

Farebox: \$21.9

Other Operating: \$19.1

Property Taxes: \$147.3

Wages: \$155.0

Fringe Benefits: \$184.1

# FINANCIAL AND SERVICE RECOVERY UPDATE

ALAMEDA INTER-AGENCY LIAISON COMMITTEE | 1.13.21



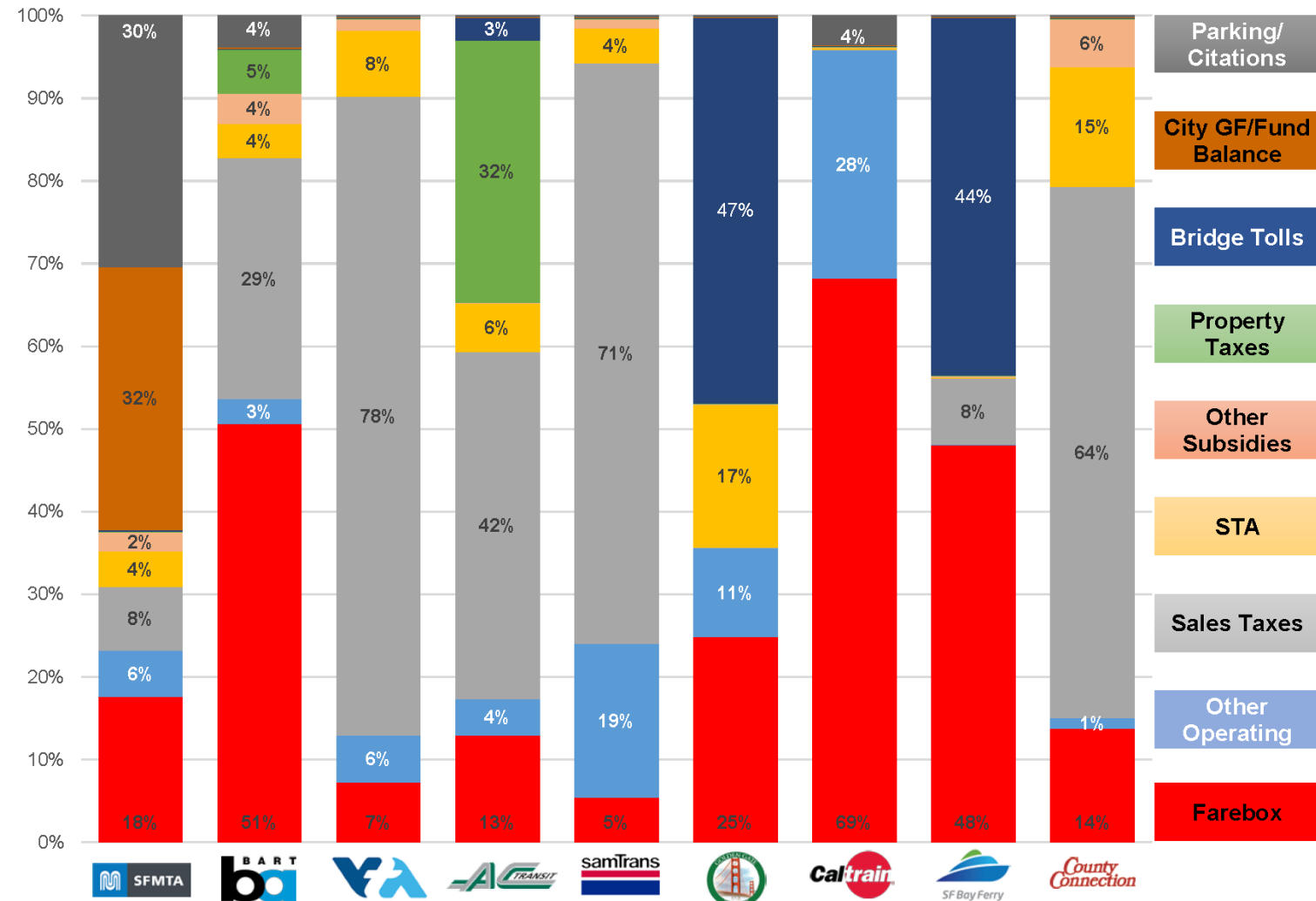
# FINANCIAL HEALTH OF AC TRANSIT SPECIAL DISTRICT



District financial position strong going into the pandemic.

- AC Transit unique with large share of stable property tax revenue
- Stable credit rating (A/A1)
- Untouched reserves
- Comparatively, some agencies have greater challenges due to their revenue mix – Golden Gate Transit, BART, Caltrain

Selected Bay Area Transit Agencies  
FY19-20 Adopted Budgets - Revenue Share Comparisons



# FY 20-21 FINANCIAL HEALTH REPORT



## PERFORMANCE:

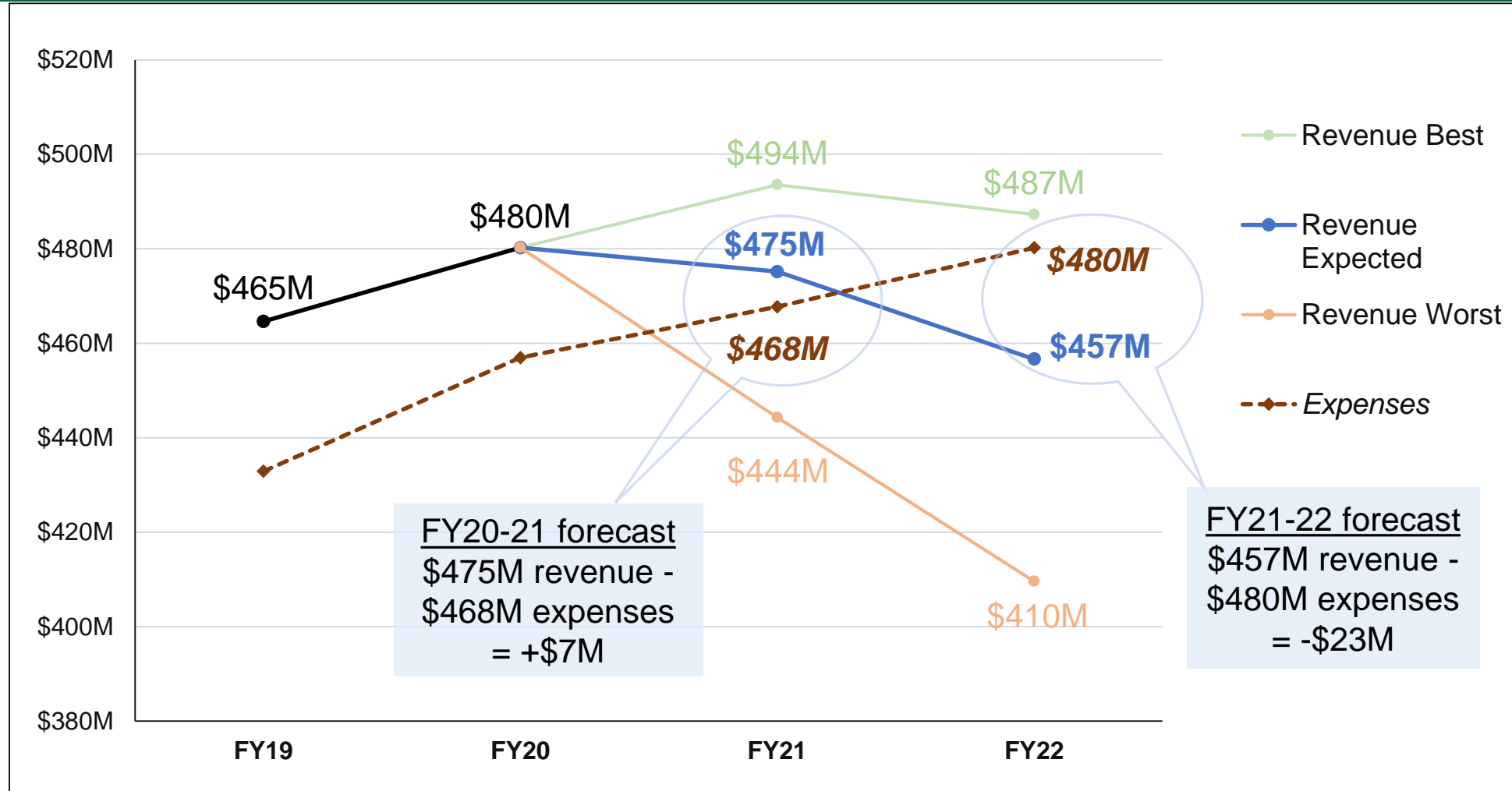
- **Revenues overall above budget (FY20-21 First Quarter)**
  - Sales Tax revenues better than expected, but lower than pre-pandemic levels
  - Federal Aid -- CARES Act funds awarded in first half of fiscal year
- **Expenses overall below budget (FY20-21 First Quarter)**
  - Labor expenses at budget
  - Non-Labor expenses below budget
  - Lower fuel costs, low paratransit ridership/cost

## CHALLENGES:

- **Fare collection started in 2<sup>nd</sup> Quarter**
  - Initial collections are lower than expected
  - Will ridership increase? Will the need for Transbay service return?
- **Sales tax trends look positive**
  - Unknown effect of third (or fourth...) wave of infections?
  - Will economy keep recovering?
  - Job losses in struggling sectors?
- **How much federal stimulus will we receive and when?**



# FY 20-21 AND FY 21-22 DRAFT FORECAST



***FY21-22  
Forecast***

**Expenses: \$480M (with same service level)  
Revenues: \$457M (expected/mid-range)  
→ \$23M deficit**

## *What is the District doing now and in near future?*

- Continue hiring freeze (except critical position)
- Reduce temporary employee count
- Review and capture additional non-labor expense reductions in mid-year budget

## *How does the District fill this gap?*

- Additional federal-aid funding
- AND/OR**
- Cost savings initiatives
  - Fill only critical vacancies
  - Monitor sales tax revenues for continued over-performance
  - Build up reserves in FY 20-21 for possible use in FY 21-22



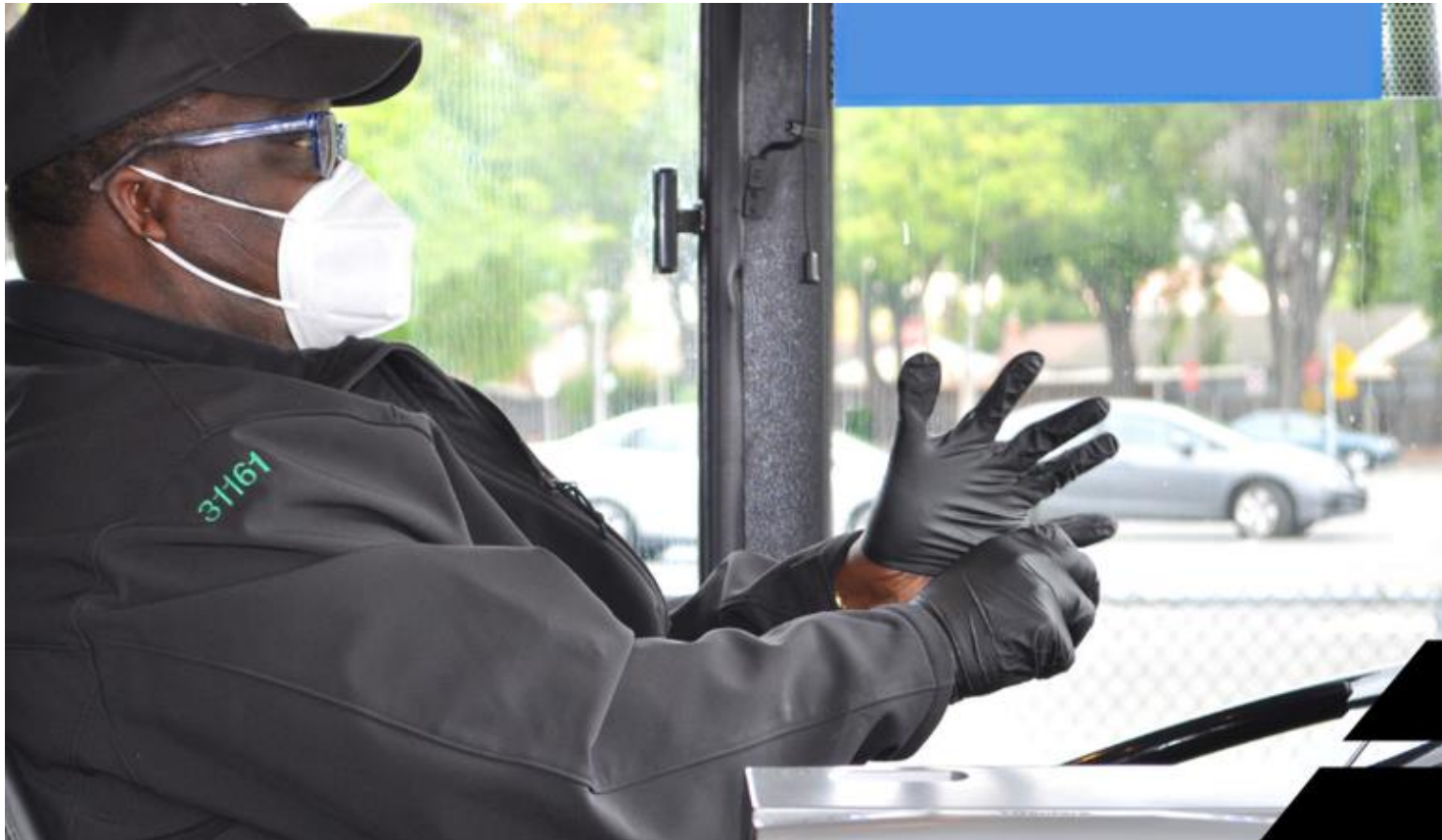
# SERVICE RECOVERY UPDATE

ALAMEDA INTER-AGENCY LIAISON COMMITTEE | 1.13.21





# COVID-19 Recovery Plan Version 1.0



- **Health & Safety** for passengers and operators and including vehicle sanitation
- **Planning & Operations** for Local, Transbay, Supplementary and Paratransit services
- **Community Engagement** to riders, communities, and stakeholders
- **Financial Outlook** including revenues and expense
- **Employee and Facility Health and Safety (SMART Plan)**
- **Innovation and Technology** to support activities and plans above

# Recovery Plan Phases

## Emergency Response

AC Transit's immediate response to the pandemic and the State and County Shelter-in-Place(SIP) Order, including the closure of businesses and facilities. Equivalent to Stage 1 of the California Resilience Roadmap

## Stabilize

AC Transit's response after having a better understanding of the severity and duration of the pandemic. County and other health authorities begin to lift the SIP Order and allow some businesses and facilities to reopen. Equivalent to Stages 2 and 3 of the California Resilience Roadmap.

## Recovery

An end to the pandemic is in sight via the imminent development of a vaccine, a reliable treatment, or the virus has taken its course in the AC Transit service area. There is further lifting of the SIP Order but health and safety guidelines still exist. AC Transit is able to more clearly assess its financial outlook and plan accordingly. Equivalent to Stage 4 of the California Resilience Roadmap.

## Beyond COVID-19

COVID-19 is contained and the pandemic is over. Economic recovery is in full swing but traffic conditions are worse than pre-pandemic and travel patterns are different. AC Transit is able to start to grow service to pre-pandemic levels assuming commensurate revenue growth and no restrictions on ridership.





## Recovery Plan Notes

- Plan content draw from official guidance from state, county and APTA
- Collaborated with District's labor unions on certain plan aspects including design of shields, training and enforcement of safety practices
- District is in the Stabilize phase of the Recovery Plan. Some components of the plan will advance and some may regress depending on environmental conditions. Plan allows for flexibility
- Plan is a living document that will be updated with future versions as additional official guidance is released

# AC Transit COVID-19 Health & Safety Measures



- Vehicle Capacity Limits
- Face-covering Enforcement
- Personal Protective Equipment (PPE) Distribution
- Operator Safety Shields
- Ventilation
- Employee Contact Tracing
- Fare Collection Safety
- Automated Passenger Load Information (PLI)
- Passenger and Operator Communications
- Regional Coordination and Monitoring





- Currently operating at 75% service level with approx. 33% ridership (67% loss)



- Sustain current service level with minor adjustments
- This includes supplementary service and reliability [OTP] fixes



- Continue to plan and adjust as financial projections and ridership patterns are quantified



- Plan to engage in robust public outreach and planning effort that is informed by data and community input that will require Board approval