

# AC Transit Strategic Plan

## Technical Appendix

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AC Transit and its consultant, CHS Consulting Group, developed the District's Strategic Plan based on thorough research, interviews, group feedback exercises and analysis. The Technical Appendix provides the background information developed through this effort. It also provides a preview into the next phase of the Strategic Plan, which is to develop department-level objectives and metrics that support the Goals and Strategic Initiatives established in the Strategic Plan.

The Technical Appendix includes the following attachments:

1. Attachment A – History of Strategic Planning at AC Transit
2. Attachment B - Strategic Planning Best Practices
3. Attachment C – AC Transit S.W.O.T. Analysis Results
4. Attachment D – Stakeholder Engagement Plan
5. Attachment E – Summary of Stakeholder Interviews with Board of Directors and Executive Staff
6. Attachment F – Alternative Visions/Scenarios Presented to the Board of Directors
7. Attachment G – Goals with Associated Draft Objectives and Metrics

## **Attachment A**

### **History of Strategic Planning at AC Transit**

## History of Strategic Planning at AC Transit

Strategic planning at AC Transit began in 1996, when a year-long effort was initiated to address a drop in financial resources and potentially drastic service cuts. As the financial picture brightened, the plan was reoriented towards establishing goals that would allow the District to expand its role in the East Bay to one of mobility manager, rather than simply bus operator. In 2000, eight Guiding Principles were adopted that were, essentially, goals oriented to transit system design. They were supplemented by 26 Service Deployment Policies, clustered in six categories; these Deployment Policies functioned as objectives to ensure that the Guiding Principles would be met. Definitions were also provided for service design under various land use densities and service types. Though the terminology was different, the functional elements of a strategic plan were established, albeit concerned mainly with service design.

In November 2001, the Board approved a Strategic Vision for the District. This was a five-year plan outlining specific operating and capital improvements. By the time the *Short Range Transit Plan 2001-2010* was published, the agency had adopted a vision statement, mission statement, goals, and sub-goals. Subsequent short range transit plans included elements of this strategic plan, though it was termed a *Strategic Vision*. Like that of 2001, these later versions tended to concentrate on service design, but they omitted the vision and mission statements of the earlier plan.

In July 2012, the first major update to the earlier strategic planning work took place. An executive strategy session was organized to develop AC Transit's organizational goals and a performance management model. The plan was designed to serve as the basis of the District's operating and capital budgets. A new mission statement was developed:

*Connecting our communities with safe, reliable, sustainable service...we'll get you there.*

In addition, five organizational goals were developed:

- *Provide Quality and Reliable Service*
- *Create a Safety Culture*
- *Utilize Financial Resources Efficiently and Effectively*
- *Attract and Retain a High-Quality Workforce*
- *Effective Communications, Messaging, and Marketing*

To achieve these goals, 44 metrics were formulated that would enable progress to be tracked throughout the year.

In 2014, the agency's Short Range Transit Plan presented, along with the above mission statement and goals, a chapter titled Vision 2040. Vision 2040 advocated a growth in transit service in the East Bay's Priority Development Areas (PDAs), as well as greater emphasis on economic development and the environment. It described an AC Transit that would be "Great, Green and Golden."

Meanwhile, fundamental changes were occurring in the District's operating environment. For example, the emergence of private mobility services provided by ride-hailing companies like Uber and Lyft created competition with AC Transit's bus and paratransit services. Ride-hailing vehicles also began to occupy bus stops to pick up and drop off passengers. These challenges, plus the ever-present threat of inadequate funding for transit, prompted the District's Board of Directors to call for a top-down revision in the Strategic Plan early in 2017. This led to the most recent strategic planning process, kicked off in April of that year. That process began with a series of workshops to explore the agency's strengths, weaknesses, opportunities, and threats (a so-called SWOT analysis). The SWOT analysis helped define the operating and funding environments that AC Transit anticipated in the coming five to ten years. Another exercise was the clarification of core values that have guided the agency's staff and Board in conducting their work and in making decisions. Following these milestones, the need for consultant assistance was recognized. For this reason, a team led by CHS Consulting Group was engaged in June 2018 to help guide the rest of the strategic planning process.

It should be mentioned that during this period, strategic planning had a strong influence on several functional initiatives. For example, in August 2016, AC Transit released its *Major Corridors Study*. This was a strategy to increase investment in the District's highest ridership corridors and was a direct outgrowth of the Strategic Vision. Another noteworthy example was the *Strategic Roadmap 2019-2021* produced by AC Transit's Human Resources Division in July 2018. This document included departmental vision and mission statements, as well as core values and goals. With the completion of the revised agency-wide Strategic Plan, initiatives like these can be better aligned and coordinated.

## **Attachment B**

### **Strategic Planning Best Practices**



## Memorandum

*To: Bill Lieberman, CHS Consulting Group*

*From: Camille Tsao, CDM Smith*

*Date: August 24, 2018*

*Subject: AC Transit Strategic Plan – Summary of Best Practices Research (Task 3)*

CDM Smith reviewed recent strategic documents prepared by AC Transit as well as several Strategic Plans from other transit agencies in the San Francisco Bay Area and outside the region. The purpose was to summarize AC Transit's previous goal statements and identify strategic plans from other bus agencies that face similar challenges with AC Transit.

### **AC Transit Strategic Documents**

The most recent strategic documents prepared for AC Transit include the following:

- The Strategic Vision FY2001-2010:
  - Established a goal to become the mobility manager of the East Bay, operating a world-class transit system, with attractive equipment, fast and reliable running times, flexible routings and high frequency service.
  - Outlined an “Optimal Plan” for service improvements that included innovative approaches and traditional service planning elements, while recommending Enhanced Bus and Bus Rapid Transit service on the major corridors.
  - Identified supportive policies in the areas of fare policy, local “transit first” and transit-oriented-development policies, and regional coordination of regular and lifeline services to complement service enhancements and boost ridership.
  - Recommended a phased approach to implementing service improvements.

- Short Range Transit Plan FY2014/15 to FY2023/24:
  - Envisions AC Transit as a leader of green business practices in the transit industry that supports residential and commercial development in the major Priority Development Areas in its District.
  - Strives to operate great transit service so that by 2040, people in the District choose to use transit as their principle mode of transportation, facilitated by a coordinated regional fare policy, and with more frequent and faster service.
- Major Corridors Study (2016):
  - Lays out a phased approach and options to improve bus service on the agency's highest ridership corridors, through increasing reliability and service quality, and prepares for the region's anticipated need for high-capacity transit.
  - Outlines a short-term and long-term capital investment strategy for each corridor, where long-term strategies considered whether projected 2040 household density, available right of way, and neighborhood operational considerations were appropriate for the level of investment (enhanced bus, rapid bus, bus rapid transit, and light rail transit).

Overall, AC Transit has developed goals and strategies that are primarily focused on service delivery and determining the appropriate level of investment of services, as well as ways in which regional interagency coordination can improve. The strategies demonstrate strong support for providing greater transit service in priority development areas, since there is a strong correlation between transit ridership potential and land use density. As stated in the SRTP, being an industry leader of green business practices is also a goal.

## **Other Agency Plans**

The following is a brief description of the strategic plans or short-range transit plans (SRTPs) for a selected group of agencies, some of which operate other transit modes in addition to buses. SRTPs were reviewed if a Strategic Plan was not available. As expected, strategic plans establish long-range vision, mission, and goal statements and usually look beyond service to how the organization should evolve. They often establish policies which articulate what is important to the agency, identify major capital investments and funding needs, and address important institutional relationships. There is variability in whether the strategic plans include performance metrics and there is less frequently an indication of whether there is regular reporting of these metrics to the Board of Directors. The short-range transit plans are more standardized and tend to focus more on programmatic, service-oriented goals and performance metrics, rather than organizational ones. Since they are part of a federal mandate to periodically update regional transportation plans, SRTPs are updated more frequently than strategic plans, and tend to share similar metrics on system performance. As a response to the recession of 2008-2010, the Metropolitan Transportation Commission adopted the Transit Performance Initiative, which

included additional metrics for San Francisco Bay Area agencies to improve their financial health, improve customer service, and attract new riders. **Table 1** summarizes the key elements of the plans.

*Central Contra Costa Transit Authority (County Connection), Short-Range Transit Plan 2016-2025*

The County Connection provides fixed route and paratransit bus service to the communities of Concord, Pleasant Hill, Martinez, Walnut Creek, Clayton, Lafayette, Orinda, Moraga, Danville, San Ramon, and unincorporated communities in Central Contra Costa County. The [SRTP](#) includes goals, objectives and standards pertaining to its system performance. They have plans to develop a strategic plan in the near future.

*Golden Gate Bridge, Highway and Transportation District (GGBHTD), Short-Range Transit Plan FY2016/17-2025/26*

The Golden Gate Bridge Highway and Transit District operates ferry, fixed-route regional bus service to and from San Francisco, fixed-route local bus and paratransit service ferry service. The bus service is referred to as Golden Gate Transit. The District includes the City and County of San Francisco, Marin, Sonoma and Del Norte Counties, Mendocino County, and most of Napa County. The [SRTP](#) includes general goals and specific objectives and metrics.

*Livermore Amador Valley Transit Authority (LAVTA or Wheels), 2006 Strategic Plan*

The Livermore Transit Authority provides bus and paratransit (Wheels) service in Dublin, Pleasanton, Livermore and unincorporated areas of Alameda County. The [Strategic Plan](#) is both organizational and programmatic and includes a vision, mission, goals, strategies/objectives, time frame for implementation, and responsible party. The [SRTP](#) 2016-2025 includes similar/updated goals and strategies.

*San Francisco Municipal Transportation Agency (SFMTA or Muni), 2018 Strategic Plan*

The San Francisco Municipal Transportation Agency Transit Division operates bus, light rail, streetcar, cable cars in the City and County of San Francisco. The [Strategic Plan](#) includes a vision, mission statement, and strategic goals and objectives and is has both organizational and programmatic aspirations. SFMTA also establish a Strategic Plan subcommittee comprised members of the Board of Directors, who meet regularly to obtain updates from staff on the agency's performance as they relate to strategic plan goals.

*San Mateo County Transit District (SamTrans), Strategic Plan 2015-2019*

SamTrans provides bus, shuttle and paratransit in San Mateo County. Many of its bus routes connect with Caltrain and/or BART. It also operates express bus service to and from San Francisco and Palo Alto. The [Strategic Plan](#) is an organizational and programmatic document that includes a vision statement, goals, and specific targets to advance agency priorities.



*Western Contra Costa Transit Authority (WestCAT), Short Range Transit Plan FY 2016-2026*

WestCAT provides local, regional, and express public transportation service for the cities of Pinole and Hercules, and unincorporated communities along the eastern edge of San Francisco Bay. The [SRTTP](#) includes goals and performance measures/targets to provide the mechanics of the performance monitoring system.

The following plans are from agencies outside the San Francisco Bay Area:

*King County Metro Transit (King County Metro), King County, Washington, Strategic Plan for Public Transportations, 2011-2021*

King County Metro is the transit division of the King County Department of Transportation and provides fixed-route bus service throughout the Puget Sound area. In addition, King County Metro operates Sound Transit's regional express bus service and Link light rail in King County, along with the Seattle Streetcar—an electric trolley bus system. The [Strategic Plan](#) includes mission and vision statements, goals and objectives, strategies, and performance measures.

*Los Angeles County Metropolitan Transit Authority (LA Metro), Los Angeles County, Draft Metro Strategic Plan, 2018-2028*

LA Metro is the regional transportation planner, coordinate, design, builder, funder, and operator for Los Angeles County. Its public transportation services are provided throughout the Greater Los Angeles area via subway trains, light rail and buses (i.e., local, rapid, express, and bus rapid transit). The [Strategic Plan](#) includes the agency mission and vision, and outlines strategic goals and specific actions that LA Metro will undertake to meet those goals. Its strategic planning process is based on coordination and active collaboration with local municipalities, municipal transit operators, Councils of Government, Metrolink, and the general public and other stakeholders.

*Orange County Transportation Authority (OCTA), Orange County, Strategic Plan, 2014-2019*

OCTA provides countywide fixed-route bus and paratransit service, Metrolink rail service, and the 91 Express Lanes—a fully-automated toll facility located in the median of State Route 91. OCTA is also currently developing its first modern electric streetcar. The [Strategic Plan](#) outlines its values, vision and mission, and identifies key goals and objectives that guide established priorities and investments, and defines a performance-based approach to achieve its goals.

**Table 1: Elements of Various Transit Agency Strategic Documents**

Agency / Name of Document (Link)/ Annual bus ridership	Vision	Mission	Goals	Objectives	Performance Metrics? Y/N
Central Contra Costa Transit Authority (County Connection) / <a href="#">Short- Range Transit Plan 2016- 2025</a> / ~3,500,000	n/a	n/a	Chapter 7, "Vision", outlines funding source opportunities and potential projects such as a 15 min. BART feeder network and other service adjustments		N
Golden Gate Bridge, Highway and Transportation District (GGBHTD) / <a href="#">Short-Range Transit Plan FY2016/17- 2025/26</a> / 1,704,361	n/a	n/a	1: Provide reliable, safe, and effective regional transit services 2: Improve transit system performance	1. Strive to enhance the productivity of transit services, equipment, and operating labor to maximize the use of available resources, 2. Meet or exceed operations and maintenance standards to attract and retain choice riders and meet the needs of transit- dependent riders, 3. Provide equity in serving the mobility needs of transit-dependent riders 4. Operate transit services in a fiscally responsible manner that considers the limited availability of fares and subsidies 5. Improve the financial condition of the transit system	Y

Agency / Name of Document (Link)/ Annual bus ridership	Vision	Mission	Goals	Objectives	Performance Metrics? Y/N
Livermore Amador Valley Transit Authority (LAVTA or Wheels) / <a href="#">2006 Strategic Plan</a> / 1,650,388	LAVTA strives to be a well-recognized, highly respected, integrated public agency utilizing appropriate tools and technologies to provide cost-effective, exceptional transport service in response to the needs and priorities of those who live or work in and visit the Tri-Valley area	to provide equal access to a variety of safe, affordable and reliable public transportation choices, increasing the mobility and improving the quality of life of those who live or work in and visit the Tri-Valley area	1. Ridership Development 2. Marketing and Public Awareness 3. Community and Economic Development 4. Policy Development 5. Regional Leadership 6. Organizational Effectiveness 7. Fiscal Responsibility		N (however, only brief ridership performance measure is included)
Western Contra Costa Transit Authority (WestCAT) / <a href="#">Short Range Transit Plan, FY 2016- 2026</a> / ~1,300,000	n/a	n/a	1: Provide cost-efficient transit services that meet the demands of WCCTA area residents 2: Provide effective transit services in the WCCTA service area that offer an attractive alternative to the use of a private automobile. 3: Increase then proportion of DAR, trips furnished to senior and disabled individuals as a percentage of total trips. 4: Maximize coordination with neighboring transit operators, as well as other local government agencies		N

Agency / Name of Document (Link)/ Annual bus ridership	Vision	Mission	Goals	Objectives	Performance Metrics? Y/N
San Mateo County Transit District (SamTrans) / <a href="#">Strategic Plan, 2015-2019</a> / 11,432,517	The District is a mobility leader, providing safe transportation choices and a sustainable future that meets the needs of our customers and diverse communities.	n/a	5 GOALS FOR 5 YEARS: 1. Increase weekday fixed-route ridership by 15% 2. Increase fixed-route farebox revenue by 20% 3. Reduce debt service by \$1.5 million annually 4. Improve organizational performance 5. Manage workforce change		Y (Goals have measures built-in)
San Francisco Municipal Transportation Agency (SFMTA or Muni) / <a href="#">2018 Strategic Plan</a> / 225,786,000	"Excellent transportation choices for San Francisco."	We connect San Francisco through a safe, equitable, and sustainable transportation system.	1: Create a safer transportation experience for everyone. 2: Make transit and other sustainable modes of transportation the most attractive and preferred means of travel. 3: Improve the quality of life and environment in San Francisco and the region. 4: Create a workplace that delivers outstanding service.		Y
Orange County Transportation Authority (OCTA) / <a href="#">Orange County Strategic Plan, 2014-2019</a> / ~41,000,000	An integrated and balanced transportation system that supports the diverse travel needs and reflects the character of Orange County	Develop and deliver transportation solutions that enhance the quality of life and keep Orange County moving	1. Mobility (bus performance), 2. Public Service (customer experience) 3. Fiscal Sustainability, 4. Stewardship (proj delivery, sustainability) 5. Organizational Excellence		N

Agency / Name of Document (Link)/ Annual bus ridership	Vision	Mission	Goals	Objectives	Performance Metrics? Y/N
<p>Los Angeles County Metropolitan Transit Authority (LA Metro), Los Angeles County / <a href="#">Draft Metro Strategic Plan, 2018-2028</a> / 284,708,290</p>	<p>Deliver a mobility system that enables people to travel swiftly and easily throughout the LA County region, no matter where they want to go or when.</p>	<p>Metro’s mission is to provide a world-class transportation system that enhances quality of life for those who live, work, and play within LA County.</p>	<ol style="list-style-type: none"> <li>1. Provide high-quality mobility options that enable people to spend less time traveling</li> <li>2. Deliver outstanding trip experiences for all users</li> <li>3. Enhance communities and lives through mobility and access to opportunity</li> <li>4. Transform Los Angeles County through regional collaboration and national leadership</li> <li>5. Provide responsive, accountable, and trustworthy governance within the Metro organization</li> </ol>		<p>Y</p> <ol style="list-style-type: none"> <li>1. all County residents have access to high quality mobility options within a 10-minute walk from home</li> <li>2. reducing max wait time to 15 min.</li> <li>3. improve avg travel speed by 30%</li> <li>4. Providing convenient and dependable options for bypassing congestion on streets and highways</li> </ol>
<p>King County Metro Transit (King County Metro), King County, Washington / <a href="#">Strategic Plan for Public Transportation, 2011-2021</a> / 122,233,133</p>	<p>Metro provides safe, efficient and reliable public transportation that people find easy to use, public transportation contributes to better quality of life, the public is engaged with Metro, metro has quality employees who enjoy their jobs, Metro is financially stable</p>	<p>Provide the best possible public transportation services and improve regional mobility and quality of life in King County</p>	<ol style="list-style-type: none"> <li>1. Safety</li> <li>2. Human potential (equitable access)</li> <li>3. Economic Growth and Built Environment</li> <li>4. Environmental sustainability</li> <li>5. Service excellence</li> <li>6. Financial stewardship</li> <li>7. Public engagement and transparency</li> <li>8. Quality workforce</li> </ol>		<p>Y (comprehensive list of quantitative metrics for equity and other goals [page 56])</p>

## Industry Best Practices

A [TCRP study](#) on “Strategic Planning and Management in Transit Agencies” published in 2005 looked at a range of strategic plans to broaden understanding of how prevalent strategic planning is in transit agencies and the methods they have used. At the time of the study, approximately 80 percent of agencies sampled had undertaken some form of strategic planning. Larger agencies were more likely to engage in strategic planning than medium and small agencies. The common steps in their processes include:

- Creating an organizational vision and a vision statement.
- Developing a mission statement and goals and objectives.
- Identifying the organization’s core values.
- Conducting a “stakeholder” analysis.
- Assessing the organization’s external and internal environments to identify strengths, weaknesses, opportunities and threats (a SWOT analysis).
- Identifying the key strategic issues facing the organization and formulating strategies to manage these issues.
- Developing an effective process for implementing and managing the strategic initiatives.
- Evaluating progress and making necessary mid-course decisions.

Highlights of the lessons learned from previous strategic plan efforts include:

- The importance of stakeholder buy-in, from external as well as internal stakeholders.
- Strategic management, in addition to strategic planning, is necessary to make sure that there is action taken.
- To encourage strategic management, strategic plans should be linked to business processes like budgeting, capital programming, and performance measurement.
- Understanding core values helps the development of goals and strategies.
- Plans and goals should be challenging but not unattainable.
- Techniques applied to organizational development can be helpful tools in the strategic planning and management process.
- Responsibility and accountability can be assigned to strategy ‘champions’ along with incentives.
- Effective communication is critical, so that people know the purpose of strategic planning efforts and understand their role in the process.

- The planning process should be tailored to the agency and its specific needs.
- Recognize that change is difficult and will not happen overnight, which is why buy-in from decision-makers is crucial for success.
- A strategic plan should be updated regularly and treated as a ‘living document.’

Other conclusions of the worth noting are:

- Additional study is needed in understanding what performance measures are effective and appropriate, as well as techniques for involving a diverse set of stakeholders.
- More planning that “thinks outside the box” is needed, such as “scenario planning” techniques that have been used frequently in the private sector (and seem to be appearing more often in the public sector).
- According to the TCRP New Paradigms Study, fundamental shifts in transit industry thinking is needed in light of the major changes occurring and “strategic thinking” could be valuable.
- Specialized training for staff in strategic planning or assembling peer review teams with professionals experienced in strategic planning might be helpful.

## **Attachment C**

### **AC Transit SWOT Analysis Results**



## Strengths, Weaknesses, Opportunities, and Threats (SWOT) Analysis From Workshops Conducted in 2017

Strengths	Weaknesses	Opportunities	Threats
<b>SERVICE</b>			
“We own the peak”		Transbay—are untapped possibilities for expanded coverage and hours	Can we afford to provide bus service?
		Regional interest in reducing congestion and BART crowding	Chariot, Lyft, Uber as competitors (10 years high risk)—low wage, low benefit, autonomous, electric
		Supplemental service is expensive but (politically) popular	
<b>FINANCIAL</b>			
	Lack of resources	Potential for \$20 M (annually) in bus funding in RM 3	Decreases in state and (especially) federal funding
		Require TNCs to pay fairly, surcharge to support transit and (disabled) accessibility	Divergence between AC Transit living wage model and low wage transport models
			Post Proposition 13 tax structure forces regressive or unpopular taxes
		Strong support for AC related tax measures recently, but “funding fatigue” could undermine popular support	
<b>ORGANIZATIONAL STRUCTURE</b>			
Can focus on single mode of service, not distracted by rail or ferry issues like other transit agencies	Lack of forum/venue to discuss issues within organization (GM disagreed)	<i>Difficult to create change</i>	<i>Lack overarching strategy</i>
Maintaining institutional knowledge cited as both a strength and a weakness			
Directly elected Board brings direct motivation and has knowledge of our system			
Transit Counsel is strong and decisive			
Created better working relationships with external agencies for projects—e.g., Rapid	Difficulty in working with partner agencies—cities and stakeholders		
Interagency Liasion Committee with City of Alameda	<i>Insufficient staff &amp; resources to be pro-active, are often reactive</i>	ACTC has become an important ally	

Words in italics suggested by staff; others generally from the Board of Directors

## SWOT Analysis (Continued)

Strengths	Weaknesses	Opportunities	Threats
<b>ORGANIZATIONAL ACTIVITIES</b>			
Strong external communications			
Ability to mobilize stakeholders			
Excellent planning department	Lack of onboarding process (orienting new employees)	<i>Should be more staff recognition</i>	
<i>Interdepartmental cooperation improved</i>	Inexperience in delivering major capital projects such as the BRT	Silos still exist	
Old large agency can deliver on major actions when needed		Difficult to prioritize what activities should be in-house vs. contracted	
<i>Dedicated, diverse, flexible, experienced, trustworthy, professional staff</i>		<i>Need more emphasis on diversity, inclusion, and engagement</i>	
<i>Are established policies, regulations, and guidelines</i>			
<i>Are innovative projects and plans</i>			
<b>WORKFORCE</b>			
Much of workforce has family roots and history in East Bay, care personally about service areas		Workforce development activities weak <i>Need more cross-training</i>	Aging Workforce <i>Need succession planning</i>
Frontline ATU employees' values strong and appreciated throughout the agency		Need more employee engagement	
<b>BAY AREA DEVELOPMENT</b>			
AC Transit can serve as both solution to transit needs and driver of economic development		Transit-using groups—millennials and elderly—growing in population	
Great branding—positive and strong brand			

*Words in italics suggested by staff; others generally from the Board of Directors*

## **Attachment D**

### **Stakeholder Engagement Plan**



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## Memorandum

Date: June 25, 2018  
To: Nathan Landau, AC Transit  
From: Bill Lieberman  
Re: Deliverable 2A-1 - STAKEHOLDER ENGAGEMENT PLAN

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This memorandum summarizes the anticipated activities for soliciting stakeholder input as the first step in the preparation of the agency's strategic plan. Individual interviews will be held with each board member and with members of the senior staff, who may be interviewed individually or in small group settings. Prior to the interviews, a list of questions about the strategic process and key issues will be sent to all persons to be interviewed. The suggested questions will be reviewed by AC Transit staff and appropriate revisions will be made before they are shared with the stakeholders.

After both sets of interviews have been completed, a technical memorandum will be prepared which summarizes and synthesizes the key issues raised. This memorandum will focus on the main points of consensus, but also report on any significant areas of disagreement. The information gained from the interviews and participant review of the summary will be used to plan and finalize an agenda for the first joint workshop, scheduled in August.

The list of interview questions is included as Attachment 1.

Attachment 1  
AC Transit Strategic Plan  
QUESTIONS FOR BOARD MEMBER INTERVIEWS

Strategic Planning Process

1. Why is there a need for a strategic plan at this time?
2. What experience have you had with strategic planning at AC Transit or in other organizations?  
Follow-up: How important is it for a strategic process to set goals and objectives to support an agency's mission and vision? Is there any difference between an agency vision and mission? How important is it to craft a vision of what the organization needs to become before setting strategic priorities?
3. What are some particular pitfalls we should be aware of as we proceed with the process?
4. How do you think Board members and executive staff will use the process and the final plan framework for decision making? Follow-up: Will the existence of the plan and its implementation make decision making more or less difficult?
5. What are the best recent examples you can recall of how this Board reaches consensus?

Preliminary Strategic Issues (listed in no particular priority order)

1. Financial stability – What are the major short and long term challenges; what are the effects of unfunded pension growth, return to source local rules, operating cost increases?
2. Declining ridership – How significant is the trend, how is it divided by market segment, what are the opportunities you see for change?
3. Transportation Innovations and market disruption – What do you think the agency should do about competition with app-based services: resist them, ignore them, or partner with them?
4. Fuel technologies (fuel cell vs. battery, diesel phase-out)
5. Modal choices – Bike use of street right of way/conflicts with transit operational goals, BRT and localized resistance
6. Equity and access – What percent of the agency's resources do you feel should be spent serving transit dependent riders versus those who have a choice of travel mode?
7. Strategic, political and community partnerships – Opportunities/actions to improve our relationships and strengthen our influence in problem solving and policy making

## **Attachment E**

### **Summary of Stakeholder Interviews with Board of Directors and Executive Staff**

## SUMMARY OF BOARD INTERVIEWS

### AC TRANSIT STRATEGIC PLAN

#### Strategic Planning Process

**Need for a plan** – General consensus on the need for a plan at this time; although enthusiasm varies. No one is opposed to the process but some are not as convinced as others that this is a pivotal time to consider strategic direction.

**Levels of experience with strategic planning** – Levels vary with some members having experience in both private and public environments.

**Importance of mission and vision** – No clear consensus on the primary mission of the agency - social service agency or just mobility provider. How broad is the purpose – does it include providing middle class employment opportunities (push back against income inequality) and enhancement of urban living, two issues that one board member wanted to add to the list presented? Have to meet the expectations of both voters and riders.

**Possible pitfalls** – Bureaucratic organizational culture with many silos; not finding a way to engage labor leadership in meaningful way; planning taking the lead and not involving all departments or leading the board “by the nose”; lack of board, management, staff and labor alignment on problem definition, importance and strategies for change

**Use of the strategic plan for decision making** – Some feel that it could help with big directions, but there would still be difference over what and how to address implementation.

**Methods of board consensus** – It varies, but most frequently 2 or 3 take leadership and the rest follow. Board members do come prepared to meetings but often defer to members who feel more strongly about the issue. The Chair provides political leadership ahead of meeting times and most decisions are 7-0. The split on labor support seems to frame many of the issues, whether they are specifically about labor or not. Sometimes it is just a “kick the can down the road” response.

#### Strategic Issues

**Financial** – All members are aware of the challenges, but have different levels of concern. Biggest shared concern is escalating benefits cost, especially health; labor at 60/40 benefits/wages share. Also possible loss of revenue from repeal of increased gas tax is serious challenge.

**Declining ridership** – Disagreement on whether ridership is holding steady or declining slightly. And if believe that it is declining, disagreement on the causes. A majority believe that TNC’s are the primary reason.

**Transportation innovations/market disruption** – Disagreement on how serious the threat. Some feel that AC is the core system and will always hold a certain market share. Others see an erosion of market segment, that shared mobility is a real threat and are especially sensitive about “owning” the Transbay service.

**Fuel technologies** – No consensus on integrated strategy for meeting phase out of diesel fleet; one member strongly for hydrogen, most see electric/fuel cell as the future.

**Modal competition** – General consensus that transit is most efficient mode for moving people through major corridors; don't support many of the local bike initiatives that take ROW from transit corridor and hamper transit operations safety and flexibility.

**Equity and Access** – Most think the current allocation of resources (70% coverage vs. 30% productivity) is about right. *Note: Planned increase to Transbay service will alter this split.*

**Strategic, political and community partnerships** – Relationships with MTC have improved in past few years; major challenge is land use and transportation priorities of different local jurisdictions in the service area.

## SUMMARY OF EXECUTIVE STAFF INTERVIEWS AC TRANSIT STRATEGIC PLAN

### Strategic Planning Process

**Need for a plan** – There is general consensus on the need for a plan at this time; major reasons cited are to provide direction on where the agency needs to go, to improve priority setting and decision making, to respond to changing mobility needs and market disruption, and the realization that doing business as usual will mean an erosion of the stated mission.

**Importance of mission and vision** – Staff members feel that a mission that serves being both a transit agency and social service agency does not have to be in conflict; however, since there are many external changes affecting the agency's continued viability, it is important to think about the vision of what they want to become, how to get there, and the significant milestones along the way.

**Possible pitfalls** – Many staff members have been involved in past strategic efforts and their main concern is follow up with buy in by all employees. Other challenges are difficulty of getting alignment between board and staff on definition of issues and priorities; the agency has many silos when it comes to information flow and decision making; the focus is on the present issue/problem with insufficient time allotted to consideration of a bigger picture. There is also a tendency by both the Board and staff members to think first about what they want and not think in terms of what is in the interest of the long term viability of the agency.

**Use of the strategic plan for decision making** – A plan and its process can help the agency develop a more cohesive understanding of where they are and what decisions are needed and when, but the biggest challenge is in the development of objectives, tasks, and productivity measures.

### Strategic Issues

**Financial** – The current cost/benefit ratio is not sustainable; outstanding obligations cannot be met with the current setup. The agency is projecting sizable deficits over the next 10 years and the possible loss



of revenue from repeal of increased gas tax significantly exacerbates the problem. Costs are increasing at a higher rate than existing or feasible projected sources of income.

**Declining ridership** – Decline of 1-2%, is not out of line with performance of other operators in the region; however, it is important to note that ridership has been decoupled from economic conditions. Where the agency has invested in focused corridor service improvements, there has been modest ridership increase, but the financial investment required is substantial.

**Transportation innovations/market disruption** – People now have more choices in mobility information and services; the culture is changing and we need to understand the shift and the pace. The biggest observed impact of TNC's is congestion in major corridors and at bus stops affecting service reliability.

**Fuel technologies** – No one technology works best for the agency at this time; there will be data from the comparison of operating both hydrogen and electric fueled buses over the next two years. There is no need for a rush to decide; technology needs to adapt to the agency's service needs, not the other way around.

**Modal competition** – Local jurisdictions are approving land use and street improvements that significantly impact the agency's operating environment. Auto use still remains the significant alternative to transit choice.

**Equity and Access** – Service hours are roughly allocated based on demand (70%) and coverage of service area (30%). Staff members believe that the agency does a credible job of balancing these competing needs and that what is most important is the safety and quality of existing service and how that affects people's perception of riding the bus.

**Strategic, political and community partnerships** – The agency needs more productive partnership/coordination with local jurisdictions, at the policy and staff levels, to support its capital and operating decisions.

**Attachment F**

**Alternative Visions/Scenarios  
Presented to the Board of Directors**

The Consultant Team, in concert with AC Transit staff, used the list of issues from the Stakeholder interviews and other information gathering to construct four alternative scenarios of roles that the agency could play in the East Bay over the next five to ten years. The purpose of these scenarios was to give stakeholders a realistic set of options to consider, rather than offering an abstract list of goals and objectives that were not tied to real-world situations. Four alternative scenarios were presented:

- **Tactical Retreat** described a future in which AC Transit would reduce its service to levels that were sustainable, given available finances and labor.
- **Hold Our Ground** was a future wherein AC Transit would maximize its efficiency and effectiveness, assuming its current policies and business practices.
- **Focused Improvements** imagined a model in which AC Transit would focus investment in major corridors and offer local buses or Flex service in low-performing areas.
- **Whatever It Takes** considered what AC Transit might be like if it committed to mobility for everyone in the District through operation of all buses and shuttles and coordination with private sector operators.

The characteristics of each scenario were described in terms of finance, service quality, shared mobility, and public/political support.

These four scenarios were presented to a joint Board/senior staff workshop on August 29, 2018. The pros and cons of the different scenarios were explained, followed by a discussion joined in by both Board and staff. In the end, the consensus of the Board was toward the Focused Improvements Scenario, enhanced with some elements from Whatever It Takes. The four scenarios are listed in the table below.

Coupled with the S.W.O.T. Analysis and Core Values, Staff and the consultant team used the selected scenario as the basis for setting the District's Vision Statement, Mission Statement, Goals and Strategic Initiatives.

AC Transit Strategic Planning: **Alternative Future Scenarios and Characteristics (2018-08-29)**

Name of Scenario →	Tactical Retreat	Hold Our Ground	Focused Improvements	Whatever It Takes
Vision Statement	AC Transit has reduced service levels that are sustainable given available finances and labor.	AC Transit has maximized its efficiency and effectiveness under its current policies and business practices.	AC Transit has embraced a collaborative model by deploying its buses in major corridors and offering Flex service in low-performing areas	AC Transit has committed to mobility for everyone in the District through operation of all buses and shuttles and coordination with the private sector
Finance	<ul style="list-style-type: none"> <li>• SRTP financial projections have not been met</li> <li>• Service levels have been cut back to meet projected revenues</li> </ul>	<ul style="list-style-type: none"> <li>• SRTP financial projections have prevailed</li> <li>• Service hours have been adjusted to meet projected revenues</li> </ul>	<ul style="list-style-type: none"> <li>• SRTP financial projections have prevailed</li> <li>• There is a renegotiated agreement for regional funding of AC Transit's transbay operations</li> <li>• Added revenue and improved productivity have resulted from redeployment of bus hours and on-street priority measures</li> </ul>	<ul style="list-style-type: none"> <li>• AC Transit operates under a new business plan</li> <li>• There is a renegotiated agreement for regional funding of AC Transit's transbay operations</li> <li>• New revenue has been obtained from the former managers of shuttle and independent bus operations</li> </ul>
Service Quality	<ul style="list-style-type: none"> <li>• Reliability has improved by adjusting schedules to run times but not maintaining frequencies</li> <li>• Bus frequency has been reduced</li> <li>• Weak routes have been dropped</li> <li>• The ability to cover missed trips is limited</li> </ul>	<ul style="list-style-type: none"> <li>• No more than 72% average reliability has been maintained</li> <li>• SRTP frequencies have mostly been maintained</li> <li>• Effective frequencies on many routes have been decreased to match driver availability</li> </ul>	<ul style="list-style-type: none"> <li>• Buses have been shifted from low-performing routes to major corridors</li> <li>• School service has been deployed to maximum efficiency</li> <li>• Improved operation in regional corridors has resulted from increased collaboration with cities</li> <li>• Transbay service has expanded to fill greater demands, financed by additional regional funding</li> </ul>	<ul style="list-style-type: none"> <li>• AC Transit manages and brands the independent bus and shuttle operations</li> <li>• Lanes are managed more intensively to improve bus speed and reliability</li> <li>• Buses have been shifted from low-performing routes to major corridors</li> <li>• School service has been deployed to maximum efficiency</li> <li>• Improved operation has resulted in major corridors due to increased collaboration with cities</li> <li>• Transbay service has expanded to fill greater demands, financed by additional regional funding</li> </ul>
Shared Mobility	<ul style="list-style-type: none"> <li>• Partnerships have been forged with TNC and taxi companies to fill gaps in service</li> </ul>	<ul style="list-style-type: none"> <li>• TNCs continue to erode off-peak (and perhaps peak) ridership</li> <li>• TNC traffic and use of curb space has increased erosion of running times in major corridors</li> </ul>	<ul style="list-style-type: none"> <li>• TNCs continue to erode off-peak (and perhaps peak) ridership</li> <li>• AC Transit operates its own version of TNCs in several areas (Flex)</li> <li>• Better collaboration with cities has resulted in better curb management and enforcement of bus stop restrictions, reducing negative impact of TNCs</li> </ul>	<ul style="list-style-type: none"> <li>• AC Transit has collaborated with TNCs by offering patrons in low-productivity areas subsidized rides instead of fixed-route service</li> </ul>
Public & Political Support	<ul style="list-style-type: none"> <li>• There has been a minor improvement in relations with local jurisdictions</li> </ul>	<ul style="list-style-type: none"> <li>• There has been a minor improvement in relations with local jurisdictions</li> </ul>	<ul style="list-style-type: none"> <li>• More collaboration with cities has improved transit operations in major corridors</li> <li>• An expanded constituency has resulted from offering better service and more amenities to riders</li> <li>• There is more collaboration with cities to provide better service to new development along major corridors</li> </ul>	<ul style="list-style-type: none"> <li>• More collaboration with cities has improved transit operations in major corridors</li> <li>• An expanded constituency has resulted from offering better service and more amenities to riders</li> <li>• There are more effective partnerships with cities to provide better service to new development along major corridors and elsewhere</li> </ul>

## **Attachment G**

### **Goals with Associated Draft Objectives and Metrics**

## Our Goals with Draft Objectives and Metrics

*Objectives* are specific statements of exactly how the agency proposes to achieve each goal. Some objectives can be considered *transformational*; they are fundamental to the achievement of our vision and the Focused Improvements scenario. Others are *functional*; they are needed for us to conduct our day-to-day business. The following clarifies each of the six goals and lists 60 draft objectives developed by staff to realize them. During the rollout of the Strategic Initiatives in the next phase of the Strategic Plan, the objectives may be modified by teams to better reflect their work and align with the initiatives rather than the goals themselves. However, this draft list gives readers an idea of how AC Transit intends to improve and move forward in a unified direction

- **Goal: Safe and Secure Operations**

- Transformational Objective

- **Implement Anti-Crime Enhancements**
    - **Enhance Emergency Preparedness**

- Functional Objectives

- **Reduce Employee Injuries and Workers' Compensation Claims**
    - **Improve Customer Safety**
    - **Adopt and Implement Safety Management System (SMS)**
    - **Solidify Emergency Operations/Continuity of Business Preparedness**
    - **Develop a Fare Collection and Enforcement Policy for BRT**
    - **Upgrade and Rehab Operating Facilities**
      - Metric: Bring all existing new facilities to LEED certification by 2028

- **Goal: Convenient and Reliable Service**

- Transformational Objectives

- **Increase Ridership**
      - Metric: Increase overall ridership by 5% by 2023 and 10% by 2028
      - Metric: Increase Transbay ridership by 20% by 2028
    - **Accelerate Capital Improvements that Directly Enhance Service**
      - Metric: Implement three additional Transit Performance Initiative corridors by 2023 and have all trunk corridors complete by 2028
      - Metric: Coordinate with the Alameda County Transportation Commission to implement San Pablo BRT/BRT lite by 2023
      - Metric: Implement East Bay BRT by June, 2020
    - **Provide Alternative Service in Very Low Density Areas**

- Metric: Expand Flex Program to replace fixed-route service in Very Low Density areas beyond Fremont and Newark by 2020
- **Increase Non-Cash Fare Payment**
  - Metric: Increase Clipper Card usage to 75%
  - Metric: Introduce Mobile Ticketing application by 2020
- **Implement Innovative Technologies that Improve Service to Customers and within AC Transit**
  - Metric: Implement and continually update a responsive website which will encourage passengers to use AC Transit
  - Metric: Continue assisting MTC with successful deployment of Clipper 2

Functional Objectives

- **Periodically Revise the Service Plan to Ensure Its Responsiveness to Customer Needs**
- **Improve Frequency, Travel Speed, and Schedule Reliability**
- **Improve Bus Stop Location and Amenities**
- **Accelerate Capital Programs that Directly Enhance Service**
- **Improve Operator Courtesy**
- **Expand the Use of Pass Programs**
- **Implement Innovative Technology Solutions**
- **Upgrade and Rehabilitate Operating Facilities**

● **Goal: Financial Stability and Resiliency**

Transformational Objectives

- **Control Cost Growth**
- **Preserve/Increase External or Alternative Funding**
  - Metric: Secure future funding with a ballot tax or bond measure by 2022

Functional Objectives

- **Enhance Financial Policies and Reserves**
- **Reduce the Operations and Maintenance Costs of District Assets**
- **Clarify Fare-Related Policies**

● **Goal: High-Performing Workforce**

Transformational Objectives

- **Attract, Hire, and Retain Talent**
  - Metric: Average time to fill for standard positions at 45 business days or less

Functional Objectives

- **Promote the Emotional and Physical Well-Being of Staff**
- **Promote the Professional Development of Internal Staff**
- **Drive and Sustain Employee Performance**
- **Drive Employee Engagement**
- **Provide Technology Outreach and Support**

- **Eliminate Redundant Systems and Processes**
- **Goal: Strong Public and Policy Maker Support**
  - Transformational Objectives
    - **Enhance the District’s Image Among External Audiences**
  - Functional Objectives
    - **Improve Awareness of the District’s Key Initiatives and Positive Impacts among Policy Makers and the Public in the Region**
    - **Increase Visibility and Support for the District among Policy Makers**
    - **Measure Customer Satisfaction and Public Perception and Prioritize Issues of Key Concern**
- **Goal: Environmental Improvement**
  - Transformational Objectives
    - **Shift Trips in the AC Transit Service Area from Single-Occupant Motor Vehicles to Environmentally-Sustainable Transportation Modes, Especially Transit**
    - **Replace Internal Combustion Engine Buses with Zero-Emission Vehicles When Feasible**
      - Metric: Deploy 10 fuel cell electric buses (FCEB) by Q4 of FY18/19
      - Metric: Deploy 5 battery electric buses (BEB) by Q4 of FY18/19
      - Metric: Deploy up to 45 zero-emission buses by Q4 of FY20/21
      - Metric: Secure funding to deliver the Clean Corridors Plan by FY25/26
    - Incentivize AC Transit employees to take transit to work
      - Metric: Capture 50% mode split for transit by Q4 of FY 20/21
  - Functional Objectives
    - **Adhere to All Regulatory Compliance Requirements**
    - **Reduce AC Transit’s Vehicle Emissions**
    - **Consider Implementation of Mixed Uses on District Properties**
    - **Support the District’s Clean Energy Initiative by Deploying Green Technology**
    - **Build Environmental Improvement into District Processes and Projects**
    - **Deploy Green Technology**