


Andrew Kleine

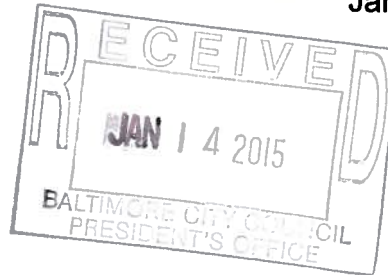
FROM	NAME & TITLE	Andrew Kleine, Chief	CITY of BALTIMORE MEMO	
	AGENCY NAME & ADDRESS	Bureau of the Budget and Management Research Room 432, City Hall (410) 396-4941		
	SUBJECT	City Council Bill # 14-0192R – Investigative Hearing- Charm City Circulator		

TO

DATE: January 13, 2014

The Honorable President and
Members of the City Council
Room 400, City Hall

Attention: Ms. Natawna Austin



City Council Bill # 14-0192R has been introduced of the purpose of reporting on the costs and ridership numbers for the Charm City Circulator; determining whether or not the revenue sources originally intended to pay for Circulator operations have proven to be sufficient; and to discuss the contents of the RFP to operate the Circulator in future years, including the possibility of requiring a \$1 fare for each Circulator ride.

The Bureau of Budget and Management Research ("BBMR") completed a report in November 2014 focusing on the historical financial performance of the Charm City Circulator and a long-term 10-year projection of revenues and costs based on current level of services.

This report found that the Circulator operating fund incurred a deficit of \$11.6 million from Fiscal 2009 through Fiscal 2014, and that continuing current services, along with future bus purchases (capital replacement) would result in a projected cumulative deficit of \$73.2 million deficit by Fiscal 2024. The report provides operational and financial options for reducing the deficit, and includes a combination of recommendations that would achieve an operating fund balance within the identified 10-year period. For additional details on the full financial background of the Circulator, this report is currently available on the Department of Finance website at <http://bbmr.baltimorecity.gov/ManagementResearch.aspx>

The Department of Finance will be available to respond to any additional questions as needed.

cc: Henry Raymond
Angela Gibson