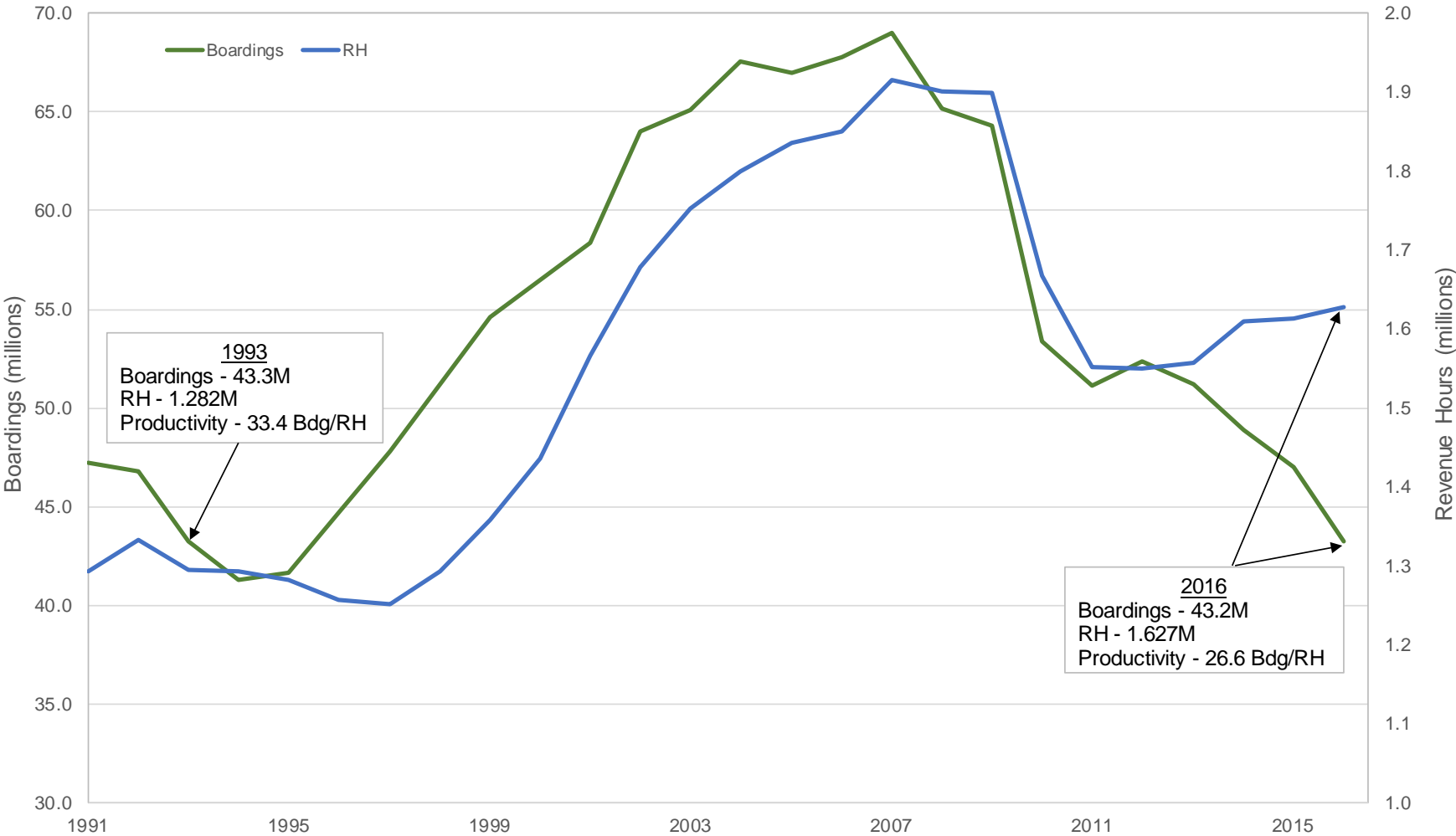




Bus Program Assumptions



Declining Demand For Bus Service



Trends

- Past correlations no longer predictive of future conditions
- Growth in competing modes impacting ridership
- Costs of housing also a key factor
- Ridership decreases now a national and regional issue

2009 to 2015

↑ Population: Up 4.7 percent

↑ Driver Licenses: Up 9.9 percent

↑ Car Registrations: Up 16.9 percent

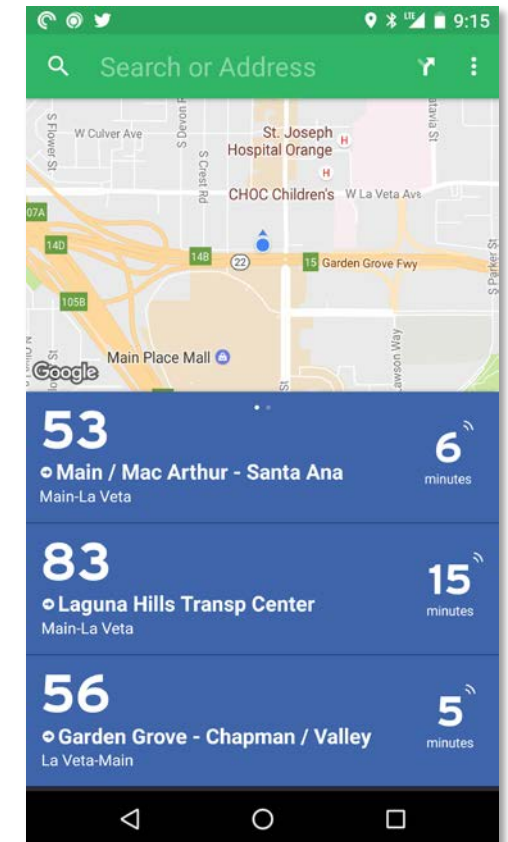
2015

↑ \$25.50/hour to afford a one-bedroom apartment

↑ \$87,000/year to qualify for a median-priced home

OC Bus 360 Efforts Underway

- Shifted 160,000 revenue hours to improve frequencies on high-demand corridors
- Implemented new bus routes that offer up to a 30 percent travel time improvement
- Discounted day pass by 20 percent
- Rolled out systemwide mobile ticketing
- Implemented real-time bus arrival app
- Awarded 17 Measure M transit grants to local agencies
- Secured over \$7 million in grants for buses, mobile ticketing, and fare discount



The Transit App displays real-time bus arrivals

Constraints

- Any route eliminations would result in corresponding elimination of ACCESS
- Altering ACCESS service results in significant community impacts
- While potentially reducing costs, federal funding for alternative transit delivery models uncertain
- Allow time for June and October service changes to impact ridership

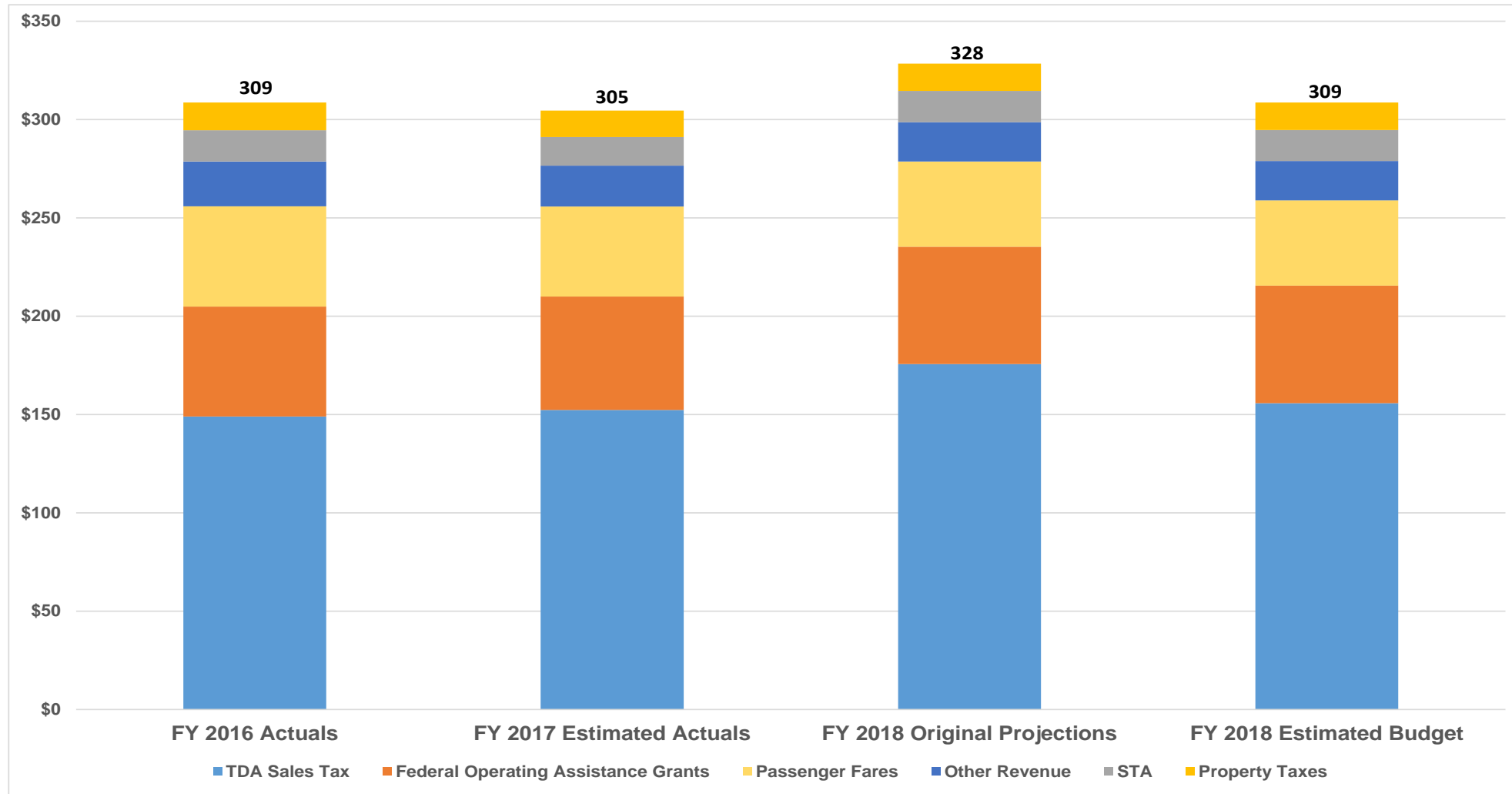
Potential Options To Address Demand

- 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

Financial Impacts To FY 2018 Budget

- 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
- Transportation Development Act sales tax forecast for FY 2018 is impacted by \$14 million
 - \$7M due to more conservative forecast methodology
 - \$7M due to point of sale designation

Bus Program Operating Revenue



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
 - Reallocation 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

- FY 2018 Budget Assumptions – March 2017
- State of the Transit System Report – March 2017
- Paratransit Workshop and OC Bus 360 Update – March 2017
- FY 2018 Budget Workshop – May 2017