CITILINK

Frequently Asked Questions about Citilink's Budget

What is the fiscal cliff?

According to the American Public Transportation Association (APTA), nearly half of public transportation agencies in the United States will face budget deficits in the next five years. This is due to flat or declining revenue and increasing operating expenses. Citilink's budget deficit will arrive next year. Lafayette, South Bend, and other transit agencies face a fiscal cliff in Indiana.

What are the causes of Citilink's budget shortfall?

In the last decade, Indiana laws constraining public revenues, such as property tax caps, have lowered Citilink's revenues by more than $10 million. Indiana funding for public transportation, known as the Public Mass Transit Fund (PMTF), has been held virtually flat for the past 11 years. Citilink relied heavily and to a greater extent on federal relief funding during the pandemic. As that funding has expired, Citilink's costs are $2.5 million higher than its regular budgeted revenue for 2025.

Why is state funding insufficient?

The legislature removed the PMTF from gas tax revenues in 2012, and the fund stopped growing. This $45 million pot of funding is shared by some 66 rural and urban transit agencies in Indiana. Citilink has received about $2.1 million in PMTF funding each year. Since 2012, PMTF funding grew by less than 1% annually on average, while Citilink's operating costs grew by 54% due to inflation. The time has come for the legislature to improve PMTF funding substantially.

Didn't Citilink receive $11 million in federal funds?

Citilink was awarded $11 million in federal funding to purchase twelve hybrid buses over the next four years. This funding from the infrastructure bill is for capital bus purchases and cannot be used for other purposes. The money will allow Citilink to replace buses but cannot be used to pay wages for drivers or any other operating costs.

Why is a fare increase necessary?

Citilink fares haven't increased in 16 years, but costs have risen significantly. Fares cover only 6% of total operating expenses. As Citilink seeks additional public subsidies, it must ensure elected leaders that riders are paying their fair share of expenses. Citilink's fares are proposed to increase next year, subject to approval by the Board of Directors.

What is the impact of the special levy?

State law requires Citilink's Board of Directors to approve a special levy to defray costs in the case of a budget shortfall. The Board has authorized an additional tax levy on property within Citilink's district of $0.0149 per $100,000 in assessed value. This increase results in estimated increased property taxes between 0.5% and 0.9% depending on property locations and whether they have already reached their tax caps. If approved by the Fort Wayne City Council, the special levy will raise $2.5 million to resolve Citilink's deficit.

Why does the Fort Wayne City Council approve the budget?

Citilink is a special unit of local government governed by a Board appointed by the Mayor and City Council of Fort Wayne. Indiana law requires elected bodies, such as the City Council, to finally authorize budgets for local government units. As such, the City Council will have the final say on Citilink's budget and the special levy.

What will happen if the City Council approves the budget?

Citilink will continue to operate its scheduled service in 2025. However, Citilink will continue to work on sustainable revenue sources, such as increased state funding, and lower its costs to mitigate its structure deficit problem. This could mean small-scale reductions or changes in service next year.

What will happen if the City Council rejects the budget?

If the budget is rejected, the state will authorize Citilink's budget at the expense budgeted for 2024. However, with a $2.5 million revenue shortfall, Citilink will have to make deep cuts to service in 2025. Nearly 14% of service would have to be cut, resulting in the loss of more than 300,000 annual passenger trips, or 840 rides per weekday.

Which services would be cut?

Citilink would need to cut up to 19,150 revenue hours of service, a very steep cut of about 14%. Weekday service cuts would include discontinuing 30-minute headways on routes 4 and 7, special service to Easter Seals ARC, and combining routes 15 and 21. On Saturdays, Citilink would no longer operate routes 1, 3, and 9, and the remaining service would not operate for 3 hours during the mid-day.

What would be the impact on riders and the community?

Citilink ridership is growing, with an annual ridership of 1.6 million passenger trips last year and up 6% so far this year. Yet Citilink services are already deeply inadequate due to service cuts made in the early 2010s resulting from flat state funding. Most buses operate only once per hour, service ends in the early evening, which is too early to transport second-shift workers, and there is no Sunday service.

Individual riders and families will lose access to jobs, housing, education, healthcare, and life-sustaining shopping, such as groceries.

People with disabilities will lose service to needed healthcare and employment opportunities.

Residents without the means or ability to drive will have fewer opportunities for workforce training and livable-wage employment.

Business and tourism will suffer a loss of competitive edge compared to cities with excellent public transportation.

Disinvesting in transit will jeopardize strides made in the community development of Fort Wayne as a vibrant, attractive place to live, work, and visit.

Who rides Citilink?

Everyone rides Citilink, including youth, seniors, people with disabilities, and people with limited English skills or low incomes. 7% of Citilink's district households do not have car access. 14% of the population lives with a disability, many of whom rely on Citilink's Access service. 15% of the population lives in poverty. 34% of the population are non-white or of Hispanic/Latino origin, populations that face systemic barriers that increase their reliance on public transportation.

Would layoffs result?

Yes, unfortunately. Citilink is a $27 million operation, including operating and capital budgets, with 137 jobs and a $14.2 million payroll with fringe benefits. Of our 137 employees, 115 live in Fort Wayne and contribute to the local economy. Approximately 15% of Citilink's workforce, or 20 positions, would need to be laid off. Unfortunately, most of these positions would be drivers. Citilink's overhead expenses (administrative and maintenance costs) have already been tightened.

This is a critical time.

Public transportation in Greater Fort Wayne has declined for many years due to funding and service cuts. Ridership has rebounded in recent years, however, indicating strong demand. If Citilink's 2025 budget is not approved, service cuts will be so steep that state and federal formulas will result in further service cuts. Greater Fort Wayne is the fastest growing city in the Midwest. *Let's advance public transportation so that nobody is left behind.*

How can I help? Contact City Council Representatives

Community leaders have long demanded improved public transportation for the Fort Wayne area. The community needs to express strong local support for public transportation funding. Please contact your City Council Representatives to share stories about the value of Citilink's services and to express your opinion about Citilink's budget.

- Paul Ensley, 1st District
- Russ Jehl, 2nd District
- Nathan Hartman, 3rd District
- Dr. Scott Myers, 4th District
- Geoff Paddock, 5th District
- Rohli Booker, 6th District
- Martin Bender, At Large
- Michelle Chambers, At Large
- Tom Freistroffer, At Large

Write to: City Council Office, Citizens Square Suite 120, 200 E. Berry St., Fort Wayne, IN 46802

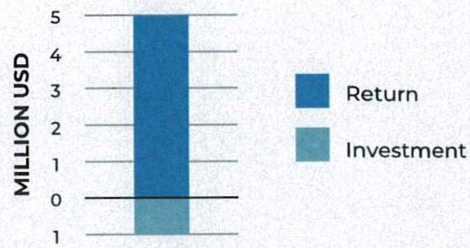
Attend the Public Hearing: Tuesday, October 8, 5:30 PM

Citizens Square, Rm. 35 Council Chambers

Economic Impact of Investment and Service Cuts Risks

Investment Returns: For every **$1 million invested,** there is a **return of $5 million in economic benefit**.

Service Cuts Consequences: A **$2.5 million service cut** could lead to an **economic loss of $12.5 million** due to decreased access to jobs, shopping, and other activities.

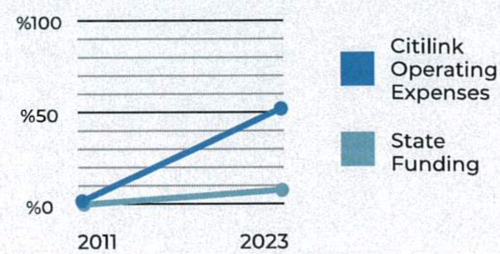


Financial Makeup and Investment Challenges

Financial Structure: Our financial makeup allows us to invest in capital infrastructure, but we are unable to expand service due to a lack of operating assistance.

Capital vs. Operating Funds: While we can fund the purchase of buses over the next twelve years, we lack the necessary funds to cover the salaries needed to operate these new buses. To access these federal funds, we need to contribute **15% from state and local funds**. As a result, potential operating funds become tied up in local matching, leaving us with fewer resources to invest in operations.

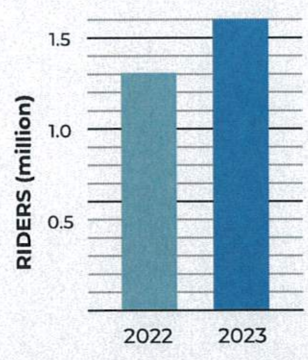
Need for Support from Elected Leaders: Citilink needs access to state and local funds for both federal capital grants and also to cover Operating Expenses. Since 2011, **state funding has grown 9%** and **Citilink's operating expenses have grown 54%**.

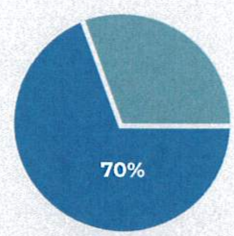


2023 Achievements and Programs

Staffing and Service Improvements: In 2023, Citilink became fully staffed, resumed a half-hourly service, and increased **ridership to 1.6 million**, marking a **23% rise from 2022** and nearing pre-pandemic levels.

Travel Training Program: The travel training program achieved significant success, with **70% of trainees returning to use the bus** services multiple times until they felt confident.





% of trainees returning to use the bus services multiple times

Capital Funding Discussion

Funding Allocation: Although funds are available for purchasing buses over the next twelve years, there is a shortfall in the budget for operating expenses, such as driver salaries.

Bottom Line

Public Perception: Despite receiving $11 million in funding, this amount is allocated for capital expenses (vehicles) and not for the operating budget.

Transit is an Investment: With a budget of nearly $20 million, Citilink brings five times that in economic benefit each year, linking people to jobs, shopping, and healthcare. We need your support to grow our funding and economic impact, so that we can meet the needs of the fastest growing metro in the Great Lakes region.