



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

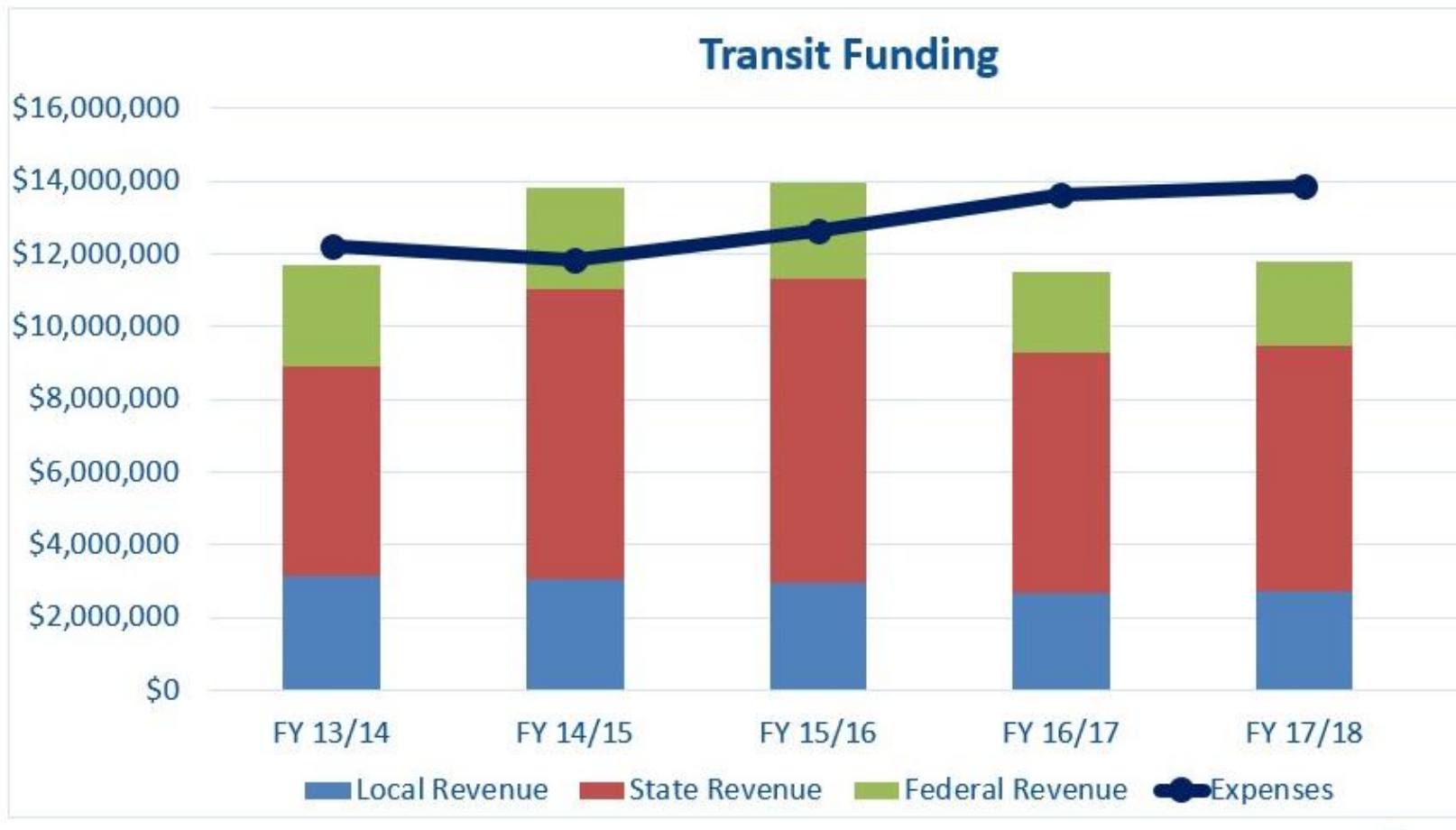
City Council Meeting
May 2, 2017

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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