



2026 Preliminary Budget



L A K E W O O D , W A S H I N G T O N

DRAFT

2026 Preliminary Budget

Fiscal Year January 1 through December 31, 2026

Mike Griffus, Chief Executive Officer

Prepared by The Finance Division

Christopher Schuler, Chief Financial Officer

Lisa McVay, Budget Manager

Julie Stutzke, Budget Coordinator

3701 96th Street SW

Lakewood, WA 98499-4431

253.581.8000

For more information about Pierce Transit, visit www.PierceTransit.org

Table of Contents

	Page
Introduction	
CEO Budget Message	TBD
About Pierce Transit.....	2
Customers	4
History.....	5
Our Mission.....	6
Strategic Priorities.....	7
Board of Commissioners.....	8
Organizational Chart.....	9
Reserve Policy and Budget Process	10
Economic Environment and Budget Objectives	TBD
Budget Assumptions	11
Fact Sheet.....	TBD
Resolution	TBD
2026 Budget Highlights.....	13
Annual Budget	
Operating Budget.....	15
Operating Budget by Mode	20
Operating Budget by Division	30
Capital Budget	31
Six-Year Financial Plan	
Six-Year Plan.....	36
Six-Year Capital Projects	38
Appendix	
Service Summary.....	41
Peer Comparison.....	42
Acronyms	46
Glossary.....	47

Introduction

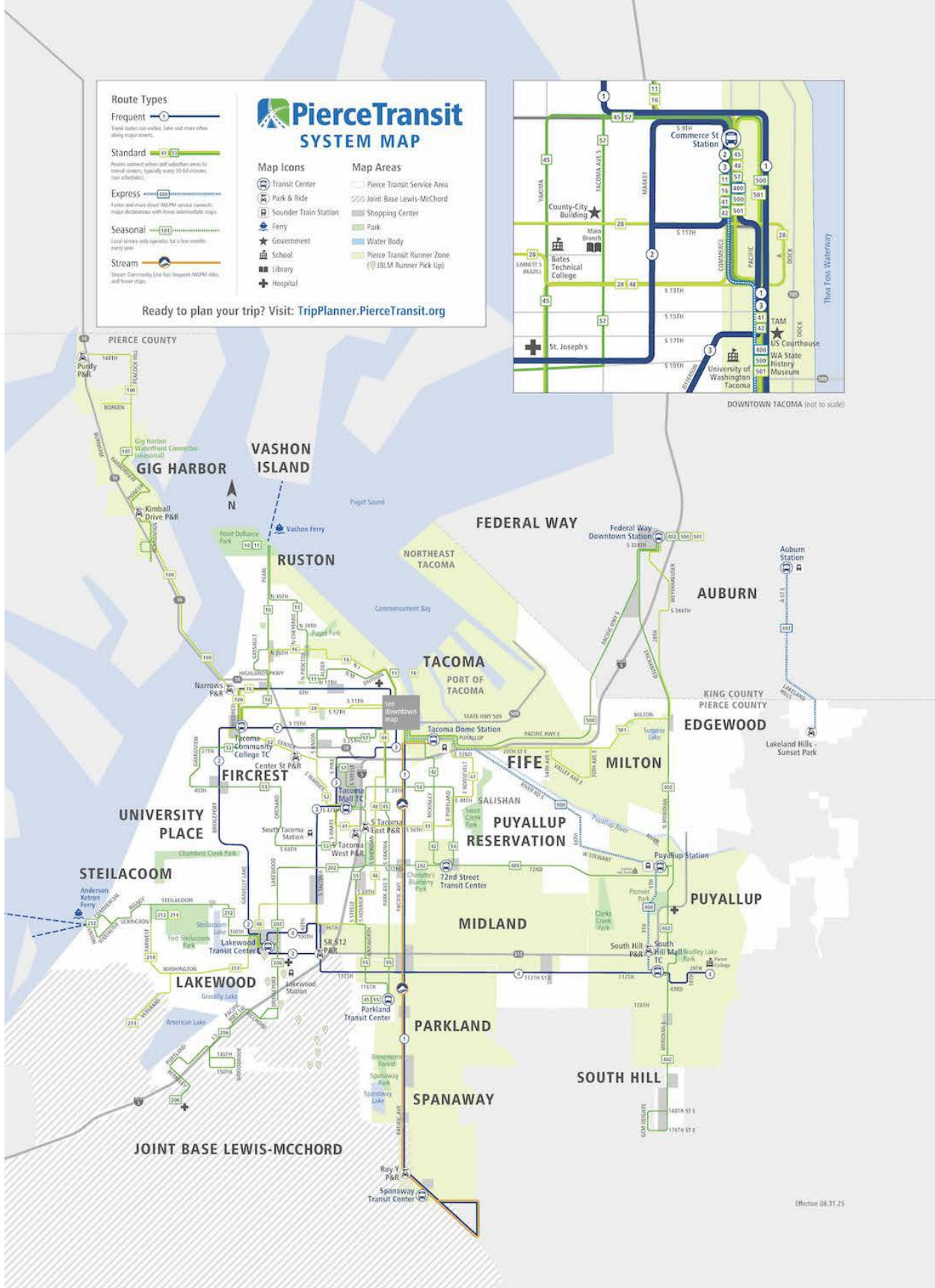


About Pierce Transit

Pierce Transit was established by a vote of the people on November 6, 1979, to expand the public transportation system from Tacoma city limits to greater Pierce County. Over the years, we have adapted our service as opportunities have risen to meet the needs of our community. Currently, Pierce Transit serves approximately 292 square miles and 70 percent of the population, north to Federal Way, east to Puyallup, south to Spanaway and west to Gig Harbor.

Pierce Transit offers four transportation modes: bus transportation that follows one of 30 routes on a schedule; SHUTTLE paratransit, which provides transportation for those with a qualifying disability within ¾ of a mile of our bus routes; Rideshare service, which allows groups of three or more whose journey has a common beginning and ending location and begins or ends within Pierce County to commute together to reduce traffic; and Pierce Transit Runner service, which allows patrons to use a mobile app or call for on-demand trips within specific microtransit zones in the agency's service area. Additionally, Pierce Transit contracts with Sound Transit to provide regional service from Pierce County to King County.

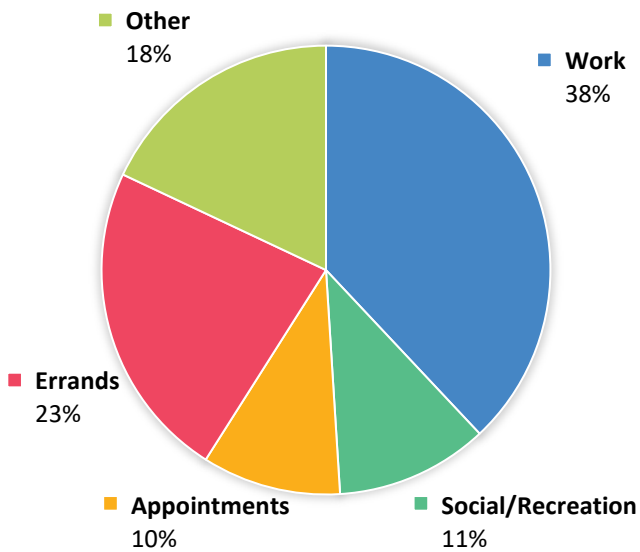
For more information on Pierce Transit, visit the agency's public dashboard at PierceTransit.org/about-us.



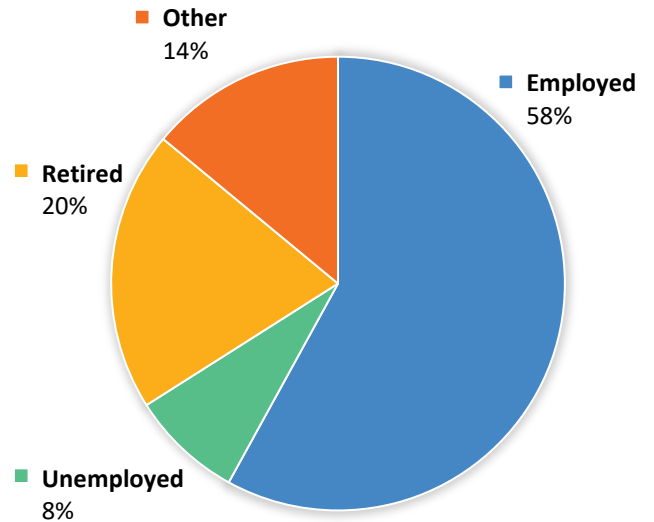
Our Customers

Pierce Transit routinely performs customer surveys, conducted by a third-party vendor. Our most recent survey was conducted October 7 through November 19, 2024, and received 643 responses, with 465 being current riders. The survey allows Pierce Transit to collect ridership data and assess current customer and potential customer awareness of and attitudes towards Pierce Transit. The following charts are representative of the information collected on current riders.

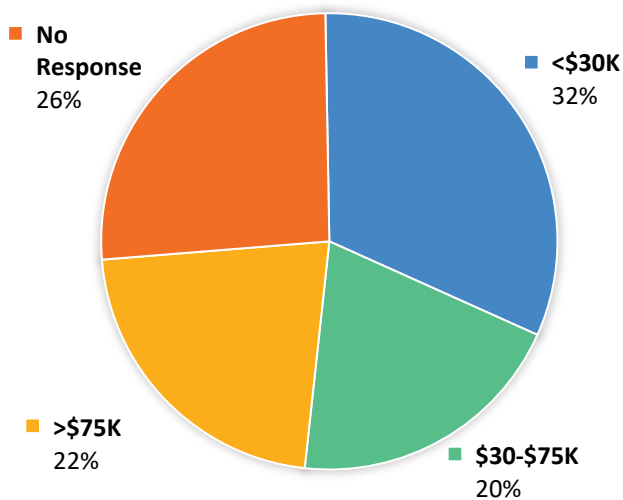
TRIP PURPOSE



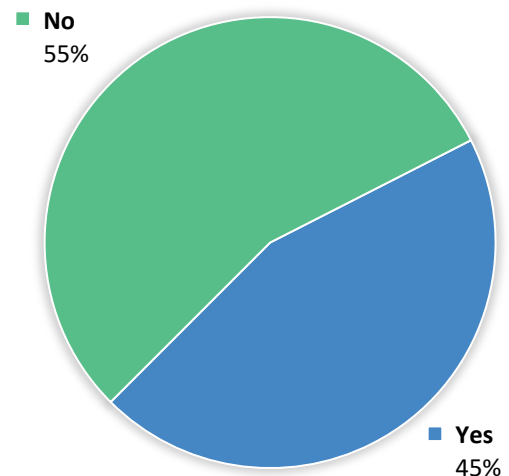
EMPLOYMENT




ANNUAL HOUSEHOLD INCOME



VEHICLE ACCESS



A Brief History




Pierce Transit Established
Voters approved establishing a public transportation system for Pierce County funded by a 0.3% Sales Tax

1979



Vanpool Launched
Vanpool, known today as Rideshare, is introduced to provide another transit option for commuters

1986



Switch to Natural Gas
Pierce Transit unveils the nation's first two natural gas-fuel buses

1986



Tacoma Dome Station (TDS) Opens
TDS begins operations as a central bus hub

1997




Partners with Sound Transit
Pierce Transit begins operating regional service for Sound Transit

1999




Real-Time Bus Info
Real-time bus arrival info becomes available to riders via the One Bus Away collaboration

2010




It's Electric
Pierce Transit purchases its first three battery electric buses

2018




Improved Connectivity
Runner on-demand service added to connect customers with local attractions and other transit services

2020



Youth Ride Free
On September 1, Pierce Transit implements free rides for all youth ages 18 and under on all Pierce Transit services

2022



ORCA LIFT Implemented
On April 1, ORCA LIFT reduced fares are implemented for income-qualified riders

2023



Our Mission



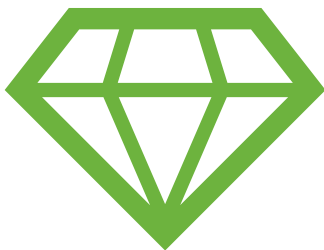
VISION

Your preferred transportation choice.



MISSION

Improve people's quality of life by providing safe, reliable, and accessible transportation services that are locally based and regionally connected.



VALUES

Innovation, Driven, Responsible, Equitable

Strategic Priorities



Adopt a “Customer First” mindset.

Metrics:

- 6% ridership growth per year
 - 20% increase of satisfied riders
 - 25% walkable high-frequency bus routes
 - 85% on-time performance
-



Engage with the community through outreach, partnerships, and listening opportunities.

Metrics:

- 10% increase favorable opinion of Pierce Transit
 - 25% increase in ORCA business accounts
-



Elevate the employee experience.

Metrics:

- 85% retention rate
 - 60% survey response rate
-



Assure sustainability of agency’s finances, infrastructure, and environment

Metrics:

- 40% reduction of CO2 emissions from 2017 levels
- 75% of facilities within useful life or good repair
- 95% of fleet within useful life or good repair

Board of Commissioners



Jason Whalen
Board Chair,
Commissioner
Mayor of Lakewood
Lakewood



Rosie Ayala
Board Vice Chair,
Commissioner
Pierce County Council
Pierce County



Olgy Diaz
Commissioner
Tacoma City Council
Tacoma



Doug Fagundes
Commissioner
Fife City Council
*Auburn, Edgewood, Fife,
Milton, Pacific, Ruston,
and Steilacoom*



John Hines
Commissioner
Tacoma City Council
Tacoma



Jim Kastama
Commissioner
Mayor of Puyallup
Puyallup



Ryan Mello
Commissioner
Pierce County
Executive
Pierce County



Shannon Reynolds
Commissioner
Fircrest City Council
*Fircrest, Gig Harbor, and
University Place*

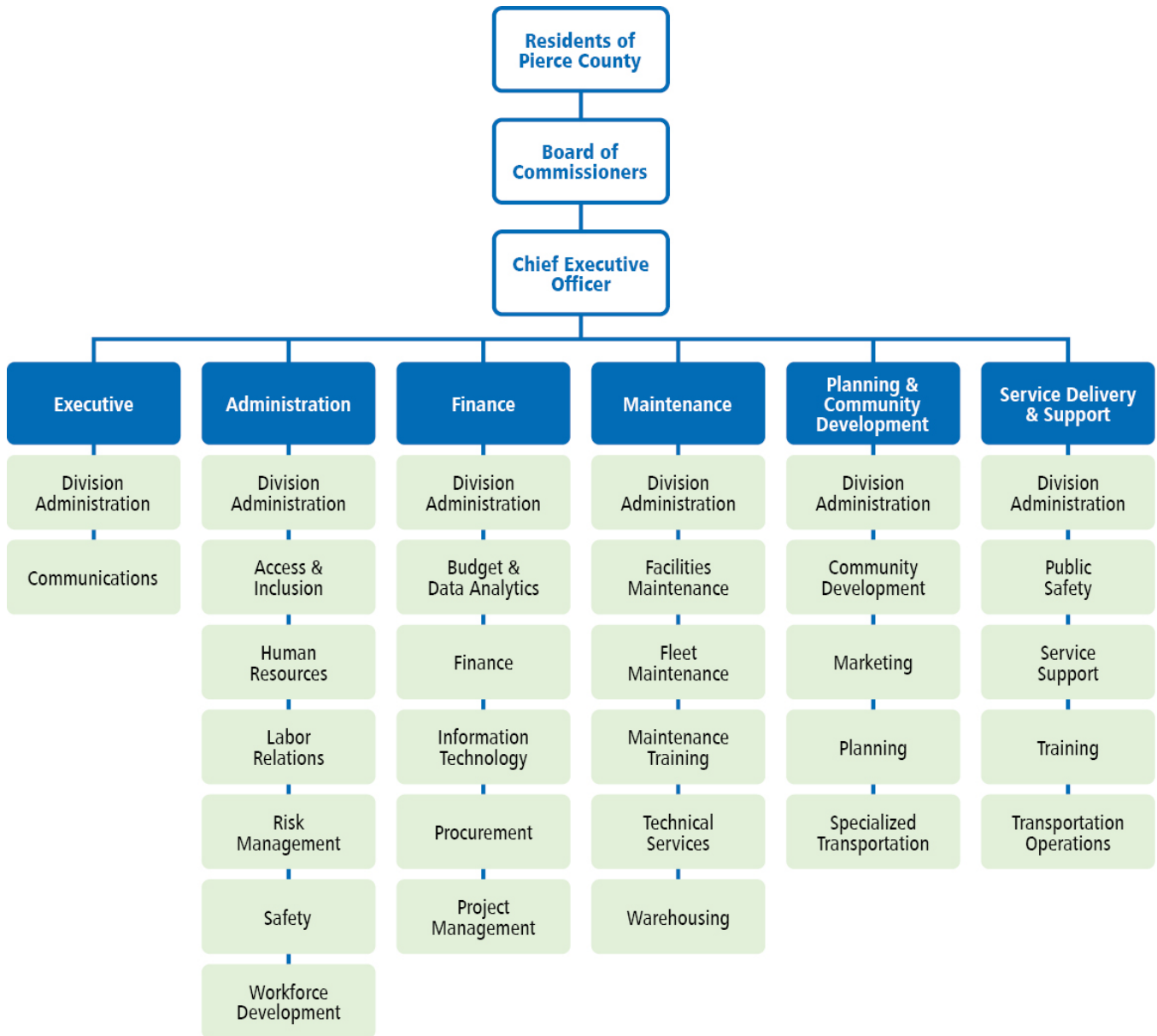


Kristina Walker
Commissioner
Deputy Mayor of
Tacoma
Tacoma



John Hoheusle
Commissioner
Non-Voting Labor
Representative

Organizational Chart



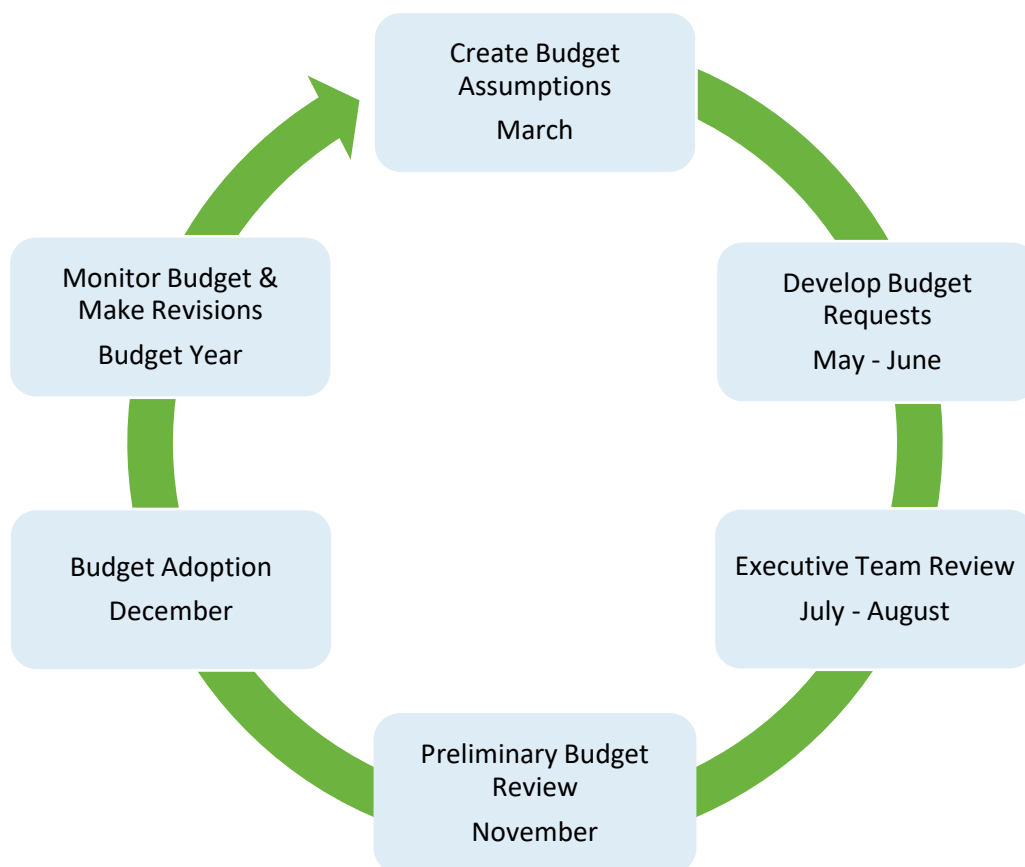
Reserve Policy and Budget Process

RESERVE POLICY

- Operating Reserve – Will maintain at a minimum of two months of the agency’s annual operating expenditures. *(Pierce Transit Municipal Code 3.63.020 B)*
- Insurance Reserve – Reviewed annually and set at a level adequate to protect the agency from self-insurance risks. *(Pierce Transit Municipal Code 3.63.030)*
- Capital Reserve – The capital reserve shall be maintained at no less than 50% of the previous three years’ average annual asset depreciation at any time in the six-year financial plan. At the end of the six-year financial plan, the capital reserve shall be at least 100% of the previous three years’ average annual asset depreciation. *(Pierce Transit Municipal Code 3.63.040 B)*

BUDGET PROCESS

The budget cycle begins by making assumptions of what should be captured in the budget. The assumptions made each year are the level of service to provide, anticipated revenue, impacts of wage adjustments and collective bargaining agreements, benefit costs and trends, and capital investment needs.



Budget Assumptions

REVENUE ASSUMPTIONS

Fare revenue projections are based on the average fare per boarding (AFB), calculated using actual fare revenue and ridership data from the most recently completed fiscal year (FY 2024). This AFB serves as the baseline for forecasting fare revenue in the current year (FY 2025) and the budget year (FY 2026). Ridership estimates for FY 2025 and FY 2026 are provided by Service Planning and are multiplied by the FY 2024 AFB to determine projected fare revenue for those years. For the outyears (FY 2027-FY 2031), ridership is adjusted based on the annual population growth forecast published by the Washington State Office of Financial Management. These adjusted ridership figures are then multiplied by the FY 2024 AFB to estimate fare revenue. No change to fare structure or policy is assumed during the forecast period.

Reimbursement from Sound Transit for regional transit services is calculated using a Cost Allocation Model (CAM), which assigns both direct and indirect costs to each mode of transportation provided. The CAM is based on actual budget data for the budget year (FY 2026), with outyear projections (FY 2027-FY 2031) adjusted to reflect anticipated increases in costs. In addition to the CAM-based reimbursement, the budget includes a cost-sharing agreement for specific services. These include operation costs for Tacoma Dome Station and reimbursement for ADA paratransit services provided in the Hilltop area, which lies outside of Pierce Transit's service area. These agreements are expected to continue throughout the forecast period under current terms.

Sales tax revenue projections for the current fiscal year (FY 2025) and the upcoming fiscal year (FY 2026) are based on the most recent twelve months of actual collections (April 2024-March 2025). This rolling 12-month total is used as a baseline to reflect the most current economic activity and consumer spending trends. To develop the six-year forecast (FY 2026-FY 2031), the model incorporates the four most recent completed fiscal year of actual sales tax collection (FY 2021-FY 2024), along with the forecasted amounts for FY 2025 and FY 2026. These six data points are used to establish a trend line and calculate average annual growth rates, which are then applied to project revenue for FY 2027 through FY 2031. This methodology balances short-term responsiveness with long-term trend analysis, providing a stable yet adaptive foundation for multi-year financial planning. It assumes no significant changes in tax policy, economic disruptions, or shifts in consumer behavior beyond those already reflected in the current data.

Grant contributions included are based on awards that have been formally secured. These known grant amounts are programmed into the applicable years of the six-year forecast (FY 2026-FY 2031) according to their award terms and spending schedules. For Federal Transit Administration (FTA) formula funding, where future year allocations are not yet published, the forecast assumes the continuation of the last known estimated fiscal year across the remaining years of the forecast. This approach provides a conservative and stable estimate in the absence of updated federal apportionments.

The "Other" revenue category includes advertising income, earned interest, proceeds for the sale of surplus assets, and other minor revenue sources. In recent years, the largest contributor within this category has been earned interest. Interest earnings are calculated by applying an assumed interest rate – ranging from 3 to 4 percent – to the prior year's ending balance. This method is used throughout the six-year forecast period to estimate interest income. Projections assume stable market conditions and no significant changes in investment strategy. Remaining other revenue types use historical averages for budgeted amounts.

EXPENDITURE ASSUMPTIONS

Wage projections for employees covered by collective bargaining agreements are based on the negotiated wage adjustments outlined in the current contracts. For years beyond the expiration of these agreements, a 2 percent cost-of-living adjustment (COLA) is applied, along with average step increases. For non-represented employees, an annual adjustment is applied to the salary table, in addition to applicable step increases. These adjustments are determined based on internal compensation strategies and market conditions. All years in the six-year forecast (FY 2026-FY 2031) assume that all budgeted positions are fully staffed at 100% occupancy, providing a consistent basis for projecting personnel-related expenditures.

Benefit costs for the budget year (FY 2026) are calculated during position budgeting using estimated rates for each benefit category. All vacant positions are budgeted with the highest-cost benefit packages to ensure adequate funding regardless of future hires. For the outyears, (FY 2027-FY 2031), benefit costs are projected as a percentage of wages, based on recent historical trends. This percentage ranges from 34 to 39 percent over the six-year forecast period, reflecting anticipated changes in healthcare premiums, retirement contributions, and other benefit-related expenses.

Maintenance and operations (M&O) costs for the budget year (FY 2026) are developed by the individual budget requestors based on program needs, service levels, and known cost drivers. These amounts serve as the baseline for projecting M&O costs in the outyears (FY 2027-FY 2031). Outyear projections are escalated annually using the anticipated Consumer Price Index (CPI), as published by the United States Congressional Budget Office. This approach ensures that inflationary impacts on goods and services are reflected in the long-range financial plan.

Self-insurance costs for the budget year (FY 2026) are developed by individual budget requestors using a combination of historical actuals, anticipated claims activity, and known or expected changes within the insurance industry. This approach allows for a tailored estimate that reflects both experience and emerging risk factors. Outyear projections are escalated annually using the anticipated Consumer Price Index (CPI), as published by the United States Congressional Budget Office.

Pass-thru costs are equal to 80 percent of the estimated earned share due to Pierce County Ferries from Federal Transit Administration (FTA) funding. For FTA formula funding, where future year allocations are not yet published, the forecast assumes the continuation of 80 percent of the last known estimated fiscal year across the remaining years of the forecast.

ONE-TIME VERSUS ONGOING ASSUMPTIONS

The budget distinguishes between one-time and ongoing costs to ensure accurate long-term financial planning. Known one-time costs are fully included in the first year of the budget (FY 2026) and are removed from the projections in the outyears (FY 2027-FY 2031). Ongoing costs projected beyond the first year are adjusted based on the methods listed above for each expenditure category. All capital projects are considered one-time expenditures, where the full cost is applied to the anticipated project start year. All remaining project balances as of June 30th in the current fiscal year (FY 2025) that are not expected to be completed this year are carried forward to the budget year (FY 2026).

2026 Budget Highlights

Budget Breakdown Ongoing Operations **\$216M** + Capital Improvements **\$129M** = Total Budget **\$345M**

Sales Tax is Pierce Transit's #1 Revenue Source. We collect 6¢ for every \$10 spent within our benefit area. Sales tax projects to be **\$117M** in 2026.



we're removing
15 vacant positions
compared to 2025



Projected Service for 2026



Fixed Route*

10,159,127
Ridership

755,000
Service Hours

11,510,668
Service Miles



SHUTTLE

337,645
Ridership

216,284
Service Hours

2,880,485
Service Miles



Rideshare

408,000
Ridership

107,500
Service Hours

3,600,000
Service Miles



Runner

92,195
Ridership

47,995
Service Hours

607,741
Service Miles

**Local and Regional*

Annual Budget



Operating Budget

REVENUES

Operating revenues include both operating income, non-operating income, and contributions to pay for ongoing transportation operations. The type of revenue and percent change from 2025 Year-End Estimate is included in the table below.

Fares – Fare revenue accounts for approximately five percent of total operating revenue and is derived from fees charged to individuals for transit services. The average fare per boarding (AFB) for fixed route service is projected to be \$0.69 in FY 2026. The AFB varies based on factors such as total boardings and the distribution of boardings by fare type and rider category. No fare increases are included in the FY 2026 budget. The last adult fare increase occurred in November 2010. As of September 1, 2022, fares are no longer collected for riders aged 18 and under. Additionally, the ORCA LIFT reduce fare program became available to eligible riders on April 1, 2023.

	One Ride	All Day Local	All Day Regional	Monthly Local	Monthly Regional
Adult (19-64)	\$2	\$5	\$6	\$62	\$72
Discounted	\$1	\$2	\$2	NA	\$36
Youth (18 & Under)	FREE	FREE	FREE	FREE	FREE

Sound Transit – Regional Transit Service budgeted revenue totals \$65,124,290 in 2026 a 13.7 percent increase from 2025 Year-End Estimate. Pierce Transit is under contract with Sound Transit to provide regional express transit services. Sound Transit reimburses Pierce Transit for the cost of operating its service. For 2026, Sound Transit service hours are budgeted at 261,071. In addition to Express Service reimbursement, Sound Transit reimburses for their share of costs associated with security, liability insurance, and special services for operating Tacoma Dome Station and reimbursable ADA services to assist Sound Transit with FTA requirements for their Hilltop light rail extension.

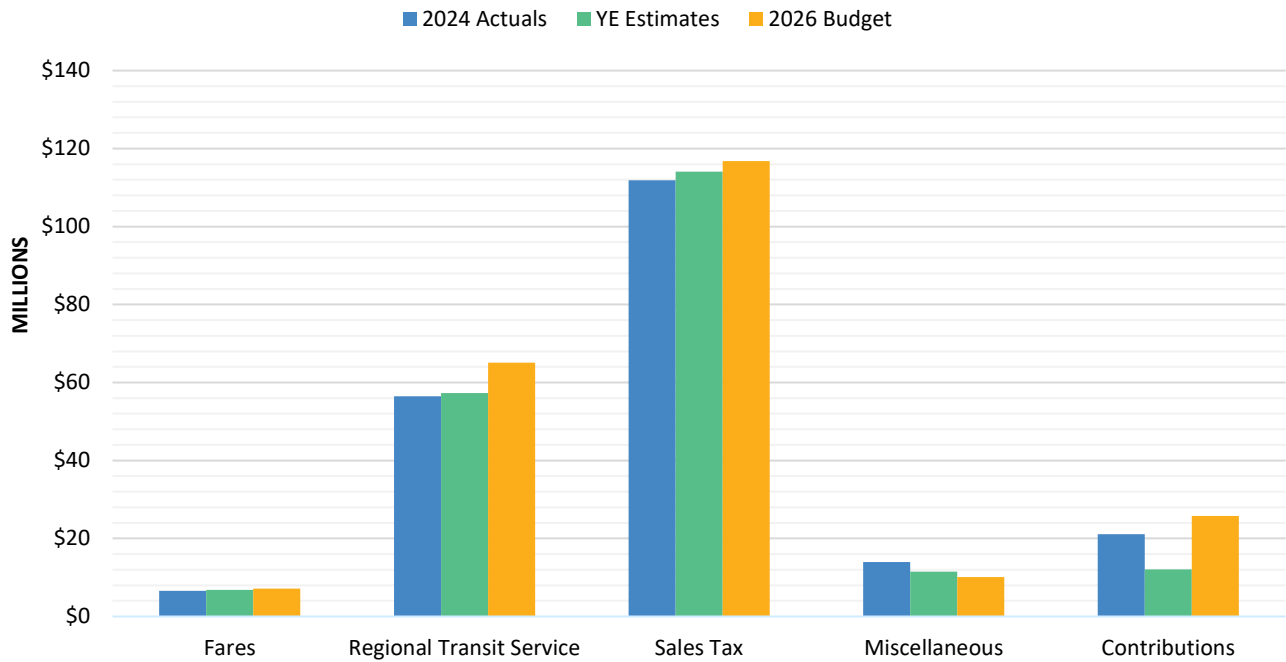
Sales Tax – Sales tax projections are based on economic conditions and analysis of activity in the jurisdictions in the Public Transportation Benefit Area (PTBA). Consumer spending plays a major role in the generation of sales tax revenue which is Pierce Transit’s primary operating revenue source. Sales tax represents 73.1 percent of the operating budget revenue excluding Sound Transit. In 2026, sales tax is expected to total \$116,794,690, a 2.4 percent increase over the 2025 Year-End Estimate and in line with current growth trends.

Miscellaneous – Includes revenues such as earned interest, advertising, gains on disposed assets, Lakeland Hill transportation services, and parking fees.

Operating Contributions – Operating Contributions are funds from partnering agencies. They include Federal Transportation Administration (FTA) for ADA Services and Low-No and Washington State Department of Transportation (WSDOT) for Special Needs, Transit Support, and Runner programs.

	<u>2024 Actuals</u>	2025		YE Estimate vs Budget	
		<u>YE Estimates</u>	<u>2026 Budget</u>	<u>\$ Change</u>	<u>% Change</u>
Operating Income					
Fares	6,573,620	6,824,190	7,149,240	325,050	4.8%
Regional Transit Service	56,477,584	57,278,070	65,124,290	7,846,220	13.7%
Non-Operating Income					
Sales Tax	111,899,630	114,046,180	116,794,690	2,748,510	2.4%
Miscellaneous	13,994,135	11,530,340	10,112,660	(1,417,680)	-12.3%
Contributions	21,081,542	12,057,000	25,781,750	13,724,750	113.8%
	<u>210,026,511</u>	<u>201,735,780</u>	<u>224,962,630</u>	<u>23,226,850</u>	<u>11.5%</u>

OPERATING REVENUE BY YEAR AND CATEGORY



OPERATING GRANTS

Activity	Grantor	Percent	Grant Funding	Required Match	Additional Local	Activity Cost
2026						
Preventative Maintenance	FTA	80%	7,830,550	1,957,640	2,186,720	11,974,910
ADA Operations	FTA	80%	1,656,260	414,070	2,929,810	5,000,140
FIFA Coordination	WSDOT	100%	938,830	-	100,000	1,038,830
Tideflats Runner	WSDOT	80%	537,180	134,300	-	671,480
Gig Harbor Runner	WSDOT	80%	613,910	153,480	-	767,390
Ruston Runner	WSDOT	80%	179,060	44,770	-	223,830
Spanaway North Runner	WSDOT	80%	613,920	153,480	-	767,400
High Capacity Transit Study	WSDOT	100%	2,000,000	-	-	2,000,000
Puyallup Runner	WSDOT	80%	613,910	153,480	-	767,390
Transit Support	WSDOT	100%	7,182,140	-	55,381,910	62,564,050
Special Needs	WSDOT	80%	3,578,490	894,620	6,330,130	10,803,240
RideShare Incentives	WSDOT	100%	37,500	-	-	37,500
2027						
Preventative Maintenance	FTA	80%	1,109,470	277,370	11,081,050	12,467,890
ADA Operations	FTA	80%	1,323,450	330,860	2,736,100	4,390,410
Tideflats Runner	WSDOT	80%	195,860	48,970	446,120	690,950
Gig Harbor Runner	WSDOT	80%	223,840	55,960	509,840	789,640
Ruston Runner	WSDOT	80%	65,280	16,320	148,720	230,320
Spanaway North Runner	WSDOT	80%	177,240	44,310	568,100	789,650
Puyallup Runner	WSDOT	80%	154,750	38,690	596,970	790,410
Transit Support	WSDOT	100%	7,182,140	-	58,273,680	65,455,820
Special Needs	WSDOT	80%	3,578,490	894,620	7,398,160	11,871,270
2028						
Preventative Maintenance	FTA	80%	1,702,870	425,720	10,850,710	12,979,300
ADA Operations	FTA	80%	1,323,450	330,860	2,872,200	4,526,510
Transit Support	WSDOT	100%	7,182,140	-	60,951,690	68,133,830
Special Needs	WSDOT	80%	3,578,490	894,620	7,766,170	12,239,280
2029						
Preventative Maintenance	FTA	80%	1,702,870	425,720	11,382,360	13,510,950
ADA Operations	FTA	80%	1,323,450	330,860	3,017,050	4,671,360
Transit Support	WSDOT	100%	7,182,140	-	63,735,400	70,917,540
Special Needs	WSDOT	80%	3,578,490	894,620	8,157,830	12,630,940
2030						
Preventative Maintenance	FTA	80%	1,702,870	425,720	11,935,030	14,063,620
ADA Operations	FTA	80%	1,323,450	330,860	3,166,530	4,820,840
Transit Support	WSDOT	100%	7,182,140	-	66,628,900	73,811,040
Special Needs	WSDOT	80%	3,578,490	894,620	8,562,020	13,035,130
2031						
Preventative Maintenance	FTA	80%	1,702,870	425,720	12,509,530	14,638,120
ADA Operations	FTA	80%	1,323,450	330,860	3,320,800	4,975,110
Transit Support	WSDOT	100%	7,182,140	-	69,636,370	76,818,510
Special Needs	WSDOT	80%	3,578,490	894,620	8,979,140	13,452,250

EXPENDITURES

Operating expenditures are funds paid for providing and administering transportation services including wages, benefits, maintenance and operations (M&O), and self-insurance costs. Non-operating expenditures are funds for Pierce County grant exchange funds agreements.

Operating expenses are projected to total \$216,491,320 a 15.7 percent increase from the 2025 year-end estimate. The changes from the 2025 year-end estimate to the 2026 budget are as follows:

Wages – The 2026 budget includes 967 positions or 965 full-time equivalents (FTEs). The 16.0 percent increase in wages includes general wage adjustments, eligible step increases, and projected wages and salaries for filling vacant positions from the prior year. Represented employees are 84% of the total Agency workforce. The master agreement with the Amalgamated Transit Union (ATU) expires December 31, 2026, International Association of Machinists (IAM) expires December 31, 2027, and Protec17 is currently in negotiations. A placeholder for Protec17 has been assumed in the budget; however, the actual amounts will be set in the final master agreement.

Benefits – The increase in benefits of 10.0 percent or \$3,058,910 is a result of projected medical, dental, and vision premium increases, percentage-based benefits that increase with wages, and filling vacancies with the most expensive benefit package.

- AWC medical, dental, and vision benefits increased at the 3-year average percentage rate.
- Public Employees Retirement System decreased by 0.80% based on DRS adopted rates.
- Deferred compensation, long-term disability, and federal tax rates remain unchanged.

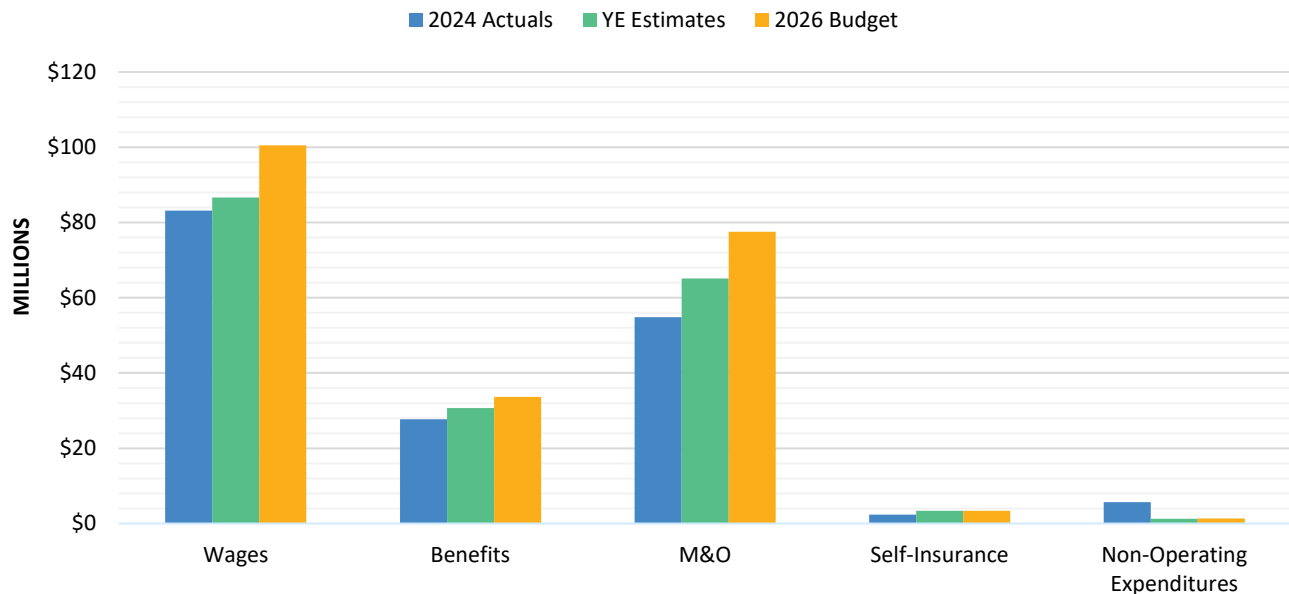
Maintenance and Operations – The 2026 maintenance and operations (M&O) budget is \$77,572,210. The expenditures support service, maintenance of equipment, and technology system needs. This is an increase of \$12,410,770 or 19 percent higher than the 2025 year-end estimate. The increases in expenses are impacted by the planned number of service hours and miles operated as well as inflation on key items such as security, policing, and purchased transportation costs.

Self-Insurance – The 2026 self-insurance budget is \$3,417,000. The expenditures cover the cost of claims that arise from workers' compensation and unemployment.

Non-Operating Expenditures – 2026 non-operating expenditures is a payment of \$1,325,010 to Pierce County grant exchange funds agreement. Pierce County Ferries receives 80% of their portion of FTA funding. The remainder is held by Pierce Transit as an administrative fee.

	2025			YE Estimate vs Budget	
	<u>2024 Actuals</u>	<u>YE Estimates</u>	<u>2026 Budget</u>	<u>\$ Change</u>	<u>% Change</u>
Wages	83,197,646	86,653,890	100,477,360	13,823,470	16.0%
Benefits	27,697,630	30,640,830	33,699,740	3,058,910	10.0%
M&O	54,823,299	65,161,440	77,572,210	12,410,770	19.0%
Self-Insurance	2,334,089	3,373,000	3,417,000	44,000	1.3%
Operating Expenditures	168,052,665	185,829,160	215,166,310	29,337,150	15.8%
Non-Operating Expenditures	5,649,539	1,293,540	1,325,010	31,470	2.4%
	173,702,204	187,122,700	216,491,320	29,368,620	15.7%

OPERATING EXPENDITURES BY YEAR AND CATEGORY

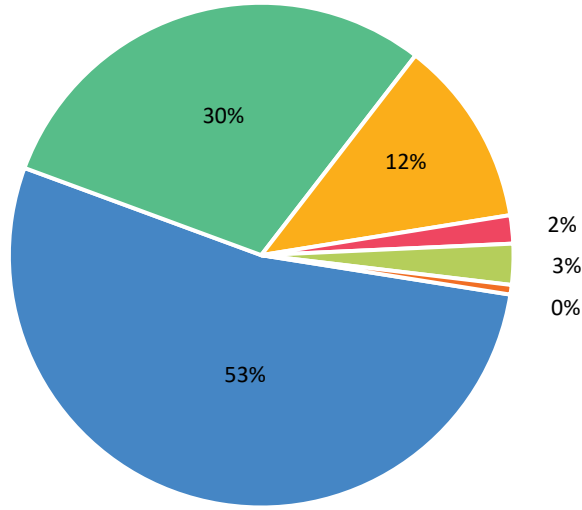


RESERVE BALANCE

Pierce Transit defines the operating reserve balance as reserves maintained to provide enough working capital to finance cash flow requirements, meet unanticipated downturns in revenue, and provide funds for emergency expenditures. This balance must be maintained at a level of reserves that meets or exceeds the Agency’s required reserve policy of two months of operating expenses.

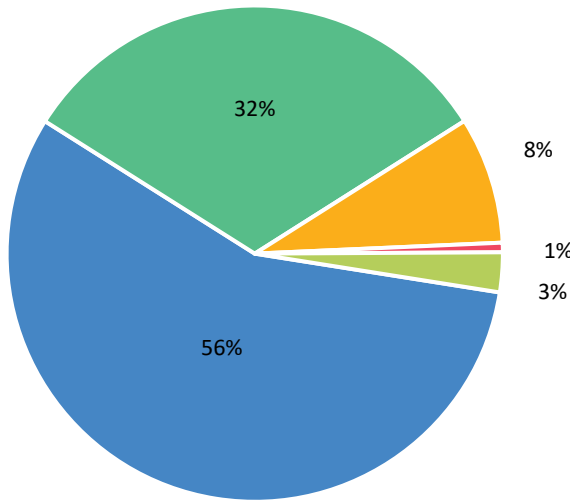
The 2026 budget includes operating and non-operating revenues of \$225 million which funds operating and non-operating expenses of \$216 million for 1,126,779 hours of service and contributes to the capital program. In addition, the budget fully funds and maintains all reserve balances at levels required by the Board adopted reserve policy.

2026 OPERATING BUDGET
\$216,491,320



■ Local Fixed Route ■ Regional Fixed Route ■ SHUTTLE ■ Runner ■ Rideshare ■ Pass-Thru

2026 STAFFING
967 POSITIONS



■ Local Fixed Route ■ Regional Fixed Route ■ SHUTTLE ■ Runner ■ Rideshare

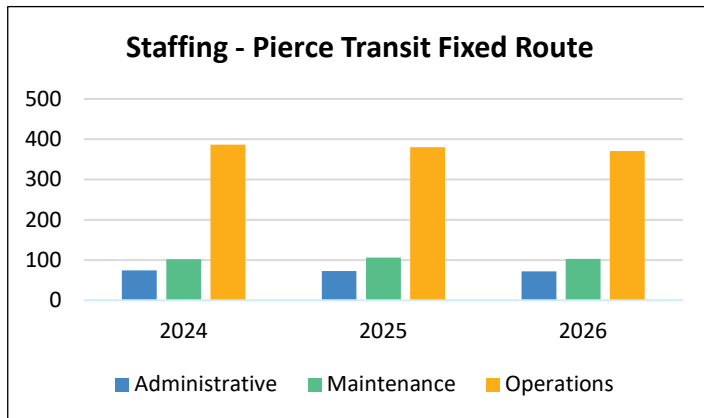
The pass-thru amount of \$1,325,010 is not considered part of the allocation by mode and is not included in the following section, Operating Budget by Mode.

Operating Budget by Mode

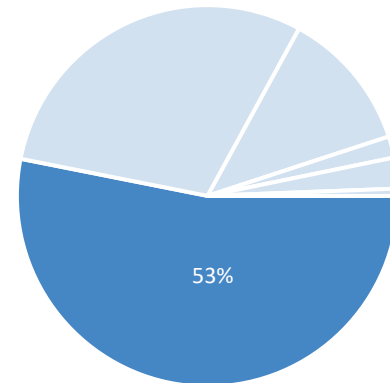
LOCAL FIXED ROUTE

Local fixed route service consists of 30 routes and approximately 2,000 bus stops. Total costs of \$115 million to operate this service.

Category	2024 Actuals	2025 Budget	2025 YE Estimate	2026 Budget
Wages	48,569,731	55,594,860	50,760,180	58,797,930
Benefits	17,291,968	20,517,350	18,350,570	21,256,340
Services	4,226,562	10,836,785	11,685,020	13,535,310
Supplies	13,120,852	15,335,580	11,534,870	13,361,390
Utilities	1,494,425	876,750	814,610	943,600
Insurance	2,173,230	3,401,150	2,145,460	2,485,230
Other	1,057,831	2,719,090	3,647,640	4,225,230
Rentals	342,692	365,150	397,940	391,820
Total	88,277,291	109,646,715	99,336,290	114,996,850



Percent of 2026 Operating Budget



Measure	2025 YE Estimate	2026 Budget	Change	2026 Cost/Measure
Ridership	7,094,401	7,462,264	2.6%	\$15.41
Service Hours	469,588	493,929	2.6%	\$232.82
Service Miles	5,631,513	5,721,238	-0.9%	\$20.10

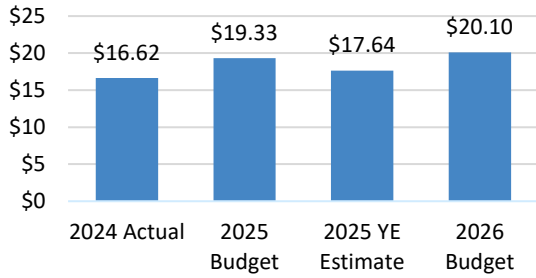
2025 Accomplishments

- Overhauled scheduling to make routes more efficient
- Implemented campaign for On-Time Performance
- Completed Phases 1 & 2 of recovery plan

2026 Goals

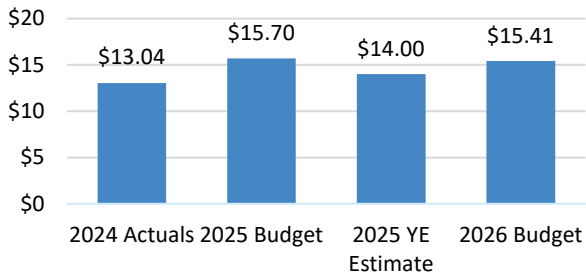
- Continue recovery plan to 482,000 service hours
- Staff all budgeted positions
- Achieve and maintain a minimum 85% On-Time Performance

Operating Expense per Vehicle Mile



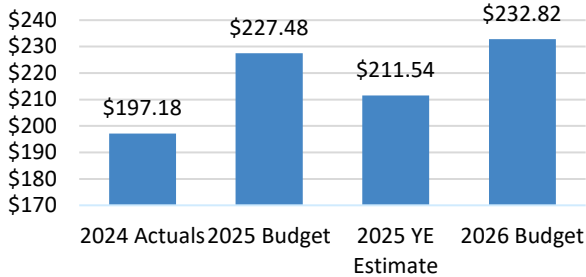
Expense per revenue mile is the total cost to operate the service divided by the number of miles, excluding the miles from base to the first pickup and the last drop off to base.

Operating Expense per Boarding



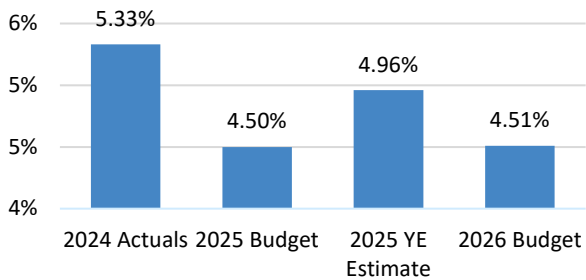
Expense per boarding is the total cost to operate the service divided by the total number of boardings.

Operating Expense per Vehicle Hour



Expense per revenue hour is the total cost to operate the service divided by the number of hours, excluding the time from base to the first pick up and the last drop off to base.

Fare Recovery

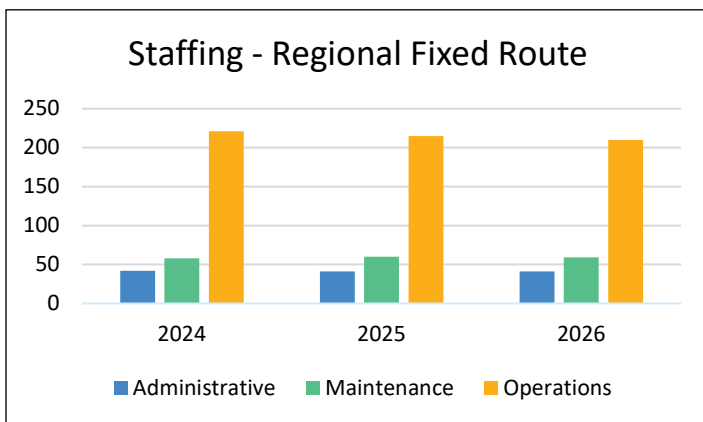


Fare recovery is the revenue generated by a service divided by the total cost to run the service.

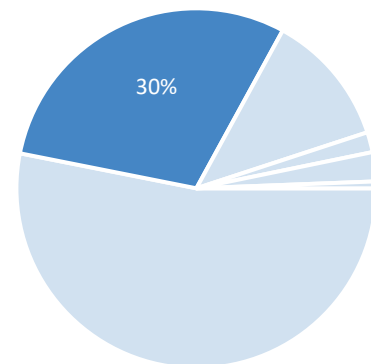
REGIONAL FIXED ROUTE

Contracted service between Pierce Transit and Sound Transit to provide regional bus services between Pierce and King Counties. Total costs of \$65 million to operate the service, reimbursed by Sound Transit.

Category	2024 Actuals	2025 Budget	2025 YE Estimate	2026 Budget
Wages	27,577,389	32,348,320	29,399,510	34,054,850
Benefits	9,961,361	12,056,480	10,735,160	12,435,050
Services	3,731,773	5,327,620	5,714,510	6,619,390
Supplies	7,667,361	7,710,530	6,105,570	7,072,370
Utilities	577,612	487,460	456,290	528,540
Insurance	1,521,975	1,965,160	1,913,340	2,216,340
Other	895,578	523,900	1,465,670	1,697,750
Total	51,933,049	60,419,470	55,790,050	64,624,290



Percent of 2026 Operating Budget



Measure	2025 YE Estimate	2026 Budget	Change	2026 Cost/Measure
Ridership	2,642,013	2,696,863	6.7%	23.96
Service Hours	255,791	261,071	6.7%	\$247.54
Service Miles	5,814,680	5,789,430	4.1%	\$11.16

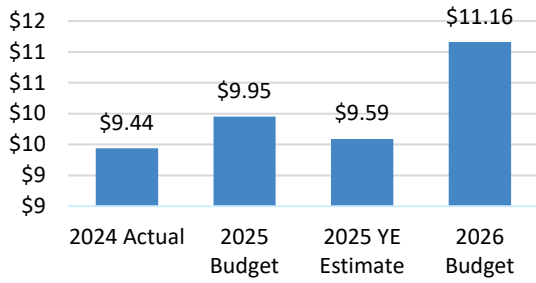
2025 Accomplishments:

- Canceled trips decreased by an average of 0.2%
- Executed contract with Sound Transit to include T-Link Paratransit

2026 Goals:

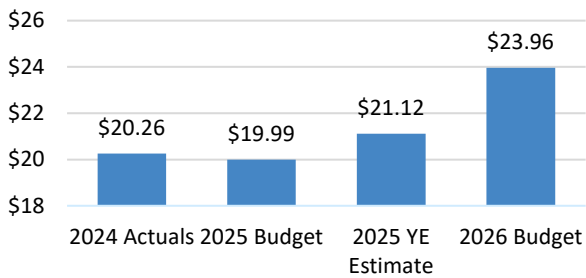
- Restore service hours paused in March 2024
- Meet On-Time Performance Sound Transit standard of greater or equal to 85%

Operating Expense per Vehicle Mile



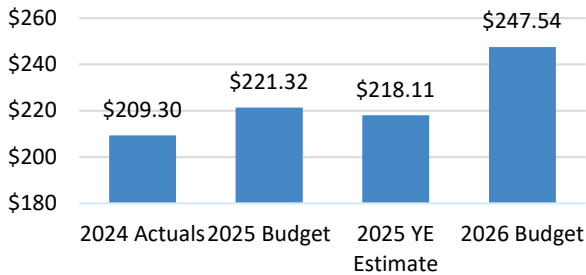
Expense per revenue mile is the total cost to operate the service divided by the number of miles, excluding the miles from base to the first pickup and the last drop off to base.

Operating Expense per Boarding



Expense per boarding is the total cost to operate the service divided by the total number of boardings.

Operating Expense per Vehicle Hour



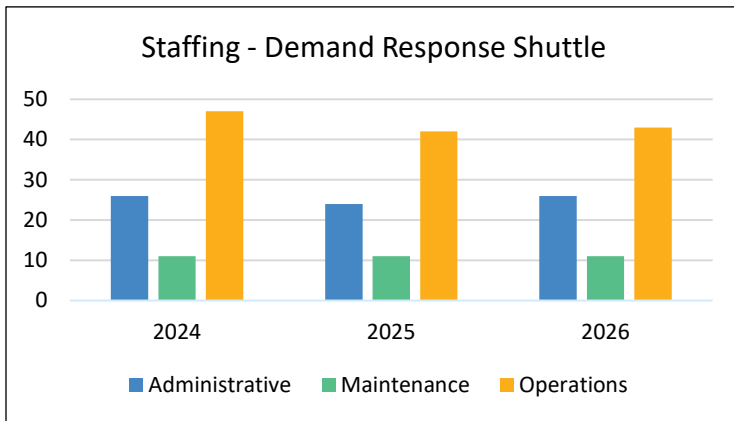
Expense per revenue hour is the total cost to operate the service divided by the number of hours, excluding the time from base to the first pick up and the last drop off to base.

Fare Recovery is not supplied for Sound Transit

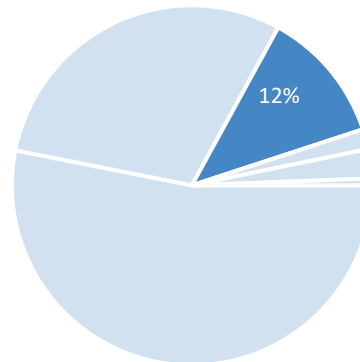
DEMAND RESPONSE - SHUTTLE

To use our SHUTTLE service, you must apply and qualify. Shuttle service operates within ¼ of a mile of our local fixed route service, plus a small area near Sound Transit’s T line service in the Hilltop area. Total costs of \$26 million to operate this service.

Category	2024 Actuals	2025 Budget	2025 YE Estimate	2026 Budget
Wages	5,019,815	4,863,440	4,705,390	5,450,480
Benefits	1,655,485	1,767,800	1,648,740	1,909,810
Services	565,849	426,200	594,600	688,750
Supplies	1,111,215	464,870	1,233,770	1,429,130
Utilities	30,672	39,890	40,290	46,670
Insurance	163,639	181,320	109,730	127,100
Other	11,546,790	13,742,650	13,854,620	16,048,460
Rentals	239,776	245,450	245,450	265,000
Total	20,333,241	21,731,620	22,432,590	25,965,400



Percent of 2026 Operating Budget



Measure	2025 YE Estimate	2026 Budget	Change	2026 Cost/Measure
Ridership	\$316,761	\$337,645	6.6%	\$76.90
Service Hours	\$201,504	\$216,284	7.3%	\$120.05
Service Miles	\$2,803,329	\$2,880,485	2.8%	\$9.01

2025 Accomplishments

- Answered over 200,000 calls
- Provided over 300,000 trips

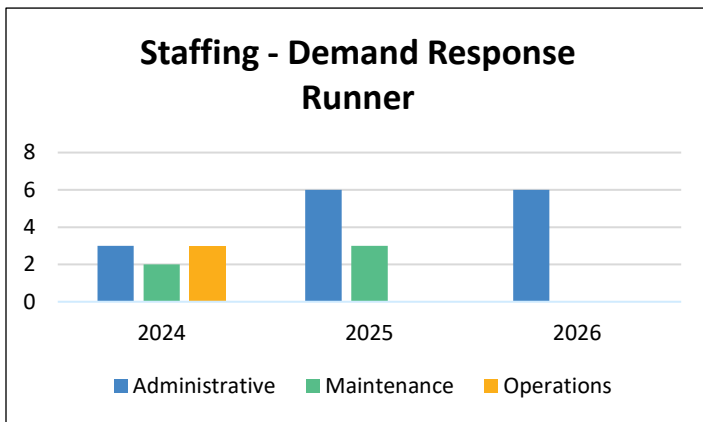
2026 Goals

- Maintain a 92% on-time performance
- Answer 99% of calls within three minutes
- Increase motivation and focus of agents by enabling participation gamification module in software

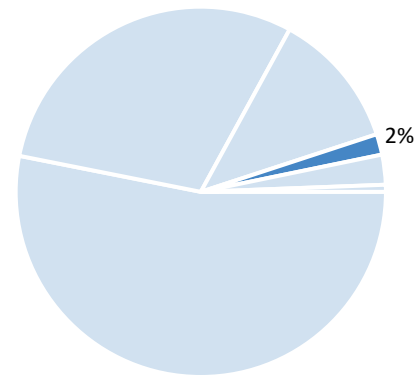
DEMAND RESPONSE - RUNNER

On demand service, also known as Runner, assists within communities by connecting them to connection points within the service area, such as transit centers. Total costs of \$4 million to operate this service.

Category	2024 Actuals	2025 Budget	2025 YE Estimate	2026 Budget
Wages	185,847	213,940	227,700	263,750
Benefits	70,043	85,010	87,790	101,690
Services	33,331	52,050	57,310	66,380
Supplies	11,830	80,520	59,940	69,430
Utilities	16	7,690	8,120	9,410
Insurance	9,928	24,080	27,430	31,770
Other	2,432,679	3,058,580	2,911,210	3,372,190
Total	2,743,674	3,521,870	3,379,500	3,914,620



Percent of 2026 Operating Budget



Measure	2025 YE Estimate	2026 Budget	Change	2026 Cost/Measure
Ridership	89,577	92,195	2.9%	\$42.46
Service Hours	47,995	47,995	0.0%	\$81.56
Service Miles	607,741	607,741	0.0%	\$6.44

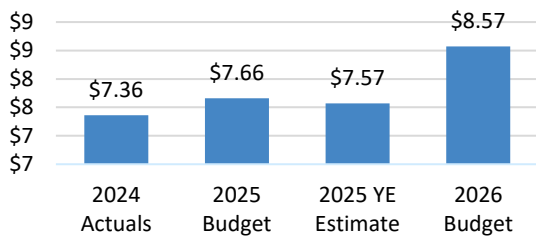
2025 Accomplishments

- Implemented zone updates for Spanaway and Puyallup
- Acquired grant funding for all zones through 2027

2026 Goals

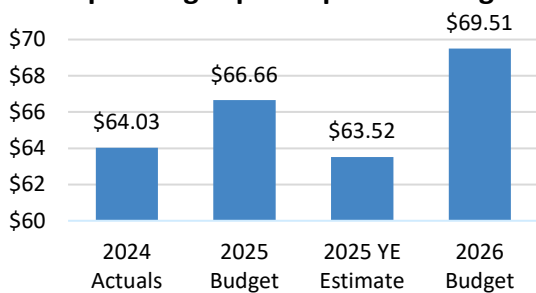
- Implement ORCA payments with new tablet system
- Implement telematics reporting from Via

Operating Expense per Vehicle Mile



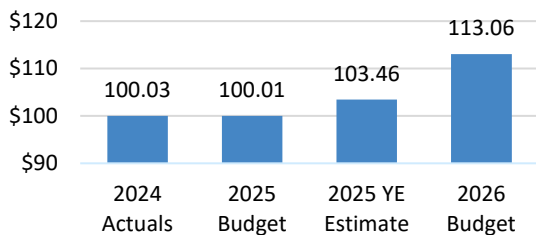
Expense per revenue mile is the total cost to operate the service divided by the number of miles, excluding the miles from base to the first pickup and the last drop off to base.

Operating Expense per Boarding



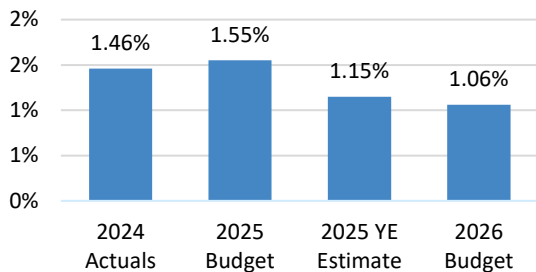
Expense per boarding is the total cost to operate the service divided by the total number of boardings.

Operating Expense per Vehicle Hour



Expense per revenue hour is the total cost to operate the service divided by the number of hours, excluding the time from base to the first pick up and the last drop off to base.

Fare Recovery

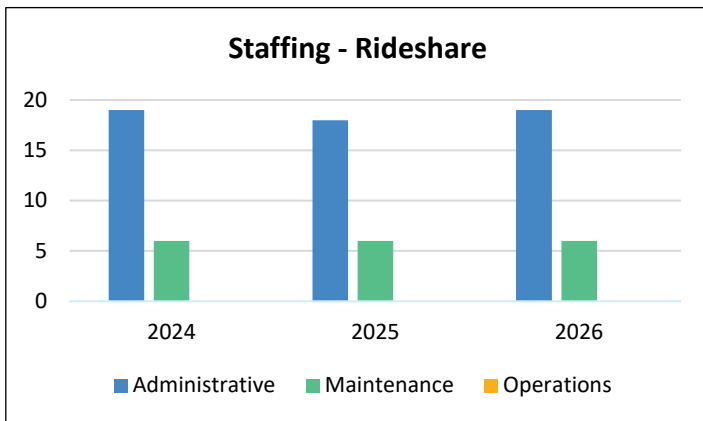


Fare recovery is the revenue generated by a service divided by the total cost to run the service.

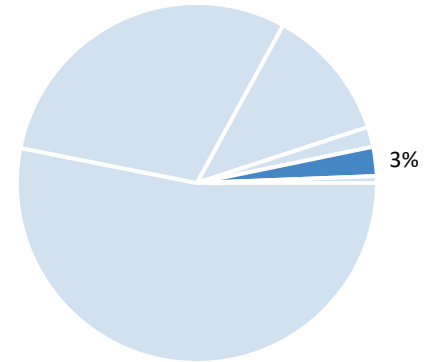
RIDESHARE

Rideshare, formerly Vanpool, groups individuals that have a common starting and ending journey to decrease single occupancy vehicles and reduce congestion. Total costs of \$6 million to operate this service.

Category	2024 Actuals	2025 Budget	2025 YE Estimate	2026 Budget
Wages	1,931,801	2,000,440	1,866,260	2,161,780
Benefits	693,410	742,880	654,590	758,240
Services	256,876	334,590	347,040	401,990
Supplies	1,352,939	1,613,470	1,231,740	1,426,780
Utilities	49,343	47,680	43,540	50,430
Insurance	423,069	63,750	623,830	722,610
Other	57,972	68,350	123,730	143,320
Total	4,765,410	4,871,160	4,890,730	5,665,150



Percent of 2026 Operating Budget



Measure	2025 YE Estimate	2026 Budget	Change	2026 Cost/Measure
Ridership	400,000	408,000	2.0%	\$13.89
Service Hours	106,540	107,500	0.9%	\$52.70
Service Miles	3,580,000	3,600,000	0.6%	\$1.57

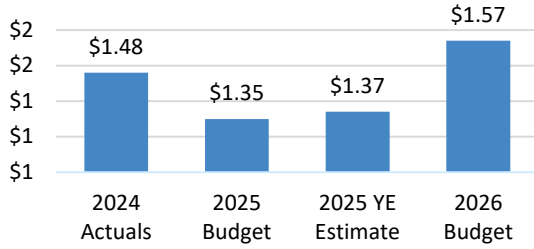
2025 Accomplishments

- Completed customer satisfaction survey
- Launched a daily rider reservation platform

2026 Goals

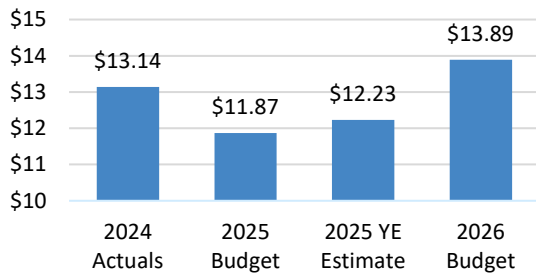
- Increase passenger group size by 5% for groups of 5 or more
- Improve operational efficiency by reducing preventable accidents by 20%
- Benchmark fare structures for comparable programs

Operating Expense per Vehicle Mile



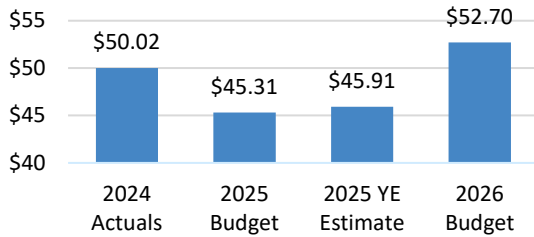
Expense per revenue mile is the total cost to operate the service divided by the number of miles, excluding the miles from base to the first pickup and the last drop off to base.

Operating Expense per Boarding



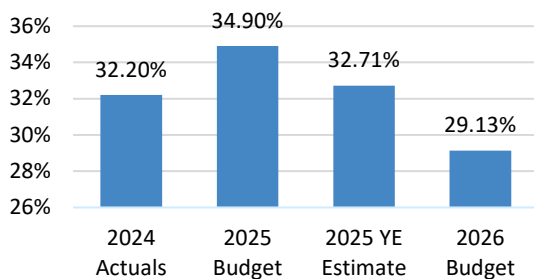
Expense per boarding is the total cost to operate the service divided by the total number of boardings.

Operating Expense per Vehicle Hour



Expense per revenue hour is the total cost to operate the service divided by the number of hours, excluding the time from base to the first pick up and the last drop off to base.

Fare Recovery



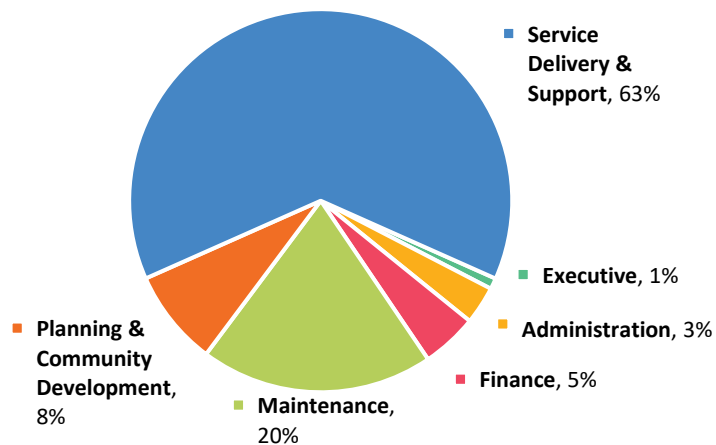
Fare recovery is the revenue generated by a service divided by the total cost to run the service.

Operating Budget by Division

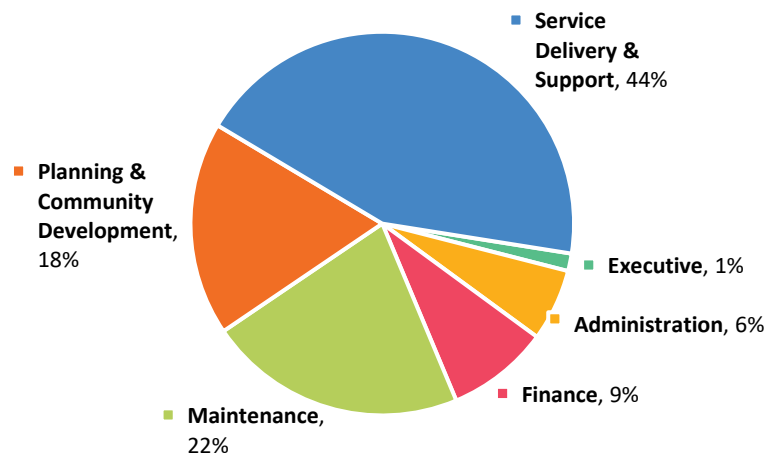
	Executive	Administration	Finance	Maintenance	Planning & Community Development	Service Delivery & Support	Agency-Wide
Full-Time Equivalent	9.00	31.00	45.50	190.00	78.50	611.00	965.00
Wages	1,491,870	4,205,680	6,243,700	18,462,180	8,379,190	61,694,740	100,477,360
Benefits	415,270	1,365,630	1,979,210	6,807,030	2,634,960	20,497,640	33,699,740
Total Personnel	1,907,140	5,571,310	8,222,910	25,269,210	11,014,150	82,192,380	134,177,100
Supplies	5,070	241,020	7,561,700	16,995,820	2,030,780	477,740	27,312,130
Services	1,031,090	1,308,330	645,840	602,300	3,462,450	10,130,630	17,180,640
Insurance	-	5,712,560	-	-	-	2,300	5,714,860
Utilities	-	-	484,320	1,086,840	7,500	-	1,578,660
Repairs	-	2,000	3,700	643,760	42,370	28,700	720,530
Rentals	-	-	-	127,000	525,120	4,700	656,820
Other	193,250	33,700	1,358,600	358,650	21,119,790	186,780	23,250,770
Contracted Services	500	1,790	-	1,145,510	-	10,000	1,157,800
Other Improvements	-	-	-	-	-	-	-
Total M&O	1,229,910	7,299,400	10,054,160	20,959,880	27,188,010	10,840,850	77,572,210
Total Expenditures	3,137,050	12,870,710	18,277,070	46,229,090	38,202,160	93,033,230	211,749,310

The difference between the total operating budget of \$216,491,320 and the operating budget by division of \$211,749,310 is \$4,742,010. This is the cost of self-insurance, \$3,417,000 and pass thru to Pierce County Ferries, \$1,325,010, which are considered non-departmental expenditures.

2026 FULL-TIME EQUIVALENT BY DIVISION



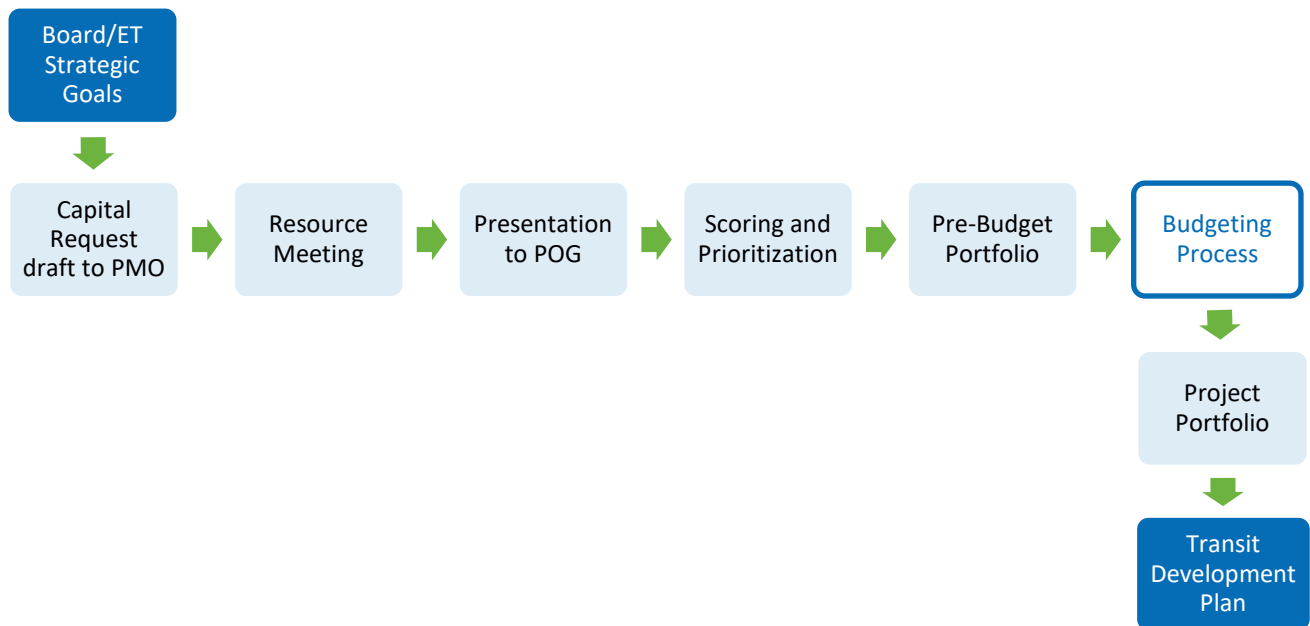
2026 EXPENDITURES BY DIVISION



Capital Budget

PROJECT SELECTION

Annually, the Project Oversight Group (POG) performs the Capital Project Selection process to develop the Six-Year Capital Improvement plan. Capital Project Selection is a process during which capital projects are proposed throughout the Agency, and the POG determines which projects, and order of priority, to recommend to the Executive Team for funding. Current projects that are not completed are automatically carried forward to the next year's budget.



For more information on our current Transit Development Plan, visit PierceTransit.org/public-documents.

REVENUES

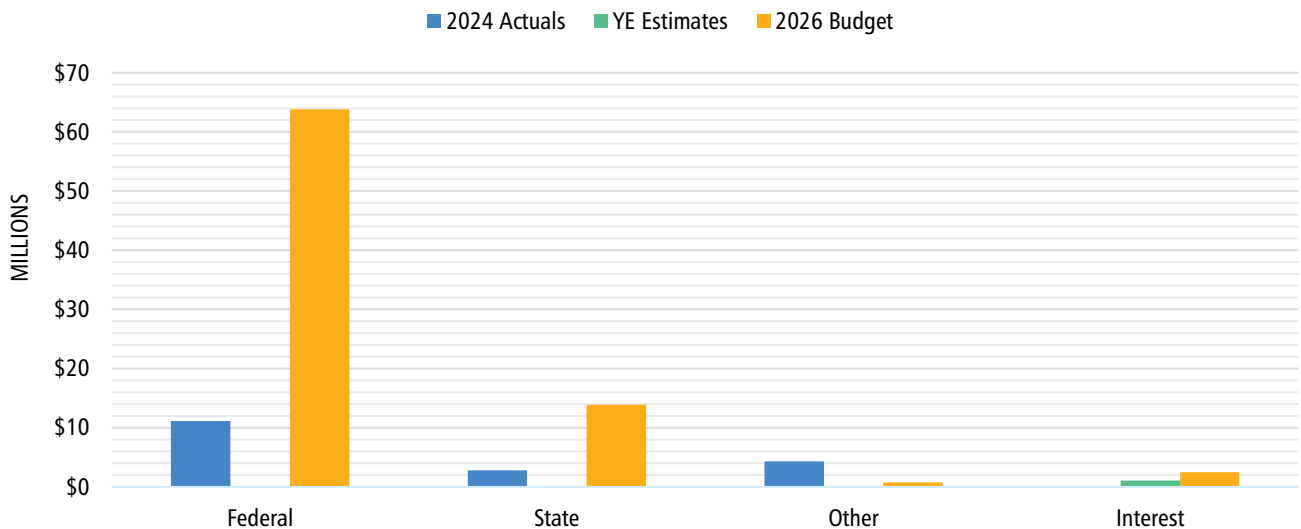
Federal – The majority of Pierce Transit’s federal funding comes from the Federal Transportation Administration (FTA) through formula funds. Formula funds are based on metrics from the urbanized area, allocating a portion of the money to Pierce Transit. Due to the routine nature of formula funds, Pierce Transit often uses them to fund vehicle replacement. Pierce Transit also participates in competitive grant awards with FTA, which we have successfully secured over \$29 million competitive awards included in the 2026 budget. The current budget has \$30.9 million funding vehicles, \$6.3 million funding passenger facilities, and \$26.6 million funding other assets such as bus shelters and base charging infrastructure.

State – Similar to federal funding we have one main source for state, Washington State Department of Transportation (WSDOT). Approximately \$9.1 million of state funding is being used towards the Spanaway Transit Center Parking Lot Expansion and Enhanced Bus projects. The remainder is funding on-route charging infrastructure and vehicles.

Other – All of the \$0.7 million in other funding is from Sound Transit. They fund projects that support their services at Tacoma Dome Station.

	<u>2024 Actuals</u>	2025		YE Estimate vs Budget	
		<u>YE Estimates</u>	<u>2026 Budget</u>	<u>\$ Change</u>	<u>% Change</u>
Contributions					
Federal	\$11,129,374	\$8,150	\$63,802,910	\$63,794,760	782757.8%
State	2,814,223	158,250	13,907,390	13,749,140	8688.2%
Other	4,342,224	22,770	743,400	720,630	3164.8%
Interest	147,660	1,080,000	2,493,120	1,413,120	130.8%
	<u>\$18,433,480</u>	<u>\$1,269,170</u>	<u>\$80,946,820</u>	<u>\$79,677,650</u>	<u>6277.9%</u>

CAPITAL REVENUE BY YEAR AND CATEGORY



EXPENDITURES

Revenue Vehicles – 38% of the capital budget, this category consists of bus, shuttle, and Rideshare vehicle replacement.

Base Facilities – 20% of the capital budget, projects such as electric vehicle charging infrastructure at our headquarter facilities.

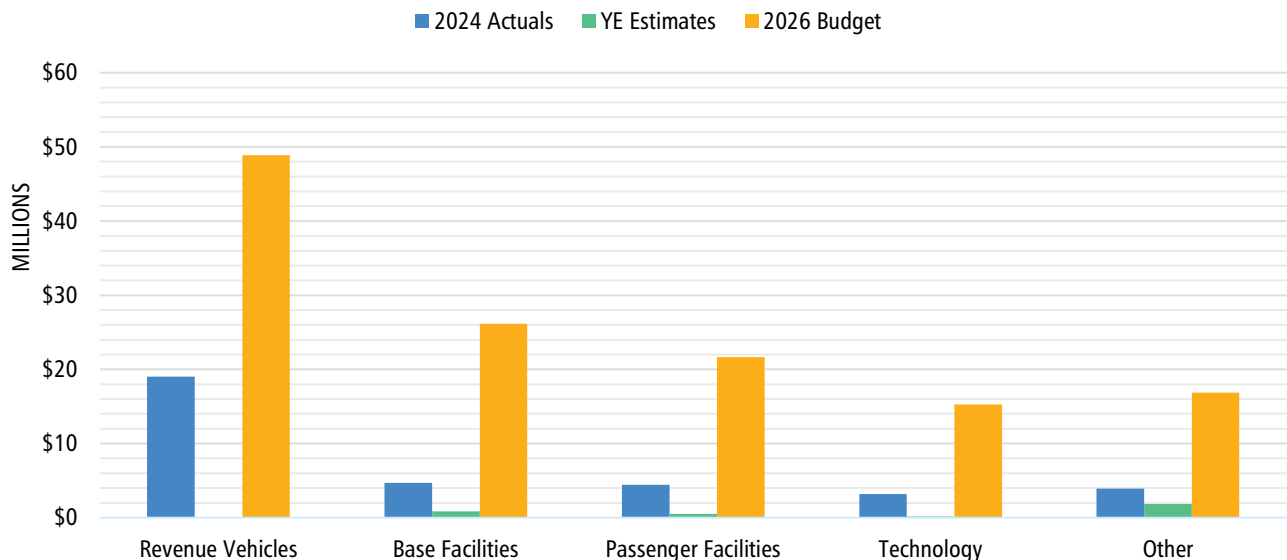
Passenger Facilities – 17% of the capital budget, this category contains improvement projects to Transit Centers and Park and Rides.

Technology – 12% of the capital budget, provide infrastructure and software to improve information and services for staff and the public.

Other – 13% of the capital budget, this category includes support vehicles for maintenance and operations, bus shelters, and equipment that is not fixed to a building.

	<u>2024 Actuals</u>	2025		YE Estimate vs Budget	
		<u>YE Estimates</u>	<u>2026 Budget</u>	<u>\$ Change</u>	<u>% Change</u>
Revenue Vehicles	19,005,265	65,640	48,875,390	48,809,750	74359.8%
Base Facilities	4,711,713	863,650	26,143,350	25,279,700	2927.1%
Passenger Facilities	4,449,013	521,140	21,696,420	21,175,280	4063.3%
Technology	3,167,147	179,250	15,276,600	15,097,350	8422.5%
Other	3,940,754	1,855,460	16,879,620	15,024,160	809.7%
	<u>35,273,892</u>	<u>3,485,140</u>	<u>128,871,380</u>	<u>125,386,240</u>	<u>3597.7%</u>

CAPITAL EXPENDITURES BY YEAR AND CATEGORY



Line #	Category	Project Name	Project #	Project Budget	Spent Thru 2024	2025 YE Estimate	2026 New Requested	2026 Budget	Local	Grant
1	B	MOBI	525	62,800,000	56,824,280	472,170	(5,000,000)	503,550	503,550	
2	B	Base BEB Charging Exp to 12	653	4,444,500		440		4,444,060	888,510	3,555,550
3	B	Bldg 4 HVAC Retrofit	671	305,900	24,271	19,680		261,950	261,950	
4	B	Bldg 5 Spec Transportation	676	400,400	6,207	371,360		22,830	22,830	
5	B	Gantry w/ Depot for 30	680	16,963,830				16,963,830	2,179,080	14,784,750
6	B	Bus Lot Emergency Notification Sys	683	53,530			50,860	104,390	20,880	83,510
7	B	Bldg 1 Security Cameras & EWS	684	38,760				38,760	38,760	
8	B	F&W TV Monitor Screens	685	17,000				17,000	17,000	
9	B	Bldg 1 Tire Shop Office Reno	690	44,000			41,800	85,800	(29,140)	114,940
10	B	F&W EV Chargers	692	622,160			57,870	680,030	136,000	544,030
11	B	Running Repair Restroom Reno	NEW08				31,500	31,500	31,500	
12	B	Bldg 1 Bodysop Restroom Reno	NEW09				31,500	31,500	31,500	
13	B	Bldg 1 Lighting Modification	NEW10				151,800	151,800	151,800	
14	B	ADA Eligibility Assessment Fac	NEW14				2,686,350	2,686,350	537,270	2,149,080
15	B	Workspace Design	NEW15				120,000	120,000	120,000	
Subtotal Base Facilities				85,690,080	56,854,758	863,650	(1,828,320)	26,143,350	4,911,490	21,231,860
16	O	Bus Shelter Replacement	633	4,218,430	1,518,674	740,400	2,259,080	4,218,440	772,620	3,445,820
17	O	Enhanced Bus SR7	657	5,672,290	1,754,528	72,000		3,845,760	(895,310)	4,741,070
18	O	Bldg 1 Paint Booth Controls	658	210,580				210,580	210,580	
19	O	Bldg 1 Wheel Alignment Machine	661	103,000				103,000	103,000	
20	O	Bldg 1 Can Crusher	663	25,290		12,140		13,150	13,150	
21	O	Support Vehicle Replacement 2024	666	896,150	272,384	515,060		108,710	108,710	
22	O	Fleet Maintenance Purchases	686	673,800			31,650	705,450	705,450	
23	O	Marketing Plotter Replacement	694	33,410				33,410	33,410	
24	O	Support Vehicle Replacement	696	1,299,880		284,980	2,139,160	3,154,060	3,154,060	
25	O	Stream Community Line Exp	699	1,419,530				1,419,530	283,910	1,135,620
26	O	Stream Meridian/SR161 TSP	703	1,560,000				1,560,000	260,000	1,300,000
27	O	Facilities Maintenance Purchases	704	17,780		17,780	67,440	67,440	67,440	
28	O	Misc. Capital Equipment	778	96,290			103,710	200,000	200,000	
29	O	Bus Stop Bench Expansion	NEW03				575,720	575,720	575,720	
30	O	Bus Stop Upgrades	NEW06				577,000	577,000	115,400	461,600
31	O	Protective Devices	NEW17				75,590	75,590	75,590	
32	O	Bldg 5 Light Pole	NEW18				11,780	11,780	11,780	
Subtotal Other				16,226,430	3,545,586	1,642,360	5,841,130	16,879,620	5,795,510	11,084,110
33	P	Pac Ave/SR7 P&R	556	13,192,886	9,341,274	370,540		3,481,070	3,481,070	
34	P	TDS Elevator Repairs & Upgrades	588	3,451,549	3,327,216	24,440		99,890	99,890	
35	P	Spanaway TC Parking Lot Expansion	607	15,493,350	854,454	76,720		14,562,180	1,859,030	12,703,150
36	P	TDS Wayfinding	608	1,308,837	80,207	49,440		1,179,190	435,790	743,400
37	P	Braille & Real Time Signage	687	2,914,070			(1,136,640)	1,777,430	844,580	932,850
38	P	Commerce Tunnel Gate Retrofit	691	120,000			160,000	280,000	280,000	
39	P	Lakewood Transit Center Roof Repl	698	25,200				25,200	25,200	
40	P	TDS Pedestrian Improvements	NEW05				33,000	33,000	33,000	
41	P	TCC Transit Center SOGR	NEW11				73,120	73,120	73,120	
42	P	Tacoma Mall TC Sealing	NEW12				67,200	67,200	67,200	
43	P	512 P&R Seal and Stripe	NEW13				93,450	93,450	93,450	
44	P	South Hill TC Sprinkler Sys	NEW16				24,690	24,690	24,690	
Subtotal Passenger Facilities				36,505,892	13,603,152	521,140	(685,180)	21,696,420	7,317,020	14,379,400
45	R	SHUTTLE Replacement 2023	637	3,114,590				3,114,590	623,080	2,491,510
46	R	Bus Fleet Replacement 2024	659	13,651,990				13,651,990	2,730,390	10,921,600
47	R	SHUTTLE Replacement 2024	660	13,898,430				13,898,430	6,121,470	7,776,960
48	R	SHUTTLE Replacement	681	4,120,340				4,120,340	824,070	3,296,270
49	R	Bus Fleet Replacement	682	8,796,250				8,796,250	2,363,840	6,432,410
50	R	RideShare Replacement	693	3,424,360			1,869,430	5,293,790	4,454,210	839,580
Subtotal Revenue Vehicles				47,005,960	-	-	1,869,430	48,875,390	17,117,060	31,758,330
51	T	Security Systems Replacement	452	4,080,769	2,873,380			1,207,390	1,207,390	
52	T	ngORCA	482	6,935,194	4,118,243	34,260		2,782,690	2,782,690	
53	T	CAD/AVL	573	11,000,000	9,546,026			1,453,970	1,453,970	
54	T	Call Center Software Replacement	604	159,000	151,465			7,530	7,530	
55	T	ADEPT Replacement	625	2,200,000	311,926	98,210		1,789,860	1,789,860	
56	T	Real Time Sign Replacement	645	43,070				43,070	43,070	
57	T	Finance ERP	675	3,900,000	611			3,899,390	3,899,390	
58	T	Network Infrastructure Repl 2024	678	1,646,880	452,578	46,780		1,147,520	1,147,520	
59	T	Hastus Upgrade 2025	688	824,870				824,870	824,870	
60	T	NW Infrastructure Replacement	689	678,040				678,040	678,040	
61	T	VOAM Module Interface	695	227,920				227,920	227,920	
62	T	Fleetwatch Software Update	NEW01				57,000	57,000	57,000	
63	T	Fleetwatch Bldg 1	NEW02				772,900	772,900	772,900	
64	T	Radio and Telephone Recording	NEW04				75,130	75,130	75,130	
65	T	EAM for Capital Facilities	NEW07				309,320	309,320	309,320	
Subtotal Technology				31,695,743	17,454,229	179,250	1,214,350	15,276,600	15,276,600	-
Total Capital				217,124,105	91,457,724	3,206,400	6,411,410	128,871,380	50,417,680	78,453,700

Six-Year Forecast



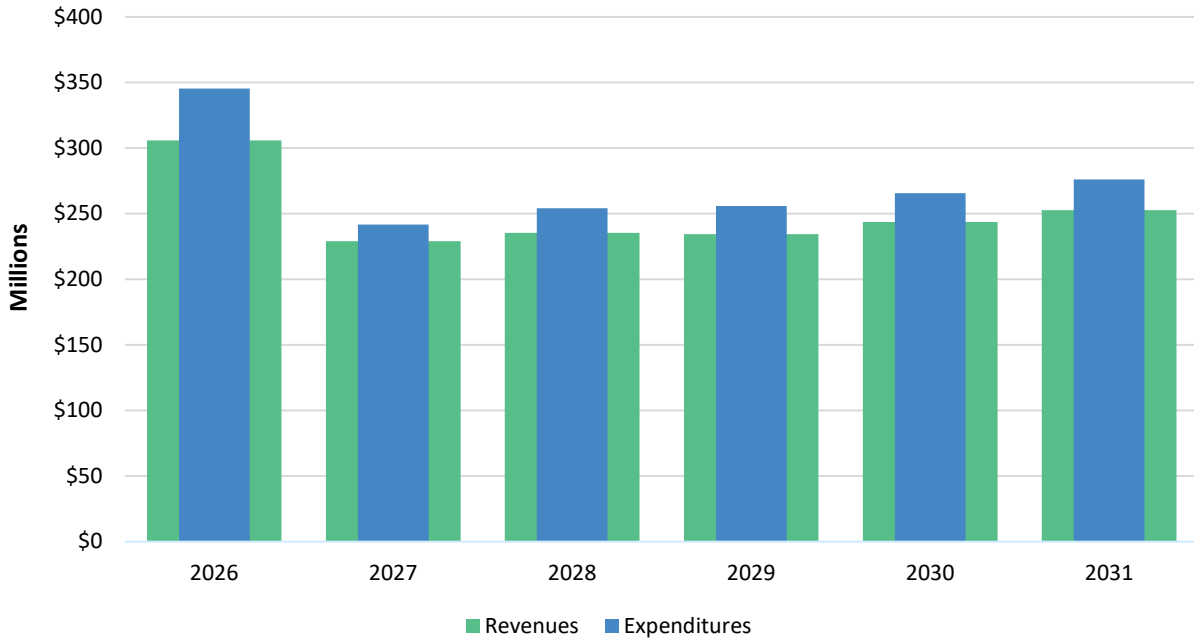
Six-Year Forecast

The six-year financial table and charts below illustrate the forecasted trajectory of the agency's finances. In 2026, both revenues and expenditures are higher compared to the subsequent years. This is primarily due to the outstanding capital projects carried forward from 2025. Although the full amount of these projects is budgeted in the first year of the plan, larger construction-type projects typically incur expenses over multiple years.

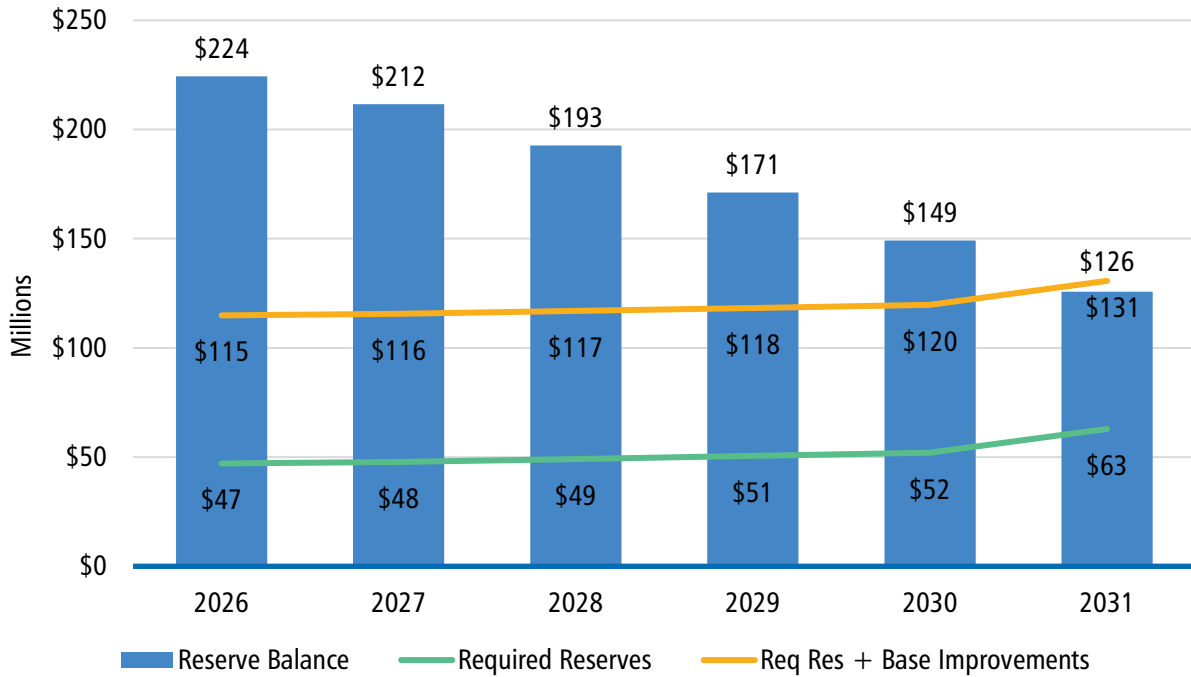
From 2027 through 2031, while our revenues show a year-over-year increase, expenditures continue to outpace revenues. This trend results in a gradual decrease in our reserves each year. However, it is important to note that we maintain reserves higher than those required by our municipal code throughout the entire six-year plan.

	2026	2027	2028	2029	2030	2031
Beginning Balance	263,822,360	224,369,110	211,546,640	192,713,380	171,171,550	149,163,150
Revenues						
Operating						
Passenger Fares	7,149,240	7,507,970	7,866,590	8,225,380	8,584,090	8,942,830
Advertising	610,100	615,300	620,610	626,020	631,540	637,170
Regional Transit Service	65,124,290	67,784,750	70,544,660	73,413,800	76,396,390	79,496,780
Non-Operating						
Sales Tax	116,794,690	119,364,170	121,930,500	124,503,230	127,068,000	129,634,770
Miscellaneous	11,995,680	9,868,400	8,870,830	7,742,390	6,627,230	5,980,240
Contributions						
Operating	25,781,750	14,010,520	13,786,950	13,786,950	13,786,950	13,786,950
Capital	78,453,700	9,777,340	11,807,150	6,041,770	10,508,940	14,138,230
Total Revenue	305,909,450	228,928,450	235,427,290	234,339,540	243,603,140	252,616,970
Expenditures						
Operating						
Wages	100,477,360	103,836,250	107,297,930	110,875,000	114,571,310	118,390,810
Benefits	33,699,740	35,864,930	38,133,540	40,513,580	43,009,950	45,627,640
Maintenance & Operations	80,989,210	79,588,650	82,056,160	84,682,250	87,392,380	90,189,180
Non-Operating	1,325,010	1,058,760	1,058,760	1,058,760	1,058,760	1,058,760
Capital	128,871,380	21,402,330	25,714,160	18,751,780	19,579,140	20,787,850
Total Expenditures	345,362,700	241,750,920	254,260,550	255,881,370	265,611,540	276,054,240
Ending Balances	224,369,110	211,546,640	192,713,380	171,171,550	149,163,150	125,725,880
Required Reserves	47,091,550	47,762,290	49,110,420	50,521,620	51,985,470	62,903,880
Margin/(Deficit)	177,277,560	163,784,350	143,602,960	120,649,930	97,177,680	62,822,000

SIX-YEAR REVENUES & EXPENDITURES



SIX-YEAR ENDING BALANCE & REQUIRED RESERVES



Six-Year Capital Projects

Line #	Project Name	Project #	2026	2027	2028	2029	2030	2031
1	Security Systems Replacement	452	1,207,390					
2	ngORCA	482	2,782,690					
3	MOBI	525	503,550					
4	Pac Ave/SR7 P&R	556	3,481,070					
5	CAD/AVL	573	1,453,970					
6	TDS Elevator Repairs & Upgrades	588	99,890					
7	Call Center Software Replacement	604	7,530					
8	Spanaway TC Parking Lot Expansion	607	14,562,180					
9	TDS Wayfinding	608	1,179,190					
10	ADEPT Replacement	625	1,789,860					
11	Bus Shelter Replacement	633	4,218,440					
12	SHUTTLE Replacement 2023	637	3,114,590					
13	Real Time Sign Replacement	645	43,070					
14	Base BEB Charging Exp to 12	653	4,444,060					
15	Enhanced Bus SR7	657	3,845,760					
16	Bldg 1 Paint Booth Controls	658	210,580					
17	Bus Fleet Replacement 2024	659	13,651,990					
18	SHUTTLE Replacement 2024	660	13,898,430					
19	Bldg 1 Wheel Alignment Machine	661	103,000					
20	Bldg 1 Can Crusher	663	13,150					
21	Support Vehicle Replacement 2024	666	108,710					
22	Bldg 4 HVAC Retrofit	671	261,950					
23	Finance ERP	675	3,899,390					
24	Bldg 5 Spec Transportation	676	22,830					
25	Network Infrastructure Repl 2024	678	1,147,520					
26	Gantry w/ Depot for 30	680	16,963,830					
27	SHUTTLE Replacement	681	4,120,340					
28	Bus Fleet Replacement	682	8,796,250					
29	Bus Lot Emergency Notification Sys	683	104,390					
30	Bldg 1 Security Cameras & EWS	684	38,760					
31	F&W TV Monitor Screens	685	17,000					
32	Fleet Maintenance Purchases	686	705,450					
33	Braille & Real Time Signage	687	1,777,430					
34	Hastus Upgrade 2025	688	824,870					
35	NW Infrastructure Replacement	689	678,040					
36	Bldg 1 Tire Shop Office Reno	690	85,800					
37	Commerce Tunnel Gate Retrofit	691	280,000					
38	F&W EV Chargers	692	680,030					
39	RideShare Replacement	693	5,293,790					
40	Marketing Plotter Replacement	694	33,410					
41	VOAM Module Interface	695	227,920					
42	Support Vehicle Replacement	696	3,154,060					
43	Lakewood Transit Center Roof Repl	698	25,200					
44	Stream Community Line Exp	699	1,419,530					
45	Stream Meridian/SR161 TSP	703	1,560,000					
46	Facilities Maintenance Purchases	704	67,440					
47	Misc. Capital Equipment	778	200,000					
Subtotal Carryover & Additional			123,104,330	-	-	-	-	-
Line #	Project Name	Project #	2026	2027	2028	2029	2030	2031
48	Fleetwatch Software Update	NEW01	57,000					
49	Fleetwatch Bldg 1	NEW02	772,900					
50	Bus Stop Bench Expansion	NEW03	575,720					
51	Radio and Telephone Recording	NEW04	75,130					
52	TDS Pedestrian Improvements	NEW05	33,000					
53	Bus Stop Upgrades	NEW06	577,000	606,000	637,000	668,000	702,000	
54	EAM for Capital Facilities	NEW07	309,320					
55	Running Repair Restroom Reno	NEW08	31,500					
56	Bldg 1 Bodyshop Restroom Reno	NEW09	31,500					
57	Bldg 1 Lighting Modification	NEW10	151,800					
58	TCC Transit Center SOGR	NEW11	73,120	37,450				
59	Tacoma Mall TC Sealing	NEW12	67,200					
60	512 P&R Seal and Stripe	NEW13	93,450					
61	ADA Eligibility Assessment Fac	NEW14	2,686,350					
62	Workspace Design	NEW15	120,000					
63	South Hill TC Sprinkler Sys	NEW16	24,690					
64	Protective Devices	NEW17	75,590					
65	Bldg 5 Light Pole	NEW18	11,780					
Subtotal New Requests			5,767,050	643,450	637,000	668,000	702,000	-

Line #	Project Name	Project #	2026	2027	2028	2029	2030	2031
66	TCC BEB On-Route Charging	700			3,761,410			
67	Lakewood TC Ind Chargers & Support	701			2,841,800			
68	Bus Replacements	OUTYEAR01		11,965,810	13,060,340	14,180,450	15,237,340	15,788,020
69	Shuttle Replacements	OUTYEAR02		3,152,800				1,884,770
70	RideShare Replacement	OUTYEAR03		1,925,760	2,004,590	2,004,590	2,004,590	2,004,590
71	Support Vehicle Replacement	OUTYEAR04		1,688,810	1,688,810	1,125,870	562,940	562,940
72	Network Infrastructure Repl	OUTYEAR05		500,000	500,000	500,000	500,000	500,000
73	Bldg 1 Transmission Jack Replacement	OUTYEAR06		10,000				
74	Bldg 6 SOGR	OUTYEAR07		169,420	495,590			
75	Bldg 5 SOGR	OUTYEAR08		1,050,180	724,620			
76	Commerce Station SOGR	OUTYEAR09		296,100				
77	72nd & Portland TC SOGR	OUTYEAR10				37,390		
78	Bldg 4 Fire Alarm System	OUTYEAR11				138,280		
79	Parkland TC SOGR	OUTYEAR12				97,200		
80	72nd PR Seal Coat & Striping	OUTYEAR13					34,070	
81	Bldg 1 Brake Dyno Replacement	OUTYEAR14					250,000	
82	Bldg 1 Horizontal Ban Saw Replacement	OUTYEAR15					13,200	
83	Bldg 1 Parts Washer Replacement	OUTYEAR16					275,000	
84	South Hill TC SOGR	OUTYEAR17						47,530
Subtotal Outyears			-	20,758,880	25,077,160	18,083,780	18,877,140	20,787,850
Total 6-Year Capital			Totals	128,871,380	21,402,330	25,714,160	18,751,780	19,579,140

Indicates a project is partially covered with outside funding.

While the list of capital projects for the outyears includes those that we routinely replace, such as vehicles, each year we conduct a comprehensive evaluation of projects across the entire agency. This process may result in the addition of new projects to future budgets that are not currently listed. The following projects were submitted for inclusion but were ultimately not included in the budget.

Unfunded Projects	Cost	Year	Reason
Community Dev & Marketing Remodel	404,850	2026	POG Declined
Planning Area Workspace	247,670	2026	POG Declined
Mobile Shelter	35,900	2026	POG Declined
Fleet Admin Office Renovations	34,500	2027	Part of MOBI 2
RideShare Expansion 2027	1,116,530	2027	Cannot Expand at Current Tax Rate
Hydrogen Fuel Study	330,900	2028	POG Declined
RideShare Expansion 2028	1,157,980	2028	Cannot Expand at Current Tax Rate
Route 402: Fast, Frequent and Reliable	36,000,000	2028	Cannot Expand at Current Tax Rate
Stream S 19th St & Bridgeport	237,888,000	2028	Cannot Expand at Current Tax Rate
RideShare Expansion 2029	1,157,980	2029	Cannot Expand at Current Tax Rate
RideShare Expansion 2030	1,157,980	2030	Cannot Expand at Current Tax Rate
Route 41: Fast, Frequent and Reliable	41,283,640	2030	Cannot Expand at Current Tax Rate
RideShare Expansion 2031	1,157,980	2031	Cannot Expand at Current Tax Rate
Stream Downtown Tacoma to Lakewood	88,745,000	2031	Cannot Expand at Current Tax Rate
Total	410,718,910		



Appendix

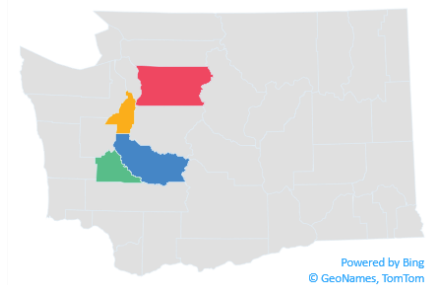
Service Summary

Service Summary - All Modes				
	2024 Actual	2025 YE Estimate	2026 Budget	% Change 2025 YE Estimate - 2026 Budget
Pierce Transit - Local Fixed Route				
Ridership	6,769,493	7,094,401	7,462,264	5.2%
Service Hours	447,690	469,588	493,929	5.2%
Service Miles	5,312,162	5,631,513	5,721,238	1.6%
Sound Transit - Regional Fixed Route				
Ridership	2,562,879	2,642,013	2,696,863	2.1%
Service Hours	248,123	255,791	261,071	2.1%
Service Miles	5,502,753	5,814,680	5,789,430	-0.4%
SHUTTLE				
Ridership	308,021	316,761	337,645	6.6%
Service Hours	193,314	201,504	216,284	7.3%
Service Miles	2,634,967	2,803,329	2,880,485	2.8%
On-Demand Runner				
Ridership	52,379	89,577	92,195	2.9%
Service Hours	37,381	47,995	47,995	0.0%
Service Miles	502,038	607,741	607,741	0.0%
RideShare				
Ridership	362,661	400,000	408,000	2.0%
Service Hours	95,264	106,540	107,500	0.9%
Service Miles	3,209,158	3,580,000	3,600,000	0.6%
Total Agency				
Ridership	10,055,433	10,542,752	10,996,967	4.3%
Service Hours	1,021,772	1,081,418	1,126,779	4.2%
Service Miles	17,161,078	18,437,263	18,598,894	0.9%

Peer Comparison

Agency	Service Population	Service Area (Sq Mi)	FTA Urbanized Zone Area	Vehicles Operated at Maximum Service	Sales Tax Rate
Pierce Transit	575,963	292	Seattle	430	0.6%
Kitsap Transit	254,183	396	Bremerton	222	0.8%
InterCity Transit	200,200	101	Olympia	230	1.2%
Community Transit	910,144	256	Seattle	497	1.2%

Agency	Operating Expenses	Vehicle Revenue Miles	Vehicle Revenue Hours	Unlinked Trips	Fare Revenue
Motorbus					
Pierce Transit	76,259,695	4,371,847	387,392	6,101,806	4,290,475
Kitsap Transit	31,622,708	2,212,491	113,849	1,313,942	2,080,325
InterCity Transit	42,160,796	2,868,976	206,698	3,449,951	-
Community Transit	116,200,278	6,027,337	410,150	5,659,465	4,857,607
Demand Response					
Pierce Transit	18,645,727	2,095,276	153,757	278,398	387,613
Kitsap Transit	17,089,236	1,328,614	84,865	253,579	197,928
InterCity Transit	18,109,913	851,048	82,759	137,303	-
Community Transit	9,407,090	1,175,597	71,996	129,799	309,181
Vanpool					
Pierce Transit	4,524,209	3,421,086	102,663	412,041	1,599,237
Kitsap Transit	1,248,355	534,730	17,835	79,380	251,318
InterCity Transit	3,014,895	2,604,976	70,122	198,302	466,799
Community Transit	5,031,019	2,654,836	76,970	381,068	1,747,873



Our peers were selected by the location and services of the providing agency. They serve similar areas considered to be city and suburban and offer motorbus, demand response, and vanpool modes. The following charts break down the spending on a per unit basis to make comparisons easier to determine utilizing the last completed year of NTD data, currently 2023. The definitions below will assist you in understanding what is being measured in the charts.

Revenue Mile: The total miles driven while the vehicle is in service providing passenger trips, not including the miles from base to the first stop or the last stop returning to base.

Revenue Hour: The total hours driven while the vehicle is in service providing passenger trips, not including the time from base to the first stop or the last stop returning to base.

Unlinked Passenger Trip: The total number of passengers who board public transportation vehicles counted each time they board.

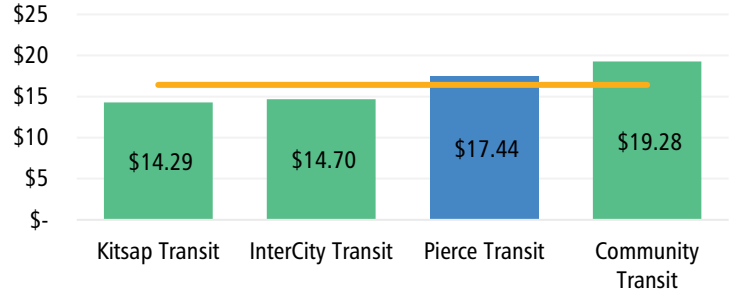
Fare Recovery: The amount of money collected by the specific mode to offset the costs of operating the mode.

MOTORBUS

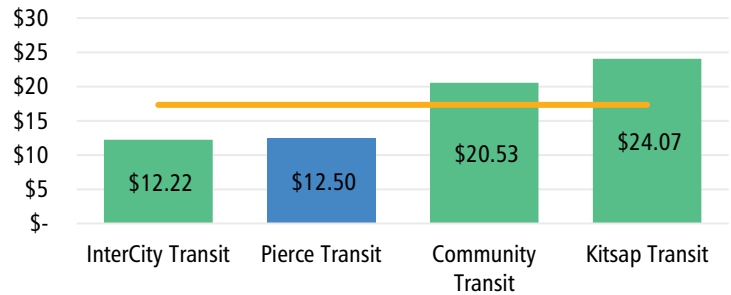
These graphs illustrate the performance of fixed-route bus services, also known as motorbus, directly operated (MBDO) in the National Transit Database (NTD) reporting, based on 2023 agency profiles. Utilizing NTD data allows for standardized reporting, enabling more accurate unit-to-unit comparisons.

Compared to our peers, Pierce Transit ranks third in cost per revenue mile at 6% above the group average, second in cost per unlinked passenger trip at 28% below the group average, first in cost per revenue hour at 18% below the group average, and second in fare recovery at 37% above the group average. In general, the lower the cost per metric, the more efficient the mode is. The exception being fare recovery, where the higher the percentage the greater the service is covered by those using the service. The yellow line represents the peer average for the metric.

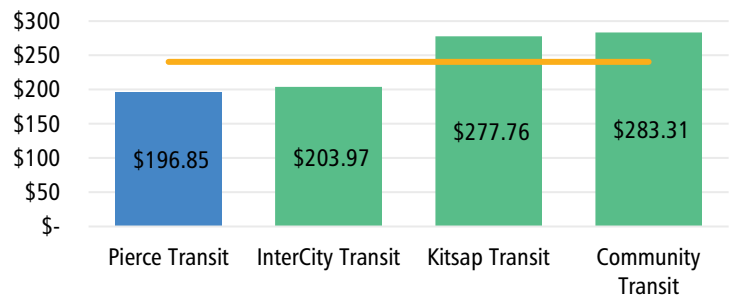
Operating Expense per Vehicle Revenue Mile



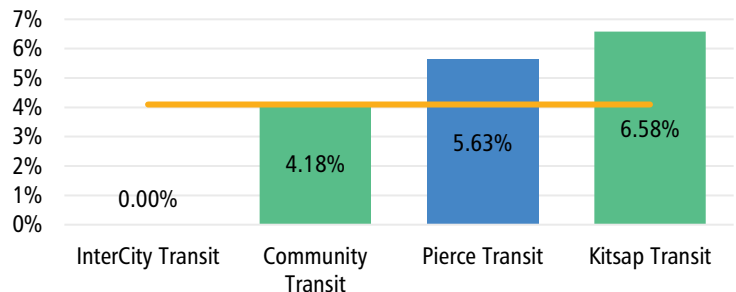
Operating Expense per Unlinked Passenger Trip



Operating Expense per Vehicle Revenue Hour



Fare Recovery

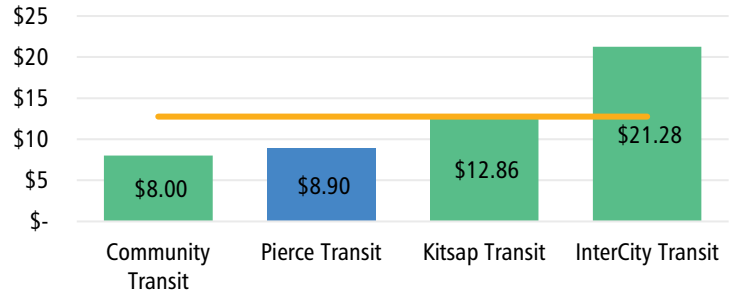


DEMAND RESPONSE

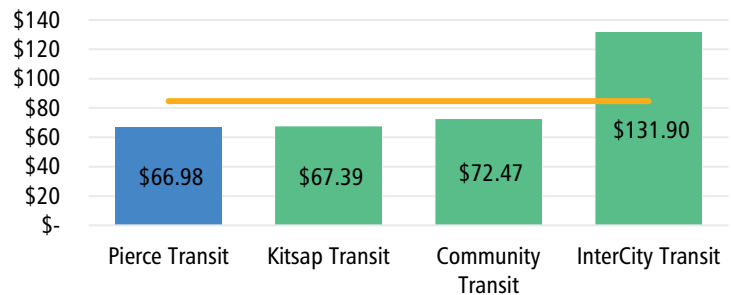
These graphs illustrate the performance of paratransit and on demand services, also known as demand response, directly operated (DRDO) and demand response purchased transportation (DRPT) in the National Transit Database (NTD) reporting, based on 2023 agency profiles. Utilizing NTD data allows for standardized reporting, enabling more accurate unit-to-unit comparisons.

Compared to our peers, Pierce Transit ranks second in cost per revenue mile, at 30% below the group average, first in cost per unlinked passenger trip at 21% below the group average, first in cost per revenue hour at 28% below the group average, and second in fare recovery at 27% above the group average. In general, the lower the cost per metric, the more efficient the mode is. The exception being fare recovery, where the higher the percentage the greater the service is covered by those using the service. The yellow line represents the peer average for the metric.

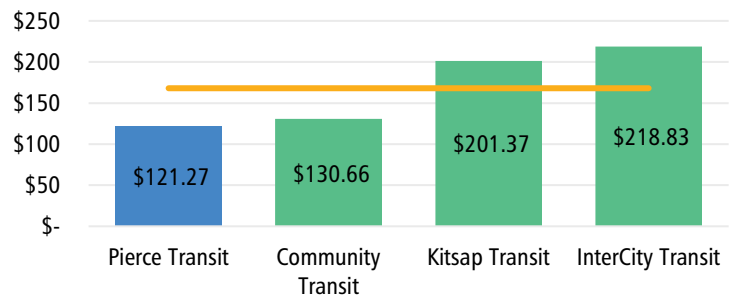
Operating Expense per Vehicle Revenue Mile



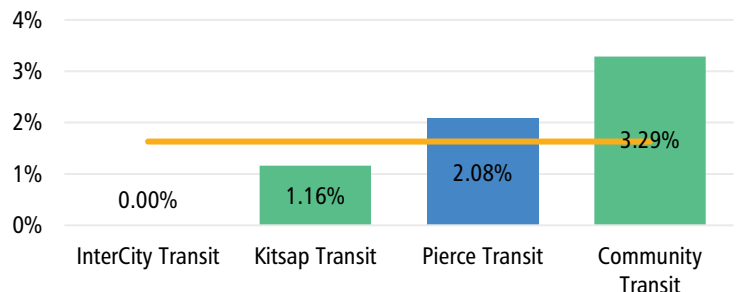
Operating Expense per Unlinked Passenger Trip



Operating Expense per Vehicle Revenue Hour



Fare Recovery

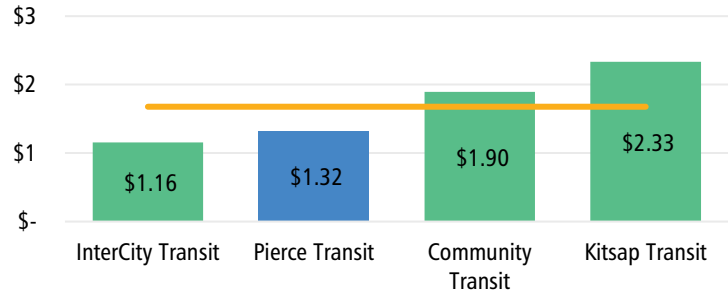


VANPOOL

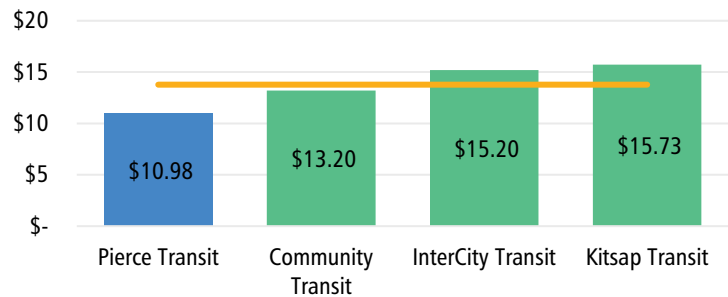
These graphs illustrate the performance of Rideshare, also known as Vanpool directly operated (VPDO) in the National Transit Database (NTD) reporting, based on 2023 agency profiles. Utilizing NTD data allows for standardized reporting, enabling more accurate unit-to-unit comparisons.

Compared to our peers, Pierce Transit ranks second in cost per revenue mile, at 21% below the group average, first in cost per unlinked passenger trip at 20% below the group average, second in cost per revenue hour at 21% below the group average, first in fare recovery at 34% above the group average. In general, the lower the cost per metric, the more efficient the mode is. The exception being fare recovery, where the higher the percentage the greater the service is covered by those using the service. The yellow line represents the peer average for the metric.

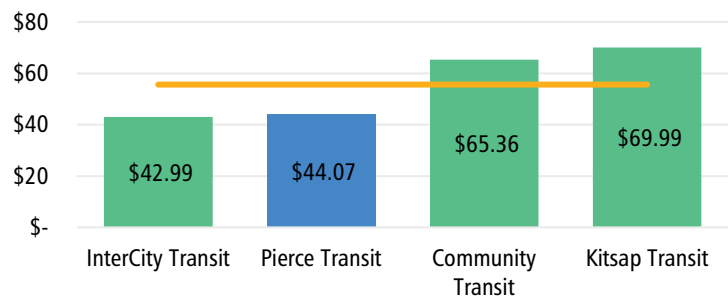
Operating Expense per Vehicle Revenue Mile



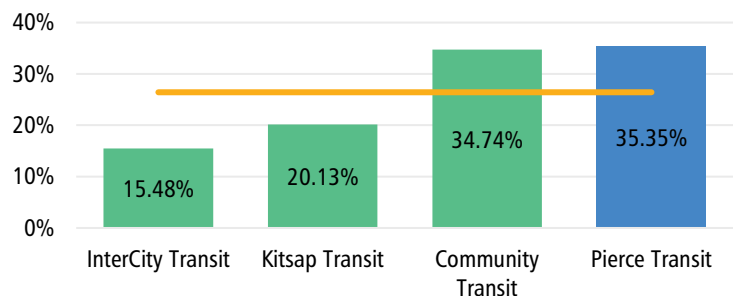
Operating Expense per Unlinked Passenger Trip



Operating Expense per Vehicle Revenue Hour



Fare Recovery



Acronyms

Acronyms are words formed from the initial letters of other words most used in the context of this budget.

ADA – Americans with Disabilities Act

AFB – Average Fare per Boarding

ATU – Amalgamated Transit Union

AWC – Association of Washington Cities

BEB – Battery Electric Bus

CAM – Cost Allocation Model

COLA – Cost of Living Adjustment

DRDO – Demand Response Directly Operated

DRPT – Demand Response Purchased Transportation

EAM – Enterprise Asset Management

ERP – Enterprise Resource Planning

EV – Electric Vehicle

EWS – Emergency Warning System

FTA – Federal Transit Administration

FTE – Full-Time Equivalent

FY – Fiscal Year

F&W – Fuel and Wash

IAM – International Association of Machinists

MBDO – Motor Bus Directly Operated

MOBI – Maintenance and Operations Building Improvements

M&O – Maintenance and Operations

ngORCA – Next Generation One Regional Card for All

NTD – National Transit Database

POG – Project Oversight Group

PTBA – Public Transportation Benefit Area

P&R – Park and Ride

SOGR – State of Good Repair

SSES – Stream System Expansion Study

TC – Transit Center

TCC – Tacoma Community College

TDS – Tacoma Dome Station

VPDO – Vanpool Directly Operated

WSDOT – Washington State Department of Transportation

YE – Year End

Glossary

Accrual Basis of Accounting – A method of accounting that matches revenues and expenditures with the period to which they relate rather than received or distributed.

Agency – As a government agency, Pierce Transit is often referred to as “the Agency” in this document and in other Pierce Transit publications.

Americans with Disabilities Act (ADA) – Federal legislation mandating specific requirements for vehicles and facilities to accommodate the disabled.

Appropriation – A legal authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes.

Beginning Balance – The fund balance as of January 1.

Benefits – Employer paid costs provided for employees such as retirement contributions, medical and dental insurance premiums, and workers’ compensation.

Boardings – Passengers are counted each time they board revenue vehicles no matter how many vehicles they use to travel from their origin to their destination. The official name of this statistic in National Transit Database (NTD) terms is “unlinked passenger trip.”

Bond – Long-term debt issued by an agency to help finance new acquisitions of property, facilities, and equipment.

Budget – A financial plan for the operation of a program or organization for a specific timeframe or through project completion.

Budget Amendment – A budget amendment is a formal action of the Board of Commissioners to approve additional appropriations after the initial budget adoption.

Budget Revision – A budget revision is a record of change to the budget with no financial impact.

Bus Rapid Transit – Bus Rapid Transit systems are designed to carry larger numbers of riders with greater speed, reliability, and frequency than a standard fixed-route bus.

Capital – Purchase or construction project that has a cost of greater than \$5,000, or \$50,000 aggregate, and a useful life of greater than one year.

Capital Budget – A portion of the annual budget that appropriates funds for the purchase of capital items.

Consumer Price Index (CPI) – A statistical description of price levels provided by the U.S. Department of Labor that measures the change in the cost of goods purchased in comparative timeframes.

Cost per Passenger – The cost of carrying each passenger determined by dividing the total cost of carrying all passengers by the total number of passenger trips.

Cost per Vehicle Mile – The cost of traveling one mile determined by dividing the total cost of providing service by the total number of miles traveled.

Debt – The amount of money required to pay interest and principal on the Agency's borrowed funds.

Debt Service – The annual debt service requirements and future debt service schedule associated with the bonds currently outstanding as determined by the debt policy. Debt service includes the principal and interest payment obligations for the defined periods.

Division – An organizational unit of the Agency responsible for carrying out Agency functions.

Ending Balance – The fund balance as of December 31.

Enterprise Fund – An enterprise fund is a type of proprietary fund used to account for a government’s business-type activities and used to report any activity for which a fee is charged to external users for goods or services.

Expenditure – The payment of cash or the transfer of property or services for the purpose of acquiring an asset, service, or materials.

Expenses – Decreases in net total assets that represent the total cost of operations during a period regardless of the timing of related expenditures.

Farebox Recovery Ratio – The total fares collected divided by total costs to operate the service.

Fiscal Year – The fiscal year for Pierce Transit is the calendar year January 1 through December 31.

Fixed Route – Bus operations that adhere to a published schedule on specific routes.

Full-time Equivalents (FTEs) – A unit used for measuring personnel according to the percentage of hours worked annually, based on a 40-hour workweek / 52 weeks / 2080 hours.

Fund – A fiscal or accounting entity with a self-balancing set of accounts, established for the purpose of carrying on specific activities.

Grants – A contribution by a government or other organization to support a particular function.

Insurance Budget – A portion of the annual budget that appropriates funds for Workers’ Compensation and Unemployment claims.

Insurance Reserve – Reserves set at a level to adequately protect the Agency from self-insurance risks that is evaluated annually.

Key Performance Indicators (KPI) – Measures by which Pierce Transit evaluates the effectiveness and efficiency of its operations.

Maintenance and Operation Expenditures (M&O) – This term refers to expenditures paid to obtain goods or services, including services, supplies, fuel, utilities, insurance, etc. This category does not include personnel or capital expenditures.

On Demand Services – Allows user to ride-hail on-demand trips within a specific microtransit zone using a mobile app.

One Regional Card for All (ORCA) – The seamless fare system for the region’s customers, enabling agencies to offer transit fare options, reduce media confusion, and improve interagency fare revenue reconciliation through an apportionment process.

Operating Budget – A portion of the annual budget that appropriates funds for continued operations.

Personnel – This item includes the cost of all salaries, wages, overtime, and benefits associated with the Agency's staff.

Reserve – Reserves maintained to provide a sufficient working capital and balance to finance cash flow requirements, unanticipated downturns in revenues, and provide funds for emergency expenditures set by Board of Commissioners.

Revenue – Income received by the agency in support of its program of services to the community.

Revenue Vehicle – Any vehicle which provides service resulting in fare revenue for the Agency.

Rideshare (formally Vanpool) – A group of 3 to 15 people sharing the ride in an 8, 12, or 15-passenger van.

Ridership – The total number of passenger boardings on fixed route, SHUTTLE, or Rideshare in a year.

Sales Tax – Tax on certain forms of consumption levied by the State of Washington within the service district for the Agency in the amount of six-tenths of one percent (0.6 percent) effective 7/1/02.

Self-insurance – The items determined to be administered by the Agency rather than covered by an insurance policy.

Service Hours – A calculation of service based on the number of hours a vehicle is on the road, includes revenue, recovery, and deadhead hours.

Service Miles – A calculation of service based on the number of miles a vehicle is on the road, includes revenue, recovery, and deadhead miles, but not training or maintenance road test miles.

SHUTTLE – A program whereby transportation services are provided to those with a qualifying disability within $\frac{3}{4}$ of a mile of our fixed bus routes.

Single-Enterprise Fund – A self-supporting government fund whose activities include selling goods and/or services to the public for a charge or fee.

Sound Transit – Regional Transit Authority. A cooperative known as “Sound Transit” which includes Pierce, King, and Snohomish counties, established to implement a regional, integrated, transit system throughout the Puget Sound area.

Working Cash – Excess of readily available assets over current liabilities or cash on hand equivalents that may be used to satisfy cash flow needs.