



# Resolution Approving an Interfund Loan from the General Fund to the Transit Division

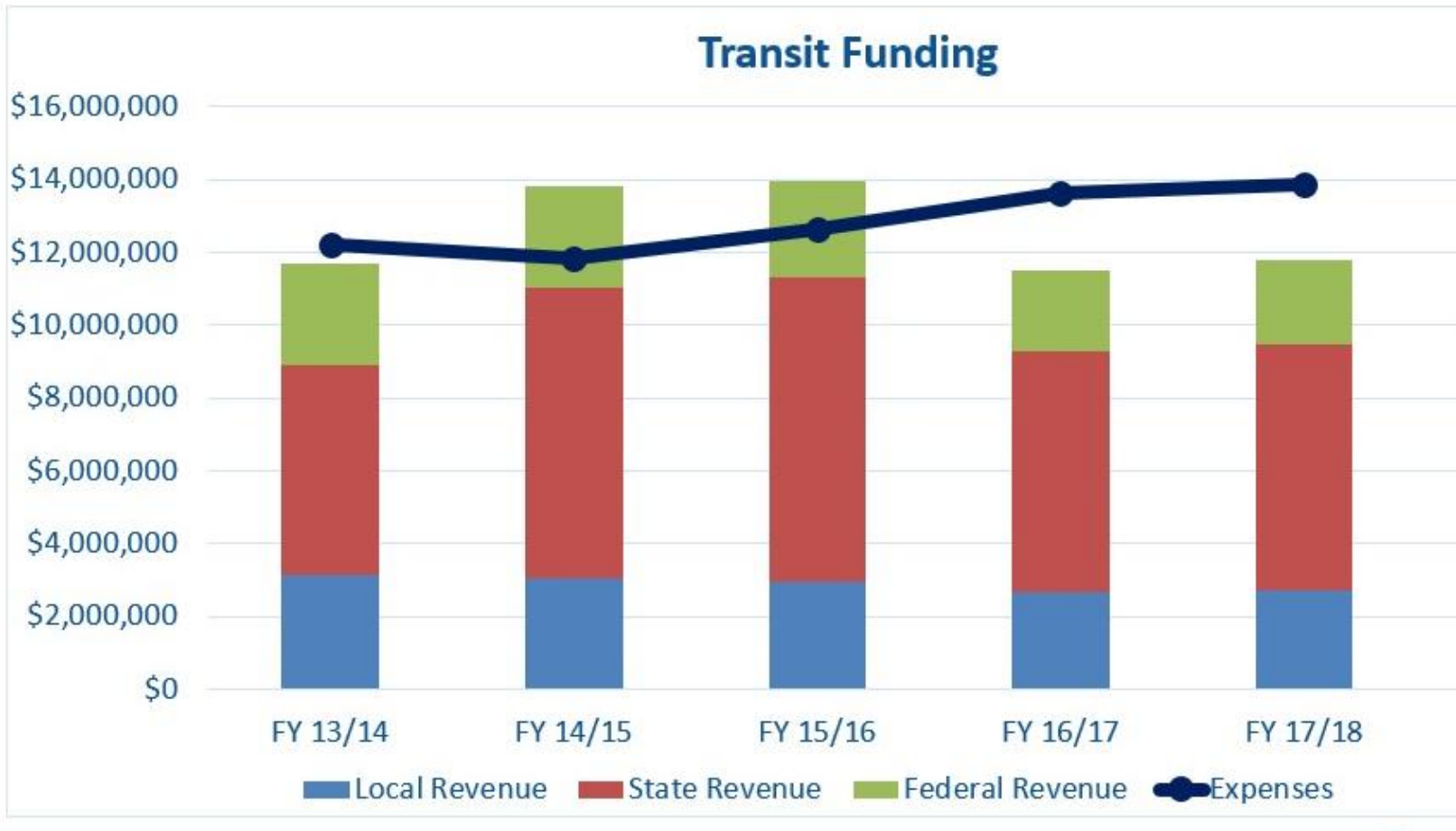
City Council Meeting  
May 2, 2017

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Deputy Director-Transit  
Transportation and Public Works

# PAST

- Over the past several years there has been a reduction in federal and state funding
- Total revenues have declined by 6% over the past five years
- Operating expenses increased 8% over same time period
- Reduction in ridership by 9% since FY12/13

# Funding



# Current

- Transit projected to end FY 16/17 with a deficit
- Transit reviewed all operations to identify opportunities for cost savings including:
  - Decreasing fleet size – revenue and non revenue
  - Holding open positions vacant
  - Reduction of contracting services
  - Consolidation of administration and operations
  - Support of Regional connections

# PROPOSED

- Interfund loan to the Transit Division from the General Fund
  - Safety net for continued staffing and service levels through FY 17/18
- Amount up to \$900,000
  - Last source of revenue utilized only if needed
  - 10 year “balloon payment” type of loan, terms reviewed annually
  - Interest will be accrued
  - Could be recommended for forgiveness at a future date if warranted

# FUTURE

- Implementation of Reimagining CityBus scheduled for May 21
  - Approved by the Council in 2016
  - The first major restructuring of CityBus in nearly 25 years
  - Offers much higher level of service to attract new ridership

# FUTURE

- Funding is very unstable with much uncertainty for the future
- Continual review of entire operation, reduce costs where appropriate
- Continual evaluation of route-level and systemwide performance of the new Reimagining CityBus routes
- If warranted introduction of alternative services
- Research bus advertising as revenue source
- Research technological advances to improve efficiencies

# RECOMMENDATION

- It is recommended by the Transportation and Public Works and Finance Departments that the Council, by resolution, approve an interfund loan for up to \$900,000 from the General Fund to the Transit Division for the operational and capital needs of CityBus for Fiscal Year 17/18