TriMet Board of Directors
Retreat

November 11, 2026

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Opening Remarks

Board President LaVerne Lewis

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Agenda

- Opening Remarks
- Preparing for FY2028 Budget
  - **Our Approach for Solving $22M Deficit**
- Service Reductions Proposal: Overall Approach
  - **Board Discussion**
- Service Reductions: Possible Suspension of WES Overview
  - **Board Discussion**
- Revenue: Proposed Elimination of the Cash Transfer
  - **Board Discussion**
- Next Steps & Timeline
- Closing Remarks

Opening Remarks

Sam Desue Jr., General Manager

Preparing for the FY2028 Budget

- Recap of Strategy Session Direction
- Working Scenario & Financial Pressures
- New Revenue Uncertainty
- Budget Reductions Under Development

Sam Desue Jr., General Manager
Michael Dohn, Interim Chief Financial Officer

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Recap of Strategy Session

1. Balanced budget target: July 1, 2029
2. Our deficit: $158M (and revenue target)
3. FY2028 reduction: $22M
4. Fund balance use: $54M draw down

Scenario: No New Revenue

$90M deficit = 30% service cuts

Scenario #1 (no new funds)

	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032
Starting Available Budgetary Fund Balance	**433.3**	**345.6**	**251.7**	**197.5**	**167.9**	**169.3**	**168.6**
New Revenue							
Total Revenues (inc New)	868.2	856.8	897.1	922.1	958.6	991.8	1022.3
Budget Reduction			(22.0)	(55.0)	(90.0)	(90.0)	(90.0)
Total Expenses (inc Cuts)	956.9	950.8	951.1	951.9	951.3	986.6	1021.7
Forecast Surplus/(Deficit)	**(88.7)**	**(93.9)**	**(54.0)**	**(29.7)**	**7.3**	**5.2**	**0.7**
Ending Available Budgetary Fund Balance	**344.6**	**251.7**	**197.7**	**167.8**	**175.2**	**174.5**	**169.3**

Essentially Balanced

And

Available for one-time projects

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Top Financial Pressures

Category	Explanation
Economic Stagnation	The Metro region's economy continues to struggle, with employment down and unemployment flat. This has a direct impact on the payroll taxes generated to support TriMet operations.
Fuel Prices	Fuel prices will add to the deficit if price increases stand/escalate and may add $10M per year.
Federal Funding	Federal formula funding is being threatened. The current continuing resolution, expiring in December, does not include advanced appropriations – an added impact of $10M per year.
Low Income Reduced Fare Demand	Economic pressures are expected to push more riders into eligibility for reduced fare based on low incomes. This increased demand for reduced fare is unfunded.
Paratransit Demand	The population is aging, which means more riders are becoming eligible for paratransit services.
State of Good Repair	TriMet's $8B in rail systems, rolling stock, and operations/maintenance facilities are reaching maturity, and many components are beyond their useful life. These assets are becoming more expensive to maintain, and funding for replacement is needed.
Technological Demand	TriMet's equipment and systems become more technologically advanced and demanding every year. Maintaining secure and reliable technology systems will require additional resources.

Fiscal Year 2028

July 1, 2027-June 30, 2028

Goal: Reduce deficit by a minimum of $22M

- $22M represents zero growth in expenditures
  - Uncertainty around any new revenue
  - Just keeps our budget flat

▸Still draws down $54M from fund balance for FY2028

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Fiscal Year 2028

July 1, 2027-June 30, 2028

Goal: Reduce deficit by a minimum of $22M

- Targeted cost reductions
- Targeted service changes/reductions
- Revenue within our control (e.g., cash transfer elimination)

Fiscal Year 2028 Budget Timeline

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec

TSCC Hearing



Publish Proposed Budget; **Approve Budget**

Adopt Budget

FY28 Begins

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Service Reductions: Overall Approach

Alan Lehto, Executive Director of Planning
Tom Mills, Director of Mobility Planning & Policy

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Service Change Focus and Guidelines

Preserve the ability to do the following, as much as possible, for the highest number of riders to:

- **Pursue opportunity:** traveling to work, school, and training
- **Access services:** traveling to medical appointments, grocery stores, and other service needs
- **Thrive socially:** connecting with family, friends, and community

Board Adopted Service Guidelines:

- Equity
- Demand
- Productivity
- Connections
- Growth

Fall 2025: Outreach on Types of Potential Reductions

- 154,000 web page views
- 8 open houses
- 5 online events
- **4,800 respondents** ranked nine types of reductions
- Strong support for beginning with strategic, network efficiency changes
- Favor protecting late night, weekend and high-frequency service

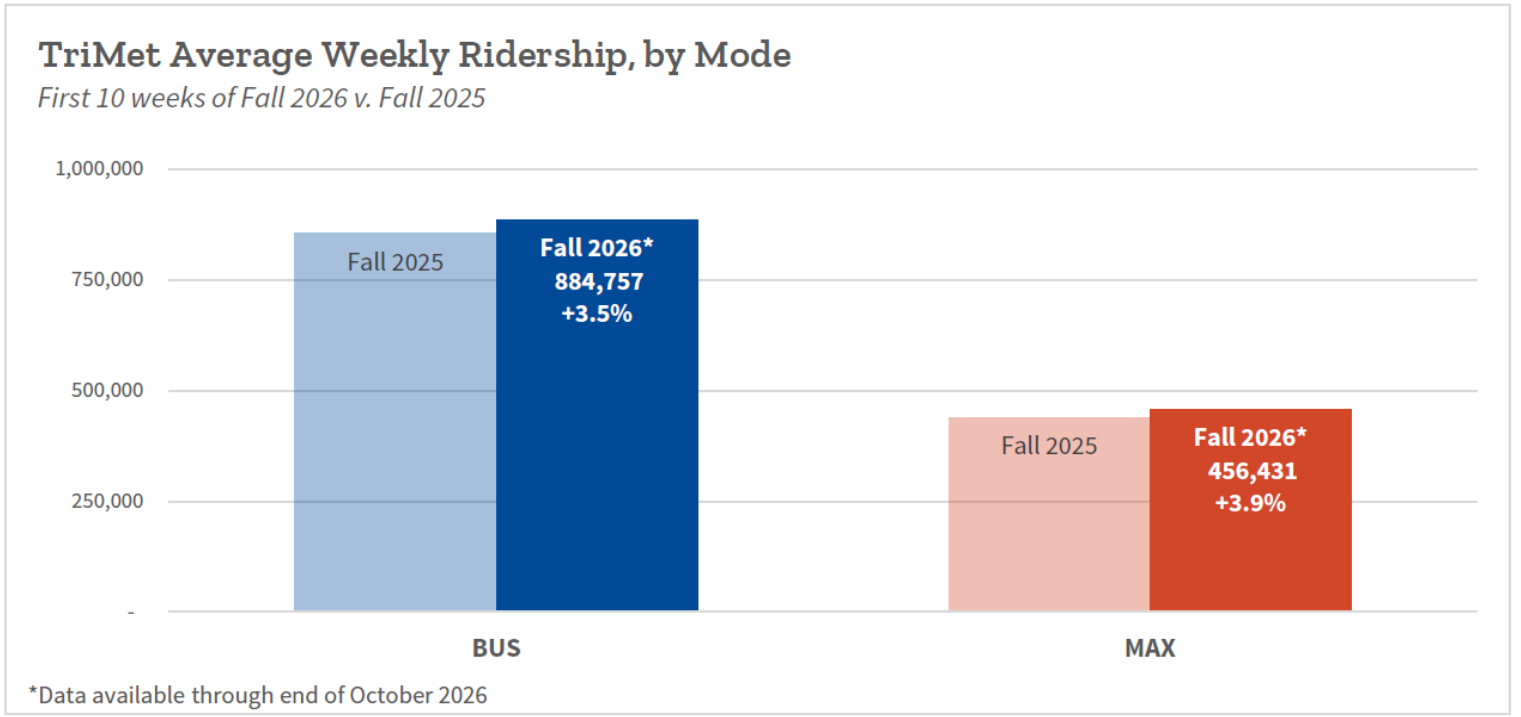


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FY27: Service Reductions & Ridership Impact

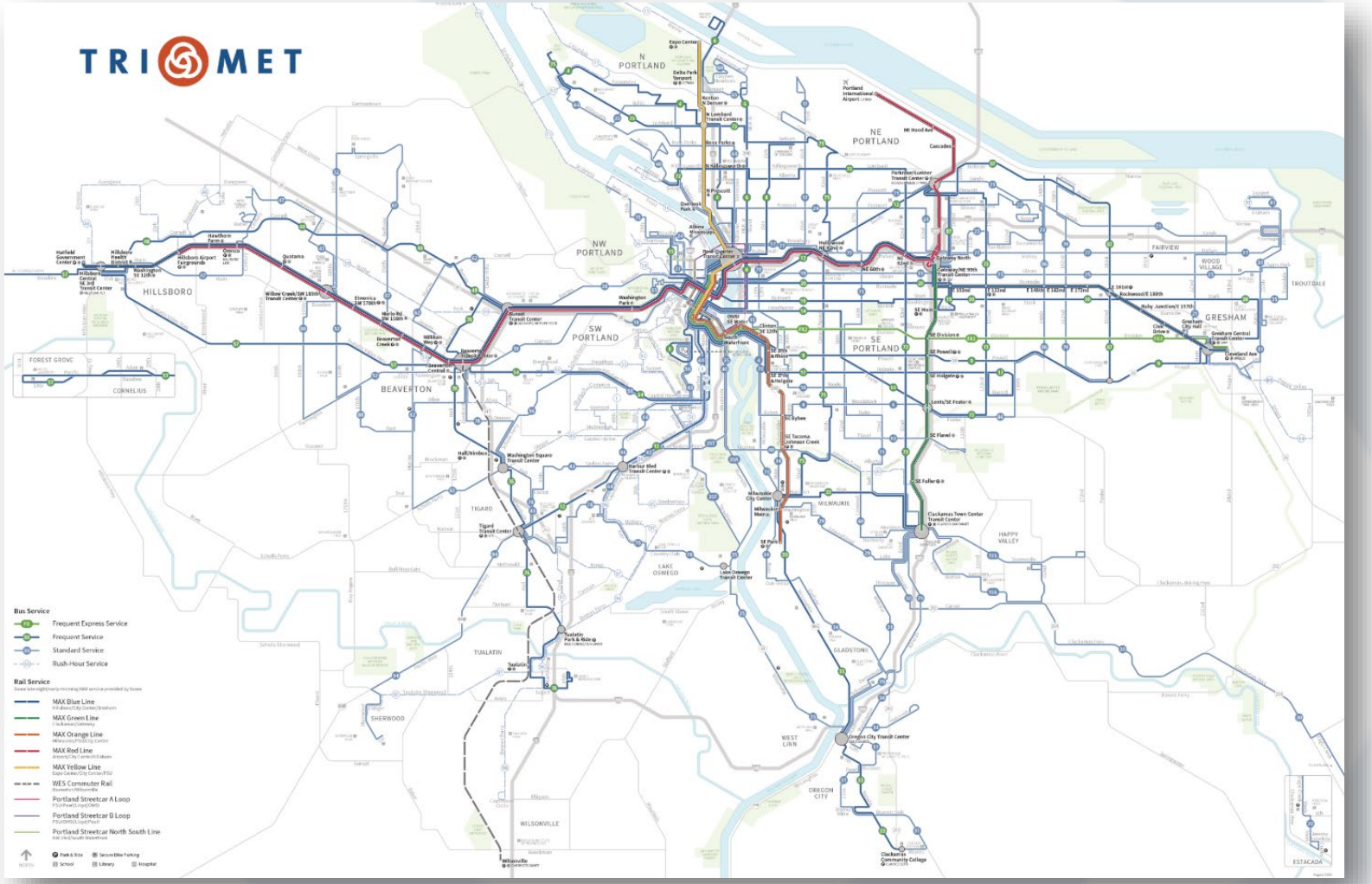
- Weighted towards network changes
- Limited:
  - Line eliminations
  - Frequency reductions
  - Service span reductions

Avg. Weekly Ridership	Fall 2025	Fall 2026*
BUS	854,510	884,757
MAX	439,357	456,431
Grand Total	**1,293,867**	**1,341,188**

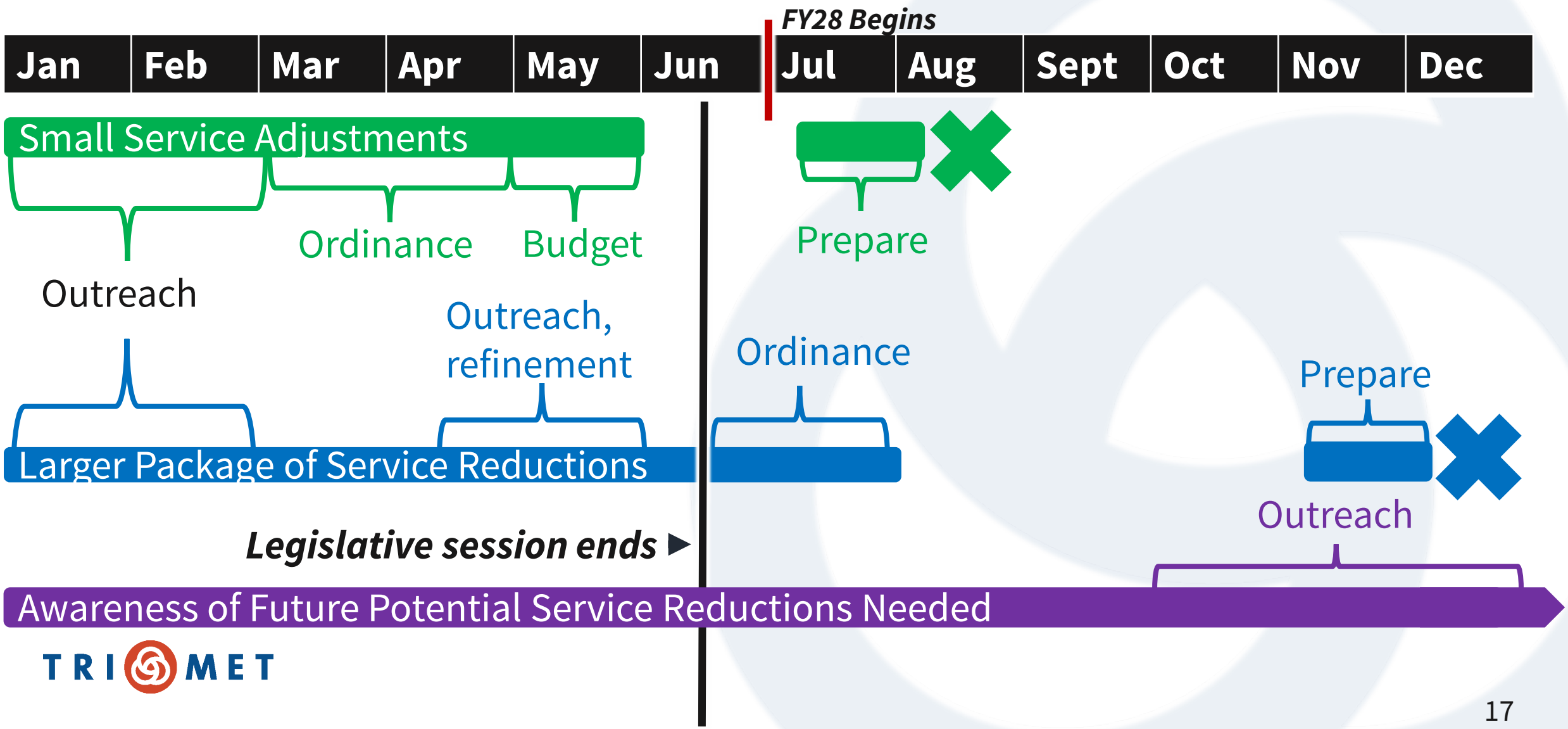


FY28: Service Reductions Proposed Approach

- Weighted towards network changes
- Limited:
  - Line eliminations
  - Frequency reductions
  - Service span reductions



2027 Public Process for Service Reductions



Next Steps for Proposed Service Reductions

- January 6 – February 5
  - Round 1 Outreach
- March/April Board Hearings
  - Adopt Fall 2027 Proposals
- April 7 – May 7
  - Round 2 Outreach
- June/July Board Hearings
  - Adopt Winter 2027 Proposals

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Service Reductions Proposal: Possible Suspension of WES Service

Inessa Vitko, Chief Operations Officer
Tom Mills, Director of Mobility Planning & Policy Development

Westside Express Service (WES)

WES

- Opened in 2009
- 14.7 miles
- 5 Stations (4 Park & Rides)
  - Beaverton TC
  - Hall/Nimbus (near Washington Sq.)
  - Tigard TC
  - Downtown Tualatin
  - Wilsonville TC
- Service Levels
  - Weekdays only/Commute times only
  - Every 45 min.
  - Round trips between:
    5:16-9:35 a.m., 3:28-7:47 p.m.



Westside Express Service (WES)

Service Costs (FY27 Adopted Budget)

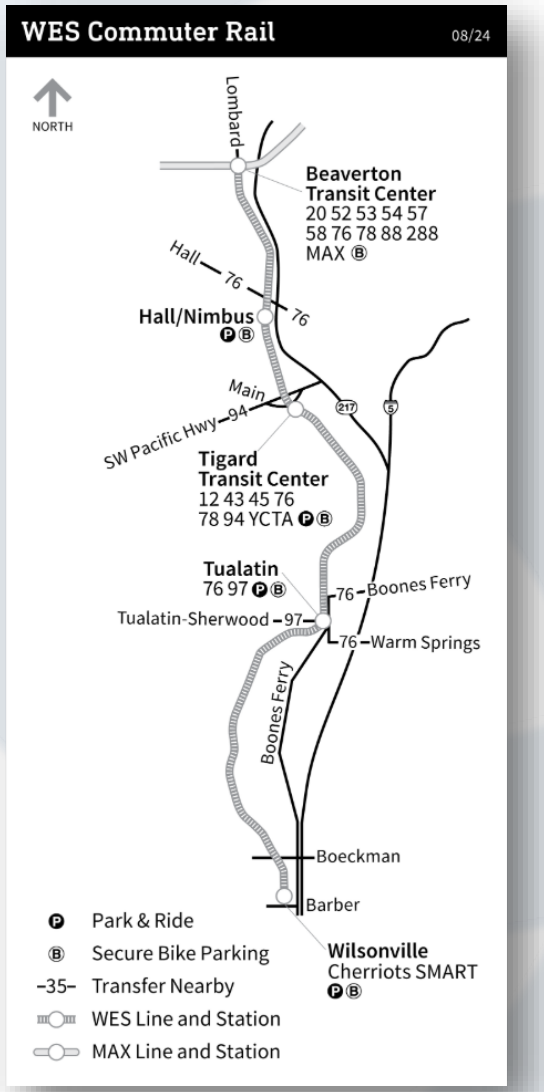
- Department budget: $8.7 mil
- Insurance: $2.9 mil

Average Boardings (Fall 2026*)

- 590 per weekday
- 29.5 boardings per one-way trip
- Projected ~4,000 boardings/day by 2020
- Ridership peak: ~2,000/day in 2014

Average Productivity (Fall 2026*)

- WES: $78.51 per boarding
- MAX: $9.29 per boarding
- Bus: $11.45 per boarding



*First half of Fall 2026 quarter

WES Considerations

Grant & Intergovernmental Agreements

- Federal
- State
- Local



Operating Agreement

- Portland & Western Railroad

Insurance Requirements

Alternate Service

- Limited stop trips on Line 76-Hall/Greenburg

Northstar – Minneapolis/St. Paul

Similar to WES

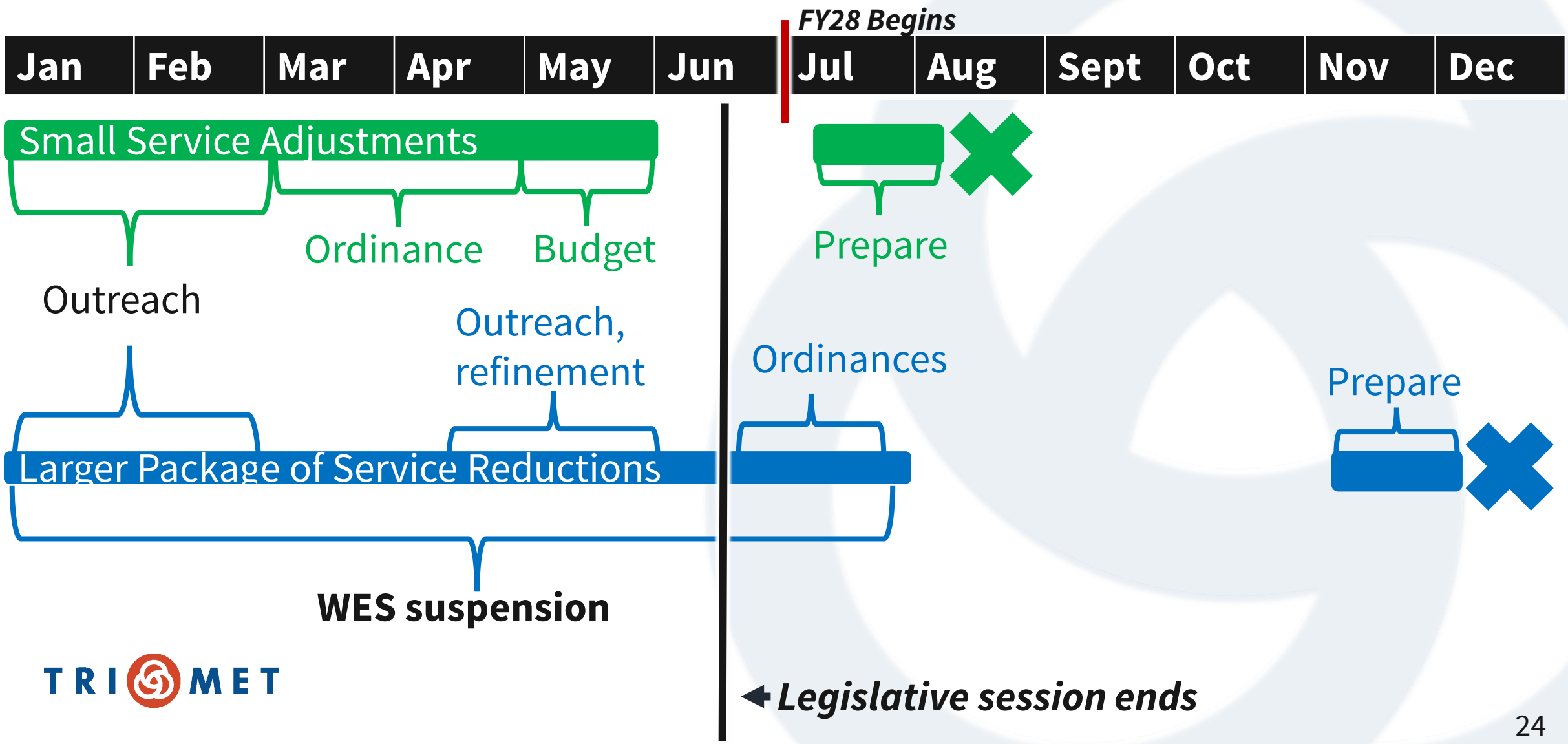
- Opened in 2009
- 7 Stations
- 40 miles
- Weekday peak service with limited weekend service
- 100 boardings per weekday in Q1 2026

Suspension of Service

- January 2026



2027 Process for WES Service Suspension



Board Discussion

Break (10 min)

New Revenue:
Elimination of the Cash Transfer

Proposal to eliminate issuance of paper tickets/transfers for cash paid fares

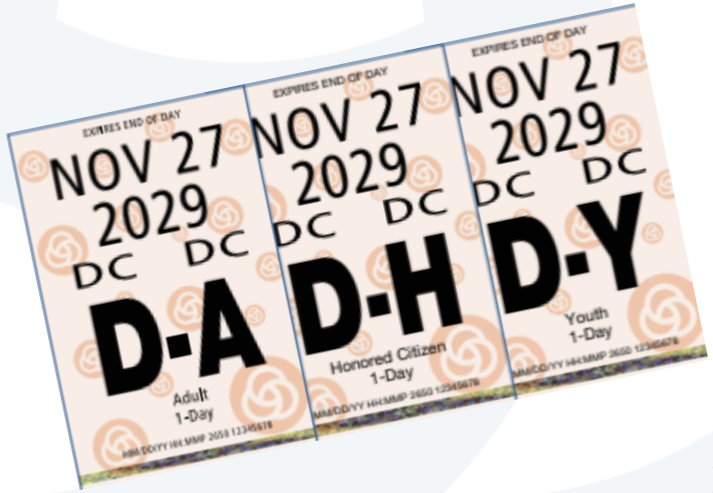
Lonny Nielsen, *Director of Marketing, Customer Experience & Fare Programs*
Jamie Surface, *Senior Coordinator of Fare Policy Programs*

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Bus Printed Tickets for Transfers

- Riders paying cash to board a bus are printed a paper ticket for transferring to other service or for day use
- Tickets are not e-fare/Hop
  - They are not tappable
  - Required installation of “barcode scanners” at secured elevators





Why Now?

TriMet's Commitment to Expand Hop Card Utilization

- **TriMet Board adopted "TriMet Strategic Financial Plan"(2025):**
  - 4.7: Leveraging electronic fare collection to reduce costs and improve efficient fare enforcement
- **Continue to advance Hop and fare program access**
  - **2018**: Enhanced access with Reduced Fare Program for individuals who qualify based on income
  - **Present:** Hop revenue meets or exceeds 85% month over month (initial commitment threshold when shifting to Hop)

Transitioning to Full E-Fare Utilization

Elimination of non-Hop products post-implementation

STICKERS

2019:
Employers and students transitioned to Hop cards

LIFT

2022: 20-ride punch card product eliminated

2022: Paper monthly pass product eliminated

2024: 2.5hr pink foil ticket eliminated

DOWNTOWN PASS

2022: Eliminated HC Downtown Pass and remaining "free fare" zone

Considerations

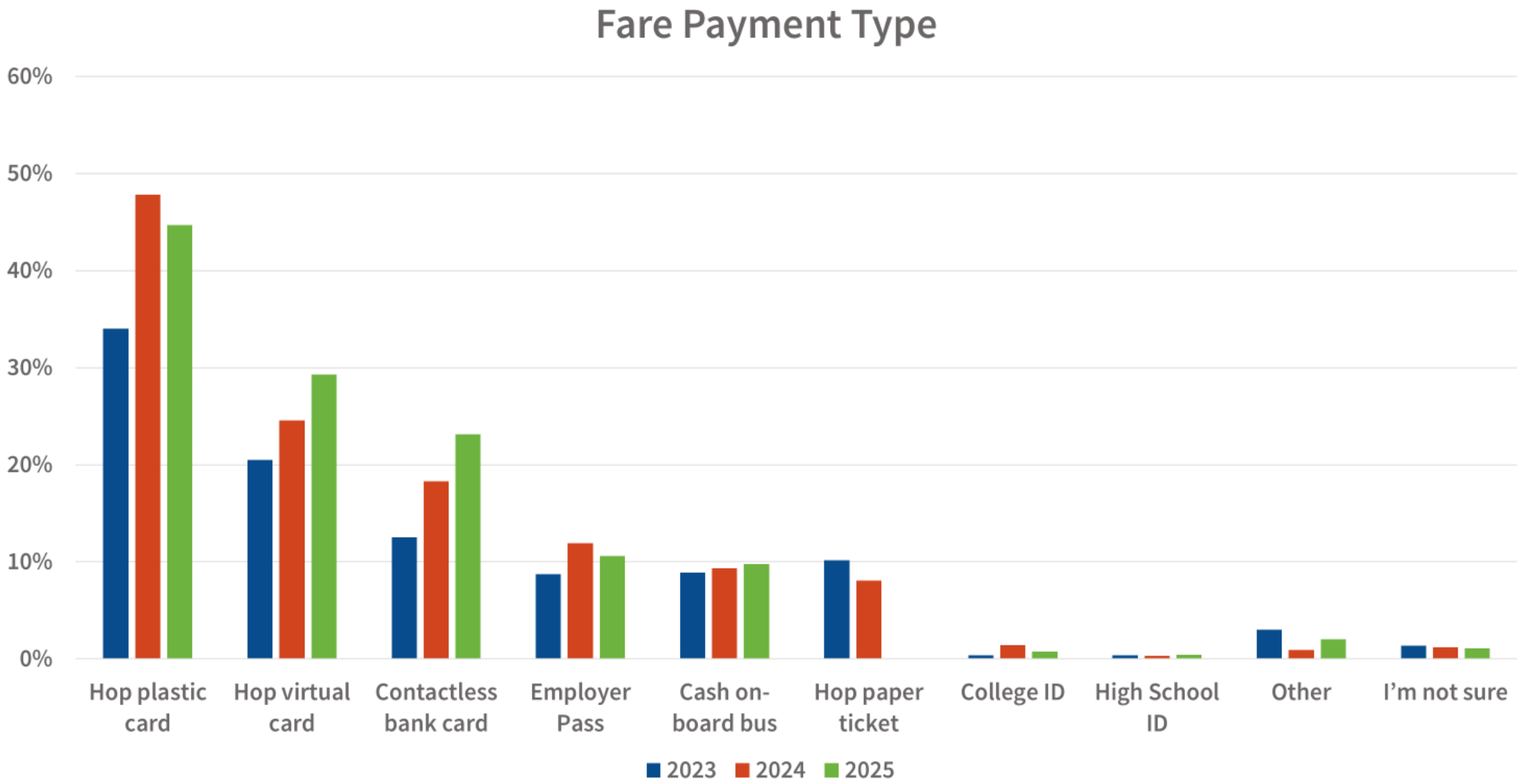
- 16 **peer** agencies have eliminated cash transfers, including LA Metro, King County, SacRT, VTA, Valley Metro
- Do not accept paper transfers from C-TRAN
- Portland Streetcar eliminated paper tickets in 2025, Hop only
- Expect to see some continuation of cash use
- Title VI will show need for mitigation
- Determine timeline based on outreach and mitigations
- Development of mitigations and expansion of Hop card use
- Greater rider cost savings through fare capping

New Fare Card Vending Machines

Location & Access

- Capitalize on cash load benefits of the 166 fare vending machines
- Cognizant expansion of locations to load cash on a Hop card
- Wider access points for purchasing a Hop card
- Cash load at platform/transit center fare card vending machine for all cards, including personalized/reduced fare cards

Fare Payment by Type 2023-2025



Financial Impact

Bus Ticket Printers

- Approaching end of useful life
- Obsolete printers with limited spares available
- Need to upgrade to newer models
- Approximately 750 new printers needed (different new cash fareboxes recently installed)
- Excessive and avoidable costs; savings with elimination

Bus Printer Replacement	Costs
Bus printers (avg. cost)	$1,750
Number of bus printers	750
Labor/install/maintenance	TBD
Total	$1,312,500 + labor

Printed Bus Tickets
January 2026-June 2026

Fare Category	2.5-hr Ticket*	1-Day Ticket*
Adult	341,732	410,309
Youth	38,900	23,081
Honored Citizen	247,150	162,705
Total	**627,782**	**596,095**

***Note:** Ticket totals reflect all tickets printed from bus ticket machines including those for maintenance, transfers, courtesy tickets, incorrect fare, etc. Actual numbers of paid ridership are estimated to be 5-8% less than reflected totals.*

Current Standard Operating Procedure

- Operators have a “round up and issue ticket policy” regardless of cash received
  - Recently modified this policy:
    If full price of 1-day pass is not paid, only 2.5hr ticket issued
- When printers jam, they stop collecting cash and display “No Fares” sign on fare box

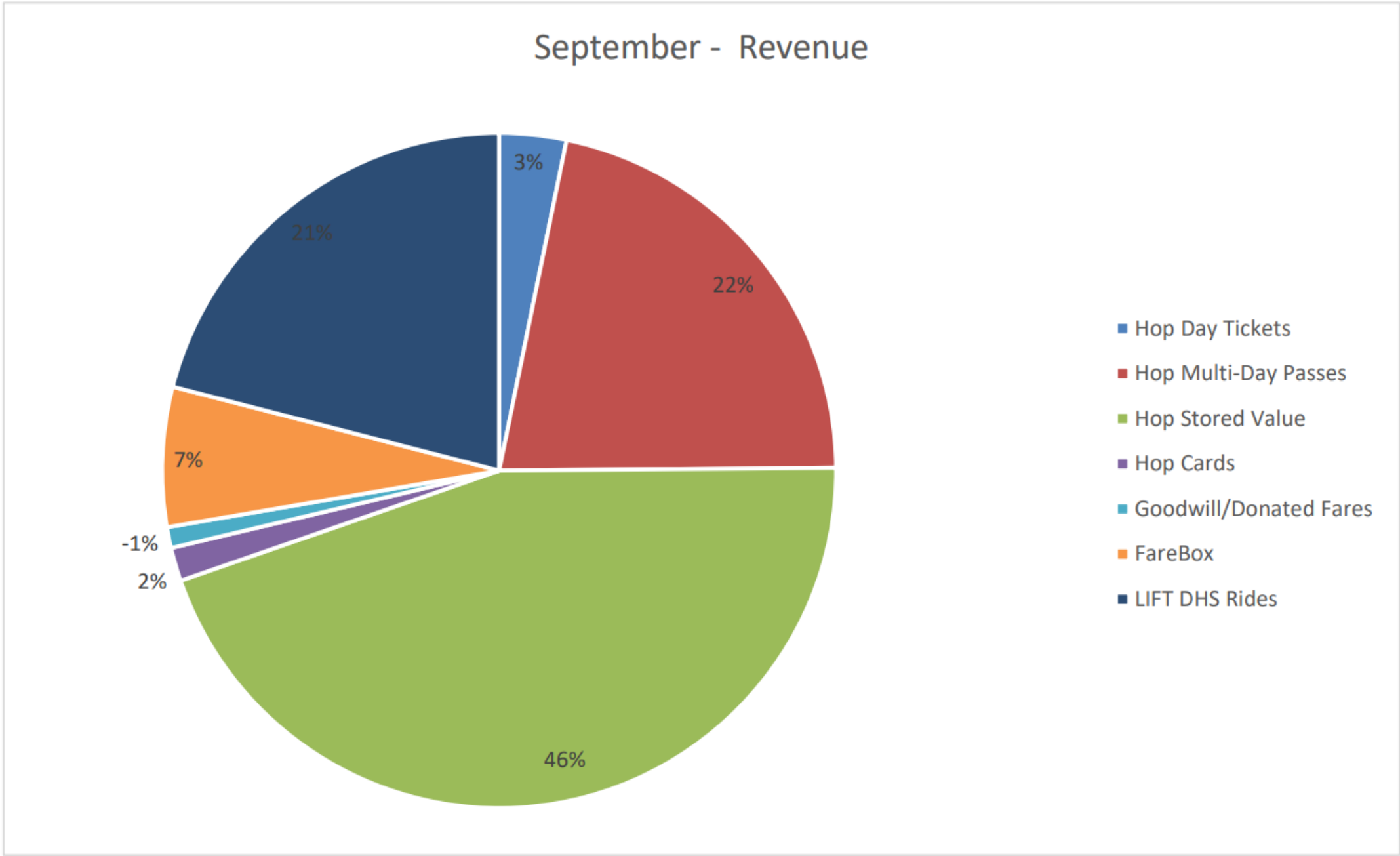
Proposed Procedure Change

- Cash paying riders would no longer receive a printed bus transfer
  - Rides would be one-way/single ride
  - Transferring to another route/vehicle would require another full-fare payment
- No change for riders paying with e-Fare/Hop; still transfers, ride for day without additional payment

Revenue & Ridership

- **Expected revenue growth** projections
- **Fare evasion** on bus
- **Shift** to Hop card

- Agencies eliminating cash transfers experienced increased revenue
  - WMATA $4M
  - CTA $17M
  - MBTA $14M
- Project up to $3M in revenue based on current cash acceptance and ridership behavior trends
- Riders are choosing various forms of electronic payment
- Noted underpayments occurring with cash payments



Hop Revenue: 91.3% **Non-Hop Revenue: 8.7%**

Revenue & Savings

Transfer Elimination

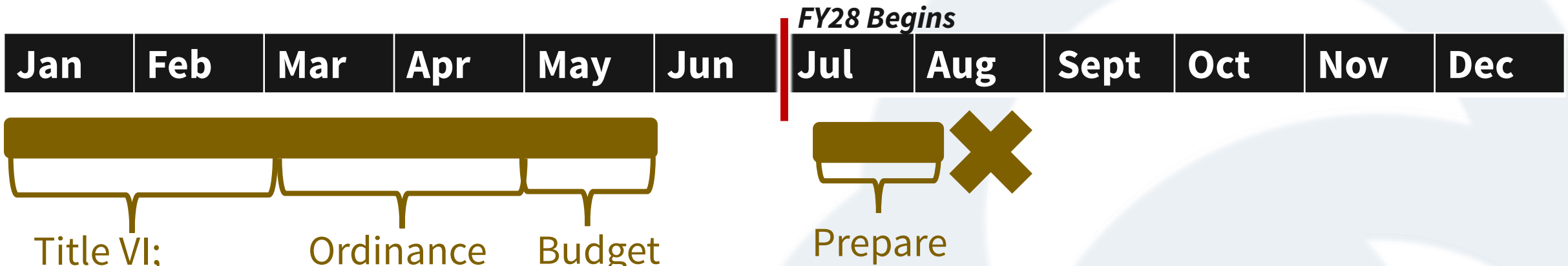
Revenue - ~$3M>

- **Up to $3M in revenue based on current payments and agency trends**

Savings - ~$1.5M

- **Estimated $1.3M in new bus printer savings**
- **Annual bus paper print stock ~$50K**
- **Machine maintenance**
- **Labor**

2027 public process for cash transfers



Board Discussion

Elimination of printed bus tickets/transfers

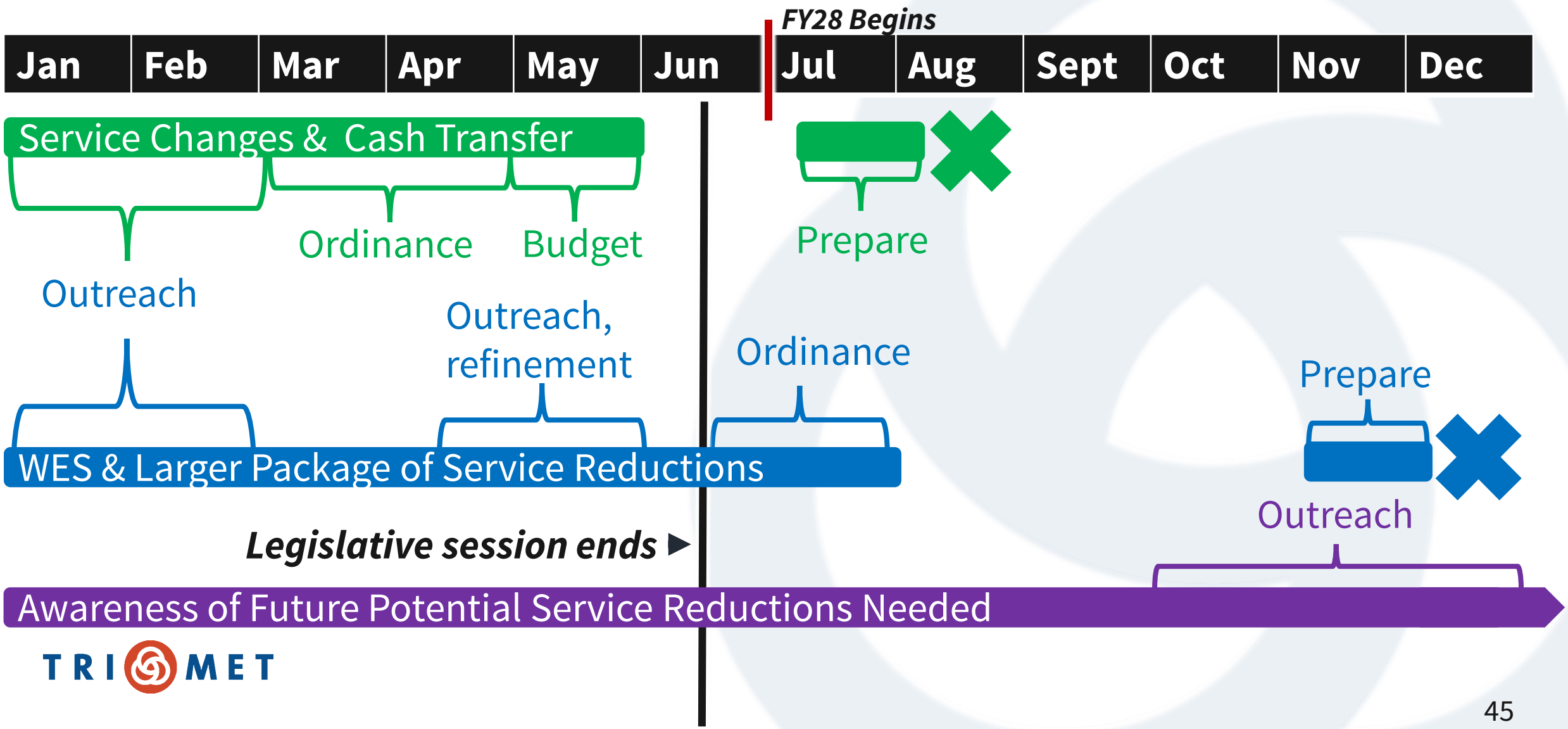
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Next Steps & Timeline

Sam Desue Jr., General Manager

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2027 Public Process for Service Reductions



Timeline – 4 Month Look Ahead

Mid Nov-Mid Dec: Individual Board Member Meetings

- Review service reduction proposals in detail

Dec 9: Board Meeting

- Comprehensive 12-month calendar
- Budget process update

Early Jan: Board Education Sessions

- Update on revenue generation activities

Jan 6: Launch Public Outreach

- Service Reductions
- Elimination of Cash Transfer
- Possible Suspension of WES Service

Jan 27: Board Meeting

- Budget process update

March

- Proposed budget released
- Board adopts budget and sends it to the TSCC

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Closing Remarks

Board President LaVerne Lewis

Meeting Adjourned

Thank you for being here today!

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