



Citizens Advisory Committee

November 16, 2022 Meeting Summary

RTD Budget Process

Todd Nikkel explained there are three main sources of revenue for RTD's budget:

- The largest source is the 1% Sales and Use Tax fare revenue
The group discussed the increase in this source of revenue and how it was being used. Todd said most of the money went to increasing wages for drivers and mechanics due to a new collective bargaining agreement, increased contractor and supplier costs and funding the reserves of the Asset Management Plan. RTD has also used some of the revenue to offset a fare increase.
- Federal and State grants are the second largest source of revenue
- Fare revenue is smaller than it used to be due to ridership being down since COVID. Ridership in 2022 is 60% of the ridership in 2019, while service is 70% of pre-COVID levels.
- Additional sources of revenue are advertising and rent. For example, when Denver Union Station (DUS) exceeds a certain amount of income, they pay RTD a percentage of the excess. In 2024, there will be more income on cash reserves due to the higher interest rates.

Mid-Term Financial Plan (MTFP)

This is a six-year cash flow plan and incorporates the Asset Management Plan and operating expenses and new project and operating expenses. With the cash reserves RTD will be able to fully fund all their assets with cash to maintain them in a state of good repair. In 2025 the Asset Management Plan is planning for

\$75M for a potential new bus facility and in 2028 there is \$132M for revenue vehicle replacement; again this will all be in cash with no debt.

The MTFP is finalized around June or July. Once the MTFP is approved by the Board, the first year in the MTFP is used as the basis for RTD's annual budget. It is not an appropriation of funds, but it enables RTD to plot out their expenses and ensure they can afford them during the six-year period.

Annual Budget

The annual budget includes projects approved in the MTFP and additional projects based on need. Operating expenses are matched to the MTFP expenses as closely as possible. The Board approves the Annual Budget in November, appropriating funds so the money can be spent.

Amended Budget

The amended annual budget process starts in April and is finalized in June. Revenues and expenses are adjusted as necessary and new projects are occasionally added. It is approved by the Board in June and is an appropriation of funds.

Additional Comments & Questions

Question: *Is the service optimization plan from Reimagine RTD funded through 2027?*

Answer: Yes, RTD funded operations at 85% of pre-pandemic levels throughout the MTFP. Todd didn't have the exact amount but can get that for the CAC.

Question: *RTD owns and leases the land around transit-oriented development (TOD). Is that a major source of revenue now or could it be?*

Answer: It is minimal. Most of the land RTD owns is parking used by customers, and once you add the cost of surface parking into a garage with a development, it is not feasible to add a development at most Park-n-Ride locations.

Question: *FasTracks revenue can only be spent on FasTracks but does the base system revenue subsidize FasTracks? Is that fair, because ridership on the base*

system is a lot more than ridership on FasTracks? This group would be interested in hearing at a future meeting more information about how RTD determines which routes need to be adjusted.

Answer: Yes, base system revenue does subsidize FasTracks. The cost of running FasTracks service and the interest on the debt service used to build the system is very expensive. The combination of these two are more than the 1% sales tax generates.

RTD no longer produces the Service Standards document that had the information about ridership. RTD is still working on developing how to measure service in the future and if they need to make adjustment to routes.

Partnership Program Update

Charlie Stanfield said he is working on the Call for Partnership Process. RTD is committed to partnerships with external stakeholders. There is a 1994 Board adopted policy that outlines how RTD approaches partnerships. It has been a guiding principle of Reimagine RTD's strategic plan and other efforts the agency has been working on.

RTD's current partnerships fall into three categories:

- **Cost Sharing**

RTD will share in the cost in providing some sort of service with a local stakeholder or government.

- **Innovative Mobility Pilots**

This can trend to more technical innovations in the different types of services.

- **Third Party Operations**

RTD provides funding to support a service that is offered by someone else.

There are various non-profit partnerships where RTD spends money to provide local services. For example, the Ride Free Fare program in Longmont and the HOP service in Boulder. District-wide, RTD funds the DRCOG's Way to Go van pool and an Uber fare paratransit transfer. In the southeast, RTD has a metro taxi flex ride

pilot underway. RTD also contributes to various non-profits in Douglas County for van response transportation. In the northeast region, RTD contributes to Focus Point Family Resource Center as an alternate service for a discontinued route and Adams County non-profits. RTD also contributes to non-profits in Jefferson County and the Englewood Trolley. In the northwest, RTD contributes to the Smart View Wagon Flex Ride and City and County of Broomfield's Flex Ride. This amounts to about \$5.2 million that RTD has contributed, and many of RTD's partners contribute to these programs as well. Some programs have fares and others don't.

A lot has changed since the adoption of the 1994 policy. RTD is looking at their approach to partnerships and updates to how they work with local governments and stakeholders.

One thing RTD hears is that, because RTD is a large agency, people don't know who to approach when they have an idea for a partnership and what they need to provide to get funding. RTD is working to make the process be transparent and standardized

Partnerships were a guiding principle of Reimagine RTD. RTD hopes this new program will address both local and regional travel needs. They want to leverage additional funding to provide a community level of service to meet the local needs. And RTD wants to ensure that partnership implementation and continuation of partnership funding is based on clear and measurable criteria.

There is a lot of work involved with the number of partnerships; a lot of agreements need to be executed, and there is a lot of technical support that project sponsors need for submitting requests for proposals (RFPs), a budget, and determining where to service, how many vehicles are needed, and the hours of operation.

RTD will be defining a new position in their Contracted Services Division to assist with these partnership efforts. The new position will evaluate new applications from local stakeholders. RTD will continue to provide the majority of the funding with a local match from the project sponsor.

RTD also wants to leverage the Subregional Service Councils to get the pulse on local transit needs to better utilize funding.

It takes more than a year for new services to get up and running optimally. RTD plans to commit at least two to four years of funding to a service, depending on the sponsor's request and overall available funding for a project. This will allow partnership evolution, and after the initial operating period RTD will evaluate the project on established criteria and figure out how to improve a service that is not meeting those goals.

Additional Comments & Questions

Question: *Have you completed the criteria for accepting partnerships? The CAC would be interested in reviewing the criteria.*

Answer: RTD is working with the Subregional Service Councils to get feedback on the proposed process and what the criteria should be. The criteria will be defined before RTD releases a call for project partnerships.

Question: *Would RTD ever identify areas needing service and approach the community to see if they are interested in a partnership?*

Answer: RTD already offers a lot of Flex Rides to meet community transit-type trips. RTD is hearing the local communities want a little more control in how the community level trips are being provided through transit.

Question: *The Boulder HOP model has been very successful. Why hasn't it been replicated in other areas?*

Answer: There has been a lot of interest in the HOP model. However, RTD hasn't been able to expand this type of program because they don't have enough operators. If municipalities would like to provide a service like this, they would have to be operated by a third party.

Chartering Update

The chartering committee doesn't have anything to share with the CAC yet. Bryn, Devin, and John will be meeting later in November to talk about drafting the charter. They hope to have a draft to share with the CAC by the end of December and have a discussion at a CAC meeting early next year.

Open Discussion

Commented [CR1]: I know he said this, but it leaves open questions, and presumably RTD will develop criteria that helps them evaluate different projects on a fairly equal footing, so I deleted this.

Subregional Service Councils. Jennifer Webster said four of the five Subregional Service Councils have met for the first time, with the fifth council meeting this week. Next year each Council will meet three times. There will also be two high level elected officials' meetings to provide briefings on what is happening at each Council. We do have CAC representation on each council, and those CAC members can share updates at our future meetings.

Board Election. There were eight RTD Board seats up for reelection this year. Five incumbents won, and three new Board members were elected. RTD will conduct onboarding meetings with the new members before they are sworn in in January.

Legislative Agenda. Affordable housing, job growth, and climate change will likely be at the top of the legislature's agenda next year and these could benefit RTD.

R Line Reopening. RTD submitted their report to the Public Utilities Commission (PUC) on November 4th for the reopening of the R Line. RTD received the PUC's comments and recommendations and are expecting the R Line to be operational the week of November 28th.

Safety and Security. The safety enhancements at DUS continue. The restrooms are regularly cleaned and restroom access is limited to two people at a time; security officers are monitoring the restroom activity. A lot of the public focus has been on DUS to make sure everyone is safe there, but there are also transportation security officers on the light rail and commuter rail lines.

CAC Meeting Date/Time. The group discussed the desire to move the CAC meetings to another day. From the poll we sent out a few months ago, Thursday afternoons seem to be preferable to Wednesdays. However, the Chamber of Commerce did not have any meeting space available on Thursdays. We've had better participation the past two months since moving the meetings to fully virtual than when the meetings were hybrid. If we stay virtual through the winter, we could move to Thursday afternoons at the same time, and we should move the meetings to the second Thursday so we are ahead of the board meeting.

We will send out another poll and make a decision on meeting day/time when we get the results. If some people have conflicts with the second Thursday of the month, we could consider alternating days and times so that more members would be able to attend a meeting.

