

# 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 (5 years)</u>	<u>(\$1.59) billion</u>
Total Deficit	(\$2.69) billion

# Forecasted Deficit Scenario

Total Deficit	<b>(\$2.69) billion</b>
+ STIF Tax Increment [0.08%]	\$0.51 pending decision
+ Operating Reductions [2% to 3%]	\$0.36 <b>FY2026 Adopted</b>
+ 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 on 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 <u>TriMet</u> 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
<b>\$242,444,627</b>	<b>27</b>	<b>Total Funds Not Yet Executed</b>	

## April 24, 2025

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

**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
<b>\$ 62,093,197</b>	<b>Total</b>				

### 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
<b>\$ 140,271,879</b>	<b>Total Awards with FTA/Other Agencies</b>		

### 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)
<b>\$ 40,079,546</b>	<b>Total Awards with TriMet</b>		



# 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**

# 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%

**No Provision** made for Alternative Fuel Technologies

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 Interstate Bridge Replacement

# Revenue Opportunities

Opportunity	FY2026-35	FY2036-40	Total
STIF Tax Increase (FY2028 – 3x) <ul style="list-style-type: none"> <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
Payroll Tax Increase – By .01% each year <ul style="list-style-type: none"> <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
Fare Increase – One time only <ul style="list-style-type: none"> <li>Increase \$0.20 to \$3.00 in FY2028</li> </ul>	\$47.4M	\$42.2M	\$89.6M
Fare Increase – \$0.20 Every 3 Years <ul style="list-style-type: none"> <li>Increase \$0.20 Starting in FY2028</li> </ul>	\$83.9M	\$152.5M	\$236.4M

# Across the Board Cuts

<b>% Cuts Based on FY2025 Adopted Budget</b>	<b>FY2026-35 Fiscal Impact</b>	<b>FY2036-40 Fiscal Impact</b>	<b>Total</b>
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
<b>Total</b>	<b>\$1,222.0</b>	<b>\$577.4</b>	<b>\$1,799.4</b>

# 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
<b>FY2026-40 Total</b>	<b>\$ 1,506.2M</b>

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