


**Date:** May 27, 2026

**To:** Board of Directors

**From:** Sam Desue, Jr. 

**Subject:** **RESOLUTION NO. 26-05-17 OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) ADOPTING THE FISCAL YEAR 2027 ANNUAL BUDGET AND APPROPRIATING FUNDS**

**1. Purpose of Item**

This Resolution requests that the TriMet Board of Directors (Board) adopt the Fiscal Year 2027 (FY2027) Budget and appropriate funds.

**2. Type of Agenda Item**

- Initial Contract
- Contract Modification
- Other – Adopt the FY2027 Annual Budget and Appropriate Funds

**3. Reason for Board Action**

Pursuant to Oregon Local Budget Law, Board action is required to adopt the FY2027 Budget and appropriate funds. TriMet must adopt a balanced budget before the start of its new fiscal year on July 1, 2026.

**4. Type of Action**

- Resolution
- Ordinance 1<sup>st</sup> Reading
- Ordinance 2<sup>nd</sup> Reading
- Other \_\_\_\_\_

**5. Background**

Oregon Local Budget Law (ORS 294.305 to 294.565) requires the Board to adopt a balanced budget before the start of TriMet’s new fiscal year on July 1, 2026.

At its March 25, 2026 meeting, the Board approved the FY2027 Budget (Approved FY2027 Budget) for submission to the Multnomah County Tax Supervising & Conservation Commission (TSCC). On April 22, 2026, the TSCC conducted a public hearing on the TriMet budget to confirm compliance with applicable laws and determine the adequacy of budget estimates. Questions pertaining to TriMet’s FY2027 budget concerning federal funding, capital utilization, fiscal health and ridership patterns were addressed during the public hearing.

Following the public hearing, the TSCC certified TriMet’s FY2027 estimates to be reasonable and found the Board’s Approved FY2027 Budget to be in compliance with Oregon Local Budget Law.

This Resolution presents a revised Approved FY2027 Budget for the Board’s consideration and adoption. The Approved FY2027 Budget is a balanced budget and will become effective July 1, 2026.

**Budget Assumptions**

In the FY2027 Budget, compared to FY2026 Budget, key revenue and expenditure assumptions include:

- Forecasted passenger revenues adjusted to ridership trends.
- Improved payroll tax growth based on receipts in FY2026.
- Utilization of Federal Formula funding on preventive maintenance.
- Implementation of fiscal stability measures to resize the agency’s expenditures.
- Reduction in various contracted services including Transit Network services and private security services.
- Reduced personnel cost across all divisions, from general and administrative services to operations.
- Reorganization of divisions and departments to enhance organizational effectiveness.
- Continued day-to-day operating expenses for transportation and maintenance essential services, with reduction of expenses correlating to reduced service starting August 2026.
- Continued investments in safety and security for riders and employees with increase in transit police services.
- A Capital Improvement Program that prioritizes state-of-good-repair projects, light-rail vehicle replacements, garage, layover, and transit center expansion, Enterprise Resource Planning system and a continuation of work on projects in the 82nd Avenue and TV Highway transit corridors.

**Budget Summary**

Major cost in the FY2027 Budget includes operations and maintenance of the existing transit system and revised bus and MAX services, cost of LIFT paratransit mobility services, adjustment for increased fuel costs, and maintenance of essential software licenses and applications. Capital and operating project expenditures from the Capital Improvement Program focuses on state of good repair projects and major projects in the region’s transit corridors. The FY2027 Budget continues a commitment to maintain pension reserves and build Other Post-Employment Benefit (OPEB) reserves. Interest payments on debt from the new 2026 revenue bonds are also reflected in the budget.

A general summary by key budget area follows:

General & Administrative:	\$176,272,410
Operations:	\$560,727,245
Capital & Operating Projects:	\$217,070,184
Other Post-Employment Benefits:	\$55,659,371
Other Non-Operating Requirements:	\$25,395,900
Debt Service:	\$79,357,081
Contingency:	\$26,160,483
Fund Balance (restricted and unrestricted):	\$606,096,567
<b>Total</b>	<b>\$1,746,739,241</b>

## **Key Changes:**

*Reorganizations and Structural Changes:* TriMet created the Operations Administration Division to oversee both the Transportation and Maintenance divisions, and it now includes the Operations Administration Department and Operations Training & Development Department. Within the Safety & Security Division, the Security and Emergency Management Department was separated into two departments: Security Department and Emergency Management Department. LR/HR Legal Compliance Department was created within the Labor Relations & Human Resources Division.

Staffing adjustments are accounted for in the FY2027 budget, which includes the elimination of approximately 400 positions. However, the number of employees who will be laid off will be less – approximately 170 employees – due to elimination of vacant positions or positions filled with union employees that have contractual rights to return to previously-held positions.

These organizational changes, along with related staffing adjustments, align with key priorities in TriMet’s 2030 strategic plan, improve organizational efficiency, ensure resources are focused on delivering high-quality transit services, and balance the budget for long-term fiscal sustainability.

*Service Preservation:* The FY2027 Budget reinforces TriMet’s commitment to safe, reliable, and accessible transit, aligning service levels with available financial and workforce capacity to preserve as much service as possible while reducing costs. The FY2027 Budget reflects an approximately 5% service reduction from fall 2025 service levels.

The FY2027 Budget includes service reductions adopted by the Board at its April 22, 2026 Board Meeting through Ordinance No. 382. While reductions are necessary, through targeted customer-focused community engagement efforts, we have worked to minimize rider impact where possible and focus changes on lower-productivity lines or duplicative service. Despite service reductions, the budget prioritizes maintaining reliable, convenient service on core routes and preserving access to high-quality transit services for riders who depend on it the most.

Transit system access remains a top priority. While service reductions will impact a small percentage of LIFT riders, enhancements to the LIFT program will improve scheduling, real-time updates, and ADA-compliant features onboard. TriMet will also continue to provide STIF-funded reduced fare programs which provides transit services to low-income riders.

*Safety & Security:* TriMet’s recent security initiatives will continue into FY2027, including expanding staffing capability in the Security Operation Center, continuing to upgrade and expand public safety technologies, and using evidence-based environmental design principles and data-driven software analytics as guiding indicators for prioritizing and allocating security resources throughout the transit system. These efforts help TriMet Safety and Security focus on utilizing enhanced security technologies currently in use to augment field security staff and also improve post-incident investigative capabilities. TriMet anticipates expanding Transit Police Officers by approximately six to nine officers.

*Capital Investments:* The FY2027 Budget maintains TriMet’s commitment to investing in state-of-good-repair and infrastructure that supports safe, reliable, and efficient transit service. Major capital investments continue along key corridors, including 82nd Avenue and

TV Highway (both are TriMet’s next FX® - Frequent Express service), and Better Bus projects that enhance transit access and utilize traffic signal priority.

As agency assets continue to mature, the budget reflects a greater emphasis on maintaining a state of good repair. Major state-of-good-repair projects include maintenance facility upgrades, light rail electrification and signaling systems, substations and emergency control components and light rail vehicle replacement. State of good repair work will also replace aging Information Technology equipment and systems including servers, CCTV cameras and Enterprise Resource Planning software. Additional investments include layover upgrades, ATP Vehicle replacement, and completing replacement of legacy scheduling software.

**Fiscal Stability & Sustainability**

The budget maintains three key principles of the Board Strategic Financial Plan:

- Senior Lien Debt Service is no more than 7.5% of ongoing revenue.
- One-time-only revenues are applied to one-time-only expenditures.
- Commitment to funding pension plans and OPEB plan.

Actuarial valuations for the pension plans and OPEB plans are posted to: [Transparency and Accountability \(trimet.org\)](https://www.trimet.org/transparency-and-accountability). The FY2027 Budget is consistent with the pension policies adopted by the Board.

**6. Financial/Budget Impact**

Changes to the Approved FY2027 Budget, which the TSCC certified, reflect more recent financial performance and internal reviews that identified necessary changes or updates. Compared to the Approved FY2027 Budget, the FY2027 Adopted Budget will be less as it includes \$68.5 million in internal general and administrative cuts and \$11.0 million in savings from the FY2027 service plan adopted by the TriMet Board in April. The general and administrative cuts will include a reduction in force along with decreases in materials and services. The \$79.5 million savings projected from both the general and administrative cuts and service reductions will be offset by increased fuel, utilities, liability insurance premiums and separation costs related to the reduction in force. The net cumulative effect of all FY2027 budget changes will result in a decrease in expenditures in the amount of \$64.5 million (excludes Ending Fund Balance).

Per ORS. 294.456(1)(c)(A), the amount of estimated expenditures for each fund in an annual budget may not be increased by more than \$5,000 or 10% of the estimated expenditures, whichever is greater. The proposed changes are within the limit allowed by Local Budget Law (ORS 294.456) and are shown in Exhibit A and attached hereto.

The table below identifies the final organizational unit appropriations for FY2027.

Office of the General Manager Division	\$1,628,504
Operations Administration Division	\$14,667,827
Transportation Division	\$365,996,190
Maintenance Division	\$279,442,400
Finance & Administrative Services Division	\$34,773,313
Information Technology Division	\$49,304,539
Labor Relations & Human Resources Division	\$10,731,804
Legal Services Division	\$13,164,466
Public Affairs Division	\$15,250,920

Safety & Security Division	\$64,258,783
Planning Division	\$6,680,946
Engineering & Construction Division	\$98,170,147
Other Post-Employment Benefits	\$55,659,371
Other Non-Operating Requirements	\$25,395,900
Debt Service	\$79,357,081
Contingency	\$26,160,483
<b>Total Appropriation</b>	<b>\$1,140,642,674</b>
<b>Fund Balance</b>	<b>\$606,096,567</b>
<b>All Funds Total</b>	<b>\$1,746,739,241</b>

7. **Impact if Not Approved**

The FY2027 Adopted Budget must be in place by July 1, 2026, before any money may be spent during the coming fiscal year. Failure to have the FY2027 Adopted Budget in place by July 1, 2026, would result in TriMet being unable to provide any services until a budget is adopted.



2. For the period July 1, 2026, through June 30, 2027, funds are appropriated as follows:

Office of the General Manager Division	\$1,628,504
Operations Administration Division	\$14,667,827
Transportation Division	\$365,996,190
Maintenance Division	\$279,442,400
Finance & Administrative Services Division	\$34,773,313
Information Technology Division	\$49,304,539
Labor Relations & Human Resources Division	\$10,731,804
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3. That TriMet's Budget Officer is authorized to make adjustments within, but not between, appropriations during the budget period.

Dated: May 27, 2026

\_\_\_\_\_  
Presiding Officer

Attest:

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Recording Secretary

Approved as to Legal Sufficiency:



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Legal Department