

EXHIBIT NO. 1



ALEXANDRIA TRANSIT COMPANY

WS
2-27-07
February 9, 2007

NOTICE OF ANNUAL MEETING

The Annual Meeting of the stockholders will be held at City Hall, at 6:45 P.M., February 27, 2007 for the following purposes:

1. Election of members of the Board of Directors.
2. Selection of an independent outside auditor.
3. Such other business as may come before the meeting.

MEMORANDUM for the Honorable Mayor and Members of City Council.

There are 7 members of the Board of Directors, who are elected for one-year terms. The present members are:

Paul Abramson
Byron Dixon
Ann Dorman
James K. Hartmann
Karen Leibach
Sandra Wiener
Justin M. Wilson

OUTSIDE AUDITOR

By agreement with the City of Alexandria, ATC accounts are maintained by the City's Department of Finance and are audited as a part of the City's annual audit. If the City's outside auditor is also ATC's outside auditor, the ATC audit can be done without duplication of effort or cost.

It is therefore recommended that the City's outside auditor, when it is selected, be designated ATC's outside auditor.

2008 TRANSIT DEVELOPMENT PROGRAM

There is enclosed for your information ATC's 2008 Transit Development Program, which was adopted by the Board of Directors on January 31, 2007, after a public hearing, at which no one appeared.

The Board would like to draw special attention to Pages 34-41 in the adopted Transit Development Program. These new pages are specifically responsive to feedback Council offered at our January work session. The specified pages include a preliminary route expansion schedule, as well as the corresponding bus fleet expansion schedule.

Enclosure: 2008 TDP

Justin M. Wilson
Chairman

ALEXANDRIA TRANSIT COMPANY

2008 TRANSIT DEVELOPMENT PROGRAM

TABLE OF CONTENTS

	<u>PAGE</u>
INTRODUCTION	1
PART I. ALEXANDRIA TRANSIT COMPANY	4
BACKGROUND.....	6
ORGANIZATION.....	8
EMPLOYMENT.....	9
TABLE 1. ATC HEADWAYS AND VEHICLE REQUIREMENTS...	10
TABLE 2. ATC FARE STRUCTURE.....	11
TABLE 3. ATC RIDERSHIP BY MONTH.....	12
TABLE 4. OPERATING DATA.....	14
PART II. 2004 TRANSIT DEVELOPMENT PROGRAM	20
PROGRAM SUMMARY.....	20
TABLE 5. ATC BUDGET-FISCAL YEAR 2008.....	22
BUDGET JUSTIFICATION.....	23
TRANSPORTATION.....	23
EQUIPMENT MAINTENANCE.....	24
MARKETING.....	26
INSURANCE AND CLAIMS.....	27
ADMINISTRATION AND GENERAL.....	27
CAPITAL OUTLAY ITEMS.....	30
BUS REPLACEMENT SCHEDULE.....	30
TABLE 6. REVENUE VEHICLE INVENTORY.....	32
PART III. FINANCIAL PROJECTIONS BEYOND 2008	33
OPERATING BUDGET.....	33
TABLE 7. PROJECTED REVENUES AND EXPENDITURES.....	33
CAPITAL REQUIREMENTS.....	34
PART IV. FARE AND SERVICE OPTIONS	35
FARES.....	35
SERVICE OPTIONS.....	35
NEW SERVICE.....	36
FUTURE SERVICE EXPANSION.....	36
TABLE 8. PRELIMINARY TRANSIT SERVICE EXPANSION PLAN	37

INTRODUCTION

This is the nineteenth Transit Development Program prepared by the Alexandria Transit Company since revenue service began on March 11, 1984. PART II was adopted by the Board of Directors on January 31, 2007.

PART I, ALEXANDRIA TRANSIT COMPANY, is a description of the DASH system as of December 31, 2006. It has two purposes:

- It is a reference document for those who want information about the Alexandria Transit Company and the services it provides.
- It is a repository of historical and statistical data about the transit system.

PART II, 2008 TRANSIT DEVELOPMENT PROGRAM, is the program for the fiscal year beginning July 1, 2008, and includes the fiscal year 2008 operating and capital budgets.

PART III, FINANCIAL PROJECTIONS BEYOND 2008, is an initial effort to look beyond fiscal year 2008. This view is necessarily both general and tentative.

PART IV, FARE AND SERVICE OPTIONS, presents a summary of fare alternatives and possible future service extensions.

This Transit Development Program has been prepared in accordance with following procedures, adopted by the Board of Directors to guide preparation of the Alexandria Transit Company's annual program and budgets.

TRANSIT DEVELOPMENT PROGRAM

The General Manager shall prepare and submit to the Board of Directors in January of each year a Transit Development Program for the fiscal year beginning on the following first day of July.

The Transit Development Program serves both as a means of presenting the General Manager's recommendations with regard to the annual program to the Board of Directors and as a means of documenting the annual program approved by the Board of Directors.

Prior to its adoption by the Board of Directors, its purpose is to present, explain, and justify the recommendations of the General Manager concerning:

- Changes in service to be made during the ensuing fiscal year and in the following two years.
- The marketing and community relations program, planning work program, and other management programs to be carried out during the ensuing fiscal year. These programs will be presented from a zero base and for the ensuing fiscal year only.

- The operating budget for the ensuing fiscal year and projections of revenues and operating expenses for the following two years.
- The capital budget for the ensuing fiscal year and for the following two years.

The Transit Development Program is presented to the Board of Directors in a form suitable for adoption, with or without amendments, by the Board. The programs and budgets contained herein are to be related fully to the objectives and policies of the Alexandria Transit Company. The proposals, explanations, and justifications must be sufficient to provide a basis for:

- Consideration and action by the Board of Directors.
- Review by the City of Alexandria of the Company's request for financial assistance.

Although the degree of specificity required for the two years after the first fiscal year is less than that required for the first fiscal year, the proposals and data for those years should reflect as accurately as possible the long range objectives and projections upon which the future plans for the transit system are based.

Upon adoption, as it may be amended, by the Board of Directors this document becomes the Alexandria Transit Company's 2008 Transit Development Program. The adopted program has four purposes:

- It authorizes the General Manager to carry out the approved program in accordance with the approved operating and capital budgets.
- It provides a factual basis against which the General Manager can report to the Board of Directors.
- It provides a factual basis against which the Board of Directors can evaluate system performance and financial status.
- It provides the basic data for the preparation of requests for financial assistance.

DETERMINATION OF THE OPERATING RATIO¹

At its October meeting each year, the Board of Directors shall, in consultation with the General Manager, determine the tentative operating ratio for the next fiscal year.

This determination will be based on a general overview of the levels of service to be operated, changes in costs and price levels, and the probable availability of operating assistance.

¹ Operating Ratio, as the term is used here, is the percentage of operating costs that is met from farebox and other revenue, exclusive of operating assistance funds.

The purpose of the determination made at this time is to provide guidance to the General Manager in the preparation of the Transit Development Program. The final determination is made when the Transit Development Program is adopted.

REVISION OF THE TRANSIT DEVELOPMENT PROGRAM

In the event that the City Manager or City Council changes the operating or capital assistance fund requests contained in the adopted Transit Development Program, the Board of Directors, in consultation with the General Manager, shall consider such revisions as it deems necessary in the Transit Development Program.

AMENDMENT OF THE TRANSIT DEVELOPMENT PROGRAM

Changes in the adopted Transit Development Program, including transfers between budget line items, require formal adoption of an amendment to the program by the Board of Directors.

Proposed changes shall be submitted to the Board of Directors in the form of a resolution referring specifically to the item being amended.

This section does not restrict the authority of the General Manager to take action in an emergency, in which case Board confirmation should be obtained at the next Board of Directors' meeting, or to make routine minor changes in service.

PART I

ALEXANDRIA TRANSIT COMPANY

The Alexandria Transit Company operates transit services within portions of the City of Alexandria and between the City and the Pentagon Metrorail Station. Its purpose is to supplement the regional rail and bus service provided by the Washington Metropolitan Area Transit Authority and to provide a local bus service that is:

- Designed to support specific community objectives.
- Safe, reliable, convenient, comfortable, and courteous.
- Efficient in the use of resources, whatever their source.

Among the community objectives that the system is designed to support are these:

- Improved internal circulation within the City.
- Improved access to Metrorail stations.
- Development of the City's major growth areas.
- Relief of traffic-congested corridors and the avoidance of alternative expenditures for highway and parking facilities.
- A decrease in the amounts paid by the City for Metrobus service.

Service is provided daily over eight routes:

AT2 Braddock Road Metro Station – Van Dorn Metro Station, with weekday peak-period and Sunday service to the Eisenhower Metro Station, and midday and weekend service into Landmark Mall.

AT3 Hunting Towers - Parkfairfax, via Russell Road, with a peak-period extension to the Pentagon Metro Station on weekdays.

AT4 Old Town - Parkfairfax, via Slaters Lane and Cameron Mills Road, with a peak-period extension to the Pentagon Metro Station on weekdays.

AT5 Braddock Road Metro Station – Van Dorn Metro Station, via Bradlee Center, Landmark Mall, and Van Dorn Plaza.

AT6 King Street Metro Station – Northern Virginia Community College, via Bradlee Center, and Park Center.

AT7 Landmark – Lee Center, via Eisenhower Avenue and Old Town.

AT8 Old Town - Van Dorn Metro Station, via Duke Street.

AT10 King Street Metro Station – Potomac Yard Shopping Center, via Mt. Vernon and Commonwealth Avenues.

The AT3 and AT4 routes are combined into a loop route that provides weekday midday, weekday evening, Saturday, and Sunday service on these routes. ATC also operates the free weekend Dash About service in Old Town, which operates between the King Street Metrorail Station and Market Square, via King Street. Headways and vehicle requirements by route are given in Table 1.

The current fare structure was effective June 20, 1999.

Base fare	\$1.00
Children under 5 accompanied by an adult	Free
Transfers	Free

A transfer is good for unlimited trips on any ATC routes in any direction, including return trips, for a period of four hours after the initial fare is paid.

In accordance with the regional fare plan of June 20, 1999, ATC participates in the issuance and acceptance of regional transfers and day passes. ATC accepts regional transfers issued by other systems in payment of base fare. Other transit systems accept regional transfers issued by ATC for the value indicated on the front of the transfer. ATC also honors Metro Flash Passes; Metrobus tokens are accepted and redeemed by ATC at face value.

ATC initiated a flash pass program on March 1, 1988. The latest version of the DASH PASS is valid for unlimited trips on ATC routes during the month for which it is issued. The DASH PASS can be purchased for \$30.00 each month. The pass can be bought at nine SunTrust Bank branch locations in Alexandria, various retail and business sales outlets, City Hall, the Old Town Transit Shop, the internet at commuterpage.com, or by mail directly from ATC.

Commemorative tokens, valid for the payment of a base fare, are available at the Alexandria Convention and Visitor's Bureau and at participating downtown hotels as a part of ATC's Tourist Information Program and Services "TIPS" program to encourage the use of DASH services by visitors to the city.

The fare structure and the extent to which use is being made of each of its elements are shown in Table 2.

DASH service is operated with 10 37-passenger Gillig buses received in June 1996, 10 37-passenger Gillig buses received in August 1998, 5 37-passenger Gillig buses received in July 1999, 10 37-passenger Orion buses received in December 2000, 8 37-passenger Orion buses received in September 2003 and 14 37-passenger Orion buses received in June 2005. Administrative, transportation, and maintenance facilities at 116 South Quaker Lane are rented from the City of Alexandria.

Capital funds and the difference between gross transit revenues and operating costs are provided by the City of Alexandria. Financial data and budget estimates are contained in Part II of this Transit Development Program.

Charter and Contract Service. The Alexandria Transit Company operates incidental charter and contract services within the City of Alexandria. Authority to operate charter service between Alexandria and the District of Columbia was granted by the Washington Metropolitan Area Transit Commission on April 3, 1985 (WMATC Certificate No. 119). In May 1991 WMATC extended ATC's charter authority to operate between Alexandria and points in Maryland that are within the Washington Metropolitan area.

Service for Disabled Persons. The DASH bus fleet is currently 100% wheelchair accessible. The City of Alexandria supplements DASH service with a paratransit service (known as DOT) that provides additional access for disabled persons in the DASH service area and, in addition, provides service for disabled persons on a citywide basis. DOT service is provided by a taxicab operator and private paratransit provider under contract with the City and is administered by the City's Office of Transit Services and Programs.

BACKGROUND

For some time people in Alexandria talked about a locally-managed transit system that might better serve the needs of the community than could Metrobus, which was oriented to radial movements in and out of the District of Columbia and which, with the opening of the rail line through Alexandria, would have to concentrate on service to Metrorail stations.

The first step in anticipation of the opening of the Metrorail stations and the consequent reordering of Metrobus service was taken in 1981, when City Council engaged System Design Concepts, a consulting firm better known as SYDEC, to study the feasibility of a city-sponsored bus system. SYDEC made its report in September 1982. In summary, SYDEC recommended a five-route system, using 18 buses, and charging a fare comparable to that of Metrobus--averaging 85¢ a trip.

City Council was in general agreement with the SYDEC proposals and the next step, taken in January 1983, was the employment of a transit management firm that would test the feasibility of the SYDEC proposal, prepare bus procurement specifications, develop a detailed plan for local bus operations, and then manage the transit system on a continuing basis. After a competitive evaluation of proposals from three established transit management firms, the ATE Management and Service Company was selected for these assignments.

ATE delivered its evaluation of the SYDEC recommendations in April 1983. The report recommended elimination of one of the five routes--one between the Eisenhower Avenue and Pentagon Metro stations--and came up with substantially lower projections of both ridership and average fare than had SYDEC. This plan was adopted by City Council in the summer of 1983.

City Council then addressed the question of organizational placement. Originally, both SYDEC and the city administration had thought along the lines of (1) a conventional city department, reporting to the City Manager, or (2) a contract supplier, under a contract administered by the City Manager. In the fall of 1982, however, members of City Council learned of an arrangement for the operation of local transit services, involving the establishment under general law of a non-profit public service corporation that would be wholly-owned by the City, which had been used successfully in Richmond, Lynchburg, and Roanoke since 1973 and 1974.

This arrangement provided a means by which:

- The transit system could be run as a business-type enterprise.
- City Council could retain overall policy control yet be free from the day-to-day problems and operating decisions that are involved in the operation of a transit system.

To carry out this plan, City Council on October 23, 1983, set up a Transitional Task Force and, on January 24, 1984, instructed the City Attorney to proceed with the incorporation of a non-profit company. The certificate of incorporation was issued by the State Corporation Commission on January 31, and the organizational meeting of the company was held February 6.

In the meantime, early in January, the General Manager employed by ATE Management and Service Company (ATE Management and Service Company was purchased in 1999 by British-owned FirstGroup, plc and renamed First Transit, Inc., a subsidiary of FirstGroup America, Inc.) reported for duty and final preparations began for the opening of revenue service on March 11, 1984.

ATC has received the American Public Transportation Association's 1998, 2000, 2001, and 2002 Silver Safety Award, Category 1 (one to four million annual passengers) 1999 Gold Safety Award, as well as APTA's 1987 Outstanding Achievement Award, Category A (under 50 buses). APTA awarded ATC first place AdWheel Marketing Awards for innovative and creative marketing efforts in 1993, 1996, 2004. ATC has also received the Virginia Department of Rail and Public Transportation's Outstanding Urban Public Transportation System Award for 1993 and 1994, and the 1994 Governor's Transportation Safety Award, the Virginia Transit Association (VTA) Innovative Program Award in 1992, 1993, 1996, 2002, and 2004 and the VTA Outstanding Public Transportation Marketing Award for the Dash About service in 2002. In 2004 and again in 2005, a community survey conducted by the City of Alexandria rated DASH in the top five City services for quality.

ORGANIZATION

The Alexandria Transit Company is a non-profit corporation organized under chapter 1, title 13.1 of the Code of Virginia (1950), as amended, for the purpose of providing mass transportation services as a public service corporation. The entire capital stock of the corporation--seven shares at a par value of \$1.00 a share--is owned by the City of Alexandria.

The Board of Directors is elected annually in February by the City Council, acting in the capacity of sole stockholder. The initial directors named in the Articles of Incorporation were Thomas J. Bulger, Douglas Harman, William B. Hurd, Clifford Rusch, and C. Peter Schumaier.

On February 25, 1984, the by-laws were amended to increase the number of directors from five to seven. Members of the Board of Directors serve without compensation.

The present directors were elected at the annual meeting of the stockholders on February 22, 2005. They are:

Paul R. Abramson
Byron Dixon (elected November 14, 2006, vice C. Peter Schumaier, who passed away July 27, 2006)
Ann Dorman (elected November 14, 2006, vice William B. Hurd, who retired October 25, 2006)
James K. Hartman
Karen Leibach
Sandra Wiener
Justin M. Wilson

The officers of the corporation are elected by the Board of Directors. The officers currently serving were elected on February 23, 2005.

Justin M. Wilson, Chairman (appointed October 25, 2006, vice William B. Hurd, who retired October 25, 2006)
Paul R. Abramson, Vice-Chairman (elected November 29, 2006, replacing Justin M. Wilson)
*James Hartmann, President
*Rich Baier, Vice-President
Heidi Ashbaugh, Secretary
*Vacant, Treasurer (vice Daniel A. Neckel who resigned December 31, 2006)
*David Clark, Assistant Treasurer
*Ignacio B. Pessoa, General Counsel
*Catherine R. Clement, Assistant General Counsel

The individuals designated by an asterisk are officers or employees of the City of Alexandria and serve in the corporate capacities indicated without additional compensation. The secretary is an employee of the management company.

The company owns or controls all of the physical assets of the system, but has no employees.

Operations, under the policy direction of the Board of Directors, are the responsibility of First Transit, Inc, with which the Board has entered into a management agreement. The General Manager, Sandy Modell, is the chief operating officer of the company and the principal staff advisor to the Board on transit matters.

The City, under a series of agreements, furnishes legal and accounting services in support of the system.

EMPLOYMENT

The General Manager and Assistant General Manager are First Transit, Inc. employees. All other persons engaged in the operation of the transit system are employees of Transit Management of Alexandria, Inc., a wholly-owned subsidiary of First Transit, Inc.

Aggregate employment on December 31, 2006, was 127 persons, distributed as follows:

	<u>Full-Time</u>	<u>Part-Time</u>
General Manager	1	
Assistant General Manager	1	
Marketing and Communications Manager	1	
Manager, Admin and Support Services	1	
Administrative Assistant	1	
Manager of HR & Finance	1	
Director of Planning & Development	1	
IT Coordinator	1	
Training Manager	1	
Transportation Specialist	1	
Director of Safety & Training	1	
Supervisor	4	
Dispatcher	1	1
Transit Store Manager	1	
Customer Service Representatives	1	1
Bus Operator	72	18
Director of Maintenance	1	
Parts Manager	1	
Maintenance Clerk	1	
Mechanic	10	
Service Worker	4	
	107	20

TABLE 1
ATC HEADWAYS AND VEHICLE REQUIREMENTS

	PEAK	WEEKDAY OFF-PEAK	NIGHT	SATURDAY	SUNDAY
AT2 Headway	20-25	30	60	30-60	60
AT3 Headway ¹	20	--	--	--	--
AT4 Headway ¹	20	--	--	--	--
AT3-4 Loop Headway	--	60	60	60	60
AT5 Headway	30	30	60	30	60
AT6 Headway	30	60	60	--	--
AT7 Headway	30	60	60	60	--
AT8 Headway ²	10-30	20-40	60	60	60
AT10 Headway	30	30	60	60	60
<i>Dash About</i> Headway	--	--	15 ³	15	15
AT2 Bus Requirement	9	6	3	3	3
AT3-4 Bus Requirement	10	1	1	1	1
AT5 Bus Requirement	6	5	2	5	3
AT6 Bus Requirement	4	1	1	--	--
AT7 Bus Requirement	5	2	2	2	--
AT8 Bus Requirement	8	3	2	2	2
AT10 Bus Requirement	2	1	1	1	1
<i>Dash About</i> Bus Requirement	--	--	3 ³	3	3
Platform Hours			502	272	148
Platform Miles			4874	2250	1320

1. AT3-4 Loop serves these routes during the midday, in the evening, and on weekends.
2. AT8 headways vary due to extra service in the peak flow direction and coordination with WMATA's 29K and 29N routes.
3. Weekday night service on *Dash About* operates on Friday nights only.

TABLE 2
ATC FARE STRUCTURE ¹

FARE	REVENUE	DISTRIBUTION
Base Fare	\$1.00	42.5%
ATC Transfer	Free	14.6%
DASH Pass	\$30.00/month	11.6%
Regional Day Pass	\$3.00	0.5%
Metrorail-to-Bus Transfer	35¢	8.1%
Regional Bus Transfer	Free	9.9%
Metro Flash Pass	Free	4.0%
Metro Tokens	Face Value	1.6%
Contract Trips	--	0.6%
Dash About & Lunch Loop	Free	4.8%
PTO I.D. Trips	--	1.9%
Average Fare	59¢	

¹ FY 2006 data. A new fare structure was effective June 20, 1999.

TABLE 3

ATC RIDERSHIP BY MONTH

	FY 1984	FY 1985	FY 1986	FY 1987	FY 1988	FY 1989
July		67,577	98,382	109,585	103,254	101,568
August		69,374	94,416	96,196	93,471	107,824
September		64,315	90,356	95,932	96,243	104,263
October		76,355	101,703	104,243	100,027	105,503
November		68,813	90,257	86,616	90,710	102,114
December		67,984	90,629	94,499	96,019	102,459
January		76,516	97,212	90,520	91,001	103,586
February		75,699	94,280	91,585	94,704	99,074
March	30,417	83,176	101,843	102,165	106,737	116,450
April	49,254	90,835	107,581	102,773	98,835	109,068
May	55,179	92,751	104,691	96,474	99,113	119,949
June	61,066	90,010	104,741	104,009	104,356	120,929
TOTAL	195,916	923,405	1,176,091	1,174,597	1,174,470	1,292,787

	FY 1990	FY 1991	FY 1992	FY 1993	FY 1994	FY1995
July	113,003	126,111	132,898	178,278	193,775	204,691
August	122,187	126,880	127,125	163,527	185,628	204,576
September	107,533	109,780	122,049	168,654	177,898	190,219
October	114,420	122,583	133,265	173,426	177,782	187,844
November	105,335	111,070	119,571	152,187	165,199	179,023
December	101,892	102,342	114,628	157,527	167,626	175,025
January	113,062	114,798	123,554	151,961	163,467	169,704
February	106,503	105,600	123,209	147,799	172,534	161,893
March	118,657	113,165	132,646	171,847	202,567	195,892
April	111,554	120,554	133,349	172,547	194,623	178,174
May	120,230	123,883	127,658	169,506	191,400	191,994
June	118,127	128,896	152,339	181,651	203,239	199,231
TOTAL	1,352,503	1,405,662	1,542,291	1,988,910	2,195,738	2,238,266

	FY1996	FY1997	FY1998	FY1999	FY2000	FY2001
July	195,756	203,018	212,495	220,591	221,710	224,113
August	201,026	200,613	195,207	198,770	220,331	239,228
September	184,576	184,647	192,661	201,690	208,693	220,469
October	193,544	199,891	204,543	206,337	212,073	230,355
November	171,934	169,609	170,289	180,223	200,736	207,407
December	164,859	170,854	180,539	188,215	193,143	190,615
January	166,181	177,881	178,390	182,612	181,614	208,359
February	183,985	171,043	170,888	185,898	204,124	201,408
March	191,543	184,916	197,213	213,204	228,030	225,642
April	193,589	195,198	194,390	208,860	204,309	216,402
May	195,826	192,403	190,293	203,436	223,461	232,588
June	192,828	191,666	206,579	216,773	223,701	243,834
TOTAL	2,235,647	2,241,739	2,293,493	2,406,609	2,521,925	2,640,420

TABLE 3 (continued)**ATC RIDERSHIP BY MONTH**

	FY2002	FY2003	FY2004	FY2005	FY 2006	FY2007
July	249,796	272,824	277,212	287,367	297,384	323,436
August	258,638	278,506	267,994	281,671	323,667	345,623
September	226,168	259,425	254,062	284,104	316,023	311,388
October	245,892	263,601	280,522	279,197	300,412	317,026
November	211,788	229,962	235,700	261,103	282,822	292,200
December	195,603	224,511	238,852	257,466	271,727	275,231
January	210,053	228,051	227,821	244,721	272,724	
February	201,587	201,585	238,355	245,607	259,251	
March	219,269	252,026	284,169	289,930	308,958	
April	232,948	257,444	270,943	291,708	288,667	
May	240,635	257,861	269,616	293,307	316,501	
June	244,342	260,835	286,038	306,840	318,350	
TOTAL	2,739,719	2,986,631	3,131,284	3,323,021	3,556,486	

TABLE 4
OPERATING DATA

	FY1984 (3/11 - 6/30)	FY1985	FY1986	FY1987
RIDERSHIP				
Base Fare Trips ¹	184,656	764,810	967,413	946,968
ATC Dash Pass ²	0	0	0	0
ATC Transfers	11,260	49,013	61,667	63,090
Metro Transfers	0	44,258	57,043	65,371
Metro Flash Passes	0	42,796	60,947	75,855
Metro Tickets	0	11,014	13,168	14,533
Contract Trips	0	11,514	15,853	8,780
TOTAL³	195,916	923,405	1,176,091	1,174,597
SERVICE LEVELS				
Total Miles	191,648	582,941	603,105	588,899
Revenue Miles	166,626	522,705	539,016	536,048
Platform Hours	15,212	46,246	47,052	48,140
Revenue Hours	12,069	37,500	38,764	38,388
OPERATING & FINANCIAL PERFORMANCE				
Average Weekday Passengers	2,228	3,332	4,247	4,251
Average Saturday Passengers	763	1,029	1,283	1,338
Average Sunday Passengers	278	416	537	513
Average Fare	\$.55	\$.51	\$.49	\$.58
Operating Ratio	.33	.42	.44	.51
Operating Expenses per Total Mile	\$1.69	\$1.97	\$2.20	\$2.32
Operating Expenses per Total Platform Hour	\$21.33	\$24.87	\$28.21	\$28.32
Passengers per Revenue Mile	1.2	1.8	2.2	2.2
Passengers per Revenue Hour	16.1	24.6	30.3	30.6
Percent of Missed Trips	.07%	.05%	.02%	.01%
Percent of Trips on Time	87%	91%	90%	93%
Total Miles per Road Call	3,853	4,519	3,548	3,569
Absentee Rate, Operators	2.0%	3.4%	6.5%	4.2%
Absentee Rate, Mechanics	.2%	1.6%	1.7%	2.9%
Accidents-Total	19	42	36	41
Accidents-Preventable	11	23	17	18
Vehicle Accidents	18	36	30	33
Passenger Accidents	1	6	6	8
Vehicle Accidents per 100,000 Miles	9.39	6.18	4.97	5.60
Preventable Accidents per 100,000 Miles	5.74	3.94	2.82	3.06

¹ Includes trips for which a Pentagon supplemental fare was paid.

² Implemented in March 1988.

³ Ridership figures do not include passengers carried on charter trips or on special services provided for Washington's Birthday and the Christmas Walk.

TABLE 4 (continued)

OPERATING DATA

	FY1988	FY1989	FY1990	FY1991
RIDERSHIP				
Base Fare Trips	912,307	938,254	974,773	993,355
ATC Dash Pass	30,567	110,496	112,676	120,517
ATC Transfers	60,376	63,427	76,747	92,027
Metro Transfers	64,175	73,551	82,860	92,820
Metro Flash Passes	78,368	80,294	83,858	87,797
Metro Tickets	19,025	13,715	9,349	16,303
Contract Trips	9,652	13,050	12,240	2,843
TOTAL	1,174,470	1,292,787	1,352,503	1,405,662
SERVICE LEVELS				
Total Miles	595,502	646,482	645,688	652,158
Revenue Miles	538,693	578,905	577,132	589,588
Platform Hours	48,406	53,009	53,020	55,100
Revenue Hours	39,052	42,496	42,400	45,593
OPERATING AND FINANCIAL PERFORMANCE				
Average Weekday Passengers	4,246	4,682	4,896	5,021
Average Saturday Passengers	1,305	1,417	1,510	1,664
Average Sunday Passengers	508	612	660	785
Average Fare	\$.58	\$.59	\$.62	\$.60
Operating Ratio	.48	.48	.51	.41
Operating Expenses per Total Mile	\$2.45	\$2.54	\$2.74	\$3.20
Operating Expenses per				
Total Platform Hour	\$30.29	\$31.00	\$33.35	\$37.83
Passengers per Revenue Mile	2.2	2.2	2.3	2.4
Passengers per Revenue Hour	30.1	30.4	31.9	30.8
Percent of Missed Trips	.03%	.015%	.03%	.02%
Percent of Trips on Time	93%	91%	89%	92%
Total Miles per Road Call	5,241	4,719	5,664	3,563
Absentee Rate, Operators	4.9%	2.5%	2.3%	2.4%
Absentee Rate, Mechanics	2.8%	1.3%	1.7%	1.2%
Accidents-Total	27	22	26	31
Accidents-Preventable	8	10	8	9
Vehicle Accidents	25	15	20	18
Passenger Accidents	2	7	6	13
Vehicle Accidents per 100,000 Miles	4.18	3.40	3.10	2.76
Preventable Accidents per 100,000 Miles	1.34	.64	.81	1.38

TABLE 4 (continued)

OPERATING DATA

	FY1992	FY1993	FY1994	FY1995
RIDERSHIP				
Base Fare Trips	1,007,442	1,308,091	1,442,146	1,441,051
ATC Dash Pass	131,393	148,151	161,980	179,577
ATC Transfers	134,308	194,367	240,727	249,683
Metro Transfers	119,250	154,554	163,734	174,345
Metro Flash Passes	116,334	146,881	133,101	133,847
Metro Tickets	14,790	26,268	32,349	38,685
Virginia Railway Express ¹	0	0	3,836	17,310
Contract Trips	18,774	10,598	17,865	3,768
TOTAL	1,542,291	1,988,910	2,195,738	2,238,266
SERVICE LEVELS				
Total Miles	841,264	997,517	1,004,638	1,013,775
Revenue Miles	789,712	918,738	947,505	946,946
Platform Hours	71,677	85,052	88,321	88,187
Revenue Hours	62,498	68,028	70,306	70,342
OPERATING AND FINANCIAL PERFORMANCE				
Average Weekday Passengers	5,456	6,890	7,604	7,723
Average Saturday Passengers	1,884	2,890	3,209	3,371
Average Sunday Passengers	911	1,654	1,893	1,976
Average Fare	\$.66	\$.68	\$.67	\$.67
Operating Ratio	.42	.49	.48	.45
Operating Expenses per Total Mile	\$3.01	\$2.90	\$3.12	\$3.41
Operating Expenses per Total Platform Hour	\$35.34	\$34.02	\$35.55	\$39.15
Passengers per Revenue Mile	2.0	2.2	2.3	2.4
Passengers per Revenue Hour	24.7	29.1	31.2	31.8
Percent of Missed Trips	.01%	.01%	.02%	.01%
Percent of Trips on Time	94%	97%	96%	97%
Total Miles per Road Call	3,871	4,463	4,068	4,434
Absentee Rate, Operators	1.8%	1.2%	1.5%	1.1%
Absentee Rate, Mechanics	1.5%	1.3%	1.4%	1.9%
Accidents-Total	42	51	42	38
Accidents-Preventable	10	9	8	6
Vehicle Accidents	26	25	27	22
Passenger Accidents	16	26	15	16
Vehicle Accidents per 100,000 Miles	3.09	2.51	2.69	2.17
Preventable Accidents per 100,000 Miles	1.19	.90	.80	.59

¹ VRE to DASH transfer arrangement implemented in April 1994.

TABLE 4 (continued)**OPERATING DATA**

	FY1996	FY1997	FY1998	FY1999
RIDERSHIP				
Base Fare Trips	1,426,484	1,373,237	1,406,427	1,444,915
ATC Dash Pass	179,107	194,756	204,740	210,898
ATC Transfers	268,905	280,507	283,386	302,363
Metro Transfers	162,186	179,311	179,882	194,748
Metro Flash Passes	123,685	128,680	137,171	149,191
Metro Tickets	40,788	53,258	55,336	48,752
Virginia Railway Express	31,296	28,586	26,551	42,910
Contract Trips	3,196	3,404	0	12,832
TOTAL	2,235,647	2,241,739	2,293,493	2,406,609
SERVICE LEVELS				
Total Miles	1,033,850	1,049,048	1,081,341	1,136,544
Revenue Miles	949,678	967,510	992,541	1,065,025
Platform Hours	89,327	92,111	96,468	101,288
Revenue Hours	70,567	71,356	74,457	78,410
OPERATING AND FINANCIAL PERFORMANCE				
Average Weekday Passengers	7,815	7,749	7,963	8,354
Average Saturday Passengers	3,351	3,380	3,379	3,568
Average Sunday Passengers	1,842	1,838	1,885	1,893
Average Fare	\$.67	\$.73	\$.74	\$.71
Operating Ratio	.43	.46	.41	.39
Operating Expenses per Total Mile	\$3.47	\$3.47	\$3.68	\$3.76
Operating Expenses per Total Platform Hour	\$40.16	\$39.48	\$41.26	\$42.15
Passengers per Revenue Mile	2.4	2.3	2.3	2.25
Passengers per Revenue Hour	31.6	31.4	30.8	30.57
Percent of Missed Trips	.01%	.01%	.01%	.01%
Percent of Trips on Time	97%	97%	96%	94.6%
Total Miles per Road Call	3,440	2,869	3,591	3,438
Absentee Rate, Operators	1.5%	1.5%	1.5%	1.73%
Absentee Rate, Mechanics	1.9%	1.8%	1.3%	1.41%
Accidents-Total	49	69	42	36
Accidents-Preventable	7	8	8	15
Vehicle Accidents	26	39	29	33
Passenger Accidents	23	30	13	3
Vehicle Accidents per 100,000 Miles	2.51	3.72	2.68	2.90
Preventable Accidents per 100,000 Miles	.68	.76	.74	1.32

TABLE 4 (continued)

OPERATING DATA

	FY2000	FY2001	FY2002	FY2003
RIDERSHIP				
Base Fare Trips	1,237,077	1,184,674	1,133,565	1,161,690
ATC DASH Pass	186,340	240,563	228,703	241,561
ATC Transfers	351,941	369,577	375,328	430,396
Metro Tickets & Tokens	40,993	53,984	68,800	94,243
Metro Flash Passes	155,523	161,499	162,614	183,066
Regional Bus Transfers	176,067	194,820	209,609	236,255
Regional Day Pass	24,193	20,667	17,646	21,947
Rail-Bus Transfers	259,099	303,248	303,141	325,209
VRE Transfer	76,932	52,630	60,651	65,028
Contract Trips	13,760	14,160	14,480	13,829
Dash About & Free Ride Promos		44,598	162,182	213,407
TOTAL	2,521,925	2,640,420	2,736,719	2,986,631
SERVICE LEVELS				
Total Miles	1,188,499	1,194,507	1,215,746	1,293,518
Revenue Miles	1,102,505	1,079,411	1,095,633	1,181,357
Platform Hours	106,913	107,628	116,681	125,330
Revenue Hours	82,719	83,662	85,778	92,505
OPERATING AND FINANCIAL PERFORMANCE				
Average Weekday Passengers	8,689	9,172	9,313	10,235
Average Saturday Passengers	3,811	3,887	4,691	4,819
Average Sunday Passengers	2,053	2,168	2,708	2,812
Average Fare	\$.63	\$.61	\$.58	\$.56
Operating Ratio	.35	.33	.30	.28
Operating Expenses per Total Mile	\$3.95	\$4.19	\$4.51	\$4.80
Operating Expenses per Total Platform Hour	\$43.98	\$46.55	\$46.96	\$49.54
Passengers per Revenue Mile	2.3	2.4	2.5	2.5
Passengers per Revenue Hour	30.3	31.4	31.7	32.1
Percent of Missed Trips	.00%	.01%	.03%	.00%
Percent of Trips on Time	92%	92%	92%	92%
Total Miles per Road Call	4,539	4,759	5,427	5,174
Absentee Rate, Operators	2.2%	2.2%	2.4%	2.3%
Absentee Rate, Mechanics	.5%	.8%	.7%	.8%
Accidents-Total	47	45	42	64
Accidents-Preventable	19	17	9	21
Vehicle Accidents	45	41	36	58
Passenger Accidents	2	4	6	8
Vehicle Accidents per 100,000 Miles	3.79	3.43	2.96	4.48
Preventable Accidents per 100,000 Miles	1.60	1.42	.74	1.62

TABLE 4 (continued)**OPERATING DATA**

	FY2004	FY 2005	FY 2006
RIDERSHIP			
Base Fare Trips	1,291,478	1,396,856	1,512,611
ATC DASH Pass	300,204	373,809	411,626
ATC Transfers	490,427	504,810	520,720
Metro Tickets & Tokens	94,103	63,594	55,578
Metro Flash Passes	145,094	144,986	143,073
Regional Bus Transfers	257,762	301,137	351,376
Regional Day Pass	18,328	16,738	17,282
Rail-Bus Transfers	343,031	320,545	286,387
VRE Transfer	62,731	n/a	n/a
Contract Trips	13,880	20,560	20,986
Dash About & Free Ride Promos	114,246	132,350	169,434
PTO ID Trips	0	47,636	67,413
TOTAL	3,131,284	3,323,021	3,556,486
SERVICE LEVELS			
Total Miles	1,355,343	1,403,778	1,396,590
Revenue Miles	1,197,720	1,222,404	1,222,274
Platform Hours	128,450	133,787	135,722
Revenue Hours	98,924	102,604	103,177
OPERATING AND FINANCIAL PERFORMANCE			
Average Weekday Passengers	10,684	11,288	12,178
Average Saturday Passengers	5,302	5,531	5,596
Average Sunday Passengers	3,010	3,166	3,285
Average Fare	\$.55	\$.56	\$.59
Operating Ratio	.30	.28	.31
Operating Expenses per Total Mile	\$5.13	\$5.72	\$6.05
Operating Expenses per Total Platform Hour	\$54.08	\$60.03	\$62.29
Passengers per Revenue Mile	2.5	2.7	2.9
Passengers per Revenue Hour	32.1	32.4	34.5
Percent of Missed Trips	.00%	.00%	.00%
Percent of Trips on Time	93%	91%	92%
Total Miles per Road Call	4,358	5,441	7,890
Absentee Rate, Operators	2.0%	3.0%	2.2%
Absentee Rate, Mechanics	.7%	1.1%	1.2%
Accidents-Total	58	62	65
Accidents-Preventable	18	24	27
Vehicle Accidents	52	52	60
Passenger Accidents	6	10	5
Vehicle Accidents per 100,000 Miles	3.84	3.70	4.3
Preventable Accidents per 100,000 Miles	1.33	1.71	1.93

PART II

2008 TRANSIT DEVELOPMENT PROGRAM

The 2008 Transit Development Program is based on the following assumptions:

- Ridership will increase from the current level of 3.55 million passengers to 3.8 million passengers.
- The base fare will remain at \$1.00, the rail-to-bus transfer fare will remain at 35¢, and the price of the monthly DASH Pass will remain at \$30.
- Service levels on the AT2 and AT8 will increase to address overcrowding and on-time performance.
- ATC and T&ES will explore opportunities for providing cost savings in the City's overall transit subsidy through DASH replacement of local service now being provided by WMATA, as well as additional revenue sources through new and existing Transportation Management Plan requirements.

The operating and capital budgets for fiscal year 2008 are summarized in the following table:

	FY2006 ACTUAL	FY2007 BUDGET	FY2008 ESTIMATED
Operating Revenues	\$2,608,982	\$2,946,500	\$3,075,000
Operating Expenses	8,681,619	10,093,524	10,483,000
Net Transit Service Cost	6,072,637	7,147,024	7,408,000
Operating Ratio	30.1%	29.2%	29.3%
Capital Outlay Items (City Operating Budget)	130,714	190,000	260,000
City Contribution (Operating Budget)	6,203,351	7,337,024	7,668,000
Capital Outlay Items (CIP)	4,155,827	1,339,000	2,800,000
Total City Contribution	\$10,359,178	\$8,676,024	\$10,468,000

PRINCIPAL CHANGES FROM THE 2007 BUDGET

Operating expenses will increase \$389,476 (3.9%) in fiscal year 2008. Personal service costs, which make up 75% of total operating expenses, will increase \$263,476 (3.5%).

The increases in operating expenses reflect the following major items:

1. Labor costs will increase \$103,476 (1.8%).¹
 - Annual progression, performance increases, and wage adjustments for eligible employees, \$103,476.
2. Fringe benefit costs will increase \$160,000 (8.4%).
 - Increase in projected health insurance premium costs estimated at \$100,000 (11.8%).
 - Increase in 401(k) retirement plan costs due to increased employee participation and general payroll increases, \$22,000.
 - An increase in the estimated FICA costs to reflect general pay increases, \$8,000.
 - An increase in workers' compensation insurance costs of \$20,000 (10%) to reflect general payroll increases.
3. Non-personal service items will increase \$126,000 (5%). The principal changes from the fiscal year 2007 budget are:
 - An increase of \$48,000 (16.3%) in the professional services line item to reflect the annual contract fees for management services with First Transit and \$37,000 for ATC's share of the SmarTrip Regional Software Maintenance Agreement.
 - An increase of \$8,000 (19%) in the operating materials and supplies line item to reflect actual FY 2007 expenses in this category.
 - An increase of \$20,000 (2.1%) in fuel costs to reflect the increase in service miles and the projected cost of ultra low sulfur diesel fuel.
 - An increase of \$10,000 (12.5%) in the utilities and building maintenance and services line item to reflect actual FY 2007 expenses in this category.

The ATC budget for fiscal year 2008 appears in Table 5 and is followed by a narrative justification of the budget items.

¹ A cost-of-living adjustment is not included at this time in the 2008 budget. Funds for this purpose will be held in the City's contingency until approval of the City budget, and ATC will conform to City policy with respect to these items. A cost-of-living adjustment would be based on an estimated personal services cost of \$7,829,000.

TABLE 5
ALEXANDRIA TRANSIT COMPANY
OPERATING BUDGET
FISCAL YEAR 2008

BUDGET LINE ITEM	ACTUAL FY2006	BUDGET FY2007	ESTIMATED FY2008
OPERATING REVENUE			
Passenger Revenue	\$2,095,619	\$2,286,500	\$2,400,000
Other Revenue	513,362	660,000	675,000
Total Operating Revenues	\$2,608,981	\$2,946,500	\$3,075,000
OPERATING EXPENSES			
Transportation	5,857,126	6,931,774	7,167,000
Equipment Maintenance	1,442,405	1,690,700	1,730,000
Marketing	160,752	188,000	201,000
Insurance & Claims	249,259	280,000	288,000
Administration & General	972,077	953,050	1,047,000
Contingencies	0	50,000	50,000
Total Operating Expenses	\$8,681,619	\$10,093,524	\$10,483,000
Net Transit Service Costs:			
City of Alexandria	\$6,072,638	\$7,147,024	\$7,408,000
Miles Regular Service	1,396,590	1,400,000	1,505,000
Total Passengers	3,556,486	3,450,000	3,822,000
Operating Ratio	30.1%	29.2%	29.3%
CAPITAL OUTLAY ITEMS			
(City Operating Budget)			
Non-Revenue Vehicles	40,394	30,000	30,000
Maintenance Tools & Equipment	4,710	15,000	15,000
Computer & Office Equipment	8,152	20,000	15,000
Power Train Rebuild	0	125,000	125,000
Bus Washer Replacement	0	0	75,000
AVL Equipment	27,756	0	0
Radio Equipment	0	0	0
Total Capital Outlay (City Operating Budget)	\$81,012	\$190,000	\$260,000
TOTAL CITY CONTRIBUTION			
(OPERATING BUDGET)	\$6,153,650	\$7,337,024	\$7,668,000
CAPITAL OUTLAY ITEMS (CIP)			
Facility Improvements	0	0	0 *
Revenue Vehicles	4,155,827	1,264,000	2,800,000
Radio Equipment	0	15,000	0
Spare Power Train	0	60,000	0
Spare Transmission	0	0	0
Wheelchair Lift Replacements	0	0	0
TOTAL CAPITAL OUTLAY (CIP)	\$4,155,827	\$1,339,000	\$2,800,000
TOTAL CITY CONTRIBUTION	\$10,309,477	\$8,676,024	\$10,468,000

*Funding for construction of new DASH facility is identified in the City's 2005-2009 CIP Budget.

BUDGET JUSTIFICATION

OPERATING REVENUES

	ACTUAL FY2006	BUDGET FY2007	ESTIMATED FY2008
Passenger Revenues	\$2,095,619	\$2,286,500	\$2,400,000
Other Revenues	513,362	660,000	675,000
Total Operating Revenues	2,608,982	\$2,946,500	\$3,075,000

The Passenger Revenues estimate is based on 3,822,000 passengers. This assumes a 7.5% ridership increase from fiscal year 2006 total ridership of 3,556,486 passengers.

Other Revenues includes charter and contract services, including Transportation Management Plan (TMP) fund contributions and cash contributions of local businesses toward special promotions.

OPERATING EXPENSES

The operating expense budget is broken down into five broad categories, plus an allowance for contingencies. Each of the categories and its components is discussed below.

TRANSPORTATION

This category covers costs of the Transportation Department, which employs and supervises the system's bus operators. Its costs are directly related to levels of service. For the purpose of this budget estimate, a total of 1,505,000 miles is projected for fiscal year 2008.

Personal Services

FY06 Actual: \$4,799,089	FY07 Budget: \$5,842,774	FY08 Budget: \$6,046,000 + 203,226 (3.5%)
--------------------------	--------------------------	--

This item covers salaries, wages, fringe benefits, FICA, and other personal service costs of the Transportation Department. It provides for the following positions:

	FY2005	FY2006	FY2007	FY2008
Transportation Supervisor	1	1	1	1
Director, Safety and Training	1	1	1	1
Training Supervisor	1	1	1	1
Transportation Specialist	1	1	1	1
Supervisor-Dispatcher	6	6	6	6
Dispatcher, Full-Time	1	1	1	1
Dispatcher, Part-Time	2	2	2	2
Information Clerk	1	1	1	1
Bus Operator, Full-Time	70	75	80	80
Bus Operator, Part-Time	12	12	14	14
	96	101	108	108

General changes in personal service costs have been discussed in an earlier section of this budget presentation. Operator wages are based upon platform hours at a pay hour to platform hour ratio of 1.15.

Fuel and Lubricants

FY06 Actual: \$918,825	FY07 Budget: \$977,000	FY08 Budget: \$997,000
		+ \$20,000 (2%)

This item covers fuel and lubricants for revenue and non-revenue vehicles. The principal component is diesel fuel for the bus fleet, at an average consumption rate of 3.95 miles a gallon. A cost of \$2.55 a gallon is estimated for fiscal year 2008, and includes the projected cost of ultra low sulfur diesel fuel.

Operating Materials and Supplies

FY06 Actual: \$139,212	FY07 Budget: \$112,000	FY08 Budget: \$124,000
		+ \$12,000 (10.7%)

This item covers the recapping and replacement of tires, bus cleaning materials, and other supplies. The principal item is tire recapping and replacement costs are based upon a 4.9¢ per mile factor.

EQUIPMENT MAINTENANCE

This category covers costs of the Maintenance Department, which is responsible for vehicle servicing, preventative maintenance, and repair work. Its costs are related to service levels operated, although the relationship is not as direct as it is in the Transportation Department. The 2008 estimate is based on an annual total of 1,505,000 miles.

Personal Services

FY06 Actual: \$1,074,798	FY07 Budget: \$1,294,700	FY08 Budget: \$1,334,000
		+ \$39,500 (3.1%)

This item covers salaries, wages, fringe benefits, FICA, and other personal service costs of the Maintenance Department. It provides for the following positions:

	FY2005	FY2006	FY2007	FY2008
Director of Maintenance	1	1	1	1
Mechanic, Full Time	10	10	11	11
Mechanic, Part-Time	0	0	0	0
Parts Manager	1	1	1	1
Maintenance Clerk	1	1	1	1
Service Worker, Full-Time	4	4	4	4
Service Worker, Part-Time	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	17	17	18	18

General changes in personal service costs were discussed in an earlier section of this budget presentation.

Repair Parts

FY06 Actual:	\$279,158	FY07 Budget:	\$300,000	FY08 Budget:	\$300,000
					No Change

The cost of repair parts is budgeted at 20¢ per vehicle mile, in line with the industry average.

Vehicle Maintenance Services

FY06 Actual:	\$71,139	FY07 Budget:	\$70,000	FY07 Budget:	\$70,000
					No Change

This item covers the purchase of outside maintenance services for such items as body work, engine and transmission work beyond ATC's in-house capability, and radio repair.

Tools and Equipment

FY06 Actual:	\$9,671	FY07 Budget:	\$15,000	FY08 Budget:	\$15,000
					No Change

This item provides for the purchase and replacement of small shop tools and equipment.

Laundry

FY05 Actual:	\$7,639	FY07 Budget:	\$11,000	FY08 Budget:	\$11,000
					No Change

This item provides for shop rags and the rental and cleaning of mechanics' uniforms.

MARKETING

Personal Services

FY06 Actual: \$46,911	FY07 Budget: \$77,000	FY08 Budget: \$80,000
		+ \$3,000 (3.9%)

This item covers the salary, fringe benefits, FICA, and other personal service costs of the Marketing Department. It provides for the following positions:

Marketing & Communications Manager 1

ATC's marketing efforts target office and residential complexes and businesses located in new development areas in the City. ATC also assists developments under the City's Transportation Management Plan (TMP) ordinance in their efforts to market transit and provide on-site sales of monthly DASH passes. ATC is targeting marketing efforts in the new residential and commercial developments along the Eisenhower corridor, Carlyle, and Cameron Station. ATC's Tourist Information Program and Services (TIPS) continues to promote DASH services to the tourist industry, hotels, and retail establishments. It is anticipated that significant marketing efforts will focus on new employment sites, such as the Patent and Trademark Office (PTO), and the promotion of the free weekend Dash About service and other economic stimulus programs that may be launched in conjunction with the local hospitality industry. ATC's desktop publishing capabilities provide customized marketing and public information materials for many of these sites. ATC has made inroads in promoting DASH services to area schools as it develops a comprehensive transit education program.

Marketing and Public Information

FY06 Actual: \$113,841	FY07 Budget: \$111,000	FY07 Budget: \$121,000
		+ \$10,000 (9%)

This category covers the production and distribution of schedules and other information regarding available DASH services and promotions. Also included in this category are market research, installation and maintenance of bus stop signs, and other activities designed to acquaint potential riders with DASH services and to make those services more convenient to use.

Expenses for marketing and public information include:

- Printing and distribution of DASH timetables. This item also covers the updating and maintenance of Ride Guide schedule information located at major bus stops throughout the city.....\$70,000
- Advertising and special promotions, including the George Washington Birthday Parade, Red Cross Waterfront Festival, and transit related special events and programs.....\$46,000
- Market research, including periodic passenger surveys and the assembly of data upon the basis of which route and service level decisions can be made by the Board of Directors.....\$5,000

INSURANCE AND CLAIMS

FY06 Actual: \$249,259	FY07 Budget: \$280,000	FY08 Budget: \$288,000
		+ \$8,000 (2.9%)

ATC is a member of the Virginia Transit Liability Pool through which it obtains general and automobile liability and bus physical damage coverage.

This item also includes directors' and officers' liability insurance, which is obtained from the State Division of Risk Management.

ADMINISTRATION AND GENERAL

This expense category includes the office of the General Manager and the general and unallocated administrative costs of the transit system.

Personal Services

FY06 Actual: \$279,090	FY07 Budget: \$351,050	FY08 Budget: \$369,000
		+ \$17,950 (5.1%)

This item covers salaries, fringe benefits, FICA, and other personal service costs of the General Manager's office. It provides for the following positions:

Office Manager – Administrative Services	1
Human Resources and Finance Manager	1
Administrative Assistant	1
Director of Planning and Development	1
IT Coordinator	<u>1</u>
	5

General changes in personal service costs have been discussed in an earlier section of this budget presentation. ATC participates in the Virginia Department of Rail and Public Transportation (VDRPT) intern program when State funding is available.

NOTE: The General Manager's and Assistant General Manager's salaries and benefits are included in the management contract fee.

Contractual Services

FY06 Actual:	\$344,112	FY07 Budget:	\$331,000	FY08 Budget:	\$383,000
					+ \$52,000 (15.7%)

This item covers the following contracts and agreements:

- Management contract.....\$290,000
- Travel costs, advisory and technical assistance. The management contract provides that, in addition to routine supervisory visits to the property, the management firm will provide advisory and technical assistance in such areas as labor relations, insurance, vehicle specifications, maintenance, and scheduling when needed and authorized by ATC at no additional cost, except for travel. The budget estimate provides for 4 trips at a cost of \$1,250 each.....\$5,000
- Pension plan administration and legal assistance. The annual fee for the administration of the Transit Management of Alexandria, Inc. employees' defined contribution retirement plan is estimated to be \$8,000. In addition, TMA from time to time requires local legal assistance in handling benefits related and employee relation issues. There is \$3,000 budgeted for these services.....\$11,000
- Banking and cash handling fees. The cost of cash handling fees associated with the transport, sorting, and depositing of ATC farebox revenue.....\$40,000
- SmarTrip maintenance and technical support: ATC's share of actual costs under the Regional SmarTrip System Software Maintenance Agreement.....\$37,000

Personnel Recruitment and Training

FY06 Actual:	\$92,782	FY07 Budget:	\$62,000	FY08 Budget:	\$65,000
					+ \$3,000 (4.8%)

This item covers:

- Employee relations. This item covers performance incentive awards, the awards dinner, company picnic, and other employee relations costs.....\$28,000
- Physical examinations. Employees and applicants who hold CDL licenses are required to pass pre-employment and annual DOT physical examinations and are subject to federally mandated drug and alcohol testing.....\$17,000
- Employee training. This item covers the costs of mechanic certification testing, operator training programs, technical courses and seminars, and registration fees at professional meetings.....\$20,000

Utilities and Building Maintenance and Services

FY06 Actual:	\$156,911	FY07 Budget:	\$140,000	FY08 Budget:	\$155,000 + \$15,000 (10.7%)
--------------	-----------	--------------	-----------	--------------	---------------------------------

This item covers the costs of utilities, building maintenance expenses, and janitorial services in the ATC facility.

Travel

FY06 Actual:	\$20,978	FY07 Budget:	\$10,000	FY08 Budget:	\$10,000 No Change
--------------	----------	--------------	----------	--------------	-----------------------

This item covers the cost of travel to professional meetings, seminars, and technical schools, including the travel of employees attending courses on power train and bus component repair and courses sponsored by the Virginia Department of Rail and Public Transportation, Virginia Transit Liability Pool, and First Transit. This item also covers the cost of sending one DASH operator to the APTA International Bus Roadeo competition.

Dues and Subscriptions

FY06 Actual:	\$31,960	FY07 Budget:	\$15,000	FY07 Budget:	\$18,000 + \$3,000 (20%)
--------------	----------	--------------	----------	--------------	-----------------------------

This item covers the costs of membership in the American Public Transportation Association, the Virginia Transit Association, the Alexandria Chamber of Commerce, KSMET, ACVA, and subscriptions to trade journals and local newspapers.

Other Administrative Costs

FY06 Actual:	\$46,244	FY07 Budget:	\$44,000	FY08 Budget:	\$47,000 + \$3,000 (6.8%)
--------------	----------	--------------	----------	--------------	------------------------------

This item covers:

Telecommunications	\$26,000
Postage	6,000
Office Supplies	12,000
Duplicating	<u>3,000</u>
	\$47,000

CONTINGENCIES

FY06 Actual:	\$0	FY07 Budget:	\$50,000	FY08 Budget:	\$50,000 No Change
--------------	-----	--------------	----------	--------------	-----------------------

An allowance of \$50,000, or .47% of operating expenses, is made for contingencies during fiscal year 2008.

CAPITAL OUTLAY ITEMS

Revenue Vehicles and Related Equipment.....\$2,800,000

The purchase of four buses in accordance with the following Bus Replacement Schedule as well as the purchase of five buses in accordance with the following Bus Expansion Schedule is included in the 2008 Capital Program. The 1996 Gillig Bus replacement is being phased in over a three-year period beginning in 2007, so that the capital costs can be spread over a number of years.

BUS REPLACEMENT AND EXPANSION SCHEDULE

Year	2007	2008	2009	2010	2011	2012	2013
10-1996 Gilligs	4	4	2				
10-1998 Gilligs			3	5	2		
5-1999 Gilligs					3	2	
10-2000 Orions						4	6
Expansion Schedule	0	5	14	14	12	10	8
Total Bus Purchase	4	9	19	19	17	16	14

9 Buses	\$2,800,000
Auxiliary Equipment:	
Two-way Radios	
Spare Engines and Transmission	
Sub-Total	2,800,000
Contingency (5%)	0
Total	2,800,000

Maintenance Equipment and Tools.....\$15,000

These items will increase safety or efficiency of ATC's in-house capabilities or replace existing equipment and tools that requires replacement.

Computer and Office Furniture.....\$15,000

These items will upgrade existing computer hardware and software, storage units and workstations.

Power train Rebuild.....\$125,000

This item includes the full engine and transmission rebuild for five 1998 Gillig buses.

Replacement Bus Washer.....\$75,000

This item will replace the 17-year old bus washer in the garage.

Non-Revenue Vehicle Replacement.....\$30,000

This item includes the replacement of one supervisory vehicle.

ATC uses 14 non-revenue vehicles to support its revenue operations. The vehicles and their uses are listed in the following table.

NON-REVENUE VEHICLES

Vehicle Number	Year	Model	Description	Use	Mileage	Condition	Replace In FY
9116	2006	Malibu	4-dr sedan	Admin	2,080	Excellent	2014
9115	2006	Escape Hyb	4wd-SUV	Ops/Supv	3,808	Excellent	2014
9103	2004	Malibu	4-dr sedan	Rlf/Supv	12,887	Excellent	2012
9110	2003	Cavalier	4-dr sedan	Relief	24,745	Good	2011
9114	2003	Impala	4-dr sedan	Admin	15,296	Excellent	2011
9108	2002	Cavalier	4-dr sedan	Relief	29,225	Good	2010
9111	2000	GMC Sierra	P/U truck	Maint	32,731	Good	2010
9112	1996	Ford	P/U truck	Maint	8,997	Good	2010
9104	2002	Explorer	4wd-SUV	Supv	62,768	Fair	2009
9109	2003	Expedition	4wd-SUV	Supv	80,659	Poor	2008
9105	2000	Cavalier	4-dr sedan	Relief	52,921	Fair	2009
9106	1999	Cavalier	4-dr sedan	Relief	55,021	Fair	2009
9113	1997	Cavalier	4-dr sedan	Relief	42,868	Poor	2007
9102	1998	Cavalier	4-dr sedan	Relief	66,279	Poor	2007

ATC's replacement schedule is consistent with the City's policy of retiring sedans after 8 years or 72,000 miles of operation.

NOTE: This budget does not include the capital costs associated with the new DASH operating and maintenance facility.

TABLE 6
ALEXANDRIA TRANSIT COMPANY
REVENUE VEHICLE INVENTORY
FISCAL YEAR 2007

Vehicle Number	Year	Make	Mileage as of 12/31/06
9034	1996	Gillig - 35'	310993
9035	1996	Gillig - 35'	307589
9036	1996	Gillig - 35'	304651
9037	1996	Gillig - 35'	315451
9038	1996	Gillig - 35'	308920
9039	1996	Gillig - 35'	325439
9040	1996	Gillig - 35'	303070
9041	1996	Gillig - 35'	324001
9042	1996	Gillig - 35'	320303
9043	1996	Gillig - 35'	307185
9044	1998	Gillig - 35'	139887
9045	1998	Gillig - 35'	232635
9046	1998	Gillig - 35'	246159
9047	1998	Gillig - 35'	235957
9048	1998	Gillig - 35'	251347
9049	1998	Gillig - 35'	251513
9050	1998	Gillig - 35'	232214
9051	1998	Gillig - 35'	245983
9052	1998	Gillig - 35'	135069
9053	1998	Gillig - 35'	124471
9054	1999	Gillig - 35'	238231
9055	1999	Gillig - 35'	230181
9056	1999	Gillig - 35'	242242
9057	1999	Gillig - 35'	231473
9058	1999	Gillig - 35'	242902
9059	2000	Orion V - 35'	195095
9060	2000	Orion V - 35'	195380
9061	2000	Orion V - 35'	180071
9062	2000	Orion V - 35'	168313
9063	2000	Orion V - 35'	180010
9064	2000	Orion V - 35'	198662
9065	2000	Orion V - 35'	202384
9066	2000	Orion V - 35'	201324
9067	2000	Orion V - 35'	186197
9068	2000	Orion V - 35'	193141
9069	2002	Orion V - 35'	108458
9070	2002	Orion V - 35'	115271
9071	2002	Orion V - 35'	99938
9072	2002	Orion V - 35'	115433
9073	2002	Orion V - 35'	110407
9074	2002	Orion V - 35'	109539
9075	2002	Orion V - 35'	112862
9076	2002	Orion V - 35'	112040
9077	2005	Orion V - 35'	52469
9078	2005	Orion V - 35'	50138
9079	2005	Orion V - 35'	53181
9080	2005	Orion V - 35'	47706
9081	2005	Orion V - 35'	48389
9082	2005	Orion V - 35'	43868
9083	2005	Orion V - 35'	41421
9084	2005	Orion V - 35'	44545
9085	2005	Orion V - 35'	45505
9086	2005	Orion V - 35'	21651
9087	2005	Orion V - 35'	49076
9088	2005	Orion V - 35'	48657
9089	2005	Orion V - 35'	49614
9090	2005	Orion V - 35'	42633

PART III

FINANCIAL PROJECTIONS BEYOND 2008

OPERATING BUDGET

The operating budget projections for fiscal years 2009 and 2010 are based upon the following assumptions:

- It is anticipated that DASH will initiate service to new development areas and increase frequencies on current routes to meet passenger demand and improve schedule adherence.
- Ridership is projected to experience steady growth due to increasing residential, office, and commercial development.
- General operating costs will increase approximately 4% a year.
- Operating costs related to service expansion will increase 13% in fiscal year 2009 and 10% in fiscal year 2010.

TABLE 7

PROJECTED REVENUES AND EXPENSES BEYOND 2008

	FY2009	FY2010
TOTAL PASSENGERS	4,200,000	4,536,000
OPERATING MILES	1,764,000	2,026,000
REVENUE VEHICLES	76	90
REVENUE		
Passenger	\$2,650,000	\$3,050,000
Other	700,000	750,000
	\$3,350,000	\$3,800,000
OPERATING EXPENSES	\$12,285,000	\$14,000,000
NET TRANSIT SERVICE COST	\$8,935,000	\$10,200,000
OPERATING RATIO	27.2%	27.1%

CAPITAL REQUIREMENTS

ATC Facility

As a result of the expansion of DASH service since 1991, ATC is currently operating beyond the capacity of its facility. Any significant increase in service is possible only when additional facilities are constructed.

In December 2001, the Alexandria City Council gave approval to the purchase of the 9.7 acre CSX parcel adjacent to the current DASH facility. In September 2002, ATC engaged the consulting services of EarthTech and Wendel/Duchscherer to conduct a needs assessment and facility study to determine the size and scope of the new facility.

The capital cost of a new facility is estimated at \$35 million. In October 2003, the Alexandria City Council approved the programming of the facility in the VDOT Six Year Plan, along with a proposed financial plan using State Urban Funds as the primary source of funding.

In November 2005, the City engaged the architectural design firm of Wendel/Duchscherer to provide the first phase of the design-build consultant services for the new DASH facility. In September 2006, four design build firms were selected to develop and submit proposals for the design and construction of the new facility. It is anticipated that the new facility will be completed in early 2009.

Vehicle Replacement and Expansion Schedule

Bus replacement in 2007 and beyond will begin the phased replacement of the 10-1996 Gillig buses. ATC's replacement schedule for its revenue and non-revenue vehicles appears in Part II. Future expansion of service is outlined in Part IV of this document. Service expansion is planned to coincide with the opening of a new DASH Operations and Maintenance Facility. The following table outlines the projected DASH fleet that will be required to meet service needs in the future:

<u>Fiscal Year</u>	<u>Expansion Buses</u>	<u>Replacement Buses</u>	<u>Total Buses Purchased</u>	<u>New Total Fleet Size</u>
2008	5	4	9	62
2009	14	5	19	76
2010	14	5	19	90
2011	12	5	17	102
2012	10	6	16	112
2013	8	6	14	120
2014	8	3	11	128
2015	0	11	11	128

PART IV

FARE AND SERVICE OPTIONS

FARES

The financial projections for fiscal years 2009 and 2010 (see Part III) assume no changes in the fare structure.

SERVICE OPTIONS

DASH ridership continues to increase each year, adding to demands for additional trips to provide more frequent service, reduce crowding on buses, and maintain service reliability. On July 2006, the new DASH AT10 route was added to provide service to the Potomac Yard Shopping Center, Del Ray, Rosemont, and the King Street Metro Station. The AT4 was extended to Slaters Lane at the same time. Service improvements to address overcrowding and reliability on the weekday AT2 route and weekend AT8 route will take effect in April 2007. It is anticipated that further changes to the AT2 route, involving reducing the length of the route and adding a new route segment will be necessary in fiscal year 2008 to continue to improve on-time performance.

The Patent and Trademark Office (PTO) completed the relocation of its employees in 2005. Additional large-scale development is underway in the vicinity of the PTO. In November 2004, the AT6 and AT7 routes were expanded to improve access and connections to the PTO/Carlyle area. The cost of these service improvements is funded by the Carlyle Transportation Management Plan (TMP).

Major developments are also planned for Potomac Yard and the Eisenhower corridor. The demand for expanded DASH service and increased service levels will continue as these developments come on line, bringing more residents and workers to Alexandria.

NEW SERVICE

The Regional Bus Study completed by the Washington Metropolitan Area Transit Authority in 2002, looked at how Metrobus and the local bus systems in the region are responding to current demand and projected demand through 2020. The study concluded that DASH is serving the existing market reasonably well, but made two major service recommendations if DASH is to accommodate future demand.

1. All DASH routes should have a peak period service frequency of 15 minutes. Currently DASH routes have a peak period service frequency between 20-30 minutes. An estimated 27 additional buses would be required to operate the increased frequencies.
2. Three new bus routes are needed to serve individual pockets of growth, i.e., Carlyle, Potomac Yard, and Cameron Station, and the continuation and expansion of the Dash About Shuttle. An estimated 28 additional buses would be required to operate the three new routes and five additional buses for the Dash About service.

In 2004, EarthTech completed a DASH Needs Assessment and Facility Study. The study compared macro-level projections based on historical and projected population, employment, and DASH ridership trends, and developed existing and potential alternative scenarios for DASH transit service and facility program requirements. The analysis concluded that increasing transit demand in the City would require an expansion of the DASH system to an estimated 130 buses or more by 2025. The study indicated that DASH expansion would primarily consist of:

- Increased frequencies on current routes to meet increasing demand and to reflect the standards for Urban Transit Service as identified in the Regional Bus Study.
- New service connections to the Cameron Station area.
- Improved service on King Street in Old Town.
- New service to the Eisenhower East/PTO development area.
- New service to the Potomac Yard development area.
- New cross-town services to provide connections between new development areas and the remainder of the City.

In 2005, Transportation Management & Design, Inc. completed a Comprehensive Operational Analysis (COA) of the entire DASH system. Based on this information, ATC is developing short and long range service options to effectively serve the growing current and future transit markets.

FUTURE SERVICE EXPANSION

Over the next six years, the DASH system will expand service and fleet requirements to increase the level of transit service in the City. Table 8 outlines a preliminary expansion plan. It is expected that this plan will be analyzed and evaluated each year as part of an ongoing needs assessment.

TABLE 8 (con't)

ALEXANDRIA TRANSIT COMPANY

PRELIMINARY TRANSIT SERVICE EXPANSION PLAN

YEAR	SERVICE	PEAK FREQUENCY	ADDITIONAL PEAK BUSES	ESTIMATED ANNUAL HOURS	ESTIMATED ANNUAL MILES	ESTIMATED REVENUE (FY08 DOLLARS)	ESTIMATED COST (FY08 DOLLARS)	ESTIMATED SUBSIDY (FY08 DOLLARS)
2009	Increased Frequency on AT8	10	3	4,500	38,000	\$24,000	\$195,000	\$171,000
	Braddock Metro – Lincolnia Crosstown Route (weekday)	30	4	9,100	86,000	\$53,000	\$400,000	\$347,000
	Braddock Metro – Lincolnia Crosstown Route (Saturday)	45	0	1,300	13,000	\$5,000	\$58,000	\$53,000
	Braddock Metro – Lincolnia Crosstown Route (Sunday)	45	0	1,100	10,700	\$4,500	\$49,000	\$44,500
	Old Town Circulator Route (weekday)	15	5	10,600	63,000	\$39,000	\$427,000	\$388,000
	Old Town Circulator Route (Saturday)	30	0	1,700	9,900	\$4,000	\$66,000	\$62,000
	Old Town Circulator Route (Sunday)	30	0	1,300	8,000	\$3,500	\$53,000	\$49,500
	Cameron Station Circulator Route (weekday peak-only)	15	2	3,000	30,400	\$19,000	\$135,000	\$116,000
	TOTAL			14				

TABLE 8 (con't)

ALEXANDRIA TRANSIT COMPANY

PRELIMINARY TRANSIT SERVICE EXPANSION PLAN

YEAR	SERVICE	PEAK FREQUENCY	ADDITIONAL PEAK BUSES	ESTIMATED ANNUAL HOURS	ESTIMATED ANNUAL MILES	ESTIMATED REVENUE (FY08 DOLLARS)	ESTIMATED COST (FY08 DOLLARS)	ESTIMATED SUBSIDY (FY08 DOLLARS)
2010	Increased Frequency on AT2	15	4	6,100	70,800	\$45,000	\$282,000	\$237,000
	Eisenhower East Circulator Route (weekday)	10	5	10,700	54,400	\$34,000	\$417,000	\$383,000
	Eisenhower East Circulator Route (Saturday)	30	0	700	4,000	\$1,500	\$27,000	\$25,500
	Eisenhower East Circulator Route (Sunday)	30	0	600	3,300	\$1,500	\$22,000	\$20,500
	Potomac Yard Circulator Route (weekday)	15	5	10,700	88,600	\$55,000	\$454,000	\$399,000
	Potomac Yard Circulator Route (Saturday)	60	0	700	6,000	\$2,500	\$28,000	\$25,500
	Potomac Yard Circulator Route (Sunday)	60	0	600	4,600	\$2,000	\$24,000	\$22,000
	TOTAL			14				

TABLE 8 (con't)

ALEXANDRIA TRANSIT COMPANY

PRELIMINARY TRANSIT SERVICE EXPANSION PLAN

YEAR	SERVICE	PEAK FREQUENCY	ADDITIONAL PEAK BUSES	ESTIMATED ANNUAL HOURS	ESTIMATED ANNUAL MILES	ESTIMATED REVENUE (FY08 DOLLARS)	ESTIMATED COST (FY08 DOLLARS)	ESTIMATED SUBSIDY (FY08 DOLLARS)
2011	Increased Frequency on AT5	15	4	6,100	60,700	\$38,000	\$271,000	\$233,000
	Van Dorn Metro – Shirlington Crosstown Route (weekday)	30	4	9,100	73,400	\$45,000	\$386,000	\$341,000
	Van Dorn Metro – Shirlington Crosstown Route (Saturday)	45	0	1,300	11,000	\$4,500	\$56,000	\$51,500
	Van Dorn Metro – Shirlington Crosstown Route (Sunday)	45	0	1,100	9,100	\$4,000	\$47,000	\$43,000
	Southern Towers – Potomac Yard Crosstown Route (weekday)	30	4	9,100	72,100	\$45,000	\$385,000	\$340,000
	Southern Towers – Potomac Yard Crosstown Route (Saturday)	45	0	1,300	10,700	\$4,500	\$56,000	\$51,500
	Southern Towers – Potomac Yard Crosstown Route (Sunday)	45	0	1,100	9,100	\$4,000	\$47,000	\$43,000
	TOTAL			12				

TABLE 8 (con't)

ALEXANDRIA TRANSIT COMPANY

PRELIMINARY TRANSIT SERVICE EXPANSION PLAN

YEAR	SERVICE	PEAK FREQUENCY	ADDITIONAL PEAK BUSES	ESTIMATED ANNUAL HOURS	ESTIMATED ANNUAL MILES	ESTIMATED REVENUE (FY08 DOLLARS)	ESTIMATED COST (FY08 DOLLARS)	ESTIMATED SUBSIDY (FY08 DOLLARS)
2012	Increased Frequency on AT10	15	2	3,000	22,800	\$14,000	\$127,000	\$113,000
	NVCC / Southern Towers / Bradlee Circulator Route ((weekday)	15	4	9,100	82,200	\$51,000	\$396,000	\$345,000
	NVCC / Southern Towers / Bradlee Circulator Route (Saturday)	30	0	1,300	11,800	\$5,000	\$57,000	\$52,000
	NVCC / Southern Towers / Bradlee Circulator Route (Sunday)	45	0	600	5,000	\$2,000	\$24,000	\$22,000
	Landmark / South Van Dorn Circulator Route (weekday)	15	4	9,100	59,500	\$37,000	\$371,000	\$334,000
	Landmark / South Van Dorn Circulator Route (Saturday)	30	0	1,300	11,300	\$5,000	\$57,000	\$52,000
	Landmark / South Van Dorn Circulator Route (Sunday)	45	0	600	4,700	\$2,000	\$24,000	\$22,000
	TOTAL			10				
2013	Increased Frequency on AT6	15	3	4,500	39,200	\$24,000	\$196,000	\$172,000
	Increased Frequency on AT7	15	2	3,000	30,900	\$19,000	\$136,000	\$117,000
	Increased Frequency on Southern Towers -- Potomac Yard Crosstown Route	15	3	3,000	36,700	\$23,000	\$142,000	\$119,000
	TOTAL		8					\$408,000

TABLE 8 (con't)

ALEXANDRIA TRANSIT COMPANY

PRELIMINARY TRANSIT SERVICE EXPANSION PLAN

YEAR	SERVICE	PEAK FREQUENCY	ADDITIONAL PEAK BUSES	ESTIMATED ANNUAL HOURS	ESTIMATED ANNUAL MILES	ESTIMATED REVENUE (FY08 DOLLARS)	ESTIMATED COST (FY08 DOLLARS)	ESTIMATED SUBSIDY (FY08 DOLLARS)
2014	Increased Frequency on AT3	15	1	1,500	19,500	\$12,000	\$73,000	\$61,000
	Increased Frequency on AT4	15	1	1,500	19,000	\$11,000	\$72,000	\$61,000
	Increased Frequency on Braddock Metro – Lincolnia Crosstown Route	15	3	3,000	44,300	\$27,000	\$150,000	\$123,000
	Increased Frequency on Van Dorn Metro – Shirlington Crosstown Route	15	3	3,000	38,000	\$23,000	\$143,000	\$120,000
	TOTAL		8					
	NEW SERVICE EXPANSION GRAND TOTAL		66					\$5,159,500