

report

GENERAL MANAGER'S



Rider's Rave

“I greatly appreciate all AC Transit drivers and all they do. Without them, this city would be an absolute mess, so thank you for keeping everything together! Thank you for getting me where I need to be on time, and thank you for being some of the nicest people I've ever had the pleasure of speaking to.”

'Anonymous', March 2024



Line 6 rider shows gratitude to the Bus Operator at the Telegraph Ave. and Allston Way stop, Berkeley

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AC Transit Reaches Premier Tier Among Nationwide Transit Agencies - Attaining AA+ Credit Rating

On March 26, Standard & Poors (S&P), the renowned financial services company known for providing credit ratings, research, and analysis of stocks, bonds, and other financial instruments since 1860, upgraded AC Transit's credit rating to AA+ with a stable outlook. This change in creditworthiness from the AA rating places AC Transit among the elite echelon of transit agencies' credit ratings in the United States.

S&P's last review of the District's credit was in January 2021, assigning a rating of AA with a negative outlook. The recent upgrade to AA+ with a stable outlook reflects the District's resilient financial position, despite the ongoing challenges posed by the pandemic.

The primary difference between an AA and an AA+ rating is the degree of credit strength and perceived level of risk associated with default. Here's what changed S&P's evaluation: as of March 2024, the District had approximately \$17.2 million in debt outstanding, including \$10.4 million in Certificates of Participation (COP) and \$6.8 million in leases. These funds were

used to acquire the property on 66th Avenue in Oakland, adjacent to Division 4, with a refinancing in 2019. The District partially uses the property and warehouse for operational needs and leases the remaining portion to commercial tenants.

S&P specifically noted that because the District includes the lease payments on the COPs in the annual

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The S&P found that one of AC Transit's "key credit strengths" is the relatively high bus ridership of roughly 34.6 million in FY2023 and a history of strong demand.

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budget, "our analysis of the COP provisions and AC Transit as a mass transit operating entity, we view the risk of non-appropriation as remote."

S&P lauded the District's diverse set of revenues, bolstered by the continued growth in sales taxes and property taxes have offset declines in farebox revenue more than many of our transit peers.

S&P also attributes the District's credit upgrade to "prudent financial policies, liquidity, long-term financial planning, and debt management."

// The approval to an AA+ rating enables the District to access capital at more favorable interest rates, reducing borrowing costs and improving overall financial performance. //

Ongoing Customer Service Training Empowers Bus Operators

Customer service training for AC Transit Bus Operators is essential as they serve as the frontline ambassadors for our transit district, directly interacting with passengers daily.

In line with the District's dedication to delivering ongoing Customer Service Training for Bus Operators, Moran Consulting, Inc. conducted another comprehensive eight-hour training session during their visit on March 19.



(Pictured from left to right) Hector V. D6 Operator, Roderick T. D2 Operator, Erik V. D3 Operator, Leandre C. D4 Operator, Vorchae K. D6 Operator, Krystal A. D4 Operator, Raul N. D2 Operator, Shawn B. D6 Operator, Wessley C. D4 Operator, Marquise T. D2 Operator, Kimera Hobbs, Moran Consulting Inc., March 19, 2024.

Although the District's previous AA rating is still considered very strong, companies and organizations with an AA rating may have a slightly higher risk of default when compared to those with an AA+ rating.

These ratings are widely used by investors, lenders, and institutions to assess risk and make informed decisions regarding investments and financial transactions.

The approval to an AA+ rating enables the District to access capital at more favorable interest rates, reducing borrowing costs and improving overall financial performance.

Most importantly, an AA+ rating instills confidence among taxpayers, riders, and our East Bay communities, assuring them of the District's sound financial health and its ability to fund critical infrastructure projects and operational initiatives sustainably.

S&P goes on to note that "we view senior management as experienced, and AC Transit's independent, elected board plays a critical role in providing strategic direction."

Bus Operators engaged in role-playing exercises and acquired crucial skills such as active listening, effective body language, tactful communication, and de-escalation techniques.

The training course equips Bus Operators with the skills to handle diverse passenger needs and situations with professionalism and empathy, enhancing overall passenger satisfaction.

By fostering a culture of exceptional customer service, Bus Operators contribute significantly to creating a positive and welcoming on board experience for all riders.

Bus Reliability Skyrockets Setting New Records

Miles Between Chargeable Road Calls (MBCRC) serves as a vital gauge of our bus fleet's health and reliability. To track performance in this crucial area, the District set a Key Performance Indicator (KPI) at 7,500 miles between chargeable road calls.

A higher number of miles between chargeable road calls demonstrates that buses are experiencing fewer technical issues or breakdowns, resulting in reduced downtime and improved reliability.

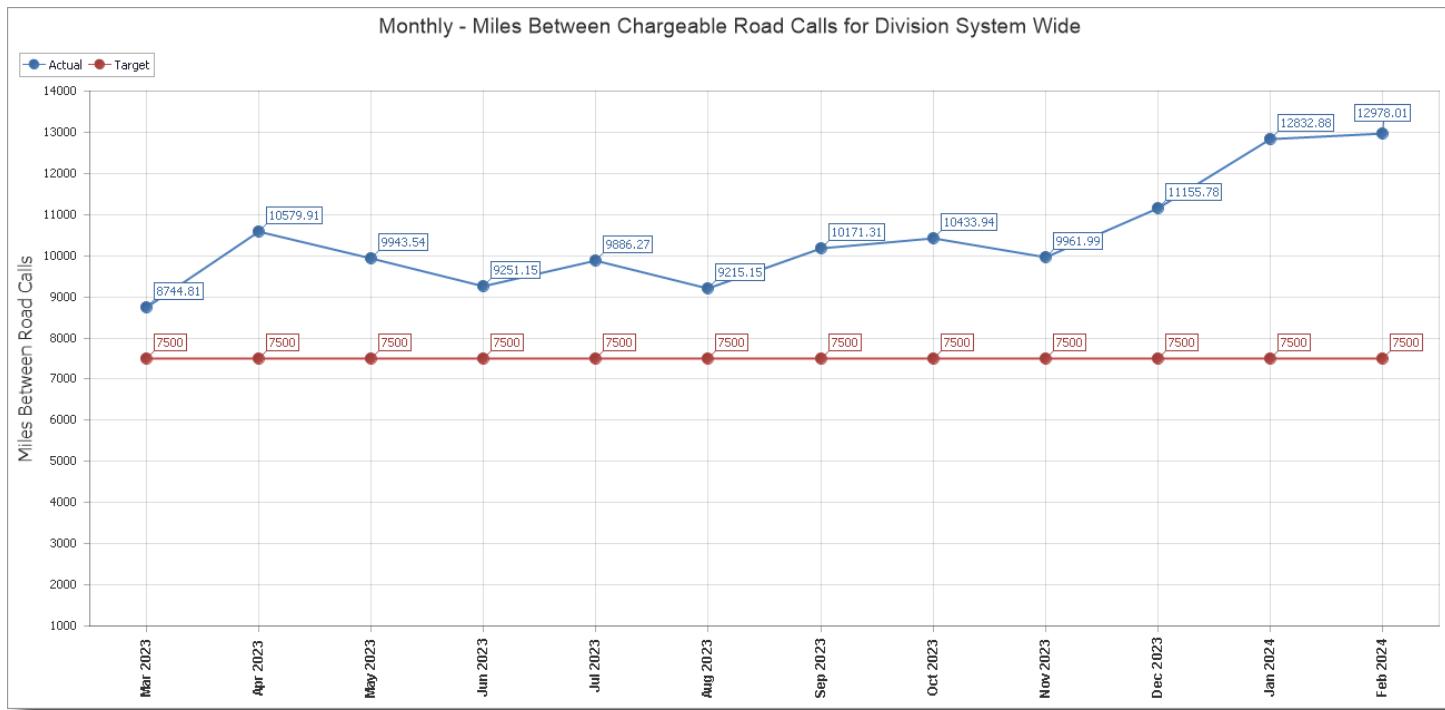
Over the last year, the miles between chargeable road calls consistently exceeded our set target, boasting an impressive average performance of 10,429 MBCRC throughout the 12 months.

To start the year 2024, the performance in miles between chargeable road calls reached unprecedented heights, achieving 12,832 MBCRC in January and an even more remarkable 12,978 MBCRC in February.

By prioritizing and continually improving our MBCRC, the District can uphold our commitment to providing a reliable, efficient, and sustainable bus network for the 26 million riders who chose AC Transit from July 2023 to February 2024.

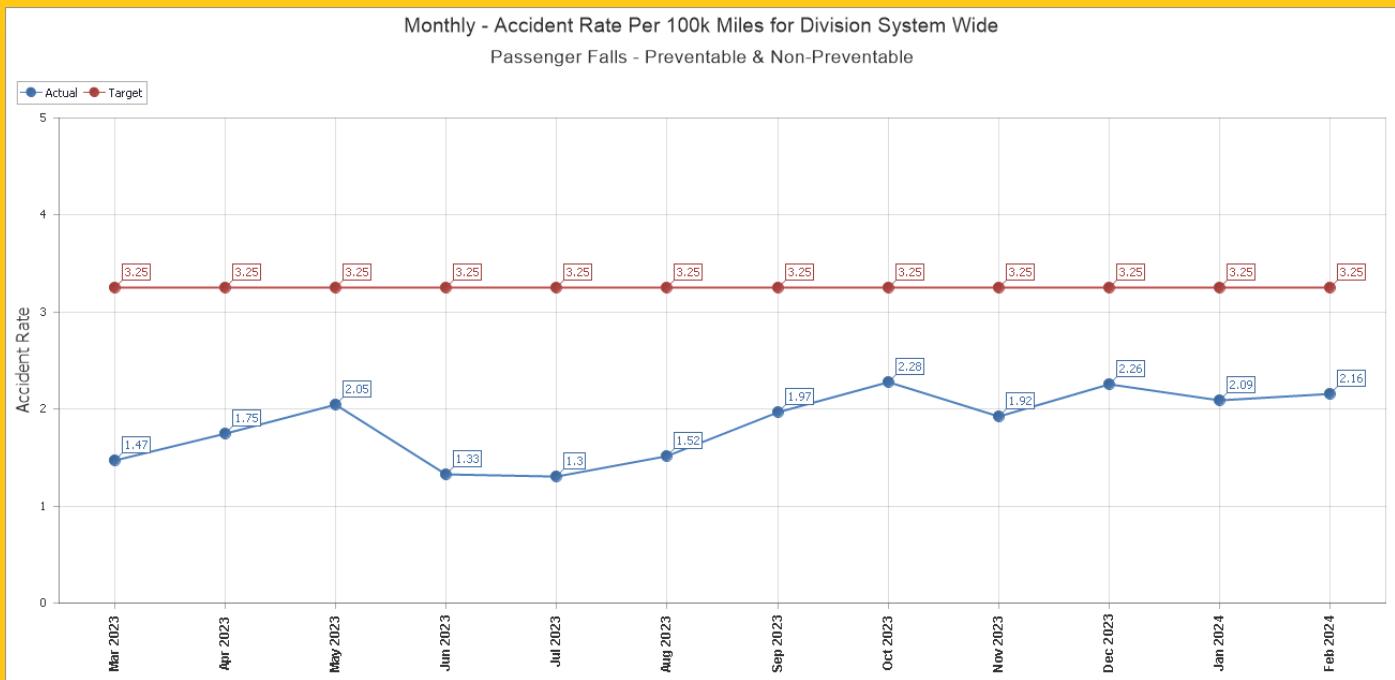


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Passenger Falls Are Falling Revealing Promising Results



Tracking and reducing onboard rider falls is a top priority for AC Transit as we aim to ensure the safety and well-being of the 129,000 average daily riders.

Implementing rigorous monitoring and preventive measures, including onboard cameras and data collection, helps to facilitate the identification of potential hazards and areas prone to incidents.

Over the last 12 months, the average rate of Passenger Falls stood at a commendably low 1.84 per 100,000 miles. Even more noteworthy is that the District consistently surpassed the KPI goal of 3.25 each month, marking a remarkable achievement for the District.

Moreover, training programs for Bus Operators, emphasizing defensive driving techniques and passenger assistance, empower the frontline staff to adeptly handle various rider scenarios while achieving this important metric.

The Accident Reduction Taskforce meets monthly to examine the underlying causes of incidents and devise specific initiatives aimed at reducing both passenger falls and vehicle collisions.

Over the last 12 months, the average rate of Passenger Falls stood at a commendably low 1.84 per 100,000 miles.

Additional initiatives involve proactive engagement with Bus Operators across all incident types, regardless of preventability, to gather their insights and enhance awareness.

Transportation management is also issuing daily safety messages dispatched from the Operations Control Center (OCC) and relayed to all buses. The messages are succinct and designed to underscore essential personal and defensive driving safety reminders.

Our continuous analysis of incident reports and feedback allows for the refinement of strategies, including opportunities for targeted interventions to further reduce passenger falls.

Town Halls are Building Bridges and Forging New Connections

In March, AC Transit staff hosted in-person Town Hall meetings at each Division in an ongoing effort to directly engage with employees.

Town Hall meetings play a pivotal role districtwide by serving as a platform for transparent communication and fostering a sense of community, particularly amongst frontline employees.

These gatherings offer a unique opportunity for leadership to discuss important information, like organizational updates, strategic goals, and upcoming initiatives, directly to employees who do not have access to emails.

The Town Hall meetings served as the platform for the presentation of the 2023 APTA Outstanding Public Transportation System award trophy to each Division, adding a special moment of recognition and celebration to the gatherings.



(Pictured from left to right) Dwain C. Director of Transportation, Steven V. D6 Journey Level Mechanic, Ricardo E. D6 Transportation Superintendent, Arlee Y. Assistant Director of Transportation, Salvador L. COO, March 29, 2024.

Ultimately, Town Hall meetings help to strengthen trust and cohesion within the company, empowering employees to feel informed, valued, and connected to the District's vision.

AC Transit Hosts Inspirational Women's History Month Event

AC Transit celebrated Women's History Month on March 26 with an event organized by the Women's History Month Committee.

The 2024 Women's History Month theme, established by The National Women's History Alliance, is "Women Who Advocate for Equity, Diversity and Inclusion." The theme acknowledges women nationwide who comprehend the



Michael Hursh, Tess Lengyel, Diane Shaw, Carissa Lee, Kendra Ma, Cristy Johnston Limon, Michele DiFrancia, and Beverly Greene.

necessity of eliminating bias and discrimination from both our personal lives and institutional structures to pave the way for a positive future.

The District's event commenced with opening remarks from CEO and General Manager Michael Hursh and Board of Directors Vice President Diane Shaw, laying the foundation for an inspiring conversation on the resilience of women in traditionally male-dominated industries.

The event showcased a distinguished panel featuring AC Transit's Kendra Ma, Senior Program Specialist; Assistant Director of Transportation Arlee Young; Carissa Lee, Senior Transportation Planner; Cristy Johnston Limón, City of Oakland's Deputy Director/Business Development Manager; Michele DiFrancia, Vice President Business Development, Northern California at Parsons Corporation; and Tess Lengyel, Executive Director of the Alameda County Transportation Commission.

The panelists shared perspectives on initiatives and programs implemented in their workplaces to tackle gender and racial disparities. They also highlighted the influential women in their lives and expressed their plans to empower the next generation of women leaders.