


Date: March 26, 2025

To: Board of Directors

From: Sam Desue, Jr. 

Subject: **RESOLUTION NO. 25-03-10 OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET), ACTING AS THE TRIMET BUDGET COMMITTEE, APPROVING THE PROPOSED FISCAL YEAR 2026 ANNUAL BUDGET FOR SUBMISSION TO THE MULTNOMAH COUNTY TAX SUPERVISING AND CONSERVATION COMMISSION**

1. Purpose of Item

This Resolution requests that the TriMet Board of Directors (Board), acting as the TriMet Budget Committee (Committee), approve the Proposed Fiscal Year 2026 Budget for submission to the Multnomah County Tax Supervising and Conservation Commission (TSCC).

2. Type of Agenda Item

- Initial Contract
- Contract Modification
- Other: Submission of Proposed FY2026 Budget to TSCC

3. Reason for Board Action

Oregon Budget Law requires the Board, acting as TriMet’s Budget Committee, to approve a budget that may be submitted to the TSCC.

4. Type of Action

- Resolution
- Ordinance 1st Reading
- Ordinance 2nd Reading
- Other

5. Background

Budget Process. TriMet must propose and the Committee must adopt a balanced budget in which revenues are equal to expenditures.

Oregon Budget Law requires all local governments to follow a specific process to adopt budgets. The Committee’s adoption of this Resolution to approve the Proposed FY2026 Budget is the first step in that process. After the Committee approves the Proposed FY2026 Budget, it will be published as the Approved version, which then must be submitted to the TSCC for its review and consideration in a public hearing on April 23, 2025.

Assuming that the TSCC approves the Approved FY2026 Budget, it will be returned for the Committee's final consideration and formal adoption at the May 28, 2025 Board meeting. Amendments to the TSCC-approved FY2026 Budget may occur until the Board's adoption of the Final FY2026 Budget on May 28, 2025. A Final Budget must be adopted before the July 1 start of the new fiscal year.

The Proposed FY2026 Budget sets a total funding amount of \$1.94 billion, including all pass through requirements, contingencies, and ending-fund balances. The Proposed Budget includes \$771.3 million for operating costs, \$54.5 million for Other Post-Employment Benefits (OPEB), \$74.5 million for debt service, and \$221.1 million for capital and operating projects.

The Proposed FY2026 Budget further implements the requirements of the Statewide Transportation Improvement Fund (STIF), preserving and improving service and continuing the Low Income Fare (LIF) Program.

The Proposed FY2026 Budget is consistent with pension policies adopted by TriMet on February 26, 2014 and subsequently amended on October 23, 2019. It meets TriMet Strategic Financial Plan policies in areas of debt service and service growth, and continues to address essential capital maintenance and replacements. The Proposed FY2026 Budget anticipates that TriMet will end the year with greater than 2.5 months of operating reserves, to address potential funding shortfalls in upcoming years.

The Proposed FY2026 Budget reflects TriMet's commitment to achieve the fiscally stable future needed to meet its obligations to its riders, employees, retirees, and payroll taxpayers.

Revenues. The Proposed FY2026 Budget reflects the following major revenue assumptions:

- Stable payroll tax revenue growth through FY2026 with a total growth rate of 5.7%. (The average annual growth of underlying employer payroll tax of 4.8% reflects both the post-pandemic recovery and inflationary impacts).
- Federal operating funds will provide a total of \$146.3 million (or 19.4% of TriMet's resources) for operations. This total includes Section 5307 Urbanized Area Formula funds of \$63.2 million, Section 5337 State of Good Repair funds of \$56.7 million, Section 5310 Enhanced Mobility of Seniors & Individuals with Disabilities funds of \$1.6 million, and other smaller federal grants of \$5.6 million. TriMet also anticipates receipt of about \$19.2 million in federal highway program funds through the Surface Transportation Block Grant (STBG) Program and the Congestion Mitigation & Air Quality (CMAQ) Program to pay for regional capital bonded debt service.

Expenditures. The Proposed FY2026 Budget incorporates the following major operating and capital expenditures:

- *Service:* TriMet worked with the local community to restructure bus service in response to changes in people's travel patterns due to COVID-19. TriMet's Forward Together service plan has increased service to areas where more people with lower incomes rely on transit to connect them with opportunities. Although bus service improvements, return to in-person work, and public events have resulted in year-to-year increases in monthly ridership since 2020, TriMet's ridership remains about 30% below pre-pandemic figures.

- *Capital Maintenance and Replacement:* The Proposed FY2026 Budget allocates \$221.1 million for capital projects. Significant capital projects include the Columbia Bus Base, 82nd Avenue Transit Project, TV Highway improvements, transit center upgrades, and electric buses. Within this \$221.1 million allocation, \$123.1 million is dedicated to State of Good Repair projects, such as replacing light rail vehicles and the installation of new Ticket Vending Machines.

The Proposed FY2026 Budget is balanced and complies with Oregon Budget Law.

6. Impact if Not Approved

Pursuant to ORS 294.431(2), districts like TriMet that serve populations exceeding 200,000 must submit an Approved Budget at least 20 days before the TSCC hearing on the Approved Budget. Pursuant to ORS 294.635, all districts are required to submit their approved budgets to the TSCC no later than May 15 of each year. TriMet must adopt a Final Budget prior to the July 1 date of the fiscal year, in order to comply with Oregon Budget Law.

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RESOLUTION NO. 25-03-10 OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET), ACTING AS THE TRIMET BUDGET COMMITTEE, APPROVING THE PROPOSED FISCAL YEAR 2026 ANNUAL BUDGET FOR SUBMISSION TO THE MULTNOMAH COUNTY TAX SUPERVISING AND CONSERVATION COMMISSION

WHEREAS, pursuant to ORS Chapter 294, TriMet must develop its annual fiscal year Budget; and

WHEREAS, pursuant to ORS 294.331, TriMet's Chief Financial Officer serves as Budget Officer and primary liaison with the Multnomah County Tax Supervising and Conservation Commission (TSCC); and

WHEREAS, pursuant to ORS 294.423, the TriMet Board of Directors (Board) constitutes TriMet's Budget Committee; and

WHEREAS, pursuant to ORS 294.428, the Budget Committee approves TriMet's Proposed Budget as submitted by the Budget Officer, or as revised by the Budget Committee; and

WHEREAS, ORS 294.431 requires TriMet to submit its Approved Budget to the TSCC;

NOW, THEREFORE, BE IT RESOLVED:

That the Proposed Fiscal Year 2026 Budget totaling \$1.94 billion as submitted, including technical corrections and revisions, is approved and shall be submitted to the Multnomah County Tax Supervising and Conservation Commission.

Dated: March 26, 2025



Presiding Officer

Attest:



Recording Secretary

Approved as to Legal Sufficiency:



Legal Department