FY 2018 Budget Development Presentation

Board Briefing

February 22, 2017

Dee Brookshire/Nancy Young-Oliver

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

Financial Forecasting Model

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.
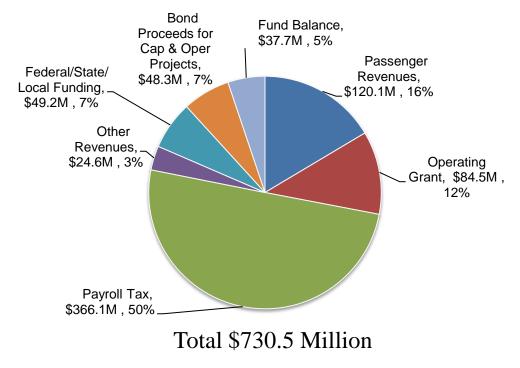
Financial Forecasting Model (FFM)

Review FFM Summary Page (Handout)

Available Resources

Bond Proceeds for Cap & Oper Projects, $48.3M , 7%

Fund Balance, $37.7M , 5%

Passenger Revenues, $120.1M , 16%

Federal/State/ Local Funding, $49.2M , 7%

Operating Grant, $84.5M , 12%

Other Revenues, $24.6M , 3%

Payroll Tax, $366.1M , 50%

Total $730.5 Million

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

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THE
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THING

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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 Estimate
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

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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)