

# ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



## STAFF REPORT

**MEETING DATE:** 12/11/2019

**Staff Report No.** 19-359

**TO:** AC Transit Board of Directors  
**FROM:** Michael A. Hursh, General Manager  
**SUBJECT:** Quarterly Update on Strategic Plan Progress

### BRIEFING ITEM

#### RECOMMENDED ACTION(S):

Consider receiving the Quarterly Update on the Strategic Plan Progress.

#### STRATEGIC IMPORTANCE:

Status update on activities in the strategic plan.

The Strategic Plan was approved in April 2019 that included core values, updated vision and mission statements, high-level goals, and strategic initiatives

#### BUDGETARY/FISCAL IMPACT:

There is no specific fiscal impact for this briefing item.

#### BACKGROUND/RATIONALE:

Staff is bringing this briefing item to update the Board on the implementation of strategic initiatives that align with the goals outlined in the strategic plan. The following table represents the goals and initiatives followed by narrative updates.

#### Strategic Plan Goals and Initiatives

Goals
Safe and Secure Operations
Convenient and Reliable Service
Financial Stability and Resiliency
High-Performing Workforce
Strong Public and Policymaker Support
Environmental Improvement

Initiatives
Service Quality
Infrastructure Modernization
Employee Recruitment, Training and Retention
Zero Emission Programs
Financial Efficiency and Revenue Maximization

#### Service Quality

A Service Quality Enhancement Taskforce (SQET) was created to examine the causes that directly impact the

District's ability to deliver safe, reliable, and sustainable service. Representatives from core business units participate in the taskforce focused on reviewing performance metrics to develop tactical strategies geared to successfully adapt, overcome, and implement change that result in service quality improvements. Division Teams for each of the four operating divisions consisting of staff from Transportation, Maintenance, Planning & Scheduling, Innovation & Technology have been assembled to monitor activities and take corrective actions to increase visibility and observe performance issues in real-time.

A Route Performance by Division report has been developed as a tool to assist the teams with route specific performance data. In order to receive real-time and in-service feedback, the Rider Insider program was launched which provides valuable performance data from staff riding the bus. Utilizing the enhanced route performance data collection capability and feedback from the Driver's Committee, Division Teams can identify lines underperforming and align resources in the field, at Divisions, Operations Control Center and Service Planning to deploy performance measures and schedule reliability initiatives. Top priority activities related to service quality include the following:

- Line Management Program (performance and reliability)

- 1) Initial Performance by Division

- Division 2 - Lines 29 and 57

- Division 3 - Lines 72, 72M and 72R

- Division 4 - Lines 20, 21 and NL

- Division 6 - Lines 34, 25 and M

- 2) Ridership Analysis to improve On-Time Performance

- 51A, 51B, 40, 57, 6 and 14

- Data driven decision making (business intelligence)
- Technology transitions and adoption
- Maintenance and Transportation staffing

Additionally, District staff works closely to monitor and influence the planning and land use decisions at the local level that impact service quality i.e. road diets, bike lanes, boarding islands, and general transit first policies. The strategic plan goals most applicable to service quality initiative are: Safe & Secure Operations; Convenient & Reliable Service; High-Performing Workforce; Strong Public & Policymaker Support.

### **Infrastructure Modernization**

The Capital Programming Committee was created to review and prioritize the intake process to support the programming of projects based on the asset needs and limited funding and resources. Investment prioritization focuses on maintaining safe operating and usage conditions, environmental and regulatory compliance, and "state of good repair" for current assets, as well system enhancements and improvements. The following plans optimize how operating and capital funds are spent:

- Safety Management System including Cybersecurity
- Capital Improvement Plan
- Transit Asset Management
- Technology Improvements Program
- Facilities Utilization Plan
- Short Range Transit Plan
- Annual Budgets

The Capital Improvement Plan and Short-Range Transit Plan were updated to conform to the Strategic Plan Goals and initiatives. Some of the major technology improvements included in these plans that are currently being deployed or near completion are the CAD/AVL (Computer Aided Dispatch/Automated Vehicle Location) system, Operations Control Center modernization, District Wide Phone System upgrade, physical security replacement at each division facility, and new Operator Scheduling system. While capital investments can support all of the Districts goals, the four goals most applicable to the capital investments are: Safe & Secure Operations; Convenient & Reliable Service; Financial Stability & Resiliency; and Environmental Improvement.

#### **Employee Recruitment, Training and Retention**

A collaboration of multiple business units contributes to the goals of High-Performing Workforce and Convenient and Reliable Service. The objective is to seek and retain team members who are courteous, customer service oriented and dependable to provide the highest quality of transit service to our customers and community. An extensive recruitment campaign that concluded in October included website content, social media postings, digital advertising, cable TV spots, a billboard at D4, and AC Transit bus interiors and exteriors. The following projects are underway to promote recruiting efforts, training of employees for current positions, and future promotions:

- Creating career paths for promotional and professional growth opportunities
- Professional development courses (resume and interviewing skills)
- Debut Mobile Recruitment Lab
- Talent Development Academy
- Mechanic Helper Program
- Supervisor Training
- Classification Assessments
- Ongoing Outreach to Community Based Organizations

- Participation in community events to promote AC Transit opportunities

### Zero Emission Programs

As a leader in early adoption of Zero Emission Bus (ZEB) technology, the District is in the position to fully assess which ZEB technology can best meet the service operational requirements while being financially efficient and sustainable. The District has performed a ZEB study that provides a roadmap to achieve a 100% zero emission fleet in place by 2040 as required by the Innovative Clean Transit Regulation (ICT) adopted by the California Air Resources Board (CARB). Further, the Board of Directors adopted the Clean Corridors Plan which calls for deployment of 144 Zero Emission Buses in disadvantage communities as we acquire them. Because Zero Emission Bus technologies are in a period of rapid development and change, the District remains proactive with ZEB deployments targeting specific routes that can utilize both battery electric bus and fuel cell electric bus technologies. The following projects and activities are underway that are related to the Zero Emission Program:

- 28 ZEB Deployment: With addition of the newest ZEB fleet of 15 buses, the District has increased to 28 ZEBs in the active bus fleet
- Articulated ZEB Pilot: Participating in a 22-month pilot partnership with Calstart and New Flyer to test the first 60' fuel cell bus in the USA
- ZEB Comparison: Perform a side by side fleet comparison of the newly acquired New Flyer battery electric and fuel cell technologies
- 45 ZEB Expansion: Procurement of the Board approved mix of battery electric and fuel cell ZEBs will continue to expand bus deployments to disadvantaged communities
- ZEB University: Staff has developed a comprehensive ZEB training program for frontline employees and is seeking funding opportunities to modernize and further expand the District's ZEB training capacity

The Zero Emission Program is consistent with the Facilities Utilization Plan and addresses the Environmental Improvement, Strong Public and Policy Maker Support, and High-Performing Workforce strategic goals.

### Financial Efficiency and Revenue Maximization

The District has various financial efforts underway that fit under this Strategic Plan Initiative. Most significantly for the current fiscal year are the implementation of a \$35 million revolving line of credit for the BRT project and the refunding of the District's outstanding debt or Certificates of Participation (COPs). The line of credit for BRT closed on August 1st and will provide the needed cash flow to complete the BRT project and handle delayed state grant funding. The refunding of the COPs will take advantage of the significantly lower current interest rates to lower the District's cost in repaying the debt.

To enable both of these financing efforts, the District also underwent credit rating reviews by both S&P and Moody's. S&P upgraded the District on its A+ rating from a negative to a stable outlook. Moody's gave the District a similarly good A1 rating with stable outlook. The credit ratings and financing efforts support the District goal of Financial Stability and Resiliency, and the line of credit for BRT also indirectly supports the goals that BRT supports directly.

The District also continues to contribute to the OPEB trust account opened with CalPERS to reduce its overall OPEB liability. In FY 2018-19 the District contributed \$1.5 million, and plans to use the \$2.0 million savings from the COPs refinancing to further build up the OPEB trust account. This effort to reduce OPEB liability contributes to the District goals of Financial Stability and Resiliency, and to the goal of a High Performing

Workforce since it shows that the District intends to honor its commitments to retirees.

Additional financial efficiencies come by way of consistently soliciting bids and proposals for the District's active contracts for professional services, bus procurements and construction projects, which amount to over \$500M. These efforts demonstrate the District being a good steward of the tax-payers' dollars, while maintaining compliance with regulatory and grant requirements.

District staff have been actively engaged in the development of the Contra Costa Transportation Expenditure Plan which will appear on the March 2020 ballot. Staff's efforts have resulted in a proposed expenditure plan that if approved by the voters, will provide \$250 million in ongoing funding for transit operations in West Contra Costa County and an additional \$90 million to fund express bus service and associated capital improvements. District staff has also been actively involved in the development of the expenditure plan for FASTER Bay Area, a ballot measure that may appear on the November 2020 ballot and could generate up to \$100 billion over 40 years for transportation projects in the Bay Area.

Staff continues to monitor and engage in Federal, Regional, State and local policy and regulatory development to ensure revenue maximization for the District.

**ADVANTAGES/DISADVANTAGES:**

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

**ALTERNATIVES ANALYSIS:**

This report does not recommend an action; therefore, no alternatives analysis is presented.

**PRIOR RELEVANT BOARD ACTION/POLICIES:**

Staff Report 19-019b Strategic Plan

**ATTACHMENTS:**

None

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