



TRI  MET

ANNUAL REPORT

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AN UPDATE FOR OUR RIDERS AND THE COMMUNITY

FROM THE GM

Dear Riders and Stakeholders,

At the end of each year we have the opportunity to look back at everything we have achieved as an agency. I am extremely proud of what we have been able to accomplish in 2017, and humbled to be part of a historic and critical moment for transportation in the state of Oregon.

The passage of House Bill 2017, a \$5.3 billion package, will improve funding for highway and bridge improvements, roadway upgrades to reduce congestion, transit service and much more across the state. This landmark legislation includes an employee payroll tax specifically for transit and lays the foundation for a better transportation future for every Oregonian.

For TriMet, this legislation allows us to more readily bring benefits to our region. It is expected that TriMet's share will be roughly \$35 million to \$40 million annually, with funds becoming available in January 2019. These funds will allow TriMet to launch a new low-income fare program, help address the region's most congested corridors, and speed up the service expansion efforts we already have underway.

We made major strides in improving the rider experience for our customers through reinvesting in our system, taking measured steps to improve on-time performance as well as addressing the safety of our employees and customers. We also celebrated the launch of Hop Fastpass®, the regional electronic fare system. Hop — now being used seamlessly on TriMet, C-TRAN and Portland Streetcar — is proving to be a fast, easy, safe, efficient and equitable way to pay and collect fares.

Over the course of the past year, we continued to work closely with Metro and other partners to advance our high-capacity transit priorities. Our Division Transit Project is in the queue for federal approval and once secured, will soon bring high-capacity bus service — a first for our community — providing faster, more reliable trips. Additionally, our Southwest Corridor project is moving ahead through the planning process.

As we look at growing our service, we — as an agency — must plan for the challenges ahead. We face significant challenges in keeping up with population and employment growth, so in order to maintain a unified vision we launched a Strategic Business Plan. The Plan covers Fiscal Year 2018 through Fiscal Year 2022. It clearly identifies our goals and maps out how best to achieve them. It will help us measure our progress in an effort to address the needs, concerns, and aspirations of our customers and our employees. The Plan also identifies clear, prioritized strategic actions we will pursue to reach our goals.

This Annual Report for 2017 covers a significant year of progress. The successes we celebrate are all steps toward continual improvement and fulfillment of our vision and mission. You have our commitment to making transit better and we appreciate your support and feedback to help us to improve our service and regional mobility.



Neil McFarlane, TriMet General Manager



DEDICATED STATEWIDE FUNDING FOR TRANSIT

2017 brought a “first” for transportation in Oregon: a dedicated statewide funding stream for transit. The Legislature’s landmark passage of a dynamic, \$5.3 billion funding package included an employee payroll tax that will fund transit operations. For TriMet, this means an additional \$35 million to \$40 million in annual funding starting in 2019.

THE EMPLOYEE PAYROLL TAX

1/10 OF 1% OF EARNINGS



MINIMUM WAGE EARNER:
50 cents/week, \$26/year



\$100,000/YEAR WAGE EARNER:
~\$1.9/week, \$100/year

Begins July 1, 2018

These additional funds will contribute to our vision of making the Portland area the best place to live in the nation. We plan to dedicate the funds to three main objectives:

- Implementing a low-income fare program
- Expanding service in communities with high concentrations of low-income households
- Addressing our region’s most congested travel corridors

Low-income fare program

Our upcoming low-income fare program will give eligible individuals greater access to employment, education, healthcare and services throughout the region.

We have been working with regional partners for more than a year to identify the basic parameters of a regional program. Now that we have a sustainable funding stream through the employee payroll tax, we are putting the finishing touches on a program that will launch in July 2018.

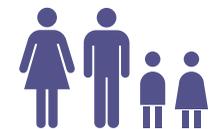
THE QUALIFICATIONS



Those living at or below
**200 PERCENT OF THE
FEDERAL POVERTY LEVEL**



Individuals earning an
**ANNUAL INCOME UP TO
\$24,120***



A family of four with
**ANNUAL EARNINGS UP TO
\$49,200***

**Based on federal poverty guidelines 2017.*

Those who qualify will pay half the price of a standard adult fare, the same discount available to Youth and Honored Citizens.

Expanding service

From 2013 to 2016, we conducted extensive outreach and collected feedback during our Service Enhancement Plan process. Now, with the new legislative funding secured, those plans will serve as the roadmap for adding bus service in areas with higher concentrations of affordable housing. Creating routes to connect those communities with our region’s bustling job centers can increase employment opportunities in Washington County, the Columbia Corridor, Troutdale and the Clackamas Industrial Area.

Reducing congestion

Our Service Enhancement Plans also identified improvements to (1) keep riders who use our most popular routes moving and (2) help TriMet do its part to reduce congestion in Portland and beyond. With the new funding, we will look to add service in the most congested travel corridors. These areas have grown tremendously, which has put our region’s transportation infrastructure to the test.

With these opportunities come challenges, as we move to meet the increased pace of service expansion and, in turn, demand. We are in the process of hiring operators, mechanics, service workers and support staff at an expedited rate, and we are also assessing our needs and drafting plans for a new garage to house our expanding fleet.



MAKING TRANSIT BETTER – and more accessible

While we plan for the future, we are also reinvesting in our existing service. In 2017, we continued efforts to make MAX Light Rail more reliable and more resilient.

One of our major undertakings required a three-week shutdown of MAX on Morrison and Yamhill streets in Downtown Portland. During that time, we replaced switch mechanisms and stretches of curved rail, and upgraded trackbed materials to create a smoother ride.

Other projects throughout 2017 replaced some of our most used switch machines and improved other equipment on the MAX system:

- We renovated the Gresham City Hall station, essentially "taking it down to the studs" before creating a brighter, more welcoming environment. Crews have already begun improvements at the E 122nd Ave station.
- Our only underground station, Washington Park, saw a vibrant makeover. Huge vinyl murals now cover the tunnel walls, graffiti-resistant granite was placed in the elevator lobbies and new lighting was installed.
- Along the MAX Orange Line, riders welcomed second shelters on the platforms – amenities that had been deferred during the original project.

- A program to upgrade older rail crossings kicked off 2017. As pedestrian safety treatments have improved, we have identified opportunities to increase safety at a number of the MAX crossings along the Blue Line.
- Crews began improvements on the tracks along the WES Commuter Rail system. This includes replacing the ballast, removing vegetation to improve safety and making drainage improvements that will help keep trains running on time.
- Bus riders welcomed added service and schedule improvements on nearly a quarter of our bus lines, along with the addition of 57 brand-new buses.
- Coming in 2018: New bus routes, 24-hour service on select lines, additional service, more new buses and our first electrified route featuring five all-electric buses. We are excited to test the latest technology as we look toward the possibility of an all-electric fleet in the future.

TriMet Rider Support

Extended service: 503-238-RIDE now open seven days a week, 7:30 a.m. – 5:30 p.m.
Live support on Twitter at @trimethelp.



Line 15-Belmont/NW 23rd returned to the Morrison Bridge after a 2 ½ year detour!



A BETTER WAY TO PAY



2017 brought the launch of Hop Fastpass®, a regional electronic fare system that allows transit riders to seamlessly use TriMet, C-TRAN and the Portland Streetcar. The account-based fare system offers new benefits including the ability to load fares automatically, lost card protection and pass earnings. Hop eliminates the upfront cost of a transit pass and allows riders to earn as they ride. Since the launch in mid-July, we have seen a steady increase in the use of Hop. We reached half a million taps within the first two months and 1 million taps in the first 80 days. Hop is proving to be a fast, easy, safe, efficient and equitable way to pay and collect fare.

Riders can buy a reloadable Hop card at one of hundreds of retailers including – for the first time – Plaid Pantry convenience stores.

Hop 101

- 1 Get a Hop card at the store from the gift card rack or Customer Service.
- 2 Load money on your card in the checkout lane, or use the Hop website, app or phone hotline.
- 3 Remember to “tap on” every time you ride.



Tap and Go

- Tap the Hop reader every time you board.
- You can tap with your phone to buy an Adult fare (no Hop card needed!).
- Transfers are free, but you need to tap every time you board.



Save as You Ride

- Pay for two trips in one day with your Hop card or phone, and you earn a day pass.
- You won't pay more than a month pass in a month (when you use your Hop card).
- Get the savings of a pass, without the upfront cost.



Reload Just About Anywhere

- Put money on your Hop card anywhere, anytime, using the Hop website, app or phone hotline.
- Reload in the checkout lane at hundreds of local stores.

myhopcard.com



LOOKING AHEAD: Division & Southwest Corridor

Division Transit Project

We're examining the opportunity to provide high-capacity transit service to a busy and diverse corridor that could benefit from additional transit options.

This type of bus service would be new to TriMet and our riders, increasing reliability while reducing travel time up to 15 percent. Riders will board longer, articulated buses (with 60 percent more capacity than our standard buses) and pay their fare on-board using Hop. Stations will be located where rider demand is greatest, efficiently accommodating the busy ridership already seen along Division Street.

As of January 2018, we are working with the community and businesses along the 14-mile route to ensure this project is designed and constructed with thorough input, care and diligence. We are currently seeking federal funding to move the project forward, with opening of this service expected in 2021.

- Longer buses with room for 60 percent more riders
- Multiple-door boarding for briefer stops



- Expanded bus stations with amenities such as weather protection
- Stations located where rider demand is greatest, minimizing travel times while providing important transit connections
- Transit signal priority: traffic signals that prioritize bus travel, getting riders to their destinations faster

Southwest Corridor

The fastest-growing corridor in Oregon is already home to more than 10 percent of the region's population — and some of its most congested roadways. Planners expect congestion in the area between Southwest Portland, Tigard and Tualatin to double in the next 20 years as its population grows to 70,000 residents and 65,000 jobs by the year 2035. Light rail is one crucial response to that growth, as it would connect residents with jobs in Downtown Portland.

Metro estimates that by 2035, light rail will carry almost 20 percent of commuters heading south from Downtown Portland — commuters who otherwise would travel on SW Barbur Boulevard or Interstate 5. Design and construction of the Southwest Corridor would create more than 23,000 jobs, with the resulting high-capacity service attracting an estimated 40,000 daily riders by 2035. Planning continues on this vital component to improve connections and travel options for our rapidly expanding region.



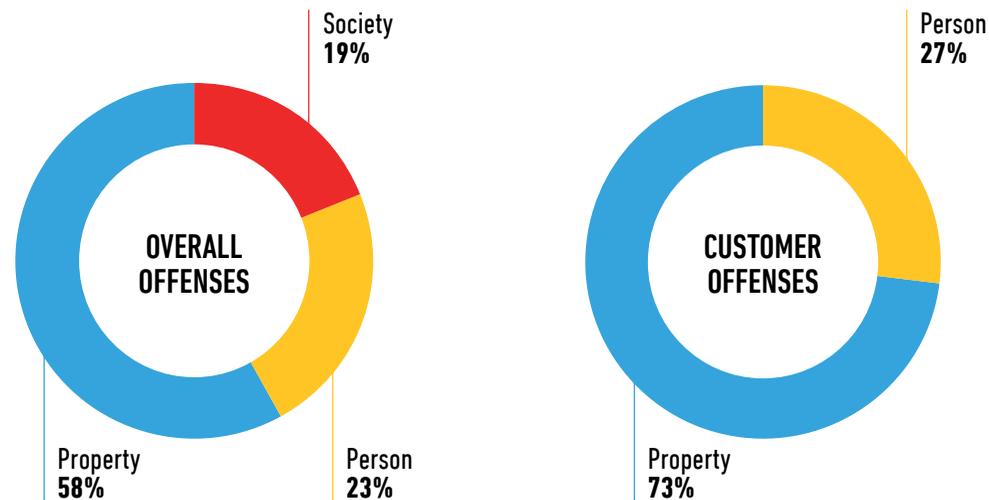


MAKING TRANSIT SAFER

While 2017 brought great highs for TriMet, it also brought a heartbreaking low. On May 26, 2017, two men lost their lives and a third was seriously hurt when they stood up to a man spewing hate at two young women of color on a train near the Hollywood Transit Center.

The transit center became a spontaneous memorial for those who were stirred by the attack, as well as a place for the community to seek healing. People transformed the walls lining the Hollywood Transit Center’s ramp into a mural of support — not only for the victims but also for inclusivity regardless of race, religion or sexuality. Though the chalk messages have since washed away, we are now working with community partners to establish a tribute at the transit center by the one-year anniversary of the attack.

Crime on transit remained low despite this tragic incident. To align with local police agencies, we adopted the National Incident-Based Reporting System (NIBRS) to track and calculate reported crime on our system. Statistics from 2016 showed 1,247 reported possible crimes on or related to the system, amid the nearly 99 million rides provided.



The NIBRS system doesn’t allow for tracking of individual incidents, as multiple offenses may be charged in a single incident. The offenses come from any reported crimes, whether or not proven to have occurred, and include offenses against riders, employees, society and TriMet property (such as vandalism of buses/trains).

Safety is TriMet’s core value. As we work to uphold this commitment, we are exploring ways to increase our security presence. Our Transit Police Division currently employs 68 officers and supervisory personnel. However, when there is an emergency on our system, we are not limited to the effort of our Transit Police officers.

A call to 911 will send the closest law enforcement officer available, whether or not they are assigned to transit. We have increased our contracted security personnel to 35 people, and we also have supervisors on the system helping riders and enforcing the TriMet Code every day.

New, fairer options for fare evasion citations

We want our rules to be fair and equitable. New legislation gives TriMet the authority to resolve some fare-evasion citations — either through a fine or community service before sending riders to court. This would keep many people out of the judicial system — a much fairer deal, especially considering that a court record can affect their ability to get a job, rent a house or serve in the military.

While this new policy will improve the effectiveness and equity of our enforcement system, it will not mean a change in the fare requirements for riding TriMet. Fares account for approximately one-fifth of our revenue stream, and help provide the robust transit service across our 533-square-mile service district. We need every rider to contribute to the system they use and rely on each day, and we plan to hire more personnel in the next year to enforce fares and the TriMet Code.





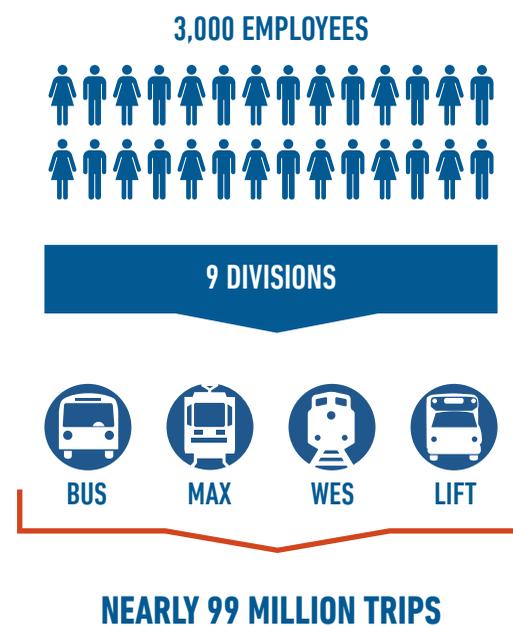
A NEW BUSINESS ACTION PLAN

We can only meet our region's needs if we have our own financial house in order. In 2014, our Board of Directors adopted a Strategic Financial Plan charting a course to improve the agency's financial picture, reduce pension and retirement costs and focus resources on providing more and better service.

Our team has been steadily making progress on implementing this plan. In the last two rounds of labor contract negotiations, we have significantly reduced the costs of future employee and retiree benefits, while providing fair and reasonable retirement and health care coverage.

TriMet Strategic Business Plan

TriMet kicked off a new strategic business approach in 2017 with a rolling five-year Strategic Business Plan. The Plan, for fiscal years 2018–2022, lays the framework for achieving our overall strategic goals and objectives.



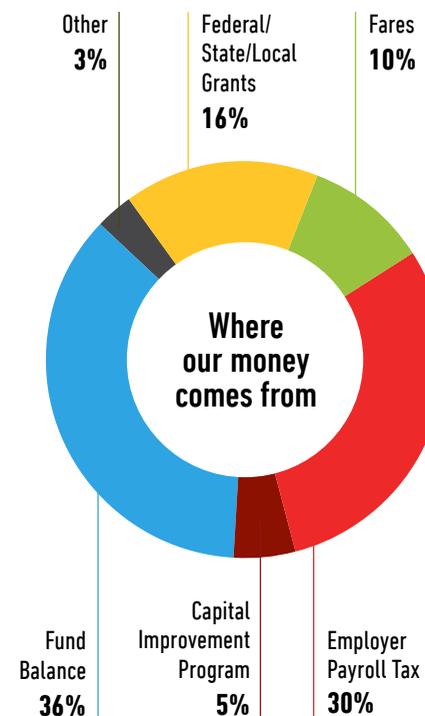
Through this new approach we can better track our progress, plan for future needs, align growth with performance and prioritize everything we do to meet our riders' needs. We will report on our efforts to the Board of Directors at least twice a year. With the help of our riders, stakeholders and employees, we will annually revisit and revise the business plan to ensure a fresh look at the next five years.

Top bond ratings

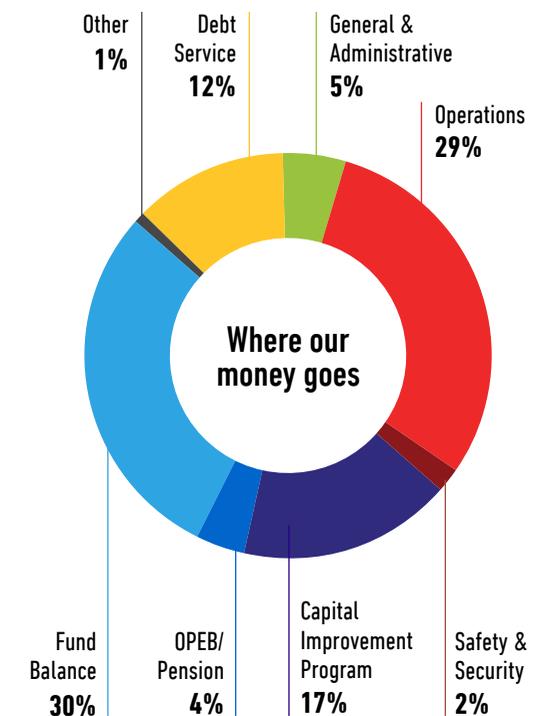
In 2017, leading credit-rating agencies recognized our efforts to solidify our financial management and reaffirmed our bond ratings with both an Aaa rating from Moody's Investors Service and an AAA rating from S&P Global Ratings.

We are the nation's first and only tax-backed public transit agency to receive both ratings, which reflects the credit worthiness of both TriMet and government bonds.

TOTAL RESOURCES (FY18)



TOTAL EXPENSES (FY18)



"Fund Balance" represents amounts restricted for debt service and bond requirements and amounts unrestricted per Board policy to maintain 2½ months of operating reserves. "OPEB/Pension" represents amounts per Board policy to fully fund TriMet's Other Post-Employment Benefits (OPEB) and pension accounts. "Federal/State/Local Grants" are resources dedicated for operating projects. "Capital Improvement Program" resources are for capital construction and acquisition projects.

We want your feedback.

Do you have questions or comments about
the topics in this Annual Report?
We want to hear from you!

trimet.org/annualreport



TriMet Riders Club members get the latest rider
news and have an opportunity to
weigh in on a variety of transit topics.
(Plus, enter to win some great prizes!)

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