

# ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



## STAFF REPORT

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**MEETING DATE:** 4/22/2026

**Staff Report No.** 26-201

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**TO:** AC Transit Board of Directors  
**FROM:** Salvador Llamas, General Manager/Chief Executive Officer  
**SUBJECT:** Strategic Plan Progress Update

### BRIEFING ITEM

**AGENDA PLANNING REQUEST:**

**RECOMMENDED ACTION(S):**

Consider receiving the Semi-annual Strategic Plan progress update.

Staff Contact:  
Ahsan Baig, Chief Information Officer

**STRATEGIC IMPORTANCE:**

Choose an item. The Strategic Plan contains the District's vision, mission, and core values, which serve as the foundation for the organization to build, operate, and maintain a diverse East Bay bus transit system.

**BUDGETARY/FISCAL IMPACT:**

There is no specific fiscal impact associated with this briefing item.

**BACKGROUND/RATIONALE:**

The AC Transit Strategic Plan, originally adopted by the Board of Directors in April 2019 and amended in May 2022, establishes the long-term policy framework guiding the District's priorities, investments, and performance expectations. This report provides a summary of progress made during 2025, which marked AC Transit's 65th anniversary year, and highlights key accomplishments aligned with the District's mission:

*"To deliver safe, reliable, sustainable, and accessible transit service that responds to the needs of our customers and communities."*

The attached 2025 Accomplishments Report (Att. 1) highlights major milestones achieved in support of the District's strategic goals:

- Safe & Secure Operations: Plan, operate, and continuously improve bus service to protect the health, safety, and security of employees, riders, and the public.
- Convenient & Reliable Service: Deliver a service structure that aligns resources with demand, focusing on rider-centric innovation that enhances the rider experience and leads to ridership growth.
- Financial Stability & Resiliency: Ensure revenue sources and cost structures support ongoing

operations, current obligations, and sustainably invest in long-term initiatives.

- High-Performing Workforce: Foster a workplace culture that motivates, empowers, and retains top talent.
- Strong Public & Policymaker Support: Focus on building trust, transparency, and collaborative relationships with policy makers and key stakeholders to increase support, enhance credibility, and advance policies and programs that reflect shared priorities.
- Environmental Improvement: Reduce the environmental impact of transit operations by minimizing emissions, conserving resources, and supporting sustainable practices that benefit the community and planet.

AC Transit is dedicated to creating a safe, modern, and equitable transit system by aligning its strategic initiatives with the Federal Transit Administration's (FTA) priorities. This commitment includes improving safety and accessibility for families and vulnerable populations, promoting innovation to enhance operational efficiency and cost-effectiveness, and modernizing fare systems to make transit more affordable while improving customer experience.

These focus areas are central to the District's core priorities, which include operational performance, organizational effectiveness, customer satisfaction/rider experience, and fiscal sustainability. By aligning efforts in this way, the District ensures that investments in technology, infrastructure, and service delivery not only meet local community needs but also maximize opportunities for federal funding and incorporate industry best practices, thereby supporting a resilient, high-performing transit system. Below are highlights that summarize the priority progress and the planned initiatives.



### **Service Reliability Progress**

Improving service reliability remains one of the District's top operational priorities. In 2025, AC Transit focused on stabilizing service delivery through targeted schedule adjustments, better workforce deployment, and enhanced monitoring of key performance indicators, including on-time performance and service delivery.

A major milestone occurred in August 2025 with the implementation of Realign (Att. 1 page 5), the most comprehensive service network redesign undertaken by the District in decades. Following a Comprehensive Operations Analysis (COA), Realign incorporated extensive public outreach and a detailed review of 103 of the District's 123 bus lines, reshaping more than 80% of the network to better align service with current travel patterns and rider needs.

After implementation, staff worked closely with Bus Operators, labor partners, and riders (Att. 1 page 6) to improve the network based on real-world operating conditions. Through this collaborative effort, more than 50 schedule improvements, including 20 school-related adjustments, were put in place as part of the February 2026 Service Changes. These refinements addressed operational factors such as layover times, operator travel connections, restroom access, service frequency, rider capacity, and safety. While implementing all these changes the District still received a "Satisfactory" rating from the California Highway Patrol (CHP) at all four

Divisions, the highest rating awarded for the Annual Terminal Inspection program.

Since the February 2026 service signup, the District has achieved 74% On-Time Performance and 97% Service Operated, demonstrating progress toward the District's 75% on-time performance goal for 2026. Service Operated also improved from 95.96% in 2024 to 97.43% in 2025, reflecting ongoing progress toward more stable and reliable service delivery.

Major system implementations and upgrades are fundamental to the District's service reliability and daily operations, supporting essential functions across operations, customer experience, finance, and workforce management. These mission-critical platforms are highly complex, with deep integrations across legacy systems, real-time data environments, and external partners, requiring disciplined execution, rigorous attention to detail, and close coordination with business units to ensure operational continuity.

Ongoing engagement with end users and stakeholders remains vital to validate functionality, minimize disruption, and support adoption. Beyond initial deployment, these systems require continuous monitoring, optimization, security, and enhancement. Sustained maintenance and strategic modernization efforts are essential to ensure the District's technology ecosystem consistently supports safe, reliable, and efficient service delivery.

### **Planned Initiatives**

Moving forward, planned initiatives under the operational performance priority focus on sustaining service reliability improvements by prioritizing the monitoring and management of the first-time point and meal/rest break Key Performance Indicator (KPI) to drive measurable downstream performance gains. Concurrently, the District will advance key infrastructure investments to enhance reliability and safety for both operators and riders, including the Quick Build Project (International Boulevard Phase 2), MacDonald Avenue and Cutting Boulevard Transit Signal Priority Project, Cutting Boulevard Bus Stop Improvement Project, Park Street Transit Signal Priority Project, Training and Education Center Modernization, and Maintenance Bay Upgrades to support the Zero Emission Fleet.

Operational resilience will be strengthened through implementation of a microgrid at Division 4 and solar panel rehabilitation and upgrades informed by the 2023 Solar Panel Systems Inspection and Assessment Report. The District will also develop and implement a rider code of conduct supported by clear and consistent public communications and collaborate with state policymakers to extend authority for automated camera enforcement to enhance safety and compliance. In addition, a comprehensive review of the Safety Management System (SMS) risk register will be conducted to ensure alignment with the District's SMS policy and the Public Transportation Agency Safety Plan (PTASP), including clear identification of risk responses and mitigation strategies for the highest-priority risks.

To further strengthen organizational resilience, the District will continue building a culture of cybersecurity awareness by leveraging Information Security Board Policies and Administrative Regulations, developing targeted training delivered through the Enterprise Training platform, and conducting periodic simulation exercises. These efforts will be supported by implementation of a comprehensive Cybersecurity Governance, Risk, and Compliance (GRC) program, including maintaining an active risk register to support cyber insurance requirements and regulatory compliance.



ORGANIZATIONAL EFFECTIVENESS

Own The Work and Support Each Other

**Accountability Progress**

AC Transit leadership prioritized strengthening organizational accountability and performance management across all levels of the organization. Efforts focused on clarifying roles and responsibilities, improving internal coordination, and reinforcing data-informed decision-making. As part of these initiatives, the District implemented a targeted reorganization, repurposing classifications to create a more efficient and effective organizational structure. Additional initiatives included launching a unified online training portal to support employee development and compliance requirements, establishing a formal exit interview program, and updating 14 position classification groups.

The executive team also completed 360-degree leadership assessments to identify opportunities for growth and reinforce leadership performance expectations. In September 2025, the FY 2025-2026 General Manager Goals and Objectives were developed and presented to the Board. Board feedback informed the refinement of District priorities, which were subsequently presented at the March 25, 2026, Board meeting.

Artificial Intelligence (AI) is emerging as a critical capability in the transit industry, enhancing service reliability, safety, operational efficiency, and the rider experience through real-time insights and predictive analytics. In alignment with this shift, AC Transit’s AI strategy establishes an enterprise-wide framework to guide adoption, ensuring alignment with District priorities while delivering measurable value. The strategy emphasizes governance, workforce readiness, and the technical foundation needed to deploy and sustain AI solutions.

This draft AI strategy, developed through targeted working sessions, provides a foundational framework and will be refined through continued stakeholder engagement into a comprehensive, Board-ready plan.

**Planned Initiatives**

The District is in the process of engaging a consultant to help develop a District-wide performance management program beginning at the executive and director level. The program will be designed to promote success of employees and will be compliant with respective Collective Bargaining Agreements. Additionally, staff will continue the systematic review and modernization of classifications across the District, along with implementing employee stay interviews and satisfaction surveys to strengthen engagement and retention.



CUSTOMER SATISFACTION & RIDER EXPERIENCE

Prioritize Our Riders With Every Decision

**Putting the Rider First Progress**

Enhancing the rider experience remains a central focus of the District’s service strategy. AC Transit is increasingly leveraging customer feedback, data analytics, and modern communication tools to inform service decisions and strengthen rider engagement. The Rider Experience Taskforce has been established as a cross-functional, executive-led initiative to align all AC Transit departments around a unified, rider-centric strategy.

Jointly governed by the Executive Director of Legislative Affairs and Customer Experience and the Chief Information Officer, the Taskforce is designed to break down organizational silos and bring an “all-hands” approach to understanding and improving the end-to-end rider journey across all touchpoints-digital, physical, and operational.

The Taskforce will provide a structured forum to surface and address ongoing service issues and escalations in real time, while systematically identifying and prioritizing improvements that enhance reliability, accessibility, and overall customer satisfaction. In parallel, it will evaluate and align new projects and technology initiatives to ensure they are directly tied to measurable rider experience outcomes. A key pillar of this effort is a strengthened commitment to accessibility, with focused attention on improving digital experiences for the accessible community and ensuring compliance, usability, and inclusivity are embedded into all solutions. Through this coordinated governance model, the Taskforce will accelerate decision-making, improve accountability, and deliver tangible, rider-focused outcomes across the agency.

This approach includes improving real-time service communications and alerts, as well as expanding digital information channels to provide riders with timely and accessible updates. The District is also launching an updated in-house mobile application to enhance trip planning and provide a direct channel for rider feedback. In March of this year, AC Transit launched a state-of-the-art Customer Relationship Management (CRM) system to improve customer communications, enable more detailed reporting, and strengthen the District’s ability to track and respond to rider concerns and service improvements.

**Planned Initiatives**

Initiatives to improve the rider experience include partnering with cities and local jurisdictions to secure funding for modernizing and expanding bus shelters across the service area. Planned upgrades include replacing conventional benches with vandal-resistant, anti-sleeping designs and transitioning from glass panels to polycarbonate walls with anti-graffiti mylar film to enhance durability and reduce maintenance.

Additional efforts include conducting a comprehensive customer experience survey in Fall 2026, developing a Customer Experience Roadmap, and expanding strategic marketing partnerships. The District will also establish a formal social media strategy, define KPIs for communications, and develop both internal and external annual reports. In parallel, staff will enhance processes for maintaining and updating at-stop schedule signage to ensure accuracy and improve the overall rider experience.



**Fiscal Sustainability Progress**

Maintaining fiscal sustainability remains critical as the District navigates rising operating costs and uncertainty in regional transit funding. Throughout 2025, AC Transit maintained a disciplined approach to financial management while protecting service levels and making targeted investments to improve operational efficiency.

Key accomplishments include implementing the Trunkline Incentive Program (TIP) across 13 high-frequency

routes, reducing overtime costs by 13 percent while improving service reliability. The District also strengthened asset management practices, recovering \$1.5 million through warranty claims, and completed facility upgrades that improved energy efficiency by 8 percent, generating approximately \$485,000 in annual savings.

In addition, the General Manager's Budget Task Force, launched in September 2025, established a collaborative forum for staff and Board members to assess fiscal challenges and evaluate financial scenarios. The discussions and insights generated through the Task Force helped inform the development of the FY 2026-27 budget guidelines.

Another major achievement was securing a State loan, which will enable the District to balance the FY 2026-27 budget. Following months of negotiations and advocacy, the District, alongside MTC, BART, Muni, and Caltrain, successfully secured a \$590 million loan from the State of California. The District is eligible for a loan of up to \$55 million. The State loan is a bridge to the ballot measure authorized by Senate Bill 63 (SB 63). District staff were heavily involved in working with the bill's authors and regional partners to develop SB63 and advocate for its passage.

#### **Planned Initiatives**

Planned initiatives for financial stability include conducting a comprehensive review of all employee service information systems to realize as much value as possible, which included implementing available but underutilized software functionality, such as pre-boarding in NeoGov and onboarding and offboarding in PeopleSoft. In parallel, the District will develop an external fare education campaign and continue to engage regional partners, external stakeholders, elected officials, and riders to support coordinated advocacy efforts. Additionally, the District will expand the EasyPass program and pursue strategies to increase year-over-year ridership through its institutional pass programs, including EasyPass and Pay-Per-Ride, thereby supporting both revenue growth and long-term fiscal sustainability.

#### **ADVANTAGES/DISADVANTAGES:**

There are no advantages or disadvantages associated with this report. It is intended to provide an update on strategic activities.

#### **ALTERNATIVES ANALYSIS:**

There are no advantages or disadvantages associated with this report. It is intended to provide an update on strategic activities.

#### **PRIOR RELEVANT BOARD ACTION/POLICIES:**

Staff Report 19-019b Strategic Plan

#### **ATTACHMENTS:**

1. 2025 Accomplishments Report

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