

Fiscal Update

Updated 4/30/2025



FY2026 Proposed to Forecast

(in millions)

| FY2026 Proposed | Category | FY2026 Forecast |
|--------------------|---------------------------|--------------------|
| \$796.4 | Beginning Fund Balance | \$814.4 |
| \$1,148.2 | Resources | \$1,130.4 |
| (\$1,222.6) | Requirements | \$(1,199.6) |
| \$722.0 | Ending Fund Balance | \$745.2 |
| \$ (74.4) | Increase (Decrease) in FB | \$(69.2) |

These figures will be different for the FY2026 Adopted Budget, however, were accurate for the forecast inclusive of restricted funds.

Day-To-Day Operating Deficit

| | | |
|------------------------|------------------|-------------------------|
| FY2026 – FY2035 | (10 years) | (\$1.10) billion |
| <u>FY2036 – FY2040</u> | <u>(5 years)</u> | <u>(\$1.59) billion</u> |
| Total Deficit | | (\$2.69) billion |

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) |
| <u>Executed</u> | 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 nd 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 | | | | |

Open Award Status – with FTA or Other Outside Agencies

| Amount | Funding Source | Project | With whom? |
|-----------------------|--|--|------------|
| \$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 Status – 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 | | |

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:

- 82nd 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**

Questions

Forecast Baseline Assumptions

Revenue

No New Revenue Sources or Fare Increase

Federal Formula Grant Award Growth 3.4% Annually

Annually – improved fare recovery/service growth

Payroll Tax Growth Ranging 5.0% - 5.8% Annually

Passenger Fare Revenue Growth Ranging 3% - 7%

Expenditure

Annual Wage Growth Range 3% to 4%

Baseline Service (FY2035)

~ 50,669 Bus WVHs

~ 6,433 MAX WVHs

Operating Requests

- \$7.5M Continuing Expense (CE)

- \$7.5M One-Time-Only (OTO)

CIP General Fund at \$50M Annually ~ Growing at 4%

Zero Based Budget (ZBB) Average Growth – 5.0%

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

Debt Limit maintained at 7.5% of continuing revenues.

No Provision made for Alternative Fuel Technologies

No Provision made for Interstate Bridge Replacement

Revenue Opportunities

| Opportunity | FY2026-35 | FY2036-40 | Total |
|---|-----------|-----------|----------|
| STIF Tax Increase (FY2028 – 3x) <ul style="list-style-type: none"> Needs approval from Legislation Must show spending for increased service Will not resolve the fiscal cliff | \$500M | \$350M | \$850M |
| Payroll Tax Increase – By .01% each year <ul style="list-style-type: none"> Last increase took 7 years Implementation TBD – (example is 2032) Must show spending for increased service | \$96M | \$428M | \$524M |
| Fare Increase – One time only <ul style="list-style-type: none"> Increase \$0.20 to \$3.00 in FY2028 | \$47.4M | \$42.2M | \$89.6M |
| Fare Increase – \$0.20 Every 3 Years <ul style="list-style-type: none"> Increase \$0.20 Starting in FY2028 | \$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 |

10 Yr. vs. 15 Yr. Capital Earmark – in millions

| Funding Source | FY2026 – FY2035 10 years | FY2036- FY2040 + 5 years | Total Earmark 15 years |
|-------------------|--------------------------------|--------------------------------|------------------------------|
| CIP @ \$50m + 4% | \$600.3 | \$400.9 | \$1,001.2 |
| Bonds @ 7.5% (5%) | \$621.7 | \$176.5 | \$798.2 |
| Total | \$1,222.0 | \$577.4 | \$1,799.4 |

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

Bonding Capacity

| Requested Bond Usage | |
|--|-------------|
| Project | FY2026-40 |
| 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 |

| Bonding Capacity | |
|------------------|-----------|
| FY2026-40 Total | \$ 807.8M |

Shortfall <\$698.4M>

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 |

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

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 |
| \$5.0 million | \$25 million | \$12.5 million | \$37.5 million |
| \$2.0 million | \$50 million | \$25 million | \$75 million |