



PLANNING FOR THE FUTURE

*Item 12: Receive and File Presentation on
Addressing Budget Challenges and
Identifying New Revenue Streams*

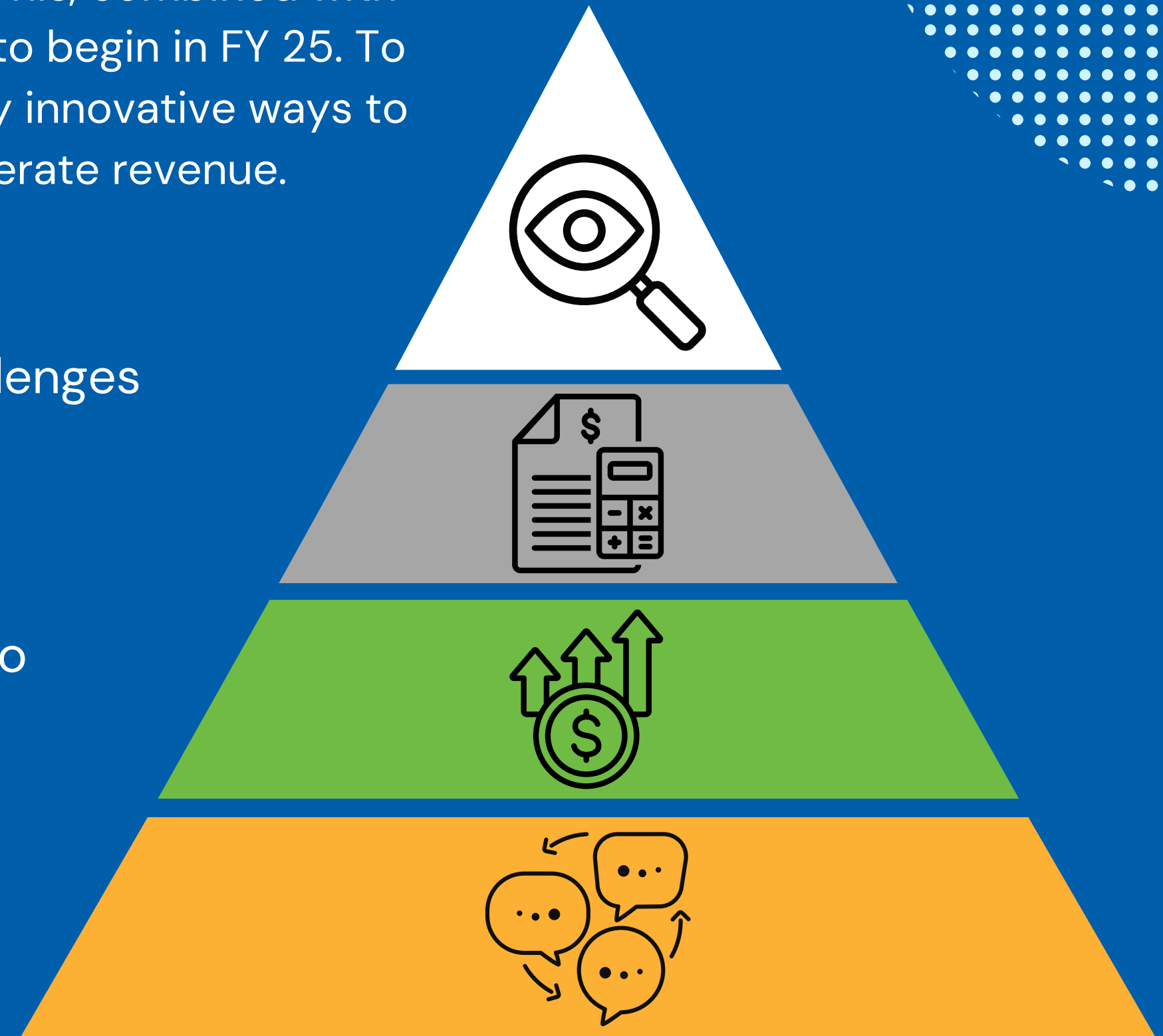
Presenter:
Cynthia Duque, Director of Planning and Marketing



OVERVIEW

GCTD's FY 24 budget makes use of the last remaining CARES Act funds. While ridership has recovered, is still below pre-pandemic levels. This, combined with increased costs in all areas, a projected deficit is expected to begin in FY 25. To prepare and plan for this, GCTD has been working to identify innovative ways to reduce costs, improve our organization's efficiency and generate revenue.

- 01 Background, Why Now?, Funding Challenges
- 02 Cost Savings, Maximize Efficiencies
- 03 Revenue Generation Opportunities to Address Long Term Funding Needs
- 04 Discussion



WHY NOW?



- GCTD is committed to proactively addressing challenges of organizing, planning, and delivering quality transit services and leading with mission-driven decision-making.
- Adoption of Strategic Plan and Strategic Priorities
- Learning from industry trends and positioning the organization to navigate uncertainties, including the "fiscal cliff".



STRATEGIC PRIORITY AND GOALS

Priority 3: Increase and provide responsible stewardship of all resources by prioritizing oversight, integrity, accountability, and transparency.

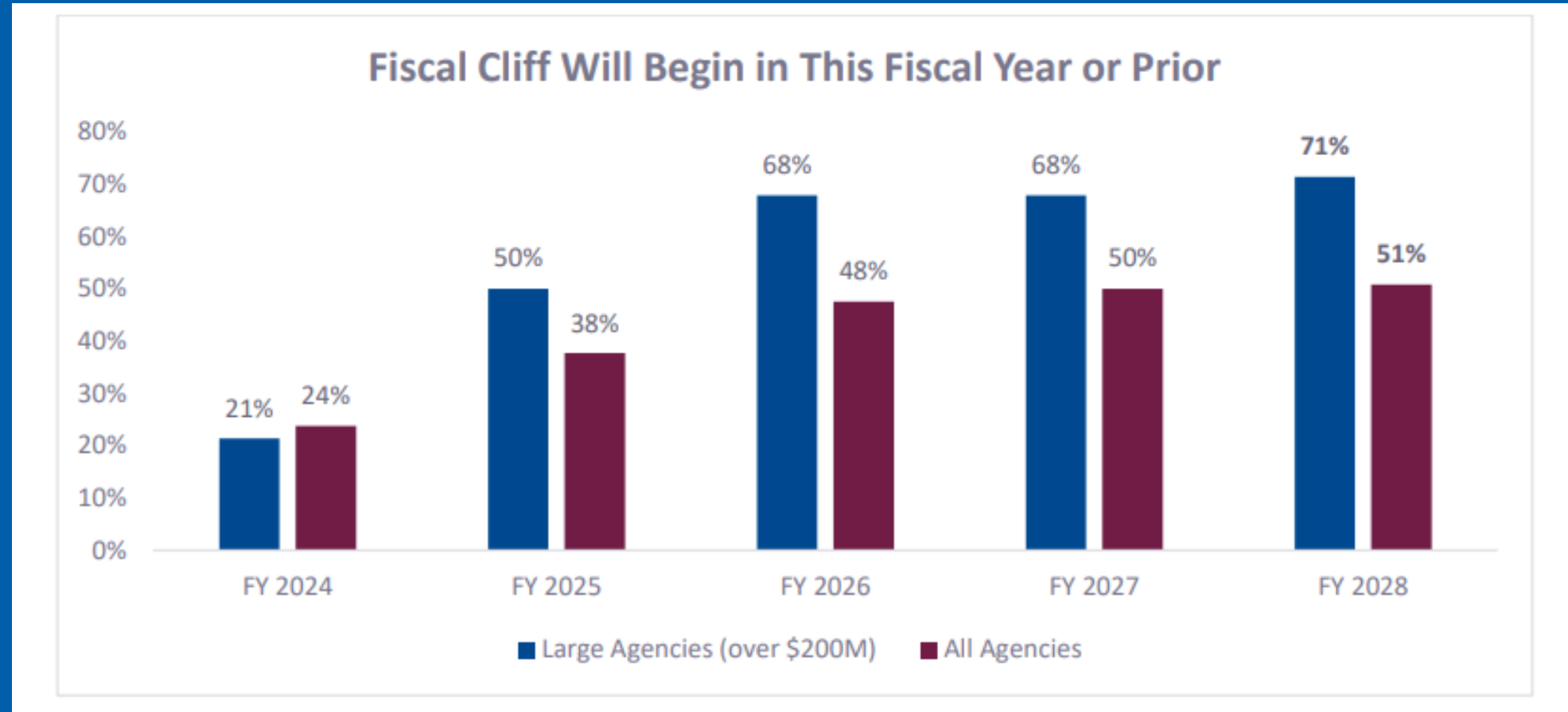
- Goal #3: Identify alternative sources "non-federal match" required for grants (to retain as much local operating funds for operating expenses) by June 30, 2025
- Goal #4: Increase non-fare, non grant-funding (i.e. alternative fuel sourcing, partnerships, non-traditional grants, medical reimbursement, property development, advertising, etc.) to be 10% of operating revenues by June 30, 2026.

ADDRESSING THE "FISCAL CLIFF"

In June 2023, APTA published a policy brief that included key takeaways from the responding members.

- One-half (51%) of 122 responding agencies say they are facing a fiscal cliff in the next five years.
- The operating budget shortfalls that agencies expect to encounter range from 10-30% of their budgets.
- Agencies facing a fiscal cliff rank finding new sources (state and local funds or dedicated revenues) as more likely courses of action than cutting service or raising fares.

ADDRESSING THE "FISCAL CLIFF" CONT.



Public Transit Agency Responses to Fiscal Cliff

Most Likely to Pursue →	Seek Increased State Funding
	Reduce Transit Agency Costs
	Seek Increased Local Funding
	Seek New Dedicated Tax Revenues
	Seek Other New Revenues (e.g., Advertising, Naming Rights)
	Reduce Service
	Shift Funds from Capital Budget to Operating Budget
	Seek Increased Fares
Least Likely to Pursue →	Reduce Workforce

STATISTICS

90%



GCTD's Operating funds from Federal / State Sources

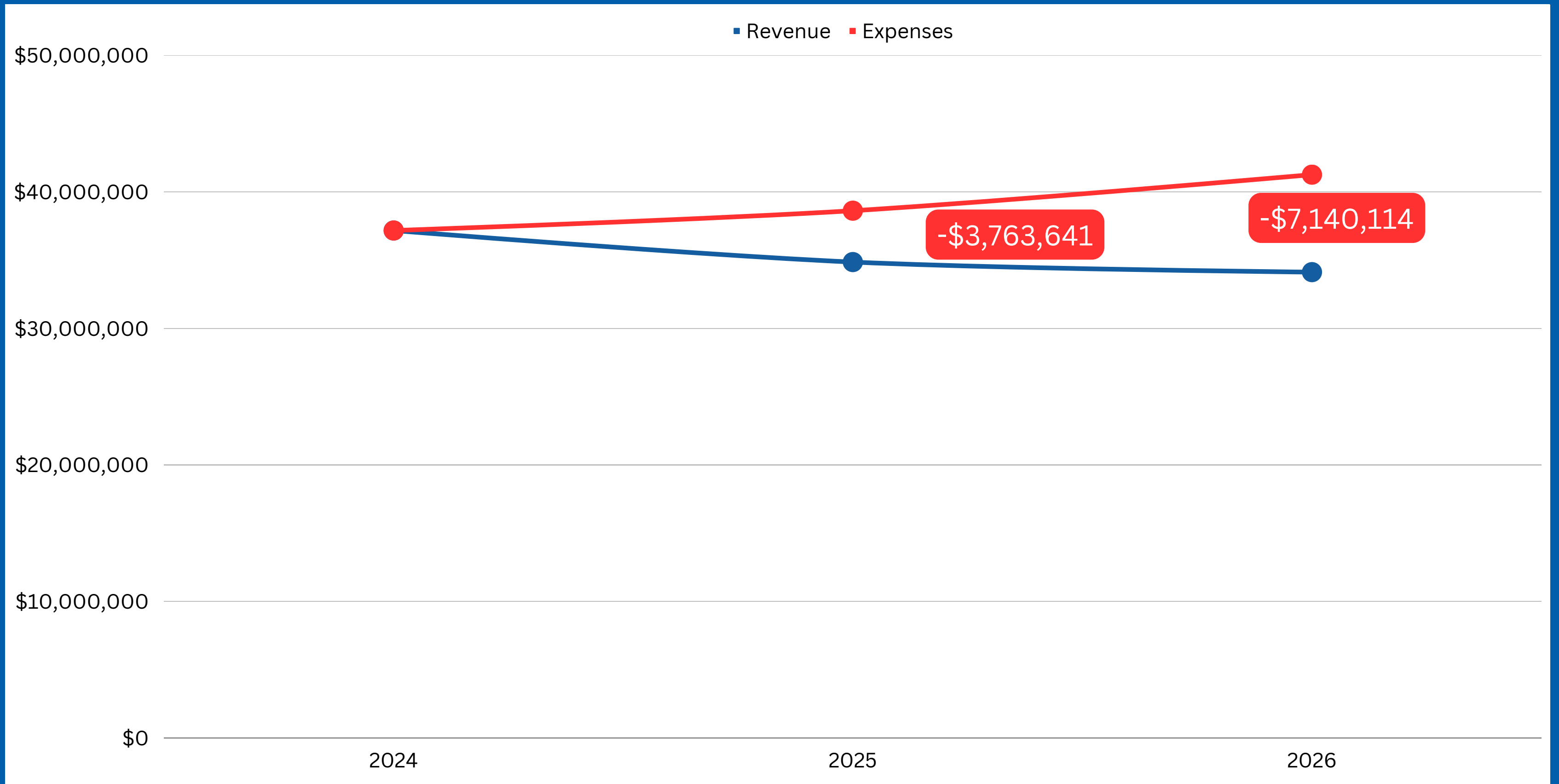
10%



Fares and Other sources



GCTD's Preliminary Forecast - "Fiscal Cliff"



PATH FORWARD - THE OPPORTUNITY

GCTD staff is actively working on a comprehensive review of our operational expenses, identifying areas where cost reductions can be implemented without compromising safety and service quality, including:

- Streamlining practices
- Optimizing resources
- Re-organizing/right-sizing
- Strategizing long term solutions



COST SAVINGS MEASURES

GOLD COAST TRANSIT DISTRICT



Operational Efficiencies

SRTP will produce operational analysis and identify areas for improvement. This can include reducing trips, weekend service, frequency during off peak-hours, etc.



Organizational Efficiencies

These strategies include reevaluation of department operations, restructuring, eliminate unnecessary functions, implement a hiring freeze, enhance the attendance policy, etc. If needed, we can look to reduce operating expenses by implementing agency-wide workforce cuts to match current and future service levels.



Maximize Space at New Facility

GCTD is going to explore the possibility of transitioning more operations on-site, including Flexible Service and Customer Service. By bringing the services in, we can eliminate the overhead costs associated with sustaining multiple locations. This includes the property lease and other administrative fees.



Budget Management and Financial Forecasting

Conducting regular financial forecasting is needed to anticipate potential challenges and opportunities, enabling staff to make proactive decision-making and adapt to changing circumstances.

COST SAVINGS - LONG TERM STRATEGIES



Savings on a County Level – Regional Partnerships

GCTD will continue to partner with VCTC on implementing the recommended TIES strategies where appropriate. Over the long term, this approach could eliminate duplicative costs and enable those resources to be applied toward service delivery.





REVENUE OPPORTUNITIES



Fueling On-Site

GCTD will be requesting FTA approval for "incidental use" on this facility to open its fueling station to partners, including member agencies. Discussions already underway with the City of Oxnard, and recently conducted a site visit.



SB- 125 TIRCP Funding

With the passage of SB 125 – we understand that TIRCP funds will be distributed to VCTC through a population-based formula, which could provide temporary relief by providing bridge funding to cover operating deficits. GCTD has requested funds that are in alignment with the intent of SB 125.



Increase Advertising Revenue

Explore new ways of aggressively reaching out to new advertisers, create and maintain revenue goals, maximize all available spaces on the bus, and possibly consider the sale of other available space, including on the Flexible Services Fleet.



Seek Alternative Grant Sources, Local Funds, etc.

GCTD is often limited in applying for competitive grants, since we do not have matching funds available. Staff actively pursues new and innovative funding opportunities, such as non-traditional grants, Medi-Cal-reimbursements, etc.

REVENUE GENERATING - LONG TERM

Fare Increase

GCTD has not had a fare increase since 2011. GCTD takes a cautious approach to this option as it could impact ridership recovery. GCTD will explore policy changes (discontinuing transfers), public support/opposition, and the revenue generation potential. We estimate a fare increase can generate from 800k - \$1 mill annually.

Transportation Oriented Development (TOD)

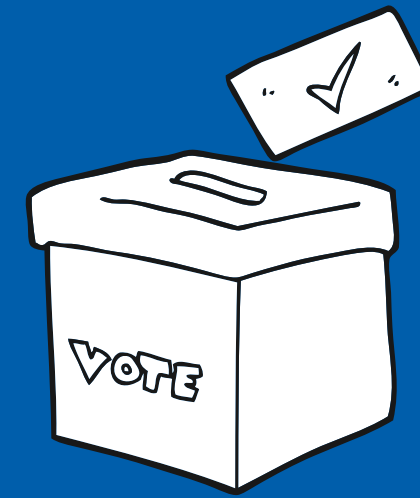
GCTD retained ownership of its former property located at 301 East Third Street in Oxnard, with the intent to redevelop the site into a transit oriented development. Its setting in downtown Oxnard, near the largest transit hub in Ventura County, makes this a prime location for attracting housing developers, increasing ridership, and generating long term revenue for GCTD.



REVENUE GENERATING - LONG TERM

Local Dedicated Tax Revenue

Several case studies point to success rates of special districts pursuing ballot measures.



Case Study: On November 4, 2014, the voters of Monterey County approved the first-ever countywide sales tax measure for public transit. Beginning in July 2015, the Monterey-Salinas Transit (MST) Local Transit Funding for Senior Citizens, Veterans and People with Disabilities sales tax, otherwise known as Measure Q, will raise approximately \$7 million per year. The sales tax will expire after 15 years unless renewed by the voters.

The money is to be used only for services and equipment that support transportation programs for veterans, senior citizens, and persons with disabilities. An oversight committee reviews and reports on the revenue and expenditure of funds from the tax.

WHAT'S NEXT

- Staff will continue to explore all options presented, add new ones to the list keep the Board updated on progress.
- Work aligns with our commitment to meet Strategic Priorities developed by staff, and approved by the Board.
- Feedback, support, questions from stakeholders welcome.





Discussion

Item 12: Receive and File Report



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THANK YOU
Cynthia Duque
cduque@gctd.org
805-483-3959 x 110