

# **TriMet**

## **2025-26 Hearing Minutes**

April 23, 2025

8:00 a.m.

TriMet Board Room  
101 SW Main Street, 2nd Floor  
Portland Oregon 97204

### **Present**

#### **TSCC:**

Chair Harmony Quiroz, Vice-Chair Matt Donahue, Commissioner Burton, Commissioner Lugo Knapp, Commissioner Moore, Executive Director Allegra Willhite, and Budget Analyst Brittanie Abayare

#### **TriMet:**

TriMet Board Members: President Dr. LaVerne Lewis, Thomas Kim, Robert Kellog, Tyler Frisbee, Erin Graham, JT Flowers and Kathy Wai

TriMet Staff: General Manager Sam Desue, General Counsel/Executive Director of Legal Services Shelley Devine, Chief Financial Officer Nancy Young-Oliver, Chief Information Officer Ethan Benatan, Executive Director of Maintenance John Weston, Executive Director of Transit System & Asset Support Dan Blair, Executive Director of Public Affairs JC Vannatta, Interim Executive Director Engineering & Construction Sean Batty, Executive Director for Labor Relations and Human Resources Kim Sewell, Senior Director of Business Planning Alan Lehto, Chief of Strategy and Planning Claire Khouri and other TriMet Staff

**Absent:** None

### **Commissioner and Staff Introductions**

Chair Harmony Quiroz opened the public hearing by welcoming everyone to the hearing and briefly describing the duties and responsibilities of the TSCC. She reviewed the hearing process and stated that the hearing was to engage the district leadership and provide an opportunity for the public to comment before TriMet adopts its budget. She asked TSCC Commissioners and staff to introduce themselves and state if they have business relationships with the district that could be perceived as a conflict of interest. Each commissioner and staff member introduced themselves and said they had no conflict of interest with TriMet.

Chair Quiroz asked the board members and staff present to introduce themselves. Following TriMet's board and staff introductions, she congratulated TriMet staff for receiving the Distinguished Budget Presentation Award from the Government Finance Officers Association.

### **Opening Remarks**

President Dr. LaVerne Lewis provided a high-level overview of the FY 2025-26 budget, noting that it reflects the agency's ongoing commitment to safety, fiscal responsibility, and equity. She emphasized that TriMet's priorities continue to focus on maintaining essential

service levels, responding to inflationary cost pressures—including fuel, utilities, and labor—and ensuring the system meets the evolving needs of the region. She recognized the importance of collaborating with regional and community partners to enhance services in underserved areas, and thanked TSCC for its ongoing partnership.

General Manager Sam Desue emphasized the agency's fiscal approach and core priorities. He highlighted that the total FY 2025-26 budget is \$1.94 billion, which includes \$900 million in operating costs, \$221 million in capital investments, and \$101 million in pass-through and contingency funds. He noted that while daily service remains a critical focus, the agency is making strategic investments in infrastructure and long-term system maintenance. Key initiatives include maintaining fixed-route and paratransit services, hiring and retaining critical operations and safety personnel, and enhancing TriMet's infrastructure through state of good repair projects.

Desue also discussed the agency's financial challenges, noting the long-term impacts of COVID-19 on ridership and fare revenue. Although ridership is increasing, it remains about 30% below pre-pandemic levels. Federal COVID relief funds, which were instrumental in sustaining operations over the past several years, have been largely expended. In response, TriMet is actively pursuing efficiencies, evaluating revenue options, and working closely with the Oregon Legislature on funding solutions, including a proposed increase to the state's employee payroll tax that funds transit. He concluded by reiterating the agency's commitment to fiscal prudence, service equity, and proactive planning in the face of evolving economic conditions.

CFO Nancy Young-Oliver followed with technical budget highlights. She affirmed that the budget aligns with TriMet's Strategic Financial Plan, which includes maintaining a minimum of two and a half months of operating reserves, a 3% contingency, and fully funding pension and OPEB obligations through a combination of pay-as-you-go and trust contributions. She shared that TriMet's debt ratio remains below its board-imposed 7.5% ceiling and noted that \$50 million in general fund resources have been allocated to capital projects in FY26. She also highlighted that TriMet has begun work to bring its budget document into compliance with federal ADA accessibility standards by 2027, which contributed to the increased length and detail of this year's document.

### **Public Comment**

No members of the public signed up or testified. TSCC received written comment from R A Fontes and the full text of the comment is available on the TSCC website: [TriMet-Public-Comment-from-R-A-Fontes.pdf](#).

### **Commissioner Questions and Agency Responses**

**Chair Quiroz asked:** This first question is for the board members in attendance today. A challenge for any aging transit agency is balancing investments in ongoing maintenance of existing infrastructure with new projects and objectives. How did you balance these two important areas of TriMet's work when making budget decisions? Do you foresee one area or the other needing increased focus in the coming years?

President Lewis emphasized that TriMet has placed a high priority on state of good repair to ensure the reliability of service. Aging infrastructure, particularly segments of the MAX system, are at the end of their useful life and require urgent replacement to maintain safe and effective service. Desue added that capital funds are also being directed toward expansion projects, such as the 82nd Avenue FX line and TV Highway corridor. These

expansion efforts are paced to avoid undermining core maintenance priorities.

**Commissioner Lugo Knapp asked:** The final red line extension was finished last year, congratulations on wrapping up the “Better Red” project! Did this multi-year project go as planned? Did you stay on time and under budget?

Interim Executive Director Engineering & Construction Sean Batty confirmed that the Red Line was completed as scheduled and below budget and is now providing redline service to Hillsboro Airport Fairgrounds Station. He noted that while there were numerous planned disruptions to service (carefully communicated in advance), there were zero unplanned interruptions, which is rare for a project of this magnitude. The project not only extended Red Line service to Hillsboro but also improved schedule reliability across the MAX system. It included restoring some previously value-engineered items, like a second passenger shelter and upgraded security fencing, thanks to contingency savings.

**Follow-up Question asked by Lugo Knapp:** We’ve been hearing about the potential expansion of the FX program, with a new line planned for 82nd. What’s the timeline for this project, and how is it being funded?

Batty stated that the project is currently in the FTA Capital Investment Grant process and formally entered project development this spring. TriMet anticipates reaching 30% design completion by June 2025, finalizing design by Spring 2027, starting construction later that year, and launching revenue service in Fall 2029. Young-Oliver added that approximately 80% of the cost is expected to come from federal and external funding sources. TriMet’s 20% share would be supported by bond issuance, contingent upon board approval.

**Follow-up Question asked by Chair Quiroz:** Why was 82nd Avenue selected as the next FX corridor after Division? What drove that decision?

Batty explained that the 82nd Avenue corridor currently carries TriMet’s highest local bus ridership. It also experiences frequent and unpredictable delays due to traffic, infrastructure limitations, and high boarding volumes. Additionally, the corridor recently transitioned from ODOT to City of Portland jurisdiction, making it ripe for coordinated investment.

**Commissioner Donahue asked:** Capital projects are a large part of TriMet’s spending, and in past years TSCC has talked with you about the completion rate of budgeted projects. Last year we heard about strategies to improve completion rates, including a budget limit of \$250 million for the capital budget. So tell us, are you on track to spend the capital projects budget this year? Now that you are working on fewer projects with the same amount of staffing, are you able to work through projects more quickly? What percentage of the capital project budget have you spent year to date?

Young-Oliver acknowledged that capital execution remains below target. In FY 2025, TriMet reduced the capital budget to roughly \$200 million, down from previous highs of \$300M+, and yet only 40% had been spent through March. Even with accelerated spending, year-end utilization is projected at just 80%. For FY 2026, TriMet will lower the capital budget further to \$165 million, aligning it more closely with realistic project timelines. She explained that managing expectations and adjusting cash flow targets are part of the agency’s maturing capital strategy.

Batty provided an in-depth breakdown of major project delays:

- **Type 6 LRV Replacement:** 26 new light rail vehicles (LRVs) are being procured to replace Type 1 cars. A GPS-related software issue caused nuisance faults that could mislead operators. Rather than rush deployment, TriMet paused rollout until vendors resolved the issue—prioritizing safety and operational integrity.
- **Red Line Vehicles:** Vehicle procurement was tied to the same delivery schedule and impacted by the same GPS issues.
- **Vehicle CCTV System Upgrades (Type 3 & 4):** TriMet initially pursued a procurement strategy that involved software-as-a-service (SaaS) models. Extended negotiations revealed that vendors were unable to guarantee camera performance standards or control costs, so TriMet pulled back and re-scoped the project.
- **WES CCTV Project:** Similarly delayed due to technology integration risks and concerns around pricing.

Batty emphasized that TriMet made conscious management decisions to delay these high-cost projects in favor of safety, quality, and contract certainty. When these outliers are removed from the calculation, capital utilization on remaining projects was close to 90%. TriMet also commissioned a benchmarking study with four peer agencies and found that none were achieving dramatically better post-pandemic performance.

**Follow-up Question asked by Commissioner Donahue:** What is your revised capital target for FY 2026, and is capital utilization still the best metric?

Young-Oliver stated that the revised capital target is approximately \$165 million. While utilization percentages remain important, TriMet is shifting toward monitoring cash flow alignment and project health more closely. This allows more tailored financial management and avoids overreliance on top-line performance metrics.

**Follow-up Question asked by Commissioner Donahue:** Are you using tax-exempt bonds to fund these projects? Are you paying any arbitrage penalties?

Young-Oliver confirmed that yes, TriMet uses tax-exempt bonds to support eligible capital investments. However, due to delays, the agency has not met the IRS's 85% spend-down requirement within three years and will owe arbitrage. To mitigate future risk, TriMet is revising its strategic financial plan. Instead of issuing bonds up to the debt ceiling, the agency will now tie bond issuance to specific project cash flows and timelines. They plan to seek board approval for up to approximately \$450 million in new bonding authority, which would raise their debt to 5.9%—still well below the 7.5% cap.

**Commissioner Moore asked:** We know many federal funding sources are unpredictable right now. Does TriMet expect to see any changes to federal funding? What impacts might the general public see if federal funding to TriMet is reduced?

Young-Oliver said that formula funding, which accounts for \$95 million annually, is expected to remain stable, though the timing of disbursements is a concern. Discretionary grants, however, are highly competitive and vulnerable to reduction. These grants support major capital projects like the 82nd Avenue FX line and bus facility improvements. Reductions in this area could significantly delay expansion plans. TriMet has structured its capital plan to account for delays, but a prolonged disruption would

force prioritization.

**Follow-up Question asked by Commissioner Moore:** We see that you have set aside some funds in contingency specifically to cover potential fluctuations in federal funds - what is that amount, and how did you settle on it? In light of recent fluctuations, do you think this will be enough?

Young-Oliver said the \$50 million was added beyond TriMet's required 3% contingency as a strategic reserve specifically for federal funding disruptions. It reflects about 50% of the agency's typical annual formula allocation. The funds come from federal relief reserves built during COVID-19 and are meant to act as a short-term stopgap. The goal is not to use them, but to have that option if necessary. Any drawing on these funds would require board approval.

**Commissioner Burton asked:** Another question on the topic of funding. In your 10 year forecast we see your budgeted fund balance steadily decreasing as you spend down reserves to cover operating expenses. With a clear gap between revenues and expenses, we'd like to hear more about the plan to address future budget shortfalls. What are your plans for narrowing this gap?

Young-Oliver reported that the FY26 deficit is \$70 million but will be balanced using reserves accumulated from unspent federal stimulus. Without structural changes, TriMet faces a fiscal cliff around FY31.

Young-Oliver stated that TriMet used federal stimulus to build up its reserves, allowing it to continue operating without drastic cuts during FY 2026. The fund balance is now well above the 2.5-month requirement. This gives the agency a 5-year cushion to close the structural gap. TriMet is lobbying in Salem for an increase in the STIF payroll tax (currently 0.1%) and is exploring additional revenue streams, including fare restructuring. TriMet has also identified Westside Express Service (WES) as a high-cost service that may be transferred or restructured to reduce costs.

**Follow-up Question asked by Commissioner Burton:** Are there examples of efficiencies already in place that are showing results?

Young-Oliver said several positions have been frozen, and all departments were asked to cut discretionary budgets by 2–3% for FY 2026. While no major layoffs occurred, many non-critical vacancies will remain unfilled to reduce labor pressure. Another example is TriMet's new partnership with Meals on Wheels and local grocery chains, where LIFT paratransit users can opt to receive home grocery deliveries rather than taking in-person shopping trips. This has reduced trip volume, saved fuel, and created better trip availability for essential medical rides.

**Follow-up Question asked by Commissioner Burton:** You've added staff in some areas like security. How do you ensure that these increases don't worsen your structural deficit?

Young-Oliver stated that TriMet is intentionally being selective and GM Desue added that TriMet budgeted for 68 police officer positions under its intergovernmental agreements with local jurisdictions, only 20 are currently filled due to recruitment shortages in law enforcement.

**Chair Quiroz asked:** We understand that TriMet continues to work towards a goal of

achieving 100% zero-emission buses by 2040. This goal will require the purchase of new buses as well as maintenance facility improvements to serve the new vehicles. Are you on track to meet that goal? What potential obstacles do you foresee?

Chief Strategy & Planning Officer Claire Khouri reiterated that TriMet remains committed to the 2040 target, and has taken several steps toward that goal:

- 34 battery-electric buses (BEBs) are now in operation, primarily assigned to routes where range limitations are manageable.
- TriMet's entire fixed-route bus fleet has switched to renewable diesel, cutting greenhouse gas emissions significantly.
- Facility assessments have been completed at three bus garages to determine required infrastructure upgrades (e.g., charging stations, electrical grid capacity).

It's estimated that TriMet has cut their emissions produced by the agency by nearly 70%. She also specified the challenges:

- Range limitations: BEBs currently can't reliably complete all-day service on long routes, especially in colder weather or hilly terrain.
- Cost: BEBs now cost 30–35% more than diesel, and recent inflationary pressures have driven unit costs even higher.
- Vendor limitations: There are only two Buy America-compliant BEB manufacturers. Limited competition drives up costs and slows delivery timelines.
- Depot constraints: Some bus facilities need a lot in electrical infrastructure upgrades to support full electrification.

**Follow-up Question asked by Chair Quiroz:** How reliant are you on federal funding in order to complete the transition? What impacts are you expecting to funding based on the current administration's priorities, and would you want to fund this goal another way?

Young-Oliver stated that without federal discretionary grants, their zero-emissions plan is not financially feasible. BEBs and infrastructure upgrades are almost entirely grant-funded at this stage. While the agency is exploring new funding mechanisms, none would be sufficient to offset a lack of federal funding.

**Commissioner Donahue asked:** Is TriMet considering revising any equity policies in order to remain eligible for federal funding, especially in light of federal scrutiny of DEI frameworks?

GM Desue said yes, they have reviewed and are reviewing. They will be rolling something out in the next month or two.

**Commissioner Moore asked:** We see continued spending in this budget for safety and security, an area for which you've increased investments in recent years. What improvements to safety and vandalism rates have you seen since you started investing additional funds to address these issues?

Director of Security and Emergency Management, Pat Williams, outlined a comprehensive system overhaul:

- TriMet's Safety & Security Division grew to over 500 personnel, an increase of over 100 staff members in the past year, including contracted security, customer

safety officers, crisis intervention teams, and fare inspectors.

- A new 24/7 operations center was launched in August 2024, allowing centralized coordination, live monitoring of CCTV feeds, and improved emergency response.
- Assaults on operators declined by over 40% year-over-year, from 205 in 2023 to 119 in 2024.
- TriMet added lighting and video monitoring to all MAX platforms and high-use bus stops.
- Security cameras were installed inside elevators and integrated with TriMet's network.

Importantly, TriMet also invested in non-police response teams, focused on de-escalation, outreach to houseless riders, and connecting people with services. This shift was both a safety measure and a cost-saving one.

TriMet is not the only responsible party for cleaning up graffiti and vandalism, and therefore it's a challenge to track spending on these areas.

**Follow-up Question asked by Commissioner Moore:** What metrics are you using to track safety improvements for both riders and drivers?

First, Williams shared some of the recent legislation that TriMet has been involved with – TriMet was very involved in getting changes to public drug laws. Senate Bill 1553 is specific to public transportation and directly addresses drug use on public transportation vehicles. As a result, TriMet has seen a dramatic reduction of drug and smoke reports on their vehicles.

**Follow-up Question asked by Commissioner Moore:** And how are you addressing perception of public safety on transit?

Per Williams, TriMet tracks safety through multiple lenses:

- Police and security call data
- Operator-reported incidents
- Onboard and platform CCTV reviews
- Customer service complaints
- TriMet's annual rider satisfaction survey

Staff said that education, community engagement, and visual cues such as bus-mounted monitors showing live video are helping to increase public trust. A 2024 survey found that 77% of riders approve of TriMet's safety measures, compared to 44% of non-riders, though the latter is up 6% from last year.

**Follow-up Question asked by Commissioner Moore:** Do you have a strategy for addressing non-riders?

Williams acknowledged this perception gap and said TriMet is focusing on education and visibility. This includes participating in community events with a safety-focused presence, hosting school transit field trips and training security officers to serve as public ambassadors. TriMet is also working to train contracted staff so they can also help

provide education.

**Commissioner Lugo Knapp asked:** We've had ongoing conversations about TriMet's service adjustments, which began in response to evolving ridership patterns and customer needs during and after the COVID-19 pandemic. Could you please provide an overview of recent service changes? What feedback have you received from the public about these changes?

Sr. Director of Planning Alan Lehto, said TriMet has increased frequency on different bus lines throughout the district making trips more convenient and faster and we have added several new lines to increase access. Changes since May of 2023 include the following:

- Upgraded four bus lines to Frequent Service: Line 17-Holgate, Line 48-Cornell, Line 54-Beaverton Hillsdale Highway, Line 87-Airport Way/181<sup>st</sup> (in June 2025)
- Implemented new bus lines: Line 40-Tacoma/Swan Island connecting Tacoma MAX station to Swan Island, Line 86-148<sup>th</sup> providing north-south service in east Portland, Line 153-Stafford/Salamo to connect West Linn and Lake Oswego,
- Upgrades in service frequency on other lines: Line 19-Woodstock/Glisan, Line 35-Macadam/Greeley, Line 43-Terwilliger, Line 56-Scholls Ferry/Marquam Hill, Line 94-Tigard/Sherwood
- Major route changes on bus lines to improve connections: Line 25-Glisan/Troutdale Rd extended to serve Reynolds High School and Mt. Hood Community College, Line 34-Linwood/River Road to serve Clackamas Heights, Line 56-Scholls Ferry/Marquam Hill to serve Marquam Hill, Line 62-Murray Blvd to serve Cedar Hills Blvd, Line 77-Broadway/Halsey to serve Troutdale Reynolds Industrial Park, Line 76-Hall/Greenburg to serve West Linn and Oregon City.
- Reduced service on some bus lines due to low ridership or duplicative coverage.
- Several proposed changes were paused to allow more time to track ridership changes: Line 96 – Tualatin/I-5 and Line 17-Holgate/Broadway
- Extended MAX Red Line to the Hillsboro Airport station, doubling the frequency of service between Beaverton Transit Center and Hillsboro Airport.

Feedback from surveys and outreach indicated strong support for frequency upgrades and more access to job centers.

**Follow-up Question asked by Commissioner Lugo Knapp:** Do you have a sense of what factors are impacting ridership trends? Is it perception of safety, frequency of routes, or something else?

Lehto stated that frequency is the biggest driver. Other factors include time reliability, cleanliness and comfort, fare price, and safety perception. Large events like Rose Festival also have impacts.

TriMet is also watching how large employers adjust return-to-office policies. In Downtown Portland, peak ridership is still below pre-COVID levels due to reduced commuter frequency.

**Question asked by Chair Quiroz:** Last year we talked about your goal to hit 120 million boardings by 2030. How has the last year gone? Are you on track to meet this goal?

GM Desue said that number was aspirational and developed early in the recovery after the pandemic. The agency is now undergoing a strategic reforecasting process. Instead of setting one systemwide boarding target, TriMet is working on an agency-wide five-year



strategic plan that ties ridership growth to customer service improvements, community partnerships, and a broader vision of success. A revised ridership growth framework will be worked on throughout 2025.

GM Desue shared that internal development is underway and that updated targets will be presented to the Board in late summer or early fall 2025, followed by a public engagement process.

**Follow-up Question asked by Commissioner Moore:** If a recession hits, what would that mean for TriMet's budget and ridership?

Lehto noted that historically, recessions lead to immediate drops in payroll tax revenue and a delayed but significant decline in ridership. Reduced service, even if temporary, risks creating a long-term ridership decline. TriMet is planning with flexibility, focusing on protecting core Frequent Service routes and ramping up service quickly when demand returns.

**Commissioner Burton asked:** How is TriMet doing on hiring and retaining operators and other frontline staff?

Executive Director of Labor Relations & Human Resources, Kim Sewell proudly reported that recruitment is going very well; the agency is currently fully staffed at the frontline level with operators in both bus and rail, as well as in most of the maintenance frontline positions, including many skilled maintenance workers.

**Follow-up Question asked by Commissioner Burton:** What changed in the labor market to improve hiring outcomes?

Sewell credited TriMet's hard work and effort to improve recruitment and retention to TriMet staff. Recruiting efforts included successful hiring events, the implementation of hiring bonuses for both operators and maintenance staff, and an increased focus on employee engagement and retention. Revisions to the training program have led to a more effective and efficient onboarding process and provided an additional 40 hours of seat time for training staff. These combined efforts have produced strong recruitment outcomes and improved retention rates, which have returned to 2021 levels following a peak in attrition in 2023.

### **Closing Statements and Certification**

Chair Quiroz said this was the end of the formal questions by the commissioners and thanked TriMet's board members and staff for their contributions to the hearing. She then closed the public hearing and opened a Tax Supervising and Conservation Commission business meeting. She asked if commissioners had any additional comments on the budget. There werenone.

She asked Executive Director Allegra Willhite to give staff recommendations for the certification letter.

Willhite expressed that the staff found the budget valuable and informative, well organized, and offered comprehensive discussion and analysis. She expressed gratitude for their well put together budget. Staff suggested no recommendations or objections to the approved fiscal year 2025-26 budget.

With that, Chair Quiroz called for a motion.

Commissioner Donahue moved to certify the TriMet Budget with no recommendations or

objections as recommended by staff. Commissioner Moore seconded the motion, which passed with a unanimous vote of the commissioners.

There being no other business, Chair Quiroz closed the meeting.