

03-08-2023 Town Council Meeting Responses to Council Questions

ITEM #2: Approve the \$8.25 Million Installment Purchase Contract for the Replacement of Transit Buses

Council Question:

How many buses will we need to purchase in the next fiscal year, and the year after? What would be the approximate additional yearly debt service? If we replace about 7 buses a year, financed for 10 years, what will our total transit debt service for bus replacement be in year 9?

Staff Response:

The Transit Capital Plan, which was adopted as part of the Short Range Transit Plan, calls for the replacement of on average seven (7) buses each fiscal year to maintain a reliable and efficient transit fleet - along with replacing demand response and other service vehicles and meeting other capital needs. This is needed to maintain the existing fleet and does not include buses/vehicles for new or expanded services identified in the adopted Short Range Transit Plan.

Transit will continue to aggressively pursue federal, state and local grant opportunities (for example - since 2016 we have replaced 49 buses and 33 of those were done with grant funds) to assist with necessary bus/vehicle purchases. However, if grant funding is not available (or limited), Transit Partner contributions and/or debt-financing may be necessary to cover the costs of buses/vehicles not covered by grant funding in future years and would be discussed as part of the budget development process.