FY2021
TriMet Budget Workshop

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COVID-19 Budget Actions

• TriMet’s Board approved the proposed FY2021 Budget and released it to the public and to the Tax Supervising Conservation Committee (TSCC) to review for the public hearing scheduled for April, 2020.

• The approved FY2021 Budget anticipated another year of robust growth and service improvements.

• COVID-19 and the Governor’s Stay-At-Home Order changed everything. The entire budget had to be reworked.

• The TSCC Public Hearing was pushed to May and the date for adoption of the FY2021 Budget was pushed to June.
Preparing for COVID-19 Budget Effects

• To prepare for the inevitable revenue reductions, the GM met with each Executive Director to determine cuts in both the operating and capital budgets for the rest of FY2020 and approvals for FY2021.

• Planned expenditures, operating and capital projects that could be descoped, deferred or cancelled were determined and the budgets were adjusted.
Cost Reduction Measures

The GM immediately initiated the following cost reduction measures for FY2020 and FY2021:

• Hiring Freeze on all but essential positions (with GM approval.)
• Ban on non-essential out-of-town travel (also with GM approval.)
• Reduced increase to O & M budgets (1% savings)
• Reduced service on bus and rail (without layoffs)
• Postponed R99 fuel conversion
• Ordered no expanded service through FY2021
FY2020 Budget Update

In order to rework the FY2021 budget, staff had to understand the impacts of COVID-19 on the FY2020 Budget.

Expected impacts of all COVID-19 measures and internal cost cutting measures affecting the financial outcome of FY2020 are:

- Passenger fares are expected to decline by $56.1M
- Miscellaneous income is also expected to decline, by $7.6M
- Federal CARES Act reimbursements are expected in at $59.0M
- Operating Expense reduction is expected to be $9.5M
- Capital Expenses will be reduced by $3.5M

These changes will affect the beginning fund balance of the new FY2021 Budget. This gave us a new starting point from which to build the revised FY2021 Budget.
FY2021 Budget Update

The next step was to roll forward the new ending fund balance from FY2020 and incorporate all known impacts to the FY2021 Budget. Adjustments to the FY2021 Approved Budget include:

• Passenger Fares, Payroll Tax, and other Revenues were reduced by $135.6 million

• Cares Act reimbursements will be received amounting to $125 million increasing federal grant receipts

• Operating expenditures were reduced by $17 million

• Capital expenditures increased by $17.5 million to pay for the Steel Bridge project
New FY2021 Budget Recap

The FY2021 Operating Budget totals $1.634.00 billion

Day-to-day Operating Requirements total $733.30 million
- $610.2 million for all system operating costs
- $123.1 million for debt service

Capital Improvement Program (CIP) totals $377.79 million

Pass Through Funds, Funding Exchange Payments, and Special payments $18.68 million

Contingency (3%) $33.89 million

Restricted Fund Balance $470.70 million
Questions?