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## APPENDIX A: CAPITAL PLAN

### Capital Plan Overview

AC Transit's planning for capital projects involves integration of federal and regional grant-funding processes with the District's internal planning, budgeting, and project approval processes. The Capital Plan Overview section describes how these two processes are linked, and includes a summary of the funding sources that are available to AC Transit.

The next section, Capital Facilities and Equipment, describes the various components of the District's Capital Improvement Program. The projected costs of the various capital projects are summarized in Figure A-1, RTP Baseline Capital Budget.

The final section, Other Grant-Funded Projects, describes grant-funded projects that provide needed resources for District programs, such as marketing and Welfare to Work services, providing a source of funds to partially offset the cost of overall District operations.

### Capital and Grant Plan Development

#### PLAN DEVELOPMENT

There are several primary planning documents that are used to identify AC Transit's capital and operating needs. The Short-Range Transit Plan (SRTP) lays out the business plan for District Operations. It

incorporates the Capital Improvement Program (CIP), which describes the capital replacement program that ensures the continued viability of the equipment needed to support baseline services. The Capital Improvement Program also covers equipment that is needed for the expansions outlined in the Business Plan section of the SRTP.

Current federal and state legislation requires that programs and projects for which the District is seeking funding must first be submitted in the SRTP, whether as a specific project or as a general program. Normally, the SRTP is updated every two years, although sometimes a modified update is prepared to take advantage of changes in legislation that may provide new grant funding opportunities. Each year, AC Transit staff and Board members work together to determine which programs and projects should be submitted for possible federal, state or local grant funding. Projects that are included in the SRTP and/or Business Plan may be submitted for funding without further action by the Board.

Another planning document that outlines the annual element of the Capital Improvement Program is the District's Budget. The capital section of the Budget Book is based on the Capital Improvement Program in the SRTP, updated to reflect any changes that have taken place due to new funding opportunities, changes in the actual versus anticipated funding allocations, and changes in District capital needs that are identified in the annual budgeting process. In recent years, the District has revised its capital budget format to include items such as engines and trans-

missions and tires and tubes. These costs first became eligible for capital funding under the federal Transportation Equity Act for the 21st Century (TEA-21), and are expected to remain eligible under SAFETEA.

Programs or projects identified in the SRTP are included in county congestion management plans and in the six-year Transportation Improvement Program (TIP) that is developed by the Metropolitan Transportation Commission (MTC), the Metropolitan Planning Organization for the nine-county Bay Area. The TIP includes transportation-related capital projects within the region for which federal and state funding will be requested. A scoring process was adopted by the various transit operators in the Region to establish priorities for capital funding.

MTC, along with the nine county Congestion Management Agencies, develops a Regional Transportation Improvement Program (RTIP). District programs/ projects must be in the RTIP to receive consideration for state-administered transportation funding.

## **FEDERAL ELEMENTS**

The Intermodal Surface Transportation Efficiency Act (ISTEA), enacted as federal law in 1991, greatly increased funding flexibility between highway and public transportation projects. ISTEA included several mandates that directly impacted AC Transit's capital planning process, including working more closely with both local and county agencies to resolve regional transportation issues and maximize the use of available capital funding. ISTEA also required

that counties be included in processes for allocating and monitoring federal transit capital funds. Because AC Transit operates in three counties – Alameda, Contra Costa and San Francisco – District planning activities must be coordinated with the Congestion Management Agencies and/or Transportation Authorities for each county.

In 1998, the successor to ISTEA, named the Transportation Equity Act for the 21st Century (TEA-21) was signed into law. TEA-21 expired September 2003 and is expected to be replaced by a proposed new authorization. Congress has approved a five-month extension and a one-month continuing resolution to bridge the gap until the new Act is approved. Other federal legislative acts, such as the Clean Air Act (CAA) and the Americans with Disabilities Act (ADA), also have a major influence on the District's transportation and capital plan.

## **REGIONAL ELEMENTS**

Regional and local mandates and interagency processes within the region play a major role in the District's capital planning process. Unlike many urbanized areas of the country, the nine-county Bay Area has approximately 20 public transit operators that compete with city and highway projects for limited capital and operating funds. After the 2000 Census, the federal government added 7 new Urbanized Areas (UA's) to the Bay Area Region. This action reduced the funding allocated to the San Francisco/Oakland (UA), which is the area from which AC Transit obtains its federal formula 5307 funds. To address the issues that arose with this change in UA's, MTC has implemented a Regional Priority Model to apportion projects that are eligible

in multiple UAs, to minimize the impact on those operators who are only eligible in one UA.

The regional planning cycle for grant-funded projects begins with the development of the regional TIP, which includes the transportation-related capital projects for which federal and state funding is requested. The TIP is updated every two years but may be amended between these updates.

Various public entities, such as municipalities, county agencies, and regional agencies oversee other regional processes that impact AC Transit's capital planning, including:

- ❖ Land Use and Development Planning
- ❖ Congestion Management
- ❖ Air Quality Management

The District includes the use of regional planning documents in its capital planning process, such as:

- ❖ Regional Transportation Plan for the San Francisco Bay Area (MTC)
- ❖ California Transportation Plan (California Department of Transportation – Caltrans)
- ❖ California Clean Air Act (State of California)
- ❖ Bay Area Clean Air Plan (Bay Area Air Quality Management District)
- ❖ Alameda County Congestion Management Plan (Alameda County CMA)
- ❖ Contra Costa County-wide Comprehensive Transportation Plan (Contra Costa Transportation Authority – CCTA)
- ❖ Contra Costa County Congestion Management Plan (CCTA)

## **DISTRICT ELEMENTS**

The development of the Capital Plan is based on AC Transit's Mission, Goals and sub-goals. Active participation in regional transportation planning forums, compliance with federal, state and local mandates, existing regional transportation plans, input from internal departments and the District's fiscal policies are all integral to the development of the Plan.

## *Funding Sources*

### **FEDERAL GRANTS**

#### **FTA SECTION 5307 – URBANIZED AREA FORMULA FUNDS**

This section provides funding for the acquisition, construction, improvement, and maintenance of transit facilities and equipment. Resources are allocated to urban areas according to a population and statistically based formula and are usually matched on an 80% federal, 20% local basis. Up to ten percent of the total annual formula funds can be set aside for paratransit services, under the Americans with Disabilities Act.

#### **FTA SECTION 5309 - CAPITAL PROGRAM-DISCRETIONARY BUS**

This section provides discretionary funds allocated on a project basis. They are primarily directed to rail modernization and major bus projects that require funding beyond that available under Section 5307. This funding source usually requires a 20% local

match. Recently, the District has been successful in obtaining federal earmarks under this funding program, such as partial funding (\$500,000) for the San Pablo Rapid, partial funding (\$1 Million) for the Hydrogen fuel cell facility project, and \$1million for paint booths.

### CONGESTION MITIGATION AND AIR QUALITY PROGRAM (CMAQ)

Section 1110 of TEA-21 provides funding for Clean Air Act projects, State Implementation Plan Projects, and other projects that the Department of Transportation and the federal Environmental Protection Agency determine will help attain mandated air quality standards. Demonstration service projects are eligible for this funding source. MTC has used CMAQ funds to fund its LIFT program and the District's Student Pass Demonstration program. Funds are apportioned to every state based on the population in "non-attainment" areas, adjusted in line with the severity of the pollution. The Bay Area has been designated as one of these non-attainment areas.

### SURFACE TRANSPORTATION PROGRAM (STP)

The Surface Transportation Program was created by Section 1108 of TEA-21 to provide funding for highways, bridges, transit capital, bicycle and car pool programs, and other multimodal uses.

### CLEAN FUEL PROGRAM

TEA-21 included a program to provide approximately \$50 million each year for Clean Fuel projects. Eligible projects include:

- ❖ Purchase or lease of clean fuel buses
- ❖ Construction or lease of clean fuel electrical recharging facilities
- ❖ Improvements to existing facilities to accommo-

date clean fuel buses

- ❖ Repowering pre-1993 engines with clean fuel technology
- ❖ Retrofitting or rebuilding pre-1993 engines if before mid-life rebuild

MTC will be the grant recipient for this program in the Bay Area. To date, the only funding received under this program has been approximately \$1.8 million in funding for the District's Repower Engine Program, which has now been completed.

### INTELLIGENT TRANSPORTATION SYSTEMS (ITS)

The ITS program provides for the research, development, and operational testing of Intelligent Transportation Systems (ITS) aimed at solving congestion and safety problems, improving operating efficiencies in transit and commercial vehicles, and reducing the environmental impact of growing travel demand.

AC Transit received funding under this program in federal years 2001 and 2002 for a portion of its SATCOM project. The funding requires a 50/50 match and has stringent cost and evaluation requirements. In FY 2003 the District received \$1 million in funding for the SATCOM project from Federal Section 330. These funds only require a 20% match, compared to the ITS program which requires a 50% matching share.

### JOB ACCESS AND REVERSE COMMUTE

The Job Access and Reverse Commute grant program assists states and localities in developing new or expanded transportation services that connect welfare recipients and other low income persons to jobs and other employment related services. Job Access

projects are targeted at developing new or expanded transportation services such as shuttles, vanpools, new bus routes, connector services to mass transit, and guaranteed ride home programs for welfare recipients and low income persons. Reverse Commute projects provide transportation services to suburban employment centers from urban, rural and other suburban locations for all populations.

The Job Access and Reverse Commute grant program is intended to establish a coordinated regional approach to job access challenges. All projects funded under this program must be the result of a collaborative planning process that includes state and metropolitan planning organizations, transportation providers, and a range of other welfare and housing agencies, employers and other stakeholders. The program is expected to leverage other funds and encourage a coordinated approach to transportation services. The District has received earmarks of \$2 Million a year for federal years 2001 and 2002. In FY 2003, the earmark was reduced to \$1.5 million. A 50% local match is required.

## **STATE AND REGIONAL GRANTS**

### **REGIONAL BRIDGE TOLLS**

Bridge toll revenues provide funding for transit projects on bridge corridors (including trans-bridge services, terminals, and guideways); improvement of alternative public transit that affects bridge traffic; bicycle facilities; ferry planning, capital and operations; rail extensions that serve bridge corridors; and designated highway improvements.

Bridge toll revenues normally serve as state and local match for AC Transit and other operators to secure

federal capital funds. In recent years, however, the funding available from this source has not been sufficient to provide the match for all funded capital projects. The first priority for matching funds is given to projects funded under the federal Section 5307 and 5309 program. MTC has provided matching funds for CMAQ projects that are focused on reducing emissions such as the Bus Catalyst retrofit.

### **NEW BRIDGE TOLL FUNDING REGIONAL MEASURE 2**

Legislation SB916 substantially increased Bridge Toll funding for transit. A portion of the new funds is earmarked to support the operating costs for express bus service over the Dumbarton, San Mateo, and Bay Bridges and the capital and operating costs of Rapid service on Telegraph, International, and East 14th Street. Buses and bus-related equipment is included in the proposed funding, and a small portion for owl bus service to provide a transit link when BART does not run.

### **STATE TRANSPORTATION IMPROVEMENT PROGRAM (STIP)**

The State Transportation Improvement Program (STIP) is the major program for state transportation dollars. Eligible projects include improvements on state highways, local roads, public transit, pedestrian and bicycle facilities, rail grade separations, transportation system management, transportation demand management, soundwall projects, intermodal facilities, and safety projects. STIP funding cannot be used for transit operations. The state's budget problems have diverted funds normally available to the program to the state's General Fund. Current estimates indicate that there will be no programming capacity in this program until 2008 at the earliest.

## AC TRANSIT TODAY

STIP is a four-year program, consisting of two main categories:

- ❖ Regional Improvement Program (RIP) – These are the funds included in the Regional Transportation Improvement Program, and are directly programmed in the Bay Area by MTC. While the California Transportation Commission allocates funds, decisions on what should be included in the program, and the responsibility for amending, delivering and managing the program, fall to MTC. Seventy-five percent of all state funds available for capital programming flow through this mechanism.
- ❖ The State Interregional Funds – These funds make up the remaining 25% of funds available for capital improvements, split into two parts.
- ❖ A total of 15% for interregional roads and intercity rail projects, of which at least 15% must go to intercity rail projects.
- ❖ A total of ten percent for discretionary improvements to facilitate the interregional movement of people and goods.

### TRAFFIC CONGESTION RELIEF PROGRAM (TCRP)

This program was implemented as part of the Governor's Budget for FY 2000, and funds specific transportation projects that address traffic congestion. AC Transit has been awarded \$8 million from this source for its Hydrogen Fuel Cell Bus Demonstration Project. Another project funded under this program is the capital element of the Express Bus Program, described in the Revenue Fleet section of this document. Funding for this program flows through MTC.

### TRANSPORTATION FUND FOR CLEAN AIR (TFCA)

The Bay Area Air Quality Management District administers the Transportation Fund for Clean Air, which draws its revenue from vehicle registration fees, in the Bay Area. Forty percent of the funds raised in each county are returned to that county and administered by a designated county agency. The remaining 60% go first to certain pre-established programs, with the remainder distributed on a competitive basis. Project criteria are very specific and only transportation projects that result in a demonstrable reduction of vehicular emissions in the Bay Area are eligible for funding. Currently, AC Transit receives TFCA funds for several programs, including:

- ❖ Hydrogen Fuel Cell Bus Demonstration
- ❖ Transit Signage Project\
- ❖ Connecting service to BART on two routes

## LOCAL FUNDS

### ALAMEDA COUNTY HALF CENT SALES TAX (MEASURE B)

Alameda County voters approved a half-cent sales tax for transportation projects in 1986 for a period of fifteen years. The initial Measure B program ended in 2002. Voters authorized a new Measure B program in November 2000, by a majority of over 80%. This new measure, which went into effect in April 2002, more than doubles the share of sales tax funds for AC Transit from 11% to approximately 23%. The newly authorized Measure B funds increased transit service in Alameda County, provides a substantial portion of the local match for the District's welfare to work programs and provides added funding for paratransit service (which is provided under a consortium agreement with BART). The new Measure B will also provide limited funding for capital improvements in



heavily traveled corridors such as Telegraph/International/E.14th Street. The Alameda County Transportation Improvement Authority administers this program.

## Capital Facilities and Equipment

### **CONTRA COSTA COUNTY HALF CENT SALES TAX (MEASURE C)**

Contra Costa County voters approved a half-cent sales tax for transportation projects in 1988 for a period of twenty years. This program is administered by the Contra Costa County Transportation Authority, and subsidizes a portion of AC Transit service in that county, particularly Line 70. The new measure, Measure J, was approved by voters in November 2004. AC Transit and transit activists argued for an increased share for transit in Measure J.

### **DISTRICT FUNDS**

AC Transit's Board of Directors approved Policy No. 360, which sets the District's Goal for establishing comprehensive operating and capital reserves, to ensure that it can meet unanticipated expenses resulting from natural disasters or economic disruptions, and capital expenses. For capital purposes, two percent of unrestricted general operating revenues are to be set aside each year, together with proceeds from the sale and lease of District-funded assets. The District has been forced to spend down its reserves to address the impacts of the economic crisis that is facing the state and the nation. Funds programmed for capital replacement projects are limited to those projects that must be completed to meet CALOSHA requirements or emergency situations.

### **REVENUE FLEET**

AC Transit's active revenue fleet as of December 2004 is projected to include 616 buses. New services in the south of the AC Transit service area as well as congestion problems in northern Alameda County necessitated the retaining of older vehicles to meet the basic service plan. The initial plan called for additional Central County services, increased frequencies for the San Pablo Bus Rapid Transit Project and new express bus services that were projected to require further fleet expansion. Since that time, the economic situation facing the District has necessitated a substantial (20%) service reduction, which will reduce the active fleet by approximately 175 buses. Replacement of these buses will be deferred for 12 years. To address the fleet needs for service under RM2, we have programmed 10 suburban articulated Van Hool buss and 15 regular artics in the RM2 capital funding program.

These changes are shown in Figures A-2 and A-3. The Tables assume replacing current equipment with like equipment, and do not reflect future changes in bus size and/or bus type. This is consistent with the way MTC calculates equipment replacement needs for the Transit Improvement Program (TIP). Changes in size and or bus type will be addressed as the formula program for each year is developed. This replacement schedule, which conforms to Federal Transit Administration requirements, is updated annually.

The planned rebuilding of the fleet, the age of the bus when replaced, and the funding sources of the expansion buses, is shown in Figure A-4. The plan does not reflect the actual size and type of the replacement bus, which will be determined when the replacement is programmed for funding. All future bus purchases for local service will be of the low-floor design that was first introduced to AC Transit in 1998.

In FY 2001, District staff explored the feasibility of purchasing European-style buses; to address the District's need for new style transit vehicles. The goal was to find a bus that could be equipped with three with more doors (three doors on the 40-ft. buses and four doors on 60-ft. vehicles) and be delivered more quickly. The District received only one bid for these vehicles, which came from Van Hool of Belgium. Since these buses were purchased from outside the U.S., they were not eligible for the federal funds that would otherwise have been used for this purpose. Instead, AC Transit used non-federal funds from its operating budget, that would normally be used to fund preventive maintenance. In turn, MTC approved the District's request to substitute a Preventive Maintenance Program for the federal funds originally programmed for bus replacements. A competitive Request for Proposals was issued to both domestic and European bus manufacturers, with Van Hool of Belgium being the only bidder. Despite a 10-week extension of the bid date, no American company bid on the proposed order.

The Van Hool bus, with its vast window space, extra doors for fast and easy boarding and truly low-floor design, are particularly valuable in providing a new look for the San Pablo Bus Rapid Transit corridor service, which was introduced in June 2003. This

look will be continued as we purchase additional Van Hool designed buses for the new RM2 services.

The District's ongoing Revenue Vehicle Replacement Program prescribes the replacement of buses that have exceeded their useful lives. The program establishes an acceptable life of 12 years for a bus and 16 years for an over-the-road coach. These vehicle lives conform to those established by the Federal Transit Administration and in the Bay Area region.

Figure A-3 depicts the replacement requirements for the District's revenue vehicles consistent with the Regional Transportation Plan (RTP), and reflects recent agreements/proposals to defer bus replacements in exchange for preventative maintenance funds. The table differs from the RTP in that there is not sufficient funding for the Region to be able to replace all vehicles that have reached their useful life and reflects recent agreements/proposals to defer bus replacements in exchange for preventive maintenance funds. To address the funding constraints, MTC has placed a cap on replacement projects that limit the available funding for each bus sub fleet to \$20 million in federal dollars. This table does not reflect the results of this limitation nor does it reflect the potential availability of funding for the eligible replacements.

## **EXPRESS BUS PROGRAM**

This program is funded under the Governor's Traffic Congestion Relief Program (TCRP), which provided \$40 million to the Region to purchase approximately 100 new buses. MTC was the recipient of the funds and entered into agreements with the various agencies to allow for the transfer of funds. AC Transit received funding for the following projects:

- ❖ Increased frequencies from 15 to ten minutes on the I-80 Richmond Transbay service from the Richmond Parkway Park-n-Ride lot
- ❖ Route change to the I-80 Richmond Transbay Service, providing connections at Golden Gate Fields parking facility
- ❖ New Stanford University service from Fremont BART across the Dumbarton Bridge, offering headways of 30 minutes in the peak period and 60 minutes at other times
- ❖ Line M – Service across the San Mateo Bridge connecting Hayward BART to Hillsdale CalTrain.

AC Transit received \$18.9 million for buses and bus related equipment, accounting for more than 45% of the total funds available for this program. AC Transit will also receive approximately \$212,000 in operating subsidies for the Richmond service, which is considerably less than originally planned. To address the inability of AC Transit an other TCRP operators to fund this new service, MTC is considering using a portion of the RM2 operating funds for this purpose. A three-year demonstration grant will provide the operating funds for Line M service. Operating funds for Line U – Stanford University service, are anticipated to cover a three year period.

## SERVICE VEHICLES

The District has established a non-revenue vehicle replacement program that is currently funded with its own funds, as it has not received federal Section 5307 funding for this purpose since FY 1993/94. These non-revenue vehicles include the automobiles, trucks, vans, and other motorized vehicles necessary to support bus service. Vehicles should be replaced at

the end of their cost-effective useful lives or when they have operated more than 100,000 miles. Although FTA guidelines allow a shorter life span, the MTC capital planning procedures require a seven-year life for these vehicles.

AC Transit has included replacement of non-revenue vehicles in the District-funded Capital Budget since the unavailability of grant funding for this program has resulted in many vehicles that have far exceeded their useful lives. Due to the current economic climate, the District has deferred its non-revenue vehicle replacement program until there is sufficient funds available for this purpose. The optimal replacement cycle is every four to five years.

## PREVENTIVE MAINTENANCE

The new flexibility under ISTEA and its successor TEA-21 allowed for the capitalization of preventive maintenance costs, including both labor and materials, without a limit on the total amount that may be capitalized.

Total costs for maintenance far exceed this request; therefore the Region has proposed a Revenue Vehicle Sustainability Program which would provide approximately \$100,000 per bus for a mid-life overhaul. This concept is still under discussion but has been submitted as part of the Capital Improvement Plan currently under development for the RTP. The summary Figure A-1 includes this program. In FY 1999 the District elected to defer some of the scheduled bus replacements for a period of two years in exchange for funding for preventive maintenance. This action provided \$19.6 million in federal Section 5307 Preventive Maintenance funding over a four-

year period starting in FY 2000 and ending in FY 2003. The funds from this exchange were used to expand service to demonstrate what service enhancements could be anticipated if the voters supported the reauthorization of Measure B, the local Alameda County Sales Tax Measure.

Under an arrangement with MTC, the District substituted a Preventive Maintenance Project for approximately \$53.5 million in funds originally programmed for bus replacement, in order to facilitate the purchase of European-style buses as discussed previously in this section. The preventative maintenance program will include both labor and materials, but not tires and tubes or engine/transmission replacement, which have been included in both past and current SRTPs as separate programs (Figure A-5).

In FY 2003-2004 the District proposed that all operators defer their planned bus purchases for one year, and use the funds available for bus replacements to help reduce projected operating deficits. After many discussions, a plan was adopted to divide the Federal Section 5307 funding among the various operators. Operators could choose to use these funds for Preventive Maintenance, which would offset operating costs, or to use them for other capital needs that otherwise would not have been funded under the 5307 Program. The District received \$17.2 million in preventive maintenance funding for FY 2003-2004.

As the downturn in the economy is projected to continue, the District has submitted a proposal to MTC to again exchange funding programmed for bus replacements in FY 2004-2005 and FY 2005-2006

for Preventive Maintenance Funds. This action, which, as proposed, is limited to AC Transit, would defer the planned replacement of 146 buses for a period of twelve years. To address our continuous budget problems, the District sold 29 of the new 40 foot Van Hool buses to WMATA. These buses will come back into the fleet rebuilding plan in 12 years. Since the District has been forced to drastically cut service to balance its budget, these buses would not be needed in the short term. The bus replacement plan indicates when the buses would re-enter to program to rebuild the fleet.

### **Tire and Tube Replacement**

AC Transit's Tire and Tube Replacement Program received funding under the Federal Transit Act definition of materials and supplies as associated capital items that are eligible for TEA-21 funding. The Tire and Tube Replacement project directly benefits passengers as it enables the District to maintain a fleet of buses that are safe and reliable.

The funding covered a four-year period and has now been fully utilized. This type of project currently does not score high enough to receive funding; therefore the Tire and Tube Replacement program will be funded with District operating funds. The amount allocated for this project annually is approximately \$1.25 million.

### **Engine and Transmission Replacement**

Under the Federal Transit Act definition of "materials and supplies" as associated capital items that are eligible for TEA-21 funding, the District proposed its Engine and Transmission replacement program for funding in the STIP program. The award provided \$1.7 million per year over a four-year period

beginning in FY 1999/00. The final piece of this funding, \$710,000, is programmed for 2004-05 and will be funded with STP funds.

This project partially funded the rehabilitation of approximately 80 engines and 80 transmissions per year. Total annual costs for this program are budgeted at \$2.4 million annually. These rehabilitated engines enable the District to maintain the major components of its transit vehicles to ensure that the vehicles achieve the planned service life (Figure A-5). Some of these funds were used in conjunction with repowering projects for buses where it was considered more beneficial than rebuilding the engine.

## **FACILITIES AND EQUIPMENT PROGRAM**

The Facilities and Equipment Maintenance Program was established by AC Transit to ensure that facilities are properly maintained to avoid deterioration, and that heavy equipment is upgraded or replaced to ensure optimum performance. This program will help the District achieve the maximum economic life from existing assets at the lowest cost.

The program is consistent with one of the stated, but primarily unfunded, intents of TEA-21, which stipulates the importance of scheduled maintenance and/or replacement of the current transit infrastructure. The District does not anticipate receipt of adequate funding for this program from federal, state or local resources in the foreseeable future. In an attempt to address critical deferred maintenance and equipment replacement needs, a portion of this program has been included in the District-funded Capital Budget. The District will receive \$1.5 M in Formula 5307 funding for this purpose in FY 2004-

05. While some funds have been received from STP/CMAQ/STIP programs in the past, currently the only funds programmed for Facility Maintenance and heavy duty equipment replacements is \$3.7 million in the outer years of the STIP program.

## **EXISTING FACILITIES**

In addition to its general offices at 1600 Franklin Street in downtown Oakland, AC Transit maintains six operating and maintenance facilities:

- ❖ The Training and Education Center (20234 Mack Street, Hayward) is used for maintenance, operator, and management training.
- ❖ The Central Maintenance and Purchasing and Stores Facility (106th Avenue and East 14th Street, Oakland) performs major maintenance and repair functions for all of the District's buses. Purchasing and Stores maintains a central stock of parts that are delivered on request to the operating facilities.
- ❖ Four operating facilities, from where all regular service is dispatched. Additionally, Division 4 serves as the site for a new operating division, Division 8, out of which paratransit service is operated.
  1. Emeryville Operating Facility (D-2)  
45th Street and San Pablo Avenue  
Emeryville
  2. East Oakland Operating Facility (D-4)  
Seminary Avenue and San Leandro Blvd.  
Oakland
  3. Richmond Operating Facility (D-3)  
23rd Street and MacDonald Avenue  
Richmond
  4. Hayward Operating Facility (D-6)  
1758 Sabre Street  
Hayward

## EXPANSION FACILITIES

The District needs to expand its maintenance and operating facilities to accommodate projected future service levels, particularly planned growth resulting from new Bridge Toll Program and the state and local-funded Express Bus Program once the economy improves. The new Bridge Toll Legislation funding will become available for the expansion of express bus and local service feeding BART service by early 2005. Measure B is another source of funding for expanded express and connecting bus service.

To this end, AC Transit is looking at options to build a new facility in South Oakland or central Alameda County. This would house approximately 250 buses, leaving some room for future growth. In the short term, the District may elect to expand an existing facility to address immediate needs.

Improvements to the Hayward facility could provide space for additional buses to fulfill expansion plans in southern Alameda County and the two express routes that will operate from here. The Hayward Division currently has capacity for approximately 200 buses and operates 173 peak hour buses from this division.

## FIXED ASSET REPLACEMENT SCHEDULE

AC Transit has developed a Fixed Asset Replacement Schedule that identifies the time line for preventive facility maintenance and equipment upgrades and replacements. This covers replacing equipment such as hydraulic systems, dynamometers, and paint booths; repaving yard parking areas; repainting buildings; repairing or replacing roofs; refurbishing office space; repairing or replacing heating, air condi-

tioning and ventilation systems; and upgrading facilities and sites to meet increasingly stringent federal, state, and local building codes, environmental protection standards, and toxic waste disposal and handling restrictions.

The District uses life cycle analysis and programmed inspections to effectively schedule replacements and repairs. Criteria for fixed asset replacement are based on the MTC's Bay Area Finance Plan. Figure A-5 depicts the most critical maintenance and equipment projects identified in the District's budgeting process. This list will be used to prioritize projects that will be funded as grant and District resources become available.

As noted above, the District-funded Annual Capital Budget has provided funds for a small portion of this program, and limited funding has been received under the STP/CMAQ/STIP programs. However, many scheduled replacements have been delayed due to lack of sufficient funding.

## INFORMATION SYSTEM REPLACEMENT/UPGRADES

Information Systems (data processing) projects make a direct contribution to the safety of AC Transit service, through providing timely, reliable and up-to-date information to facilitate decisions on all aspects of District operations, including fleet maintenance. The District has established an executive-level Information Technology Steering Committee, which is developing a five-year Information Technology strategic capital plan to determine how and when equipment and software will be replaced or upgraded.

AC Transit has successfully implemented the installation of its Maintenance and Materials Management Information System (MMMIS) with a new state-of-the-art Enterprise Asset Management System (EAMS). This system, based on a modern database and using client-server technology, provides enhanced support to vehicle maintenance, materials and purchasing. This system is scheduled for a routine upgrade to web-based technology in 2004/05.

The District has and will continue to utilize its own funds to maintain and upgrade its Information Systems. The PeopleSoft Human Resources and Payroll systems combined with Sungard Bi-tech's Integrated Financial and Administrative Solution (IFAS) remain the backbone of the District's administrative computing infrastructure. FY 2004-05 will bring a consolidation and modernization of the District's servers, which will reduce maintenance and overhead costs. Other projects include implementing an enterprise-wide application integration solution to provide information to the District's workforce regardless of the source of the information.

## **ON-BOARD EQUIPMENT**

On-Board Equipment refers to additional or special devices installed on revenue and non-revenue vehicles to facilitate or enhance efficient bus operation.

## **RADIO COMMUNICATION SYSTEM/SATCOM**

AC Transit's Radio Communication System and Automatic Vehicle Monitoring/ Location (AVM/AVL) project, now known as SATCOM, first received federal funding in FY 1992/93. The total project budget of nearly \$10 million has since been expanded to approximately \$15 million, with \$2 mil-

lion for the PA Announcement Project, and approximately \$3 million in STP funding. The District has received three earmarks from Congress totaling \$1.8 million, bringing the total project funding to \$16.8 million. The earmark funds will be used to provide technological enhancements to existing information systems to maximize the use of the SATCOM technology.

The SATCOM project reflects a system-wide application that integrates the various information systems and/or functions such as on-board stop announcements. It includes:

- ❖ Automatic Vehicle Monitoring/Location (AVM/AVL). This provides continuous, real-time information on the location of each bus, and allows the entire system to be monitored from the Central Dispatch Center. By providing up-to-date information, an AVM/AVL system will result in better on-time performance, better security, more reliable ridership information, and better public information. It will serve as a data tool for operations, scheduling, and planning, and will also have potential benefits for maintenance administration.
- ❖ Automated stop and external announcements. These assist visually impaired riders in reaching their destinations and in identifying which bus to board, bringing AC Transit into compliance with this part of the Americans with Disabilities Act, eliminating the need for drivers to announce the stop
- ❖ "NextBus" information displays. The SATCOM schedule and route adherence data can be processed by software designed to predict bus stop arrival times. This predicted arrival time could then be displayed at bus stops using stan-

dard paging technology. This will lead to the dissemination of more accurate information and increased confidence in the AC Transit system.

Other technology enhancements may include additional radio channel licenses, web-based real-time schedule information and traffic signal priority. It may also be possible to link the system with TransLink, the universal fare payment system that is currently being implemented by MTC.

SATCOM includes upgrades of the data systems, such as scheduling software and maintenance management information systems that will interface with SATCOM.

#### FARE COLLECTION SYSTEM/TRANSLINK

MTC has been working with regional transit operators for several years to develop a universal ticket that can be used on all Bay Area transit systems. BART and the Central Contra Costa Transit Authority demonstrated the first phase of the regional project. The demonstration indicated that the Region needed to rethink the technology it would use for TransLink as the BART technology was outdated and was not compatible with bus operations. MTC and Regional operators have since been working together to redefine "TransLink." An RFP was issued in January 1998, and MTC awarded a contract for implementation to the Motorola Corporation.

A six-month pilot program was implemented in early 2002. AC Transit was one of a handful of Bay Area operators who participated in the TransLink pilot, and equipment has been installed on all 124 buses at the Richmond Division. Funding for TransLink is being provided under a FTA grant to Golden Gate

Transit, which will function as the grant administrator. A full rollout of the TransLink Program at AC Transit will occur in the spring of 2005.

### *Transit Centers / Park-n-Ride Lots*

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To ease passenger transfers between routes and improve passenger comfort, transit centers are being developed at key points throughout the system. Transit centers allow several buses from different routes to be present at once so that patrons can transfer with minimum waiting times. The facilities allow buses to arrive and depart without blocking other buses and provide a safe and pleasant waiting environment. The centers are strategically located where several routes naturally converge, resulting in high transfer activity.

In addition to facilitating bus-to-bus transfers, the transit centers may also accommodate intermodal transfers. They are located near major activity centers that generate a significant number of walk-in passengers. Most BART stations in the AC Transit service area will serve as transit centers to facilitate both regional and local travel.

From the time the transit centers were initially envisioned in 1987, construction costs were consistently adjusted for inflation. However, other economic factors have resulted in rising construction costs. Therefore, the District will be seeking additional funds to complete the transit centers. A list of the proposed centers and funding sources is shown in Figure A-6.



Regional Measure 2 funds have been earmarked for the expansion of the Richmond Parkway Park-n-Ride facility. RM2 will provide about \$16 million to expand the capacity of the this heavily used facility.

### **TRANSIT CENTER SHELTER SAFETY MITIGATION PROJECT**

This project seeks funding to ensure that the District's non-BART Transit Centers remain safe, attractive waiting environments for passengers once they are built. It would replace broken windscreens, lighting and other transit center amenities that need to be kept in good working order. Consistent with Transit Enhancement legislation, replacing damaged landscaping would also be a part of this project.

Experience at our Contra Costa College Transit Center site has indicated a need for this type of project to address the damage inflicted by vandalism that results in passengers feeling concerned for their safety, thus reducing their use of public transit.

### **SECURITY VIDEO CAMERA INSTALLATION AT TRANSIT CENTERS**

#### **Buses**

The District has installed Video Cameras on a portion of its bus fleet. This project would replace cameras that become damaged or obsolete and would seek new funding to provide video surveillance equipment for the entire fleet.

#### **Facilities and Transit Centers**

District facilities are also equipped with video surveillance equipment. Replacement of the facility cameras is included in the District's capital program.

The District has completed two transit centers that are located at non-BART sites. The first transit center opened in 1997 at Contra Costa College. A second transit center at Eastmont Town Center became fully operational in early 2001. The District will seek funds to add video surveillance cameras at these centers and future transit center sites.

Experience with the Contra Costa College site has indicated a need for more surveillance to ensure that riders feel safe while waiting for buses. To address these concerns, the District plans to seek funding to install video cameras at both transit centers. This project is consistent with the stress on "safety and security" that has been incorporated into the Region's planning process. As new centers are developed, the District will seek adequate funding to include the provision of this safety feature in the overall project plan.

## *ADA Related Projects*

### **PARATRANSIT VEHICLES**

AC Transit purchased ten paratransit vehicles with grant funds received in FY 1994/95, which were used to provide services under a consortium agreement with BART. The services are provided under contract with a broker, currently ATC/Vancon, who is responsible for contracting out the services to private or public agencies, which in turn provide the vehicles needed.

In addition to the original 10 vehicles, the District purchased 27 paratransit vehicles from Laidlaw Transit in 1997. This action was taken when the District elected to become one of the providers under the consortium agreement, when one of the original

contractors determined they could no longer provide this service. All of these vehicles were replaced with District funds in 2002. The District currently operates a fleet of 41 paratransit vehicles as one of the five providers under the East Bay Paratransit Consortium.

### **PARATRANSIT VEHICLE COSTS**

As noted above, AC Transit and BART have entered into a consortium agreement for the provision of paratransit services in their common service areas. This project proposes to fund the vehicle portion of the total annual cost of providing these services.

The broker, ATC/Vancon, enters into contracts with private and/or public service providers who supply the drivers and vehicles utilized for the paratransit service operations. Currently, there are five service providers, Friendly Transportation, Inc.; MV Transportation; A Paratransit; First Transit, and AC Transit. The total projected costs for FY 2003/04 for these contracted services is \$24.3 million, of which approximately \$2 million is attributable to the cost of the vehicles. AC Transit's share of the vehicle costs is 69% or an annual cost of approximately \$1.4 million.

### **ADA PEDESTRIAN ENHANCEMENTS AT TRANSIT CENTERS**

This project seeks funding to implement ADA Transit Center Design Enhancements that were developed in conjunction with the Accessibility Advisory Committee. These enhancements will improve safety and mobility for persons with visual and other disabilities. The project will address deficiencies at both BART and non-BART transit center sites. Other ADA amenities may include improve-

ments to signage and pavement surface contingent on the availability of funding.

Consistent with the guidelines of the regional program for this area, these improvements go beyond the specific ADA requirements. The improvements are estimated to cost \$50,000 per transit center site. The District has received STP/CMAQ funding for the four transit centers located in Contra Costa County. AC Transit will continue to seek funding for appropriate sites in Alameda County.

## *Special Programs*

Special Programs are comprised of projects that may not fall under general replacement or construction categories, yet are active elements of the District's Capital Plan. This section includes plans or programs which are geared to improve District operations, increase ridership or plan for upcoming federal mandates.

### **TRANSBAY TERMINAL**

Each weekday, about 12,000 AC Transit passengers on more than 700 bus trips uses the Transbay Terminal. Based on regional forecasts, the level of Transbay bus patronage could increase to more than 40,000 passengers by 2025 with higher service levels and bus priority improvements in the East Bay.

The current Transbay Terminal, owned and operated by California Department of Transportation, is a 64-year-old facility with significant seismic and disabled access deficiencies. Since the mid-1960's, various studies have highlighted the need to improve or alter

the facility – the latest study, commissioned by MTC in 1999, led to a regional consensus on the need and financing of a combined bus-rail station. This consensus led to the creation of the Transbay Joint Powers Authority to design, build, and operate the new terminal. AC Transit is a member agency of the Authority.

Following the creation of the Authority, Caltrans negotiated to transfer the terminal building and about 19 acres of additional Caltrans property in the vicinity of the terminal to the Authority and to the City and County of San Francisco. Based on these agreements, the City is required to use all the proceeds from the Caltrans property to build the terminal, and to dedicate all the tax increments created by the new development on the property to the terminal project. The total amount of funding is about \$800 million. The new Bridge Toll legislation allocates \$150 million to the project, and the San Francisco transportation sales tax reauthorization allocates about \$270 million to the terminal project. The current construction schedule calls for demolition of the existing facility in 2006, with occupancy of the new terminal in 2011.

## **FUEL CELL TECHNOLOGY (HYDROGEN BUS PROGRAM)**

Hydrogen fuel cell technology offers the promise of quiet, emission-free public transportation. Though still in its infancy, it will profoundly change the way we travel, equivalent to the transition from horse and buggy to horseless carriage.

In November 1999, AC Transit successfully hosted one of the first real world tests of the XCELLSIS

ZEBus, a prototype 40-foot standard-size, zero-emission bus. Shortly afterwards, the District joined the California Fuel Cell Partnership (CaFCP), bringing its long experience as a leading urban bus operator to this consortium of vehicle and fuel cell manufacturers, fuel companies and government agencies. AC Transit will play a vital role in developing and testing methods for operating standard sized fuel cell buses under the demands of a large and busy system.

To this end, AC Transit has partnered with UTC Fuel Cells and ISE Corporation for the development and integration of a hydrogen fuel cell, hybrid-electric drive system into a Van Hool 40 foot vehicle that has been specifically engineered as a fuel cell, hybrid-electric vehicle. Three vehicles are in production and will be delivered to AC Transit beginning September 2005, with the remaining vehicles delivered in February 2006.

The Department of Energy recently awarded a multi-million dollar grant to Chevron-Texaco, in partnership with Hyundai Motor Company and UTC Fuel Cells, to sponsor a demonstration of 10 fuel cell Hyundai cars at AC Transit between 2005 and 2009.

AC Transit has also partnered with Chevron-Texaco under a separate contract to build a hydrogen energy station at our East Oakland facility, featuring a state-of-the-art, small-scale steam reformer that will produce hydrogen fuel from natural gas and steam. This facility will not only fuel AC Transit's buses, but will be available to fuel the Hyundai cars and the CaFCP light duty passenger vehicles.

AC Transit has recently signed a contract with Nexant for the design and engineering of permanent hydro-

gen fueling facility and modifications to maintenance bays at our East Oakland facility.

AC Transit's Hydrogen Bus Program is designed to demonstrate that fuel cell buses can be fueled and maintained efficiently, and can perform reliably. AC Transit, in conjunction with the National Renewable Energy Laboratories (NREL), UC Davis, and other transit agencies has developed an extensive Fuel Cell Evaluation and Analysis Program. This will provide solid information that can be shared with the transit industry regarding the performance of the fuel cell buses in a fleet application, focusing on five principal areas:

- ❖ Maintenance and Life Cycle Costs
- ❖ Operational Performance
- ❖ Safety
- ❖ Capitalization (Cost of new buses, life expectancy, and replacement costs)
- ❖ Consumer/Public Acceptance

Additionally, AC Transit is proud to have the first California Fuel Cell Partnership (CaFCP) Satellite Fueling Facility located at our Richmond Division. This small, electrolyzing unit produces up to 24 kg of hydrogen a day with a storage capacity of 47 kg. This facility has allowed AC Transit to operate and demonstrate a prototype 30-foot fuel cell hybrid-electric bus, in revenue service since mid-October. The propulsion system on this bus is a smaller version of the drive system that will be installed in the District's 40' fuel cell buses. The reception by the riding public to this Zero Emission Bus has been quite positive.

AC Transit, through its Hydrogen Bus Program, is

recognized throughout the world as a leader in the development and advancement of hydrogen as a commercially viable technology. AC Transit's Fuel Cell program is almost entirely funded through grant sources.

## *Future Programs*

### **HYDROGEN ICE HYBRID-ELECTRIC TRANSIT BUS**

The District is seeking additional grant funds to build demonstration hydrogen ICE (internal combustion engine) hybrid-electric 40' bus that would utilize the same vehicle and electric drive system as the fuel cell bus, but an ICE would provide the electrical supply in place of a fuel cell. Hydrogen fuel cell technology offers considerable promise to significantly reduce and potentially eliminate harmful emissions, while leading the way toward a sustainable energy economy.

AC Transit has recognized the long-term value of utilizing hydrogen as a source of fuel and committed itself to the development of a \$15 million fuel cell demonstration program in partnership with public agencies and private industry. Notwithstanding this effort, the high cost and long lead-time to make fuel cell buses commercially viable require the development of affordable transition or "bridging" technologies that can utilize in the near term the many environmental advantages of hydrogen fuel. If the District is able to secure the necessary funds to build this bus, it will be evaluated much in the same way as the fuel cell buses.

## **GASOLINE HYBRID-ELECTRIC BUSES**

As another possible transition technology, AC Transit is exploring the possible use of gasoline hybrid-electric buses in future procurements of 30' low-floor community service buses. These engines not only have very low emissions, but they are also very quiet, and extremely energy efficient, expending half the fuel of a standard diesel bus. Additionally, their electric drive systems are expected to be considerably cheaper to maintain and operate than standard ICE drive systems. The first prototypes will be delivered to AC Transit in the summer of 2005, followed by the remaining fleet in 2006.

## **BUS CATALYST RETROFIT PROGRAM**

The District received approximately \$3 million in funding for the retrofit of particulate traps on 378 buses, to meet the emission requirements of CARB. MTC requested operators to further reduce NOx emissions to address air quality issues in the Region. Accomplishing this goal requires a more expensive piece of equipment than the particulate trap, known as a bus catalyst. This device will reduce NOx emissions by 25% and particulates by 85%.

To provide for the additional costs of the bus catalyst equipment, MTC agreed to provide an additional \$3 million in CMAQ funds, to cover the incremental costs of adding this equipment to approximately 416 buses. The funding requires an 11.47% match, which will be provided by the Bridge Toll Fund for this purpose.

## *Major Corridor Capital Improvements*

For the Major Corridors and Trunk Routes, the investments are based on three levels of service improvements:

- ❖ Basic Improvements
- ❖ Rapid Bus
- ❖ Bus Rapid Transit (BRT)

The three tiers are additive, meaning that the lower tiers of improvements contribute to the achievement of the next higher level. The Rapid Bus tier incorporates the entire Basic tier and the BRT tier incorporates most of the Rapid Bus tier. The BRT improvements are the most capital intensive and would be applied to only the most heavily used corridors. Other corridors would still warrant improvements to signals or stops, yet would not necessarily be designated as "Rapid". This is primarily due to the anticipated service levels.

### **TIER ONE: BASIC IMPROVEMENTS**

Basic improvements are defined here as changes to bus operations and new infrastructure that offer modest reductions in vehicle travel time, enhance the environment for passengers and help contribute to a unified corridor identity. They represent the minimum investment needed to result in measurable changes in ridership and system efficiency, and can generally be implemented at low cost through normal procurement channels or other existing programs. However, some basic improvements such as traffic signal systems are capital-intensive and are dependent on as yet unidentified sources of revenue.

## FUTURE CORRIDORS

Basic Improvements - Bancroft, Sixth/Hollis, Sacramento, MacDonald/MLK, Mission/E.14th, Hesperian

These bus routes have somewhat lower daily ridership than the top five trunk lines. However, each corridor provides important connectivity and is a key element of an improved trunk line system. None of these corridors would have limited stop service but each could benefit from basic improvements to fixed infrastructure and service enhancements. The District would need to evaluate the additional capital and operating requirements if limited stop service is pursued in these corridors.

In December 2002, the Central County Policy Advisory Committee established the Mission/ outer E.14th Street corridor as their priority for further action. This is due to redevelopment efforts currently underway, in addition to the current construction of bus and pedestrian related improvements along the corridor. Additionally, the Hesperian Corridor has also been included in MTC's approved and final Regional Transit Expansion Program of projects.

Timeline: Identify funds for Planning and Operations Study by 2004

## BUS ARRIVAL INFORMATION

From the passenger's perspective, the time spent waiting for a bus is more onerous than the time spent riding in the vehicle. As well as cutting the actual time spent waiting through increasing frequencies, AC Transit can reduce the perceived wait time by providing accurate bus arrival information. Such systems use satellite-based tracking to predict the arrival

of buses at stops, and provide information via electronic signs at stops, the Internet, and portable devices such as personal digital assistants and phones.

## TRAFFIC SIGNAL IMPROVEMENTS

Traffic signal improvements should be sought for every trunk route in the District. Currently, every bus is susceptible to delays from traffic congestion and poorly timed traffic signals, resulting in slower average travel speeds, compromised schedule reliability and added operating costs.

## TIER TWO: RAPID BUS

Rapid includes all the Basic Improvements listed above, plus additional measures to speed up service and increase reliability, described below. The improvements begin to allow for high quality limited stop service with close headway spacing. The District recently implemented Rapid Service on San Pablo Avenue and riders have experiencing a 20% reduction in travel time.

Many transit agencies are advocating that the Federal Transit Administration adopt a definition for BRT that is closer to AC Transit's Rapid concept. The idea is to permit more projects to qualify for Federal New Starts funding, which is generally restricted to projects with a transit guideway component. However, the three tiers of improvements outlined here could remain the same, regardless of the final Federal definition for BRT.

In September 2003, the District adopted a definition for its Rapid service, which established minimum thresholds of service and capital improvements to match this designation. Because there is a mix of

nomenclature that varies nationally and regionally, the District felt that such a definition would help to communicate the vision for the corridors to our partner agencies. This definition also helps to communicate which elements will be included when the District implements Rapid service in specific corridors.

At a minimum, Rapid service should exhibit the following characteristics:

- ❖ 12-minute headways (or better)
- ❖ Headway based scheduling
- ❖ Bus stops 1/2 to 2/3 of a mile apart
- ❖ Far-side bus stops when possible
- ❖ Traffic signal treatments such as signal timing or coordination, transit priority, or queue jump lanes
- ❖ Distinctive shelters with Rapid branding and bus arrival information signs
- ❖ Distinctive vehicles with Rapid branding and features to reduce dwell time.
- ❖ Proof of Payment to the extent feasible.

## FUTURE CORRIDORS

Rapid Bus: Foothill, MacArthur/W. Grand, Shattuck/Alameda, and College/University/Broadway

Foothill Boulevard and MacArthur Boulevard serve densely populated East Oakland neighborhoods. Each of these routes carries about 20,000 daily riders. The College/University/Broadway corridor and the Shattuck/Alameda corridor link Berkeley with downtown Oakland, with the latter serving Alameda. Each of these corridors would have a high-frequency limited stop service. Bus-only lanes or queue jump lanes would be sought only where substantial benefits to operations are possible. Additional feasibility studies

would be needed to determine if these corridors warrant a Bus Rapid Transit type of service and to determine the capital and operating impact to the District. Both the Foothill and MacArthur Corridors have been included in MTC's approved and final Regional Transit Expansion Program of projects.

Timeline: Begin Planning and Operations Study (including System Engineering Study for Signal Treatments) by 2004

## TIER THREE: BUS RAPID TRANSIT (BRT)

Bus Rapid Transit (BRT) involves the highest level of capital investment, with the construction of fixed infrastructure, and is intended for the most heavily used corridors. BRT uses a dedicated, bus-only right-of-way to speed service, and features highly developed stations, together with most of the basic improvements and Rapid Bus improvements described above. The intent is to create a rail-like riding experience for passengers and achieve the fastest, most reliable bus service possible. BRT also focuses on supporting transit-oriented development and increasing the comfort and safety of passengers.

## BUS-ONLY LANES

The key operational and visual feature of BRT Corridors is the provision of dedicated bus-only lanes, either in the median or along the curb, to permit buses to bypass the vagaries of traffic congestion. Other motor vehicles would be prohibited from traveling in these lanes, and turns across them would only be permitted only at signal-controlled locations.

The lanes also permit the bus to travel a straighter path along the street, increasing the comfort of pas-

sengers and allowing the bus to pull more precisely parallel to the boarding platforms or curb stops. Bus-only lanes also reduce conflicts between buses and bicycles and other motor vehicle traffic.

### TRANSIT STATIONS

BRT stations would resemble smaller versions of light rail transit stations, rather than conventional bus stops. They could have varying designs for basic stations and for major transfer points or centers of activity. Each station would have the following basic features:

- ❖ Shelters and seating
- ❖ Fare vending machines
- ❖ System information such as maps and schedules
- ❖ Electronic bus arrival signs, as discussed above
- ❖ Boarding platforms level with the bus floor

### LANE ASSIST AND PRECISION DOCKING

Emerging bus guidance technologies can aid the driver of the bus, improve the comfort of passengers, reduce accidents and increase operating efficiency. They can be manually overridden by the driver at any time. Automatic guidance offers two applications for BRT:

- ❖ Lane assist, which uses the guidance system to travel between stations. This may help conserve right-of-way by allowing for narrower lanes. Additional benefits include a smoother ride for passengers and greater safety.
- ❖ Precision docking at bus loading platforms. Tolerances of less than a half inch are possible that could allow direct platform to bus boarding of wheelchairs and easier entry and exit for all passengers.

Two technologies are available:

- ❖ Optical systems. These are in use in several

French cities, and involve a camera mounted in front of the steering wheel, which can read coded markings painted on the road. The system keeps the vehicle on the required route with a tolerance of a few inches, and fits it accurately into bus bays at bus stops for effortless level access. The optical guidance bars are merely painted on the road surface and can be relocated at minimal expense.

- ❖ Magnetic systems. A magnetic guidance system, developed by the PATH program at UC Berkeley, is ready for commercial implementation. It uses ceramic magnets imbedded just below the pavement surface, read by on-board detectors. The system is more accurate than the optical system and is capable of precision movement within tolerances of two inches.

### BERKELEY-OAKLAND-SAN LEANDRO BRT PROJECT

Based on the criteria used to evaluate the corridors presented above, the highest priority in the District is Telegraph-International-E.14th Street, which reflects the current planning activity and funding status of the project. This corridor is included in both Track 1 of the RTP and the Regional Transit Expansion Plan (RTEP), and is recommended for funding as part of Senator Perata's bridge toll measure. Congresswoman Barbara Lee and Congressman Pete Stark have also submitted this project in the reauthorization of TEA-21. This corridor also enjoys a higher degree of readiness to implement capital elements due to existing working relationships with the local jurisdictions and the Congestion Management Agency.

### PROJECT DESCRIPTION

Project Features: The Board adopted Bus Rapid



Transit as the preferred technology for the Telegraph Avenue/International Boulevard/E. 14th Corridor, with the understanding that light rail should be considered as a long-term goal. The BRT system in the corridor will be designed in a way to maximize the possibility of a potential future upgrade to light rail. The project is currently under environmental review. The BRT system will include the BRT features referenced above:

- ❖ Dedicated transit lane along the corridor
- ❖ Traffic signal priority and coordination throughout the corridor
- ❖ Frequent BRT service with a background local service (five to 7.5 minutes between BRT buses)
- ❖ Wider BRT station spacing than existing bus service (1/3 to two miles between BRT stations)
- ❖ BRT stations including shelter, boarding platform, benches, security features, fare machines, real-time bus arrival information and other amenities
- ❖ Proof-of-Payment ticketing
- ❖ Low-floor, multi-door, level-boarding, clean-fuel BRT buses

## ROUTE ALIGNMENT

The recommended alignment primarily uses Telegraph Avenue in the northern portion of the corridor and International Boulevard/E. 14th in the southern portion. It begins in the north near the Downtown Berkeley BART station. From there, the alignment uses Shattuck Avenue Bancroft Way/Durant Avenue, Telegraph Avenue and Broadway to Oakland City Center. It leaves downtown Oakland using some combination of 11th, 12th or 14th St., and proceeds on International Boulevard and E 14th through Oakland and San Leandro, with a possible deviation into the San

Leandro BART station. It terminates at Bay Fair BART.

A dedicated transit lane is being studied on Shattuck Ave, Telegraph Ave, and Broadway, and on the sections of International Boulevard and E. 14th between the Oakland/San Leandro border and Davis Street and between San Leandro Boulevard and Bay Fair Drive. Options such as converted sections of various streets to a transit-only mall are also being considered which would provide significant travel time benefits to the rider.

**Further goals of environmental justice:** The corridor has 50% more non-white residents and twice as many people living in poverty than the average for the AC Transit service area. Transit investment in this corridor would contribute to improved mobility for area residents and greater access to jobs.

## PROJECT PHASING

Recognizing that implementing the full BRT program will take several years, the AC Transit Board agreed to implement Rapid Bus features, such as bus priority at traffic signals, as a first phase. This will provide immediate benefits for corridor riders, while putting in place many of the elements of the eventual BRT system.

Phase 1 – Rapid Bus: The first phase consists of the improvements possible with the Track 1 funding identified in the Metropolitan Transportation Commission's Regional Transportation Plan. This currently amounts to \$175 million in dedicated and potential funds. The goal is to begin construction for most of these improvements by 2004:

- ❖ New, high-frequency limited-stop bus service

## AC TRANSIT TODAY

- ❖ Transit priority at traffic signals
- ❖ Bus arrival information
- ❖ Proof-of-Payment fare verification
- ❖ Improvements at some local bus stops

In addition, the following BRT components could also be implemented as part of the Track 1 project. These elements could be completed by 2007:

- ❖ A portion of the final design effort
- ❖ A portion of the total length of bus-only lanes
- ❖ A portion of the BRT Stations with associated guideway improvements
- ❖ Mitigation of some environmental impacts

Phase 2 - Bus Rapid Transit: The Track 2 portion of the project would consist of the following elements:

- ❖ Completion of final design
- ❖ Line haul portion of guideway between BRT stations
- ❖ Mitigation of environmental impacts
- ❖ Major utility relocation

## OTHER GRANT-FUNDED PROJECTS

### JOB ACCESS/WELFARE TO WORK

The District's Externally funded Welfare to Work (WtW) program was first implemented in FY 1999 when the District received its first Job Access and Reverse Commute (JARC) grant funding for its Line 376, North Richmond welfare to work service. The initial grant provided \$143,000 in federal funding. Currently the Line 376 service costs approximately \$1 Million dollars annually, of which over 60% are covered by outside funding.

Currently, all federal funds for WtW programs are

funneled through the JARC program and require a 50% match. Starting in FY 2002/2003, part of this match was provided through the use of the new Measure B welfare-to-work funding which is now projected to provide \$1.3 Million annually. This is down from the original projections for FY 2002/2003 and FY 2003/2004, which were \$1.53 Million and \$1.59 Million, respectively. Measure C funds have been allocated annually to provide partial match for the Line 376 service.

New service was added to Line 13 with funding provided through the Metropolitan Transportation Commission's JARC program known as Low Income Flexible Transportation or LIFT.

The Alameda Point Service which was introduced in August 2001 under the Metropolitan Transportation Commissions Low Income Flexible Transportation (LIFT) program will be almost fully funded in FY 2003/2004 through a grant from the Alameda County Social Services Agency. Service to the Hayward Industrial Area, which also received LIFT funding in FY 2001/2002, will be reduced to a level consistent with available funding and could be eliminated if no funds can be found.

The East/West Oakland WtW service was eliminated in December 2003, due to lack of outside funding.

This year we have requested a \$4 Million earmark, which will be used to support these vital transit services. The earmarks for FY 2001 and FY 2002 were approximately \$2 Million each. Given the current economy, without these federal funds to support the WtW program, it is doubtful that the District could continue operating all of these vital lifeline services.

Currently, the FY 2003 earmark request is pending final approval by Congress. The District plans to request at least \$4 Million annually to support these programs.

Figure A-6 shows the services that comprise the District's Welfare-to-Work program. The program budget assumes \$2 Million in FY 2004.

### **TRANSIT SIGNAGE PROJECT**

This project will improve signage throughout the Alameda portion of the District's service area. Funds for this project come from the Transportation Fund for Clean Air (TFCA) administered by the Bay Area Air Quality Management District.

### **SERVICE PROJECTS**

Bay Area Air Quality Management District approved two new grants in FY 2003, which will provide \$1.15

Million in TFCA funding to cover the cost of service on the MacArthur Line N and the new Orinda service. Second-year funding has now been approved for the MacArthur service. Line 74 service was submitted for LIFT funds.

### **LIFELINE TRANSIT SERVICE**

The District submitted a project to MTC for inclusion in the new update of the RTP. The project would provide partial funding for Lifeline Transit Services, such as Welfare-to-Work, late night and owl service, and flexible service for areas that have minimum service levels. In the last RTP, MTC included Lifeline Transportation Service as one of the Regions goals.

FIGURE A-1: RTP BASELINE REPLACEMENT PROGRAM

Program Description	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>REPLACEMENT PROGRAM</b>													
<b>Vehicle Replacement</b>													
Revenue Vehicles	112,926	43,188	4,164	17,003	35,136	0	0	23,987	43,005	80,693	0	26,074	0
ADA Vehicle Leasing	833	833	833	833	833	833	833	833	833	833	833	833	833
Service Vehicles	44	98	356	30	30	910	1,154	44	354	260		910	22
<b>Subtotal</b>	<b>113,803</b>	<b>44,119</b>	<b>5,353</b>	<b>17,866</b>	<b>35,999</b>	<b>1,743</b>	<b>1,987</b>	<b>24,864</b>	<b>44,192</b>	<b>81,786</b>	<b>833</b>	<b>27,817</b>	<b>855</b>
<b>Revenue Vehicle Maintenance</b>													
Revenue Vehicle Sustainability	7,100	13,300		8,400			26,700					26,900	7,100
Bus Catalyst Retrofit Program													
<b>Subtotal</b>	<b>7,100</b>	<b>13,300</b>	<b>0</b>	<b>8,400</b>	<b>0</b>	<b>0</b>	<b>26,700</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>26,900</b>	<b>7,100</b>
<b>Facility/Equipment Replacement</b>													
Deferred Maintenance	8,000	8,000	8,000	8,000	8,000	8,000	1,855						
Equipment Replacement	8,695	1,416		17,342		12,623	1,199	1,146			8,695	1,416	1,199
Facility Replacement/Rehabilitation	270	3,183	494		2,271	716	1,087	5,027		1,963	2,810	2,819	2,076
Hayward Facility Improvement		6,576	9,480	1,096									1,268
Translink/Fare Collection Equipment	0	0	0	0	0	0	601	1,500	2,283		0	0	0
<b>Subtotal</b>	<b>16,965</b>	<b>19,175</b>	<b>17,974</b>	<b>26,438</b>	<b>10,271</b>	<b>21,339</b>	<b>4,742</b>	<b>7,673</b>	<b>2,283</b>	<b>1,963</b>	<b>11,505</b>	<b>5,503</b>	<b>3,275</b>
<b>Transit Center Program</b>													
Transit Center Safety Mitigation	118	118	118	118	118	118	118	118	118	118	118	118	118
Video Camera Install at Transit Centers		181											181
<b>Subtotal</b>	<b>118</b>	<b>299</b>	<b>118</b>	<b>118</b>	<b>118</b>	<b>118</b>	<b>118</b>	<b>118</b>	<b>118</b>	<b>118</b>	<b>118</b>	<b>299</b>	<b>118</b>
<b>Information System Replacement/Update</b>													
Satcom 2000	274						9,623		4,822	4,768	274	274	
Information System Update	4,979	5,662			20	1,100	150			50	4,979	5,662	
<b>Subtotal</b>	<b>5,253</b>	<b>5,662</b>	<b>0</b>	<b>0</b>	<b>20</b>	<b>1,100</b>	<b>9,773</b>	<b>0</b>	<b>4,822</b>	<b>4,818</b>	<b>5,253</b>	<b>5,936</b>	<b>0</b>
<b>Replacement Total</b>	<b>143,239</b>	<b>82,555</b>	<b>23,445</b>	<b>52,822</b>	<b>46,408</b>	<b>24,300</b>	<b>43,320</b>	<b>32,655</b>	<b>51,415</b>	<b>88,685</b>	<b>17,709</b>	<b>66,455</b>	<b>11,348</b>

**EXPANSION/ENHANCEMENT PROGRAM**

<b>Transit Center/Passenger Program</b>													
ADA Enhancements at Transit Centers		219							11	27	16	11	
Transit Center Construction	0		712	0	2,910	0	3,036	0	0	0	0	0	0
Passenger Information				520	120	520	120				520	120	
<b>Subtotal</b>	<b>0</b>	<b>219</b>	<b>712</b>	<b>520</b>	<b>3,030</b>	<b>520</b>	<b>3,156</b>	<b>0</b>	<b>11</b>	<b>27</b>	<b>536</b>	<b>131</b>	<b>0</b>
<b>Planning Studies</b>													
Major Investment Study			2,700										
MacArthur Corridor Study					1,644								
University/Broadway Study							1,644						
<b>Subtotal</b>	<b>0</b>	<b>0</b>	<b>2,700</b>	<b>0</b>	<b>1,644</b>	<b>0</b>	<b>1,644</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>General Office Improvement</b>	<b>0</b>	<b>980</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>137</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Notes:

- 1) Revenue vehicle replacement costs include the costs associated with fareboxes and radio equipment.
- 2) Revenue vehicle replacement costs include the costs associated with implementation of CARB's ZEB requirement.

FIGURE A-1: RTP BASELINE REPLACEMENT PROGRAM, Continued

Program Description	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	TOTAL
<b>REPLACEMENT PROGRAM</b>													
<b>Vehicle Replacement</b>													
Revenue Vehicles	0	156,515	87,828	6,760	27,560	52,800	2,196	0	25,719	45,471	83,155	2,196	876,376
ADA Vehicle Leasing	833	833	833	833	833	833	833	833	833	833	833	833	20,825
Service Vehicles	1133	360	76	48	880	22	112	1389	103	46	958	52	9,391
<b>Subtotal</b>	<b>1,966</b>	<b>157,708</b>	<b>88,737</b>	<b>7,641</b>	<b>29,273</b>	<b>53,655</b>	<b>3,141</b>	<b>2,222</b>	<b>26,655</b>	<b>46,350</b>	<b>84,946</b>	<b>3,081</b>	<b>906,592</b>
<b>Revenue Vehicle Maintenance</b>													
Revenue Vehicle Sustainability	13300		8400			26700				26900		7100	171,900
Bus Catalyst Retrofit Program													0
<b>Subtotal</b>	<b>13,300</b>	<b>0</b>	<b>8,400</b>	<b>0</b>	<b>0</b>	<b>26,700</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>26,900</b>	<b>0</b>	<b>7,100</b>	<b>171,900</b>
<b>Facility/Equipment Replacement</b>													
Deferred Maintenance													49,855
Equipment Replacement	18,488		12,623					9,894	2,562		17,342		114,640
Facility Replacement/Rehabilitation	5,027		2,641			2,271	377	1,357	6,247	494	1,963		43,093
Hayward Facility Improvement						1,268							19,688
Translink/Fare Collection Equipment	0	601	1,500	2,283	0	0	0	0	0	601	1,500	2,283	13,152
<b>Subtotal</b>	<b>23,515</b>	<b>601</b>	<b>16,764</b>	<b>2,283</b>	<b>0</b>	<b>3,539</b>	<b>377</b>	<b>11,251</b>	<b>8,809</b>	<b>1,095</b>	<b>20,805</b>	<b>2,283</b>	<b>240,428</b>
<b>Transit Center Program</b>													
Transit Center Safety Mitigation	118	118	118	118	118	118	118	118	118	118	118	118	2,950
Video Camera Install at Transit Centers									181				543
<b>Subtotal</b>	<b>118</b>	<b>118</b>	<b>118</b>	<b>118</b>	<b>118</b>	<b>118</b>	<b>118</b>	<b>118</b>	<b>299</b>	<b>118</b>	<b>118</b>	<b>118</b>	<b>3,493</b>
<b>Information System Replacement/Update</b>													
Satcom 2000							4,768	274	9,623		4,439		39,139
Information System Update		20	1,100	150			50	4,979	5,662			20	34,583
<b>Subtotal</b>	<b>0</b>	<b>20</b>	<b>1,100</b>	<b>150</b>	<b>0</b>	<b>0</b>	<b>4,818</b>	<b>5,253</b>	<b>15,285</b>	<b>0</b>	<b>4,439</b>	<b>20</b>	<b>73,722</b>
<b>Replacement Total</b>	<b>38,899</b>	<b>158,447</b>	<b>115,119</b>	<b>10,192</b>	<b>29,391</b>	<b>84,012</b>	<b>8,454</b>	<b>18,844</b>	<b>51,048</b>	<b>74,463</b>	<b>110,308</b>	<b>12,602</b>	<b>1,396,135</b>
<b>EXPANSION/ENHANCEMENT PROGRAM</b>													
<b>Transit Center/Passenger Program</b>													
ADA Enhancements at Transit Centers						99	247	148	99				877
Transit Center Construction	0	0	0	0	0	0	0	0	0	0	0	0	6,658
Passenger Information			520	120				520	120				3,200
<b>Subtotal</b>	<b>0</b>	<b>0</b>	<b>520</b>	<b>120</b>	<b>0</b>	<b>99</b>	<b>247</b>	<b>668</b>	<b>219</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10,735</b>
<b>Planning Studies</b>													
Major Investment Study													2,700
MacArthur Corridor Study													1,644
University/Broadway Study													1,644
<b>Subtotal</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,988</b>
<b>General Office Improvement</b>	<b>0</b>	<b>137</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>137</b>	<b>1391</b>

Notes:

- 1) Revenue vehicle replacement costs include the costs associated with fareboxes and radio equipment.
- 2) Revenue vehicle replacement costs include the costs associated with implementation of CARB's ZEB requirement

FIGURE A-2: REVENUE VEHICLE REPLACEMENT SCHEDULE

Year	Model	Bus No.	*	Base Fleet	Fleet Jun-04	Fleet Jun-05	Fleet Jun-06	Fleet Jun-07	Fleet Jun-08
1982	Gillig 35'/40'	1400-1484	4	23	0	0	0	0	0
1984	Gillig 40'	1500-1549	4	50	0	0	0	0	0
1988	Flyer 35'	2400-2428	3	29	0	0	0	0	0
1988	Flyer 40'	2500-2526	4	27	0	0	0	0	0
1989	Flyer 40'	2527-2578	1	45	0	0	0	0	0
1989	Flyer 40'	2527-2578	3	7	0	0	0	0	0
1989	Flyer Artics	1800-1829	4	30	0	0	0	0	0
1990	Gillig 40'	2601-2652	3	51	0	0	0	0	0
1991	Gillig 30'	2701-2762	1	61	61	61	0	0	0
1993	Gillig 40'	2801-2860	3	60	54	0	0	0	0
1996	Champ 24 Psgr	100-131	4	4	0	0	0	0	0
1996	Flyer Artics	1901-1930		30	30	30	30	30	30
1997	NABI 40'	2901-2971		71	71	71	71	71	71
1998	NABI 40'	3001-3067		66	66	66	66	66	66
1998	NABI 40'	3100-3165		66	66	66	66	66	66
2000	NABI 40'-low floor	4001-4021		21	21	21	21	21	21
2000	NABI 40'-low floor	7201-7223		23	23	23	23	23	23
2000	MCI 45 ft.	6001-6040		40	40	40	40	40	40
2002	MCI 45 ft.	6041-6079	2	39	39	39	39	39	39
2003	NABI 40'-low floor	4022-4061	2	31	31	31	31	31	31
2003	NABI 40'-low floor	4022-4061			9	9	9	9	9
2003	Van Hool Artics	2000	4		40	40	40	40	40
2003	Van Hool Artics	2000	2	17	1	17	17	17	17
2003	Van Hool Standards	1000	4		102	102	102	102	102
2006	Thirty ft.	PM-xchg	1				61	61	61
2009	Van Hool Artics	RM2	2				25	25	25
2012	Standard-Low Floor	FTA							
2012	Standard-Low Floor	FTA							
2013	Standard-Low Floor	FTA							
Total Fleet - Eligible for Replacement				791	654	616	641	641	641
Total Base Fleet - Deactivated					120	175	175	175	175
Total Articulated				77	71	87	112	112	112
Total Standard - 40 ft.				466	257	203	203	203	203
Total Standard - 35 ft.				29	0	0	0	0	0
Total low-floor (40 ft)				75	186	186	186	186	186
Total 24 Passengers (STV)				4	0	0	0	0	0
Total 30 Footers				61	61	61	61	61	61
Total Over the Road				79	79	79	79	79	79
Total Active - Excludes Deactivated				791	654	616	641	641	641
Peak Requirement					516	516	536	541	541
Spare Ratio					26.74%	19.38%	19.59%	18.48%	18.48%
<b>TIP Program Cycle</b>							<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>

- \* 1 Scheduled Replacements (Some buses retired prior to replacement)
- 2 Expansion Buses - Funded outside of 5307 Program
- 3 Buses Exchanged for Preventive Maintenance - Will be replaced in 2017
- 4 Buses replaced by Van Hools - 29 sold to WMATA to reduce fleet

FIGURE A-2: REVENUE VEHICLE REPLACEMENT SCHEDULE, Continued

Year	Model	Bus No.	Fleet Jun-09	Fleet Jun-10	Fleet Jun-11	Fleet Jun-12	Fleet Jun-13
1982	Gillig 35'/40'	1400-1484	0	0	0	0	0
1984	Gillig 40'	1500-1549	0	0	0	0	0
1988	Flyer 35'	2400-2428	0	0	0	0	0
1988	Flyer 40'	2500-2526	0	0	0	0	0
1989	Flyer 40'	2527-2578	0	0	0	0	0
1989	Flyer 40'	2527-2578	0	0	0	0	0
1989	Flyer Artics	1800-1829	0	0	0	0	0
1990	Gillig 40'	2601-2652	0	0	0	0	0
1991	Gillig 30'	2701-2762	0	0	0	0	0
1993	Gillig 40'	2801-2860	0	0	0	0	0
1996	Champ 24 Psgr	100-131	0	0	0	0	0
1996	Flyer Artics	1901-1930	30	0	0	0	0
1997	NABI 40'	2901-2971	71	71	0	0	0
1998	NABI 40'	3001-3067	66	66	66	0	0
1998	NABI 40'	3100-3165	66	66	66	0	0
2000	NABI 40'-low floor	4001-4021	21	21	21	21	21
2000	NABI 40'-low floor	7201-7223	23	23	23	23	23
2000	MCI 45 ft.	6001-6040	40	40	40	40	40
2002	MCI 45 ft.	6041-6079	39	39	39	39	39
2003	NABI 40'-low floor	4022-4061	31	31	31	31	31
2003	NABI 40'-low floor	4022-4061	9	9	9	9	9
2003	Van Hool Artics	2000	40	40	40	40	40
2003	Van Hool Artics	2000	17	17	17	17	17
2003	Van Hool Standards	1000	102	102	102	102	102
2006	Thirty ft.	PM-xchg	61	61	61	61	61
2006	Artics	RM2	25	25	25	25	25
2009	Artics	FTA		30	30	30	30
2012	Standard-Low Floor	FTA			71	71	71
2013	Standard-Low Floor	FTA				133	133
Total Fleet - Eligible for Replacement			641	641	641	642	642
Total Base Fleet - Deactivated			175	175	175	175	175
Total Articulated			112	82	82	82	82
Total Standard - 40 ft.			203	203	132	0	0
Total Standard - 35 ft.			0	0	0	0	0
Total low-floor (40 ft)			186	216	287	420	420
Total 24 Passengers (STV)			0	0	0	0	0
Total 30 Footers			61	61	61	61	61
Total Over the Road			79	79	79	79	79
Total Active			641	641	641	642	642
Peak Requirement			541	541	541	541	541
Spare Ratio			18.48%	18.48%	18.48%	18.67%	18.67%
TIP Program Cycle			FY 2008	FY 2009	FY 2010	FY 2011	FY 2012

FIGURE A-3: REVENUE VEHICLE PROGRAM

	1 Capital Program FY 2003 - 04	2 Capital Program FY 2004-05	3 Capital Program FY 2005-06	4 Capital Program FY 2006-07	5 Capital Program FY 2007-08	6 Capital Program FY 2008-09	7 Capital Program FY 2009-10	8 Capital Program FY 2010-11	9 Capital Program FY 2011-12	10 Capital Program FY 2012-13	Ten Year Total
<b>Sources of Project Funds</b>											
Federal - Section 5307/5309	\$17,192,896	\$34,675,834	\$31,301,265	\$0	0	\$17,288,790	\$26,844,674	\$52,046,530	\$0	\$18,444,800	\$197,794,789
Federal STIP	0	0	0	0	0	0	0	0	0	0	0
Mens B/CMA TIP	8,500,000	0	0	0	0	0	0	0	0	0	8,500,000
TCPPState Budget	4,098,359	0	0	0	0	0	0	0	0	0	0
Bridge Tolls-Match	0	5,166,368	3,912,658	0	0	2,161,099	3,355,584	6,505,816	0	2,305,600	27,505,484
Bridge Tolls-RM2	0	13,500,000	0	0	0	0	0	0	0	0	13,500,000
TSM-State Match	0	0	0	0	0	0	0	0	0	0	0
District Funds	0	3,050,624	3,610,815	0	0	2,055,401	3,096,683	6,003,857	0	2,127,708	19,945,088
<b>Total Project Funds</b>	<b>\$29,791,255</b>	<b>\$56,392,826</b>	<b>\$38,824,738</b>	<b>\$0</b>	<b>\$0</b>	<b>\$21,505,290</b>	<b>\$33,296,941</b>	<b>\$64,556,203</b>	<b>\$0</b>	<b>\$22,878,108</b>	<b>\$267,245,361</b>
<b>Use of Project Funds</b>											
Standard Buses - 40ft./35ft.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Small Buses - 30ft.	0	22,598,332	0	0	0	0	0	0	0	0	22,598,332
Low Floor Busesstd. size	0	0	0	0	0	0	0	0	0	0	0
Low Floor - European Style 40 ft.	0	0	0	0	0	0	33,296,941	64,556,203	0	22,878,108	120,731,252
Low Floor - European Style - Artic	8,500,000	13,500,000	0	0	0	0	0	0	0	0	22,000,000
Articulated Buses	0	0	0	0	0	21,505,290	0	0	0	0	21,505,290
Over the Road - Express Buses	0	0	0	0	0	0	0	0	0	0	0
Standard Buses - 35 Ft.	0	0	0	0	0	0	0	0	0	0	0
Substitute Preventive Mtrc.	21,291,255	20,294,494	38,824,695	0	0	0	0	0	0	0	80,410,444
<b>Total Project Funds</b>	<b>\$29,791,255</b>	<b>\$56,392,826</b>	<b>\$38,824,695</b>	<b>\$0</b>	<b>\$0</b>	<b>\$21,505,290</b>	<b>\$33,296,941</b>	<b>\$64,556,203</b>	<b>\$0</b>	<b>\$22,878,108</b>	<b>\$267,245,318</b>
Quantity											
Standard Buses - 40ft./35ft.	0	0	0	0	0	0	0	0	0	0	0
Small Buses - 30ft.	0	61	0	0	0	0	0	0	0	0	61
Low Floor Busesstd. size	0	0	0	0	0	0	0	0	0	0	0
Low Floor - European Style 40 ft.	0	0	0	0	0	0	71	133	0	44	248
Low Floor - European Style - Artic	17	25	0	0	0	0	0	0	0	0	42
Articulated Buses	0	9	0	0	0	30	0	0	0	0	39
Over the Road - Express Buses	0	0	0	0	0	0	0	0	0	0	0
Standard Buses - 35ft.	0	0	0	0	0	0	0	0	0	0	0
<b>Deferred Replacements*</b>	<b>0</b>	<b>51</b>	<b>95</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>146</b>
<b>Total Revenue Vehicles</b>	<b>17</b>	<b>95</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>30</b>	<b>71</b>	<b>133</b>	<b>0</b>	<b>44</b>	<b>390</b>
<b>TIP Program Cycle</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>	

Note: Assumes current cap on replacement vehicles (\$20 million federal) per MTC Capital Programming Criteria  
Deferred Replacements will re-enter program in 2017 and 2018, respectively.



FIGURE A-4: REVENUE VEHICLE PLAN FOR REPLACEMENT AND EXPANSION

Year	Model	Bus No.	Base Fleet	Add (Retire)	Expansion Buses-2003	Fleet Reduction	Fleet 2004	Add (Retire)	Deferred Repl.	Expansion Buses-2006	Fleet 2006	Yr. Eligible for Replmt.	Yr. Replaced	Age When Replaced
1984	Gillig 40'	1400-1484	23	(23)		0					0	1996	2003	19
1984	Gillig 40'	1500-1549	50	(50)		0					0	1996	2003	19
1988	Flyer 35'	2400-2428	29	(29)		0					0	2000	2010	22
1988	Flyer 40'	2500-2526	27	(14)		(13)	0				0	2000	2003	15
1989	Flyer 40'	2527-2578	52			(52)	0		(52)		0	2001	2018	29
1989	Flyer Artics	1800-1829	30	(30)			0				0	2001	2003	14
1990	Gillig 40'	2601-2652	51			(51)	0		(51)		0	2002	2017	27
1991	Gillig 30'	2701-2762	61				61	(61)			0	2003	2005	14
1993	Gillig 40'	2801-2860	60			(6)	54	(10)	(44)		0	2005	2018	25
1996	Champ 24 Psgr	100-131	4	(4)			0				0	2000	2002	6
1996	Flyer Artics	1901-1930	30				30				30	2008	2009	13
1997	NABI 40'	2901-2971	71				71				71	2009	2010	13
1998	NABI 40'	3001-3067	67	(1)			66				66	2010	2011	13
1998	NABI 40'	3100-3165	66				66				66	2010	2011	13
2000	NABI 40'-low floor	4001-4021	21				21				21	2012	2013	13
2000	NABI 40'-low floor	7201-7223	23				23				23	2012	2013	13
2000	MCI 45 ft.	6001-6040	40				40				40	2016	2016	16
2003	NABI 40'-low floor	4022-4061		9	31		31				31	2010	2016	13
2003	NABI 40'-low floor	4022-4061		102			9				9	2015	2016	13
2003	Van Hool-Standard	1000		29		(29)	102				102	2015	2016	13
2003	Van Hool-Standard	1000		40			0		(29)		0	2027	2027	24
2003	Van Hool-Artics	2000					40				40	2015	2019	16
2003	Van Hool-Artics-Expansion	STIP			17		1	16			17	2015	2016	13
2003	MCI Express Bus	TCRP			39		39	61			39	2019	2019	16
2005	Van Hool-Thirty Foot	PM-xchg									61	2017	2018	13
2005	Van Hool-Artics	RMZ								25	25	2017	2018	13
			705	29	87	(151)	654	6	(176)	25	641			

Plan assumes replacement of like vehicles; subject to change when service plans are finalized.

Replacements deferred per bus deferral plan.

FIGURE A-5: CAPITALIZED MAINTENANCE PROGRAM

Shown in 2003 Dollars - in 000's

	Memo Capital Program Carry forward	1 Capital Program FY 2004	2 Capital Program FY 2005	3 Capital Program FY 2006	4 Capital Program FY 2007	5 Capital Program FY 2008	6 Capital Program FY 2009	7 Capital Program FY 2010	8 Capital Program FY 2011	9 Capital Program FY 2012	10 Capital Program FY 2013	Ten Year Total
<b>Sources of Project Funds</b>												
Federal - Section 9/3	\$56,259	\$23,219	\$19,004	\$17,133	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$59,356
STIP		8,500		0	0	0	0	0	0	0	0	8,500
CMAQ				0	0	0	0	0	0	0	0	0
STP				0	710	0	0	0	0	0	0	710
Bridge Tolls-Match	13,352	4,901	4,262	4,118	0	0	0	0	0	0	0	13,281
TBD			16,965	19,175	18,954	26,438	11,405	22,513	5,493	7,431	1,302	129,676
District Funds	6,637	3,570	3,250	3,250	2,540	3,250	3,250	3,294	3,339	3,386	3,434	32,563
<b>Total Project Funds</b>	<b>\$76,248</b>	<b>\$40,190</b>	<b>\$43,481</b>	<b>\$43,676</b>	<b>\$22,204</b>	<b>\$29,688</b>	<b>\$14,655</b>	<b>\$25,807</b>	<b>\$8,832</b>	<b>\$10,817</b>	<b>\$4,736</b>	<b>\$244,086</b>
<b>Use of Project Funds</b>												
1 Tire/Tube Replacement	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,294	\$1,339	\$1,386	\$1,434	12,953
2 Engine/Transmission Replacement	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	19,945
3 Deferred Maintenance	3,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	1,855	0	0	49,855
Equipment Replacement	0	1,875	8,695	1,416	0	17,342	0	12,623	1,199	1,146	0	44,296
Facility Replacement/Rehabilitation	0	0	270	3,183	494	0	2,271	716	1,087	5,027	0	13,048
Catalyst Retrofit Project	3,065	3,870	3,128	0	0	0	0	0	0	0	0	6,998
Preventive Maintenance-European Bus	66,933	8,500	0	0	0	0	0	0	0	0	0	8,500
Preventive Maintenance-Deferred Bus	0	22,750	201,388	21,251	0	0	0	0	0	0	0	64,139
Wayward Facility Improvements	0	0	0	6,576	9,480	1,096	1,134	1,174	1,215	1,258	1,302	23,235
General Office Improvements	0	0	0	0	980	0	0	0	137	0	0	1,117
<b>Total</b>	<b>\$76,248</b>	<b>\$40,190</b>	<b>\$43,481</b>	<b>\$43,676</b>	<b>\$22,204</b>	<b>\$29,688</b>	<b>\$14,655</b>	<b>\$25,807</b>	<b>\$8,832</b>	<b>\$10,817</b>	<b>\$4,736</b>	<b>\$244,086</b>
<b>TIP Program Cycle</b>	<b>Prior</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>	

1 Project currently funded from operating Budget  
 2 Funding that has been approved, but not allocated  
 3 Long term maintenance/equipment needs-deferred due to lack of funding  
 4 Preventive Maintenance Funds - used for European Bus Buy  
 5 Preventive Maintenance Funds proposed as exchange for bus replacement Funds  
 6 Considered Expansion  
 7 Considered Expansion-not included in RFP

FIGURE A-6: TRANSIT SERVICE ENHANCEMENT PROGRAM

All costs in 2003 dollars in 000's

	Memo Carry forward	Year 1 2004	Year 2 2005	Year 3 2006	Year 4 2007	Year 5 2008	Year 6 FY 2009	Year 7 FY 2010	Year 8 FY 2011	Year 9 FY 2012	Year 10 FY 2013	10-Year Total
<b>Transit Center Program</b>												
Union City/BART	1,896											0
Coliseum BART	677		500	7,500	8,000 712		2,910		3,036	11	27	0
Richmond Park+Ride				219								16,000
Alameda/Southshore				181								712
Chabot/Southland Mall				118	118							2,910
Yerba Buena	200											3,036
ADA Pedestrian Enhancements at Transit Centers			118		118	118	118	118	118	118	118	257
Security-Video Camera Installation						520	120	520	120			181
Transit Center Shelter Safety Mitigation Project												1,062
Passenger Information												1,800
<b>Sub Total - Transit Center Projects</b>	<b>2,773</b>	<b>0</b>	<b>618</b>	<b>8,018</b>	<b>8,830</b>	<b>638</b>	<b>3,148</b>	<b>638</b>	<b>3,274</b>	<b>129</b>	<b>145</b>	<b>28,211</b>
<b>Welfare to Work/Job Access</b>												
Line 376 - Richmond Service		1,087	1,081	1,081	1,081	1,081	1,081	1,081	1,081	1,081	1,081	10,816
Hayward Industrial Shuttle		1,894	1,884	1,763	1,763	1,763	1,763	1,763	1,763	1,763	1,763	17,882
Alameda Route 50 - Pt. Alameda Service		103	103	103	103	103	103	103	103	103	103	1,030
OWL Service		2,237	2,059	2,209	2,209	2,209	2,209	2,209	2,209	2,209	2,209	21,968
East/West Oakland		547	272	272	272	272	272	272	272	272	272	547
Line 13-Port/Army Base		249	272	272	272	272	272	272	272	272	272	2,697
Transbay Night and Weekend		2,238	2,232	2,232	2,232	2,232	2,232	2,232	2,232	2,232	2,232	22,326
<b>Sub Total - Welfare to Work/Job Access</b>	<b>0</b>	<b>8,355</b>	<b>7,631</b>	<b>7,660</b>	<b>7,660</b>	<b>7,660</b>	<b>7,660</b>	<b>7,660</b>	<b>7,660</b>	<b>7,660</b>	<b>7,660</b>	<b>77,266</b>
<b>San Pablo "Rapid Bus Transit"</b>												
Pedestrian Crossings/Lighting				3,000			2,000				8,500	3,000
Shelters/Signalization/Other	5,329											10,500
Traffic Engineering Study	40											0
<b>Sub Total - San Pablo "Bus Rapid Transit"</b>		<b>5,369</b>	<b>0</b>	<b>0</b>	<b>3,000</b>	<b>0</b>	<b>2,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8,500</b>	<b>13,500</b>
<b>Oakland/Berkeley/San Leandro Corridor</b>												
MIS Study - Phase II	2,731	3,770		185	995							3,770
Complete Phase II - EIR and 30% design		3,690		5,002								4,870
Phase I Construction - Rapid Bus		10,000				2,700			270,000			15,002
Phase II Construction - BRT		750			53,108	1,644						326,558
MacArthur Corridor Study									1,644			1,644
University/Broadway Study												1,644
<b>Sub Total - Oakland/Berkeley/San Leandro</b>	<b>2,731</b>	<b>7,460</b>	<b>10,750</b>	<b>5,187</b>	<b>54,103</b>	<b>4,344</b>	<b>0</b>	<b>0</b>	<b>271,644</b>	<b>0</b>	<b>0</b>	<b>353,488</b>
<b>TOTAL - Transit Service Enhancements</b>	<b>10,873</b>	<b>15,815</b>	<b>18,999</b>	<b>23,865</b>	<b>70,593</b>	<b>12,642</b>	<b>12,808</b>	<b>8,298</b>	<b>282,578</b>	<b>7,789</b>	<b>16,305</b>	<b>472,465</b>

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## APPENDIX B: FINANCIAL PLAN

### *25-Year SRTP Projection, 2004-05*

#### REVENUES AND SUBSIDIES

Historically, most of AC Transit's operating program revenues originates from taxes levied on sales of goods, fuel sales, property values, or come from collections of fares. The recent recession that affected both the national and particularly the regional economies caused a very severe decline in the level of tax collections as a result of the reduced level of economic activity. In the San Francisco Bay Area region, the increased unemployment rate and stalled consumer spending also had a negative impact on Ridership, and fare collections went rapidly down. However, recent positive indicators during the past two quarters have signaled the development of a positive trend for employment, consumer confidence and sales. According to preliminary information received from several reputed sources, including the UCLA Anderson Forecast and the Center for the Continuing Study of the California Economy, new forecasts are predicting a moderate recovery for the San Francisco Bay Area regional economy for FY 2004-05 and beyond.

The District has, therefore, proceeded to prepare its SRTP, including the financial projections for the next 25 years based on the most current available data. As explained, a significant proportion of the District funding is derived from subsidies related to taxes.

These funding sources are managed mainly by MTC as well as by specific authorities in the Alameda and Contra Costa Counties. Per State statute, MTC is required to publish an estimate of available transportation revenues that it allocates on a yearly basis and the distribution of those funds among eligible claimants. The Fund Estimate includes expected revenue generations for the coming year, and a reconciliation of carryover funds from the prior fiscal year. TDA, STA, AB1107 and transit-related bridge toll funds may be requested up to the amount apportioned to them in the Fund Estimate.

The MTC Fund Estimate: MTC Resolutions No. 3631, 3632 and 3633, Allocation of Transportation Development Act (TDA), State Transit Assistance (STA), Assembly Bill (AB) 1107 sales tax and transit-related bridge toll funds for FY 2004-05, are the basis of the FY 2004-05 SRTP revenue estimates, and subsequent years are based upon the District's revenue projections for FY 2005-06 through FY 2028-29 SRTP development assumptions. Other Subsidies are projected based on the District internal estimations which are based on the most updated information coming from the respective authorities (ACTIA, Alameda County, Contra Costa County, etc.) and other internal sources.

The Sales Tax-based Subsidies and Property Tax-based Subsidies the District receives to fund its operations are very important. Due to the sudden and severe decline in tax-based subsidies that happened in the past few years, the District had to defer bus pur-

chases and MTC authorized the District to use that capital funding to finance operating programs. That is why in the current Revenues and Subsidies funding structure, the item Bus Deferral Income represents some 7% of the total funding sources. This situation is expected to change as the economy rebounds and the District's reliance on one-time sources of revenues disappears.

Another significant long-term trend that the District expects is the sustained recovery in ridership levels, as population growth in the East Bay is fostered by a healthier economic environment and better employment statistics compared to other areas in the San Francisco Bay Area region. A moderate (and slightly stronger) economic recovery also favors a positive development in this regard.

Finally, the District expects that in the first few years of the projection, Revenues and Subsidies will at least compensate the level of inflation growth, as the economy picks up from its very low current levels of activity, while the Bay Area inflation rate remains low. This pattern for low inflation has been observed in the national economy too. Eventually, inflation will

return to historically higher rates, but revenues will match that pace.

The District's 25 year financial projections are depicted in Figure B-5 beginning on page B-17, later in this appendix.

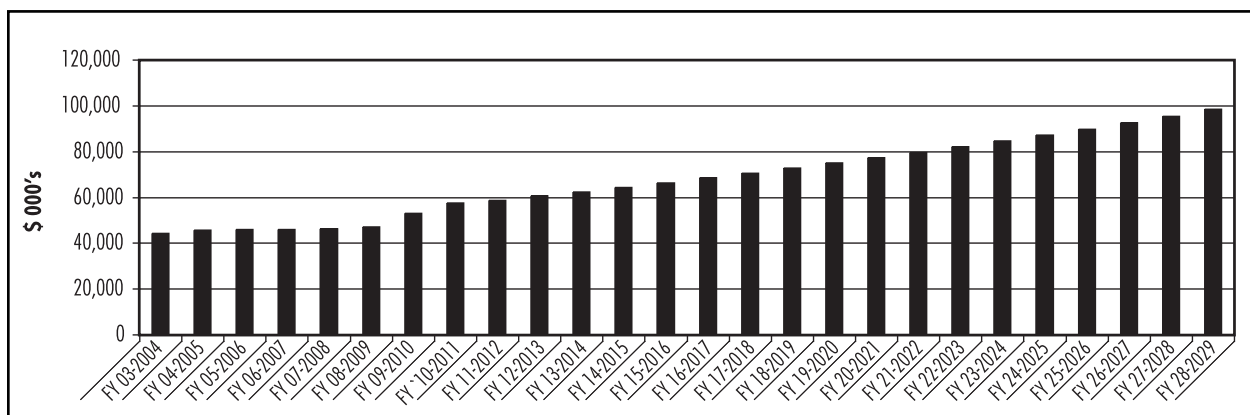
**Farebox**

Passenger fare receipts, passes and tickets comprised 18% of the total revenue in FY 2003-04. The District estimates that unlinked ridership trips, the main indicator of passenger volume activity, has climbed back up to some 63 Million trips. This is a level superior to that seen in FY 2002-03, before the impact of the severe regional recession, despite service cuts, and a change of the fare structure that effectively increased the average price per trip.

The impact of service cuts on fare collections was not as severe, as the District implemented them on the least productive routes and schedules.

Farebox collections would continue recovering in the next few years of the projection at a rhythm similar to the strengthening of the employment rate and

**FIGURE B-1: TOTAL FAREBOX**





population rate in the East Bay (Figure B-1). There are no projected fare increases for the first 5 years in the projection, which would help ridership levels recover for several years. The SRTP foresees the need for fares to recoup pricing parity and therefore from year 6th and beyond the projection includes fare increases that cover for the accumulated inflation of previous periods. Then, ridership growth would start leveling-off.

The District's SRTP therefore projects that eventually farebox will come to represent 20% of total revenues, which is a healthy ratio for a reasonably moderate scenario.

### Other Operating Revenues

This category comprises the following revenue sources:

- **BART Transfers:** BART funds are used to reimburse the District annually for some of the feeder service that AC Transit provides to BART stations. In 1994-95, as part of MTC Resolution No. 2672, which provides capital funding for BART's Vehicle Rehabilitation Program, both the District and BART agreed that MTC would annually appropriate BART's STA funds to the District.

The continued economic downturn and suspension of the anticipated Proposition 42 STA increment creates a significant shortfall in the Transit Coordination Program. BART/AC Transit Payments in Lieu of a Revenue-Sharing Agreement are a component of this funding. To satisfy BART's obligations under the Transit Coordination Agreement for AC Transit, a new base of \$4.5 million was established for FY 2003-

04; annual change based on previous year change in AB1107 sales tax receipts; payment by direct allocation from BART's STA Revenue Base apportionment; shortfall of \$83,203 in FY 2003-04 carried over to FY 2004-05; any shortfalls in future years would be carried over as reimbursable expense for the following year; BART apportionments of TDA Art 4.5 and STA Regional Paratransit funds for East Bay Paratransit Consortium transferred directly to AC Transit (BART is still responsible for its share of consortium support from its own funds). The SRTP Projections assume that reimbursements would recover very slowly starting in FY 2004-05.

- **Interest Income:** There has been a steady decline in interest income over the past two years due to the significant drop in investment funds available due to the significantly lower cash inflows received from Farebox and other revenue sources. Also, the slow-down in the economy resulted in reductions of the Federal Funds rate that affected market rates. Rates have just been increased after years of reductions to historically low levels. Economists anticipate a recovery to increased interest rates over the next few years.

The normal portfolio's estimated interest income is based on District current investment practices of using virtually "risk free" investment instruments such as Treasury and Agency Bills, Notes, and Bonds. For the SRTP, the District expects this revenue source to recover as cash inflows come back to more normal levels four years from now, and interest rates increase as a result of a slightly stronger economic recovery and an increased inflation rate.

- **Advertising:** The District entered into an agreement with the Viacom Outdoor Group in December 2001 for transit advertising services on District revenue vehicles. Advertising amounts through FY 2003-04 reflect an approved 2 and a half year contract extension. Beginning in FY 2004-05, the SRTP Projection assumes growth by the projected inflation rate. This assumption is generally consistent with the option for extension contained in the agreement with the Viacom Outdoor Group.
- **Other Revenue:** Other Revenue is generated mostly by receipts from parking citations issued for illegal vehicle parking in bus zones. The revenue amounts to approximately \$ 2.0 Million per year and is projected to remain flat in the SRTP Projection. FY 2004-05 includes the one-time net proceeds of the sales of certain real estate and equipment, which would result in some \$ 4.3 Million in additional revenues.
- **Contract Services:** AC Transit has received \$0.245M a year from the City of Alameda since 1991 to subsidize additional service hours. In November 2000, a Policy Advisory Committee was established to develop a Long-Range Transit Plan. The advisory committee is comprised of two members of the AC Transit Board and two City of Alameda Council members. The City of Alameda recently announced that they are planning on discontinuing this service very soon. Therefore, the District is not projecting to receive this source of revenue from FY 2004-05.
- **Lease-to-Service:** During FY 2003-04, the District successfully issued Domestic Lease to

Service contracts for existing and future buses that generated a total of \$1.6M in several tranches issued in the open market. It is expected that a final tranche would be issued sometime during FY 2004-05.

### Sales tax based Subsidies

Sales Tax-based Subsidies represent a very significant source of funding for the District. By FY 2001-02, fueled by the very strong level of economic activity in the region, the receipts from this source came to become approximately 47% of total revenues. Since then, after the severe economic downturn, these funds now account for 39% of the total revenue base. The SRTP projects that these subsidies would regain its importance and would start growing at a solid pace, first in a very moderate manner considering the very low current baseline point, and then in a stronger pace as the economy picks up more strength 3-4 years from now.

The SRTP forecast that for the first few years in the projection, these subsidies would grow at a rate that would outpace inflation. The District expects the San Francisco Bay Area inflation rate to remain low, and therefore the recovery of these revenues would be significant in real terms.

The following is a description of the subsidies included in this category:

- **TDA – Transportation Development Act:** In 1971, the Legislature passed the Transportation Development Act (TDA), which generates funds from a one quarter percent retail sales tax, collected statewide, for transportation purposes. This tax is returned from the State Board of

Equalization to the county of origin. Within each county, funds are apportioned to eligible transit agencies based on the percentage of the county's population that lies within each agency's service area. The County Auditor submits the TDA fund estimate. Apportionments are determined and claimants are notified by MTC as required by law, prior to March 1. MTC intends to allocate operating assistance funds based on the area apportionments of TDA funds, the proposed distribution of operating assistance funds and upon the receipt of appropriate claims from eligible claimants. Although BART is technically eligible for TDA funds in Alameda, Contra Costa, and San Francisco counties, MTC reserves almost all of these funds for the local bus operators.

For the SRTP assumptions, the District expects a 5% annual increase over the low baseline value similar to FY 2003-04, for the first eight years, at which point TDA would start increasing at the inflation rate.

- **AB1107:** AB1107 funds are derived from the one-half percent retail sales tax imposed in three BART counties (Alameda, Contra-Costa, and San Francisco). Under state law, 75% of the revenue collected is remitted to BART, and the remaining 25% through MTC to AC Transit and MUNI.

The SRTP projection assumes a growth rate of 4.5% per year starting from the low base level similar to FY 2003-04 for the first eight years, and thereafter a growth rate similar to inflation.

- **Measure B:** In July 1986, the State legislature

approved a statute authorizing Bay Area counties to increase sales tax for transportation-related improvements, if approved by a majority vote of the people. Funds could be used for transit, state highway, or local street and road projects, and for capital improvements, maintenance, repair, and operations. In 1986, citizens of Alameda County approved Measure B, which authorized a 15-year, one-half cent sales tax to be levied for transportation purposes. The measure detailed a list of eligible projects for which the fund could be spent. Portions of the funds are allocated to AC Transit each year for operating purposes. On November 7, 2002, the Measure B 20-year transportation plan was re-authorized by 81% of voters in Alameda County, including a significant increase in the percentage allocated to AC Transit.

ACTIA is the authority responsible for collections and allocations of these funds. They have also provided very accurate forecasts. The SRTP projection assumes a 4.0% growth rate, which is moderate based on past experience.

- **State Transit Assistance – STA:** The State Transit Assistance (STA) program was authorized in 1979. Funds for the program are derived from the statewide sales tax on gasoline and diesel fuel. STA funds increased in FY 1990-91 as the passage of Propositions 111 and 116 expanded the revenue base and guaranteed 50% of the increase for public transit operations. The total funds available each year depend on the Governor's State Budget. Fifty percent of the funds are allocated according to population and the remaining 50% according to operator revenues for the prior fiscal year. The funding formula for the revenue-

based funds rewards operators with a large amount of local tax and fare revenue support.

The FY 2003-04 Governor's Budget also suspended the provisions of Proposition 42, which would have augmented STA by approximately 40% statewide.

The SRTP projection assumes a 3.5% growth rate starting in FY 2004-05, which is also moderate.

- **Measure C:** Measure C funds a portion of the service that was implemented in Contra Costa County under the Comprehensive Service Plan. Due to the weak economy in FY 2002-03 50% of the accumulated reserves were allocated to bus operators. The remaining 50% of the reserve are scheduled for allocation to operators in F 2003-04. This will virtually exhaust the bus transit improvement program reserve. The FY 2003-04 allocation for AC Transit is slotted to continue routes 70, 71 and 376. In addition, the FY 2003-04 and FY 2004-05 funds reported under Measure C include some \$ 0.1 Million to be allocated to the School Bus Pass Program. The SRTP projection assumes a growth factor similar to the projected inflation rate.

### Property Taxes Subsidies

This category represents currently 23% of the District's total revenues. It includes the proceeds coming from the long-standing Property Tax subsidy and the newer Measure AA. These revenue sources have proven to be a very dependable funding instrument, as receipts have kept increasing over the past years despite the recession and the ensuing lack of consumer confidence. The following is a description

of the funding sources reported under this category.

- **Property tax:** The District receives a portion of the property tax collected in both Alameda and Contra Costa Counties. Both counties assess, bill, collect, and distribute the funds to the District.

Property Tax revenues increased by 5.5% on average during the past four years, thanks to continuing strength in home values appreciation, particularly in the Western Contra Costa and Southern Alameda areas. Despite the economic slow down and the unemployment rate indicators, there is continued confidence in the Bay Area housing market as the major issue is a shortage of housing and a still solid demand, fueled by historically low interest rates for mortgages and refinancing. The real estate market may remain strong and property values may remain high for the foreseeable future. The SRTP projection, therefore, maintains a very conservative growth rate of 4% for FY 2004-05 and the following seven years, and a more subdued growth rate similar to the projected inflation rate thereafter. FY 2004-05 and FY 2005-06 also are reduced over the otherwise calculated levels by the \$ 1.5 Million reduction in each year caused by the passage of the temporary ERAF measure that was included in the Governor's Budget.

- **Measure AA:** On November 5, 2002, voters living in the cities and unincorporated areas encompassing the AC Transit District in Alameda and Contra Costa counties, with the exception of the cities of Newark and Fremont, passed Measure AA by two-thirds majority vote. This effected a \$24 per parcel tax on property to support the

operation and maintenance of AC Transit bus services. Measure AA was originally expected to generate approximately \$7.5 Million per year for the next five years commencing FY 2003-04, but a more recent detailed estimate from a consultant yielded a more conservative figure of \$ 7.0 Million which is what the District is reporting for SRTP purposes.

The District is also including the estimated proceeds of a similar new Measure (Measure BB) that would generate an additional \$ 7.0 Million if approved by the voters in the area.

### ADA Related Subsidies

These subsidies represent approximately 5% of the District's total revenue base, and are basically destined to cover the costs of providing transportation services to our ADA-related customer base, as mandated by law. This is a description of the major revenue lines reported under this category.

- **ADA Paratransit funding:** FY 1996-97 was the first year the District was responsible for providing paratransit service, as required by the Americans with Disabilities Act (ADA). AC Transit and BART formed a consortium to provide ADA paratransit service in the East Bay areas served by the two carriers. Revenues to help offset a portion of the cost are derived from several sources, including paratransit passenger fares, TDA Article 4.5 funds, and STA population-based funds. TDA and STA revenue fell down during the past years due to the impact of the weakened economy on paratransit funding. These revenues are showing a positive trend in recent quarters. The SRTP projects growth similar to

that of the originating sources (TDA and STA).

- **Federal Assistance ADA set aside:** These funds are provided as part of the federal Section 5307 formula program. Growth is based on the level of funds received by the region. It is assumed that this program will be continued under the new TEA authorization, growing at the rate of 3.5% per year starting in FY 2004-05. In FY 2003-04, additional funding was received as part of the preventive maintenance program related to a transaction designed to purchase new buses. The SRTP forecasts an increase similar to the projected inflation rate for this revenue line.
- **ADA Paratransit Vehicles Lease:** This project is funded with Federal Section 5307 formula funds and is projected to remain fixed in the SRTP projection. The funds derived from this program are placed in a designated fund that will be used to replace the vehicles used to provide the AC Transit portion of the consortium service. If AC Transit elects to discontinue the provision of this service, the funds would then be used to offset the costs of paratransit service.

### Other Federal, State, and Local grants and subsidies

Under this category, the District reports several ongoing and one-time sources of funding that Staff has been able to secure in their efforts to diversify the revenue base. This is a detailed description of these revenue sources (Figures B-2 and B-3).

- **Supplemental Service:** Through a successful partnership with District management and unions, and the Oakland Unified School District,

FIGURE B-2: OTHER FEDERAL AND LOCAL GRANTS, 03-04

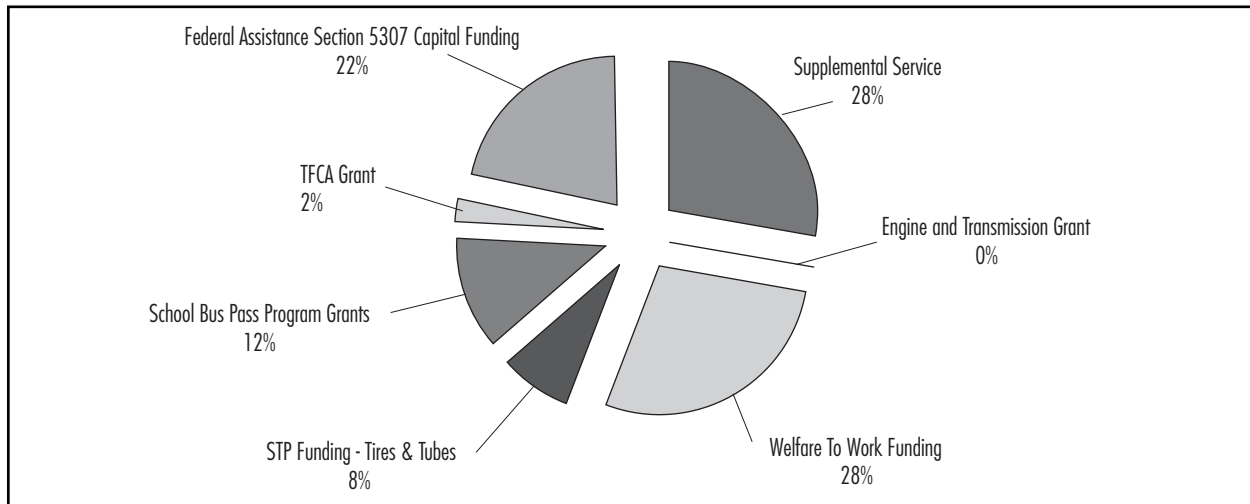
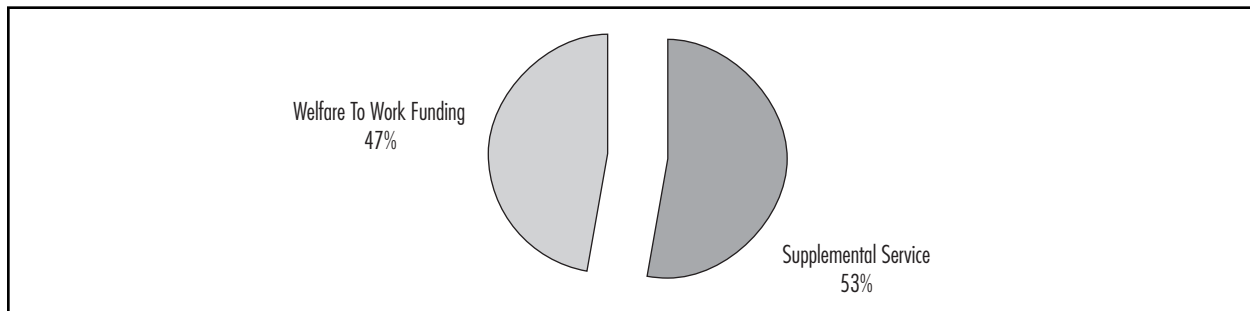


FIGURE B-3: OTHER FEDERAL AND LOCAL GRANTS, 04 AND BEYOND



AC Transit obtained annual revenue to help offset the cost of providing supplemental transit service to schools. This revenue line is expected to remain at the same level during the foreseeable future.

- Welfare to Work funding:** The Welfare-to-Work grant program requires a 50% match, which primarily comes from other operating funds. The District has been successful in obtaining federal earmarked funds for its Welfare-to-Work program. The services provided through this fund-

ing source are contingent on continued receipt of similar outside funds. Welfare-to-Work funding is comprised of a small amount of Measure B funds (see Measure B), limited matching funds from Measure C (see Measure C), and the Federal Job Access Grant program. It is assumed that both the Welfare-to-Work component and continued matching funds will remain funded throughout the projected period. For the SRTP, the District assumes that this funding source will remain at the same level.

- **TFCA grant:** Staff has been able to identify and secure additional grant funding related to the Transportation Fund For Clean Air Act. The District expects to receive \$ 1.2 Million and approximately \$ 0.6 Million during FY 2004-05 and FY 2005-06 respectively.
- **Other Grants:** the District received several other one-time or short-term funding which expires during the current fiscal year, such as the Engine and Transmission grant, the School Bus Program grant, STP funding for Tires and Tubes grant, and Federal Assistance for Maintenance Projects.

### Bus Deferral Income and Related

These revenue sources became a key component in the District strategy to navigate through the most difficult business environment in its history. These revenues are comprised by the Federal Assistance funds known as Bus Deferral Income funding, and the Bridge Toll revenue. This is a detailed explanation of both.

- **Federal Assistance – Bus Deferral Income:** For FY 2003-04, the District deferred bus procurements funded from Section 5307 funding of \$ 14.9 Million matched with Bridge Toll funding of \$ 3.6 Million as a strategy to balance a portion of the FY 2003-04 budget shortfall. Due to the expected continuing weakness in the District's revenue base, it is estimated that for FY 2004-05 the District will have to defer another round of procurements to generate \$ 16.2 Million total additional revenues, and also for FY 2005-06 for an additional (and final) \$ 17.5 Million.
- **Bridge Toll – Bus Deferral Income:** For FY

2003-04, the District will defer bus procurements funded from Section 5307 funding of \$ 14.9 Million matched with Bridge Toll funding of \$ 3.6 Million as a strategy to balance a portion of the FY 2003-04 budget shortfall. Due to the expected continuing weakness in the District's revenue base, it is estimated that for FY 2004-05 and FY 2005-06 the District will have to defer another round of procurements to generate \$ 2.5 Million Bridge Toll funding each year or 20% of expected revenues.

### Sales Tax-based Subsidies Growth

The District is presenting in this SRTP projection what it believes to be a conservative scenario that includes moderate revenue growth, in particular in the first few years of the projected period, starting at a very depressed baseline level for the most part. However, the District also recognizes that in order to sustain its current level of operations in the long term, it needs to recover some of the revenue base that had enjoyed in the years previous to the recession. This largely depends on the performance of the Northern California economy.

The District has included in the SRTP projection the potential impact of a stronger than expected economic recovery, particularly of the sales-tax based subsidies, that along with farebox, suffered the biggest drop in absolute values as a result of the last recession. The District Staff believes that these figures would be the result of an accelerated economic recovery that would be achieved by the third year in the projection, and would last for three years at which point it would recede to a more normal growth pace. The projection follows the traditional business cycle of bust and booms in the economy (see Figure B-4), so depressed

levels in this item over the projected period mean either a slow-growth economy or a recession.

The District acknowledges that the probability of an immediate very strong economic recovery is relatively small at this juncture, given the uncertainty that surrounds the economic environment in an electoral year. The District Staff also believes that once the political noise is eliminated, the Nation and the region will be poised for renewed innovation, vigorous market expansion and solid job and business growth, saving extremely disrupting circumstances (a major terrorist attack or major natural disaster affecting the region).

**OPERATING EXPENSES**

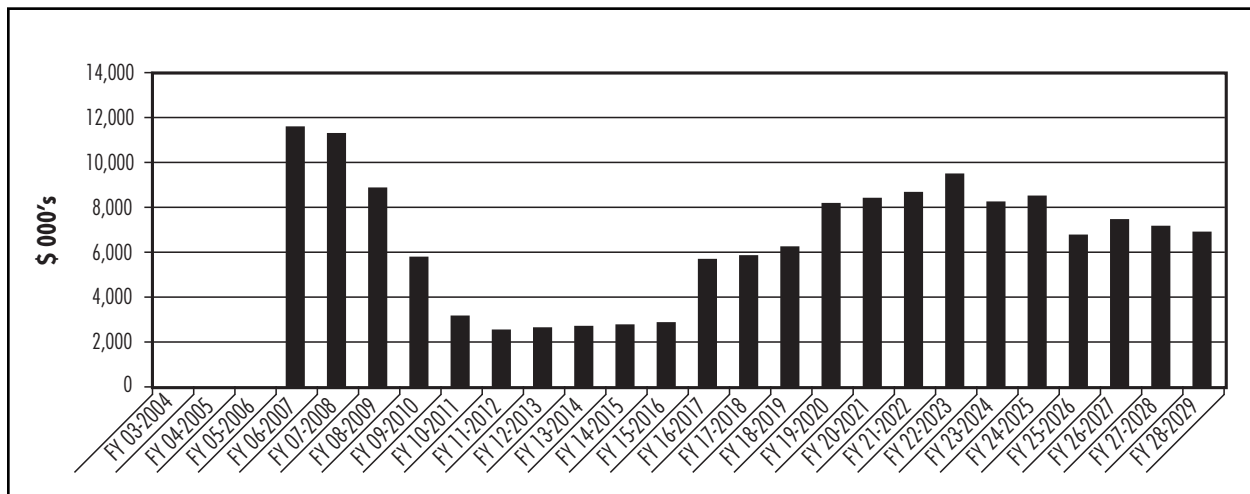
In the recent past, the District’s Operating Expenses have been subject to negative external pressures, particularly those costs related to Health Care premiums, Workers’ Compensation claims costs, the Pension Fund expense, and the increasing cost of fuel. At the same time, because of the lower ridership

caused by the regional economic decline, the District found itself with too low a level of demand for its current installed capacity base (number of buses and hours of service available). The District’s Management then initiated a series of initiatives to drastically reduce costs and streamline operating programs: measures like lay-offs, hiring freezes, service reductions, capital expenses projects deferrals, renegotiation of high-cost security contracts, reduction in non-emergency or discretionary service expenses, and many other actions designed to balance the budget.

As a consequence of the above mentioned actions, the District is currently operating at levels very similar to those of the period between FY 1994-96, the last time the District faced a major recession and had to resort to service cuts. Headcount, Operating Platform Hours and Revenue Miles are very close to the statistics of that period.

The District faces a challenging future in terms of the forecast for Operating Expenses. Labor costs are by far the most significant and important component of

FIGURE B-4: SALES TAX BASED SUBSIDIES GROWTH





our cost structure, at 75% of the total Operating Expense Budget. The District has been able to establish a working relationship with the Unions in order to preserve the financial stability of the organization. Wages will not be increased during the current FY 2004-05.

But the pressure that continuing double-digit growth rates for health care costs cause on the District finances, a nationwide issue too, is becoming unbearable. The same can be said of the impact of Workers Compensation costs and Pension Fund expenses. In these past two years, the District was hit by unforeseen and extremely high magnitude adjustments due to the actuarial valuations of the reserves for both Workers' Compensation and the Pension Fund. The margin for maneuvering around these variables is becoming narrow, and District Staff is concerned about feasible alternatives or options available to overcome the very negative trends these expenses put on the already weakened finances of our organization.

Other sources of additional financial pressure on our cost structure have been the unforeseen and very negative impact of record-setting high fuel prices. Practically since the start of President Bush's administration, fuel prices have gone consistently up to levels never seen before in nominal terms; a barrel of the benchmark oil commodity recently topped the \$50 per barrel mark, the highest ever in history. Diesel fuel costs have increased an average of 13% a year in the past three years.

A more positive development has been the decline in consumption of bus parts and related supplies as a consequence of the addition of the new VanHool bus fleet and the sale of old units to generate some much

needed cash inflows. Certain maintenance costs therefore are expected to decrease in the first few years of the projection, including the costs of the rehabilitation of engines and transmissions.

The SRTP foresees that in the long run, Fringe Benefits will become a larger fraction of overall Labor Costs, due to the factors explained above. Also, the District's SRTP expects that diesel fuel costs eventually will recede to more normal pricing levels, and that new fuel technology will help reduce overall costs.

In our SRTP projection, Services are expected to grow also at a moderate rate, although the cost of security services could experience high pressures as a result of the threat of terrorism. ADA Consortia costs are expected to grow consistently as demand for these services is sustained by an improved economy. Other operating costs are expected to increase in tune with the inflation rate, although Casualty and Liability costs are always difficult to predict given the nature of the underlying cause of these expenses.

As a result of the actions of the District Management, operating expenses would increase at a lower pace than inflation during the first few years of the projection. This is a positive trend considering that revenues are expected to grow at a rate higher than inflation on average during the same three years period.

### **Labor Costs**

Labor costs are the most significant component in the operating expenses structure at the District, representing now 75% of all expenses, and this cost structure is not going to change in the foreseeable future. The District has achieved a temporary relief in the growth rate of these expenses by working out

a temporary agreement with the Unions to defer salary and wage increases until next fiscal year. However, the other components of labor costs, such as Fringe Benefits and Pension Fund costs, are going to continue increasing mainly due to external factors. Certain Fringe Benefit expenses like Health care costs (Medical, dental and vision insurance premiums) and Workers' Compensation expenses continue to climb at double-digit rates due to structural issues in the economics of health care.

The SRTP projection considers though a slow-pace reduction in the growth rate of these costs due to the impact of pro-business regulation (like in the case of Workers' Compensation), or supply-demand market forces at play (health care providers and insurance companies can not continue increasing costs without a correlated lower demand from already taxed businesses and individuals), but the first few years of the projection still show the negative impact of the currently rising costs.

The efforts the District undertook to balance the previous two years Budgets generated a decrease in the total Salaries and Wages expense baseline, which is why Labor costs show negative growth. The SRTP shows no increase in compensation during the first five years in the projection other than the COLA adjustment that was deferred to FY 2005-06. The District is about to start the new contract negotiation process.

The SRTP projection shows that the District forecast that Labor Costs would grow under the growth rate of Revenues and very slightly over inflation on average for the period in discussion.

The SRTP projection shows that in the long-run, the share of Fringe Benefits over total Labor Costs would increase as the result of the higher growth rate in the first few years of the projection for Health Care costs and Pension Fund expenses.

Following find a detailed description of the different Labor Costs components.

- **Salaries and Wages:** The projections for the first 5 years for salaries and wages assume no major increases other than the COLA for ATU employees in FY 2005-06 based on the extension of the last existing agreement with ATU. The forecast for other salaries and wages contemplates only the anniversary date or progression increases. In FY 2004-05, Salaries and Wages show a decline, compared to FY 2003-04, due to the expiration of the ATU contract and the effect of the service reductions.

Starting FY 2009-10, salaries and wages reflect the estimated impact of estimated increases that would include a COLA clause with a ceiling up to 3.0% for the year. COLA rate would remain at 2.0% a year. Therefore, the SRTP assumes salaries and wages increases similar to the projected inflation rate.

- **Fringe Benefits:** Fringe Benefits include a number of specific items paid by the District on behalf of their employees as set forth in contracts and required by Law. The main expense lines are:
  - **Medical, Dental and Vision insurance premiums:** These expenses are projected to amount to \$23.0 Million in FY 2004-05, or

roughly 34% of the total Fringe Benefits cost, and from that point on to increase by 12% a year until year 6. The SRTP projection then forecast that this item will grow by the projected inflation rate.

- **Workers' Compensation:** In FY 2002-03, expenses were much higher than budgeted because of the unexpected results of an actuarial review of the accumulated Workers' Compensation Liability, which required a large accounting adjustment of over \$ 14.0M on June 2003. A recent actuarial review might once again require a negative adjustment on the liability reserve for this expense, despite the fact that actual payouts are coming lower than projected. This expense line represents 17% of total fringe benefits and in the SRTP is projected to grow at a rate similar to inflation. The District believes this expense should progressively start lowering as recently enacted legislation, and some additional regulatory changes that are expected to happen, would favor businesses that are currently being hit hard in California because of this very costly regulation.
- **Vacation, Sick Leave, Holiday pay, and other paid absences (PTO):** These expenses represent approximately 17% of total gross wages and roughly equal to 29% of total fringe benefits costs. In the SRTP projection, these expenses are forecast to grow commensurate with the growth in salary and wages.
- **FICA:** This legally mandated expense represents 13.5% of total fringe benefits and it is also expected to grow commensurate with the growth in salary and wages.
- **Other fringe benefits:** These are a series of

other contractually based benefits like work clothing, attendance bonuses, health opt-out plan, management leave and others that represent 4.5% of total fringe benefits and are also forecast to grow commensurate with the growth in salary and wages in the SRTP.

- **Unemployment Insurance:** This is an expense line that temporarily became somewhat higher due to the lay-offs and other headcount reduction actions the District had to take. It came to become close to 1% of total fringe benefits but eventually will be reduced to historically much lower levels.
- **Pension Fund:** Pension Fund costs use to follow a similar growth rate as that of Salaries and Wages, representing about 13.5% of gross wages in FY 2003-04. The District's accounting methodology used an smoothing policy that the District had decided to apply in order to mitigate the volatility caused by financial markets in the rates of return that impact the investment fund. However, the District is no longer considering this policy and as a result of a new actuarial report that increased the projected expense for this year by \$ 3.0 Million, the SRTP is showing a significant increase in the long-term cost of this expense line. Now, this item represents 16% of gross wages.

## Services

As a consequence of the severe revenue downfall in the past years, the District implemented a series of cost containment programs targeting discretionary spending. For FY 2003-04, the continued implementation of a drastic and aggressive cost reduction plan in several departments throughout the District allowed savings to materialize in this expense category.

ry. The most significant component in this expense category is Security Services, which represents almost 50% of the total expense. The contracts were carefully reviewed and aggressive reductions were sought in terms of the expected increases that had been notified by the Sheriffs and other providers of these services.

The level of these expenses should remain at a low point in the current FY 2004-05, where most of the expected savings would result in reductions in Professional and Technical Services, as well as in Outside Repair Services, Outside Training Services, Temporary Help, Printing Services and Help Wanted Advertising.

The SRTP projection assumes that these costs will increase at the pace of the projected inflation rate.

### Fuel and Lubricants

During the Third Quarter review in FY 2003-04, the working budget for Fuel and Lubricant was increased by \$ 0.5 Million, as diesel fuel prices shot up due to aftermath effects of the Iraqi war and an inventory shortage of oil worldwide. Actual figures ended up even higher as upward pressures in the oil market pushed oil prices to historical highs never before reached.

Because the underlying economic forces affecting oil and derived fuel prices haven't dissipated, the SRTP projection has increased the overall budget for diesel fuel even more for the first year in the forecast, despite the fact that operating mileage has substantially decreased as a consequence of the service reductions.

The budget for Fuel and Lubricants in FY 2004-05

has been increased as a result of the net effect of the following three major assumptions:

- (1) the yield per gallon of diesel fuel will improve to 4.0 mpg because of the better mileage obtained in the new Van Hool fleet
- (2) the average diesel fuel cost will be \$ 1.40 per gallon on average for the year, a 24% increase over the average cost per gallon of fuel for FY 2003-04
- (3) the operated mileage will be much lower due to the effect of service reductions.

All of the above mentioned variables have suffered considerable variances during the past couple of years. Yields have been hovering in the range of 3.4-3.7 mpg, and the renewal of the fleet should provide a positive boost to this parameter. Operating miles have declined sharply and, thus, total volume consumption of fuel should also decrease accordingly.

Finally, diesel fuel prices have increased on average 13% in the three past fiscal years, with the most severe impact in the last twelve months.

In the SRTP projection, these costs are expected to decrease in FY 2005-06 as a consequence of a normalization of the supply of oil worldwide, and the restocking of oil inventories in the U.S. This is expected to bring the price of diesel fuel down to previous usual levels. In future years, costs are expected to be more moderate due to the District's utilization of new fuel cell and other alternative fuel technologies that will be implemented progressively..

### Other Materials and Supplies

In FY 2003-04, the District continued to obtain a significant reduction in this cost category. These savings were mostly the result of fewer bus parts and

supplies consumed, related to the roll-out into service of a significant fraction of the new Van Hool bus fleet. The lower mileage to be run due to service cuts also generated some savings in this category.

Another important short-term savings in this category, looking forward, is the reduction of about \$ 1.0 Million in the rehabilitation of Engines and Transmission costs that are not going to be necessary for a few years due to the new fleet. Because the District has also sold most of the old fleet (and is actively selling the remaining old buses still in operation), and reducing the stock of parts and supplies related to them, even more savings should accrue. For that reason, in the SRTP, the first three fiscal years in the projection show a reduced level of expenses, which grows larger again as the Van Hool fleet maintenance needs increase. The SRTP projection assumes an inflationary increase for these costs during the period, and a renewal of the fleet on a periodic basis as explained in the Capital Program section.

### Utilities and Taxes

The major components of this expense category are Electric and Gas costs, as well as Use Tax costs, all of which are expected to remain at about the same levels during the period. Energy costs are expected to remain at a high average cost per unit due to structural supply constraints in California.

The SRTP projection foresees that these costs would increase by the projected inflation rate.

### Casualty and Liability

These expenses are related to the coverage of risks associated with running the District's regular trans-

portation operations, including insurance premiums and self-insurance costs of property and personal damage liabilities.

As a consequence of the Third Quarter Review in FY 2003-04, an additional \$ 0.7 Million was added due to an expected increase in the liability insurance premium and workers' compensation insurance costs, which in actuality was lower than expected. For that reason, in FY 2004-05 the projection starts with a lower baseline figure, and so, costs are projected to grow from that base at least by the inflation rate during the SRTP period (refer to Graph B-5). This is of course barring catastrophic events that could require an extraordinary payout in terms of damages as the result of injury-related litigation.

### Debt Service

Debt Service expense reflects the cost attributable to three major financial transactions:

- the financing costs of the Certificates of Participation (COPs) based upon the 2001 series repayment schedule
- \$ 0.7 Million each year in financing costs related to the issuance of Revenue Anticipation Notes (RANs) needed to smooth out operating cash flows during FY 2003-04 and FY 2004-05
- \$ 0.05 Million in financing costs of a loan received from ACTIA as a cash advance from the future Measure B funds.

The District might experience a very tight cash flow position for a couple of years looking forward. The District is actively managing all resources in order to speed up cash collections and streamline payments, while seeking more and new cash generating options.

### ADA Consortium Expenses

These costs represent the 69% of the total expenses incurred by the joint venture between AC Transit and BART to operate this program. In FY 2003-04, ridership and productivity grew higher than expected, which meant lower total costs. The SRTP projection assumes this trend to continue, with demand growing at 4% a year starting in FY 2004-05.

### Other Expenses

These are expenses associated with miscellaneous disbursements, such as travel and meetings, dues and subscriptions, employee incentive programs, and leases and rentals of equipment. In FY 2004-05, this expense item shows one time additional costs related to the elections of officers and other external affairs.

## **DISTRICT-FUNDED CAPITAL**

In FY 2003-04 the District continued the deferral of prior year programs, affecting a total \$ 4.0 Million planned allocation for District-funded capital programs. The FY 2004-05 Budget approved district-funded capital expenditures of \$ 3.9 Million, primarily for essential maintenance of facilities and IT related purchases of enterprise software and other critical applications.

The 2% of the operating budget allocation for District-funded capital programs is projected to be restored in FY 2005-06 and subsequent years of the SRTP projection.

FIGURE B-5: 25-YEAR FINANCIAL PROJECTION WITH AC REVENUES

	Year 1 Projected FY 04-2005	Year 2 Projected FY 05-2006	Year 3 Projected FY 06-2007	Year 4 Projected FY 07-2008	Year 5 Projected FY 08-2009
<b>REVENUES AND SUBSIDIES</b>					
Operating					
Farebox	40,400	40,400	40,400	40,400	40,400
Farebox Increases/Ridership Growth	7,008	7,486	7,375	7,780	8,658
Farebox decreases - Service Cuts	(1,777)	(1,777)	(1,777)	(1,777)	(1,777)
Total Farebox	45,631	46,109	45,998	46,403	47,281
BART Transfers	3,983	4,142	4,308	4,480	4,660
Interest Income	350	725	1,250	1,294	1,339
Advertising	2,065	2,106	2,148	2,202	2,257
Other Revenue	6,345	2,070	2,070	2,070	2,070
Lease To Service	750	-	-	-	-
Contract Services	-	-	-	-	-
Other Operating Revenues	13,493	9,043	9,776	10,046	10,325
Total Operating Revenues	59,123	55,152	55,773	56,448	57,606
Subsidies					
Transportation Develop. Act (TDA)	45,846	48,138	50,545	53,072	55,726
AB 1107	28,500	29,783	31,123	32,523	33,987
Measure B	20,006	20,806	21,638	22,504	23,404
State Transit Assistance (STA)	4,260	4,387	4,534	4,711	4,915
Measure C	1,551	1,598	1,646	1,695	1,695
Total Sales-Tax based Subsidies	100,163	104,711	109,486	114,505	119,726
Property Taxes	50,694	52,722	56,331	58,584	60,928
Measure AA (and Measure BB)	7,000	14,000	14,000	14,000	14,000
Total Property Taxes based Subsidies	57,694	66,722	70,331	72,584	74,928
ADA Paratransit Funding	4,644	4,748	4,854	4,980	5,111
Federal Assistance (ADA)	3,942	4,021	4,101	4,204	4,309
ADA Paratransit Vehicles	845	845	845	845	845
Total ADA related Subsidies	9,431	9,614	9,800	10,029	10,265
Federal Assistance - Bus Defer Income	16,236	15,054	2,519	-	-
Bridge Toll - Bus Deferral Income	2,553	2,500	-	-	-
Total Bus Deferral Income and related Subsidies	18,789	17,554	2,519	-	-
Sales-based taxes subsidies growth	-	-	11,491	11,184	8,755
Supplemental Service	2,225	2,225	2,225	2,225	2,225
Welfare To Work Funding	2,000	2,000	2,000	2,000	2,000
Engine and Transmission Grant	710	-	-	-	-
TFCA Grant	1,150	575	-	-	-
Total Other Federal, State and Local grants subs	6,085	4,800	4,225	4,225	4,225
Total Subsidies	192,162	203,401	207,852	212,527	217,899
<b>Total Revenues and Subsidies</b>	<b>251,286</b>	<b>258,553</b>	<b>263,625</b>	<b>268,976</b>	<b>275,505</b>
<b>OPERATING EXPENSES</b>					
Salary & Wages	99,782	102,253	102,509	102,765	103,022
Fringe Benefits	66,652	69,265	72,880	75,359	79,564
Pension Fund	19,351	19,830	19,880	19,930	19,979
Total Labor Costs	185,785	191,349	195,269	198,054	202,565
Services	14,815	15,111	15,413	15,799	16,194
Fuel & Lubricants	7,846	6,981	7,121	7,299	7,481
Other Materials & Supplies	9,415	9,603	9,795	11,065	11,342
Utilities & Taxes	4,777	4,872	4,970	5,094	5,221
Casualty & Liability	5,026	5,127	5,229	5,360	5,494
Debt Service	1,256	836	800	760	716
ADA Consortium	18,634	18,711	18,934	19,065	19,828
Other	2,053	1,227	1,251	1,282	1,314
<b>Total Operating Expenses</b>	<b>249,606</b>	<b>253,816</b>	<b>258,782</b>	<b>263,777</b>	<b>270,155</b>
<b>CAPITAL PROGRAM</b>					
ADA Paratransit Vehicles	845	845	845	845	845
District Funded Capital	3,895	3,982	3,999	4,353	4,505
Total Capital Expenses	4,740	4,737	4,844	5,198	5,350
<b>Total Expenses</b>	<b>254,346</b>	<b>258,554</b>	<b>263,626</b>	<b>268,975</b>	<b>275,505</b>
<b>Surplus / (Deficit)</b>	<b>(3,061)</b>	<b>(0)</b>	<b>(0)</b>	<b>0</b>	<b>0</b>
<b>Transfer (to)/from Equity</b>	<b>3,061</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Adjusted Surplus / (Deficit)</b>	<b>0</b>	<b>(0)</b>	<b>(0)</b>	<b>0</b>	<b>0</b>

FIGURE B-5: 25-YEAR FINANCIAL PROJECTION WITH AC REVENUES, CONTINUED

	Year 6 Projected FY 09-2010	Year 7 Projected FY 10-2011	Year 8 Projected FY 11-2012	Year 9 Projected FY 12-2013	Year 10 Projected FY 13-2014
<b>REVENUES AND SUBSIDIES</b>					
Operating Farebox	40,400	40,400	40,400	40,400	40,400
Farebox Increases/Ridership Growth	14,453	19,091	20,211	22,030	23,903
Farebox decreases - Service Cuts	(1,777)	(1,777)	(1,777)	(1,777)	(1,777)
Total Farebox	53,076	57,714	58,834	60,653	62,526
BART Transfers	4,846	5,040	5,241	5,451	5,669
Interest Income	1,386	1,434	1,484	1,536	1,590
Advertising	2,336	2,417	2,502	2,590	2,680
Other Revenue	2,070	2,070	2,070	2,070	2,070
Lease To Service	-	-	-	-	-
Contract Services	-	-	-	-	-
Other Operating Revenues	10,637	10,961	11,298	11,647	12,009
Total Operating Revenues	63,713	68,675	70,132	72,300	74,535
<b>Subsidies</b>					
Transportation Develop. Act (TDA)	58,512	61,438	64,510	66,445	68,439
AB 1107	35,516	37,114	38,785	39,948	41,147
Measure B	24,340	25,313	26,326	27,379	28,474
State Transit Assistance (STA)	5,150	5,330	5,517	5,710	5,909
Measure C	1,695	1,695	1,695	1,695	1,695
Total Sales-Tax based Subsidies	125,213	130,891	136,832	141,177	145,664
Property Taxes	63,365	65,899	68,535	70,591	72,709
Measure AA (and Measure BB)	14,000	14,000	14,000	14,000	14,000
Total Property Taxes based Subsidies	77,365	79,899	82,535	84,591	86,709
ADA Paratransit Funding	5,283	5,462	5,648	5,845	6,050
Federal Assistance (ADA)	4,460	4,616	4,777	4,945	5,118
ADA Paratransit Vehicles	845	845	845	845	845
Total ADA related Subsidies	10,588	10,923	11,270	11,635	12,012
Federal Assistance - Bus Defer Income	-	-	-	-	-
Bridge Toll - Bus Deferral Income	-	-	-	-	-
Total Bus Deferral Income and related Subsidies	-	-	-	-	-
Sales-based taxes subsidies growth	5,667	3,040	2,442	2,515	2,590
Supplemental Service	2,225	2,225	2,225	2,225	2,225
Welfare To Work Funding	2,000	2,000	2,000	2,000	2,000
Engine and Transmission Grant	-	-	-	-	-
TFCA Grant	-	-	-	-	-
Total Other Federal, State and Local grants subs	4,225	4,225	4,225	4,225	4,225
Total Subsidies	223,058	228,978	237,304	244,143	251,201
<b>Total Revenues and Subsidies</b>	<b>286,771</b>	<b>297,654</b>	<b>307,436</b>	<b>316,443</b>	<b>325,736</b>
<b>OPERATING EXPENSES</b>					
Salary & Wages	105,855	108,766	112,029	115,390	118,852
Fringe Benefits	84,902	87,449	90,072	92,774	95,558
Pension Fund	20,529	21,093	21,726	22,378	23,049
Total Labor Costs	211,286	217,308	223,828	230,542	237,459
Services	16,761	17,347	17,954	18,583	19,233
Fuel & Lubricants	7,743	8,014	8,294	8,585	8,885
Other Materials & Supplies	11,738	12,149	12,575	13,015	13,470
Utilities & Taxes	5,404	5,593	5,789	5,991	6,201
Casualty & Liability	5,686	5,885	6,091	6,304	6,525
Debt Service	669	619	558	499	435
ADA Consortium	20,621	21,446	22,303	23,195	24,123
Other	1,360	1,408	1,457	1,508	1,561
<b>Total Operating Expenses</b>	<b>281,268</b>	<b>289,770</b>	<b>298,850</b>	<b>308,223</b>	<b>317,893</b>
<b>CAPITAL PROGRAM</b>					
ADA Paratransit Vehicles	845	845	845	845	845
District Funded Capital	4,665	4,831	5,004	5,133	5,267
Total Capital Expenses	5,510	5,676	5,849	5,978	6,112
<b>Total Expenses</b>	<b>286,778</b>	<b>295,445</b>	<b>304,698</b>	<b>314,201</b>	<b>324,005</b>
<b>Surplus / (Deficit)</b>	<b>(7)</b>	<b>2,208</b>	<b>2,738</b>	<b>2,241</b>	<b>1,731</b>
<b>Transfer (to)/from Equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Adjusted Surplus / (Deficit)</b>	<b>(7)</b>	<b>2,208</b>	<b>2,738</b>	<b>2,241</b>	<b>1,731</b>



FIGURE B-5: 25-YEAR FINANCIAL PROJECTION WITH AC REVENUES, CONTINUED

	Year 11 Projected FY 14-2015	Year 12 Projected FY 15-2016	Year 13 Projected FY 16-2017	Year 14 Projected FY 17-2018	Year 15 Projected FY 18-2019
<b>REVENUES AND SUBSIDIES</b>					
Operating					
Farebox	40,400	40,400	40,400	40,400	40,400
Farebox Increases/Ridership Growth	25,832	27,819	29,865	31,973	34,144
Farebox decreases - Service Cuts	(1,777)	(1,777)	(1,777)	(1,777)	(1,777)
Total Farebox	64,455	66,442	68,488	70,596	72,767
BART Transfers	5,896	6,132	6,377	6,632	6,897
Interest Income	1,646	1,703	1,763	1,825	1,889
Advertising	2,774	2,871	2,972	3,076	3,183
Other Revenue	2,070	2,070	2,070	2,070	2,070
Lease To Service	-	-	-	-	-
Contract Services	-	-	-	-	-
Other Operating Revenues	12,386	12,776	13,182	13,602	14,039
Total Operating Revenues	76,840	79,218	81,670	84,198	86,806
Subsidies					
Transportation Develop. Act (TDA)	70,492	72,606	74,785	77,028	79,339
AB 1107	42,381	43,652	44,962	46,311	47,700
Measure B	29,613	30,798	32,030	33,311	34,643
State Transit Assistance (STA)	6,116	6,330	6,552	6,781	7,019
Measure C	1,695	1,695	1,695	1,695	1,695
Total Sales-Tax based Subsidies	150,297	155,082	160,023	165,126	170,396
Property Taxes	74,890	77,137	79,451	81,835	84,290
Measure AA (and Measure BB)	14,000	14,000	14,000	14,000	14,000
Total Property Taxes based Subsidies	88,890	91,137	93,451	95,835	98,290
ADA Paratransit Funding	6,262	6,481	6,707	6,942	7,185
Federal Assistance (ADA)	5,297	5,482	5,674	5,873	6,078
ADA Paratransit Vehicles	845	845	845	845	845
Total ADA related Subsidies	12,403	12,808	13,226	13,660	14,108
Federal Assistance - Bus Defer Income	-	-	-	-	-
Bridge Toll - Bus Deferral Income	-	-	-	-	-
Total Bus Deferral Income and related Subsidies	-	-	-	-	-
Sales-based taxes subsidies growth	2,668	2,748	5,581	5,748	6,124
Supplemental Service	2,225	2,225	2,225	2,225	2,225
Welfare To Work Funding	2,000	2,000	2,000	2,000	2,000
Engine and Transmission Grant	-	-	-	-	-
TFCA Grant	-	-	-	-	-
Total Other Federal, State and Local grants subs	4,225	4,225	4,225	4,225	4,225
Total Subsidies	258,484	266,000	276,506	284,594	293,144
<b>Total Revenues and Subsidies</b>	<b>335,324</b>	<b>345,218</b>	<b>358,176</b>	<b>368,792</b>	<b>379,950</b>
<b>OPERATING EXPENSES</b>					
Salary & Wages	122,417	126,090	129,873	133,769	137,782
Fringe Benefits	98,424	101,377	104,418	107,551	110,777
Pension Fund	23,741	24,453	25,187	25,942	26,720
Total Labor Costs	244,583	251,920	259,478	267,262	275,280
Services	19,906	20,603	21,324	22,070	22,843
Fuel & Lubricants	9,196	9,518	9,851	10,196	10,553
Other Materials & Supplies	13,942	14,430	14,935	15,457	15,998
Utilities & Taxes	6,418	6,643	6,875	7,116	7,365
Casualty & Liability	6,753	6,990	7,234	7,488	7,750
Debt Service	366	293	216	132	10
ADA Consortium	25,088	26,092	27,135	28,221	29,350
Other	1,616	1,672	1,731	1,791	1,854
<b>Total Operating Expenses</b>	<b>327,868</b>	<b>338,160</b>	<b>348,780</b>	<b>359,734</b>	<b>371,002</b>
<b>CAPITAL PROGRAM</b>					
ADA Paratransit Vehicles	845	845	845	845	845
District Funded Capital	5,405	5,547	5,694	5,845	6,001
Total Capital Expenses	6,250	6,392	6,539	6,690	6,846
<b>Total Expenses</b>	<b>334,118</b>	<b>344,552</b>	<b>355,318</b>	<b>366,424</b>	<b>377,849</b>
<b>Surplus / (Deficit)</b>	<b>1,206</b>	<b>665</b>	<b>2,858</b>	<b>2,368</b>	<b>2,101</b>
<b>Transfer (to)/from Equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Adjusted Surplus / (Deficit)</b>	<b>1,206</b>	<b>665</b>	<b>2,858</b>	<b>2,368</b>	<b>2,101</b>

FIGURE B-5: 25-YEAR FINANCIAL PROJECTION WITH AC REVENUES

	Year 16 Projected FY 19-2020	Year 17 Projected FY 20-2021	Year 18 Projected FY 21-2022	Year 19 Projected FY 22-2023	Year 20 Projected FY 23-2024
<b>REVENUES AND SUBSIDIES</b>					
Operating Farebox	40,400	40,400	40,400	40,400	40,400
Farebox Increases/Ridership Growth	36,381	38,684	41,057	43,500	46,017
Farebox decreases - Service Cuts	(1,777)	(1,777)	(1,777)	(1,777)	(1,777)
Total Farebox	75,004	77,307	79,680	82,123	84,640
BART Transfers	7,173	7,460	7,758	8,069	8,392
Interest Income	1,955	2,023	2,094	2,167	2,243
Advertising	3,295	3,410	3,529	3,653	3,781
Other Revenue	2,070	2,070	2,070	2,070	2,070
Lease To Service	-	-	-	-	-
Contract Services	-	-	-	-	-
Other Operating Revenues	14,493	14,963	15,452	15,959	16,485
Total Operating Revenues	89,496	92,270	95,131	98,082	101,126
<b>Subsidies</b>					
Transportation Develop. Act (TDA)	81,719	84,171	86,696	89,297	91,976
AB 1107	49,131	50,605	52,123	53,687	55,298
Measure B	36,029	37,470	38,969	40,528	42,149
State Transit Assistance (STA)	7,264	7,518	7,782	8,054	8,336
Measure C	1,695	1,695	1,695	1,695	1,695
Total Sales-Tax based Subsidies	175,839	181,459	187,265	193,260	199,453
Property Taxes	86,819	89,423	92,106	94,869	97,715
Measure AA (and Measure BB)	14,000	14,000	14,000	14,000	14,000
Total Property Taxes based Subsidies	100,819	103,423	106,106	108,869	111,715
ADA Paratransit Funding	7,437	7,697	7,966	8,245	8,534
Federal Assistance (ADA)	6,291	6,511	6,739	6,975	7,219
ADA Paratransit Vehicles	845	845	845	845	845
Total ADA related Subsidies	14,573	15,053	15,550	16,065	16,598
Federal Assistance - Bus Defer Income	-	-	-	-	-
Bridge Toll - Bus Deferral Income	-	-	-	-	-
Total Bus Deferral Income and related Subsidies	-	-	-	-	-
Sales-based taxes subsidies growth	8,058	8,300	8,549	9,365	8,146
Supplemental Service	2,225	2,225	2,225	2,225	2,225
Welfare To Work Funding	2,000	2,000	2,000	2,000	2,000
Engine and Transmission Grant	-	-	-	-	-
TFCA Grant	-	-	-	-	-
Total Other Federal, State and Local grants subs	4,225	4,225	4,225	4,225	4,225
Total Subsidies	303,513	312,460	321,695	331,784	340,137
<b>Total Revenues and Subsidies</b>	<b>393,009</b>	<b>404,731</b>	<b>416,826</b>	<b>429,867</b>	<b>441,262</b>
<b>OPERATING EXPENSES</b>					
Salary & Wages	141,915	146,173	150,558	155,075	159,727
Fringe Benefits	114,101	117,524	121,049	124,681	128,421
Pension Fund	27,522	28,348	29,198	30,074	30,976
Total Labor Costs	283,538	292,044	300,806	309,830	319,125
Services	23,642	24,470	25,326	26,213	27,130
Fuel & Lubricants	10,922	11,304	11,700	12,109	12,533
Other Materials & Supplies	16,558	17,138	17,738	18,358	19,001
Utilities & Taxes	7,623	7,890	8,166	8,452	8,747
Casualty & Liability	8,021	8,302	8,592	8,893	9,204
Debt Service	-	-	-	-	-
ADA Consortium	30,524	31,745	33,014	34,335	35,708
Other	1,919	1,986	2,056	2,128	2,202
<b>Total Operating Expenses</b>	<b>382,748</b>	<b>394,879</b>	<b>407,398</b>	<b>420,318</b>	<b>433,651</b>
<b>CAPITAL PROGRAM</b>					
ADA Paratransit Vehicles	845	845	845	845	845
District Funded Capital	6,163	6,329	6,501	6,678	6,861
Total Capital Expenses	7,008	7,174	7,346	7,523	7,706
<b>Total Expenses</b>	<b>389,755</b>	<b>402,053</b>	<b>414,744</b>	<b>427,841</b>	<b>441,357</b>
<b>Surplus / (Deficit)</b>	<b>3,254</b>	<b>2,678</b>	<b>2,082</b>	<b>2,026</b>	<b>(95)</b>
<b>Transfer (to)/from Equity</b>	-	-	-	-	-
<b>Adjusted Surplus / (Deficit)</b>	<b>3,254</b>	<b>2,678</b>	<b>2,082</b>	<b>2,026</b>	<b>(95)</b>

FIGURE B-5: 25-YEAR FINANCIAL PROJECTION WITH AC REVENUES

	Year 21 Projected FY 24-2025	Year 22 Projected FY 25-2026	Year 23 Projected FY 26-2027	Year 24 Projected FY 27-2028	Year 25 Projected FY 28-2029
<b>REVENUES AND SUBSIDIES</b>					
Operating					
Farebox	40,400	40,400	40,400	40,400	40,400
Farebox Increases/Ridership Growth	48,610	51,280	54,031	56,863	59,781
Farebox decreases - Service Cuts	(1,777)	(1,777)	(1,777)	(1,777)	(1,777)
Total Farebox	87,233	89,903	92,654	95,486	98,404
BART Transfers	8,727	9,076	9,439	9,817	10,210
Interest Income	2,322	2,403	2,487	2,574	2,664
Advertising	3,913	4,050	4,192	4,338	4,490
Other Revenue	2,070	2,070	2,070	2,070	2,070
Lease To Service	-	-	-	-	-
Contract Services	-	-	-	-	-
Other Operating Revenues	17,032	17,599	18,188	18,799	19,434
Total Operating Revenues	104,265	107,502	110,842	114,286	117,838
Subsidies					
Transportation Develop. Act (TDA)	94,735	97,577	100,504	103,520	106,625
AB 1107	56,956	58,665	60,425	62,238	64,105
Measure B	43,835	45,588	47,412	49,308	51,280
State Transit Assistance (STA)	8,628	8,930	9,242	9,566	9,900
Measure C	1,695	1,695	1,695	1,695	1,695
Total Sales-Tax based Subsidies	205,849	212,455	219,278	226,326	233,606
Property Taxes	100,646	103,666	106,776	109,979	113,278
Measure AA (and Measure BB)	14,000	14,000	14,000	14,000	14,000
Total Property Taxes based Subsidies	114,646	117,666	120,776	123,979	127,278
ADA Paratransit Funding	8,832	9,142	9,462	9,793	10,135
Federal Assistance (ADA)	7,472	7,733	8,004	8,284	8,574
ADA Paratransit Vehicles	845	845	845	845	845
Total ADA related Subsidies	17,149	17,720	18,310	18,922	19,554
Federal Assistance - Bus Defer Income	-	-	-	-	-
Bridge Toll - Bus Deferral Income	-	-	-	-	-
Total Bus Deferral Income and related Subsidies	-	-	-	-	-
Sales-based taxes subsidies growth	8,390	6,642	7,341	7,062	6,773
Supplemental Service	2,225	2,225	2,225	2,225	2,225
Welfare To Work Funding	2,000	2,000	2,000	2,000	2,000
Engine and Transmission Grant	-	-	-	-	-
TFCA Grant	-	-	-	-	-
Total Other Federal, State and Local grants subs	4,225	4,225	4,225	4,225	4,225
Total Subsidies	350,260	358,708	369,931	380,513	391,437
<b>Total Revenues and Subsidies</b>	<b>454,524</b>	<b>466,210</b>	<b>480,772</b>	<b>494,799</b>	<b>509,275</b>
<b>OPERATING EXPENSES</b>					
Salary & Wages	164,519	169,454	174,538	179,774	185,167
Fringe Benefits	132,274	136,242	140,329	144,539	148,876
Pension Fund	31,906	32,863	33,849	34,864	35,910
Total Labor Costs	328,698	338,559	348,716	359,178	369,953
Services	28,080	29,063	30,080	31,133	32,222
Fuel & Lubricants	12,972	13,426	13,896	14,382	14,886
Other Materials & Supplies	19,666	20,354	21,067	21,804	22,567
Utilities & Taxes	9,054	9,370	9,698	10,038	10,389
Casualty & Liability	9,526	9,860	10,205	10,562	10,932
Debt Service	-	-	-	-	-
ADA Consortium	37,137	38,622	40,167	41,774	43,445
Other	2,279	2,359	2,442	2,527	2,616
<b>Total Operating Expenses</b>	<b>447,412</b>	<b>461,614</b>	<b>476,271</b>	<b>491,397</b>	<b>507,009</b>
<b>CAPITAL PROGRAM</b>					
ADA Paratransit Vehicles	845	845	845	845	845
District Funded Capital	7,049	7,244	7,445	7,652	7,866
Total Capital Expenses	7,894	8,089	8,290	8,497	8,711
<b>Total Expenses</b>	<b>455,307</b>	<b>469,703</b>	<b>484,561</b>	<b>499,895</b>	<b>515,721</b>
<b>Surplus / (Deficit)</b>	<b>(782)</b>	<b>(3,493)</b>	<b>(3,788)</b>	<b>(5,096)</b>	<b>(6,445)</b>
<b>Transfer (to)/from Equity</b>	<b>4,500</b>	<b>4,000</b>	<b>4,000</b>	<b>5,500</b>	<b>6,500</b>
<b>Adjusted Surplus / (Deficit)</b>	<b>3,718</b>	<b>507</b>	<b>212</b>	<b>404</b>	<b>55</b>

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