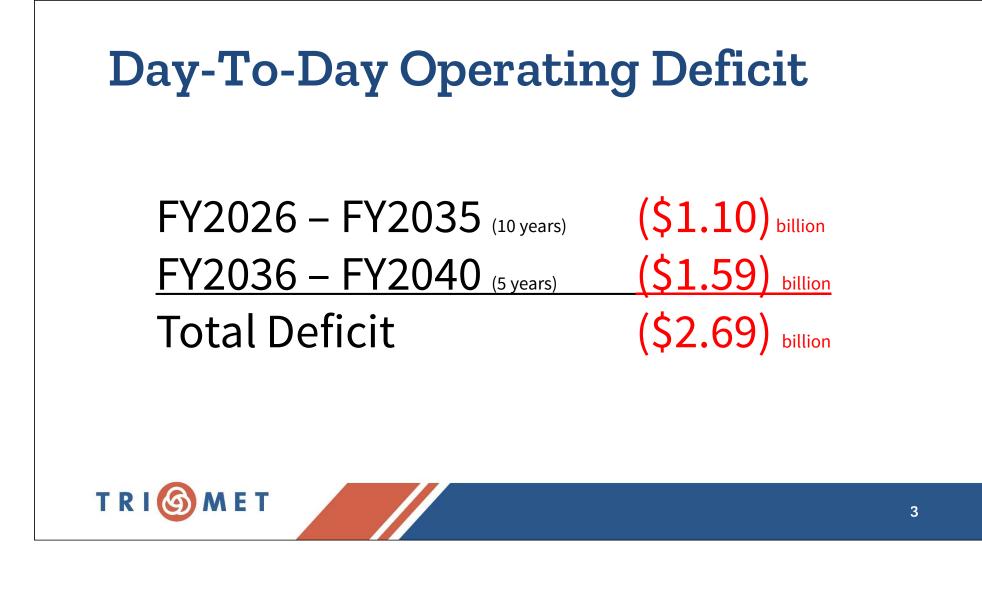


## FY2026 Proposed to Forecast

(in millions)

FY2026 Proposed	Category	FY2026 Forecast	
\$796.4	Beginning Fund Balance	\$814.4	These figures will be different for the FY2026 Adopted
\$1,148.2	Resources	\$1,130.4	Budget, however, were accurate for the forecast
(\$1,222.6)	Requirements	\$(1,199.6)	inclusive of restricted funds.
\$722.0	Ending Fund Balance	\$745.2	
\$ (74.4)	Increase (Decrease) in FB	\$(69.2)	



Forecasted Deficit Scenario			
Total Deficit	(\$2.69) billion		
+ STIF Tax Increment [0.08%]	\$0.51 pending decision		
+ Operating Reductions [2% to 3%]	\$0.36 FY2026 Adopted		
+ Continue Expense [\$7.5m to \$5.0m]	\$0.29 pending decision		
+ One-Time-Only [\$7.5m to \$5.0m]	\$0.03 pending decision		
+ CIP General Fund [\$50m to \$40m]	\$0.20 pending decision		
Updated Deficit	(\$1.30) billion		

Current Fiscal Cliff starts om FY2031 at a \$146M deficit and increases every year thereafter: If all above levers are pulled, the fiscal cliff would change to starting in FY2034 at a \$131M deficit, pushing the cliff out 3 years.

### State of Good Repair Projects FY2025 and FY2026 = \$180 m to \$200 m

- Information Technology Equipment
- CCTV Replacement/Upgrades
- Software Replacements
  - PMIS Project Management
  - Scheduling Software
- Ticket Vending Machines
- Farebox replacements
- Blue Light Phones
- Facility Updates/Maintenance
- Center Street Fuel & Wash
- Transit Tracker Displays
- Signal System Relay

- Light Rail Vehicles
- ATP Vehicle Replacement
- Blue Line Station Rehab
- Transit Police NRVs
- OCS Climate Resiliency
- Light Rail Shop Equipment
- Bus Shop Equipment
- Light Rail Electrification & Signaling
- Light Rail Track & Structures
- Type 1 Substation Replacement

#### **Grants Status Report**

<u>Awarded</u>	Application approved
<u>In Progress</u>	In review with grantor (e.g. FTA, PCEF)
	or TriMet completing process (e.g. NEPA)
<b>Executed</b>	TriMet has access to funds

No discretionary applications have been submitted, and no new funding awards have been made in this time period.



#### January 20, 2025

Amount	No.	Status	Funding Stream	
\$183,522,336	22	In Progress	Federal	
\$58,922,291	5	In Progress	State/Local	
\$242,444,627	27	Total Funds Not Yet Executed		

#### April 24, 2025

Amount	No.	Status	Funding Stream	
\$122,298,576	16	In Progress	Federal	
\$58,052,849	4	In Progress	State/Local	
\$180,351,425	20	Total Funds Not Yet Executed (-7)		
\$61,223,760	6	Executed	Federal	
\$869,437	1	Executed	State/Local	
\$62,093,197	7	Funds Executed January 20-April 24 (+7)		

The RAISE & LowNo awards (\$64 million) shown as In Progress are at risk due to changes in current administration's priorities.

#### Awards Executed Jan 20-April 24, 2025

	Amount	Source	Project	CIP	Award ID	Date Executed
	\$41,221,104	FY 2024 Section 5337 Formula	Rail Preventive Maintenance	NA	OR-2025-012	3.26.2025
	\$5,000,000	FY 2024 Highway Safety Improvement Program (HSIP) & FY 2024 Carbon Reduction Program (CRP)	82 <sup>nd</sup> Ave High Capacity Transit	7219	OR-2025-003	2.13.2025
	\$5,000,000	FY 2024 Earmark	Columbia Bus Base	7591	OR-2025-014	3.26.2025
	\$4,840,000	FY 2023 Earmark	Merlo Bus Facility Retrofit (remaining)	5628	OR-2024-017-01	4.24.2025
	\$3,708,384	FY 2024 Surface Transportation Block Grant (STBG)	Bus Preventive Maintenance	NA	OR-2025-008	3.7.2025
	\$1,454,272	FY 2023 Congestion Mitigation Air Quality (CMAQ)	Powell – Bus Charging Equipment	5615	OR-2025-017	4.21.2025
	\$869,437	FY 2025-26 ODOT Section 5310	LIFT Vehicles (2026 Build)	4049	ODOT 35708	3.7.2025
	\$ 62,093,197	Total				
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Open Award Status – with FTA or Other Outside Agencies					
Amount	Funding Source	Funding Source Project			
\$55,500,000	FY 2024 Portland Clean Energy Fund (PCEF)	82nd Ave - Construction/Workforce Develop/Other	Portland		
\$26,317,200	FY 2024 Low-No Discretionary	82nd Ave – 14 FCEBs/Powell/Workforce Develop	FTA		
\$25,000,000	FY 2024 RAISE Discretionary	Columbia Bus Base	FTA		
\$21,779,998	FY 2025 Congestion Mitigation Air Quality (CMAQ) & Surface Transportation Block Grant (STBG)	Debt Service Payments – Capital Bonds	FTA		
\$3,819,635	FY 2025 Surface Transportation Block Grant (STBG)	Bus Preventive Maintenance	FTA		
\$2,942,197	FY 2025 Surface Transportation Block Grant (STBG)	(20) LIFT Vehicles – Replacement (2026 Build)	FTA		
\$2,360,000	FY 2023-24 ATTAIN Discretionary	LRV Cloud Connectivity	FHWA		
\$1,540,849	FY 2026-27 ODOT Section 5310 Formula	LIFT Vehicles – Replacement (2026 & 2027 Builds)	ODOT		
\$612,000	FY 2026-27 STIF Discretionary	Transit Priority Spot Improvements	ODOT		
\$400,000	FY 2026-27 STIF Discretionary	Bus Stop ADA Improvements	ODOT		
\$ 140,271,879	Total Awards with FTA/Other Agencies				



Open Award Stat	us – with TriMet	; – with TriMet			
Amount	Funding Source	Project	With whom?		
\$12,682,800	FY 2024 Low-No Discretionary (add remaining funds)	82nd Ave – Powell Infrastructure	TriMet (NEPA)		
\$4,806,583	FY 2022 Section 5339(b) Discretionary (add remaining funds)	Beaverton Transit Center	TriMet (NEPA)		
\$4,437,885	FY 2023 Earmark (add remaining funds)	Oregon City Transit Center	TriMet (NEPA)		
\$4,000,000	FY 2024 Carbon Reduction Program (CRP)	Transit Signal Priority (TSP) Upgrades to Line 33	TriMet (NEPA)		
\$3,260,241	FY 2024 5339(a) Formula	Capital -TBD	TriMet (project TBD)		
\$3,144,455	FY 2023 5339(a) Formula	Powell Facility Upgrades	TriMet (NEPA/STIP change)		
\$3,000,000	FY 2024 Carbon Reduction Program (CRP)	(3) Zero Emission Buses – Replacement (2026 Build)	TriMet (build TBD)		
\$2,099,838	FY 2024 Section 5310 Formula	Services for Elderly & Disabled Individuals – Ride Connection & TriMet's LIFT Division	TriMet (2026 SOW TBD)		
\$1,385,728	FY 2023 Congestion Mitigation Air Quality (CMAQ)	Beaverton Transit Center	TriMet (NEPA)		
\$1,000,000	FY 2024 Earmark	Gateway Transit Center	TriMet (NEPA)		
\$262,016	FY 2024 Congestion Mitigation Air Quality (CMAQ)	(1) Battery Electric Bus – Replacement (2026 Build)	TriMet (build TBD)		
\$ 40,079,546	Total Awards with TriMet				

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### FY2026 Bond Issuance

March – authorization to reimburse approved by the Board

June – Updated Financial Forecast scenario to the F&A Committee

July – Seek Board approval to issue up to \$150 million in new debt and possible refunding

Upon approval ~ 60-day window for public comment

October 2025 ~ earliest date to issue bonds/go to market

The three primary projects to receive bond funding include:

- 82<sup>nd</sup> Avenue
- Light-Rail Vehicles
- Columbia Bus Base



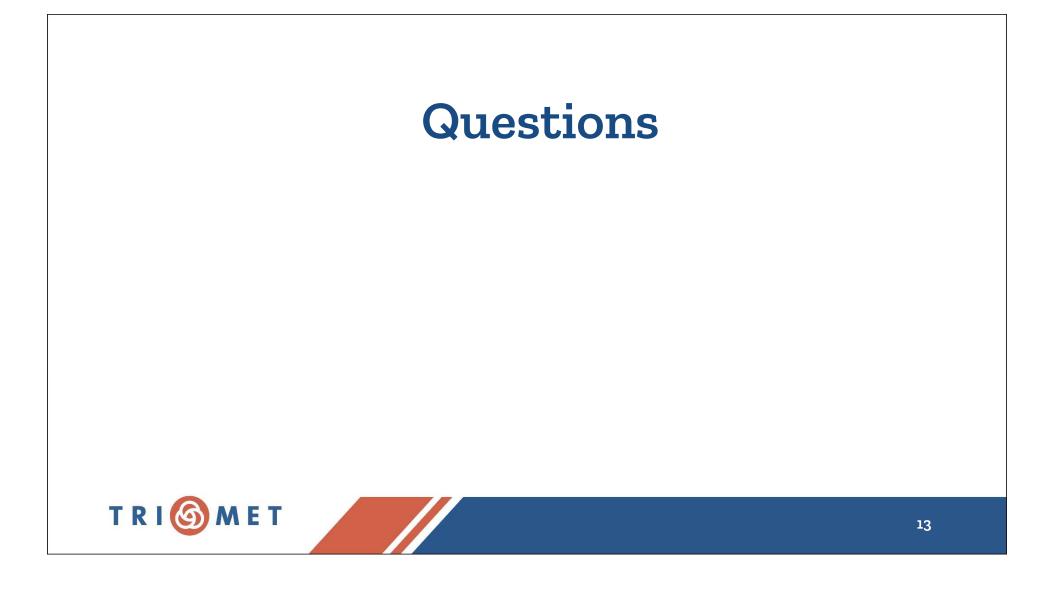
## **Strategic Financial Plan Policy**

Last updated 2019

**Current Proposed Changes:** 

- Organizational structure Introduction, Resources & Requirements, Fiscal Guidelines, Policies, and Monitoring
- Policies:
  - CE & OTO Revenues & Expenditures Updated language
  - Use of Restricted Assets New
  - Unrestricted Fund Balance No material changes
  - Contingency No material changes
  - Reserves New
  - Debt Updated language to reflect current policy approved by the Board
  - Fare Updated language to reflect current intent
  - Investments New policy added to reflect current policy approved by the Board
  - Pension & OPEB Funding Updated language to reflect current policy approved by the Board
- May F&A for discussion and then to the full Board
- June resolution requesting adoption





## **Forecast Baseline Assumptions**

#### Revenue

No New Revenue Sources or Fare Increase	Payroll Tax Growth Ranging 5.0% - 5.8% Annually
Federal Formula Grant Award Growth 3.4% Annually	Passenger Fare Revenue Growth Ranging 3% - 7%
Annually – improved fare recovery/service growth	

#### Expenditure

-	
Annual Wage Growth Range 3% to 4%	Zero Based Budget (ZBB) Average Growth – 5.0%
Baseline Service (FY2035) ~ 50,669 Bus WVHs ~ 6,433 MAX WVHs	Maintain SFP Policy - 2.0 to 2.5 Months Operating Reserve - 3% Contingency [Reserved, but not anticipated to spend] - Pension-OPEB funded from PayGO & Trust Funds
Operating Requests - \$7.5M Continuing Expense (CE) - \$7.5M One-Time-Only (OTO)	Debt Limit maintained at 7.5% of continuing revenues.
CIP General Fund at \$50M Annually ~ Growing at 4%	
No Provision made for Alternative Fuel Technologies	No Provision made for Interstate Bridge Replacement
	14

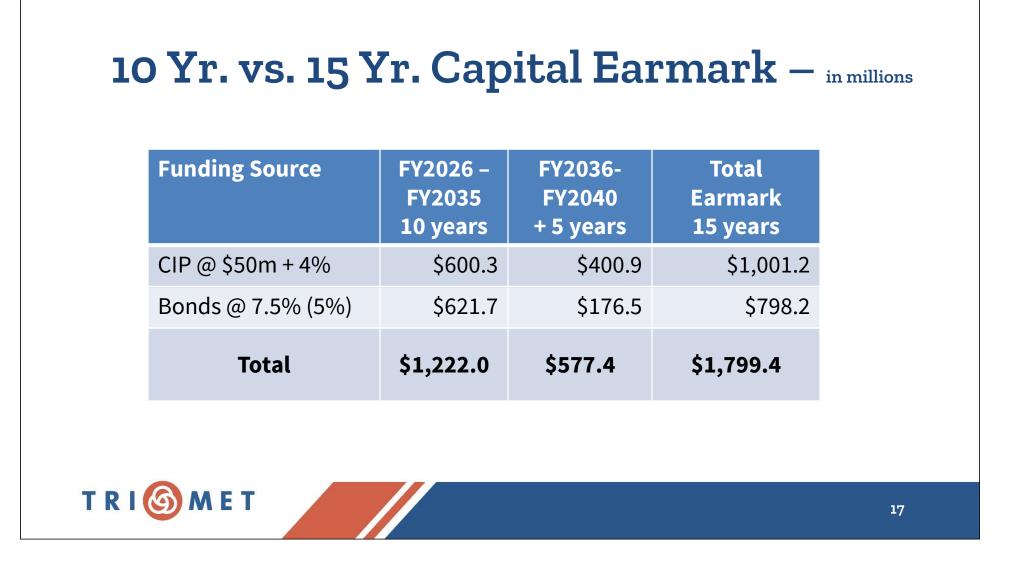
## **Revenue Opportunities**

Opportunity	FY2026-35	FY2036-40	Total
<ul> <li>STIF Tax Increase (FY2028 – 3x)</li> <li>Needs approval from Legislation</li> <li>Must show spending for increased service</li> <li>Will not resolve the fiscal cliff</li> </ul>	\$500M	\$350M	\$850M
<ul> <li>Payroll Tax Increase – By .01% each year</li> <li>Last increase took 7 years</li> <li>Implementation TBD – (example is 2032)</li> <li>Must show spending for increased service</li> </ul>	\$96M	\$428M	\$524M
<ul><li>Fare Increase – One time only</li><li>Increase \$0.20 to \$3.00 in FY2028</li></ul>	\$47.4M	\$42.2M	\$89.6M
<ul> <li>Fare Increase – \$0.20 Every 3 Years</li> <li>Increase \$0.20 Starting in FY2028</li> </ul>	\$83.9M	\$152.5M	\$236.4M

### Across the Board Cuts

% Cuts Based on FY2025 Adopted Budget	FY2026-35 Fiscal Impact	FY2036-40 Fiscal Impact	Total
3.0% Across the Board	\$221 million	\$110 million	\$331 million
5.0% Across the Board	\$368 million	\$184 million	\$552 million
7.5% Across the Board	\$552 million	\$276 million	\$828 million
10.0% Across the Board	\$736 million	\$368 million	\$1,104 million





# Decreasing General Fund Contribution to the CIP

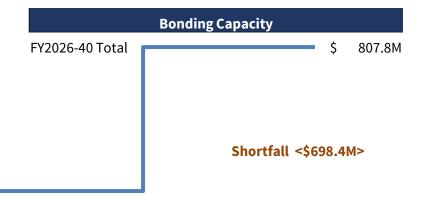
Contribution	FY2026-30	FY2031-35	FY2036-40	Total
\$50M				
\$40M	\$54.2M	\$65.9M	\$80.2M	\$200.3M
\$30M	\$108.3M	\$131.8M	\$160.4M	\$400.5M

4% Growth Year over Year

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# **Bonding Capacity**

Requested Bond Usage				
Project	F١	2026-40		
LRV Replacement	\$	336.8M		
Bus Replacement	\$	1,022.9M		
TV Highway Transit Improvements	\$	40.0M		
82nd Ave Transit Improvements	\$	65.5M		
Columbia Operations Center	\$	40.2M		
Electric Vehicle Charging Infrastructure	\$	0.8M		
FY2026-40 Total	\$	1,506.2M		



Bus & Light Rail Vehicle purchases will require a secondary source such as Federal Funds to cover the deficit by FY2040.

### **ZBB** Constrained

Growth %	FY2026-30	FY2031-35	FY2036-40	Total
5%				
4%	\$21.1M	\$89.3M	\$189.9M	\$300.3M
3%	\$41.8M	\$173.3M	\$360.3M	\$575.5M
2%	\$62.1M	\$252.3M	\$513.2M	\$827.6M
1%	\$82.0M	\$326.6M	\$650.0M	\$1,058.6M

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ZBB items include Security, ATP, Software License Fees and Leases

20

## **Operating Request Reductions**

Allocation Amounts for CE	FY2026-35 Fiscal Impact	FY2036-40	Total
\$7.5 million (baseline)	\$0	\$0	\$0
\$5.0 million	\$146 million	\$169.5 million	\$315.5 million
\$2.0 million	\$329 million	\$379 million	\$705 million
Allocation Amounts for OTO	FY2026-35 Fiscal Impact	FY2036-40	Total
\$7.5 million (baseline)	\$0	\$0	\$0
\$7.5 million	\$0 \$25 million	\$0 \$12.5 million	\$0 \$37.5 million