FY 2018 Budget Development Presentation

Board Briefing
February 22, 2017
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Agenda

- Financial Forecast
  - Document
  - Model
- Available Resources
- Service Investments Align
- Major Initiatives
FY 2018 Financial Forecast Document

Annual TriMet publication intended to provide narrative, background and source information on short and long-term forecasts on specific agency revenues and areas of expenditures within the operating and capital budgets.
Financial Forecast Document Contents

Section 1 – Economic Indicators

Section 2 – Long-term Projections (Table 1 – Page 13)

Section 3 – FY 2018 Financial Forecast Assumptions Report

A. Revenue Forecast Assumptions
B. System Operating Maintenance and Capital Cost Assumptions
C. Debt Service
D. Future Service Assumptions
The financial forecasting model is used to track and forecast financial data, future fund balances, estimated debt service requirements, and future revenues, expenditures, and capital requirements.
Financial Forecasting Model (FFM)

Review FFM Summary Page (Handout)
Available Resources

- **Total $730.5 Million**

  - **Passenger Revenues**, $120.1M, 16%
  - **Operating Grant**, $84.5M, 12%
  - **Payroll Tax**, $366.1M, 50%
  - **Other Revenues**, $24.6M, 3%
  - **Bond Proceeds for Cap & Oper Projects**, $48.3M, 7%
  - **Federal/State/Local Funding**, $49.2M, 7%
  - **Fund Balance**, $37.7M, 5%
  - **Federal/State/Local Funding**, $49.2M, 7%
Service Investments Align

- One of the primary promises of the payroll tax increment was to grow service 2.1% over a ten-year period.
  - FY2017 included a 3.6% overall service increase
  - FY2018 will also include a 3.6% service increase.
  - Bus Service over the life of the increment is estimated to grow at 2.2%
  - MAX Service will remain constant over this time, with a small increase of 0.8% (per year?)
  - LIFT will grow proportionate to service as required by ADA
  - Streetcar and Commuter Rail are expected to maintain current service levels
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.

| FY2017 Payroll tax revenue (1) | $341,974,750 |
| ECONorthwest FY2018 real growth estimate | 3.81% |
| Payroll dedicated to new service | $13,029,238 |
| FY2018 Passenger revenue | $120,148,788 |
| FY2017 Passenger revenue | ($117,193,502) |
| Passenger revenue dedicated to new service | $2,955,286 |
| Total revenue dedicated to FY 2018 new service | $15,984,524 |
| Annualized cost of new service in FY2018 Budget (2) | $16,394,015 |
| Difference | ($409,491) |

(1) Includes payroll tax, self-employment tax and state in lieu
(2) Includes capital cost of buses for added service
Major Initiatives
(FY2018 Budget Amounts)

- **Safety Initiatives**
  - New Facility for Transit Police ($9.9M)
  - CCTV Upgrades ($5.2M)
  - Positive Train Control ($2.7M)
  - Rail Simulator ($0.125M)
  - Other Safety Improvements ($0.346M, 3 FTE)

- **Operating Initiatives**
  - Service ($6.6M, 65 FTE)
  - Maintenance ($3.8M, 35 FTE)
  - Fare Inspection ($1.6M)

- **Capital Initiatives**
  - Fixed Route Replacement/Expansion ($30.1M)
  - Powell LIFT Relocation ($8.7M)
  - Construct/Redevelop Powell Maintenance Facility ($5.9M)
Questions?