

**Date:** March 25, 2026

**To:** Board of Directors

**From:** Sam Desue, Jr. 

**Subject:** **RESOLUTION NO. 26-03-11 OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET), ACTING AS THE TRIMET BUDGET COMMITTEE, APPROVING THE PROPOSED FISCAL YEAR 2027 ANNUAL BUDGET FOR SUBMISSION TO THE MULTNOMAH COUNTY TAX SUPERVISING AND CONSERVATION COMMISSION**

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**1. Purpose of Item**

This Resolution requests that the TriMet Board of Directors (Board), acting as the TriMet Budget Committee, approve the Proposed Fiscal Year 2027 Budget for submission to the Multnomah County Tax Supervising and Conservation Commission (TSCC).

**2. Type of Agenda Item**

- Initial Contract
- Contract Modification
- Other: Submission of Proposed FY2027 Budget to TSCC

**3. Reason for Board Action**

Oregon Budget Law requires Board approval before a budget may be submitted to the TSCC.

**4. Type of Action**

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

**5. Background**

**A. Budget Process**

TriMet must propose and the Board must adopt a balanced budget in which revenues are equal to expenditures.

Oregon Budget Law requires all local governments to follow a specific process to adopt budgets. The Board’s adoption of this Resolution to approve the Proposed FY2027 Budget is the first step in that process. After the Board approves the Proposed FY2027 Budget, it will be published as the Approved version, which then must be submitted to the TSCC for its review and consideration in a public hearing on April 22, 2026.

Assuming that the TSCC approves the Approved FY2027 Budget, it will be returned for the Board's final consideration and formal adoption at the May 27, 2026 Board meeting. Amendments to the TSCC-approved FY2027 Budget may occur until the Board's adoption of the Final FY2027 Budget on May 27, 2026. TriMet must adopt a Final Budget before the July 1 start of the new fiscal year.

The Proposed FY2027 Budget will total \$1.73 billion, including ending fund balance. The Proposed FY2027 Budget includes \$798 million for operating costs, \$55.6 million for Other Post-Employment Benefits (OPEB), \$84.4 million for debt service, and \$213.6 million for capital and operating projects. Other non-operating cost of \$25.4 million, contingency of \$28.1 million and ending fund balance of \$522.2 million are also included in appropriations.

The Proposed FY2027 Budget is consistent with pension policies adopted by the Board on February 26, 2014, and subsequently amended in 2023. It meets Board Strategic Financial Plan policies in areas of debt service and service growth, and continues to address essential capital maintenance and replacements. The Proposed FY2027 Budget anticipates that TriMet will end the year with greater than 2.5 months of operating reserves, to address potential funding shortfalls in upcoming years.

The Proposed FY2027 Budget reflects TriMet's commitment to achieve the fiscally stable future needed to meet its obligations to its riders, employees, retirees, and payroll taxpayers.

## **B. Revenues**

The Proposed FY2027 Budget reflects the following major revenue assumptions:

- Stable payroll tax revenue growth through FY2027 with a total growth rate of 2.5%.
- Federal operating funds will provide a total of \$128.5 million (or 13.6% of TriMet's resources) for operations. This total includes Section 5307 Urbanized Area Formula funds of \$39.8 million, Section 5337 State of Good Repair funds of \$59.9 million, Section 5310 Enhanced Mobility of Seniors & Individuals with Disabilities funds of \$2.1 million, and other smaller federal grants of \$2.4 million. TriMet also anticipates receipt of about \$24.3 million in federal highway program funds through the Surface Transportation Block Grant (STBG) Program and the Congestion Mitigation & Air Quality (CMAQ) Program to pay for regional capital bonded debt service.

## **C. Expenditures.**

The Proposed FY2027 Budget incorporates the following major operating and capital expenditures:

- *Service:* In response to a growing structural operating deficit, TriMet began implementing targeted service reductions in FY2026, with additional adjustments planned for FY2027, although not incorporated into the Proposed version of the budget. The FY2027 Proposed Budget prioritizes stabilizing core operations and aligning service levels with available financial and workforce capacity. These reductions are necessary to slow expenditure growth, address ongoing structural imbalances, and preserve long-term financial sustainability. While ridership has continued to recover since the pandemic, it has established a new baseline level, and revenue growth has not kept pace with rising operating costs.

- *Capital Maintenance and Replacement:* The FY2027 Proposed Budget allocates \$213.6 million for capital projects, including 82nd Avenue Transit Project, LRV Fleet Replacement and Expansion, Interstate Bridge Replacement, TV Highway Transit & Safety Project, Enterprise Resource Planning (ERP) and other transit center upgrades. \$118.9 million is dedicated to State of Good Repair projects.

The Proposed FY2027 Budget is balanced and complies with Oregon Budget Law.

**6. Impact if Not Approved**

Pursuant to ORS 294.428(1), the budget committee shall approve the budget document as submitted by the budget officer or the budget document as revised and prepared by the budget committee. Pursuant to ORS 294.431(2), districts like TriMet that serve populations exceeding 200,000, must submit an Approved Budget at least 20 days before the TSCC hearing on the Approved Budget. Pursuant to ORS 294.635, all districts are required to submit their approved budgets to the TSCC no later than May 15 of each year. TriMet must adopt a Final Budget prior to the July 1 date of the fiscal year, in order to comply with Oregon Budget Law.

**RESOLUTION NO. 26-03-11**

**RESOLUTION NO. 26-03-11 OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET), ACTING AS THE TRIMET BUDGET COMMITTEE, APPROVING THE PROPOSED FISCAL YEAR 2027 ANNUAL BUDGET FOR SUBMISSION TO THE MULTNOMAH COUNTY TAX SUPERVISING AND CONSERVATION COMMISSION**

**WHEREAS**, pursuant to ORS Chapter 294, TriMet must develop its annual fiscal year Budget; and

**WHEREAS**, pursuant to ORS 294.423, the TriMet Board of Directors (Board) constitutes TriMet's Budget Committee (Budget Committee); and

**WHEREAS**, pursuant to ORS Chapter 294, the Board, acting as the Budget Committee, approves TriMet's Proposed Budget; and

**WHEREAS**, pursuant to ORS 294.331, TriMet's Chief Financial Officer serves as Budget Officer and primary liaison with the Multnomah County Tax Supervising and Conservation Commission (TSCC); and

**WHEREAS**, ORS 294.428 provides that the Budget Committee shall approve the Proposed Budget as submitted by the Budget Officer, or as revised by the Budget Committee; and

**WHEREAS**, ORS 294.431 requires TriMet to submit its Approved Budget to the TSCC;

**NOW, THEREFORE, BE IT RESOLVED:**

That the Proposed Fiscal Year 2027 Budget totaling \$1.73 billion as submitted, including technical corrections and revisions, is approved and shall be submitted to the Multnomah County Tax Supervising and Conservation Commission.

Dated: March 25, 2026

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

Attest:

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Recording Secretary

Approved as to Legal Sufficiency:



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Legal Department