

# Balanced Budget Scorecard Update

Board Retreat  
May 13, 2026



# Budget Balancing Scorecard – 3 Year Plan

	FY2027	FY2028	FY2029	FY2030	FY2031	FY27-FY31	FY32-FY36	FY37-FY40	Total	Avg per Year
<b>Target</b>									\$ 3,674	\$ 245
Spend Reduction									\$ 1,920	\$ 128
Service Cuts									\$ 405	\$ 27
New Revenue									\$ 674	\$ 45
Remaining Gap									\$ 675	\$ 45

	FY2027	FY2028	FY2029	FY2030	FY2031	FY26-FY30	FY31-FY35	FY36-FY40	Total	Avg per Year
<b>Planned</b>	\$ 70	\$ 181	\$ 232	\$ 240	\$ 249	\$ 972	\$ 1,391	\$ 1,309	\$ 3,672	\$ 245
Spend Reduction	\$ 60	\$ 112	\$ 116	\$ 121	\$ 126	\$ 534	\$ 708	\$ 675	\$ 1,918	\$ 128
Service Cuts	\$ 10	\$ 24	\$ 25	\$ 26	\$ 27	\$ 112	\$ 151	\$ 143	\$ 405	\$ 27
New Revenue	\$ -	\$ -	\$ 45	\$ 47	\$ 49	\$ 140	\$ 273	\$ 261	\$ 674	\$ 45
Remaining Gap	\$ -	\$ 45	\$ 46	\$ 47	\$ 48	\$ 186	\$ 259	\$ 230	\$ 675	\$ 45

	FY2027	FY2028	FY2029	FY2030	FY2031	FY26-FY30	FY31-FY35	FY36-FY40	Total	Avg per Year
<b>Implemented</b>	\$ 12	\$ 19	\$ 20	\$ 20	\$ 21	\$ 92	\$ 114	\$ 104	\$ 309	\$ 21
Spend Reduction	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 9	\$ 11	\$ 10	\$ 30	\$ 2
Service Cuts	\$ 11	\$ 17	\$ 18	\$ 18	\$ 19	\$ 83	\$ 103	\$ 94	\$ 279	\$ 19
New Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

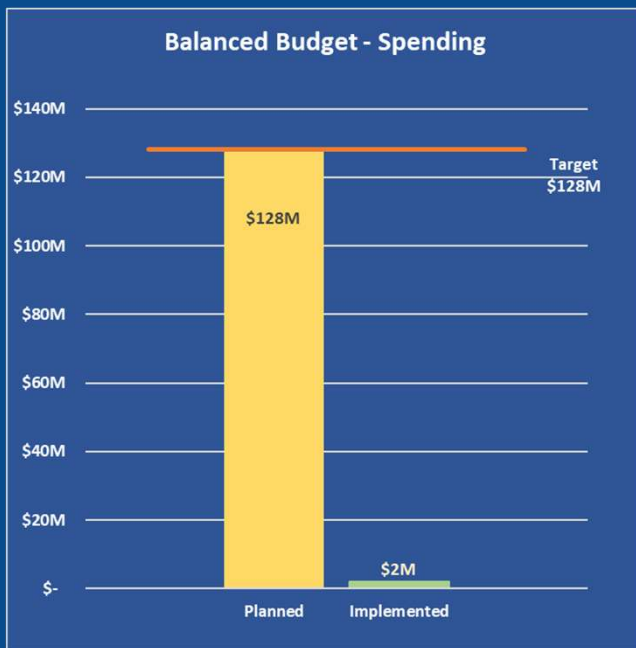
**Target:** To ensure long-term fiscal sustainability which includes right sizing day-to-day operating needs, increasing funding for State of Good Repair, and closing the funding gap on selective existing major projects. (Revenues => Expenditures)

**Planned:** Identified actions necessary to reduce the deficit

**Implemented:** Actions taken to date resulting in year over year cost savings

# Budget Balancing Scorecard

## SPENDING REDUCTIONS



SPENDING	FY2027	FY2028	FY2029	FY2030	FY2031	FY27-FY31	FY32-FY36	FY37-FY40	Total	Avg per Year
<b>Target</b>									\$ 1,920	\$ 128
<b>Planned</b>	\$ 60	\$ 112	\$ 116	\$ 121	\$ 126	\$ 534	\$ 708	\$ 675	\$ 1,918	\$ 128
<b>Implemented</b>	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 9	\$ 11	\$ 10	\$ 30	\$ 2
Divisional Cuts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vacation Payout	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 9	\$ 11	\$ 10	\$ 30	\$ 2
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

### Planned:

- Targeted cuts of nearly \$84.2M annualized.
  - Expected net impact of cuts in FY2027 is \$58.3M after separation adjustments.
- Forecasting an additional cut of nearly \$28M in FY2028.

### Implemented:

- Vacation payout for non-union employees has been suspended
- Divisional cuts are pending Board adoption of the budget on May 27.

# Budget Balancing Scorecard SERVICE

Balanced Budget - Service



SERVICE	FY2027	FY2028	FY2029	FY2030	FY2031	FY27-FY31	FY32-FY36	FY37-FY40	Total	Avg per Year
<b>Target</b>									\$ 405	\$ 27
<b>Planned</b>	\$ 10	\$ 24	\$ 25	\$ 26	\$ 27	\$ 112	\$ 151	\$ 143	\$ 405	\$ 27
<b>Implemented</b>	\$ 11	\$ 17	\$ 18	\$ 18	\$ 19	\$ 83	\$ 103	\$ 94	\$ 279	\$ 19

**Planned:**

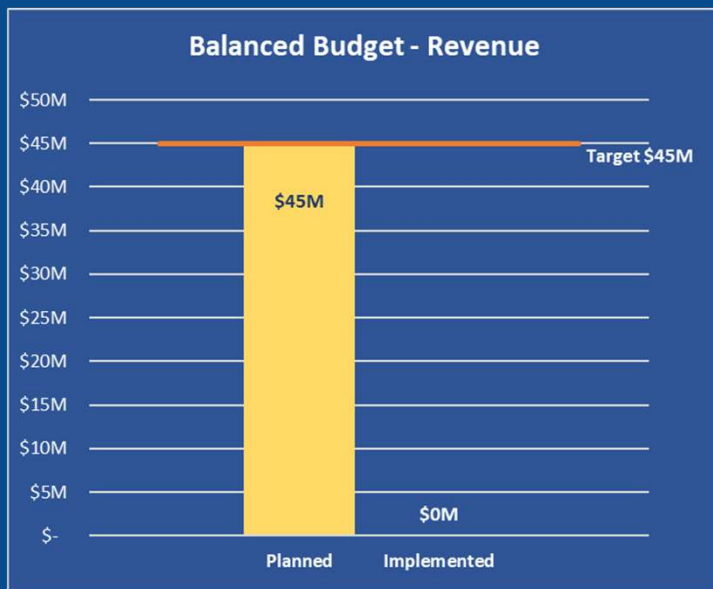
- Fall 2027

**Implemented:**

- Board Approved service reductions on April 22, 2026 for Fall 2026

# Budget Balancing Scorecard

## REVENUE

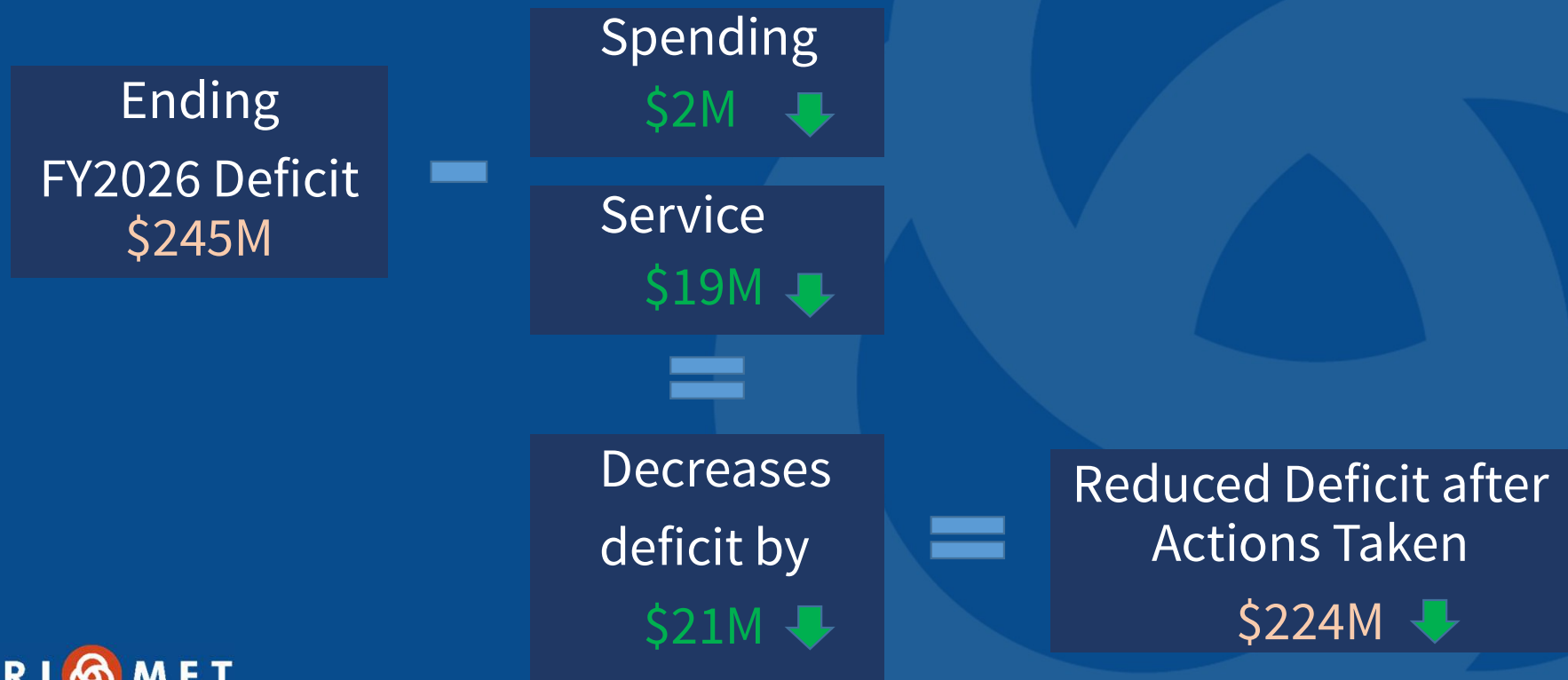


NEW REVENUE	FY2027	FY2028	FY2029	FY2030	FY2031	FY27-FY31	FY32-FY36	FY37-FY40	Total	Avg per Year
<b>Target</b>									\$ 674	\$ 45
<b>Planned</b>	\$ -	\$ -	\$ 45	\$ 47	\$ 49	\$ 140	\$ 273	\$ 261	\$ 674	\$ 45
STIF	\$ -	\$ -	\$ 40	\$ 41	\$ 43	\$ 124	\$ 222	\$ 185	\$ 532	\$ 35
Fare Increase	\$ -	\$ -	\$ 5	\$ 5	\$ 5	\$ 16	\$ 51	\$ 76	\$ 143	\$ 10
TBD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Implemented</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
STIF	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fare Increase	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TBD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

### Planned (Pending Board Approval):

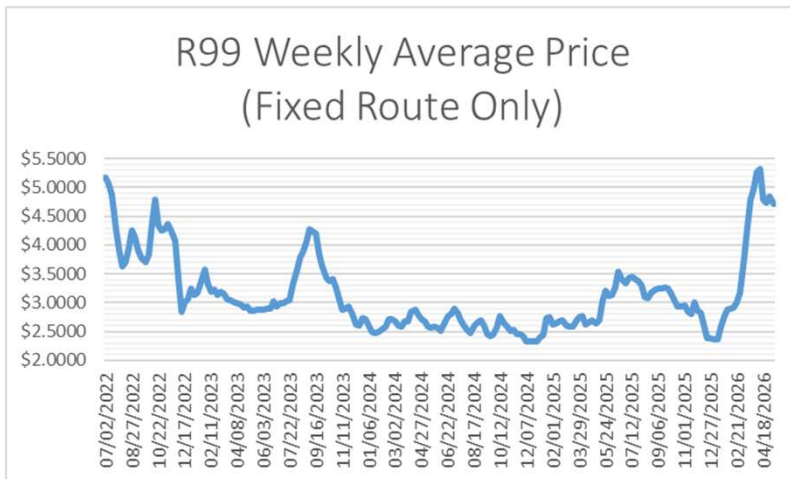
- Assumes a doubling of the STIF or other continuing revenue starting July 1, 2028.
- Fare increase of \$0.20 planned every 4 years starting FY2029.
- TBD – internal task force assembled for revenue strategies.

# Updated deficit as approved by the board or General Manager...



# Cost Drivers

## Diesel Fuel [Price Per Gallon] – Updated as of 5/11/2026



- Slightly down from the 4-year high of \$5.32/gallon.
- Prices projected to decline sharply by year end.
- Consumption should decrease with service impacts.
- FY2026 Budgeted at \$2.90/gallon – Current Price is \$4.71.

# Other Fiscal Impacts

- LIFT: Increased ridership 268k in FY2021 and projected to be over 1 million in FY2027, nearly 4x over that span.
- Unemployment rate 5.0%
- Portland – Central Core 34.6% vacancy rate.
- Stalled population growth
- Portland General Electric rates increased 15.9% in 2024 and another 7.6% in 2026.
- Water, Sewer and Storm rates have increased a total of 35% over the last four years.

# A bit of good news...

- ER Payroll tax receipts through the first 9-months of the year showing stronger growth of 3.8%
  - Our projections in January were only 2.5% growth
  - This will yield about \$6.5M in forecast FY2026 year-end totals
  - Increase approximately \$12M in FY2027 forecast if updated projections hold true
- **Energy Tax Credit Sales Revenue market has rebounded significantly since the previous year.**
  - Less than \$50/credit in FY2025 to more than \$140/credit in FY2026
  - Nearly \$2M more than the previous year
  - Driven by market for companies purchasing the energy credits
  - Highly volatile