

ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



STAFF REPORT

MEETING DATE: 5/13/2020

Staff Report No. 20-180

TO: AC Transit Board of Directors
FROM: Michael A. Hursh, General Manager
SUBJECT: 2020-21 Service Plans

ACTION ITEM

RECOMMENDED ACTION(S):

Consider approving staff's plans for bus service over the next 12 months as a result of the Coronavirus (COVID-19) pandemic and its lasting impacts. In addition, consider adopting staff's proposed Guiding Principles document for potential service reductions in FY 2020-21.

STRATEGIC IMPORTANCE:

Goal - Financial Stability and Resiliency

Initiative - Financial Efficiency and Revenue Maximization

Though staff did not consider a significant service reduction as part of the short-term outcomes of the Strategic Plan, implementing reductions over the next 12 months will help achieve financial stability for the District as it deals with expected financial revenue shortfalls resulting from the COVID-19 pandemic.

BUDGETARY/FISCAL IMPACT:

At this time, staff is preparing plans to operate reduced service at 80% of pre-pandemic levels compared to the 65% service level of the Emergency Service Plan (ESP) in place today. This equates to a decrease in service by nearly 390,000 annual revenue hours based on pre-pandemic service levels of 1.95 million revenue hours annually. Assuming a reduction rate of \$140 per hour, which is close to District's marginal rate but takes into consideration some overhead costs, the proposed reduction in hours equates to an annual savings of \$54.6 million. Staff intends to capture financial savings through workforce attrition and estimates that these annual savings may not be realized until after the March 2021 Sign-up. Staff is prepared to increase or decrease the service levels as additional financial information and projections become available to the District.

BACKGROUND/RATIONALE:

Current Service Reductions due to the COVID-19 Pandemic

The current COVID-19 pandemic has forced AC Transit to implement the ESP, which significantly reduced bus service due to a number of factors including: safety, ridership demand and operator availability. With regard to service levels, the District took the following emergency actions in response to the pandemic:

- On March 16, 2020, the District initially suspended all Supplementary Service in response to the closure of all schools in the AC Transit service area.

- As a result of further ridership declines and in the interest of exposing less operators to the public, the District implemented the ESP on March 31, 2020 that further reduced service to Sunday levels with some modifications such as the inclusion of Early Bird Express routes.

As of mid-April, the District suspended operating 84 of 153 total routes including:

- 12 of 67 local routes that typically don't operate on Sunday
- 26 of 29 Transbay routes
- All 46 Supplementary Service routes

By not operating these routes, plus the reduced service frequencies associated with Sunday schedules is equal to a 35% reduction in service compared to pre-pandemic weekday levels.

Factors that will Impact Service Levels

As the COVID-19 pandemic continues and ultimately subsides, AC Transit will need to plan and operate bus service accordingly. We hope to reinstate some additional service as local and state government officials roll back the Shelter-in-Place Order. However, there are a number of uncertainties that lie ahead, which will affect AC Transit's ability to deliver service at optimal levels. In addition, AC Transit's response to this downturn in the economy is unique because it is coupled with a major social and health disruption that will significantly impact ridership unlike any past recession. Therefore, while available revenue is the primary leading indicator for the amount of service AC Transit can provide, it is not the only factor. Below are some of the uncertainties the District must consider:

- **Revenue streams** - Though AC Transit will receive a one-time infusion of Federal Coronavirus Aid, Relief, and Economic Security (CARES) Act funds with the potential for more, the District is collecting zero fares today and it is unclear when regular fares will again be collected. Even after fare collection re-starts, ridership is likely to remain suppressed for an unknown period of time. Fares accounted for 13% of the District's operating budget prior to the pandemic.

In addition to fare revenue, the District expects a significant decrease in sales tax revenue, which represents about 40% of the District's operating budget. Preliminary estimates have a 25% decrease in this funding source for the month of March and a 50% decrease going forward as the Shelter-in-Place Order continues.

Staff also anticipates reductions in State Transit Assistance (STA) and other revenues as a result of the pandemic.

- **Social distancing mandates and limited business activity** - Even once the Shelter-in-Place Order is lifted, there may be social distancing mandates both in the workplace and on transit, significantly limiting ridership demand and AC Transit's passenger capacity. This will result in less farebox revenue while also requiring more service to meet demand.
- **Ridership demand** - Once the public can travel and commute again, it is not clear in what numbers and when they will return to transit. Many may choose to drive their vehicles while others will continue to work from home. This is a particular concern for commute riders who own cars, such as Transbay riders.

- **Traffic conditions** - During past recession periods, traffic volumes decreased due to increases in unemployment. This benefitted transit speeds and schedule reliability. Staff expects similar traffic conditions once the public returns to work after the pandemic, especially in the initial period when work travel would be limited, but will monitor traffic impacts nonetheless. The region will also need to encourage less driving once it is safe to ride transit again in order to maintain these conditions.
- **Fare payment** - The introduction of protective shields for the bus driver may allow the District to be able to collect fares through the farebox and Clipper Reader near the front door. Until then AC Transit may need to continue to not collect fares due to rear-door boarding or seek alternate methods to collect fares such as installing rear-door Clipper Card readers or implementing mobile ticketing to minimize queuing at the front of the bus. These alternative strategies would also provide the benefit of minimizing dwell time and improving travel time and reliability.
- **School re-openings** - It is unclear if schools will re-open next fall. If they do, the Governor has suggested that schools could operate differently until the pandemic completely ends. Some changes could include smaller class sizes or shorter school days. Any changes would impact the District's ability to provide Supplementary Service.
- **COVID-19 outbreak recurrences** - There is wide concern for a second wave of the pandemic that could force AC Transit to revert to current emergency service levels and practices that would result in prolonged ridership and revenue decreases.
- **Impacts on Protected and Vulnerable populations** - It is clear the COVID-19 pandemic has had greater health, financial and social impacts on those with underlying health conditions and minority and low-income populations. AC Transit will need to plan service that considers the needs of these populations, especially in times of crisis.

Proposed 12-month Service Plan

The factors and uncertainties listed above are challenging to address in a 12-month service plan, especially since news about the pandemic and subsequent actions are changing daily. The challenge of planning service in this uncharted time of crisis is compounded by the long lead time required for the District to implement a major service change. The District needs a minimum of 5 months to plan for and implement service changes associated with a Sign-up. An additional 4 months is required for a public hearing process if warranted. Staff activities during these periods include:

- Board approvals
- Developing a service plan, schedules and operator assignments
- Conducting a Title VI equity analysis if required
- Conducting engagement activities needed to solicit and receive public comment and participation in the public hearing process (if required)
- Preparing for and conducting a Sign-up
- Public outreach, passenger communication and stakeholder notification, including preparation of associated materials, translations and other logistics
- Updating downstream systems including: Computer-aided Dispatch/Automatic Vehicle Locator

(CAD/AVL), ACT RealTime, at-stop signage, timetables, website, the Operator Time-keeping System (OTS), and third-party applications

Per Board Policy #110, the District can implement temporary emergency service changes for up to a one-year period without a public hearing. The District must conduct a public hearing and Title VI equity analysis before the end of the one year in order to continue with the temporary changes or implement new changes, or it must revert to pre-emergency service levels.

Given these challenges, the best course of action AC Transit can take to plan service that appropriately meets the needs of our riders during these times is to be flexible, nimble and responsive. As a guide, staff has laid out a four-step high-level plan that will be subject to change as we learn more about the pandemic's impacts:

- 1. Cancel the June 2020 Sign-up** - With the uncertainty that lies ahead due to the COVID-19 pandemic, staff and our ATU Local 192 partners have agreed to cancel the June Sign-up and continue operating the ESP until the August Sign-up. Staff will use the opportunity of the canceled Sign-up to update any bus stop changes in our CAD/AVL and other downstream systems. If ridership demand grows over the summer, Staff will deploy standby buses to increase capacity.
- 2. Reactivate some additional service under the August 2020 Sign-up** - The August Sign-up will be a standard General Sign-up, which will include an interim increase in service to 80% of pre-pandemic levels. Staff plans to reach 80% levels by enhancing the ESP currently in operation. At this point, operation of emergency service will still be allowed under the 12-month guideline under Board Policy #110. The Sign-up will include:
 - Supplementary Service to Schools
 - Some peak-hour Transbay service where demand is expected
 - Frequency increases on trunk lines where increased demand is expected
 - The start of Bus Rapid Transit at 10-minute frequency

Staff will present a detailed list of the limited reinstated service to the Board in July, prior to implementation.

- 3. Roll out a reduced service network in March 2021** - Before the conclusion of the one-year period of emergency service, staff will implement a permanent reduced service network that maintains the 80% service level. The reduced network will refocus service to where it is needed most. Staff proposes the attached Guiding Principles document as the basis for developing the reduced service network.

For this long-term service plan, staff will conduct a public hearing and seek Board input and approval prior to implementation.

- 4. Continually monitor and adjust service through the next 12 months and beyond as conditions change.** The steps above will allow for the District to make further adjustments to service as part of the December 2020 Sign-up if necessary.

Plan Schedule and Next Steps

Below is staff's proposed schedule for the limited reinstatement of emergency service in August and

implementation of the reduced service network in 2021. In order to adhere to Board policies for implementation, there will be overlap between the two processes.

Temporary Reinstated Service

Date	Activity
April 2020	Initiate service planning process
June-August 2020	Outreach and notification
July 8, 2020	Update Board with reinstated service details
August 9, 2020	Implement service changes and new Sign-up

2021 Permanent Reduced Service Network

Date	Activity
April 2020	Initiate service planning process and develop public-facing materials
August 5, 2020	Set public hearing
August-October 2020	Public hearing engagement and notification; conduct Title VI equity analysis
October 14, 2020	Conduct public hearing
November 12, 2020	Seek Board approval
January-March 2021	Outreach and notification for implementation
March 21, 2021	Implement new service network and new Sign-up

Other Planning Activities

Though the COVID-19 pandemic will force AC Transit to operate reduced service levels, it will also change how we operate service and conduct business. Two opportunities that staff is exploring to improve operations are:

- **Fare collection** - In order to protect our operators who are working on the frontline of this crisis, AC Transit implemented fare-free, rear-door boarding on all buses with only those requesting ramp deployment traveling through the front door of the bus. Since AC Transit will need to start collecting fares again for additional revenue, the practice of fare payment through the front of the bus must be mitigated and could result in long-term changes to the fare collection process.

In the short-term, staff is exploring the installation of a physical barrier to protect the operator while maintaining safe operations. Staff is also preparing for the implementation of the Mobile Ticketing Pilot Program with Token Transit that will decrease the amount of time a passenger is near the operator when paying fares and thus, reduce exposure. Finally, staff would like to test an all-door boarding pilot program that would include the installation of a rear-door Clipper Card reader and will allow Clipper Card users to board through that door. These tactics would not only improve operator safety but should also reduce dwell time and improve speed and reliability.

- **Transit priority** - The COVID-19 pandemic has significantly reduced traffic congestion in the AC Transit service area. Staff expects traffic volumes will remain low after the pandemic and gradually increase to

pre-pandemic levels or worse if the region implements no strategies to decrease car travel. Strategies can come in many forms including more telecommuting. For transit, this is an opportunity to implement transit-improvement strategies such as transit priority treatments, especially while traffic impacts would be less. Treatments could include signal improvements and dedicated transit lanes. Staff will work with its local jurisdiction partners to seek these opportunities and advance projects such as the Dumbarton IDEA Grant Project, the Rapid Corridors Project and the Broadway Transit Lanes Project in partnership with the City of Oakland.

ADVANTAGES/DISADVANTAGES:

The advantage of developing a 12-month planning process and guiding principles is that it sets the framework and roadmap for service planning as a result of the COVID-19 pandemic. Though events, actions and impacts associated with the pandemic could frequently change, the planning process sets the basis for AC Transit's path forward while allowing for flexibility and adjustments to adopt to external factors. Adjusting service through a major service change also gives staff an opportunity to fix problems in the service network such as: operator availability, running time deficiencies, service gaps and unproductive routes and route segments.

The primary disadvantage of this planning process is that it ultimately includes a 20% reduction in service compared to pre-pandemic levels. Though necessary for financial sustainability beyond the next 12 months, this would be AC Transit's largest service reduction in the past 20 years. Staff also plans to closely monitor service demand and revenues so that adjustments can be made along the way if warranted.

The second challenge is developing a planning process through rapidly changing conditions and minimal data. It is therefore critical for staff to be flexible, nimble and resilient with operations.

ALTERNATIVES ANALYSIS:

Staff considered two alternatives that were ultimately not included in the plan:

- **Revert to pre-pandemic service levels after the counties and state lift the Shelter-in-Place Order and ridership slowly returns** - Though everyone wants a return to normalcy, staff did not want to revert to baseline service levels only to reduce them by 20% in August. In addition, pre-pandemic service levels could be excessive when compared to anticipated ridership levels. Staff concluded that a gradual increase in service levels is more feasible to manage.
- **Implement a reduced service network in December 2020** - If staff was to work backwards from this date, it would need to complete a final draft service plan equivalent to a Comprehensive Operations Analysis by mid-May in order to conduct a public hearing in August. The implementation of the ESP in March allowed for staff to carry out the activities necessary to roll-out a permanent service network 12 months later in March 2021.

PRIOR RELEVANT BOARD ACTION/POLICIES:

Board Policy #110 - Public Hearing Process for the Board of Directors

Board Policy #518 - Title VI and Environmental Justice Service Review and Compliance Report Policy

Board Policy #545 - Service Standards and Design Policy

ATTACHMENTS:

1. New Service Network Guiding Principles

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