

# **Board of Directors Retreat**

## **Strategic Financial Role of Ridership Fares in the Financial Health of TriMet**

November 9, 2022

# Resources and Other Funding - Updated

Transit Agency	Fares	Other Operating Revenue	Local Contributions		State	Federal	2020 Total**
			Payroll Taxes	Local Tax			
Orange County, (LA-OCTA)	0.5%			15.6%	64.2%	19.7%	100.0%
Indianapolis, (IPTC Metro)	5.7%	0.8%		33.9%	10.5%	49.1%	100.0%
Dallas, (DART)	5.8%	5.8%		54.7%	0.0%	33.6%	100.0%
Central Puget Sound Regional Transit	6.6%	9.3%	41.9%	0.5%		41.7%	100.0%
Miami, (MDTA)	6.9%	2.5%		58.5%	2.4%	29.6%	100.0%
Cleveland, (RTA)	9.9%	2.1%		40.3%		47.6%	100.0%
Sacramento, (RT)	11.1%	9.1%		51.0%	7.7%	21.1%	100.0%
Portland, (Tri-Met)*	15.5%	7.0%	39.8%	0.2%	1.9%	35.6%	100.0%
Metro Atlanta Rapid Tran(MARTA)	15.5%	12.6%	42.5%	5.2%		24.2%	100.0%
Pittsburgh, (PAT)	17.8%	2.6%		3.4%	58.9%	17.4%	100.0%
<b>Average</b>	<b>9.5%</b>	<b>5.8%</b>	<b>41.4%</b>	<b>26.3%</b>	<b>20.8%</b>	<b>32.0%</b>	

\*TriMet has been adjusted to no fare increases, a STIF program fully devoted to operating and no Federal Stimulus funds.

\*\* NTD 2020 data except for TriMet which is based on Forecast.

# Farebox Recovery Ratio - FRR

Passenger Fares / Operating Costs =  
Fare Recovery Ratio

Operating Costs = total cost it takes to run service

- Transportation/Maintenance Division Costs
  - Operators
  - Mechanics
  - Fuel, lubricants, parts
  - Station Agents
  - Dispatchers
  - Facilities Management/Road Operations/Security

FY2022	
Transportation Cost	\$262,286,099
Maintenance Cost	\$144,070,590
Operations Cost	\$406,356,689
Passenger Revenue	\$53,941,018
FRR(Operations Cost)	13.3%

# Base Assumptions

- 2.5 months operating reserves maintained
- 3% contingency is built in but no expectation to be utilized
- 3% wage increases for both union and non-union
- P/R tax growth based on most recent reports from ECONorthwest
- Pension/OPEB are continuously funded
- 7.5% debt policy is maximized, every 2-4 years.
- \$50 M general fund per year investment in capital projects
- No additional Federal stimulus funding

# Financial Impacts of a Fare Increase

## Adult Fare

Increase	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	Total
Current	\$ 108.4	\$ 72.0	\$ 35.9	\$ (24.8)	\$ (51.0)	\$ (66.6)	\$ (77.1)	\$ (84.5)	\$ (104.0)	\$ (115.6)	\$ (307.4)
\$0.20	112.5	77.0	47.1	(12.7)	(31.4)	(47.5)	(50.2)	(56.7)	(69.9)	(81.2)	(113.2)
\$0.30	114.6	79.5	52.7	(6.7)	(21.6)	(38.0)	(36.8)	(42.9)	(52.8)	(64.0)	(16.0)
\$0.40	121.7	92.4	74.2	21.0	15.7	5.2	16.6	17.6	17.6	13.5	395.5

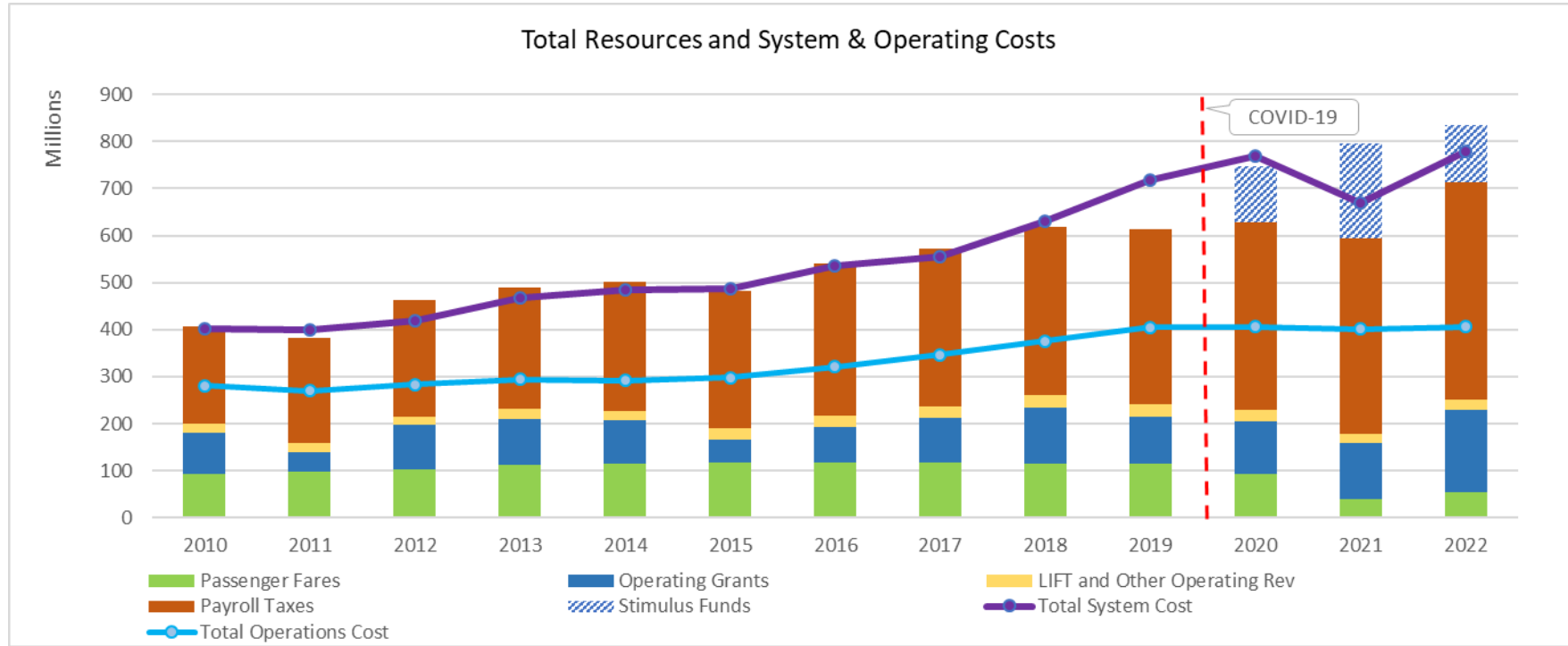
No fare increase: **Deficit** starts at the end of 2029

\$0.20 fare increase every other year: **Deficit** starts at the end of 2031

\$0.30 fare increase every other year: **Deficit** starts at the end of 2032

\$0.40 fare increase every other year: Removes the deficit for at least 12 years

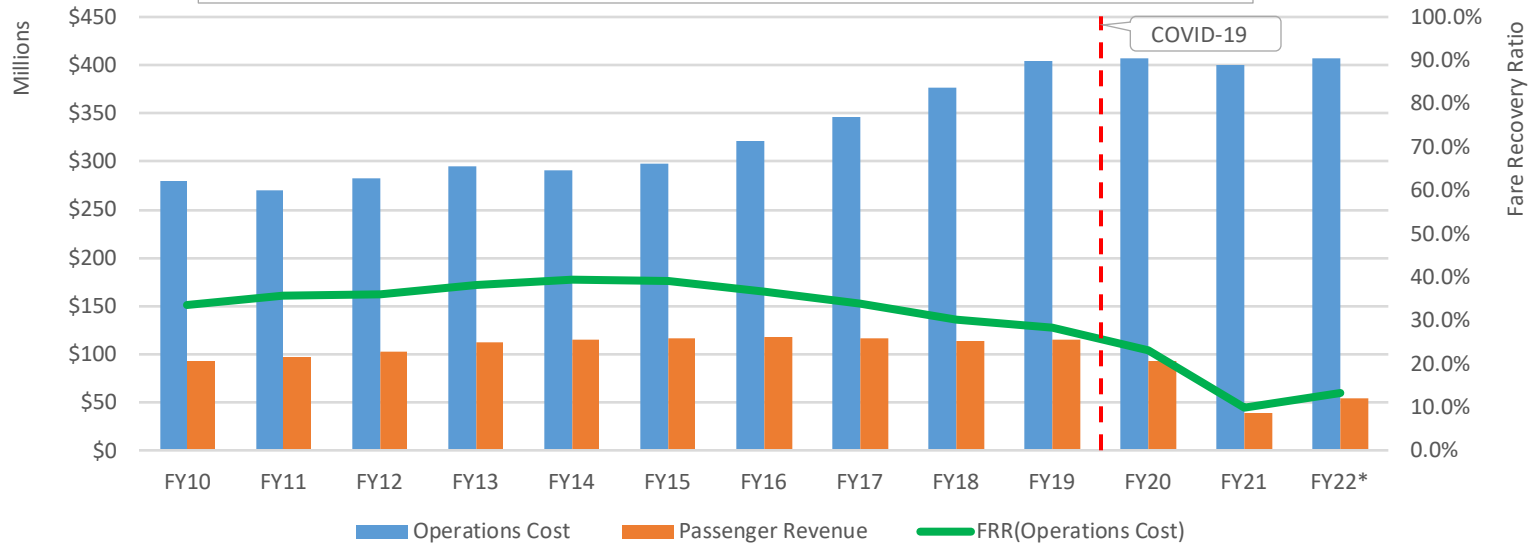
# Total Resources Compared to System & Operating Cost



# Operations Cost, Passenger Revenues and Fare Recovery Ratio

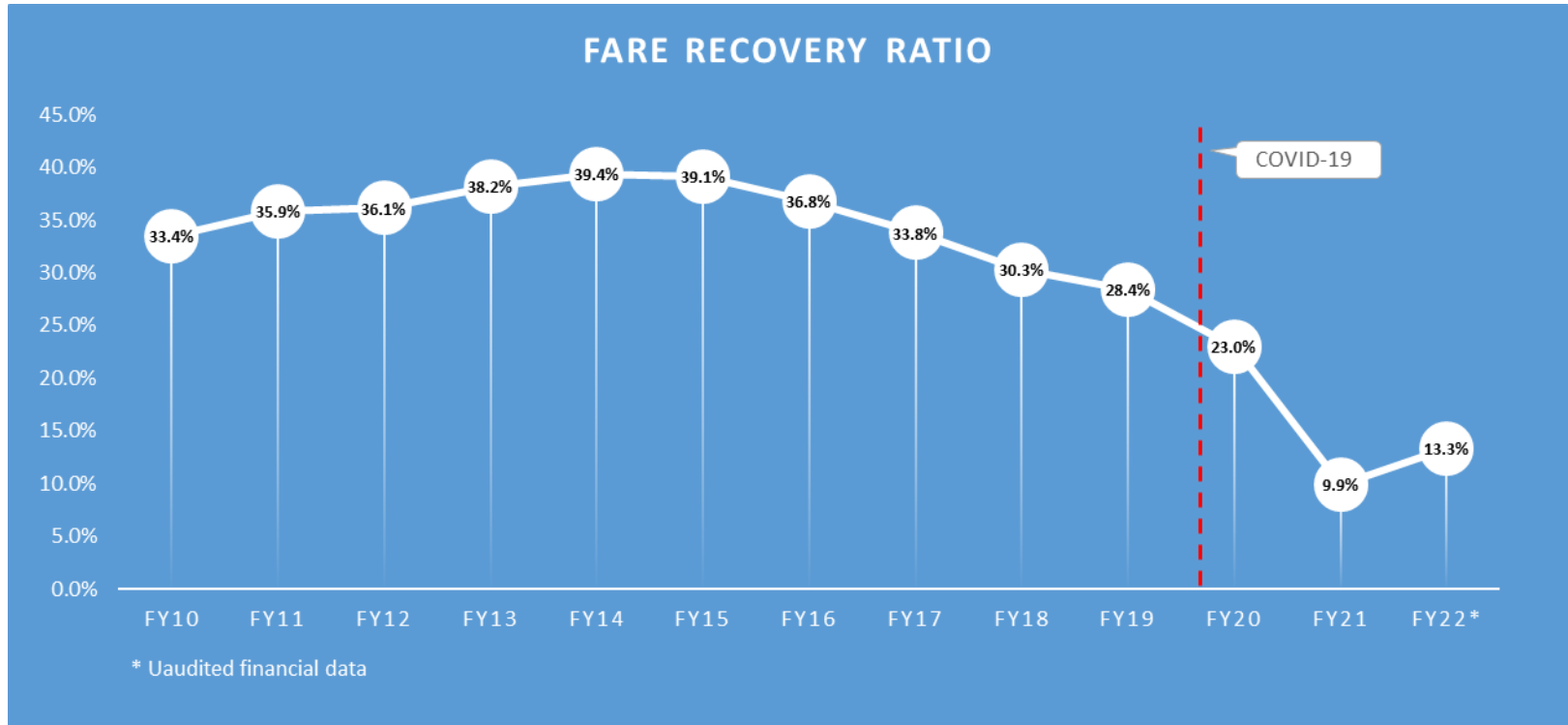
Total Operations Cost, Passenger Revenue, Fare Recovery Ratio Comparative Analysis

FY10-FY19, Operations cost annual increase =4.2% and Passenger rev =2.3%  
 FY10-FY22, Operations cost annual increase = 3.1% and Passenger rev decrease = (4.5%)



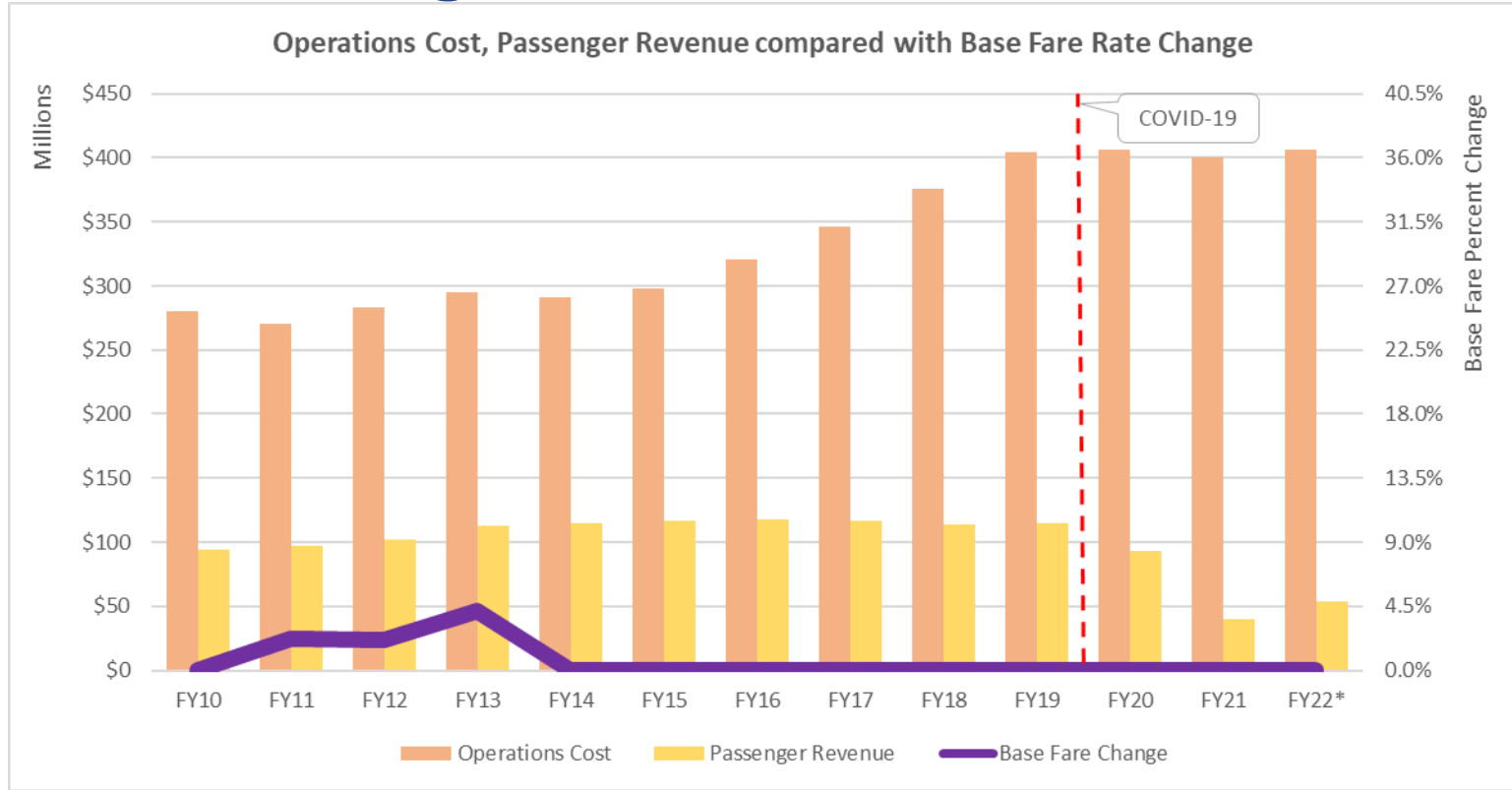
\* Unaudited financial data

# Fare Recovery Ratio





# Total % Change Since FY2010



# Fare Comparison

Transit Agency	Adult Single Ride / Hour Limit	Adult All-Day	Adult Month	HC Single Ride	HC All-Day	HC Month	LIF Single Ride	LIF All-Day	LIF Month	Youth Single Ride	Youth All-Day	Youth Month
<b>LTD (Eugene)</b>	\$1.75/one way	\$3.50	\$50.00	FREE	FREE	FREE	n/a	n/a	n/a	\$0.85	\$1.75	\$25.00
<b>LA Metro</b>	\$1.75/one way	\$7.00	\$100	\$0.75	\$2.50	\$20.00	n/a	n/a	\$76.00	\$1.00	n/a	\$24.00
<b>Valley Metro (Phoenix)</b>	\$2.00/one way	\$4.00	\$64.00	\$1.00	\$2.00	\$32.00	n/a	n/a	n/a	\$1.00	\$2.00	\$32.00
<b>Utah (UTA)</b>	\$2.50 / 2.5hrs	\$5.00	\$85	\$1.25	\$2.50	\$42.50	n/a	n/a	\$42.50	\$1.25	\$2.50	\$42.50
<b>TriMet</b>	\$2.50 /2.5hrs	\$5.00	\$100.00	\$1.25	\$2.50	\$28.00	\$1.25	\$2.50	\$28.00	\$1.25	\$2.50	\$28.00
<b>Seattle Metro</b>	\$2.75 /one way	\$8.00	\$99.00	\$1.00	\$4.00	\$36.00	FREE	FREE	FREE	\$1.50	\$4.00	\$54.00
<b>Dallas (DART)</b>	\$3 / all AM or all PM	\$6.00	\$96.00	\$1.50	\$3.00	\$48.00	\$1.50	\$3.00	\$48.00	\$1.25	\$3.00	\$48.00
<b>Denver (RTD)</b>	\$3.00/ 3hrs	\$6.00	\$114	\$1.50	\$3.00	\$57.00	1.50	\$3.00	\$57.00	\$0.90	\$1.80	\$34.20

Average U.S. Adult Fare across 11 comparable agencies: \$2.37 – single ticket / \$5.54 – per day / monthly pass \$86.00

# Access Transit Programs

## **Fare Relief Program:**

\$2.2M\* FY 23 to 125 Community Organizations

*\$1.4M\* – STIF funded*

*\$800k\* – TriMet funded by foregone revenue*

(\$10.8M since 2015)

## **Veteran's, Disability and Older Adults Pilot Program:**

\$250k FY 23 – STIF funded

\$250k FY 24 – TriMet funded

## **Fare Assistance Program:**

~\$250k FY 23

(\$1.3M+ in fare discounts since 2015)

## **Youth Programs**

\$4M\*\* FY 23 – STIF funded

(\$3.9M since 2019)

## **High School Grant Program:**

\$800k\*\* FY 23 – STIF funded

## **Youth Summer Pass Pilot Program:**

\$2.8M FY 22 – STIF funded

\$3.2M\*\* FY 23 – STIF funded

\$3M FYs 24/25 – STIF funded

## **Low Income Fare Program:**

Approximately \$240k per month  
(\$12.7M since 2018)

46,495 Total Enrolled Since 2018

17,611 active enrollees

# Questions & Discussion

# Fare Increase History

Year	Passenger Revenue 000s	Reason for Fare Increase		
		Regularly Scheduled	Special	Diesel Fuel
FY1999	\$40,991	\$0.05		
FY2000	\$46,373		\$0.05	
FY2001	\$51,702	\$0.05		
FY2002	\$53,191		\$0.05	
FY2003	\$52,746			
FY2004	\$55,664	\$0.05		
FY2005	\$59,487	\$0.05		\$0.05
FY2006	\$68,484	\$0.05		\$0.05, \$0.15
FY2007	\$75,931	\$0.05		
FY2008	\$80,861	\$0.05		
FY2009	\$90,017	\$0.05		\$0.20
FY2010	\$92,806	\$0.00		
FY2011	\$96,889	\$0.05		
FY2012	\$102,240	\$0.05		
FY2013	\$112,501	\$0.10-\$0.40		
FY2014	\$113,502	\$0.00		
FY2015	\$116,702	\$0.00		
FY2016	\$119,853	\$0.00		