOUNG
& COMPANY

1330 BROADWAY
OAKLAND, CALIFORNIA 94612

The Board of Directors
Alameda-Contra Costa Transit District
Special Transit Service District No. 1

We have examined the accompanying balance sheet of Alameda-Contra Costa Transit District, Special Transit Service District No. 1 at June 30, 1973 and the related statements of revenue, expense and district equity, and changes in financial position 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 have previously made a similar examination for the prior year.

As explained in Note A, accrued pension costs at June 30, 1973 and the related pension provision for the year then ended are respectively \$1,900,000 and \$1,300,000 less than the minimum amounts required under generally accepted accounting principles. The pension provision and accrual for 1972 were \$600,000 less than the minimum amounts required.

In our opinion, except as stated in the preceding paragraph, the statements mentioned above present fairly the financial position of Alameda-Contra Costa Transit District, Special Transit Service District No. 1 at June 30, 1973 and 1972 and the results of operations and changes in financial position for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis during the period.

Arthur Young & Company

Arthur Young & Company

Oakland, California
August 17, 1973



Passengers aboard one of the District's popular sightseeing tours look with interest—and a little envy—at Sunset Gardens.

SERVICE CHANGES FOR BART

With the opening of BART train service between Oakland to Fremont these changes were made:

Line 60—East 14th St. - Mission Blvd.—Inaugurated to connect BART/Hayward, BART/Bay Fair and BART/San Leandro.

Line 62A—Hesperian Blvd. - BART/Bay Fair—Inaugurated to provide peak hour connector service from A Street and Hesperian Blvd. to BART/Bay Fair.

Line 66—Alvarado St.—Inaugurated to provide service between San Lorenzo, BART/San Leandro and downtown San Leandro.

Line 81B—Washington Manor - San Leandro—Inaugurated to provide connector service between Washington Manor, BART/San Leandro and downtown San Leandro.

Line 84—Castro Valley - Bay Fair—Inaugurated to provide weekday connector service to shopping area on Castro Valley Blvd. and to BART/Bay Fair.

Line 30—Hayward - San Leandro - Oakland—Discontinued with service replaced by Line 60.

Line 32—Hayward - San Lorenzo - Oakland—Midday service discontinued, peak hour service curtailed.

Line 36—Washington Manor - Oakland—Service curtailed in p.m.

Twenty-three other lines were extended or rerouted to better serve BART. Travel times similarly were adjusted.

* * *

With opening of train service from Oakland to Richmond, these changes were made:

Line 14—Brookdale - Emeryville—Emeryville industrial service discontinued, replaced by Line 17.

Line 17—Chabot Rd. - College Ave.—Extended to BART/Ashby all day and to BART/MacArthur during peak hours, via Emeryville industrial area.

Line 51C—Berkeley UC Village—Basic service discontinued. Supplemental service in a.m. and p.m. peak, with service route changed to circle UC campus.

Line 57—Oakland Airport - MacArthur Blvd.—Extended to Emeryville Marina, replacing Line 47.

Line 65—Ashby - Dwight Way—Rerouted and extended to BART/Ashby and BART/North Berkeley.

Line 31—Oakland - Richmond express—Rescheduled for anticipated passenger loss, service slightly reduced.

Line 33-33R—Oakland - Berkeley - Richmond express—Continued on trial basis, peak service curtailed due to loss of patronage.

Line 33A—Oakland - Alameda express—Separated from regular Line 33 and rerouted via BART/Lake Merritt.

Improvements also were made to 25 other bus lines to better serve BART and neighborhood areas.

* * *

With start of train service on Concord line, Line 17 was rerouted through BART/Rockridge and supplemental service was started on Line C from BART/MacArthur to Transbay Transit Terminal, San Francisco.



New curbside bus stop sign is put into place by maintenance worker Lonnie Kelly, ready for start of service on first BART line. Nearly 6,000 signs were installed.

In addition to regular service, AC Transit operated motorized cable car in downtown Oakland to mark start of coordinated bus and train operations on BART "Day One."





ALAMEDA - CONTRA COSTA TRANSIT DISTRICT

508 - 16th Street • Latham Square Building • Oakland, California 94612