**Budget Questions and Requests for Information**

**2018-19 Recommended Budget**

**QUESTION #3**

**QUESTION:** How long will the 1C increase for transit serve our transit needs? How long are you projecting out into the future that this tax increase will suffice for bus costs, etc.?

**RESPONDENTS:** Brian Litchfield, Transit Director

**RESPONSE:** Over the past four years, we have used fund balance to keep Town and Partner contributions low (avoiding levy adjustments), most recently using ~$1.4M in FY18, while also investing in capital, so fund balance is no longer an option for the Transit Fund. During this same time, both federal and state investments in capital were almost nonexistent.

It is important to note that the one cent increase for Transit is not likely sufficient for building fund balance going forward; it is to catch up after years of cost increases and using fund balance to maintain steady operating and capital budgets without tax increases. During this time we have also tried to maximize outside resources, beyond Partners. For example we plan to use ~$750K in Orange County Transit Plan funds to offset increased cost of existing service. The really good news is that we have made significant progress on capital, replacing (some on order) 34 fixed route buses and seven (7) demand response vehicles by FY18, along with an additional three (3) fixed route buses and five (5) demand response vehicles in FY19. It was originally projected that we would need to debt-finance almost all these vehicles – fortunately with Orange County Transit Plan Funds and unanticipated grant funds, we have only had to debt finance 16 of the vehicles. And, Congress has made great strides in returning capital funding to pre-FY12 levels, the highest we have seen in the past decade.

Additionally, the recommended budget includes service improvements through Orange County Transit Plan funds and we anticipate additional service improvements in FY20. These funds are only available for new service and not available to pay for existing services.