Tax rate kept at same level

AC Transit will keep the same consolidated tax rate during the coming fiscal year, even though expenses are expected to increase almost $2,000,000.

The final operating estimate for the current fiscal year, approved by the Board of Directors, totaled a record high of $22,123,770, up $1,946,127 or 9.56 percent over expenditures for the year ending June 30.

Tax rate set

The board voted to set the rate at a consolidated rate of 19.2 cents per $100 of assessed valuation for the third year in a row, but also accelerated efforts to find additional sources of revenue to help support public transportation.

The directors adopted Bettencourt's motion to send letters to federal and state officials and other authorities, citing the plight of transit and urging help of a permanent nature, Bettencourt stated.

Letters sent

The directors unanimously moved to support Director William J. Bettencourt of San Leandro, who said property taxpayers of the area already are committed to pay the maximum for transit and additional riders were not going to be enticed to public transit if fares are further increased.

"We have to seek other sources—federal help and state help—of a permanent nature," Bettencourt stated.

One way the state could help, he suggested, would be by sharing gasoline tax revenues.

Letters sent

The directors adopted Bettencourt's motion to send letters to federal and state officials and other authorities, citing the plight of transit and urging help of a permanent nature.

The letters pointed out fares alone cannot finance full cost of transit operations, because higher fares to meet higher labor costs result in fewer transit riders on one hand and a consequence increase in usage of automobiles on the other.

The remaining alternative, the letter said, is the "development of new resources for funding capital improvements and some operational costs, technical research and development of those innovative concepts which hold a promise of increasing operational efficiency and generating increased patronage."

The estimated budget allocates $19,754,770 for operating expenses and $2,369,000 for bond debt requirements and equipment renewal.

The District expects to offset some of its increased expenses with a projected $1,017,311 in additional operating revenue, including income from a new fare structure. All adult transbay travel was increased five cents a ride and East Bay tokens were raised to four for $1 on July 1 to help meet escalating costs.

Assessments up

Also reflected will be an additional $859,624 in tax income for increased assessments in Alameda and Contra Costa Counties. Although the tax rate remains the same, individual bills in the two counties are adjusted under an assessment equalization formula required by state law. As result, the tax rate in Alameda County is 19.1 cents, a decrease below last year's 19.7 cents. The Contra Costa County rate is 19.9 cents, up over last year's levy of 17.3.

Tax receipts were estimated at $5,200,000, while operating revenue from the fare box and other sources was estimated at $16,854,578. A projected net deficit of $69,192 will be met from the District's surplus account.

Fare boxes keep busy: Revenue records set

Revenue records went up on the scoreboard Monday, Aug. 25, boosted by the fare increase now in effect and by the evening's exhibition game between the New York Jets and Oakland Raiders.

System-wide, revenue of $55,102 was collected, topping the high of $54,888 tallied May 2. Transbay lines showed revenue of $25,501, surpassing the $24,834 collected April 10.

Grant sought for new hinged buses

A $3,000,000 experimental program has been initiated by AC Transit to acquire 41 newly-designed articulated buses for use in urban service.

The federal government, which has expressed keen interest, will be asked to give the project a financial lift with grants totaling $2,000,000.

The double buses offer promise of increased efficiency, with lower operating costs per passenger carried—an accomplishment government officials support as necessary to offset increasing deficit costs of operating transit service, according to Alan L. Bingham, general manager.

The buses, which are hinged in the middle, can carry more than 70 passengers. The modern units also will offer more luxurious and comfortable riding, hopefully attractive enough to lure additional riders to public transit, the general manager added.

Program status

Authorization to file a funding application to get the program started was approved by the Board of Directors, following the general manager's report on conferences with government officials in Washington.

Bingham said the new program will be started with construction of a prototype articulated bus which would be tested thoroughly at the manufacturing plant. It also would be extensively tested under operating conditions in different cities in the East Bay, under street traffic conditions, as well as on busy freeway corridors.

New design

The prototype could incorporate modern design features such as improved lighting, seating installation, larger windows and front and rear door exits, and air conditioning, the transit official said.

The prototype might be powered by a gas turbine engine—another new development recently under study by bus manufacturers.

Three years of testing with AC Transit's experimental duo-bus, the Freeway Train, has given assurance double buses can carry more riders in greater comfort and at less cost per passenger than conventional coach buses, Bingham said.

State law allows the creation of the only fleet of modern double buses in the nation. They will be used on inter-city express lines, local lines, and feeder lines to future Bay Area Rapid Transit District stations.

Approval of the initial federal grant offers possibility passengers may be riding sophisticated duo-buses at about the same time BART rail service begins late in 1971.

To avoid the fuss, they took the bus

Taking a bus to the exhibition football game between the Oakland Raiders and the New York Jets—on the same night the circus was playing in the adjacent arena at the Coliseum complex—proved the best and easiest way of getting there in time for kick-off.

Twenty percent of the crowd let public transit run interference, riding buses to the Coliseum.

Nearly 11,000 of the 52,927 who saw the Raiders-Jets exhibition came by bus, 6,097 of the District's special football express presses and about 4,000 in charters. Newspapers gave the District's special bus service front page and sports page coverage before the game, telling fans if they wanted to avoid a mammoth traffic jam, to take the bus right to entrance gates. The extensive publicity resulted in record patronage for AC Transit—brightened by the knowledge that many first-time riders may well turn out to be "repeats" during the rest of the season.

Without the buses, as one columnist asked: "Think where you've parked!"
AC Transit boosts its ridership
But costs outrun revenue

By HARRE DEMORO
Tribune staff writer

Success has always been a problem for AC Transit—because it’s expensive.

Considered by the industry to be one of the most modern and well-managed systems in the country, AC Transit continues to boost ridership, and the size of its fleet of modern coaches.

Transit ridership declined nationally 2.14 percent in the 12 months ending June 20. AC Transit patronage increased by .01 percent overall.

Ridership on the bus routes on the Bay Bridge has increased by 82 percent since the publicly owned district took over Key System Transit Lines and its affiliates nearly nine years ago.

Revenues continue to increase. But the problem is they are not increasing fast enough, and the district is seeking new sources of money.

It will take $2,600,192 more to run the 700-bus system in the 1969 fiscal year than riders deposit in fareboxes and bus advertisers contribute, according to estimates prepared by Robert Tough, district treasurer-controller.

In addition to the costs of operation, AC Transit must pay $1,254,200 for new buses and into an equipment renewal fund, $318,900 in interest on bonds sold in May 1968, and $795,900 principal on the bonds. When these costs are added to the operating deficit, AC Transit expects to lose $5,269,192.

To cover the deficit, taxes are levied. This year, AC Transit expects to collect $5,200,000 in taxes and add to it $69,192 in surplus cash.

Deficit operation is not unusual in the transit industry and this is the one reason AC Transit directors have the power to levy taxes.

Under present circumstances, the deficit will continue, said Alan L. Bingham, general manager. He has definite ideas about ways the deficit may be covered without boosting taxes in future years and how the bus system operation might be changed to solve at least some of the problem.

Assuming inflation will continue, Bingham said at least part of the problem might be met by “increasing the productivity of employees.” In other words, getting more from a bus driver without making him work harder.

The AC Transit board has agreed with Bingham that one way to do this is to build larger buses, vehicles that can carry more passengers per driver. The district has experimented with one coach that is hinged in the middle, so it can be longer and have more seats.

The experiment, watched carefully by the industry as a whole, was successful, in Bingham’s view, and the district last week asked the Federal government to help it finance the development and production of 41 of the coaches. Bingham is hopeful they can be acquired for $3 million, with the federal Department of Transportation supplying $2 million.

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(Continued from Page 4)

But in the long run, Bingham said outside funds, perhaps from the Federal government or the state, will be needed to cover operational deficits.

Perhaps a sales tax is the answer, he said. The property taxpayer is carrying the load today.

Bingham met recently with J. D. Braman, assistant secretary of the U. S. Department of Transportation. Bingham said Braman told him the Federal Government, already assisting transit systems in purchasing rolling stock and in financing experiments, is worried about the operating deficit problem.

The AC Transit board is sending letters to federal and state officials to outline the problem.

Why AC Transit buses need a tax subsidy when the privately owned Key System and its parent corporations made money in the Oakland transit business?

Bingham said tax revenues have pre-
Drivers top safety goal

Emeryville Division drivers were in the winner's circle again this month with 14,401 miles per accident, joined by Seminary Division, which tallied 13,206 miles per accident. Both divisions topped the safety goal of 13,100 miles and won treats of coffee and doughnuts.

Biggest tourist attraction in the East Bay is the Sather Gate area at University of California and folks from out of town used a lot of film, trying to capture the scene for people back home who "just won't believe it."

That was one conviction emerging from the sightseeing tour sponsored by the District and the Oakland Chamber of Commerce. It ended on Labor Day after a busy and successful summer.

A total of 1299 adults and children took the tour during the June 15-Sept. 1 season, averaging over 19 passengers a day. August was the busiest month, with a daily average of 25.8 riders.

The bearded, barefoot shaggy look at the Telegraph Ave. entrance to University of California provided a startling highlight for visitors and gave them "something to talk about," according to Barbara Anderson, one of the Chamber of Commerce hostesses who narrated the tour.

"They come from a small place, with 8,000,000 people. They can't understand all the room here." The immigrants couldn't believe the new Oakland Museum - "Such dimensions and so much money," Yao said.

They were just as amazed at the old museum on the shore of Lake Merritt. Nothing wooden would last that long in the East," Yao explained.

The Chinese were impressed by the new Ordway building rising behind Kaiser Center—because it was being named after Kaiser's first employee. An unheard of honor!

To help the newcomers attain mobility, the District sent training instructor George Silva to the center for an introduction on how to ride a bus, transfers and make use of the service, before they took the tour.
At an adjourned regular meeting Aug. 27, the Board of Directors:
• Awarded contract for furnishing mechanical bus washer to Ross & White, on low bid of $18,854, provided District attorney determines proposal is valid and legal, on motion of Director Coburn.
• Awarded contract for interior bus cleaner to Aladdin Heating Corp. on low bid of $23,396, subject to management review, on motion of Director Coburn.
• Authorized attendance at annual meeting of American Transit Association (ATA), on motion of Director Coburn.
• Authorized Assistant General Manager for Administration to accept nomination to ATA Public Relations Administrative Committee, on motion of Director Coburn.
• Authorized General Manager to execute agreement with Bank of America, relative to purchase of new bus, on motion of Director Coburn.
• Approved Operating Estimate for 1969/70 fiscal year, on motion of Vice President Warren. (See story, Pg. 2)
• Established consolidated tax rate at 19.2 cents, on motion of Director Rinehart. (See story, Pg. 2)
• Approved sending letters to government officials, urging operating subsidy for public transit, on motion of Director Bettencourt. (See story, Pg. 2)
• Authorized General Manager to proceed with program to acquire articulated buses, including filing for federal grant, on motion of Director McDonnell. (See story, P. 3)
• Authorized directors and management to attend meeting of American Society of Civil Engineers, on motion of Director Coburn.

At a regular meeting Sept. 10, the Board of Directors:
• Authorized installation of special inside advertising frames on approximately 330 coaches, on motion of Director McDonnell.
• Authorized Assistant General Manager for Personnel to attend meeting of Transit Data Summaries Group, on motion of Director Coburn.
• Approved letter to government officials, on motion of Director Bettencourt.
• Declared intent to introduce ordinance for annexation of Sherwood Forest area, on motion of Director Coburn.

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