



Building A TriMet Business Plan

November 9, 2016

Presented by:

Doug Kelsey, Chief Operating Officer

Our Vision: To do our part in making our community the best place to live in the country.

Our Current Processes

... in place and working well today

- **Financial Forecasting Process**
- **Financial/Budget Process**
- **Service Planning Process**
- **Capital Planning Process**
- **Annual IT Priorities**
- **GM & Board Priorities**



Why A Business Plan?

- Measure progress for a rolling 5 Yr Plan
- Integrate and map the future
- Align external growth with internal performance
- Develop and communicate a cohesive course of action
- Align resources and priorities with future needed outcomes

Why Now?

- **Comprehensive review of key business units**
- **Create clarity, focus and alignment**
 - Complexity is increasing
 - Balance growth and State of Good Repair
 - Prioritization and alignment of strategies and growth with limited resources
- **Selective practices require revisiting to ensure future success**

...all to ensure our overall success!

Strategic Success Categories

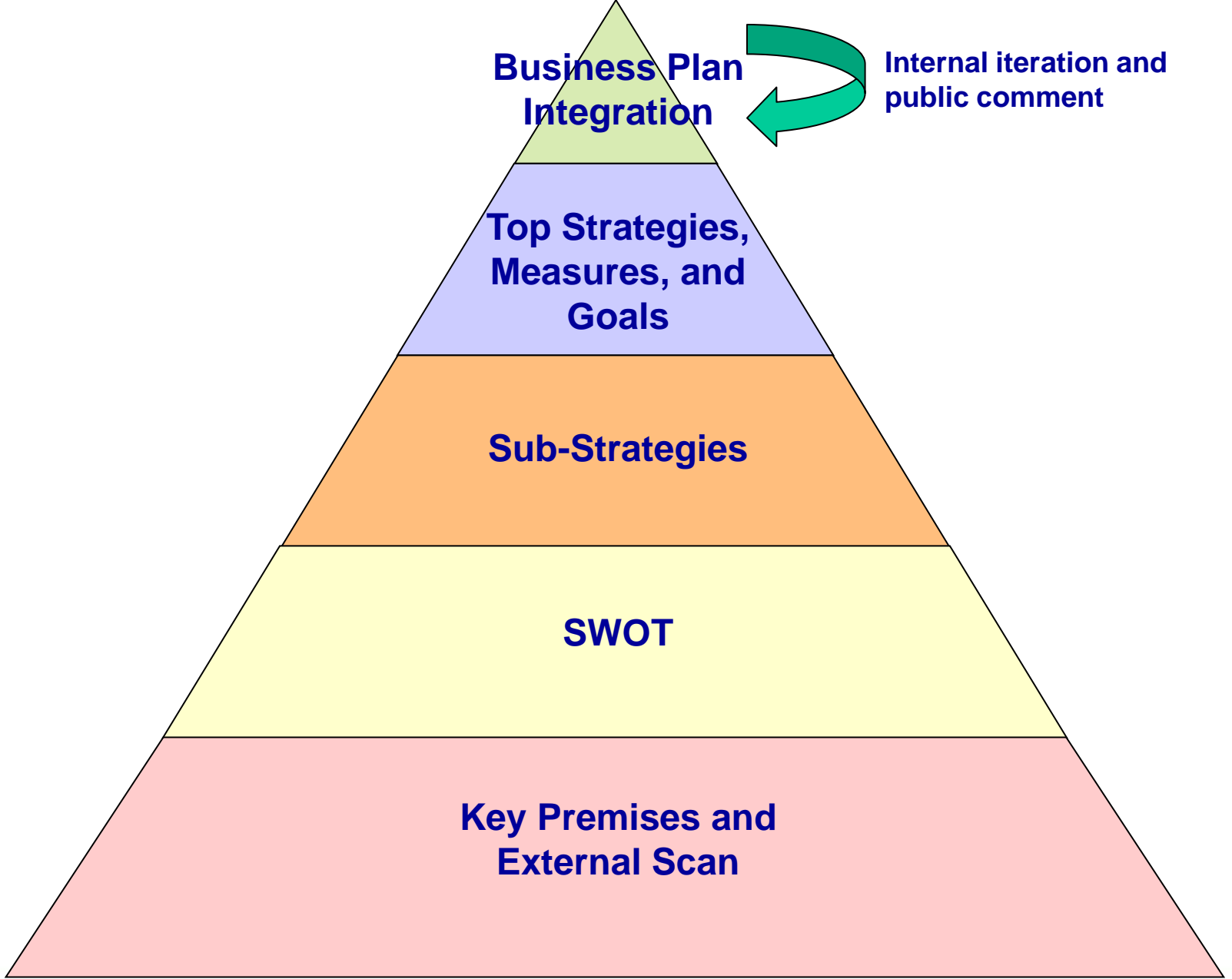
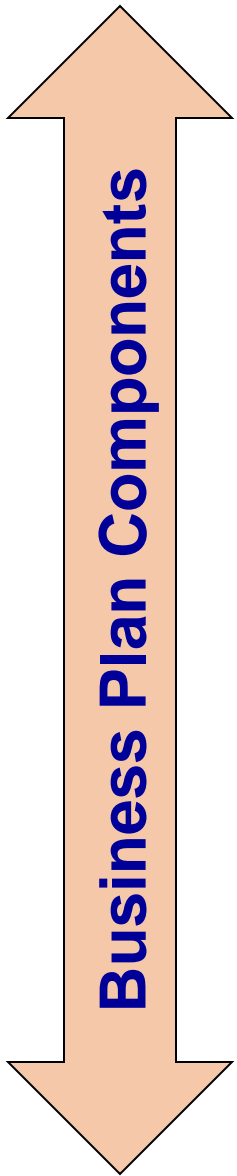
- **Customer**
- **Financial**
- **People**
- **Innovation/Growth**
- **Effectiveness**

...Safety is a Value embedded in all we do

Bringing Strategies Together

Sub-Strategies are under way:

- **Service Expansion (SEPs)**
- **Facilities Network**
- **Information Technology**
- **Maintenance Business Plan**
- **Stores Strategic Plan**
- **Marketing Plan**
- **Asset Management**





Business Plan Timeline

Key Dates

- **Board reviews plan concept – Today**
- **Initial draft – February 2017**
- **Public input – March 2017**
- **Reconciliation of strategies with resources – Spring 2017 → informs annual budget process**
- **Board approval – May 2017**

Strategic Financial Premises

- 1. Priority for the use of increased revenues from payroll tax resulting from increased regional employment growth and fares resulting from increased ridership should be given to restoring and expanding service**
- 2. Current service costs should not grow faster than general inflation**
- 3. TriMet should always maintain appropriate financial reserves consistent with TriMet's Fund Balance Policy**

Financial Premises (continued)

- 4. Fare policy should strive to balance growth in ridership and passenger revenue, improve the customer experience and mitigate cost for low-income, transit-dependent riders
- 5a. Capital assets must be properly maintained and replaced
- 5b. The use of debt should be minimized and never exceed TriMet's debt policy

Financial Premises (continued)

6. **Within 15 years, the Pension Trust should be fully funded and the Other Post Employment Benefits (OPEB) liability reduced by 50%.**

Once the pensions are fully funded, the same stream of funding should be dedicated to OPEB funding until the OPEB liability is fully funded



Financial Forecast – 5 Year Projections

- **Growing payroll tax revenues**
- **Service Expansion**
- **Moderate expense growth**
- **Growing debt capacity**
- **Accelerating capital needs**

Service Expansion

- **Service Enhancement Plans set the vision**
- **2.1% average growth rate expected**
- **Base growth covers:**
 - **existing service reliability needs**
 - **part of capacity needs**



Premises

Handout



Building Our Business Plan

Board Discussion

Our Vision: To do our part in making our community the best place to live in the country.

Sub Strategies Support

Safety Management System Plan

- Leverage and expand safety culture
- FTA requirement
- Board to adopt

Facilities Network Strategy

- Matching supply and demand for vehicles and services, including expansion
- Ensure cost-effective alternatives

Sub Strategies Support

Maintenance Strategic Plan

- 15 year timeframe
- Includes resourcing, fleet, and facilities requirements
- Compliance and expansion requirements

Stores / Inventory Management Plan

- Materials management, logistics and labor efficiency
- Leveraging strategic relationships

Sub Strategies Support

Asset Management Plan

- Delivers complete asset assessment and replacement schedules
- Informs capital and operating budgets
- FTA Requirement (2018)

IT Strategic Plan

- 5 year period
- Integrated with all other sub strategies
- Validate IT strategic platform
- Implement IT best practices and pursue targeted innovation

Sub Strategies Support

Marketing and Communications

- **HOPportunities**
- **Customer disruptions and recoveries**
- **Increasing ridership**
- **Safety**



Building Our Business Plan

Strengths

Weaknesses

Opportunities

Threats



Building Our Business Plan

Board Discussion

Our Vision: To do our part in making our community the best place to live in the country.

Questions and Summation for the Board

Comfortable with approach?

Any final thoughts?

Our Vision, Mission and Values

Vision

To do our part in making our community the best place to live in the country.

Mission

To provide valued transit service that is safe, dependable and easy to use.

Values

Do the right thing, by being responsive, inclusive and accountable.