



Transit/Parking Update February 28, 2020





System Overview

GoDurham Highlights

- **17 routes serving over 1,000 stops**
- **45 buses and 41 paratransit vehicles used in peak service**
- **21,000 passenger trips per weekday**
- **34 riders per hour – 50% higher than peer services in NC**
 - **Routes suffer from chronic crowding**
 - **Afternoon peak periods**
 - **Select routes on evenings and weekends**
 - **Crowding also degrades on-time performance**

GoDurham Proposed Budget – FY 2020-21

Transit Fund Revenue Sources: \$38.7 million

- **\$17M – City of Durham**
- **\$5.6M – Durham County Transit Plan – New Service**
- **\$9.6M – Federal Funds (includes carryover balances)**
- **\$3.7M – State Funds**
- **\$2.8M – Farebox and Non-Passenger Revenue**

Transit Fund Expenditures: \$38.7 million

- **\$23.4M – GoDurham Fixed Route Bus**
 - **Personnel - \$16.2M**
 - **Materials & Insurance - \$3.2M**
 - **Contractual Services - \$4M**
- **\$5.3M – GoDurham Access Paratransit**
- **\$2.8M – Fixed Costs: Administration & Debt Service**
- **\$7.2M – Capital Costs: Fleet Renewal**

Transit Multi-Year Projection

Fiscal Year	Proposed FY 2021	Projected FY 2022	Projected FY 2023	Projected FY 2024	Projected FY 2025	Projected FY 2026
TRANSIT FUND						
REVENUES						
PASSENGER REVENUE	2,551,511	2,556,603	2,561,797	2,567,095	2,572,498	2,578,010
NEW SERVICE REVENUE	5,644,618	3,512,723	3,378,974	3,232,041	3,329,002	3,428,872
MISCELLANOUS REVENUE	266,541	292,479	299,626	306,987	314,568	322,377
FEDERAL	9,610,775	5,193,385	5,788,584	5,282,556	5,949,351	5,114,277
STATE	3,733,304	3,294,378	3,368,777	3,293,023	3,388,872	3,284,488
LOCAL REVENUE	16,898,438	17,375,976	17,867,266	18,372,712	18,892,726	19,427,734
TOTAL REVENUES	38,705,188	32,225,544	33,265,024	33,054,414	34,447,018	34,155,758
APPROPRIATIONS						
TOTAL FIXED ROUTE SERVICE	23,353,357	24,053,958	24,775,577	25,518,844	26,284,409	27,072,941
TOTAL PARATRANSIT SERVICE	5,322,033	5,481,694	5,646,145	5,815,529	5,989,995	6,169,695
ADMINISTRATION	2,613,721	2,610,222	2,571,723	2,674,153	2,637,540	2,741,913
TOTAL DEBT SERVICE	235,249	235,249	235,249	235,249	235,249	235,249
TOTAL OPERATIONS	31,524,360	32,381,122	33,228,693	34,243,775	35,147,193	36,219,798
CAPITAL	7,180,828	1,240,921	1,984,918	1,227,383	2,185,876	438,843
TOTAL APPROPRIATIONS	38,705,188	33,622,043	35,213,611	35,471,157	37,333,069	36,658,641
TOTAL SURPLUS (SHORTFALL)	0	(1,396,499)	(1,948,587)	(2,416,744)	(2,886,051)	(2,502,883)
Tax Rate Equivalent - Cents	3.75	4.15	4.32	4.45	4.59	4.48

Major Assumptions

Revenues

- **Property Taxes growth is at 3% annually**
- **State Grant Funding (SMAP) decreases by 15% in FY 2021-22, flat thereafter**
- **Fixed Route assumes no growth in fare revenues**

Expenditures

- **FY 2020-21 Personnel Costs increase by 6%; similar increases in later years**
- **Operating Costs increase by 9% due to personnel costs as well as new County-funded bus and paratransit services**
- **Capital is funded at an increase of \$6 million for FY 2020-21; future years vary due to timing of fleet replacement needs**

Future Challenges

- **Improving Reliability for Riders**
- **Service Expansions**
 - **Peak Period Usage**
 - **New Services and County Funding**
 - **Additional Off Peak Services**
- **Timing of Bus Purchases**
- **Increased Cost in Existing Service Levels (Personnel Costs)**

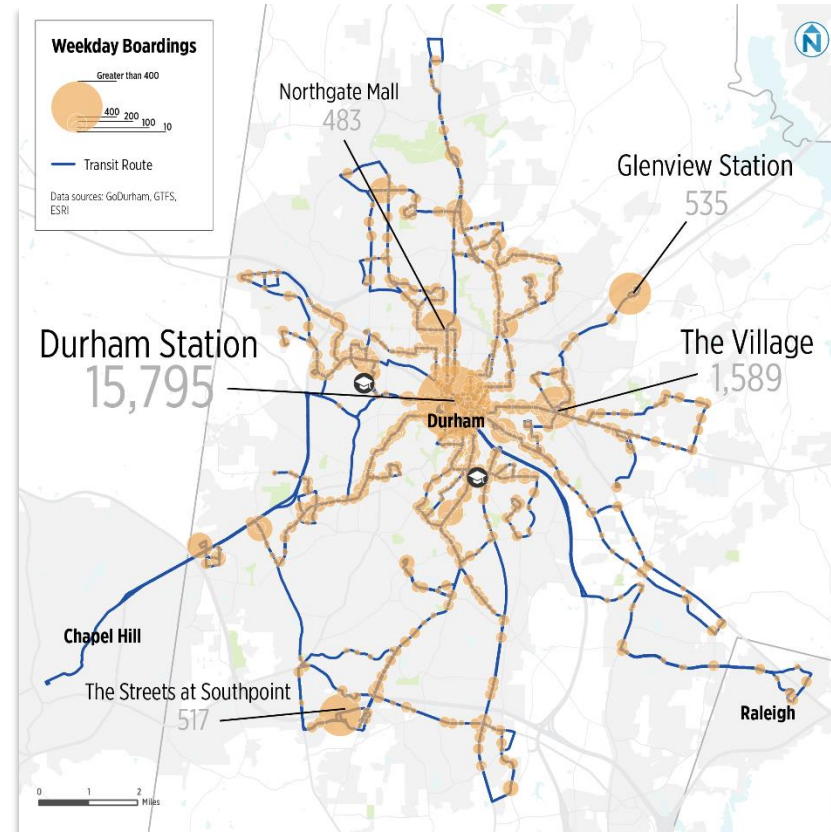
Impact of Investing in People

- **GoDurham Hourly Wage increases**
 - **Bus Operators**
 - Starting Wage - \$15.65/hr. in FY 2019-20 to \$16.85/hr. in FY 2021-22
 - Highest starting wage in the Research Triangle region
 - Experienced personnel can earn \$25.67/hr. in FY 2021-22
 - **Mechanics**
 - Starting Wage - \$27.43/hr. in FY2020 increases to \$29.53/hr. in FY 2021-22
 - Experienced personnel can earn \$32.09/hr. in FY 2021-22
- **Financial Impacts of increases**
 - \$0.9M in FY 2020-21 can be funded with one-time federal carryover balances
 - \$1.5M shortfall beginning FY 2021-22

EFFECTIVE JANUARY 2020

GoDurham Service Changes – Guiding Principles

- ▶ **Improving Reliability**
- ▶ **Increasing Frequency**
- ▶ **Connecting Activity Centers**



Frequent Service Network

5 corridors

- 15-minute service all-day
- 30-minute service evenings and Sundays



FY 2020-21 Request for New Services and Vehicles

- Transit Plan Update Underway
- Listening and Learning and Community Engagement Sessions began November 2019
- More than 80 interactions with the community during this phase
- Frequency and Reliability of bus service the most common concerns
- Plan will work to balance needs
 - Local bus service and Access to Transit infrastructure on major bus corridors – Arterial Rapid Transit (ART)
 - Regional express bus and Bus Rapid Transit (BRT)
 - Regional Commuter Rail Transit (CRT)
 - Transportation Alternatives – GoDurham Access, On-Demand Zones, Shared Mobility, Transportation Demand Management

FY 2020-21 Request for New Services and Vehicles

- County Transit funding may only be used for new service
 - Funding must not supplant funding for existing services
 - Limited funding is available for increasing costs of existing services – funding is fully utilized in forecast
- All GoDurham buses are in use during peak periods
- 12-month lead time to purchase a transit bus
- FY 2020-21 Major Requests
 - \$10 million for Transit Emphasis Corridor infrastructure - ART
 - \$1.1 million for improved off-peak service frequencies and crowding relief in FY21
 - \$6.4 million in FY21 for six (6) electric buses to address peak-period crowding in FY 2021-22

Parking Multi-year Projection



Parking Multi-Year

PARKING FUND									
Actual/Budget/Forecast	Actual	Adopted	Revised	Projected	Projected	Projected	Projected	Projected	Projected
Fiscal Year	2019	2020	FY2020	2020	2021	2022	2023	2024	2025
REVENUES									
Debt Proceeds, Interest Income, and Investment Income	\$ 292,209	\$ 138,000	\$ 138,000	\$ 135,286	\$ 16,898	\$ 9,644	\$ 760	\$ -	\$ -
Charges for Current Services	\$ 4,220,805	\$ 5,799,602	\$ 5,799,602	\$ 4,927,038	\$ 6,031,157	\$ 6,872,125	\$ 7,482,707	\$ 8,314,674	\$ 8,951,669
Transfer from Debt Service Fund	\$ 918,176	\$ 903,571	\$ 903,571	\$ 903,571	\$ 420,125	\$ 404,852	\$ 389,457	\$ 375,400	\$ 301,147
Other Revenue	\$ 7,703	\$ 3,000	\$ 3,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	\$ 5,438,894	\$ 6,844,173	\$ 6,841,173	\$ 5,965,895	\$ 6,468,180	\$ 7,286,621	\$ 7,872,923	\$ 8,690,074	\$ 9,252,816
APPROPRIATIONS									
Personnel	\$ 950,795	\$ 1,755,643	\$ 1,755,643	\$ 2,140,398	\$ 1,767,174	\$ 1,837,861	\$ 1,911,375	\$ 1,987,830	\$ 2,067,344
Operating	\$ 2,990,760	\$ 2,790,530	\$ 3,051,675	\$ 2,651,003	\$ 3,004,282	\$ 3,061,839	\$ 3,175,869	\$ 3,294,565	\$ 3,496,131
Capital	\$ 12,933,428	\$ 1,000,000	\$ 27,000	\$ 2,723,592	\$ -	\$ 1,000,000	\$ 4,092,886	\$ -	\$ -
Debt Service	\$ 3,321,103	\$ 3,433,056	\$ 3,433,056	\$ 3,433,056	\$ 3,187,536	\$ 3,163,744	\$ 3,140,802	\$ 3,118,520	\$ 3,036,266
TOTAL APPROPRIATIONS	\$ 20,196,087	\$ 8,979,229	\$ 8,267,374	\$ 10,948,048	\$ 7,958,991	\$ 9,063,444	\$ 12,320,932	\$ 8,400,915	\$ 8,599,740
Beginning Fund Balance	\$ 23,093,890	\$ 8,336,697	\$ 8,336,697	\$ 8,336,697	\$ 3,354,543	\$ 1,863,732	\$ 86,909	\$ (4,361,100)	\$ (4,071,942)
Transfer to Fund Balance (Appropriation from Fund Balance)	\$ (14,757,193)	\$ (2,135,056)	\$ (1,426,201)	\$ (4,982,154)	\$ (1,490,811)	\$ (1,776,823)	\$ (4,448,009)	\$ 289,158	\$ 653,075
Ending Fund Balance	\$ 8,336,697	\$ 6,201,641	\$ 6,910,496	\$ 3,354,543	\$ 1,863,732	\$ 86,909	\$ (4,361,100)	\$ (4,071,942)	\$ (3,418,867)

Major Assumptions

Revenues

- **FY21 rate increase in metered parking rates by 16.7% (up from \$1.50 to \$1.75 hourly). In FY23 and FY25 there will be an additional rate increase as well.**
- **20% growth rate in Off-Street parking beginning FY21.**
- **Special event rates will increase in FY21 by 20% from \$5 to \$7.**

Expenditures

- **Personnel is expected to grow by 4%.**
- **Special contractual services assumes a 5% growth rate for the next five years**
- **Operating costs are projected to grow by 3% with capital project costs increasing 3.5% annually.**

Challenges

- **Average annual operating loss >\$1 million**
- **Outdated billing system**
- **Inconsistent enforcement**
- **Competition for daily and monthly parking**
- **Around-the-clock security expenses**
- **Major Capital Needs**
 - **Infrastructure renewal and replacement**
 - **Parking Access and Revenue Control Equipment**

Policy Options to Make Parking Self-Sustaining

- **Control Expenses**
 - Targeted security deployment
 - Reduce reliance on booth attendants with deployment of new technology
- **Increase Revenues**
 - Effective enforcement – issuance of citations
 - Demand-based pricing



Questions

