

Memo

To: Finance Committee
From: Megan Dunneisen
Date: September 14, 2022
Re: 2023 Budget Request – Fund 13 Transit

Background of Department

This fund supports the Watertown Transit System. Watertown Transit offers reasonably priced transportation within the City limits (and a very limited radius for a higher fee). The City currently has a contract with Passenger Transit to operate this service.

Though passenger revenues are a source of revenue, the program relies heavily on Federal and State grant awards for continued operations. There is also a local share required per the grant language that is budgeted from General Fund. The only expense in this fund is Purchased Transportation which is actual driver hours multiplied by an hourly rate determined by the original contract with the service provider and updated each year by an amount determined by the Consumer Price Index (CPI).

Account Name: City Local Share

Account Number: 13-41-11-10

There is a local share according to the grants received for this fund. The local share calculated is the revenue necessary after the estimated state and federal aid as well as the estimated fares that will be collected are netted against the total anticipated expenses in line 13-57-11-46 Purchased Transportation (see info below). It is recommended in the instructions for the grant application to estimate revenues (passenger revenue) conservatively as any shortfall will require additional local funds.

Account Name: State Mass Transit Aid & Federal Mass Transit Aid

Account Number: 13-42-73-01 & 13-42-73-02

Based on past experience, we estimate that approximately 55% of the anticipated expenses to operate the service will be covered by revenue from State and Federal Mass Transit Aid (grants). The estimates for 2023 are 23% of funding from State aid and 32% of funding from Federal aid. Actual award amounts will not be released until April or May next year.

Account Name: Passenger Revenue

Account Number: 13-42-73-75

Estimates for Passenger Revenue are based on current rates (in effect since 2021) multiplied by estimates of ridership.

Account Name: Purchased Transportation

Account Number: 13-57-11-46

Purchased Transportation is calculated using the anticipated rate per driver hour x the number of driver hours anticipated for the year.