



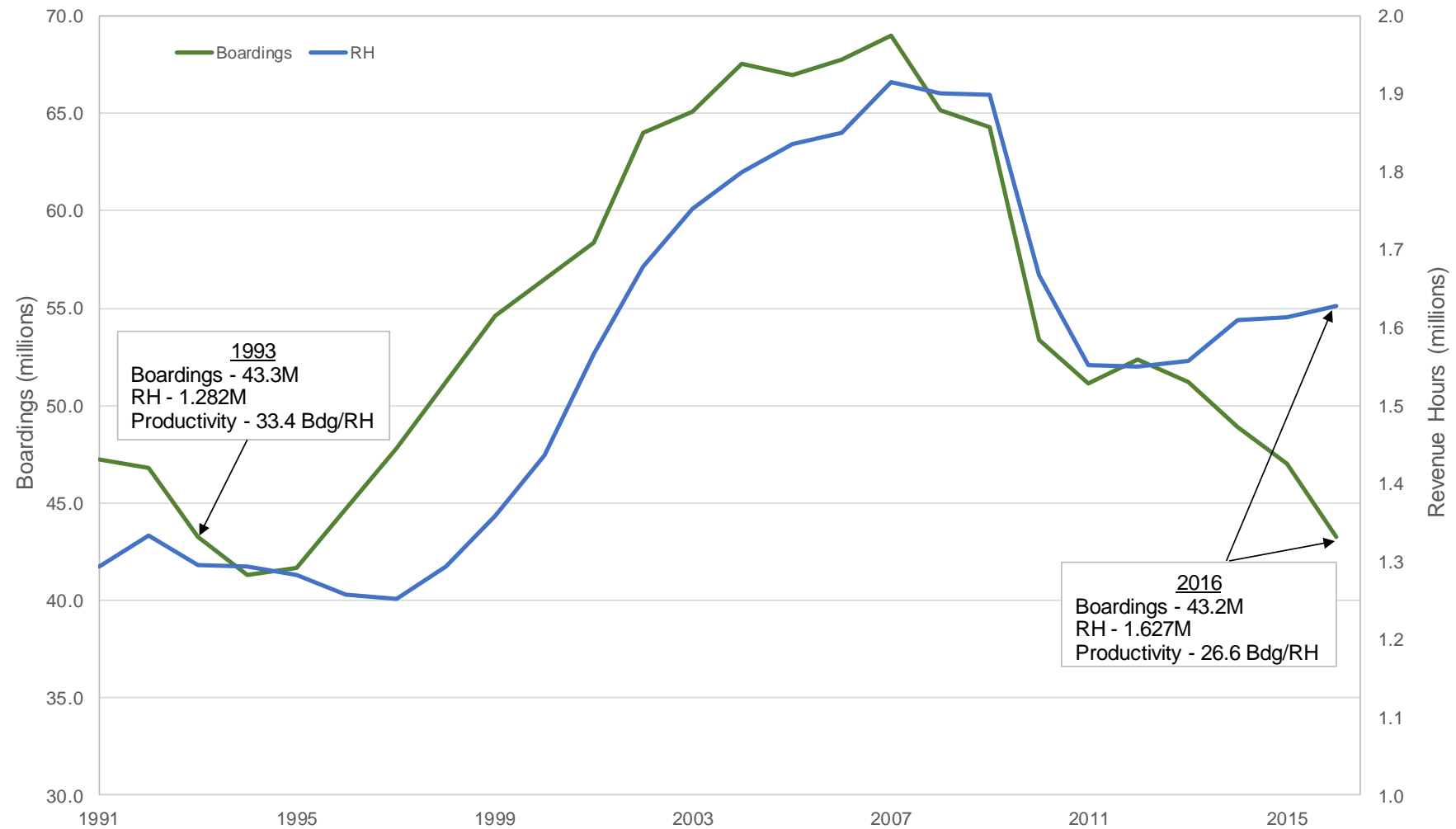
Bus Program Assumptions



Demand for Bus Service

- OC Bus 360 initiative underway to address declining bus ridership
- Declining ridership has resulted in declining fare revenue necessary to support ongoing operations
 - Budgeted fare revenue is forecasted to decrease by \$6 million next year

Fixed-Route Ridership



Potential Options To Address Demand

- Continue implementation of 15-minute peak frequencies on high demand corridors
- Evaluate minor frequency changes for routes that operate more frequently than 15 minutes
- Implement more weekend service
- Reduce/replace low productivity service

Sales Tax Methodology

- New sales tax forecasting methodology approved by the Board on March 28, 2016
 - New forecasting methodology was more conservative for the first five years
 - Further reduced projected Transportation Development Act sales tax to account for impact of point of sale designation
- Fiscal year 2018 TDA sales tax is forecasted to be \$14 million less due to the impact of the new sales tax methodology
 - \$7M due to more conservative forecast
 - \$7M due to point of sale designation

Plan Going Forward

- Plan for fiscal year 2018 budget
 - Reduce fixed-route service by 50 thousand revenue hours (3%) or equivalent in fiscal year 2018
 - Infusion of one-time funds of \$15 million
 - Review administrative and capital support costs
- Plan beyond fiscal year 2018
 - Explore alternative service delivery models for low productivity areas
 - Review paratransit program
 - Revise capital plan
 - Sustain and grow ridership in core areas

Calendar

- Fiscal year 2018 Budget Assumptions – March 8, 2017
- State of the Transit System Report – March 13, 2017
- Paratransit Workshop and OC Bus 360 Update – March 27, 2017
- Fiscal year 2018 Budget Workshop – May 8, 2017