

# Long-Range Financial Plan



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# Assumptions



# Revenues

## Revenue:

- Payroll and self-employment tax rates will increase at a rate of .01% (\$0.0001 per year increase) until it hits \$8 per \$1,000 in 2026
- West Eugene redesign will bring in incremental revenues of \$344K in 2017-18 and \$439K per year 2018-19+
- Lane County tax business base expected to grow 3% per year
- State-in-lieu taxes are forecasted to grow
- Non-West Eugene redesign passenger growth is 1.6%
- Special service growth is 15% per year. Growth 2014-2016 years was 54%, 15%, and 18%, respectively
- No Federal grant monies used for operations in 2017
- \$2.6M in Federal grant monies used for operations in 2018+



# Expenditures

## Personnel and associated spend:

- ✓ Heads increased from 320 in FY 2016-17 to 373 at the beginning of FY 2017-18 due to ramp up of West Eugene service redesign, increasing cost per service hour 5% - from \$160/hr. (2016) to \$167 (2018 - full year of EmX). Cost per service hour will be managed back to \$160/hr. in 2019+
- ✓ The wage increases are based on the existing ATU contract

## Non-personnel spend:

- ✓ Fuel cost growth at 5% per year (2% Wall Street Journal forecast plus 3% inflation)
- ✓ ODOT funding to cover senior and disabled services has been reduced (5310 and STF reduced this biennium by 10.85% and 18%, respectively) in the 2017-19 biennium and is held constant 2020+
- ✓ There is a significant spike in capital funding needs in FY 2018-19 to replace the aging bus fleet. The source to cover this need has not been identified in the CIP. Current grants covering bus replacements is a 80%/20% grant/LTD split, which is the assumption used for the 2019 capital purchases. Capital needs for 2020+ is at the average transfer fiscal years 2014-2016 (period of no major capital investments)



# Opportunities

- ✓ The economy over performs and a recession does not hit within the historical trends of expansions not exceeding 10 years expanding wage growth and business growth
- ✓ The Oregon legislature passes transportation funding resulting in additional operating dollars
- ✓ Passenger growth is higher than planned
- ✓ Accessible Services does not grow at the rate forecasted. Historically, the Accessible Services Fund transfer has been less than budgeted
- ✓ Federal funding for capital projects is not reduced 15% in 2020+
- ✓ Hybrid and electric buses reduce the cost of fuel. Additional electricity cost is lower than the fuel costs; fuel costs increase at a rate lower than 5%. TriMet is assuming an increase of 2% per year
- ✓ Increased ridership as a result of an aging population and more retirees



# Risks

- ✓ Medical cost increases result in an increase to the fringe rate
- ✓ Fuel costs increase more than 5% per year
- ✓ Potential high inflation
- ✓ Federal Medicaid funding structure changes, reducing reimbursement percentage
- ✓ University of Oregon enrollment has declined since 2012, impacting ridership and payroll taxes. Potential Federal policies cutting Pell grants/loans and increased border restrictions may increase the decline of out-of-state students (~50% of student population)

# Long-Range Financial Plan

	Estimate	Future Year Projections									
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	
<b>Operating Revenues</b>											
Passenger fares	\$ 4,703,258	\$ 5,038,684	\$ 5,156,103	\$ 5,275,401	\$ 5,396,607	\$ 5,519,753	\$ 5,644,869	\$ 5,771,987	\$ 5,901,138	\$ 6,032,357	
Group Pass	\$ 2,300,000	\$ 2,300,000	\$ 2,300,000	\$ 2,300,000	\$ 2,300,000	\$ 2,300,000	\$ 2,300,000	\$ 2,300,000	\$ 2,300,000	\$ 2,300,000	
Advertising	\$ 447,087	\$ 447,087	\$ 447,087	\$ 447,087	\$ 447,087	\$ 447,087	\$ 447,087	\$ 447,087	\$ 447,087	\$ 447,087	
Purchased service	\$ 158,473	\$ 182,244	\$ 209,581	\$ 241,018	\$ 277,171	\$ 318,746	\$ 366,558	\$ 421,542	\$ 484,774	\$ 557,490	
<b>Total Operating Revenues</b>	<b>\$ 7,608,819</b>	<b>\$ 7,968,016</b>	<b>\$ 8,112,771</b>	<b>\$ 8,263,506</b>	<b>\$ 8,420,865</b>	<b>\$ 8,585,587</b>	<b>\$ 8,758,515</b>	<b>\$ 8,940,616</b>	<b>\$ 9,132,999</b>	<b>\$ 9,336,934</b>	
<b>Nonoperating Revenues</b>											
Payroll & self-employment taxes	\$ 38,070,270	\$ 39,764,665	\$ 41,526,461	\$ 43,358,176	\$ 45,262,420	\$ 47,241,897	\$ 49,299,405	\$ 51,437,847	\$ 53,660,226	\$ 55,969,653	
State-in-lieu taxes	\$ 320,772	\$ 382,000	\$ 391,000	\$ 401,000	\$ 410,000	\$ 420,000	\$ 430,000	\$ 441,000	\$ 452,000	\$ 463,000	
Interest income	\$ 154,136	\$ 101,901	\$ 101,901	\$ 101,901	\$ 101,901	\$ 101,901	\$ 101,901	\$ 101,901	\$ 101,901	\$ 101,901	
Federal assistance	\$ 84,297	\$ 2,600,000	\$ 2,600,000	\$ 2,600,000	\$ 2,600,000	\$ 2,600,000	\$ 2,600,000	\$ 2,600,000	\$ 2,600,000	\$ 2,600,000	
State assistance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Local assistance	\$ 20,058	\$ 20,058	\$ 20,058	\$ 20,058	\$ 20,058	\$ 20,058	\$ 20,058	\$ 20,058	\$ 20,058	\$ 20,058	
Misc income	\$ 255,910	\$ 255,910	\$ 263,587	\$ 271,495	\$ 279,640	\$ 288,029	\$ 296,670	\$ 305,570	\$ 314,737	\$ 324,179	
<b>Total Nonoperating Revenues</b>	<b>\$ 38,905,444</b>	<b>\$ 43,124,534</b>	<b>\$ 44,903,007</b>	<b>\$ 46,752,630</b>	<b>\$ 48,674,019</b>	<b>\$ 50,671,885</b>	<b>\$ 52,748,035</b>	<b>\$ 54,906,376</b>	<b>\$ 57,148,922</b>	<b>\$ 59,478,792</b>	
<b>Total Revenues from ALL Sources</b>	<b>\$ 46,514,263</b>	<b>\$ 51,092,550</b>	<b>\$ 53,015,779</b>	<b>\$ 55,016,136</b>	<b>\$ 57,094,884</b>	<b>\$ 59,257,471</b>	<b>\$ 61,506,549</b>	<b>\$ 63,846,993</b>	<b>\$ 66,281,922</b>	<b>\$ 68,815,726</b>	
Number of service hours	278,450	297,499	297,499	297,499	297,499	297,499	297,499	297,499	297,499	297,499	
Cost per service hour	165	167	160	160	160	160	160	160	160	160	
<b>Operating Expenses</b>	<b>45,997,337</b>	<b>49,573,891</b>	<b>47,507,673</b>	<b>47,507,673</b>	<b>47,507,673</b>	<b>47,507,673</b>	<b>47,507,673</b>	<b>47,507,673</b>	<b>47,507,673</b>	<b>47,507,673</b>	
<b>Transfers</b>											
Medicaid / General Fund transfer	\$ 326,864	\$ 470,882	\$ 470,882	\$ 470,882	\$ 470,882	\$ 470,882	\$ 470,882	\$ 470,882	\$ 470,882	\$ 470,882	
Accessible Services / General Fund transfer	\$ 2,602,845	\$ 3,459,992	\$ 3,459,992	\$ 3,459,992	\$ 3,459,992	\$ 3,459,992	\$ 3,459,992	\$ 3,459,992	\$ 3,459,992	\$ 3,459,992	
Point2point / General Fund transfer	\$ 259,197	\$ 259,197	\$ 259,197	\$ 259,197	\$ 259,197	\$ 259,197	\$ 259,197	\$ 259,197	\$ 259,197	\$ 259,197	
Capital Projects / General Fund transfer	\$ 5,662,499	\$ 4,508,850	\$ 3,619,340	\$ 2,270,467	\$ 2,270,467	\$ 2,270,467	\$ 2,270,467	\$ 2,270,467	\$ 2,270,467	\$ 2,270,467	
<b>Transfers from the General Fund</b>	<b>\$ 8,851,405</b>	<b>\$ 8,698,921</b>	<b>\$ 7,809,411</b>	<b>\$ 6,460,538</b>	<b>\$ 6,460,538</b>	<b>\$ 6,460,538</b>	<b>\$ 6,460,538</b>	<b>\$ 6,460,538</b>	<b>\$ 6,460,538</b>	<b>\$ 6,460,538</b>	
<b>Revenues Higher/(Lower) than Expenditures &amp; Transfers</b>	<b>\$ (8,334,479)</b>	<b>\$ (7,180,262)</b>	<b>\$ (2,301,306)</b>	<b>\$ 1,047,925</b>	<b>\$ 3,126,673</b>	<b>\$ 5,289,260</b>	<b>\$ 7,538,338</b>	<b>\$ 9,878,781</b>	<b>\$ 12,313,710</b>	<b>\$ 14,847,514</b>	

