

# Advancing Transit Initiatives

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## 1. Staffing & Service Level Update

## 2. Budget Overview

## 3. Fare Free

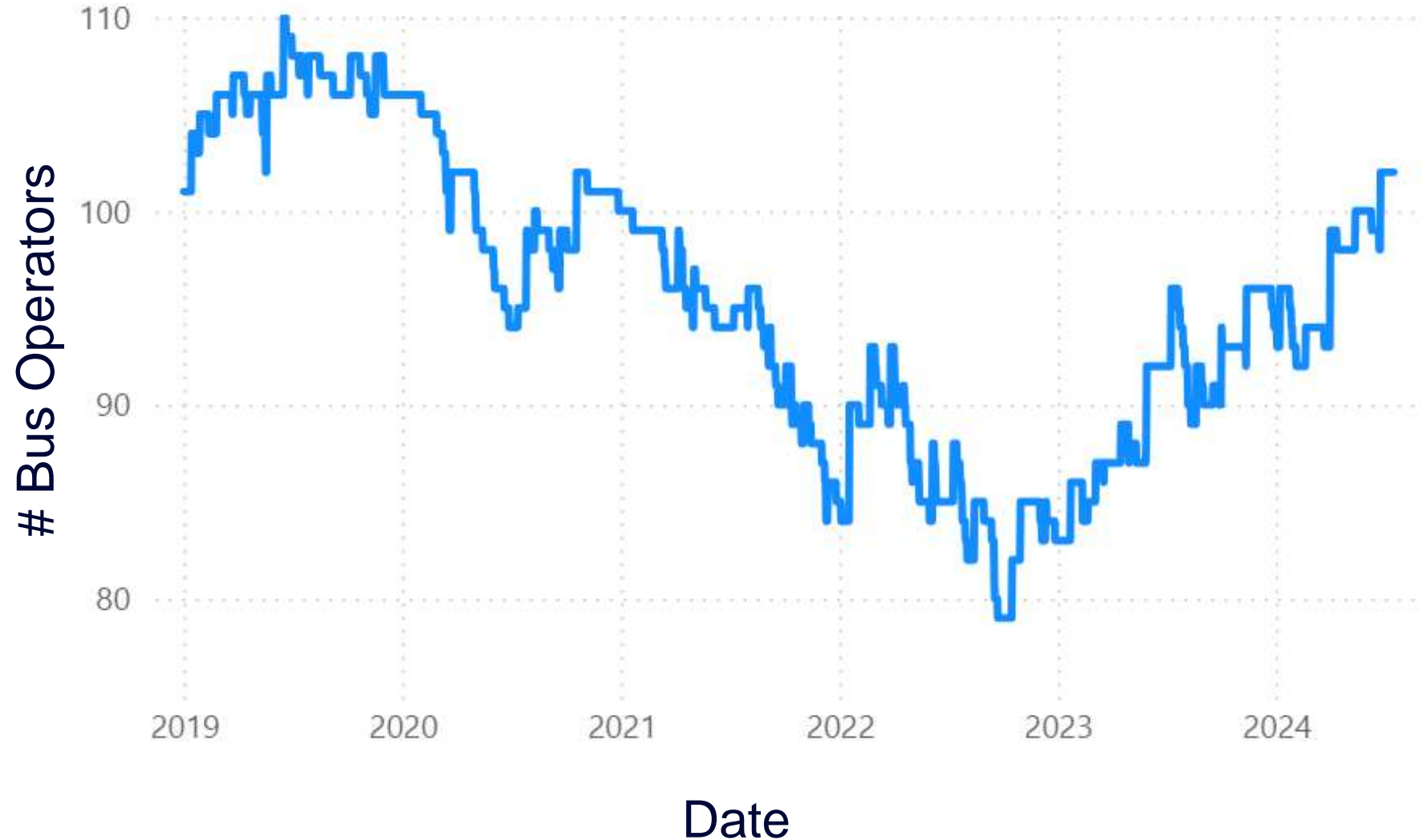
- What additional information do Councilmembers need to determine if Transfort should remain fare free?
- Do Councilmembers support a permanent fare free system?

## 4. Advertising

- Do Councilmembers have any questions or feedback about returning to a scaled back commercial advertising program?

# Today's Staffing & Service Levels

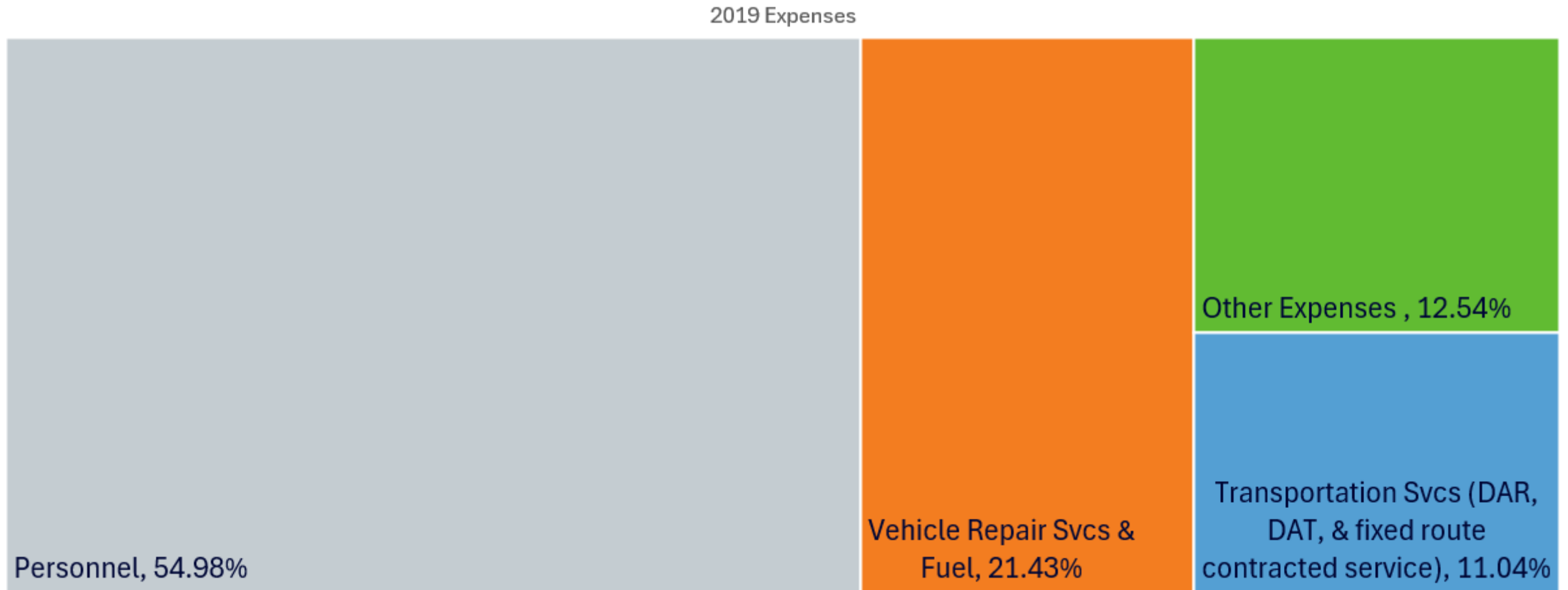
- Route 19
- MAX Evenings
- Holiday Service
- Route 6, 7, HORN Saturday Service
- Route 2, 8 Evening Service
- HORN 10-Minute Frequency



# Recruitment & Retention Efforts



# Transfort's 2019 Operational Actual Expenses



*Transfort's 2019 \$17.6M budget can be explained by these four categories. "Other Expenses" includes operational critical items such as technology, insurance, land and building maintenance, and wireless service.*

# 2019 vs. 2025 Revenue Growth

Year	2019 Projected Revenue	2025 Projected Revenue
Fares & Fees	\$271,000	\$0
Advertising	\$284,878	\$300,000*
CSU Contract	\$2,054,335	\$2,593,659*
Intergovernmental Agreements ( <i>FLEX</i> )	\$684,921	\$1,300,000
Grants	\$4,502,314	\$4,514,534
<b>Total</b>	<b>\$7,761,448</b>	<b>\$8,708,193</b>

Since 2019, Transfort has experienced revenue loss & restricted growth.

*\*Current collection is partial or suspended*

# 2019 vs. 2025 Expense Growth

Year	2019 Budget	2025 Projected Budget
Personnel	\$10,027,873	\$12,971,522*
Transportation Svcs	\$2,243,000	\$2,588,172
Vehicle Repair Svcs	\$2,928,146	\$3,053,094
Snow & Security Services	\$100,000	\$400,000
<b>Total</b>	<b>\$15,299,019</b>	<b>\$19,012,788</b>

Since 2019, Transfort has experienced significant expense growth. This growth is driven by increases in costs that are necessary for operations and that are not controlled by Transfort.

*\*Does not include increases to personnel costs approved during the mini-BFO process for the 2050 Tax.*

## ***The challenge...***

- At full collection levels, projected revenue from external sources has increased by just under \$1M for 2025 as compared to 2019 projected external revenue amounts.
- Estimated expenses for the 2025 budget have increased by almost \$3.7M in comparison to the 2019 projected budget.

## ***Proposed solutions:***

- For the 2025 projected budget, Transfort has reduced other areas of budget as able to offset increases.
- Additional funding from governmental sources can be leveraged.
- Explore options for long-term realignment of Transfort expense and revenue budgets.

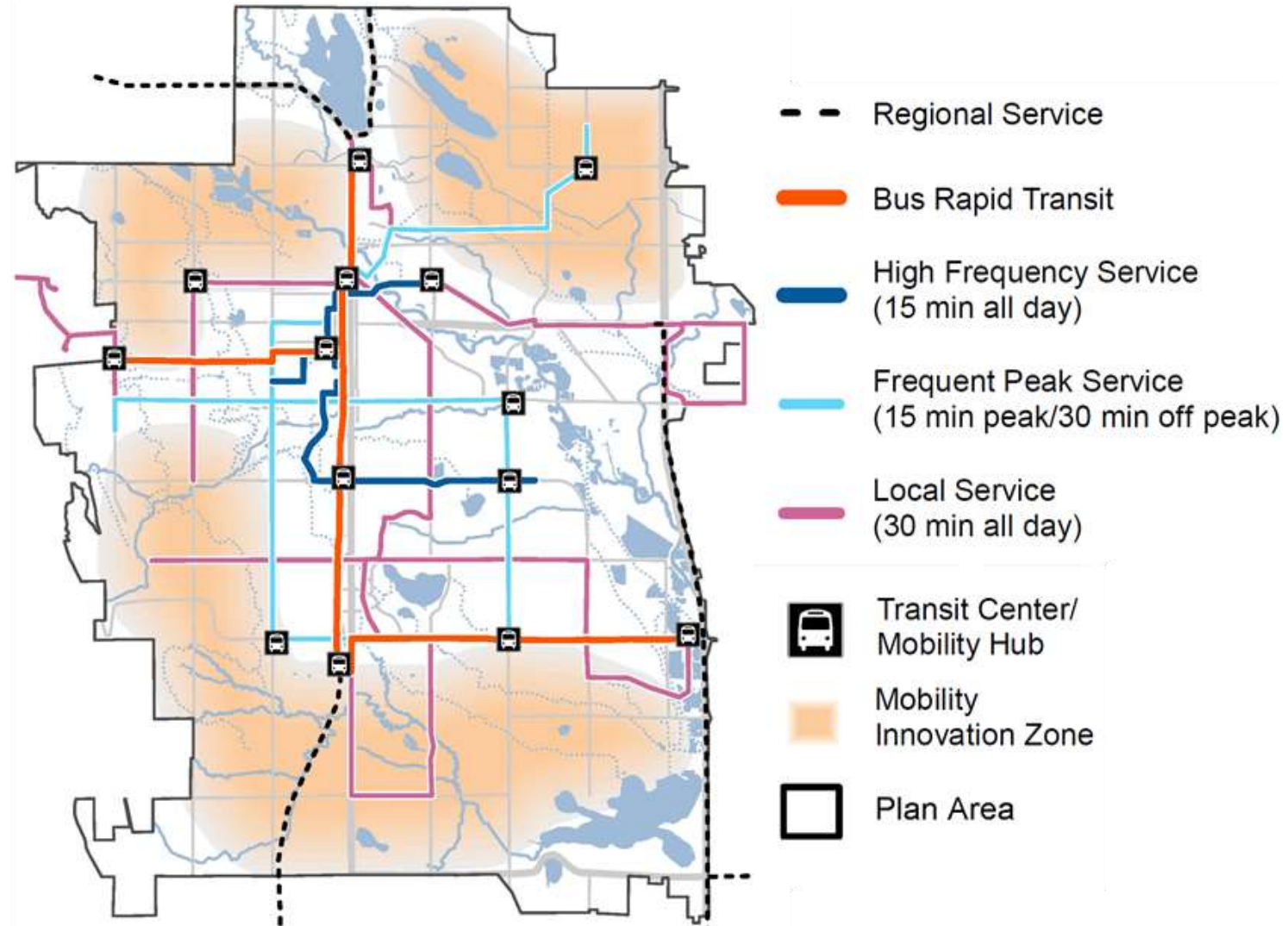


## Plan Highlights

### High frequency focus

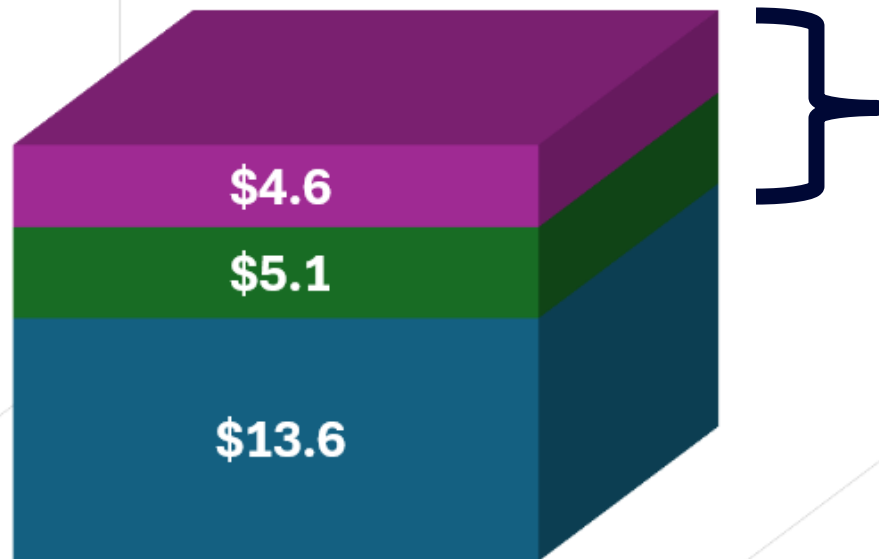
- 3 new Bus Rapid Transit routes
- 30 minute service or better throughout the system (other than BRT routes)

- **Regional connections**
- **Mobility Hubs**
- **Innovation Zones**  
(on- demand service)



# Gap to Fund Transit Master Plan

- Future Gap in Operating
- Future Gap in Capital
- Existing General Fund & Dedicated Sales Tax

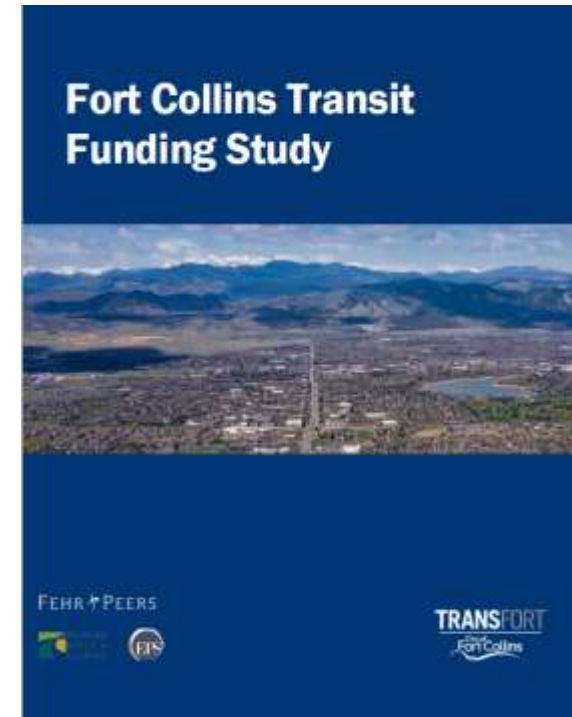


Annual Gap for  
TMP Buildout:  
**\$9.7 Million**

Average Annual Local Need = \$23.3 Million

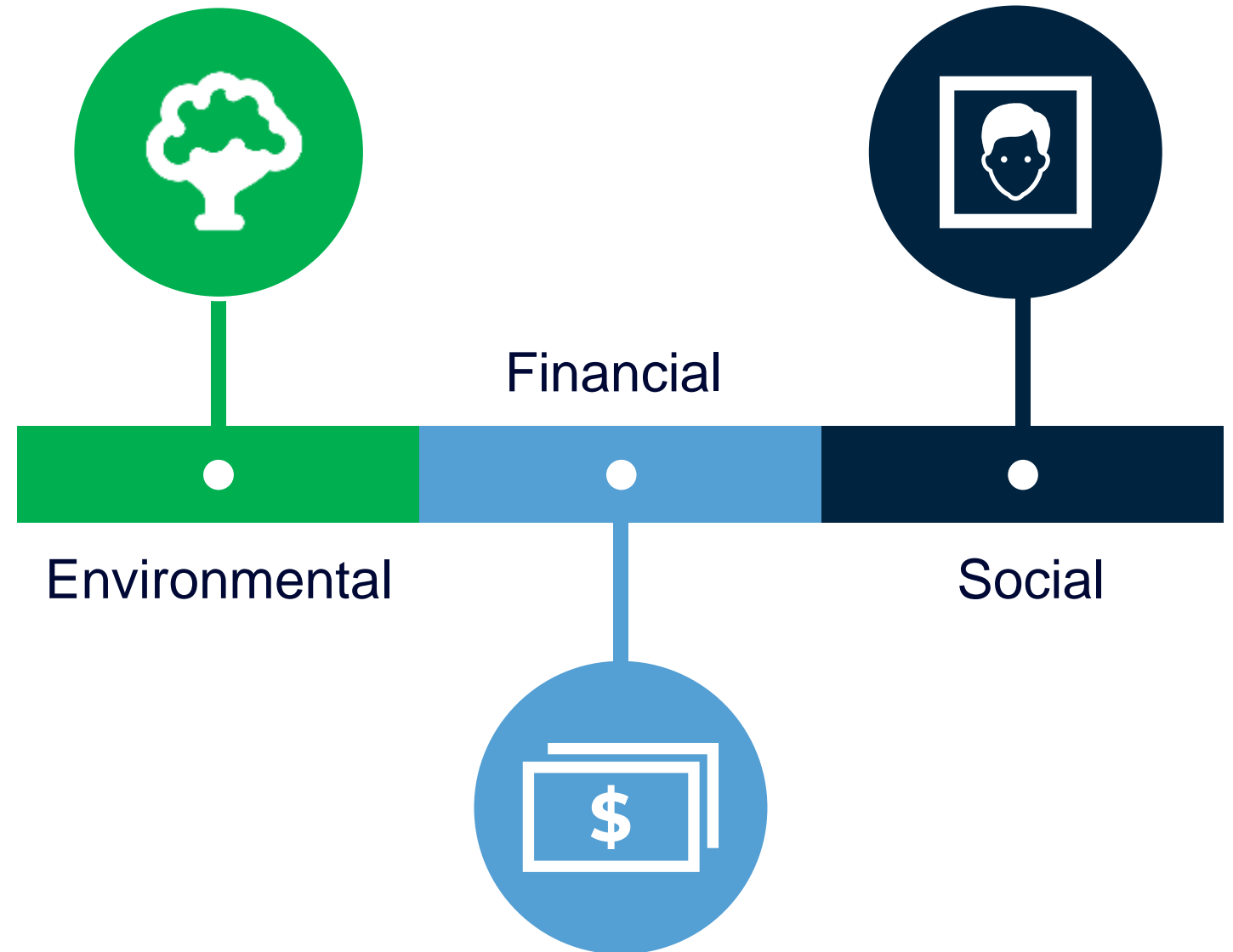
Given our resources, what is the most optimal way to deliver service to the community?

- Assess our service development methodology, our existing service, and a prioritized buildout of the Transit Master Plan elements.

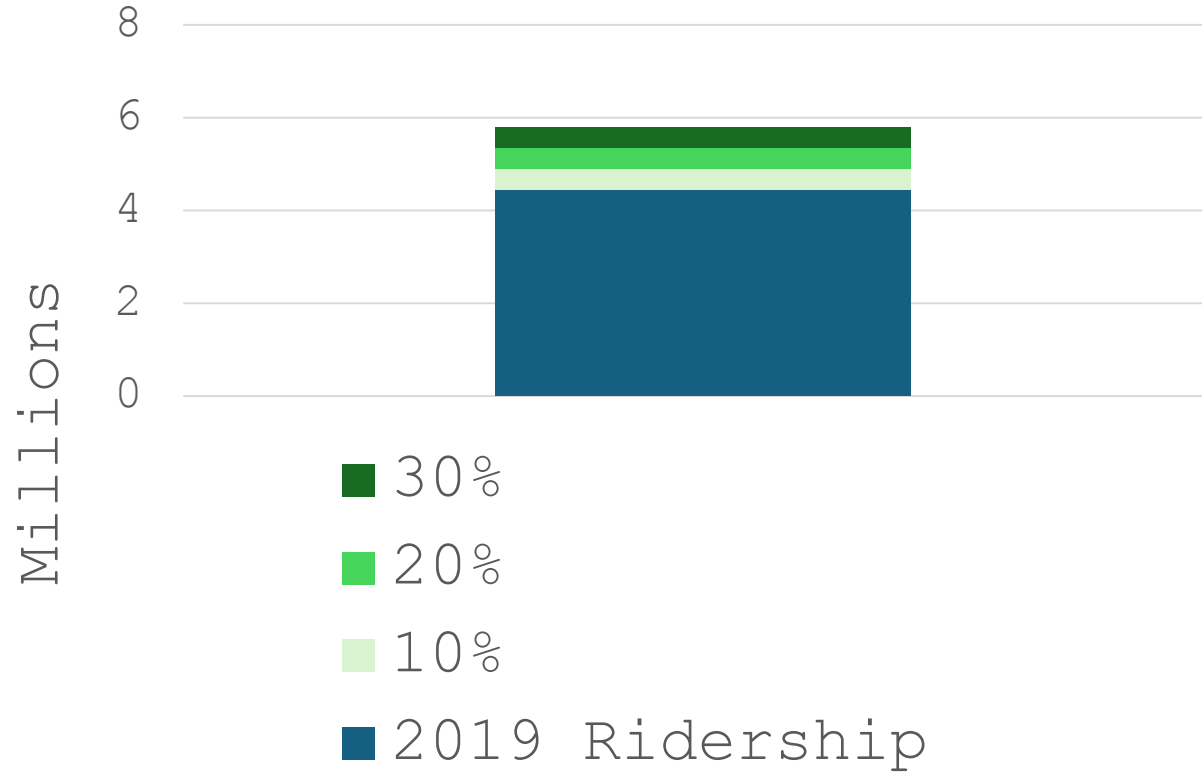


# Fare Free Analysis

- ➔ **2019:** Transit Master Plan recommends exploring fare free conversion
- ➔ **2021:** Council Priority: Advancing Transit Initiatives that Remove Barriers
- ➔ **2021:** Launched Fare Free & Funding Study: Evaluated environmental, financial, and social impacts of a fare free system
- ➔ **2023:** Fare Free & Funding Study Concluded



# Environmental Impact



5-MILE AVE TRIP  
**900,000 VMT**

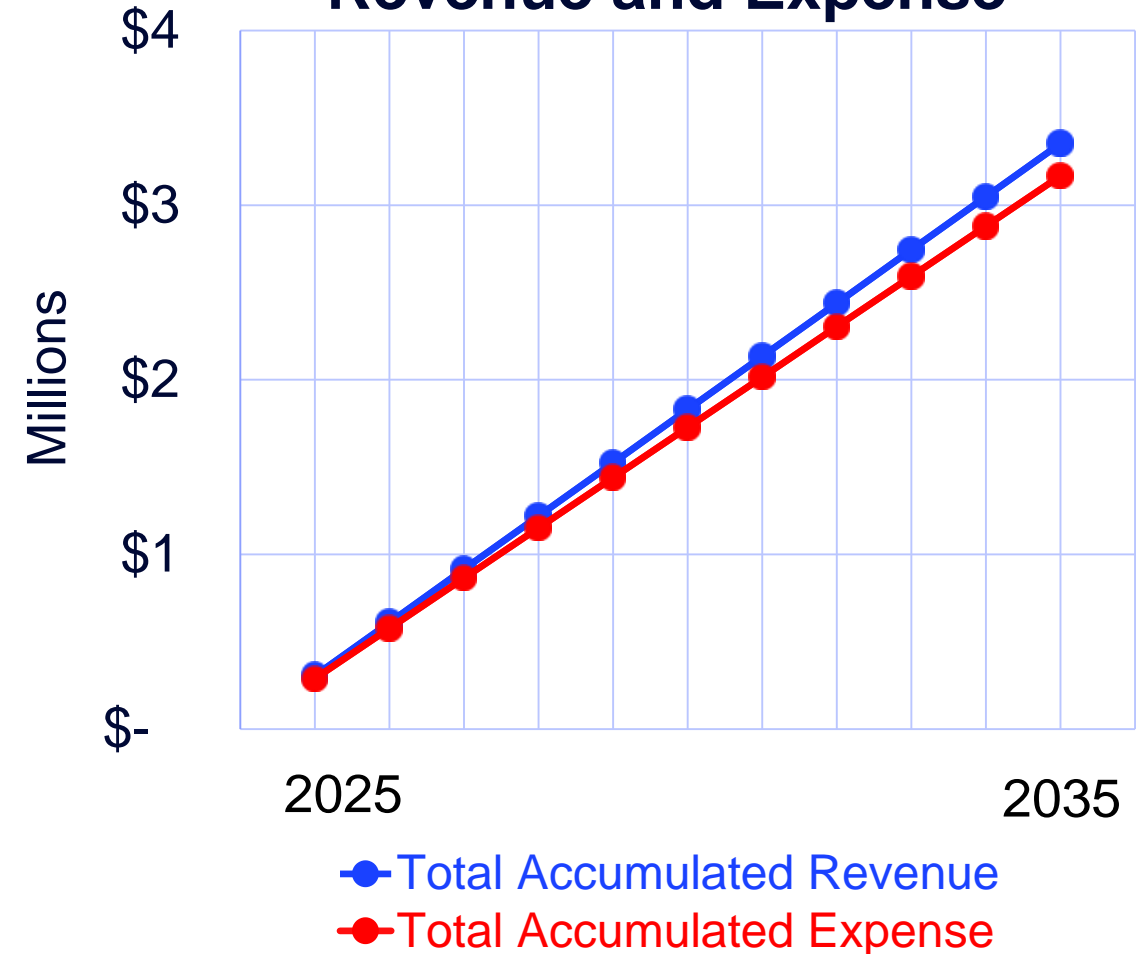


**338.22** REDUCTION  
IN MTCO<sub>2</sub>e EMISSIONS

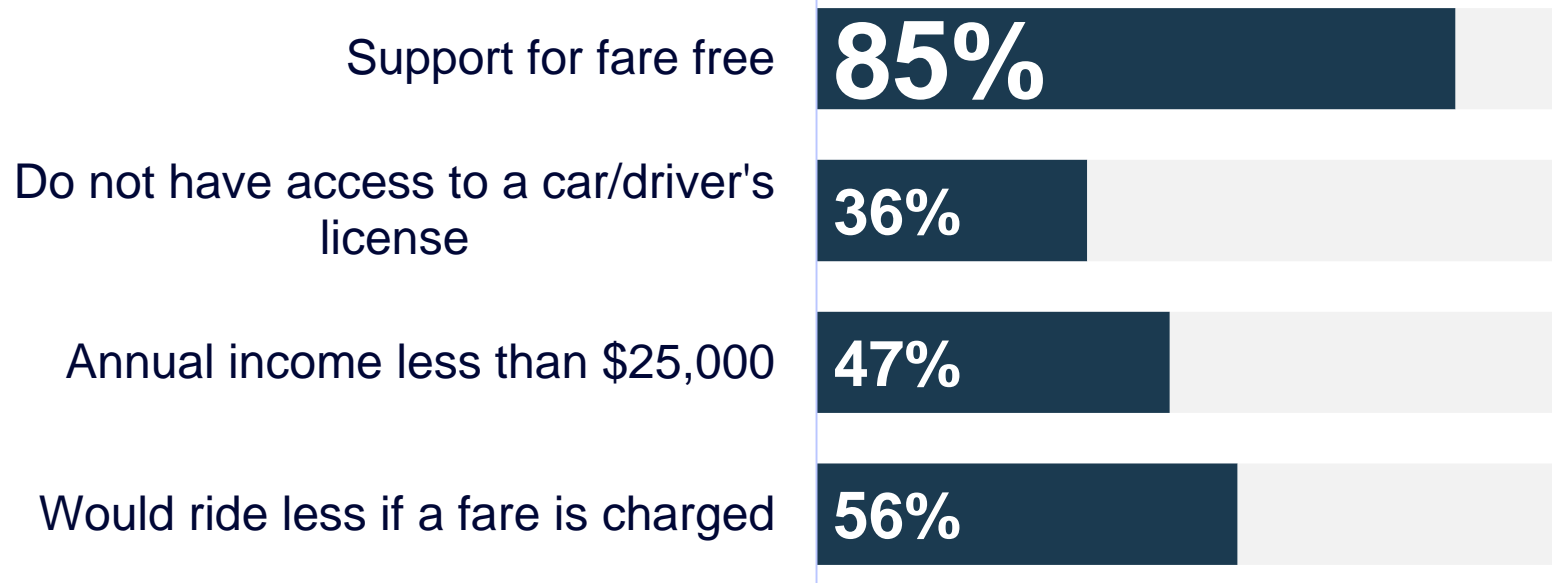
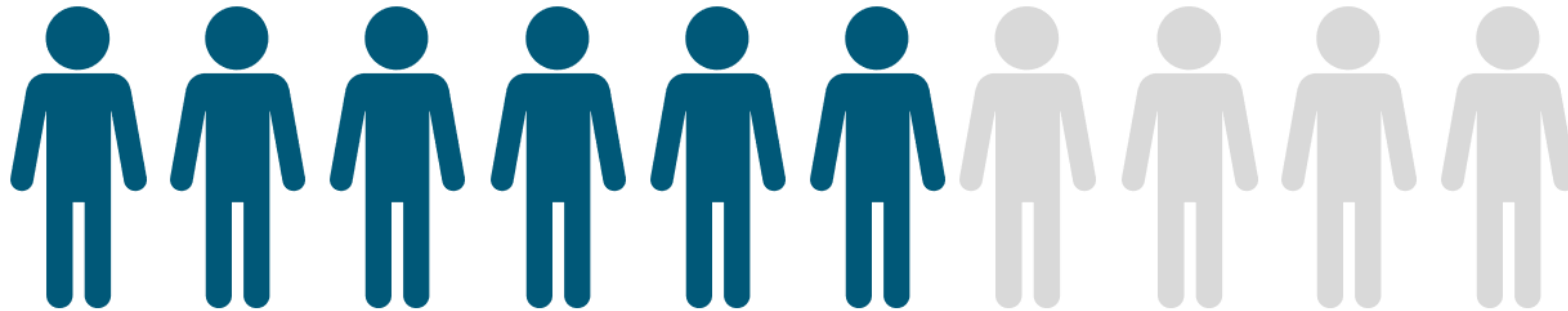
## Fare Collection Revenue & Expense

Fare Revenue	\$304,800
Fare Collection Expense	(\$195,000)
<b>Annual Net Revenue</b>	<b>\$109,800</b>
One-Time Technology Expense	(\$929,000)

## 10-Year Accumulated Revenue and Expense



60% of individuals said that they would ride more if there is no fare

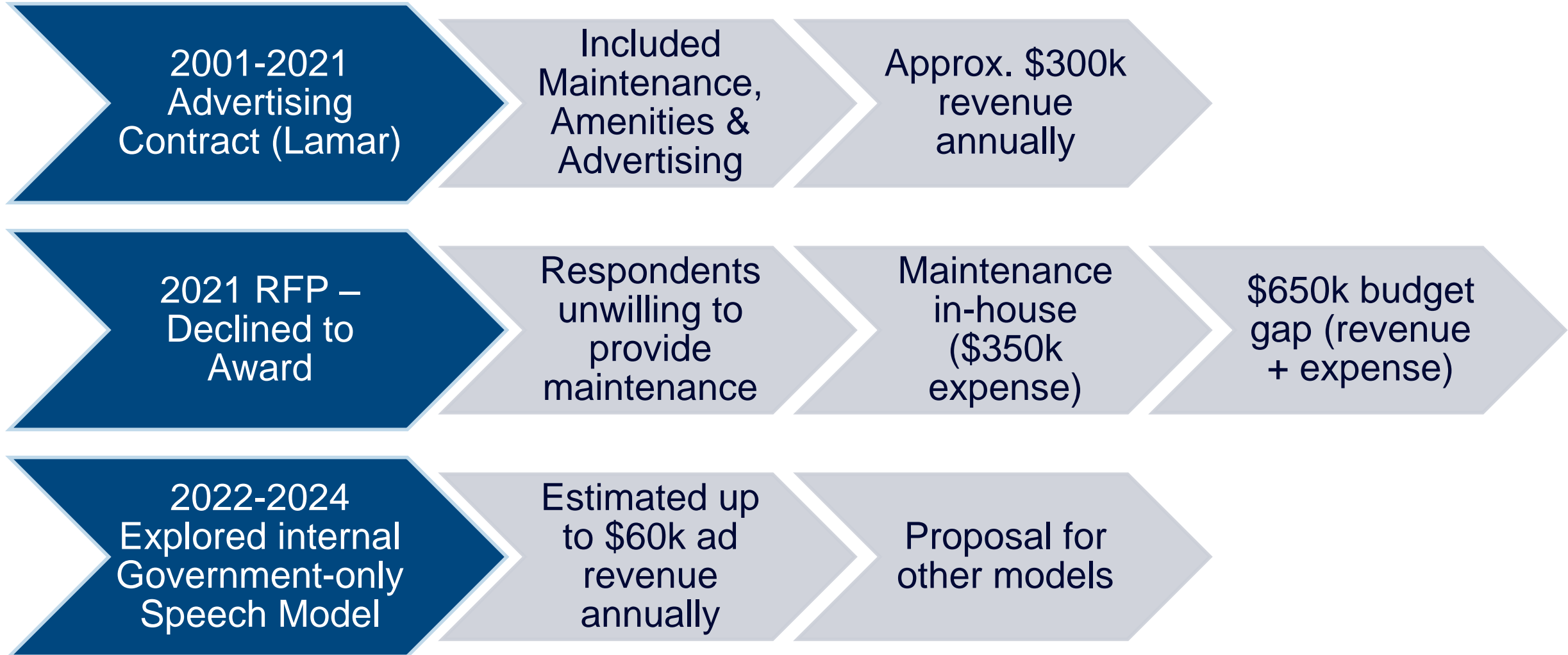


As a result of these findings, staff recommends establishing a permanent fare free transit system.

1. What additional information do Councilmembers need to determine if Transfort should remain fare free?
2. Do Councilmembers support a permanent fare free system?



# Advertising Program – Background and Context



Staff recommends return to a scaled back commercial advertising program.

- Advertising on Buses and at Bus Stops
- Revenue estimated from \$265k - \$420k annually, depending on approach
- Some key changes identified from previous program
  - More allowances for government speech
  - Standardized advertising size on benches

Without advertising, Transfort will need to address revenue deficit through:

- Service Reductions
- Sales Tax Replacement
  - General Fund
  - 2050 Transit Sales Tax

# Potential Service Cuts to Cover Ad Revenue Deficit

<b>Potential Service Cuts</b>	<b>Annual Cost Savings</b>
Eliminate Routes 11 & 12	\$260,000
Eliminate Saturday service on Routes 6 & 7	\$72,000
Total	\$332,000

Do Councilmembers have any questions or feedback about returning to a scaled back commercial advertising program?



# Questions?