



ALAMEDA-CONTRA COSTA TRANSIT DISTRICT

MINUTES

Special Meeting of the Board of Directors

VIRTUAL MEETING

Tuesday, November 17, 2020 at 9:00 AM

MEMBERS OF THE BOARD OF DIRECTORS

JOE WALLACE, PRESIDENT (WARD 1)

ELSA ORTIZ, VICE PRESIDENT (WARD 3)

GREG HARPER (WARD 2)

MARK WILLIAMS (WARD 4)

DIANE SHAW (WARD 5)

H. E. CHRISTIAN PEEPLES (AT-LARGE)

JOEL YOUNG (AT-LARGE)

BOARD OFFICERS

MICHAEL A. HURSH, GENERAL MANAGER

JILL A. SPRAGUE, GENERAL COUNSEL

LINDA A. NEMEROFF, DISTRICT SECRETARY

1. CALL TO ORDER

The Alameda-Contra Costa Transit District Board of Directors held a special virtual meeting on Tuesday, November 17, 2020.

Members of the Board participated via video conference from off-site locations in accordance with the statewide shelter in place order issued on March 16, 2020.

President Wallace called the Board of Directors meeting to order at 9:03 am.

2. ROLL CALL

Present: Wallace, Ortiz, Harper, Williams, Shaw, Young, Peeples

3. BOARD WORKSHOP**3.A. 1) Financial Update**[20-457](#)**2) Cost Savings Strategies****3) Actions Being Taken****4) Service Recovery Strategy**

General Manager Michael Hursh opened the discussion by saying that AC Transit's financial position was stronger than that of neighboring transit agencies, which are considering layoffs and service cuts. He added that the presentation was intended to provide transparency about the District's finances and the possibility of future service restoration.

Acting Deputy Chief Financial Officer Chris Andrichak gave an overview of the District's current financial condition with regard to revenue and expense trends and forecasts, cost savings strategies, and actions being taken to address future deficits. Director of Service Development and Planning Robert del Rosario gave an overview of the service recovery strategy including a general update, the timeline and approach. Director of External Affairs and Communications Claudia Burgos gave an overview of planned public outreach efforts.

Financial Update

Director Peeples asked why the District did not protest Peralta College's decision to cancel the EasyPass and requested a future report on the issue.

Director Harper commented that while property taxes are stable over the next year, they would eventually decline because big office complexes and retail centers will be vacant. He believed the District could not continue to underestimate the impact of COVID-19.

With regard to FY 2021-22 forecasts Director Harper asked if all the federal CARES Act money had been spent or just drawn down. Mr. Andrichak advised that the money was largely in the bank and would be spent over the second half of the fiscal year. Director Harper asked why staff wasn't reasonably expecting to only have \$390 million in revenue in FY 2021-22. Mr.

Andrichak advised that revenues are going to fluctuate, but some are coming back stronger than expected. Director Harper believed these overestimations of revenues would drive the District into a deeper hole. Mr. Andrichak argued that staff has been taking a conservative approach and revenues have returned stronger than expected. Mr. Hursh explained that the situation is fluid and there have been discussions about loosening restrictions on capital for use for operating expenses. In short, there are moving pieces that may help provide for additional funding.

Vice President Ortiz asked why the expenses for FY 2021-22 were increasing. Mr. Andrichak advised that salary increases, and inflation amounted to a 2 to 3% increase in expenses.

President Wallace inquired about the reopening in the union contract and hoped this was being considered to save money.

Cost Savings Strategies/Actions Being Taken

Director Harper inquired about cost savings associated with the contingency fleet, saying that any savings wouldn't be the result of layoffs. Mr. Andrichak advised that as the District reduced the fleet, there would be fewer buses requiring maintenance thus reducing parts and overtime.

Director Harper also inquired about a projected increase in the cost of diesel. Mr. Andrichak advised that diesel costs were expected to rise as the economy rebounded and demand increased.

Director Harper commented that the District should not be paying the cost of the security for the park at the Salesforce Transit Center and suggested the District consider selling the Division 4 property. Mr. Andrichak advised that the Division 4 property was part of the Facilities Master Plan for future expansion. Director Shaw concurred with staff saying that real estate assets were needed for future growth.

Director Shaw asked if the District was meeting the projected attrition rate for bus operators and whether overtime could be reduced by 50%. Mr. Andrichak responded that the District was meeting the attrition target and was hopeful that overtime would exceed the current 35% reduction but was doubtful that a 50% reduction was achievable.

Director Shaw agreed with a reduction in the contingency fleet which would save money due to the expense of keeping the fleet in working order but was concerned there wouldn't be enough buses for service. Mr. Andrichak advised that there would be a reduction in buses not needed for existing service.

Director Shaw inquired about the implementation of CalPERS medical and hoped the District could pursue it. She also asked if there was an opportunity to lease the bus storage facility at the Salesforce Transit Center to other transportation companies. Mr. Hursh advised that this has been explored and any proceeds from subleasing space would go to the state. He added that the current lease is very restrictive and changing it would take time.

Director Shaw asked if staff was considering any reduction in salaries for staff. Mr. Andrichak advised that Unrepresented employees had not received a pay increase in two years and were working at a lower pay level already. Labor unions have not been approached.

Service Recovery Strategy

President Wallace complained about the existing level of service in his ward, saying that riders needed better transit at night and on weekends.

Director Peeples asked what assumptions staff was making about social distancing in future service plans. Mr. del Rosario advised that staff was still making two-meter assumptions but was following trends given that the pandemic was worsening.

Vice President Ortiz asked staff to explain what guidelines staff would follow in planning future service. Mr. del Rosario advised that service restoration was contingent on the District's finances. More information will be available after the start of the year.

Director Harper thought staff should talk with MUNI about what it is doing to reduce social distancing on public transit. He also felt an equity issue that needed to be addressed was the issue of charging fares versus not charging fares as a social good, noting that the District lost 20% of its riders once it started charging fares.

Director Shaw appreciated staff's new approach, saying that the equity metrics will be an important element, but believed all aspects of equity needed to be considered. Director Shaw also suggested that staff look at alternative modes of transportation, including on-demand.

Director Harper left the meeting at 10:30 a.m.

4. SELECTION OF INTERIM PRESIDENT/VICE PRESIDENT OF THE BOARD

- 4.A** Consider report from the Nominating Committee and election of Interim Board President and Vice President for 2020. (verbal)

[20-462](#)

Director Peeples, Chair of the Nominating Committee, reported the Committee's recommendation to elect Director Ortiz as President and Director Young as Vice President to serve until a new president and vice president are selected in January and motioned same.

MOTION: PEEPLES/WALLACE to elect Director Ortiz as Interim President and Director Young as Vice President for 2020. The motion carried by the following vote:

Ayes: Wallace, Ortiz, Williams, Shaw, Young, Peeples

Absent: Harper

5. BOARD/STAFF COMMENTS

(Government Code Section 54954.2)

Director Peeples thanked President Wallace and Director Harper for their 20 years on the Board and what was accomplished through their leadership. President Wallace expressed appreciation to staff and the rest of the Board.

6. ADJOURNMENT

There being no further business to come before the Board of Directors, the meeting adjourned at 10:38 a.m.

Respectfully submitted,

/s/

Linda A. Nemeroff
District Secretary