**Board of Commissioners Special Study Session Meeting Agenda**
**November 9, 2026 - 3:30 p.m.**

**Virtual Meeting Participation Information:**
Dial: 1-253-215-8782 / Meeting ID No. 85459089849
Webinar link: https://us02web.zoom.us/j/85459089849

**Physical Meeting Location:**
**Pierce Transit Training Center**
**3720 96th ST SW**
**Lakewood, WA 98499**

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**Call to Order**

**Roll Call**

**Presentation**

1. Overview of the Proposed 2027 Budget — Lisa McVay, Budget Manager

**Public Hearing**

1. Proposed 2027 Budget

*Those wishing to provide comment will be given up to three minutes to comment on transit-related matters regardless of whether it is an agenda item or not. The Chair, at his or her discretion, may reduce the comment time to allow sufficient time for the Board to conduct business.*

*To request to speak virtually during public comment, please press the Raise Hand button near the bottom of your Zoom window or press *9 on your phone. If speaking in person, please sign in at the table at the back of the room. Your name or the last four digits of your phone number will be called out when it is your turn to speak. Written comments may also be emailed to Djacobson@piercetransit.org.*

**Adjournment**

Pierce Transit does not discriminate on the basis of disability in any of its programs, activities, or services. Anyone who requires an auxiliary aid or service for effective communication, or a modification of policies or procedures to participate in a program, service, or activity of Pierce Transit should contact the Clerk's Office at 253.581.8066, or Clerks@piercetransit.org as soon as possible but no later than the Thursday preceding the Board meeting.

November 9, 2026

# 2027 Preliminary Budget

PierceTransit

# Strategic Priorities

## 1

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



## 2

Engage the community through outreach, partnerships, and listening.

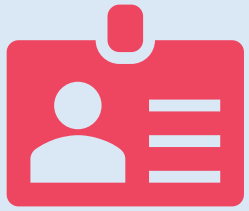
**Metrics**
- 10% increased favorable opinion of Pierce Transit
- 25% increase in ORCA business accounts



## 3

Elevate the employee experience.

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



## 4

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



# Budget Assumptions

**Service Planning (Service Hours)**

PT Fixed Route
- 498,800 – 1% increase

ST Fixed Route,
- 280,494 – 7.4% increase

Shuttle
- 220,028 – 1.7% increase

Runner
- 62,892 – 31% increase

Rideshare
- 114,000 – 6% increase

**Revenue**

Fares
- Steady, ridership increases; greatest gains in youth ridership at no cost

Sound Transit
- Slight growth, increase in service provided and costs

Sales Tax
- Growth, 3% on the conservative side

Contributions
- Steady, four major grants from WSDOT and FTA

Other
- Slight decrease, majority is earned interest based on amount invested and available rates

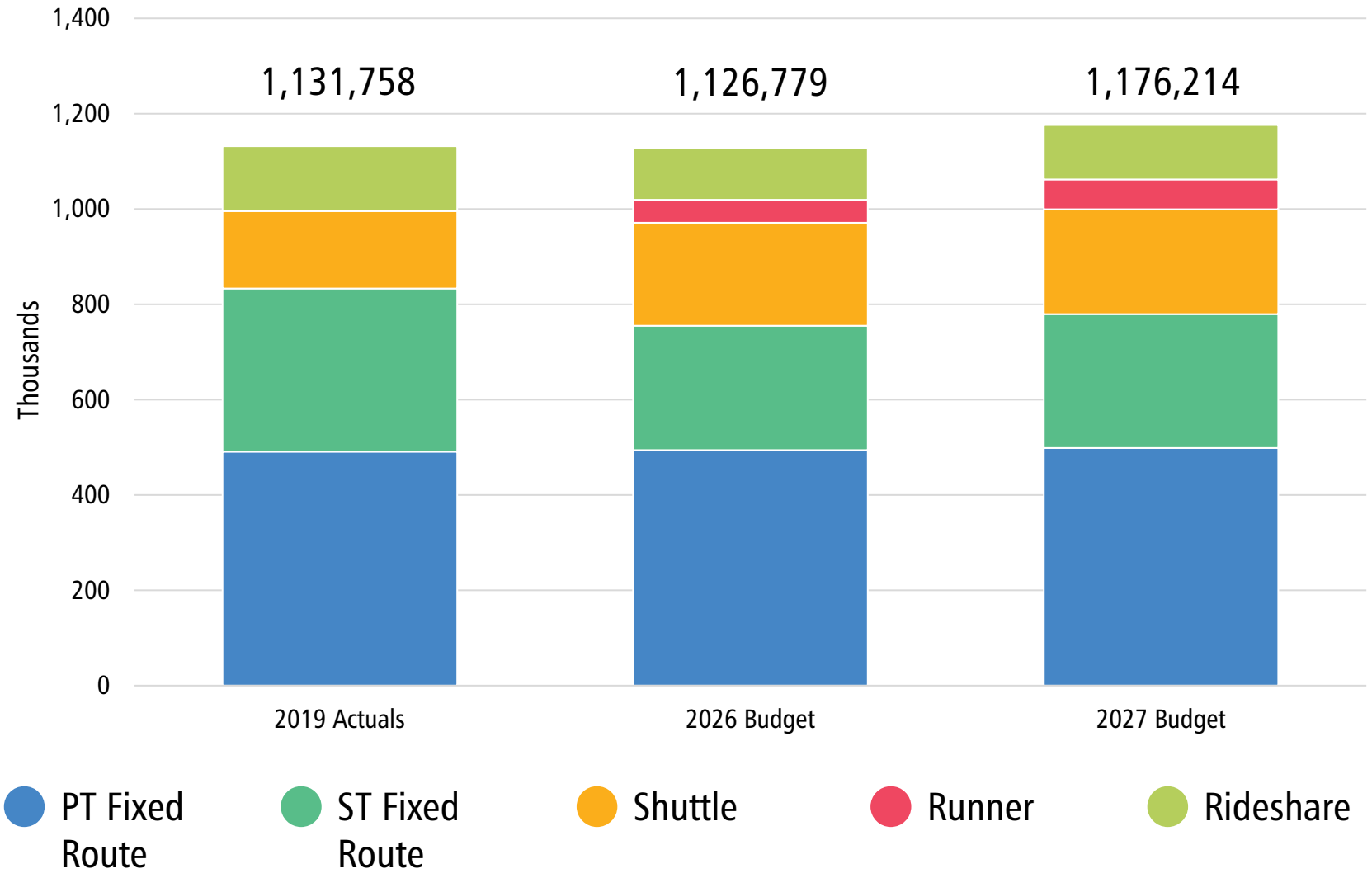
**Expenditures**

Wages
- 3-4% General Wage Adjustment Agency-Wide
- Applicable steps

Benefits
- Used 2026 increases for medical, dental, vision (0-11.6%)
- Decrease in PERS (8.4% to 5.2%)
- Other Percentage-Based same rates against increased wages

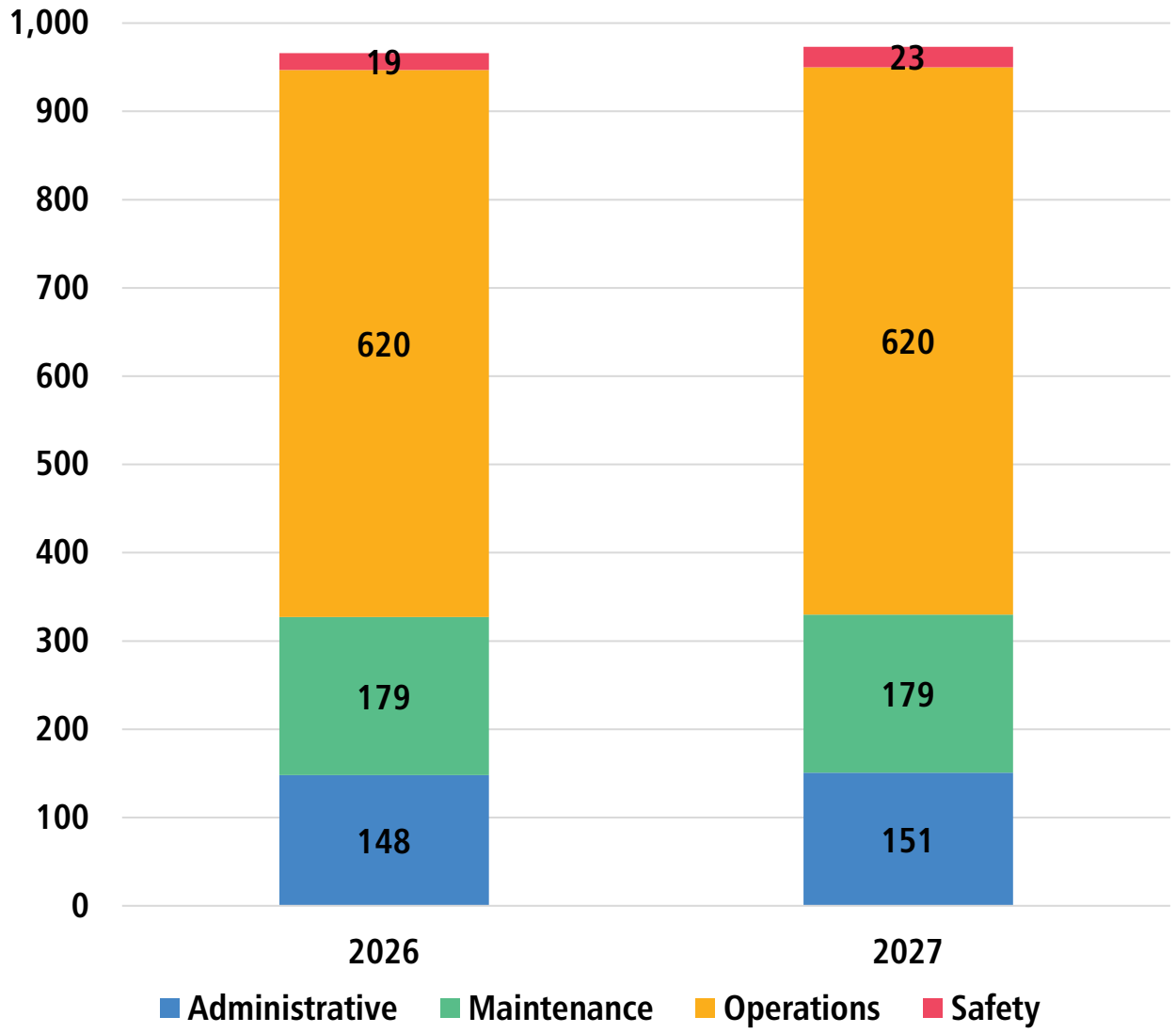
M&O
- Similar level of spending with 3% inflation increase
- Self-insurance 3% inflation increase
- Pass-Thru based on estimated amounts from PSRC

# Service Summary




4.4% Increase Over 2026 Budget

# Personnel

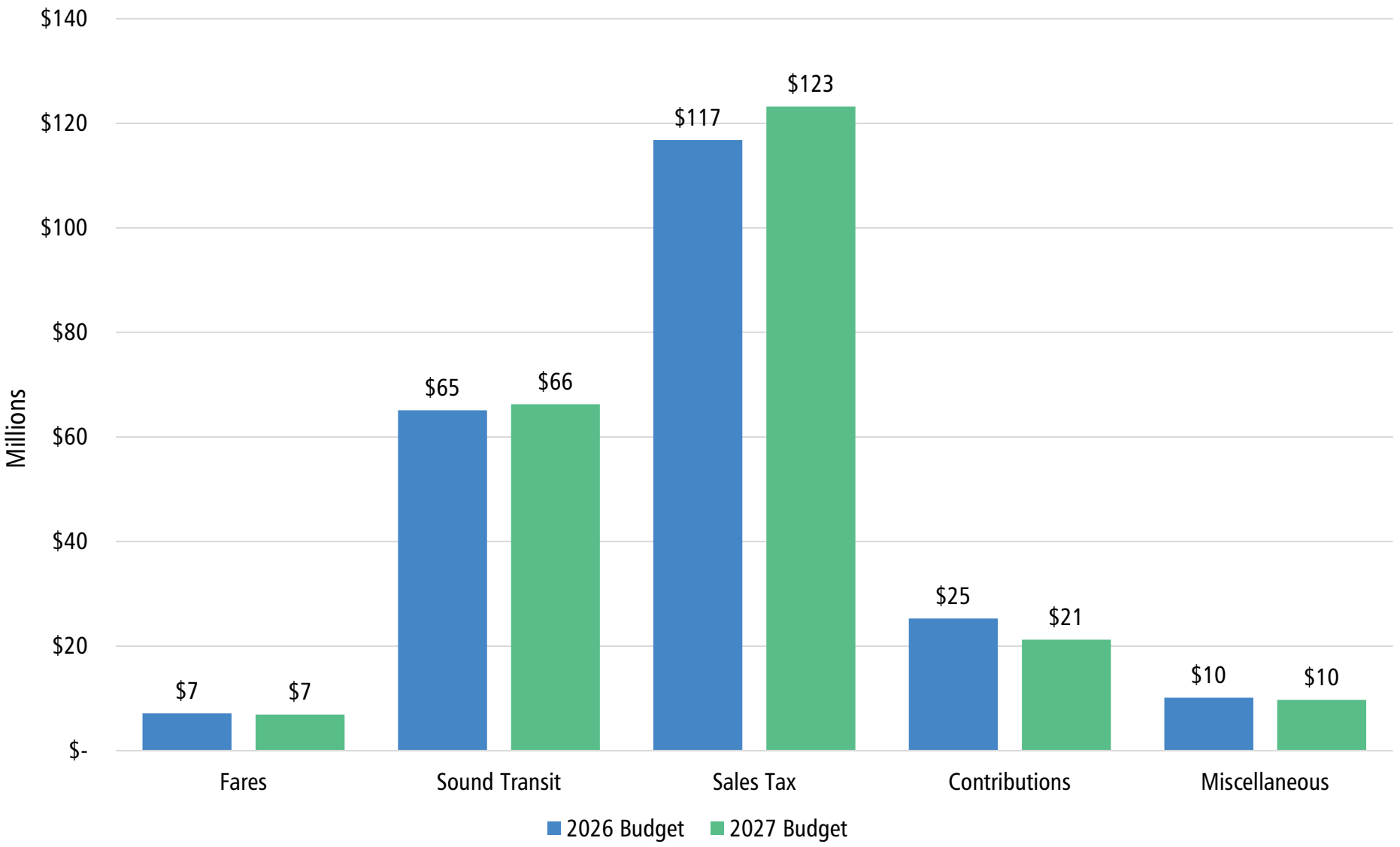



New Positions:

- Public Safety Sargeant
- Public Safety Officer (3)
- Marketing Analyst
- Community Development Coordinator*
- Intern (0.5 FTE)

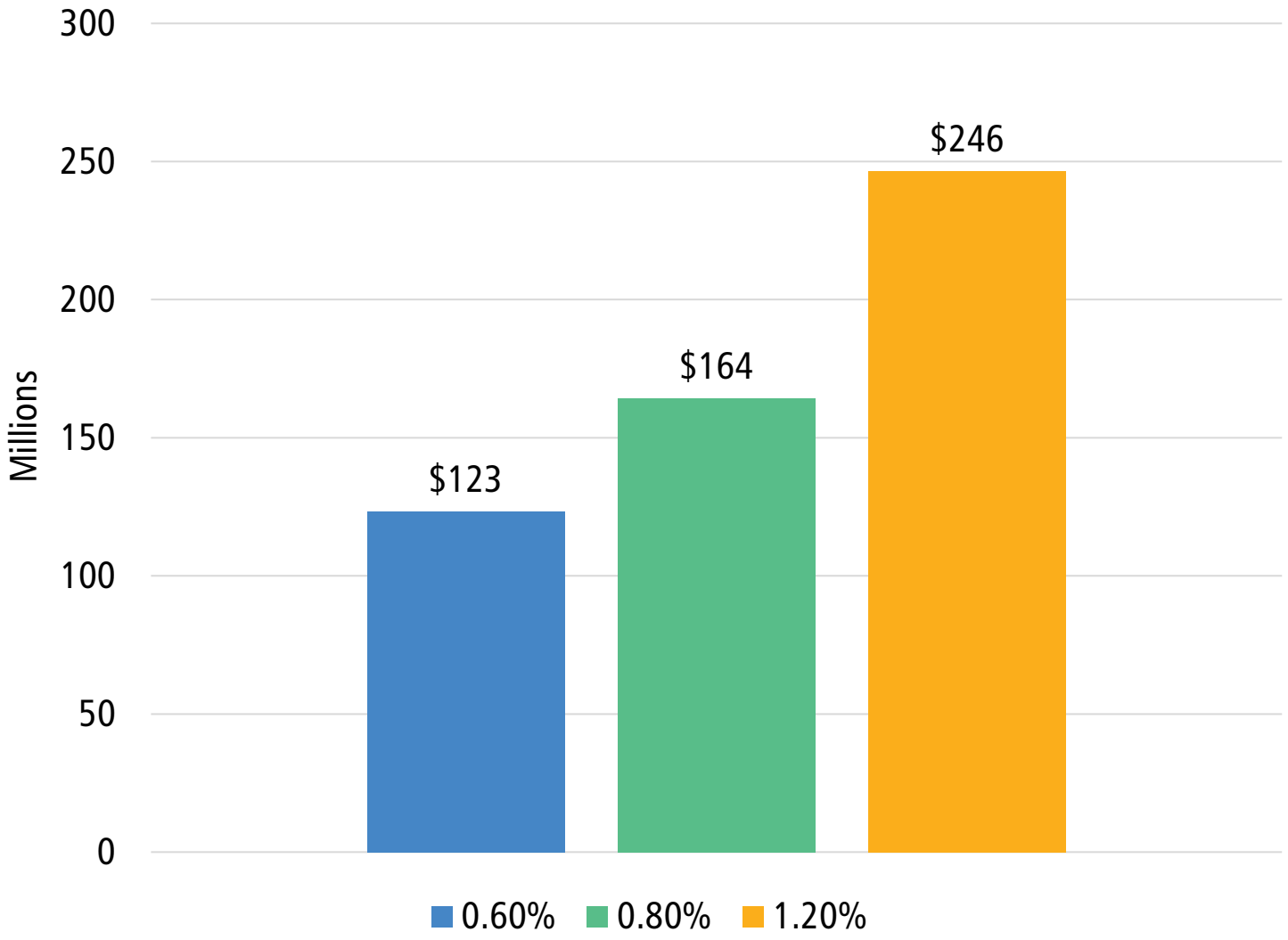
**Grant-funded*

# Operating Revenue




2027 Revenue: $227M

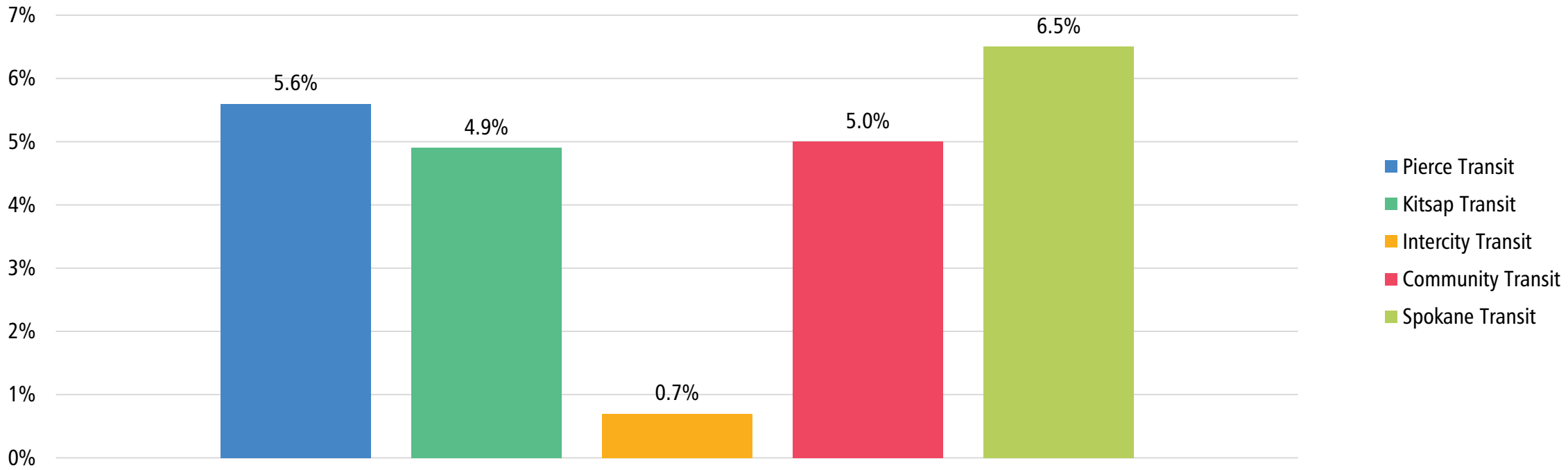
# Peer Comparison – Sales Tax




| Agency | Sales Tax Rate |
|---|---|
| Pierce Transit | 0.6% |
| Kitsap Transit (excluding 0.3% ferry sales tax) | 0.8% |
| Spokane Transit | 0.8% |
| Intercity Transit | 1.2% |
| Community Transit | 1.2% |

*Based on Pierce Transit's Tax Base Forecast for 2027*

# Peer Comparison – Fare Recovery

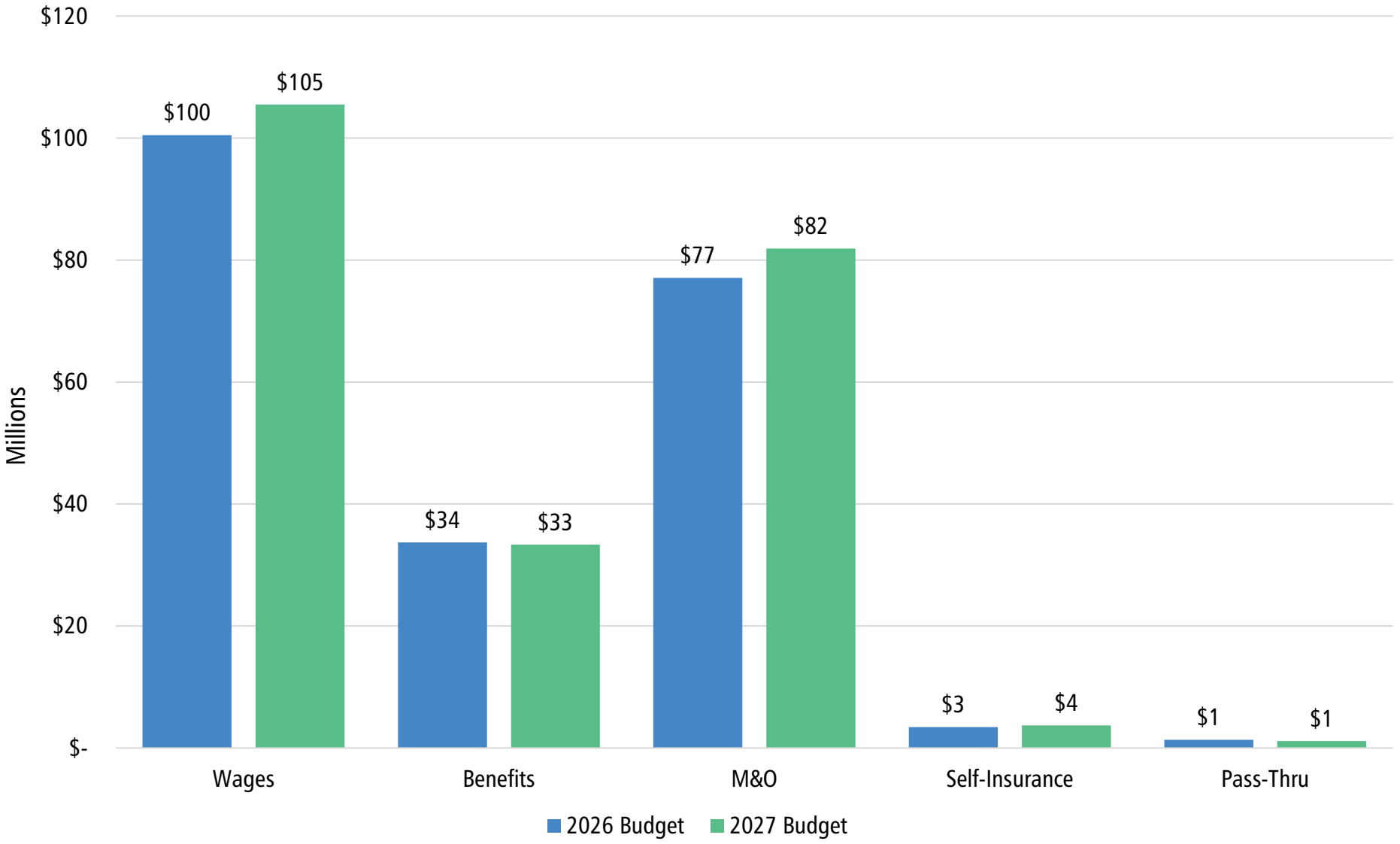



| Agency | Operating Expenditures | Fares | Fare Recovery |
|---|---|---|---|
| Pierce Transit | $118,331,076 | $6,621,609 | 5.6% |
| Kitsap Transit | $54,828,436 | $2,709,315 | 4.9% |
| Intercity Transit | $66,771,546 | $473,938 | 0.7% |
| Community Transit | $162,288,278 | $8,080,178 | 5.0% |
| Spokane Transit | $118,602,285 | $7,666,246 | 6.5% |



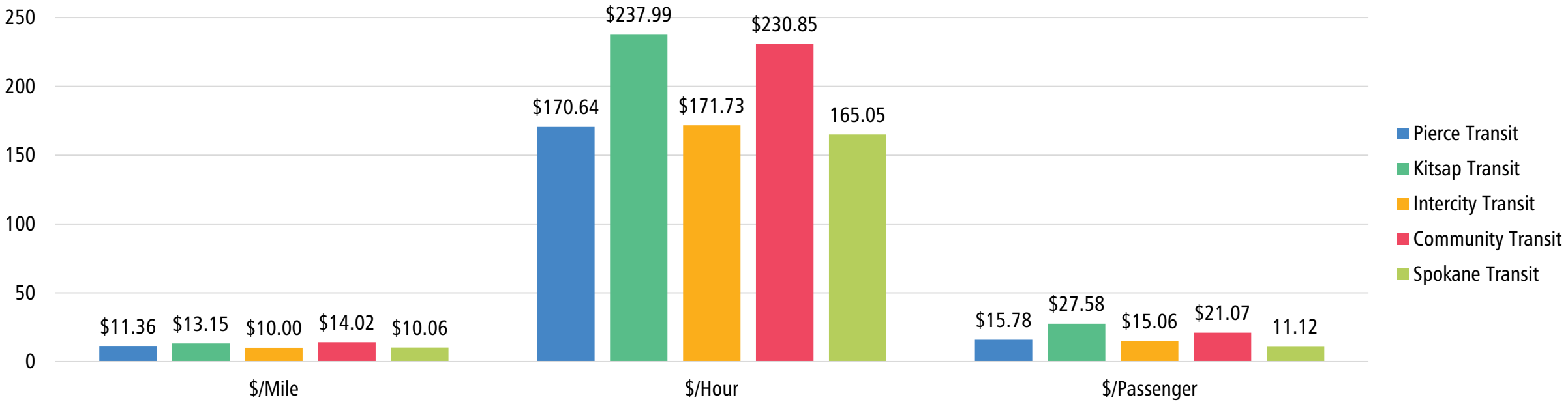
*NTD Agency Data 2024 – All Modes, excluding Commuter Bus*

# Operating Expenditures




2027 Expenditures: $225M

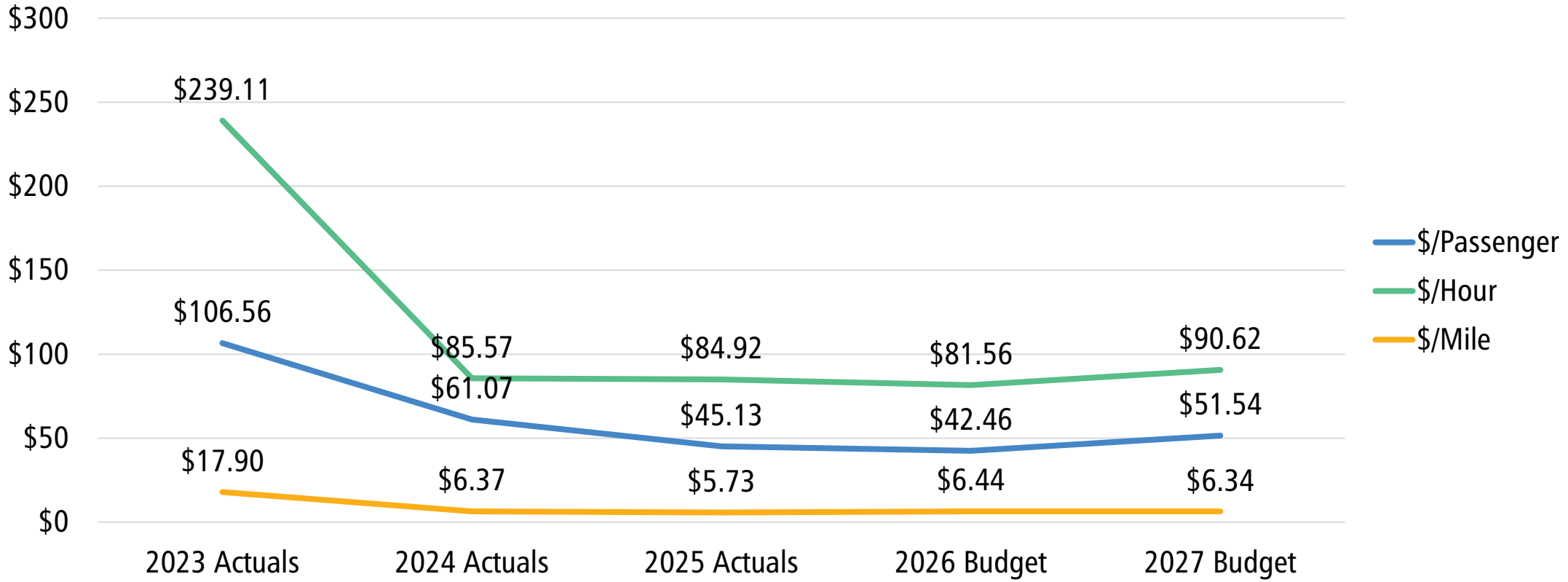
# Peer Comparison – Cost per Measure




| Agency | Operating Costs | Revenue Miles | Revenue Hours | Unlinked Trips |
|---|---|---|---|---|
| Pierce Transit | $118,331,076 | 10,413,088 | 693,465 | 7,497,585 |
| Kitsap Transit | $54,828,436 | 4,168,254 | 230,386 | 1,987,752 |
| Intercity Transit | $66,771,546 | 6,675,985 | 388,815 | 4,433,566 |
| Community Transit | $162,288,278 | 11,575,167 | 702,993 | 7,701,878 |
| Spokane Transit | $118,602,285 | 10,727,633 | 718,595 | 10,661,102 |

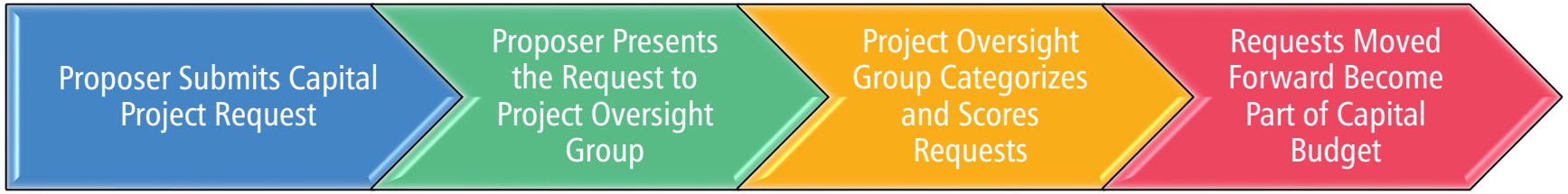
*NTD Agency Data 2024 – All Modes, excluding Commuter Bus*

# Runner Service



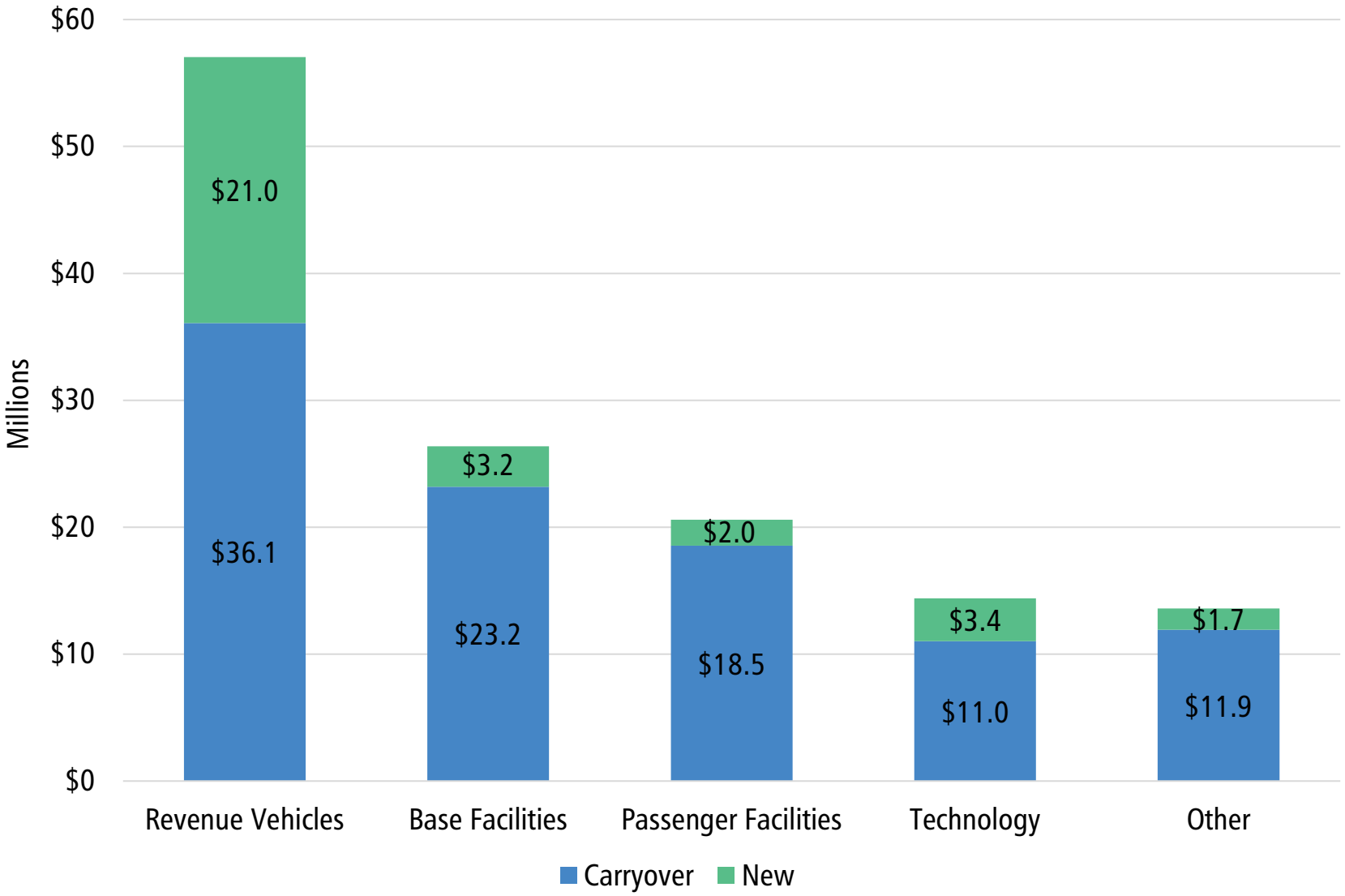

| Measurement | 2023 Actuals | 2024 Actuals | 2025 Actuals | 2026 Budget | 2027 Budget |
|---|---|---|---|---|---|
| Cost | 1,682,123 | 3,198,680 | 3,934,588 | 3,914,620 | 5,699,190 |
| Ridership | 15,786 | 52,379 | 87,192 | 92,195 | 110,568 |
| Service Hours | 7,035 | 37,381 | 46,331 | 47,995 | 62,892 |
| Service Miles | 93,972 | 501,967 | 686,506 | 607,741 | 899,164 |

# New Projects




| Priority | CPR Name | Cost | Funding | Local | Category | Score |
|---|---|---|---|---|---|---|
| 1 | Bus Fleet Replacement 2027 (11) | 9,913,310 | 8,323,010 | 1,590,300 | Must Do | 923 |
| 2 | SHUTTLE Replacement 2027 (11) | 3,289,320 | 2,631,460 | 657,860 | Must Do | 918 |
| 3 | Water Intrusion Solution TDS West and East Elevators | 2,046,000 | 122,210 | 1,923,790 | Must Do | 960 |
| 4 | New Air Conditioning/Freon Recharging Machine 1 | 16,500 | | 16,500 | Must Do | 805 |
| 5 | Rideshare Replacement 2027 (27) | 1,991,430 | | 1,991,430 | Must Do | 695 |
| 6 | Network Infrastructure Replacement 2027 | 859,890 | | 859,890 | Must Do | 661 |
| 7 | Replace Clever Ridecheck+ with Clever Insights | 113,890 | | 113,890 | Must Do | 559 |
| 8 | Emergency Alarm (EA) Indicator Enhancement | 77,000 | | 77,000 | Must Do | 534 |
| 9 | New gates for Bldg. 5 and the Bus Yard | 200,000 | | 200,000 | Must Do | 494 |
| 10 | Bldg 6 State of Good Repair | 665,010 | 532,010 | 133,000 | Should Do | 631 |
| 11 | SHUTTLE Expansion 2027 (5) | 1,334,740 | | 1,334,740 | Should Do | 581 |
| 12 | Stabilize the CAD/AVL Bus Radio System | 1,029,860 | | 1,029,860 | Should Do | 581 |
| 13 | Support Vehicle Replacement 2027 (9) | 998,650 | | 998,650 | Should Do | 578 |
| 14 | Bldg 5 State of Good Repair | 1,774,800 | 1,419,840 | 354,960 | Should Do | 491 |
| 15 | Parts Room Refresh | 445,200 | | 445,200 | Should Do | 459 |
| 16 | Pierce Transit Access Control upgrade/transition | 240,510 | | 240,510 | Should Do | 452 |
| 17 | Support Expansion Public Safety Vehicles 2027 (3) | 292,160 | | 292,160 | Should Do | 427 |
| 18 | Replace the Canon Printer in the Marketing Department | 42,860 | | 42,860 | Should Do | 345 |
| 19 | Maintenance Pit Cover | 90,000 | | 90,000 | Should Do | 343 |
| 20 | Trapeze Mobile Focus for Maintenance | 365,200 | | 365,200 | Should Do | 279 |
| 21 | Dashcam on Rideshare Vehicles | 333,480 | | 333,480 | Should Do | 252 |
| 22 | Move Clever CAD System to the Cloud | 385,730 | | 385,730 | Could Do | 552 |
| 23 | ConnectPoint at Transit Centers Infill (4 Locations) | 279,600 | | 279,600 | Could Do | 523 |
| 24 | 3 Expansion Clean Fuels Buses for Phase 3 Recovery Plan | 4,423,530 | 3,538,820 | 884,710 | Only if Grant | 606 |
| | **Total** | **31,208,670** | **16,567,350** | **14,641,320** | | |

# Capital Projects Portfolio




$101M in Carryover
$31M in New

**$132M Total Capital Budget**

# Major Capital Projects – Over $5 Million

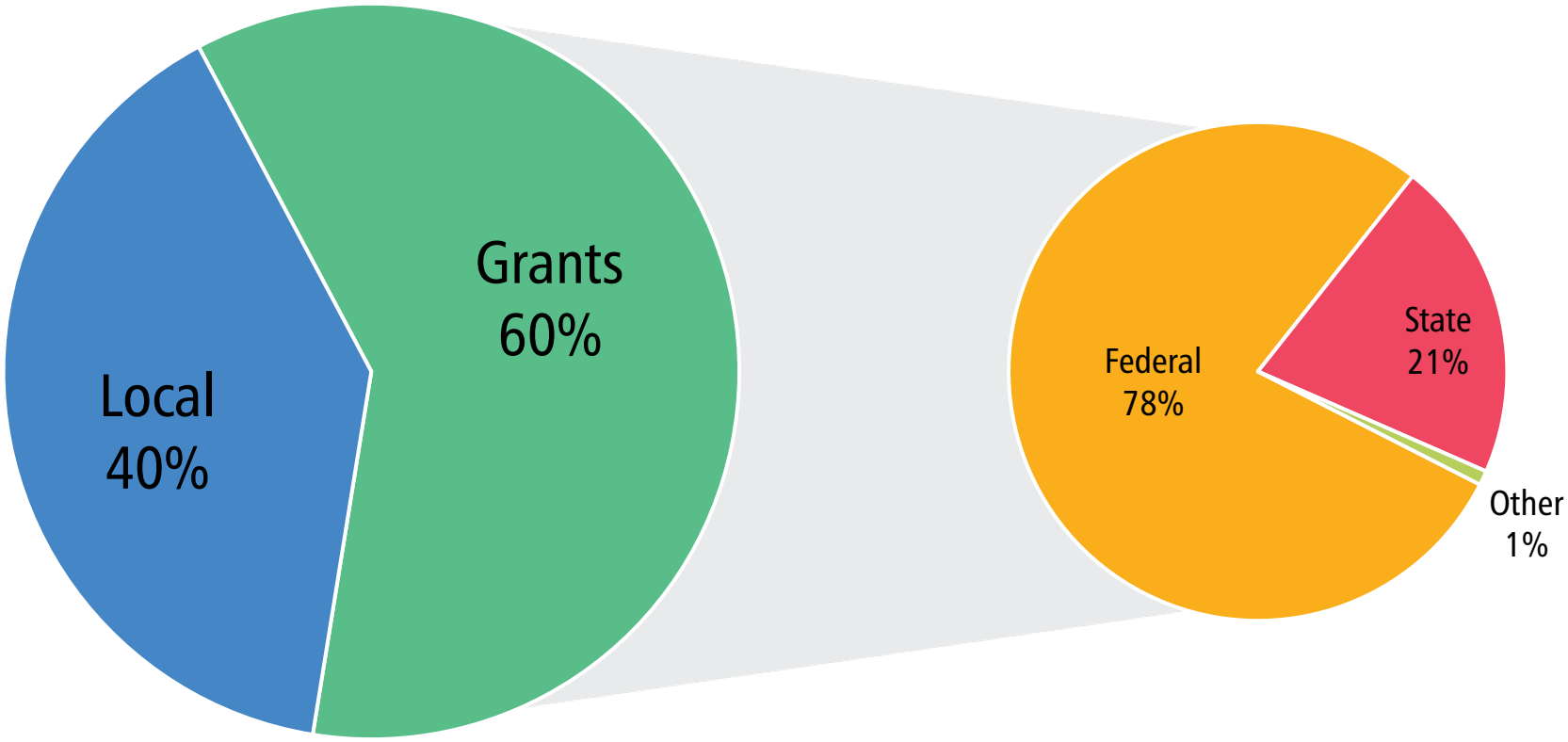








# Capital Funding




$62M in Federal
$17M in State
$1M Total Other

**$80M Outside Funding**

# Six-Year Forecast

| | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 |
|---|---|---|---|---|---|---|
| **Beginning Cash Balance** | 288,837,740 | 240,159,780 | 224,311,290 | 212,623,500 | 195,583,430 | 178,584,700 |
| | | | | | | |
| **Revenues** | | | | | | |
| Operating | | | | | | |
| Passenger Fares | 6,928,860 | 7,029,880 | 7,078,480 | 7,126,550 | 7,174,040 | 7,221,470 |
| Advertising | 663,040 | 669,780 | 676,670 | 683,710 | 690,900 | 698,260 |
| Regional Transit Service | 66,250,000 | 69,034,520 | 71,900,250 | 74,882,000 | 77,984,340 | 81,212,020 |
| Non-Operating | | | | | | |
| Sales Tax | 123,226,750 | 126,923,550 | 130,731,260 | 134,653,200 | 138,692,800 | 142,853,580 |
| Miscellaneous | 10,986,200 | 9,391,970 | 8,881,470 | 8,296,030 | 7,764,010 | 7,233,710 |
| Contributions | | | | | | |
| Operating | 21,207,320 | 13,006,850 | 13,358,250 | 13,286,250 | 13,286,250 | 13,286,250 |
| Capital | 79,622,630 | 6,337,920 | 74,840 | 5,776,760 | 4,000,000 | 9,701,920 |
| **Total Revenue** | **308,884,800** | **232,394,470** | **232,701,220** | **244,704,500** | **249,592,340** | **262,207,210** |
| | | | | | | |
| **Expenditures** | | | | | | |
| Operating | | | | | | |
| Wages | 105,473,860 | 109,150,260 | 112,901,510 | 116,781,720 | 120,795,280 | 124,946,740 |
| Benefits | 33,348,030 | 35,602,210 | 37,954,770 | 40,427,000 | 43,024,320 | 45,752,430 |
| Maintenance & Operations | 85,613,370 | 84,358,450 | 86,214,630 | 88,111,610 | 90,050,360 | 92,031,760 |
| Non-Operating | 1,135,530 | 1,135,530 | 1,135,530 | 1,135,530 | 1,135,530 | 1,135,530 |
| Capital | 131,991,970 | 17,996,510 | 6,182,570 | 15,288,710 | 11,585,580 | 29,228,800 |
| **Total Expenditures** | **357,562,760** | **248,242,960** | **244,389,010** | **261,744,570** | **266,591,070** | **293,095,260** |
| | | | | | | |
| **Ending Cash Balances** | **240,159,780** | **224,311,290** | **212,623,500** | **195,583,430** | **178,584,700** | **147,696,650** |
| | | | | | | |
| Required Reserves | 49,485,880 | 50,251,510 | 51,564,240 | 52,924,890 | 54,335,270 | 66,097,210 |
| Margin/(Deficit) | 190,673,900 | 174,059,780 | 161,059,260 | 142,658,540 | 124,249,430 | 81,599,440 |
| Use of Reserves | (48,677,960) | (15,848,490) | (11,687,790) | (17,040,070) | (16,998,730) | (30,888,050) |

# Six-Year Forecast

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| Operating | | | | | | |
| Passenger Fares | 6,928,860 | 7,029,880 | 7,078,480 | 7,126,550 | 7,174,040 | 7,221,470 |
| Advertising | 663,040 | 669,780 | 676,670 | 683,710 | 690,900 | 698,260 |
| Regional Transit Service | 66,250,000 | 69,034,520 | 71,900,250 | 74,882,000 | 77,984,340 | 81,212,020 |
| Non-Operating | | | | | | |
| Sales Tax | 123,226,750 | 126,923,550 | 130,731,260 | 134,653,200 | 138,692,800 | 142,853,580 |
| Miscellaneous | 10,986,200 | 9,391,970 | 8,881,470 | 8,296,030 | 7,764,010 | 7,233,710 |
| Contributions | | | | | | |
| Operating | 21,207,320 | 13,006,850 | 13,358,250 | 13,286,250 | 13,286,250 | 13,286,250 |
| Capital | 79,622,630 | 6,337,920 | 74,840 | 5,776,760 | 4,000,000 | 9,701,920 |
| **Total Revenue** | **308,884,800** | **232,394,470** | **232,701,220** | **244,704,500** | **249,592,340** | **262,207,210** |
| **Expenditures** | | | | | | |
| Operating | | | | | | |
| Wages | 105,473,860 | 109,150,260 | 112,901,510 | 116,781,720 | 120,795,280 | 124,946,740 |
| Benefits | 33,348,030 | 35,602,210 | 37,954,770 | 40,427,000 | 43,024,320 | 45,752,430 |
| Maintenance & Operations | 85,613,370 | 84,358,450 | 86,214,630 | 88,111,610 | 90,050,360 | 92,031,760 |
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| Capital | 131,991,970 | 17,996,510 | 6,182,570 | 15,288,710 | 11,585,580 | 29,228,800 |
| **Total Expenditures** | **357,562,760** | **248,242,960** | **244,389,010** | **261,744,570** | **266,591,070** | **293,095,260** |
| **Ending Cash Balances** | **240,159,780** | **224,311,290** | **212,623,500** | **195,583,430** | **178,584,700** | **147,696,650** |
| Required Reserves | 49,485,880 | 50,251,510 | 51,564,240 | 52,924,890 | 54,335,270 | 66,097,210 |
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| Use of Reserves | (48,677,960) | (15,848,490) | (11,687,790) | (17,040,070) | (16,998,730) | (30,888,050) |

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| Operating | | | | | | |
| Passenger Fares | 6,928,860 | 7,029,880 | 7,078,480 | 7,126,550 | 7,174,040 | 7,221,470 |
| Advertising | 663,040 | 669,780 | 676,670 | 683,710 | 690,900 | 698,260 |
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| Non-Operating | | | | | | |
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| Miscellaneous | 10,986,200 | 9,391,970 | 8,881,470 | 8,296,030 | 7,764,010 | 7,233,710 |
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| Operating | 21,207,320 | 13,006,850 | 13,358,250 | 13,286,250 | 13,286,250 | 13,286,250 |
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| | | | | | | |
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| Operating | | | | | | |
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| Benefits | 33,348,030 | 35,602,210 | 37,954,770 | 40,427,000 | 43,024,320 | 45,752,430 |
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| Capital | 131,991,970 | 17,996,510 | 6,182,570 | 15,288,710 | 11,585,580 | 29,228,800 |
| **Total Expenditures** | **357,562,760** | **248,242,960** | **244,389,010** | **261,744,570** | **266,591,070** | **293,095,260** |
| | | | | | | |
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| Use of Reserves | (48,677,960) | (15,848,490) | (11,687,790) | (17,040,070) | (16,998,730) | (30,888,050) |

# Six-Year Forecast

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|---|---|---|---|---|---|---|
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| | | | | | | |
| **Revenues** | | | | | | |
| Operating | | | | | | |
| Passenger Fares | 6,928,860 | 7,029,880 | 7,078,480 | 7,126,550 | 7,174,040 | 7,221,470 |
| Advertising | 663,040 | 669,780 | 676,670 | 683,710 | 690,900 | 698,260 |
| Regional Transit Service | 66,250,000 | 69,034,520 | 71,900,250 | 74,882,000 | 77,984,340 | 81,212,020 |
| Non-Operating | | | | | | |
| Sales Tax | 123,226,750 | 126,923,550 | 130,731,260 | 134,653,200 | 138,692,800 | 142,853,580 |
| Miscellaneous | 10,986,200 | 9,391,970 | 8,881,470 | 8,296,030 | 7,764,010 | 7,233,710 |
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| | | | | | | |
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| Operating | | | | | | |
| Wages | 105,473,860 | 109,150,260 | 112,901,510 | 116,781,720 | 120,795,280 | 124,946,740 |
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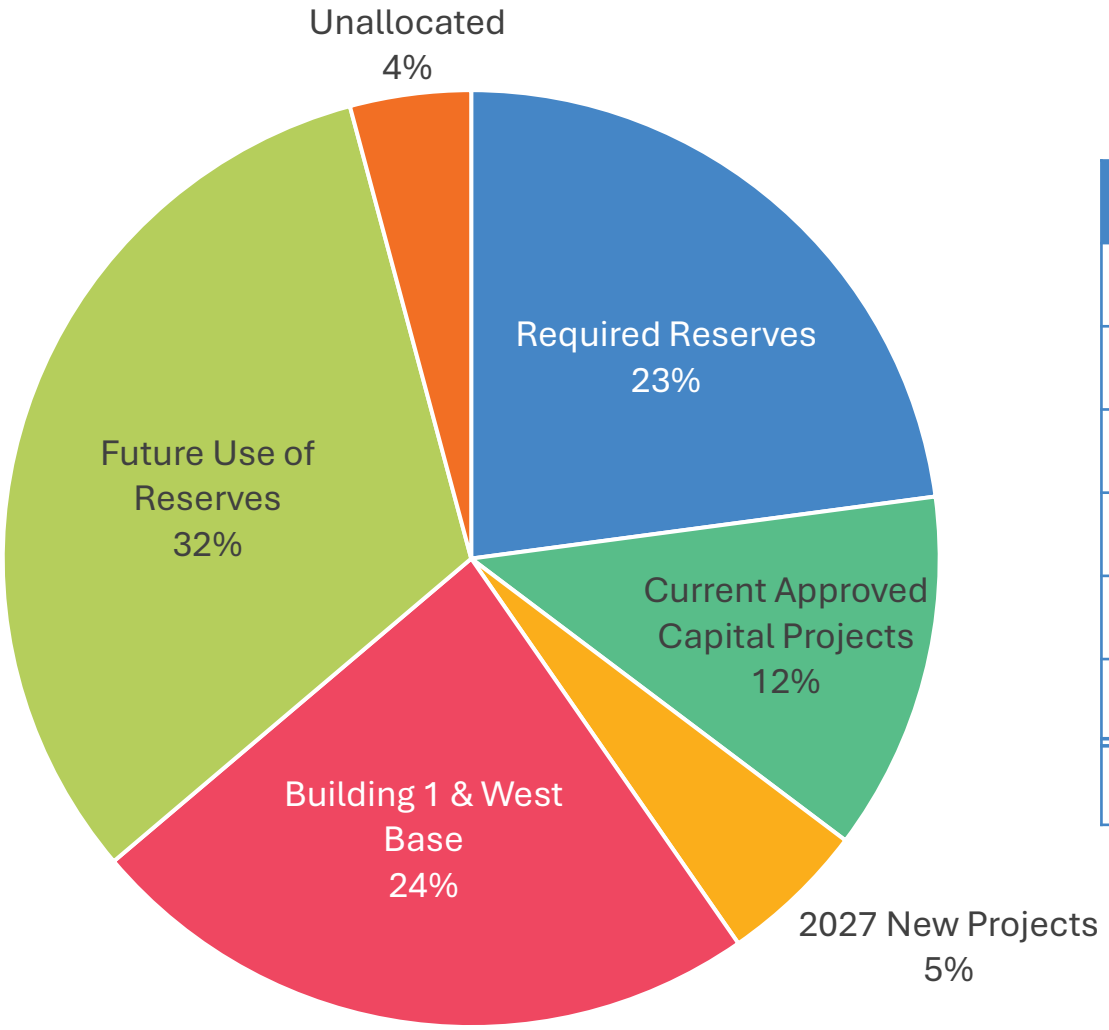
| **Total Expenditures** | **357,562,760** | **248,242,960** | **244,389,010** | **261,744,570** | **266,591,070** | **293,095,260** |
| | | | | | | |
| **Ending Cash Balances** | **240,159,780** | **224,311,290** | **212,623,500** | **195,583,430** | **178,584,700** | **147,696,650** |
| | | | | | | |
| Required Reserves | 49,485,880 | 50,251,510 | 51,564,240 | 52,924,890 | 54,335,270 | 66,097,210 |
| Margin/(Deficit) | 190,673,900 | 174,059,780 | 161,059,260 | 142,658,540 | 124,249,430 | 81,599,440 |
| Use of Reserves | (48,677,960) | (15,848,490) | (11,687,790) | (17,040,070) | (16,998,730) | (30,888,050) |

# Six-Year Forecast

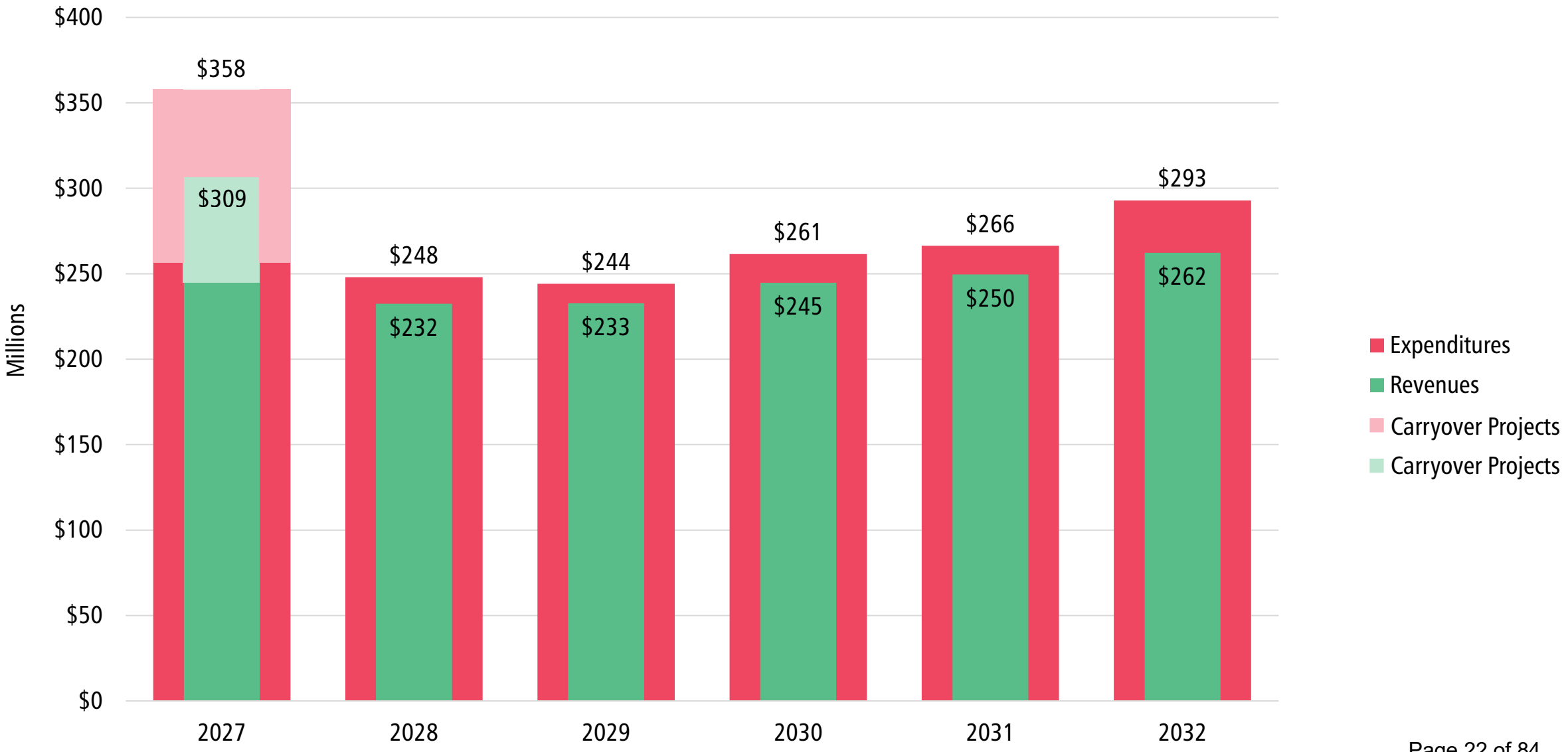
| | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 |
|---|---|---|---|---|---|---|
| **Beginning Cash Balance** | 288,837,740 | 240,159,780 | 224,311,290 | 212,623,500 | 195,583,430 | 178,584,700 |
| | | | | | | |
| **Revenues** | | | | | | |
| Operating | | | | | | |
| Passenger Fares | 6,928,860 | 7,029,880 | 7,078,480 | 7,126,550 | 7,174,040 | 7,221,470 |
| Advertising | 663,040 | 669,780 | 676,670 | 683,710 | 690,900 | 698,260 |
| Regional Transit Service | 66,250,000 | 69,034,520 | 71,900,250 | 74,882,000 | 77,984,340 | 81,212,020 |
| Non-Operating | | | | | | |
| Sales Tax | 123,226,750 | 126,923,550 | 130,731,260 | 134,653,200 | 138,692,800 | 142,853,580 |
| Miscellaneous | 10,986,200 | 9,391,970 | 8,881,470 | 8,296,030 | 7,764,010 | 7,233,710 |
| Contributions | | | | | | |
| Operating | 21,207,320 | 13,006,850 | 13,358,250 | 13,286,250 | 13,286,250 | 13,286,250 |
| Capital | 79,622,630 | 6,337,920 | 74,840 | 5,776,760 | 4,000,000 | 9,701,920 |
| **Total Revenue** | **308,884,800** | **232,394,470** | **232,701,220** | **244,704,500** | **249,592,340** | **262,207,210** |
| | | | | | | |
| **Expenditures** | | | | | | |
| Operating | | | | | | |
| Wages | 105,473,860 | 109,150,260 | 112,901,510 | 116,781,720 | 120,795,280 | 124,946,740 |
| Benefits | 33,348,030 | 35,602,210 | 37,954,770 | 40,427,000 | 43,024,320 | 45,752,430 |
| Maintenance & Operations | 85,613,370 | 84,358,450 | 86,214,630 | 88,111,610 | 90,050,360 | 92,031,760 |
| Non-Operating | 1,135,530 | 1,135,530 | 1,135,530 | 1,135,530 | 1,135,530 | 1,135,530 |
| Capital | 131,991,970 | 17,996,510 | 6,182,570 | 15,288,710 | 11,585,580 | 29,228,800 |
| **Total Expenditures** | **357,562,760** | **248,242,960** | **244,389,010** | **261,744,570** | **266,591,070** | **293,095,260** |
| | | | | | | |
| **Ending Cash Balances** | **240,159,780** | **224,311,290** | **212,623,500** | **195,583,430** | **178,584,700** | **147,696,650** |
| | | | | | | |
| Required Reserves | 49,485,880 | 50,251,510 | 51,564,240 | 52,924,890 | 54,335,270 | 66,097,210 |
| Margin/(Deficit) | 190,673,900 | 174,059,780 | 161,059,260 | 142,658,540 | 124,249,430 | 81,599,440 |
| Use of Reserves | (48,677,960) | (15,848,490) | (11,687,790) | (17,040,070) | (16,998,730) | (30,888,050) |

# Reserves




| Allocation Category | Amount |
|---|---|
| Required Reserves (2032) | $66,097,210 |
| Current Approved Capital Projects | $35,783,890 |
| 2027 New Capital Projects | $14,641,320 |
| Building 1 Improvements & West Base | $67,803,750 |
| Future Use of Reserves (2028-2032) | $92,463,130 |
| Unallocated | $12,048,440 |
| **Total (2026 Ending Balance)** | **$288,837,740** |

# Revenues & Expenditures – Six-Year



# 2027 Budget Appropriations

| | |
|---|---|
| Operating | $225,570,790 |
| Carryover Capital | 100,783,300 |
| New Capital | 31,208,670 |
| **Total Appropriations** | **$357,562,760** |

# Ballot Measure

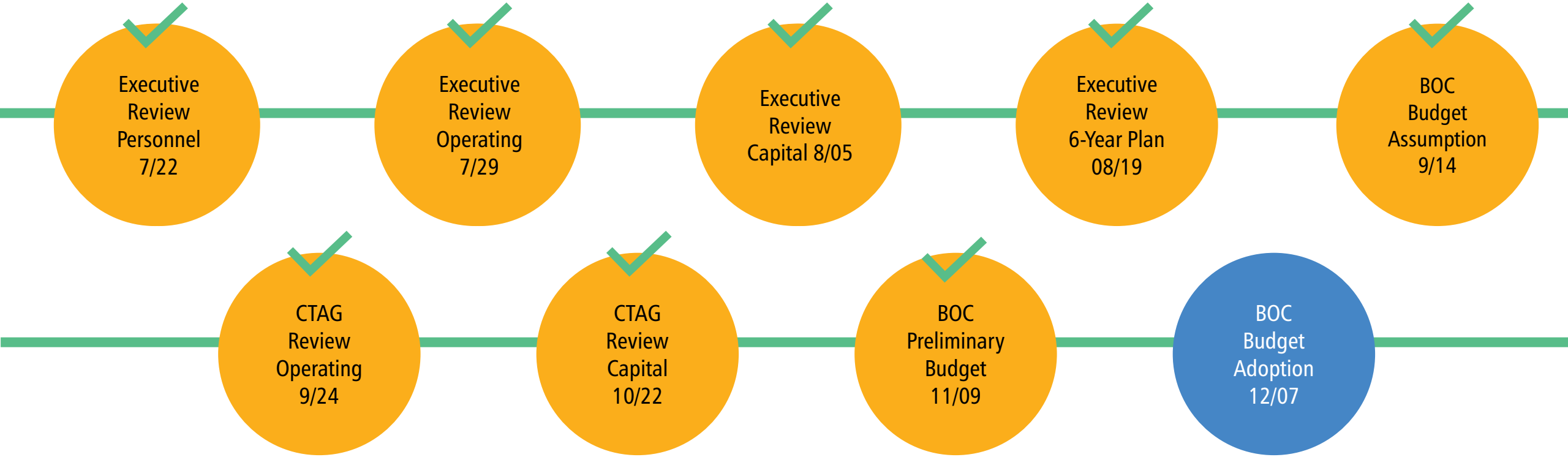
## Voters Pass

- **5-years to reach 730k hours**
  - Amendment to add budget Q1 2027
  - Fare free seniors 65+ begins April 27
  - Bus purchases - 2-year lag time
  - Lot capacity
  - Staffing

## Voters Reject

- **Reforecast 6-year plan**
  - Discuss reissuing ballot measure
  - Determine revenue needed to avoid immediate service reductions
  - Continue seeking grant funds
  - Service reductions possible in 2031

# Upcoming Budget Events



**PIERCE TRANSIT**
**NOTICE OF PUBLIC HEARING**
**PROPOSED 2027 BUDGET**

A public hearing will be held as part of the Board of Commissioners special board meeting on Monday, November 9, 2026. The meeting begins at 3:30 p.m. and members of the public may attend the meeting in person or virtually through Zoom.

The purpose of the public hearing is to advise the public and receive public testimony on the proposed 2027 Budget. The proposed Budget may be viewed on the Agency's website at: https://piercetransit.org/wp-content/uploads/public-documents/2027-Preliminary-Budget-Document.pdf?ver=1792735802.

The meeting will be conducted in a hybrid format. To attend in person, the meeting will be held at the Pierce Transit Training Center, Rainier Room, located at 3720 96th ST SW, Lakewood, WA 98499. To attend virtually, join through Zoom at https://us02web.zoom.us/j/85459089849 , or dial 253-215-8782 and enter Meeting ID No. 85459089849.

Those wishing to submit written comments may do so by emailing Djacobson@piercetransit.org, or by submitting written comments to Deanne Jacobson, Pierce Transit Clerk of the Board, 3701 96th Street SW, Lakewood, WA 98499. Written comments will be received up to 12:00 p.m. on November 9, 2026, and will be forwarded to the Pierce Transit Board. The Board is expected to consider adoption of the 2027 Budget at the December 14, 2026, regular board meeting.

Pierce Transit does not discriminate on the basis of disability in any of its programs, activities, or services. Anyone who requires an auxiliary aid or service for effective communication, or a modification of policies or procedures to participate in a program, service, or activity of Pierce Transit should contact the Clerk's Office at 253.581.8066, or Clerks@piercetransit.org as soon as possible but no later than the Thursday preceding the board meeting.

Dated this 27th day of October 2026.

Deanne Jacobson, Clerk of the Board

*Published in the Tacoma Daily Index and Tacoma News Tribune on Thursday, October 30, 2026.*

PierceTransit

# 2027 Preliminary Budget

LAKEWOOD, WASHINGTON

DRAFT

# 2027 Preliminary Budget

## Fiscal Year January 1 through December 31, 2027

**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

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# Introduction



December 14, 2026
TO: Pierce Transit Board of Commissioners, Community Members and Employees
FROM: Mike Griffus, Chief Executive Officer

I am pleased to present Pierce Transit's 2027 Budget, which reflects our continued commitment to providing safe, reliable, accessible and sustainable transportation to the communities we serve. This budget builds on our progress in 2026 while positioning the agency to meet evolving needs, strengthen operations and invest in our future.

This year, we achieved a vacancy rate of less than 5%, strengthening our workforce and supporting service reliability. We also successfully reinstated special service for the Washington State Fair and secured $1,317,580 in state and federal funding to support World Cup activities and implement ConnectPoint throughout our system, providing benefits to customers beyond the event.

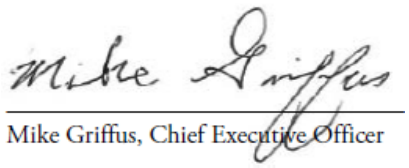
Financial stewardship remains central to our work. From January through September 2026, Pierce Transit received $17.6 million in grant reimbursements for operating and capital needs. We also adapted to changing federal priorities by working to repurpose an original $14 million electrification award for Building 1 state-of-good-repair improvements. This long-needed facility investment will address critical infrastructure needs while leveraging federal funding to reduce the burden on local taxpayers.

The 2027 Budget advances our four Strategic Priorities: adopting a customer-first mindset, engaging with the community, elevating employee experience and assuring sustainability. Key areas of focus include improving system connectivity, expanding community outreach, maintaining a strong workforce and ensuring the long-term financial and operational health of the agency.

Safety and security will remain priorities in 2027, with four approved public safety positions, including a supervisory role on the graveyard shift. These positions will strengthen oversight and support a safer environment for our customers and employees. We will also continue improving connections across our system to make transit easier and more seamless for the people who depend on us.

The 2027 Budget supports Pierce Transit's Strategic Plan and our 20-year Long Range Plan, Destination 2045. Through responsible financial planning, strategic investments and continued pursuit of outside funding, we will work to deliver reliable service today while preparing for the region's future transportation needs.

I thank the Pierce Transit Board of Commissioners for its continued leadership and commitment to public transportation, and our dedicated employees for their daily work connecting people to jobs, education, healthcare, and opportunity. Together, we will continue strengthening our communities, one ride at a time.

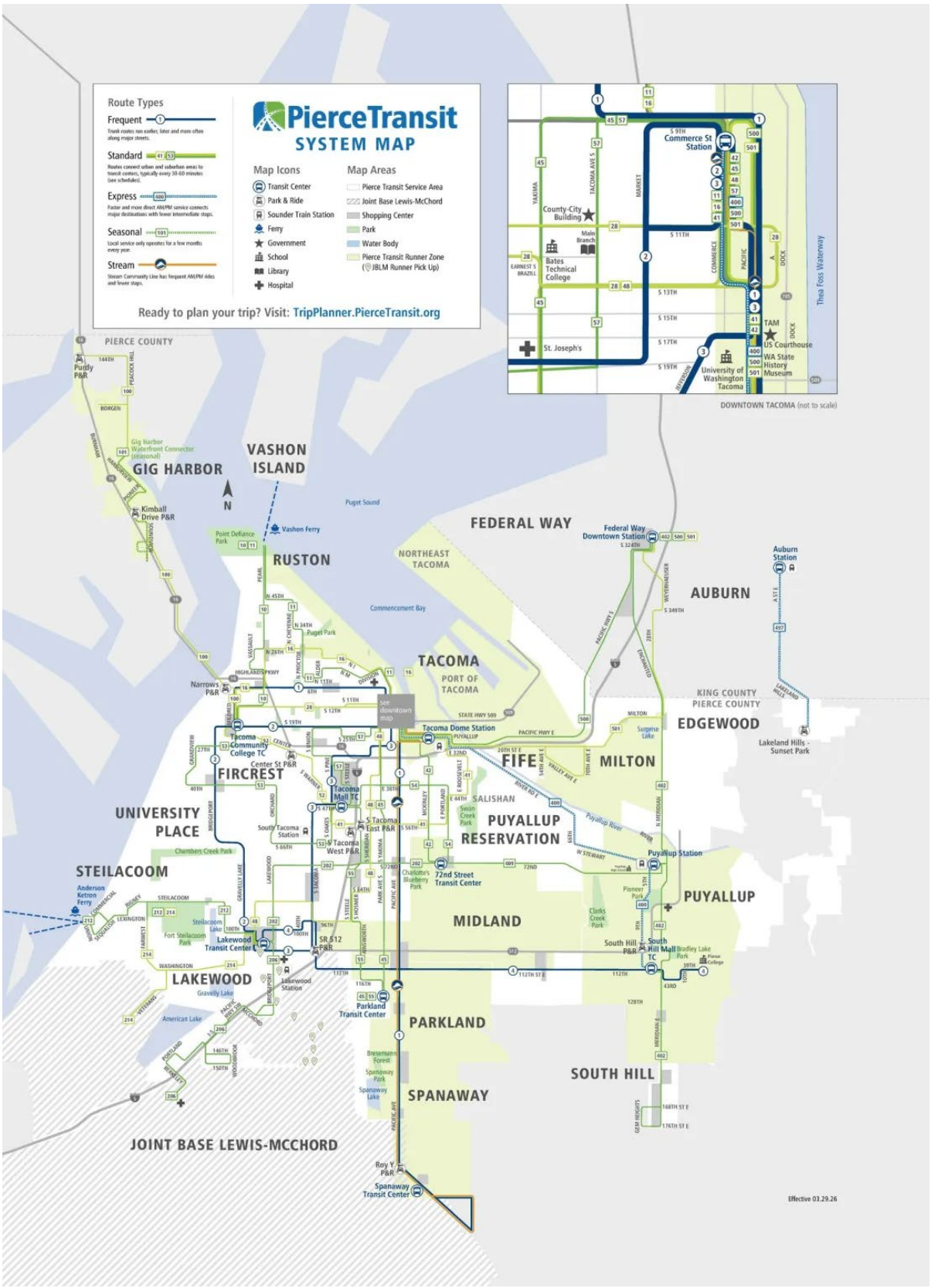


Mike Griffus, Chief Executive Officer

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.

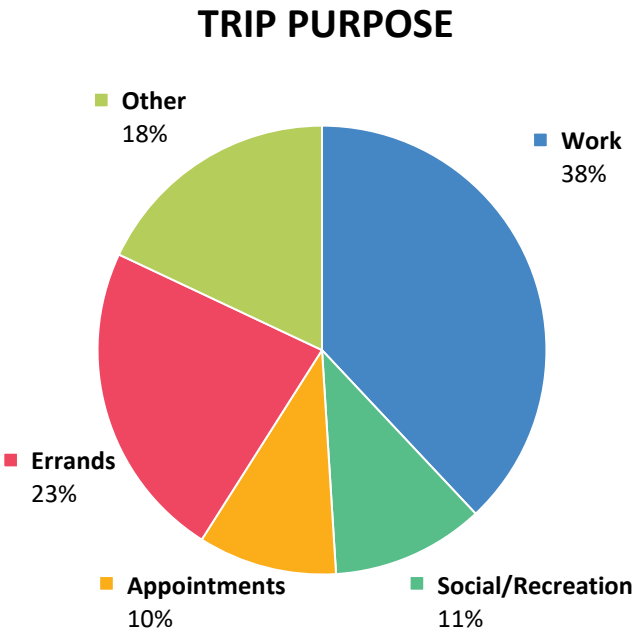
Pierce Transit offers four transportation modes: bus transportation that follows one of 29 routes on a schedule; SHUTTLE paratransit, which provides transportation for those with a qualifying disability within ¾ of a mile of our bus routes; Rideshare service, which allows groups of three or more whose 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.

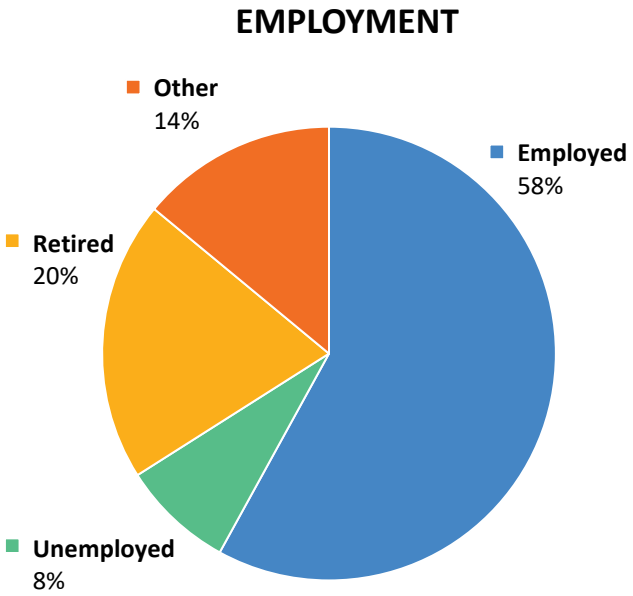
For more information on Pierce Transit, visit the agency's public dashboard at PierceTransit.org/about-us.

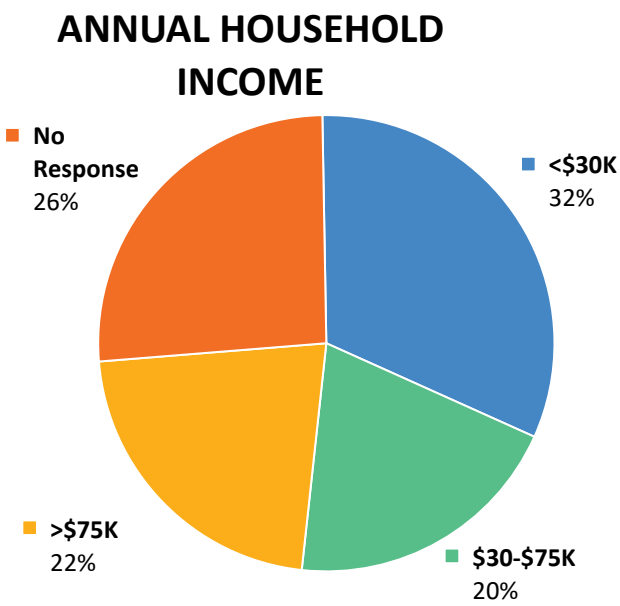


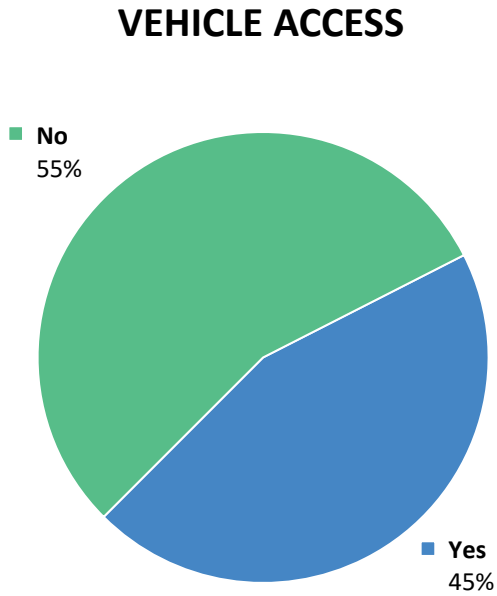

Picture above show a map of Pierce Transit's service area and routes.

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.



# A Brief History

**1979 — Pierce Transit Established**
Voters approved establishing a public transportation system for Pierce County funded by a 0.3% Sales Tax

**1986 — 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

**1997 — Tacoma Dome Station (TDS) Opens**
TDS begins operations as a central bus hub

**1999 — Partners with Sound Transit**
Pierce Transit begins operating regional service for Sound Transit

**2010 — Real-Time Bus Info**
Real-time bus arrival info becomes available to riders via the One Bus Away collaboration

**2018 — It's Electric**
Pierce Transit purchases its first three battery electric buses

**2020 — Improved Connectivity**
Runner on-demand service added to connect customers with local attractions and other transit services

**2022 — Youth Ride Free**
On September 1, Pierce Transit implements free rides for all youth ages 18 and under on all Pierce Transit services

**2023 — ORCA LIFT Implemented**
On April 1, ORCA LIFT reduced fares are implemented for income-qualified riders

PierceTransit



## 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



## 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



Kristina Walker
Board Chair,
Commissioner
Tacoma City Council
*Tacoma*



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



Lauren Adler
Commissioner
Puyallup City Council
*Puyallup*



Paul Bocchi
Commissioner
Mayor of Lakewood
*Lakewood*



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*



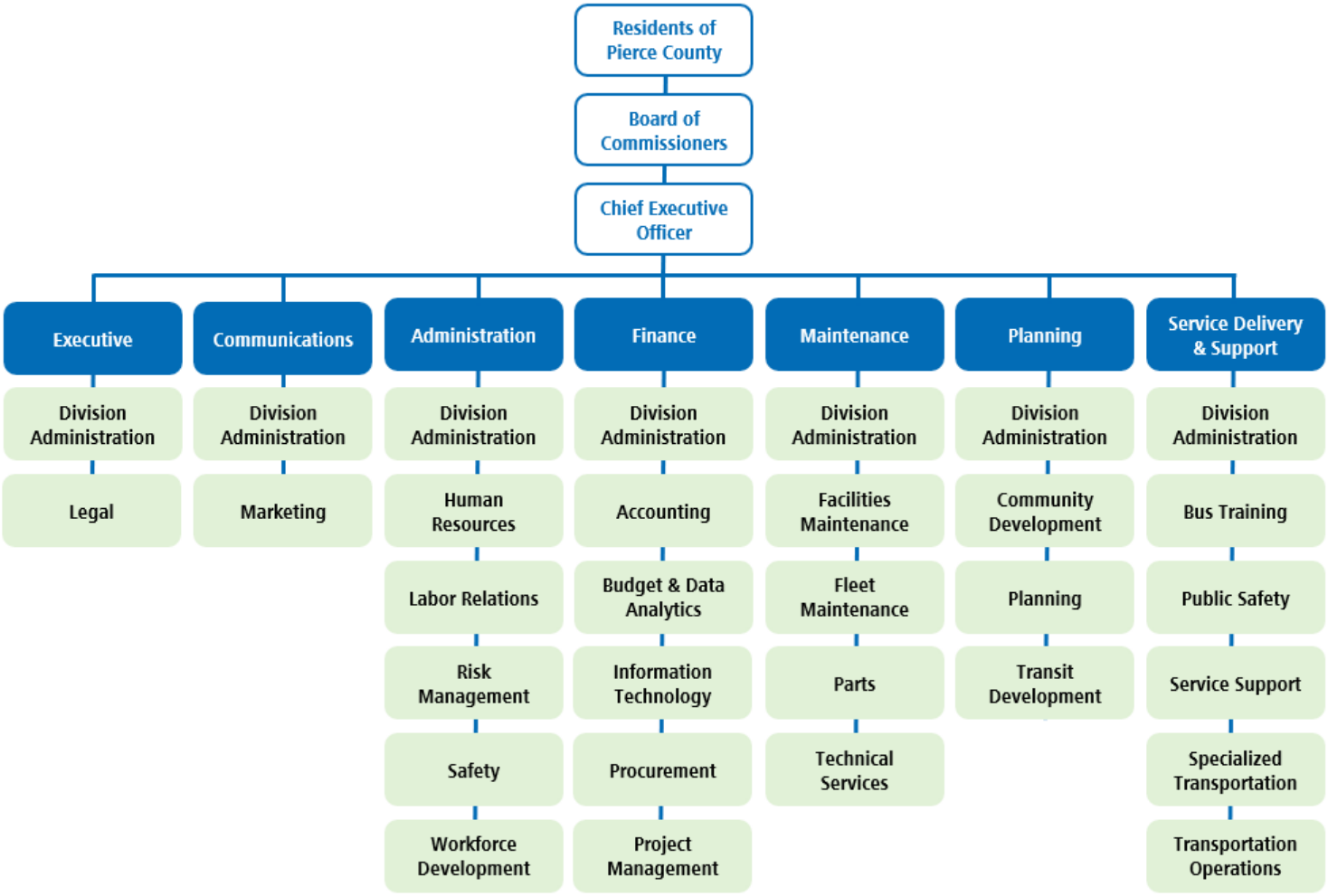
Ryan Mello
Commissioner
Pierce County Executive
*Pierce County*



Shannon Reynolds
Commissioner
Mayor of Fircrest
*Fircrest, Gig Harbor, and University Place*



John Hoheusle
Commissioner
Non-Voting Labor
Representative




The organizational chart above shows how Pierce Transit is structured. Pierce County residents guide the direction of Pierce Transit by electing officials within their jurisdiction. A representative from the elected officials, nine positions within the PTBA, comprise the Board of Commissioners, which provides the overall policy direction for the agency. The Chief Executive Officer carries out that direction within the organization. Pierce Transit is organized into seven divisions: Executive, Communications, Administration, Finance, Maintenance, Planning, and Service Delivery and Support. Each division consists of one or more departments responsible for specific agency functions.

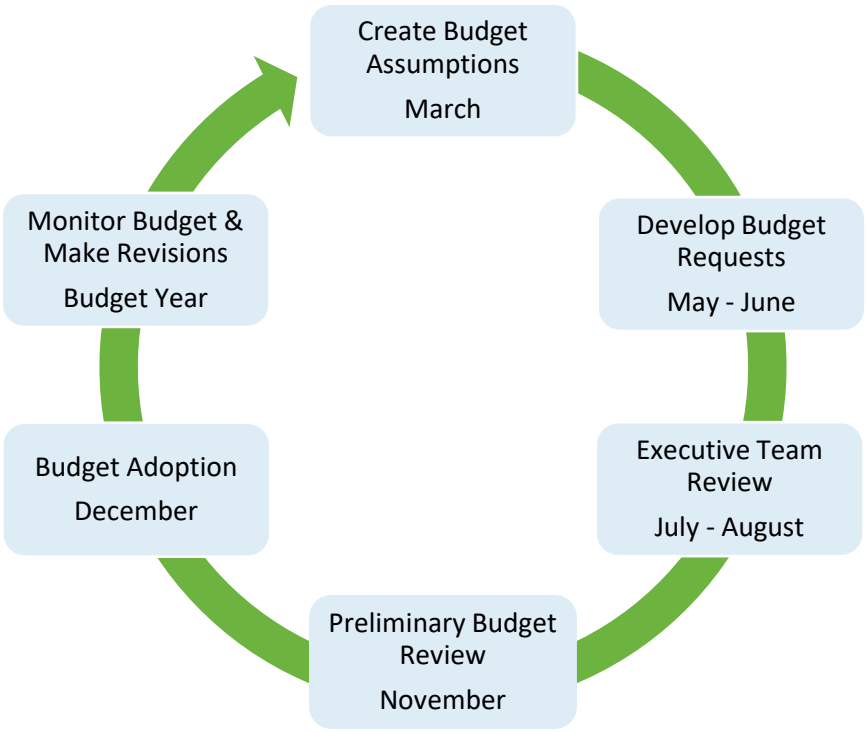
# RESERVE POLICY

- 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.

There are six major steps that make up the budget process. They are: Create budget assumptions, Develop budget requests, Executive team review for priorities, feasibility, and sustainability, Board of Commissioners preliminary review, Board of Commissioners budget adoption, and finally Budget monitoring throughout the budget year.



# ECONOMIC CONDITIONS

In recent years, the economy has gone through periods of uncertainty, but national trends point to gradual, manageable shifts rather than sharp changes*:

- Unemployment is expected to increase only slightly—from about 4.3% in 2026 to roughly 4.4% in 2027, remaining well within a historically healthy range.
- Inflation is projected to keep easing, moving from around 3.4% in mid-2026 toward 2.0-2.5% in late 2027.
- Interest rates are anticipated to steadily decline, with the federal funds rate expected to settle between 2.9-3.6% by late 2027.

State and local conditions largely mirror national trends, though Pierce County faces a mix of constraints and strengths. The county's natural beauty, diverse landscapes, and mild climate continue to attract new residents, supporting ongoing demand for housing, retail, and local services. While this growth helps sustain economic activity and tax revenues, affordability remains a challenge for many households.

Pierce Transit is committed to supporting county residents with sustainable, reliable transportation well into the future. Even with an uncertain revenue outlook, we are maintaining service levels, making modest improvements, and investing in infrastructure that will allow us to meet future demand. Our sustainability is rooted in intentional financial management and disciplined planning:

- Remaining debt-free allows us to fund today's service at today's costs.
- Thoughtful, mission-focused budgeting ensures we continue providing safe, reliable, and accessible transportation.
- Strategic capital investments help maintain essential infrastructure and build the capacity needed for future service expansion.
- Responsible investing protects us from uncertainty and gives us the flexibility to temporarily bridge revenue gaps without reducing service.

# BUDGET OBJECTIVES

- **Adopt a "Customer First" mindset:**
  We have restored Fair Express Service beginning in 2026 and will continue operating it in 2027. We will also continue offering Gig Harbor Trolley service and providing transportation to other community events when possible. Even in uncertain economic conditions, we are working to meet customer requests for more service while reducing emissions and fuel costs. Our proposed fleet expansion supports this effort, including the purchase of three battery-electric buses that will advance Phase 3 of our Bus System Recovery Plan.

- **Assure sustainability of agency infrastructure and environment:**
  We continue to maintain a reliable fleet by replacing standard Bus, Shuttle, Rideshare, and Public Safety vehicles as needed to support safe, dependable service. We are also investing in infrastructure improvements, including critical repairs to the Tacoma Dome Station elevators and updates to HVAC systems, lighting, and fire-suppression equipment at our base facilities.

- **Engage with the community through outreach, partnerships, and listening opportunities:**
  Our long-standing community outreach has given us a solid understanding of what our riders value most in their transit system. We are united with a desire to offer more service to more places, more often, but our existing revenue sources limit us to current service levels. We will continue to seek ongoing, additional revenue streams to allow us to expand service.

# BUDGET SUMMARY

The 2027 budget underscores Pierce Transit's continued commitment to serving our communities effectively. It focuses on improving efficiencies, strengthening outreach to better understand service needs, and investing in essential system infrastructure. The 2027 budgeted expenditures total $357 million, balanced by projected revenues of $309 million and reserves. This budget includes a modest increase in service hours, adds key staffing to enhance safety and community engagement, and supports infrastructure projects through the system. Overall, it maintains a careful balance between delivering reliable service and preserving critical infrastructure within available resources.

# 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 2025). This AFB serves as the baseline for forecasting fare revenue in the current year (FY 2026) and the budget year (FY 2027). Ridership estimates for FY 2026 and FY 2027 are provided by Service Planning and are multiplied by the FY 2025 AFB to determine projected fare revenue for those years. For the outyears (FY 2028-FY 2032), 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 2025 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 2027), with outyear projections (FY 2028-FY 2032) 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 2026) and the upcoming fiscal year (FY 2027) are based on the most recent thirty-six months of actual collections (January 2023-December 2025). This rolling 36-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 2027-FY 2032), the model incorporates the three most recent completed fiscal year of actual sales tax collection (FY 2023-FY 2025), along with the forecasted amounts for FY  2026 and FY 2027. 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 2028 through FY 2032. 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 2027-FY 2032) 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 sources 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 wage adjustment is applied, along with applicable 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 2027-FY 2032) 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 2027) 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 2028-FY 2032), 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 2027) 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 2028-FY 2032). 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 2027) 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 2027) and are removed from the projections in the outyears (FY 2028-FY 2032). 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 2026) that are not expected to be completed this year are carried forward to the budget year (FY 2027).

# 2027 Budget Highlights

## Budget Breakdown

Ongoing Operations **$226M** + Capital Improvements **$132M** = Total Budget **$358M**

## 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 **$123M** in 2027.



we're adding **7 new positions** compared to 2026



## Projected Service for 2027

### Fixed Route*

**10,455,943** Ridership

**779,294** Service Hours

**12,234,766** Service Miles

### SHUTTLE

**365,764** Ridership

**220,028** Service Hours

**3,086,523** Service Miles

### Runner

**110,568** Ridership

**62,892** Service Hours

**899,164** Service Miles

### Rideshare

**408,000** Ridership

**114,000** Service Hours

**3,600,000** Service Miles

*Local and Regional




# Annual 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 2026 Year-End Estimate is included in the table below.

**Fares** – Fare revenue accounts for approximately three 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 $0.67 in FY 2027. 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 2027 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 |
| ORCA LIFT | $1 | $2 | $2 | $31 | $36 |
| Discounted | $1 | $2 | -- | $31 | $36 |
| Youth (18 & Under) | FREE | FREE | FREE | FREE | FREE |

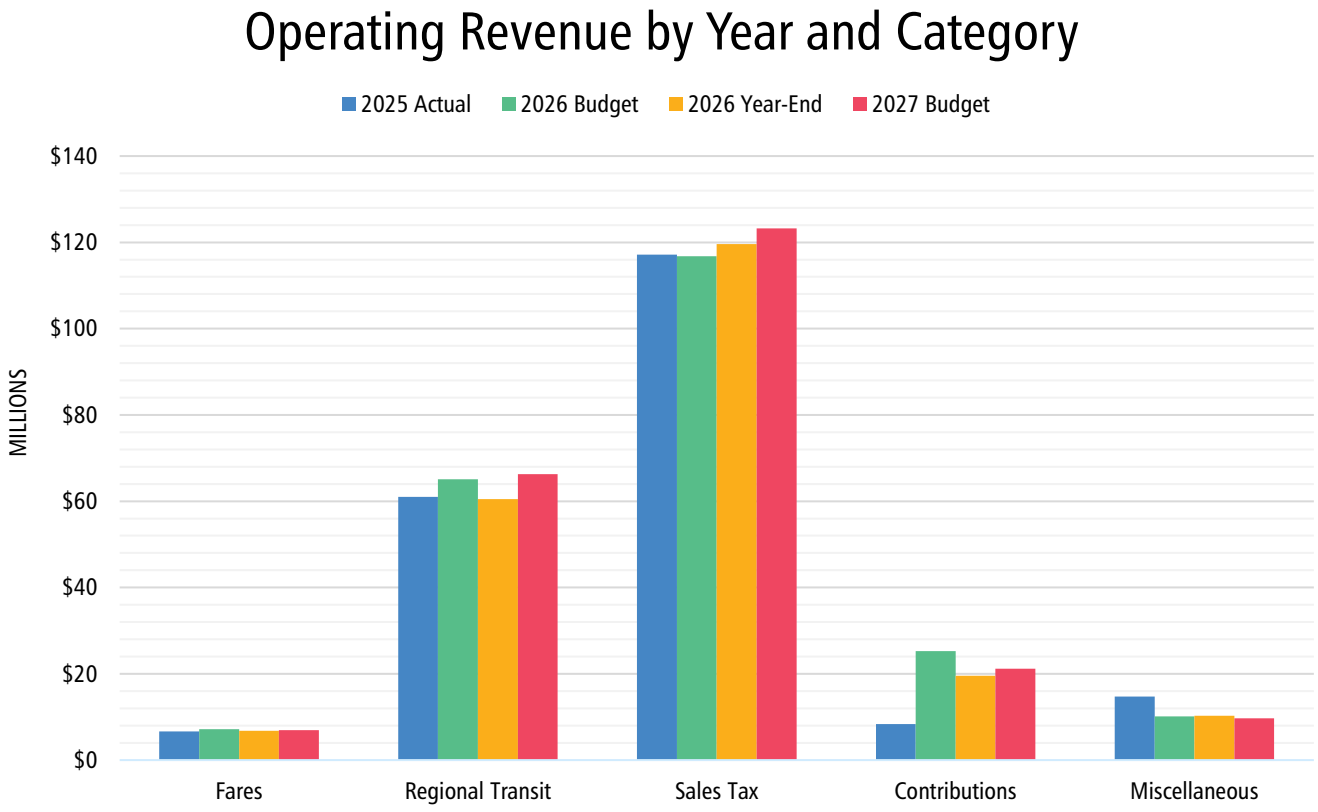
**Sound Transit** – Regional Transit Service budgeted revenue totals $66,250,000 in 2027 a 9.5 percent increase from 2026 Year-End Estimate. Pierce Transit is under contract with Sound Transit to provide regional express transit services. Sound Transit reimburses Pierce Transit for the cost of operating its service. For 2027, Sound Transit service hours are budgeted at 280,494. 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 76.4 percent of the operating budget revenue excluding Sound Transit. In 2027, sales tax is expected to total $123,226,750, a 3 percent increase over the 2026 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.

| Revenue | 2025 Actuals | 2026 Budget | 2026 Year-End | 2027 Budget | Change 2026 YE vs 2027 Budget | |
|---|---|---|---|---|---|---|
| Fares | $6,607,283 | $7,149,240 | $6,806,680 | $6,928,860 | $122,180 | 1.8% |
| Regional Transit | 61,001,600 | 65,124,290 | 60,482,020 | 66,250,000 | 5,767,980 | 9.5% |
| Sales Tax | 117,160,747 | 116,794,690 | 119,637,620 | 123,226,750 | 3,589,130 | 3.0% |
| Contributions | 8,350,884 | 25,291,750 | 19,565,120 | 21,207,320 | 1,642,200 | 8.4% |
| Miscellaneous | 14,692,580 | 10,112,660 | 10,267,230 | 9,705,110 | -562,120 | -5.5% |
| **Total** | **$207,813,094** | **$224,472,630** | **$216,758,670** | **$227,318,040** | **$10,559,370** | **4.9%** |



# OPERATING GRANTS

| Activity | Grantor | Percent | Grant Funding | Required Match | Additional Local | Activity Cost |
|---|---|---|---|---|---|---|
| **2027** | | | | | | |
| Preventative Maint | FTA | 80% | 5,773,160 | 1,443,290 | 13,664,250 | 20,880,700 |
| ADA Operations | FTA | 80% | 943,680 | 235,920 | 2,447,690 | 3,627,290 |
| FY22 Low-No WF Dev | FTA | 80% | 80,000 | 20,000 | | 100,000 |
| Bus Stop Upgrades | FTA | 80% | 661,600 | 165,400 | | 827,000 |
| Tideflats Runner | WSDOT | 80% | 227,470 | 56,870 | 1,415,660 | 1,700,000 |
| Gig Harbor Runner | WSDOT | 80% | 259,970 | 64,990 | 275,040 | 600,000 |
| Ruston Runner | WSDOT | 80% | 75,820 | 18,960 | 75,220 | 170,000 |
| Spanaway North Runner | WSDOT | 80% | 99,120 | 24,780 | 156,100 | 280,000 |
| Spanaway South Runner | WSDOT | 80% | 99,120 | 24,780 | 626,100 | 750,000 |
| HCT Study | WSDOT | 100% | 2,000,000 | | | 2,000,000 |
| Puyallup Runner | WSDOT | 80% | 154,750 | 38,690 | 1,306,560 | 1,500,000 |
| Transit Support | WSDOT | 100% | 7,182,140 | | 58,327,110 | 65,509,250 |
| Special Needs | WSDOT | 80% | 3,578,490 | 894,620 | 9,281,770 | 13,754,880 |
| Regional Mobility | WSDOT | 80% | 72,000 | 18,000 | | 90,000 |
| **2028** | | | | | | |
| Preventative Maint | FTA | 80% | 1,109,470 | 277,370 | 19,801,710 | 21,188,550 |
| ADA Operations | FTA | 80% | 822,750 | 205,690 | 2,292,400 | 3,320,840 |
| FY22 Low-No WF Dev | FTA | 80% | 170,000 | 42,500 | | 212,500 |
| Bus Stop Upgrades | FTA | 80% | 531,400 | 132,850 | 187,560 | 851,810 |
| Transit Support | WSDOT | 100% | 7,182,140 | | 61,936,670 | 69,118,810 |
| Special Needs | WSDOT | 80% | 3,578,490 | 894,620 | 9,970,630 | 14,443,740 |
| Regional Mobility | WSDOT | 80% | 144,000 | 36,000 | | 180,000 |
| **2029** | | | | | | |
| Preventative Maint | FTA | 80% | 1,702,870 | 425,720 | 19,953,540 | 22,082,130 |
| ADA Operations | FTA | 80% | 822,750 | 205,690 | 2,365,460 | 3,393,900 |
| Transit Support | WSDOT | 100% | 7,182,140 | | 64,851,580 | 72,033,720 |
| Special Needs | WSDOT | 80% | 3,578,490 | 894,620 | 10,288,390 | 14,761,500 |
| Regional Mobility | WSDOT | 80% | 72,000 | 18,000 | | 90,000 |
| **2030** | | | | | | |
| Preventative Maint | FTA | 80% | 1,702,870 | 425,720 | 20,883,510 | 23,012,100 |
| ADA Operations | FTA | 80% | 822,750 | 205,690 | 2,440,120 | 3,468,560 |
| Transit Support | WSDOT | 100% | 7,182,140 | | 67,885,220 | 75,067,360 |
| Special Needs | WSDOT | 80% | 3,578,490 | 894,620 | 10,613,150 | 15,086,260 |
| **2031** | | | | | | |
| Preventative Maint | FTA | 80% | 1,702,870 | 425,720 | 21,851,310 | 23,979,900 |
| ADA Operations | FTA | 80% | 822,750 | 205,690 | 2,516,430 | 3,544,870 |
| Transit Support | WSDOT | 100% | 7,182,140 | | 71,042,290 | 78,224,430 |
| Special Needs | WSDOT | 80% | 3,578,490 | 894,620 | 10,945,050 | 15,418,160 |
| **2032** | | | | | | |
| Preventative Maint | FTA | 80% | 1,702,870 | 425,720 | 22,858,470 | 24,987,060 |
| ADA Operations | FTA | 80% | 822,750 | 205,690 | 2,594,420 | 3,622,860 |
| Transit Support | WSDOT | 100% | 7,182,140 | | 74,327,700 | 81,509,840 |
| Special Needs | WSDOT | 80% | 3,578,490 | 894,620 | 11,284,250 | 15,757,360 |

# 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 $225,570,790, a 12.8 percent increase from the 2026 year-end estimate. The changes from the 2026 year-end estimate to the 2027 budget are as follows:

**Wages** – The 2027 budget includes 973 positions or 971 full-time equivalents (FTEs). The 10.5 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 bargaining units without a contract in place has been assumed in the budget; however, the actual amounts will be set in the final master agreement.

**Benefits** – The increase in benefits of 13.6 percent or $3,997,670 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.

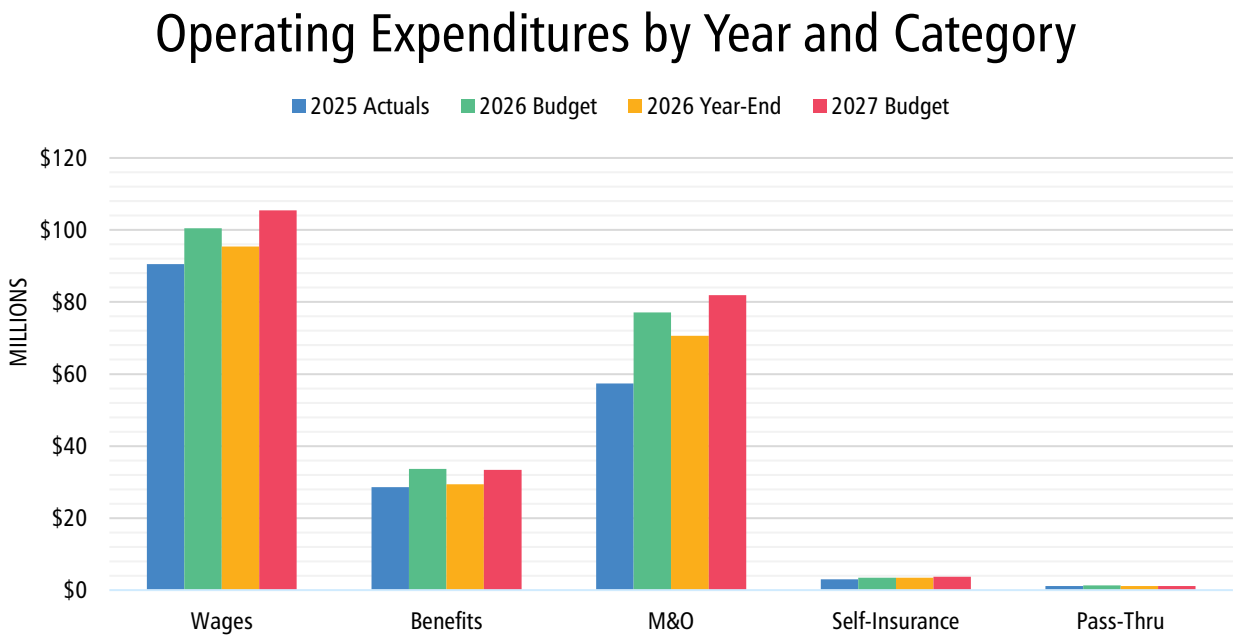
- AWC medical, dental, and vision benefits increased at the 2026 increases.
- Public Employees Retirement System decreased by 3.2% based on DRS adopted rates.
- Deferred compensation, long-term disability, and federal tax rates remain unchanged.

**Maintenance and Operations** – The 2027 maintenance and operations (M&O) budget is $81,893,370. The expenditures support service, maintenance of equipment, and technology system needs. This is an increase of $11,267,000 or 16 percent higher than the 2026 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 fuel and purchased transportation costs.

**Self-Insurance** – The 2027 self-insurance budget is $3,720,000. These expenditures cover the cost of claims that arise from workers' compensation and unemployment.

**Non-Operating Expenditures** – 2027 non-operating expenditures is a payment of $1,135,530 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.

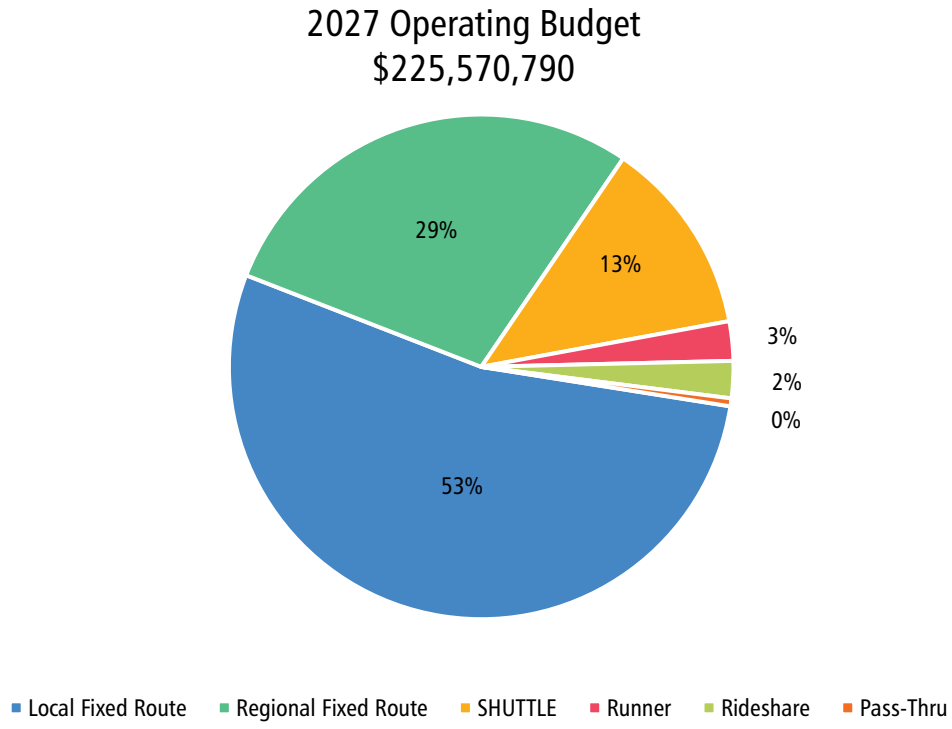
| Expenditure | 2025 Actuals | 2026 Budget | 2026 Year-End | 2027 Budget | Change 2026 YE vs 2027 Budget | |
|---|---|---|---|---|---|---|
| Wages | $90,551,112 | $100,477,360 | $95,409,670 | $105,473,860 | $10,064,190 | 10.5% |
| Benefits | 28,556,026 | 33,699,740 | 29,350,360 | 33,348,030 | 3,997,670 | 13.6% |
| M&O | 57,336,231 | 77,082,210 | 70,626,370 | 81,893,370 | 11,267,000 | 16.0% |
| Self-Insurance | 2,959,669 | 3,417,000 | 3,425,370 | 3,720,000 | 294,630 | 8.6% |
| Pass-Thru | 1,092,050 | 1,325,010 | 1,135,530 | 1,135,530 | -- | 0.0% |
| **Total** | **$180,495,088** | **$216,001,320** | **$199,947,300** | **$225,570,790** | **$25,623,490** | **12.8%** |




# TRANSFERS

Transfers are the movement of funding between operating and self-insurance or capital budget to remain compliant with the reserve balance prescribed by Pierce Transit's municipal code.

| Budget | 2025 Actuals | 2026 Budget | 2026 Year-End | 2027 Budget |
|---|---|---|---|---|
| Operating | -6,431,030 | -4,569,000 | -3,501,980 | -5,452,830 |
| Self-Insurance | 955,140 | 4,569,000 | 3,501,980 | 3,640,800 |
| Capital | 5,475,890 | -- | -- | 1,812,030 |

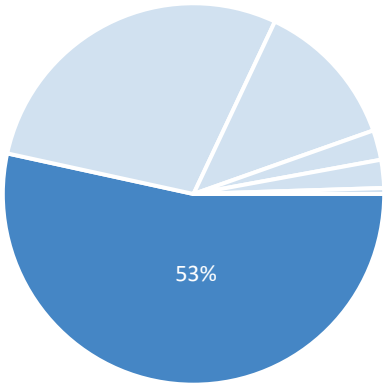



Pierce Transit's budget is allocated across our various service modes, as illustrated in the chart above. Detailed descriptions for each mode can be found in their respective sections. The pass-thru amount of $1,135,530 is included in the total budget shown in the charts; however, it is not allocated to individual modes and represents less than one percent of the overall operating budget.

# LOCAL FIXED ROUTE

Local fixed route service represents the majority of Pierce Transit's operations. This service includes 29 routes and approximately 2,000 bus stops, along with special event services such as the Washington State Fair and Gig Harbor Waterfront. Annual operating costs total $120 million. Local fixed route represents 53 percent of Pierce Transit's operating budget, 42 percent of total service hours, and 30 percent of total service miles.

**Percent of 2027 Operating Budget**




| Category | 2025 Actuals | 2026 Budget | 2026 YE Estimate | 2027 Budget |
|---|---|---|---|---|
| Wages | 53,138,720 | 58,797,930 | 54,764,470 | 61,847,660 |
| Benefits | 18,472,436 | 21,256,340 | 18,970,310 | 21,410,760 |
| Services | 7,678,283 | 13,535,310 | 14,506,490 | 16,368,220 |
| Supplies | 7,864,605 | 13,361,390 | 10,600,680 | 11,961,140 |
| Utilities | 1,076,536 | 943,600 | 1,036,060 | 1,169,030 |
| Insurance | 2,750,674 | 2,485,230 | 2,490,630 | 2,810,320 |
| Other | 2,373,432 | 3,735,230 | 3,859,580 | 4,380,890 |
| Rentals | 127,250 | 391,820 | 438,070 | 542,870 |
| **Total** | **93,481,936** | **114,506,850** | **106,666,290** | **120,490,890** |

| Measure | 2026 YE Estimate | 2027 Budget | Change | 2027 Cost/Measure |
|---|---|---|---|---|
| Ridership | 7,296,846 | 7,389,165 | 1.3% | 16.31 |
| Service Hours | 492,568 | 498,800 | 1.3% | 241.56 |
| Service Miles | 5,901,795 | 5,976,464 | 1.3% | 20.16 |

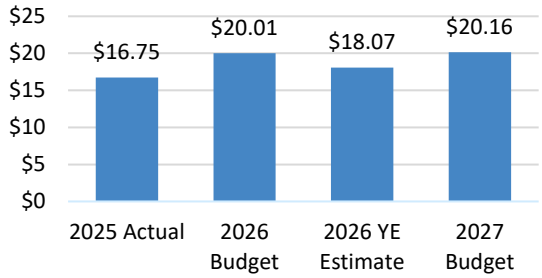
**2026 Accomplishments**

- Achieved 482,000 service hour goal
- Maintained sufficient operator staffing to maintain service
- Improved On-Time Performance to 84.5%

**2027 Goals**

- Maintain a minimum 85% On-Time Performance
- Staff all budgeted positions

**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.

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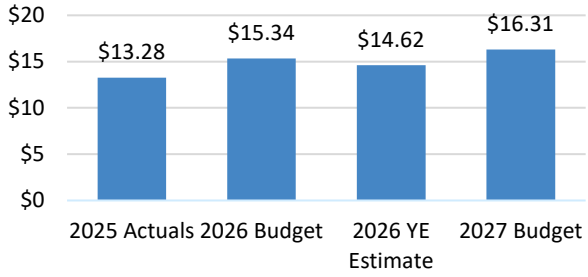
**Operating Expense per Boarding**




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

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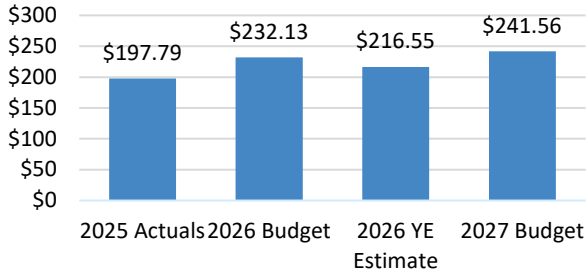
**Operating Expense per Vehicle Hour**




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.

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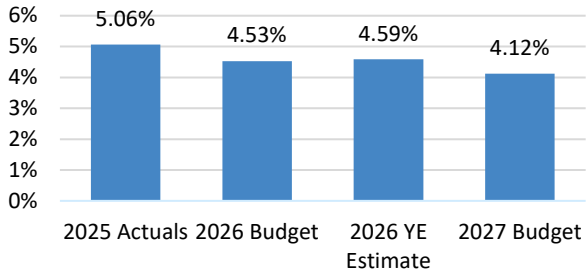
**Fare Recovery**

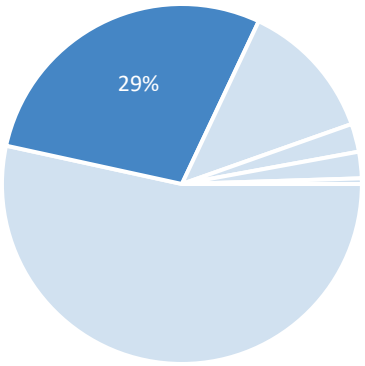



Fare recovery is the revenue generated by a service divided by the total cost to run the service.

# REGIONAL FIXED ROUTE

Regional fixed route service is provided through a contract between Pierce Transit and Sound Transit to support travel between Pierce and King counties. Pierce Transit operates this service, and Sound Transit reimburses all associated costs. Annual operating costs total $65 million. Regional fixed route service has 10 routes and represents 29 percent of Pierce Transit's operating budget, 24 percent of total service hours, and 32 percent of total service miles.

**Percent of 2027 Operating Budget**




| Category | 2025 Actuals | 2026 Budget | 2026 YE Estimate | 2027 Budget |
|---|---|---|---|---|
| Wages | 30,279,205 | 34,054,850 | 31,575,950 | 35,628,380 |
| Benefits | 10,557,508 | 12,435,050 | 10,789,080 | 12,173,740 |
| Services | 3,606,009 | 6,619,390 | 2,228,410 | 2,514,400 |
| Supplies | 8,755,614 | 7,072,370 | 8,714,730 | 9,833,170 |
| Utilities | 478,226 | 528,540 | 169,510 | 191,270 |
| Insurance | 1,849,516 | 2,216,340 | 2,254,820 | 2,544,220 |
| Other | 892,547 | 1,697,750 | 1,448,230 | 1,634,100 |
| **Total** | **56,418,625** | **64,624,290** | **57,180,730** | **64,519,280** |

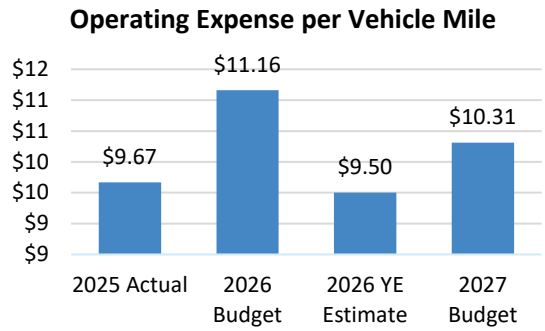
| Measure | 2026 YE Estimate | 2027 Budget | Change | 2027 Cost/Measure |
|---|---|---|---|---|
| Ridership | 2,873,570 | 3,066,778 | 6.7% | 21.04 |
| Service Hours | 262,772 | 280,494 | 6.7% | 230.02 |
| Service Miles | 6,019,888 | 6,258,302 | 4.0% | 10.31 |

**2026 Accomplishments:**

- Increased On-Time Performance by an average of 2%
- Executed contract with Sound Transit for Express service through December 2026
- Restored service hours paused in March 2024

**2027 Goals:**

- Execute a contract extension for Express service through December 2027
- Draft new IGA contract with Sound Transit for Express service to commence January 2028




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.

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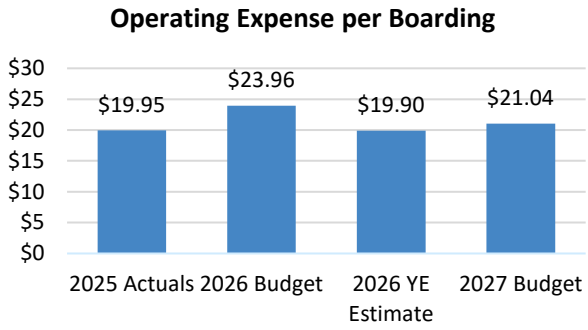


Expense per boarding is the total cost to operate the service divided by the total number of boardings.

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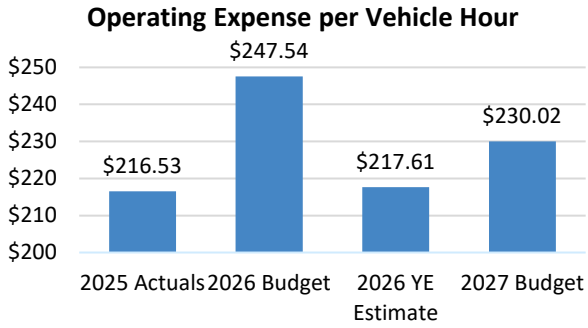



Expense per revenue hour is the total cost to operate the service divided by the number of hours, excluding the time from base to the first pick up and the last drop off to base.

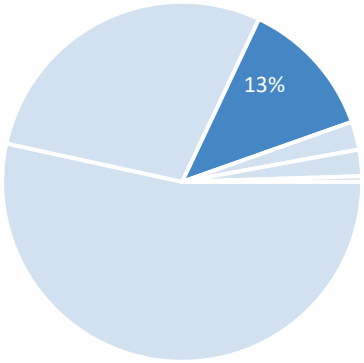
---

Fare Recovery is not supplied for Sound Transit

# DEMAND RESPONSE - SHUTTLE

Paratransit, known as Shuttle, is a federally required component of public transit. Shuttle operates within three-quarters of a mile of local fixed route services and is available to riders who apply for and meet eligibility requirements. Annual operating costs total $28 million. Shuttle represents 13 percent of Pierce Transit's operating budget, 19 percent of total service hours, and 16 percent of total service miles.

**Percent of 2027 Operating Budget**




| Category | 2025 Actuals | 2026 Budget | 2026 YE Estimate | 2027 Budget |
|---|---|---|---|---|
| Wages | 4,684,163 | 5,450,480 | 4,991,370 | 5,631,960 |
| Benefits | 1,508,136 | 1,909,810 | 1,725,630 | 1,947,100 |
| Services | 462,901 | 688,750 | 844,120 | 952,450 |
| Supplies | 1,173,013 | 1,429,130 | 1,579,230 | 1,781,910 |
| Utilities | 47,669 | 46,670 | 41,510 | 46,840 |
| Insurance | 101,287 | 127,100 | 51,670 | 58,300 |
| Other | 12,517,949 | 16,048,460 | 15,666,010 | 17,676,570 |
| Rentals | 98,780 | 265,000 | 265,000 | 272,000 |
| **Total** | **20,593,898** | **25,965,400** | **25,164,540** | **28,367,130** |

| Measure | 2026 YE Estimate | 2027 Budget | Change | 2027 Cost/Measure |
|---|---|---|---|---|
| Ridership | 347,728 | 365,764 | 5.2% | 77.56 |
| Service Hours | 216,081 | 220,028 | 1.8% | 128.93 |
| Service Miles | 3,017,963 | 3,086,523 | 2.3% | 9.19 |

**2026 Accomplishments**

- Answered over 200,000 calls
- Provided over 325,000 trips, an 8% increase over 2025

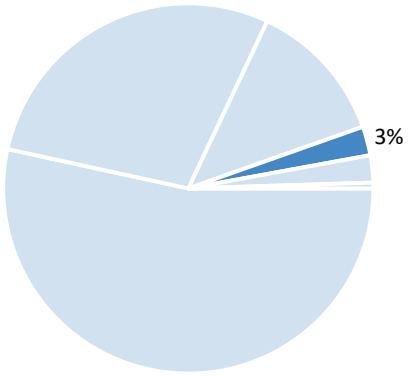
**2027 Goals**

- Maintain a 92% on-time performance
- Answer 99% of calls within three minutes
- Increase PPSH by greater than 5%

# DEMAND RESPONSE - RUNNER

On-demand service, known as Runner, provides services within defined zones to connect communities to the greater transit system. Annual operating costs total $6 million. Runner represents three percent of Pierce Transit's operating budget, five percent of total service hours, and five percent of total service miles.

**Percent of 2027 Operating Budget**




| Category | 2025 Actuals | 2026 Budget | 2026 YE Estimate | 2027 Budget |
|---|---|---|---|---|
| Wages | 404,490 | 263,750 | 252,810 | 285,260 |
| Benefits | 139,821 | 101,690 | 99,700 | 112,490 |
| Services | 97,674 | 66,380 | 60,790 | 68,590 |
| Supplies | 21,865 | 69,430 | 29,150 | 32,890 |
| Utilities | 9,918 | 9,410 | 8,770 | 9,890 |
| Insurance | 586 | 31,770 | 7,710 | 8,700 |
| Other | 3,260,233 | 3,372,190 | 4,592,030 | 5,181,370 |
| **Total** | **3,934,588** | **3,914,620** | **5,050,960** | **5,699,190** |

| Measure | 2026 YE Estimate | 2027 Budget | Change | 2027 Cost/Measure |
|---|---|---|---|---|
| Ridership | 110,568 | 110,568 | 0.0% | 51.54 |
| Service Hours | 62,892 | 62,892 | 0.0% | 90.62 |
| Service Miles | 899,164 | 899,164 | 0.0% | 6.34 |

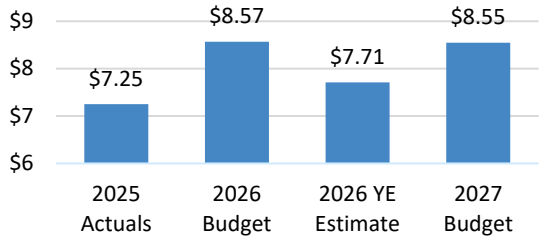
**2026 Accomplishments**

- Renegotiated and extended Via contract for three additional years
- Implemented ORCA payment integration through new fare payment system
- Implemented telematics reporting through Via, providing improved operational data

**2027 Goals**

- Secure additional grant funding to support and sustain services across all zones
- Assess integration of microtransit and paratransit for improved efficiency
- Evaluate use of non-dedicated backup transportation to fill gaps, improving service reliability and customer satisfaction

### 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.

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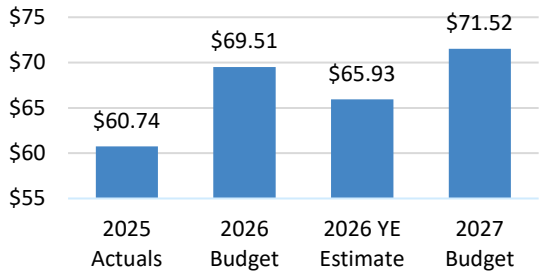
### Operating Expense per Boarding




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

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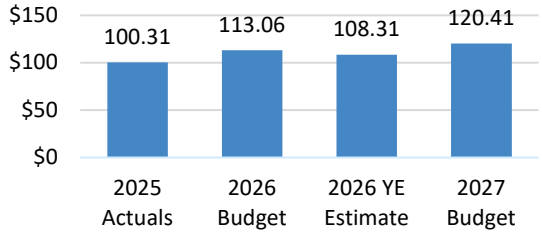
### Operating Expense per Vehicle Hour




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.

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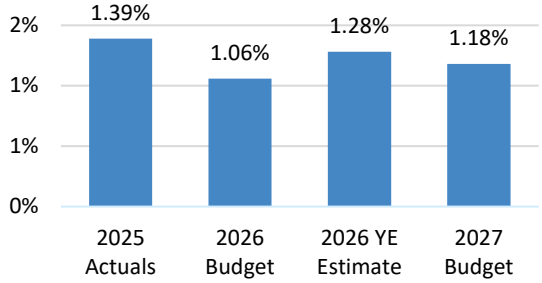
### Fare Recovery

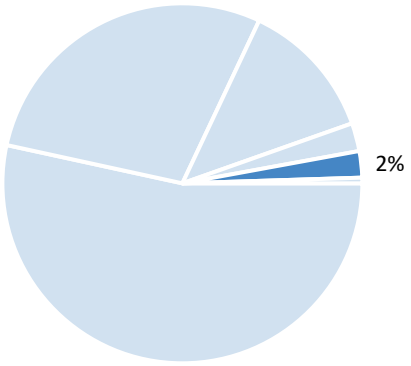



Fare recovery is the revenue generated by a service divided by the total cost to run the service.

# RIDESHARE

Pierce Transit's Rideshare program connects commuters traveling between similar origins and destinations, providing a shared transportation option that reduces single-occupancy vehicle trips and helps ease congestion. Pierce Transit provides vehicles, fuel, maintenance, and insurance, while participants pay a monthly fare and share the commute. Annual operating costs total $5 million. Rideshare represents two percent of Pierce Transit's operating budget, 10 percent of total service hours, and 18 percent of total service miles.

**Percent of 2027 Operating Budget**




| Category | 2025 Actuals | 2026 Budget | 2026 YE Estimate | 2027 Budget |
|---|---|---|---|---|
| Wages | 2,113,810 | 2,161,780 | 1,875,100 | 2,115,750 |
| Benefits | 697,912 | 758,240 | 681,220 | 768,650 |
| Services | 265,838 | 401,990 | 304,040 | 343,060 |
| Supplies | 1,158,387 | 1,426,780 | 1,158,770 | 1,307,480 |
| Utilities | 54,092 | 50,430 | 43,990 | 49,640 |
| Insurance | 609,801 | 722,610 | 559,840 | 631,690 |
| Other | 74,151 | 143,320 | 126,290 | 142,500 |
| **Total** | **4,973,991** | **5,665,150** | **4,749,250** | **5,358,770** |

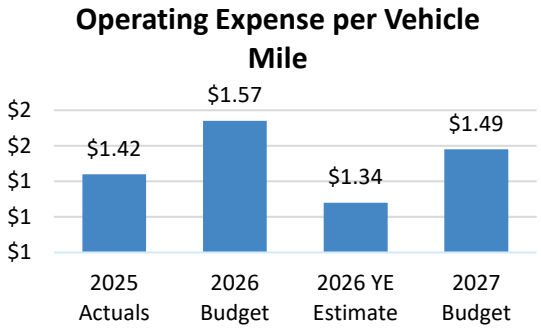
| Measure | 2026 YE Estimate | 2027 Budget | Change | 2026 Cost/Measure |
|---|---|---|---|---|
| Ridership | 400,000 | 408,000 | 2.0% | 13.13 |
| Service Hours | 114,000 | 114,000 | 0.0% | 47.01 |
| Service Miles | 3,540,494 | 3,600,000 | 1.7% | 1.49 |

**2026 Accomplishments**

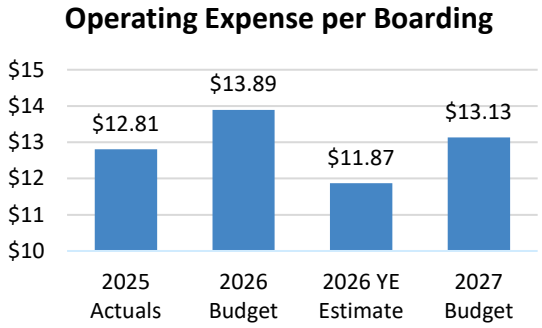
- Secured two grants to support vehicle replacement and participant incentives
- Completed an electric vehicle survey to inform future fleet planning
- Launched API integration between RidePro and the data warehouse to improve program data and reporting

**2027 Goals**

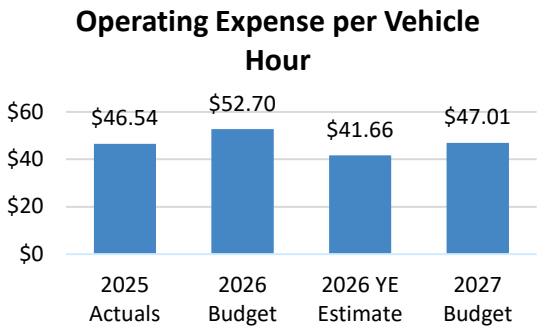
- Increase Rideshare ridership by two percent
- Implement a four-participant minimum to improve fleet utilization and program cost efficiency
- Complete the Rideshare fare analysis and determine appropriate fare adjustment to support long-term program sustainability



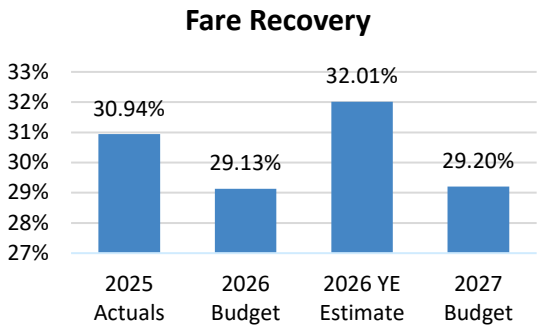

Expense per revenue mile is the total cost to operate the service divided by the number of miles, excluding the miles from base to the first pickup and the last drop off to base.




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




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.

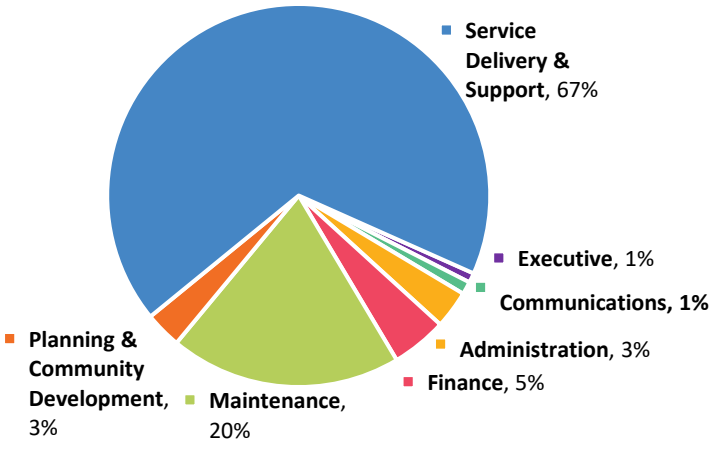



Fare recovery is the revenue generated by a service divided by the total cost to run the service.

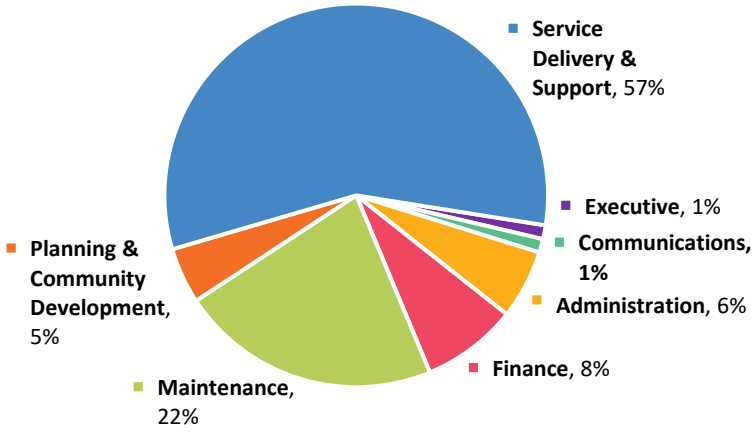
| Category | Executive | Comm | Admin | Finance | Maint | Planning | Service |
|---|---|---|---|---|---|---|---|
| FTE | 8 | 10.5 | 31 | 45.5 | 190 | 30 | 656 |
| | | | | | | | |
| Wages | $1,503,440 | $1,360,920 | $4,178,820 | $6,379,250 | $19,371,710 | $3,568,230 | $69,111,490 |
| Benefits | 395,690 | 431,330 | 1,314,280 | 1,988,630 | 6,707,010 | 1,096,510 | 21,414,580 |
| Personnel | 1,899,130 | 1,792,250 | 5,493,100 | 8,367,880 | 26,078,720 | 4,664,740 | 90,526,070 |
| | | | | | | | |
| Supplies | 20,780 | 30,590 | 321,820 | 8,066,120 | 18,252,250 | 916,000 | 1,724,930 |
| Services | 435,650 | 679,400 | 1,185,500 | 688,750 | 562,630 | 2,777,760 | 10,413,000 |
| Insurance | | | 5,842,480 | | 138,450 | | 2,300 |
| Utilities | | | | 329,290 | 1,127,380 | 10,000 | |
| Repairs | | | | 11,600 | 738,370 | 33,040 | 30,800 |
| Rentals | | | | | 265,230 | 267,940 | 281,700 |
| Other | 216,220 | 26,840 | 36,150 | 363,950 | 230,880 | 1,768,410 | 22,892,510 |
| Contracts | 1,000 | | 1,790 | | 1,191,860 | | 10,000 |
| Total M&O | 673,650 | 736,830 | 7,387,740 | 9,459,710 | 22,507,050 | 5,773,150 | 35,355,240 |
| Grand Total | $2,572,780 | $2,529,080 | $12,880,840 | $17,827,590 | $48,585,770 | $10,437,890 | $125,881,310 |

The difference between the total operating budget of $225,570,790 and the operating budget by division of $220,715,260 is $4,855,530. This is the cost of self-insurance, $3,720,000 and pass-thru to Pierce County Ferries, $1,135,530, which are considered non-departmental expenditures.

## 2027 FULL-TIME EQUIVALENT BY DIVISION

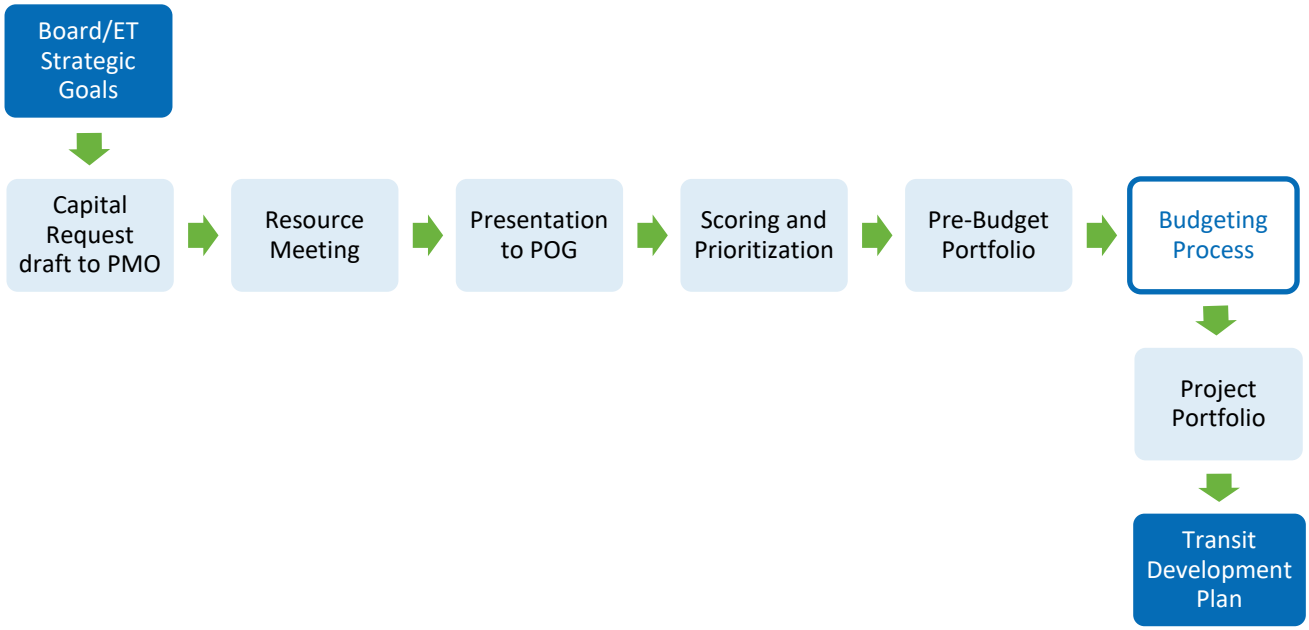



## 2027 EXPENDITURES BY DIVISION



# 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.

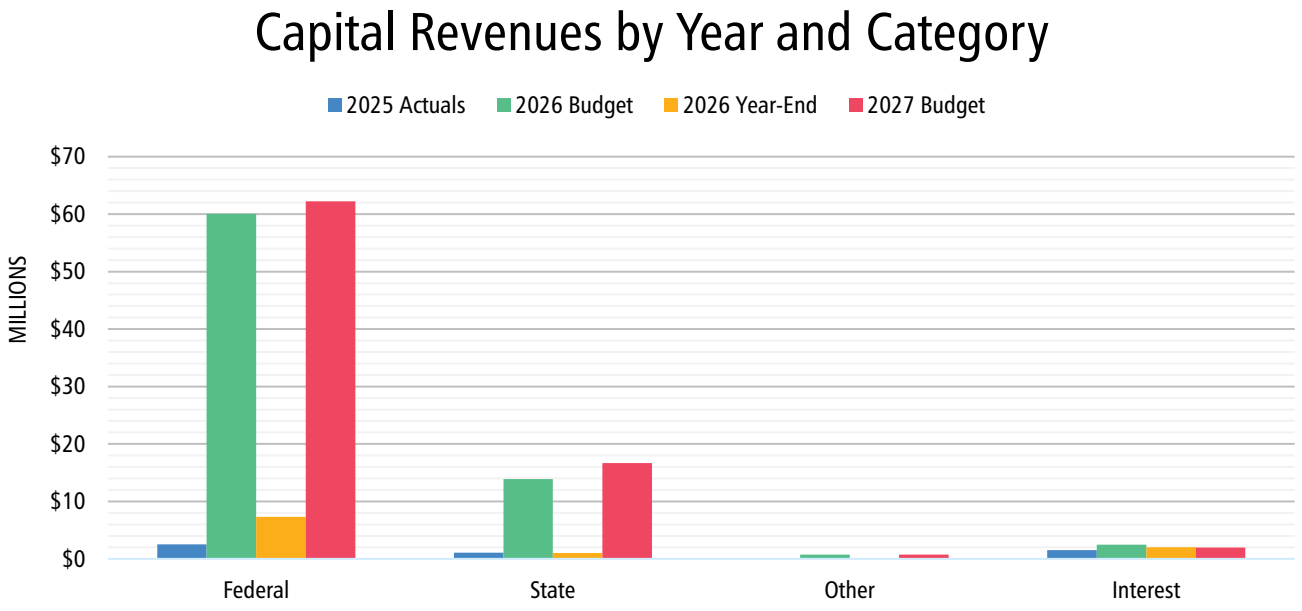
# REVENUES

**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 $27 million competitive awards included in the 2027 budget. The current budget has $41 million funding vehicles, $6 million funding passenger facilities, and $15 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 $8.4 million of state funding is being used towards the Spanaway Transit Center Parking Lot Expansion and Enhanced Bus projects. The remainder is funding charging infrastructure, system enhancements 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.

| Revenue | 2025 Actuals | 2026 Budget | 2026 Yearend | 2027 Budget | Change 2026 YE vs 2027 Budget | |
|---|---|---|---|---|---|---|
| Contributions | | | | | | |
| Federal | $2,526,395 | $60,045,040 | $7,329,970 | $62,234,480 | $54,904,510 | 749.0% |
| State | 1,104,123 | 13,861,080 | 1,047,430 | 16,644,750 | 15,597,320 | 1,489.1% |
| Other | 50,254 | 743,400 | 0 | 743,400 | 743,400 | -- |
| Interest | 1,504,377 | 2,493,120 | 2,000,000 | 1,944,130 | -55,870 | -2.8% |
| **Total** | **$5,185,150** | **$77,142,640** | **$10,377,400** | **$81,566,760** | **$71,189,360** | **686.0%** |



# EXPENDITURES

**Revenue Vehicles** – 43% of the capital budget, this category consists of bus, shuttle, and Rideshare vehicle replacement.

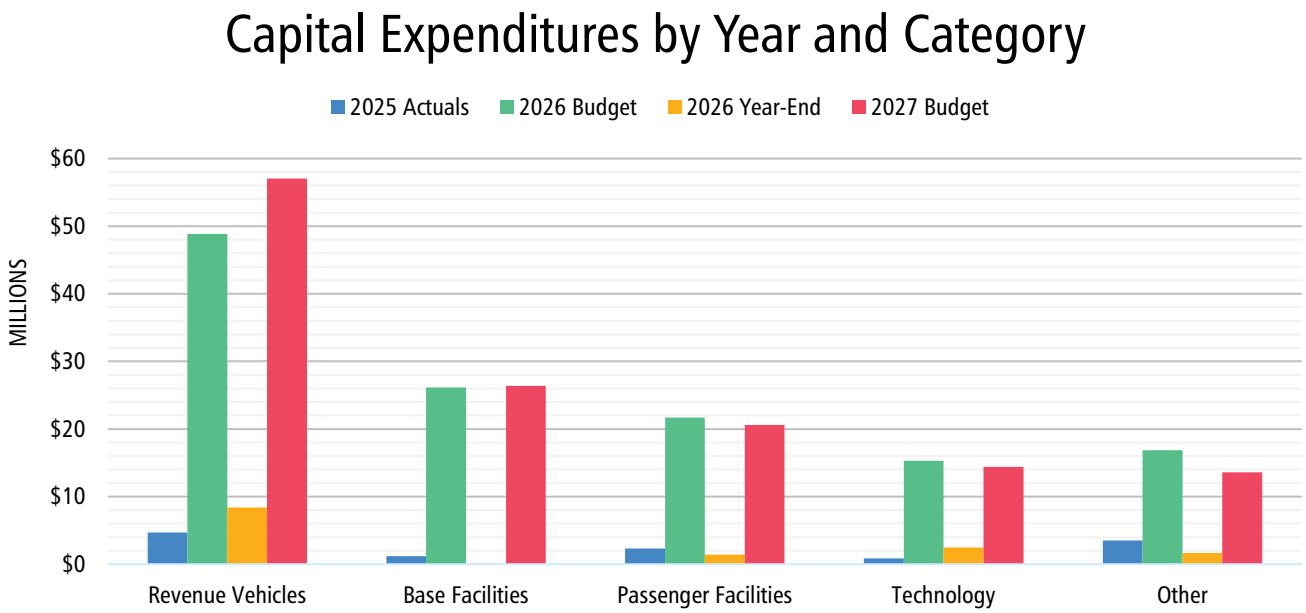
**Base Facilities** – 20% of the capital budget, projects such as electric vehicle charging infrastructure at our headquarter facilities.

**Passenger Facilities** – 16% of the capital budget, this category contains improvement projects to Transit Centers and Park and Rides.

**Technology** – 11% of the capital budget, provide infrastructure and software to improve information and services for staff and the public.

**Other** – 10% of the capital budget, this category includes support vehicles for maintenance and operations, bus shelters, and equipment that is not fixed to a building.

| Expenditures | 2025 Actuals | 2026 Budget | 2026 Year-End | 2027 Budget | Change 2026 YE vs 2027 Budget | |
|---|---|---|---|---|---|---|
| Revenue Vehicles | $4,685,980 | $48,875,390 | $8,403,670 | $57,046,190 | $48,642,520 | 578.8% |
| Base Facilities | 1,205,804 | 26,143,350 | 119,440 | 26,367,290 | 26,247,850 | 21,975.8% |
| Passenger Facilities | 2,325,469 | 21,696,420 | 1,433,320 | 20,590,640 | 19,107,320 | 1336.6% |
| Technology | 855,055 | 15,276,600 | 2,450,610 | 14,389,500 | 11,938,890 | 487.2% |
| Other | 3,514,594 | 16,879,620 | 1,649,940 | 13,598,350 | 11,948,410 | 724.2% |
| **Total** | **$12,586,902** | **$128,871,380** | **$14,056,980** | **$131,991,970** | **$117,934,890** | **839%** |



| Line | Project Name | Project Number | Project Budget | Spent | 2027 Budget | Local | Funding |
|---|---|---|---|---|---|---|---|
| 1 | MOBI | 525 | 57,800,000 | 57,440,390 | 359,610 | 359,160 | |
| 2 | Base BEB Charging Exp to 12 | 653 | 4,444,500 | 277,600 | 4,166,900 | 833,380 | 3,333,520 |
| 3 | Bldg 4 HVAC Retrofit | 671 | 350,900 | 43,950 | 306,950 | 306,950 | |
| 4 | Bldg 5 Spec Transportation | 676 | 390,794 | 369,034 | 21,760 | 21,760 | |
| 5 | Bus Lot Emergency Notification | 683 | 104,390 | -- | 104,390 | 20,880 | 83,510 |
| 6 | Bldg 1 Security Cameras & EWS | 684 | 38,760 | -- | 38,760 | 38,760 | |
| 7 | Bldg 1 Tire Shop Office Reno | 690 | 85,800 | 31,320 | 54,480 | 10,890 | 43,590 |
| 8 | EV Charger F&W/Bldg 5 | 692 | 680,030 | 17,700 | 662,330 | 132,470 | 529,860 |
| 9 | Running Repair Restroom | 712 | 31,500 | -- | 31,500 | 31,500 | |
| 10 | Bldg 1 Bodyshop Restroom | 713 | 31,500 | -- | 31,500 | 31,500 | |
| 11 | Bldg 1 Lighting Modification | 714 | 151,800 | -- | 151,800 | 151,800 | |
| 12 | ADA Eligibility Assessment Fac | 718 | 2,686,350 | -- | 2,686,350 | 537,270 | 2,149,080 |
| 13 | Workspace Design | 719 | 120,000 | -- | 120,000 | 120,000 | |
| 14 | Bldg 1 Improvements | 726 | 14,455,950 | -- | 14,455,950 | 2,891,200 | 11,564,750 |
| 15 | Gates for Bldg 5 & Bus Yard | NEW09 | 200,000 | -- | 200,000 | 200,000 | |
| 16 | Bldg 6 State of Good Repair | NEW10 | 665,010 | -- | 665,010 | 133,000 | 532,010 |
| 17 | Bldg 5 State of Good Repair | NEW14 | 1,774,800 | -- | 1,774,800 | 354,960 | 1,419,840 |
| 18 | Parts Room Refresh | NEW15 | 445,200 | -- | 445,200 | 445,200 | |
| 19 | Maintenance Pit Cover | NEW19 | 90,000 | -- | 90,000 | 90,000 | |
| **Total Base Facilities** | | | **84,547,284** | **58,179,994** | **26,367,290** | **6,711,130** | **19,656,160** |
| 20 | Bus Shelter Replacement | 633 | 6,477,510 | 3,898,760 | 2,578,750 | 444,670 | 2,134,080 |
| 21 | Enhanced Bus SR7 | 657 | 6,967,520 | 2,720,460 | 4,247,060 | 713,720 | 3,533,340 |
| 22 | Bldg 1 Paint Booth Controls | 658 | 210,580 | -- | 210,580 | 210,580 | |
| 23 | Fleet Maintenance Purchase | 686 | 688,124 | 147,834 | 540,290 | 540,290 | |
| 24 | Support Vehicle Replacement | 696 | 3,439,040 | 750,000 | 2,689,040 | 2,689,040 | |
| 25 | Stream Meridian/SR161 TSP | 703 | 1,300,000 | -- | 1,300,000 | | 1,300,000 |
| 26 | Facilities Maintenance Purchases | 704 | 85,177 | 17,787 | 67,390 | 67,440 | |
| 27 | Protective Devices | 721 | 75,590 | 74,490 | 1,100 | 1,100 | |
| 28 | Bldg 5 Light Pole | 722 | 25,190 | -- | 25,190 | 25,190 | |
| 29 | CNG Compressor Replacement | 724 | 71,270 | -- | 71,270 | 71,270 | |
| 30 | Misc. Capital Equipment | 778 | 200,000 | -- | 200,000 | 200,000 | |
| 31 | AC/Freon Recharging Machine | NEW04 | 16,500 | -- | 16,500 | 16,500 | |
| 32 | Emergency Alarm Indicator | NEW08 | 77,000 | -- | 77,000 | 77,000 | |
| 33 | Support Vehicle Repl 2027 | NEW13 | 998,650 | -- | 998,650 | 998,650 | |
| 34 | PT Access Control Upgrade | NEW16 | 240,510 | -- | 240,510 | 240,510 | |
| 35 | Support Vehicle Exp 2027 | NEW17 | 292,160 | -- | 292,160 | 292,160 | |
| 36 | Canon Printer Replacement | NEW18 | 42,860 | -- | 42,860 | 42,860 | |
| **Total Other** | | | **21,207,680** | **7,609,330** | **13,598,350** | **6,630,930** | **6,967,420** |

| Line | Project Name | Project Number | Project Budget | Spent | 2027 Budget | Local | Funding |
|---|---|---|---|---|---|---|---|
| 37 | Pacific Ave/SR7 Park & Ride | 556 | 13,192,886 | 11,295,286 | 1,897,600 | 1,897,600 | |
| 38 | TDS Elevator Repairs & Upgrades | 588 | 3,451,549 | 3,398,319 | 53,230 | 53,230 | |
| 39 | Spanaway TC Parking Lot Exp | 607 | 15,493,350 | 1,698,880 | 13,794,470 | 1,848,610 | 11,945,860 |
| 40 | TDS Wayfinding | 608 | 1,308,837 | 759,187 | 549,650 | -193,750 | 743,400 |
| 41 | Braille Tactile Signs | 687 | 1,777,430 | -- | 1,777,430 | 594,580 | 1,182,850 |
| 42 | Commerce Tunnel Gate Retrofit | 691 | 295,000 | 210,260 | 84,740 | 84,740 | |
| 43 | Lakewood TC Roof Replacement | 698 | 45,960 | -- | 46,060 | 46,060 | |
| 44 | TDS Pedestrian Improvement | 709 | 33,000 | -- | 33,000 | 33,000 | |
| 45 | TCC Transit Center SOGR | 715 | 58,460 | -- | 58,460 | 58,460 | |
| 46 | 512 Park & Ride Seal & Stripe | 717 | 250,000 | -- | 250,000 | 250,000 | |
| 47 | Water Intrusion TDS Elevators | NEW03 | 2,046,000 | -- | 2,046,000 | 1,923,790 | 122,210 |
| **Total Passenger Facilities** | | | **37,952,472** | **17,361,932** | **20,590,640** | **6,596,320** | **13,994,320** |
| 48 | Shuttle Replacement 2023 | 637 | 3,114,590 | 2,657,200 | 457,390 | 457,390 | |
| 49 | Bus Replacement 2024 | 659 | 13,651,990 | -- | 13,651,990 | 2,730,390 | 10,921,600 |
| 50 | Shuttle Replacement 2024 | 660 | 13,898,430 | 7,880,140 | 6,018,290 | 4,545,440 | 1,472,850 |
| 51 | Shuttle Replacement 2025 | 681 | 4,120,340 | -- | 4,120,340 | 824,070 | 3,296,270 |
| 52 | Bus Replacement 2025 | 682 | 5,951,420 | -- | 5,951,420 | 1,190,280 | 4,761,140 |
| 53 | Rideshare Replacement 25/26 | 693 | 4,356,097 | 2,486,667 | 1,869,430 | 1,029,850 | 839,580 |
| 54 | Bus Replacement 2025 Group 2 | 725 | 4,025,000 | -- | 4,025,000 | 805,000 | 3,220,000 |
| 55 | Bus Replacement 2027 | NEW01 | 9,913,310 | -- | 9,913,310 | 1,590,300 | 8,323,010 |
| 56 | Shuttle Replacement 2027 | NEW02 | 3,289,320 | -- | 3,289,320 | 657,860 | 2,631,460 |
| 57 | Rideshare Replacement 2027 | NEW05 | 1,991,430 | -- | 1,991,430 | 1,991,430 | |
| 58 | Shuttle Replacement 2027 | NEW11 | 1,334,740 | -- | 1,334,740 | 1,334,740 | |
| 59 | Bus Expansion (3) | NEW24 | 4,423,530 | -- | 4,423,530 | 884,710 | 3,538,820 |
| **Total Revenue Vehicles** | | | **70,707,197** | **13,024,007** | **57,046,190** | **18,041,460** | **39,004,730** |
| 60 | Security Systems Replacement | 452 | 4,080,769 | 3,083,019 | 997,750 | 997,750 | |
| 61 | ngORCA | 482 | 6,935,194 | 4,199,034 | 2,736,160 | 2,736,160 | |
| 62 | CAD/AVL | 573 | 11,000,000 | 9,584,230 | 1,415,770 | 1,415,770 | |
| 63 | Call Center S/W Replacement | 604 | 159,000 | 151,470 | 7,530 | 7,530 | |
| 64 | Real Time Sign Replacement | 645 | 43,070 | -- | 43,070 | 43,070 | |
| 65 | Finance ERP | 675 | 3,900,000 | 1,773,940 | 2,126,060 | 2,126,060 | |
| 66 | Network Infrastructure Repl 24 | 678 | 1,680,290 | 617,940 | 1,062,350 | 1,062,350 | |
| 67 | Hastus Upgrade 25 | 688 | 824,870 | 291,740 | 533,130 | 533,130 | |
| 68 | Network Infrastructure Repl | 689 | 678,040 | 31,800 | 646,240 | 646,240 | |
| 69 | VOAM Module Interface | 695 | 227,920 | -- | 227,920 | 227,920 | |
| 70 | Fleetwatch Software Update | 705 | 57,000 | -- | 57,000 | 57,000 | |
| 71 | Fleetwatch Bldg 1 Equipment | 706 | 789,900 | 5,480 | 784,420 | 784,420 | |
| 72 | Radio and Telephone Recording | 708 | 75,130 | -- | 75,130 | 75,130 | |
| 73 | EAM for Capital Facilities | 711 | 309,320 | -- | 309,320 | 309,320 | |
| 74 | Network Infrastructure Repl | NEW06 | 859,890 | -- | 859,890 | 859,890 | |

| Line | Project Name | Project Number | Project Budget | Spent | 2027 Budget | Local | Funding |
|---|---|---|---|---|---|---|---|
| 75 | Clever Insights | NEW07 | 113,890 | -- | 113,890 | 113,890 | |
| 76 | Stabilize CAD/AVL Bus Radio | NEW12 | 1,029,860 | -- | 1,029,860 | 1,029,860 | |
| 77 | Trapeze Mobile Focus | NEW20 | 365,200 | -- | 365,200 | 365,200 | |
| 78 | Dashcam Rideshare Vehicles | NEW21 | 333,480 | -- | 333,480 | 333,480 | |
| 79 | Clever CAD System to Cloud | NEW22 | 385,730 | -- | 385,730 | 385,730 | |
| 80 | ConnectPoint TC Infill | NEW23 | 279,600 | -- | 279,600 | 279,600 | |
| **Total Technology** | | | **34,128,153** | **19,738,653** | **14,389,500** | **14,389,500** | -- |
| **Total Capital** | | | **247,905,786** | **115,913,916** | **131,991,970** | **52,369,340** | **79,622,630** |

# RESERVE BALANCE

Pierce Transit defines the 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. Below is a high-level table showing the ending balances for 2027.

| 2027 Budget | Operating | Insurance | Capital |
|---|---|---|---|
| **Beginning Balance** | $227,524,560 | $2,400,000 | $58,913,180 |
| | | | |
| **Revenues** | 227,238,840 | 79,200 | 81,566,760 |
| **Transfers-In** | -- | 3,640,800 | 1,812,030 |
| | | | |
| **Expenditures** | 221,850,790 | 3,720,000 | 131,991,970 |
| **Transfers-Out** | 5,452,830 | -- | -- |
| | | | |
| **Ending Balance** | $227,459,780 | $2,400,000 | $10,300,000 |

The 2027 budget includes operating and non-operating revenues of $227 million which funds operating and non-operating expenses of $225 million for 1,176,214 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.



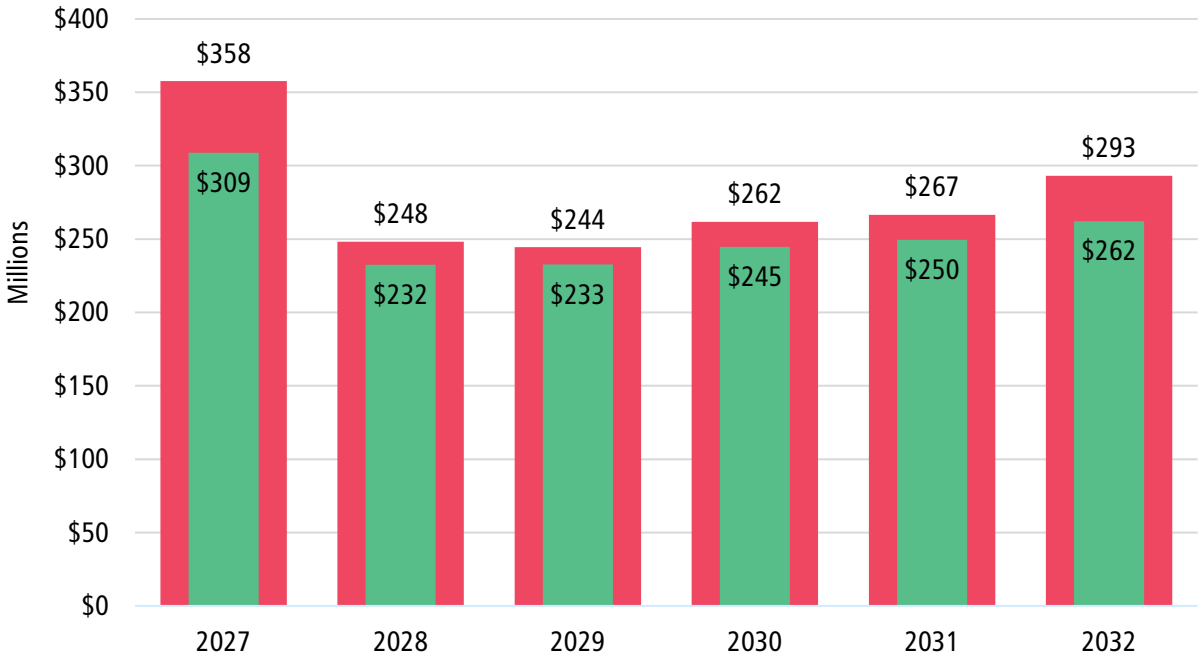
# Six-Year Forecast

The six-year financial table and charts below illustrate the forecasted trajectory of the agency's finances. In 2027, both revenues and expenditures are higher compared to the subsequent years. This is primarily due to the outstanding capital projects carried forward from 2026. 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.

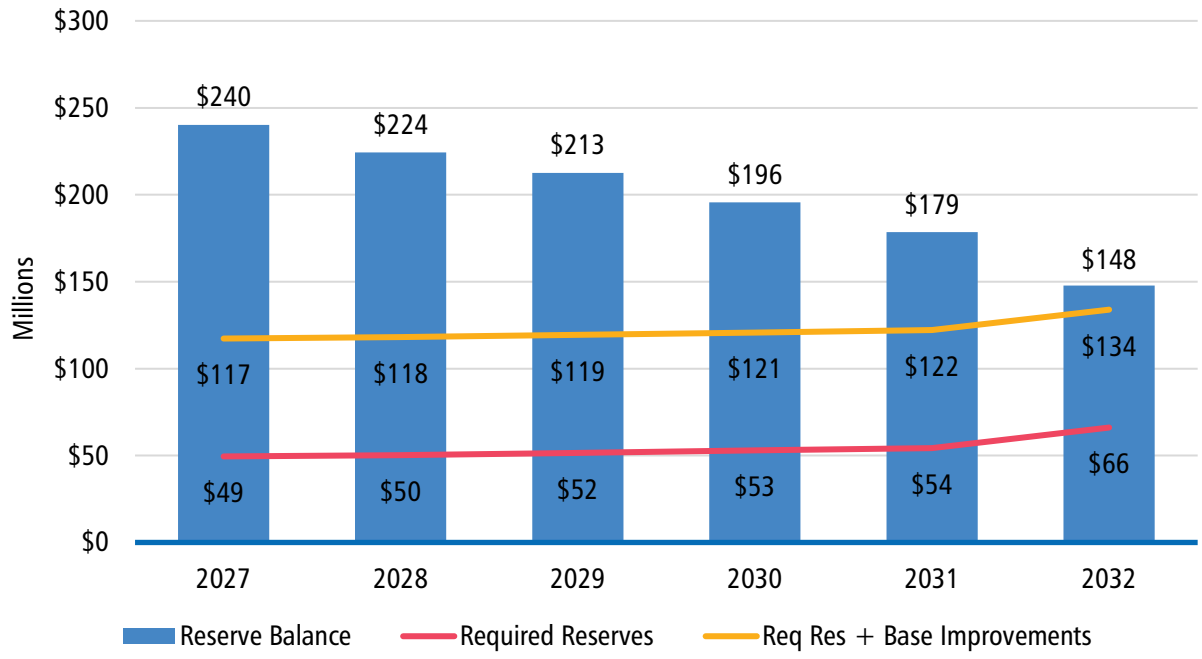
From 2028 through 2032, while our revenues show a year-over-year increase, expenditures continue to outpace revenues. This trend results in a gradual decrease in our reserves each year. However, it is important to note that we maintain reserves higher than those required by our municipal code throughout the entire six-year plan.

| | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 |
|---|---|---|---|---|---|---|
| **Beginning Balance** | **288,837,740** | **240,159,780** | **224,311,290** | **212,623,500** | **195,583,430** | **178,584,700** |
| | | | | | | |
| **Revenues** | | | | | | |
| Passenger Fares | 6,928,860 | 7,029,880 | 7,078,480 | 7,126,550 | 7,174,040 | 7,221,470 |
| Advertising | 663,040 | 669,780 | 676,670 | 678,670 | 690,900 | 698,260 |
| Regional Transit | 66,250,000 | 69,034,520 | 71,900,250 | 74,882,000 | 77,984,340 | 81,212,020 |
| Sales Tax | 123,226,750 | 126,923,550 | 130,731,260 | 134,653,200 | 138,692,800 | 142,853,580 |
| Miscellaneous | 10,986,200 | 9,391,970 | 8,881,470 | 8,296,030 | 7,764,010 | 7,233,710 |
| Operating Grants | 21,207,320 | 13,006,850 | 13,358,250 | 13,286,250 | 13,286,250 | 13,286,250 |
| Capital Grants | 79,622,630 | 6,337,920 | 74,840 | 5,776,760 | 4,000,000 | 9,701,920 |
| **Total Revenue** | **308,884,800** | **232,394,470** | **232,701,220** | **244,704,500** | **249,592,340** | **262,207,210** |
| | | | | | | |
| **Expenditures** | | | | | | |
| Wages | 105,473,860 | 109,150,260 | 112,901,510 | 116,781,720 | 120,795,280 | 124,946,740 |
| Benefits | 33,348,030 | 35,602,210 | 37,954,770 | 40,427,000 | 43,024,320 | 45,752,430 |
| M&O | 85,613,370 | 84,358,450 | 86,214,630 | 88,111,610 | 90,050,360 | 92,031,760 |
| Non-Operating | 1,135,530 | 1,135,530 | 1,135,530 | 1,135,530 | 1,135,530 | 1,135,530 |
| Capital | 131,991,970 | 17,996,510 | 6,182,570 | 15,288,710 | 11,585,580 | 29,228,800 |
| **Total Expenditures** | **357,562,760** | **248,242,960** | **244,389,010** | **261,744,570** | **266,591,070** | **293,095,260** |
| | | | | | | |
| **Ending Balances** | **240,159,780** | **224,311,290** | **212,623,500** | **195,583,430** | **178,584,700** | **147,696,650** |

## Six-Year Revenues & Expenditures




## Six-Year Ending Balance & Required Reserves



| Line | Project Name | Project Number | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 |
|---|---|---|---|---|---|---|---|---|
| 1 | Security System Replacement | 452 | 997,750 | | | | | |
| 2 | ngORCA | 482 | 2,736,160 | | | | | |
| 3 | MOBI | 525 | 359,610 | | | | | |
| 4 | Pacific Ave/SR7 Park & Ride | 556 | 1,897,600 | | | | | |
| 5 | CAD/AVL | 573 | 1,415,770 | | | | | |
| 6 | TDS Elevator Repairs & Upgrades | 588 | 53,230 | | | | | |
| 7 | Call Center Software Replacement | 604 | 7,530 | | | | | |
| 8 | Spanaway TC Parking Lot Exp | 607 | 13,794,470 | | | | | |
| 9 | TDS Wayfinding | 608 | 549,650 | | | | | |
| 10 | Bus Shelter Replacement | 633 | 2,578,750 | | | | | |
| 11 | Shuttle Replacement 23 | 637 | 457,390 | | | | | |
| 12 | Real Time Sign Replacement | 645 | 43,070 | | | | | |
| 13 | Base BEB Charging Exp to 12 | 653 | 4,166,900 | | | | | |
| 14 | Enhanced Bus SR7 | 657 | 4,247,060 | | | | | |
| 15 | Bldg 1 Paint Booth Controls | 658 | 210,580 | | | | | |
| 16 | Bus Replacement 24 | 659 | 13,651,990 | | | | | |
| 17 | Shuttle Replacement 24 | 660 | 6,018,290 | | | | | |
| 18 | Bldg 4 HVAC Retrofit | 671 | 306,950 | | | | | |
| 19 | Finance ERP | 675 | 2,126,060 | | | | | |
| 20 | Bldg 5 Spec Trans Remodel | 676 | 21,760 | | | | | |
| 21 | Network Infrastructure Repl 24 | 678 | 1,062,350 | | | | | |
| 22 | Shuttle Replacement 25 | 681 | 4,120,340 | | | | | |
| 23 | Bus Replacement 25 | 682 | 5,951,420 | | | | | |
| 24 | Bus Lot Emergency Notification | 683 | 104,390 | | | | | |
| 25 | Bldg 1 Security Cameras & EWS | 684 | 38,760 | | | | | |
| 26 | Fleet Maintenance Purchases | 686 | 540,290 | | | | | |
| 27 | Braille Tactile Signs | 687 | 1,777,430 | | | | | |
| 28 | Hastus Upgrade 25 | 688 | 533,130 | | | | | |
| 29 | Network Infrastructure Repl 25 | 689 | 646,240 | | | | | |
| 30 | Bldg 1 Tire Shop Office Reno | 690 | 54,480 | | | | | |
| 31 | Commerce Tunnel Gate Retrofit | 691 | 84,740 | | | | | |
| 32 | EV Charger F&W/Bldg 5 | 692 | 662,330 | | | | | |
| 33 | Rideshare Replacement 25/26 | 693 | 1,869,430 | | | | | |
| 34 | VOAM Module Interface | 695 | 277,920 | | | | | |
| 35 | Support Vehicle Repl 25/26 | 696 | 2,689,040 | | | | | |
| 36 | Lakewood TC Roof Repl | 698 | 46,060 | | | | | |
| 37 | Stream Meridian/SR161 TSP | 703 | 1,300,000 | | | | | |
| 38 | Facilities Maintenance Purchases | 704 | 67,390 | | | | | |
| 39 | Fleetwatch Software Update | 705 | 57,000 | | | | | |
| 40 | Fleetwatch Bldg 1 Equipment | 706 | 784,420 | | | | | |

| Line | Project Name | Project Number | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 |
|---|---|---|---|---|---|---|---|---|
| 41 | Radio and Telephone Recording | 708 | 75,130 | | | | | |
| 42 | TDS Pedestrian Improvements | 709 | 33,000 | | | | | |
| 43 | EAM for Capital Facilities | 711 | 309,320 | | | | | |
| 44 | Running Repair Restroom | 712 | 31,500 | | | | | |
| 45 | Bldg 1 Bodyshop Restroom | 713 | 31,500 | | | | | |
| 46 | Bldg 1 Lighting Modification | 714 | 151,800 | | | | | |
| 47 | TCC Transit Center SOGR | 715 | 58,460 | | | | | |
| 48 | 512 Park & Ride Seal and Stripe | 717 | 250,000 | | | | | |
| 49 | ADA Eligibility Assessment Fac | 718 | 2,686,350 | | | | | |
| 50 | Workspace Design | 719 | 120,000 | | | | | |
| 51 | Protective Devices | 721 | 1,100 | | | | | |
| 52 | Bldg 5 Light Pole | 722 | 25,190 | | | | | |
| 53 | CNG Compressor Replacement | 724 | 71,270 | | | | | |
| 54 | Bus Fleet Repl Group 2 | 725 | 4,025,000 | | | | | |
| 55 | Bldg 1 Improvements | 726 | 14,455,950 | | | | | |
| 56 | Misc. Capital Equipment | 778 | 200,000 | | | | | |
| **Total Carryforward Projects** | | | **100,783,300** | | | | | |
| 57 | Bus Fleet Replacement 2027 | NEW01 | 9,913,310 | | | | | |
| 58 | Shuttle Replacement 2027 | NEW02 | 3,289,320 | | | | | |
| 59 | Water Intrusion TDS Elevators | NEW03 | 2,046,000 | | | | | |
| 60 | AC/Freon Recharging Machine | NEW04 | 16,500 | | | | | |
| 61 | Rideshare Replacement 2027 | NEW05 | 1,991,430 | | | | | |
| 62 | Network Infrastructure Repl 2027 | NEW06 | 859,890 | | | | | |
| 63 | Clever Insights | NEW07 | 113,890 | | | | | |
| 64 | Emergency Alarm Indicator | NEW08 | 77,000 | | | | | |
| 65 | Gates for Bldg 5 & Bus Yard | NEW09 | 200,000 | | | | | |
| 66 | Bldg 6 State of Good Repair | NEW10 | 665,010 | | | | | |
| 67 | Shuttle Expansion 2027 | NEW11 | 1,334,740 | | | | | |
| 68 | Stabilize CAD/AVL Bus Radio | NEW12 | 1,029,860 | | | | | |
| 69 | Support Vehicle Repl 2027 | NEW13 | 998,650 | | | | | |
| 70 | Bldg 5 State of Good Repair | NEW14 | 1,774,800 | | | | | |
| 71 | Parts Room Refresh | NEW15 | 445,200 | | | | | |
| 72 | PT Access Control Upgrade | NEW16 | 240,510 | | | | | |
| 73 | PS Vehicle Expansion | NEW17 | 292,160 | | | | | |
| 74 | Canon Printer Replacement | NEW18 | 42,860 | | | | | |
| 75 | Maintenance Pit Cover | NEW19 | 90,000 | | | | | |
| 76 | Trapeze Mobile Focus | NEW20 | 365,200 | | | | | |
| 77 | Dashcam Rideshare Vehicles | NEW21 | 333,480 | | | | | |
| 78 | Clever CAD to Cloud | NEW22 | 385,730 | | | | | |
| 79 | ConnectPoint TC Infill | NEW23 | 279,600 | | | | | |
| 80 | Bus Expansion (3) | NEW24 | 4,423,530 | | | | | |

| Line | Project Name | Project Number | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 |
|---|---|---|---|---|---|---|---|---|
| **Total New Projects** | | | **31,208,670** | | | | | |
| 81 | Bus Fleet Replacement | OUT01 | | 11,997,990 | | 10,102,100 | | 16,389,740 |
| 82 | Network Infrastructure Repl | OUT02 | | 577,110 | 1,441,210 | 423,890 | 902,270 | 448,110 |
| 83 | Rideshare Replacement | OUT03 | | 2,059,130 | 2,113,110 | 2,175,000 | 2,218,150 | 2,261,740 |
| 84 | Support Vehicle Replacement | OUT04 | | 1,688,810 | 1,152,550 | 590,020 | 604,170 | 650,800 |
| 85 | ORCA Reader on Shuttle Vehicles | OUT05 | | 440,000 | | | | |
| 86 | Rideshare Expansion | OUT06 | | 1,145,730 | 1,175,490 | 1,209,160 | 1,208,090 | 1,256,140 |
| 87 | Fleet Admin Offices Remodel | OUT07 | | 34,500 | | | | |
| 88 | Employee E-Bike Charging Hub | OUT08 | | 53,240 | | | | |
| 89 | 72nd & Portland TC SOGR | OUT09 | | | 37,390 | | | |
| 90 | Bldg 1 Transmission Jack Repl | OUT10 | | | 30,000 | | | |
| 91 | Parkland TC Sealcoat & Striping | OUT11 | | | 42,060 | | | |
| 92 | Parkland TC State of Good Repair | OUT12 | | | 97,210 | | | |
| 93 | Bldg 5 Parking Lot EVSE Exp | OUT13 | | | 93,550 | | | |
| 94 | Bldg 1 Brake Dyno Replacement | OUT14 | | | | 250,000 | | |
| 95 | Bldg 1 Horizontal Ban Saw Repl | OUT15 | | | | 13,200 | | |
| 96 | Bldg 1 Parts Washer Replacement | OUT16 | | | | 275,000 | | |
| 97 | Bldg 4 Fire Alarm System | OUT17 | | | | 138,290 | | |
| 98 | AC/Freon Reloading Machine | OUT18 | | | | 18,500 | | |
| 99 | Fuel & Wash EVSE Expansion | OUT19 | | | | 93,550 | | |
| 100 | Shuttle Replacement | OUT20 | | | | | 6,652,900 | 6,652,900 |
| 101 | TDS Parking Guidance System | OUT21 | | | | | | 1,569,370 |
| **Total Outyear Projects** | | | | **17,996,510** | **6,182,570** | **15,288,710** | **11,585,580** | **29,228,800** |
| **Total** | | | **131,991,870** | **17,996,510** | **6,182,570** | **15,288,710** | **11,585,580** | **29,228,800** |

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 |
|---|---|---|---|
| Commerce Station State of Good Repair | 296,100 | 2028 | POG Declined |
| TCC Battery Electric Bus On-Route Charging | 3,761,410 | 2028 | POG Declined |
| Lakewood Transit Center Inductive Chargers & Support | 3,761,410 | 2029 | POG Declined |
| Hydrogen Fuel Study | 330,900 | 2032 | POG Declined |
| TDS Parking Payment System | 609,400 | 2033 | Outside of 6-Year Forecast |
| Commerce Station Battery Electric Bus On-Route Charging | 2,885,400 | 2038 | Outside of 6-Year Forecast |
| South Hill Mall TC Battery Electric Bus ON-Route Charging | 4,328,100 | 2039 | Outside of 6-Year Forecast |
| Tacoma Mall TC Battery Electric Bus On-Route Charging | 4,328,100 | 2039 | Outside of 6-Year Forecast |
| **Total** | **20,300,820** | | |

# Appendix


MultiCare
10186
WELCOME ABOARD
PierceTransit
Stream
COMMUNITY LINE
a partnership with MultiCare

| Mode | 2025 Actual | 2026 Budget | 2026 YE Estimate | 2027 Budget | % Change 26B vs 27B | % Change 26YE vs 27B |
|---|---|---|---|---|---|---|
| **Pierce Transit – Local Fixed Route** | | | | | | |
| Ridership | 7,039,888 | 7,462,264 | 7,296,846 | 7,389,165 | -1.0% | 1.3% |
| Service Hours | 472,639 | 493,929 | 492,568 | 498,800 | 1.0% | 1.3% |
| Service Miles | 5,582,584 | 5,721,238 | 5,901,795 | 5,976,464 | 4.5% | 1.3% |
| **Sound Transit – Regional Fixed Route** | | | | | | |
| Ridership | 2,828,248 | 2,696,863 | 2,873,570 | 3,066,778 | 13.7% | 6.7% |
| Service Hours | 260,556 | 261,071 | 262,772 | 280,494 | 7.4% | 6.7% |
| Service Miles | 5,832,445 | 5,789,430 | 6,019,888 | 6,258,302 | 8.1% | 4.0% |
| **Shuttle** | | | | | | |
| Ridership | 316,646 | 337,645 | 347,728 | 365,764 | 8.3% | 5.2% |
| Service Hours | 198,188 | 216,284 | 216,081 | 220,028 | 1.7% | 1.8% |
| Service Miles | 2,698,866 | 2,880,485 | 3,017,963 | 3,086,523 | 7.2% | 2.3% |
| **On Demand Runner** | | | | | | |
| Ridership | 87,192 | 92,195 | 110,568 | 110,568 | 19.9% | 0.0% |
| Service Hours | 46,331 | 47,995 | 62,892 | 62,892 | 31.0% | 0.0% |
| Service Miles | 686,506 | 607,741 | 899,164 | 899,164 | 48.0% | 0.0% |
| **Rideshare** | | | | | | |
| Ridership | 388,390 | 408,000 | 400,000 | 408,000 | 0.0% | 2.0% |
| Service Hours | 106,880 | 107,500 | 114,000 | 114,000 | 6.0% | 0.0% |
| Service Miles | 3,509,334 | 3,600,000 | 3,540,494 | 3,600,000 | 0.0% | 1.7% |
| **All Modes** | | | | | | |
| Ridership | 10,660,364 | 10,996,967 | 11,028,712 | 11,340,275 | 3.1% | 2.8% |
| Service Hours | 1,084,594 | 1,126,779 | 1,148,313 | 1,176,214 | 4.4% | 2.4% |
| Service Miles | 18,309,735 | 18,598,894 | 19,379,304 | 19,820,453 | 6.6% | 2.3% |

| Agency | Service Population | Service Area (Sq Mi) | FTA UZA | 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% |
| Spokane Transit | 475,470 | 248 | Spokane | 316 | 0.8% |

| Agency | Operating Expenses | Vehicle Revenue Miles | Vehicle Revenue Hours | Unlinked Trips | Fare Revenue |
|---|---|---|---|---|---|
| **Motor Bus** | | | | | |
| Pierce Transit | 90,607,159 | 4,524,583 | 403,238 | 6,774,524 | 4,670,852 |
| Kitsap Transit | 34,228,333 | 2,336,300 | 123,088 | 1,655,636 | 2,289,353 |
| Intercity Transit | 46,573,420 | 3,251,046 | 236,495 | 4,087,404 | 17,133 |
| Community Transit | 142,181,141 | 7,175,822 | 505,580 | 7,101,368 | 5,403,010 |
| Spokane Transit | 94,947,373 | 7,146,245 | 524,059 | 10,166,876 | 6,844,290 |
| **Demand Response** | | | | | |
| Pierce Transit | 22,911,211 | 2,682,487 | 195,218 | 360,400 | 416,366 |
| Kitsap Transit | 19,563,618 | 1,378,465 | 92,181 | 265,231 | 175,090 |
| Intercity Transit | 17,225,012 | 812,190 | 78,361 | 137,998 | -- |
| Community Transit | 14,284,292 | 1,635,027 | 113,113 | 218,546 | 527,717 |
| Spokane Transit | 22,707,248 | 2,485,326 | 161,951 | 390,956 | 517,872 |
| **Vanpool** | | | | | |
| Pierce Transit | 4,812,706 | 3,206,018 | 95,009 | 362,661 | 1,534,391 |
| Kitsap Transit | 1,036,485 | 453,489 | 15,117 | 66,885 | 244,872 |
| Intercity Transit | 2,973,114 | 2,612,749 | 73,959 | 208,164 | 456,805 |
| Community Transit | 5,822,845 | 2,764,318 | 84,300 | 381,964 | 2,149,451 |
| Spokane Transit | 947,664 | 1,096,062 | 32,585 | 103,270 | 304,084 |

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 2024. The definitions below will assist you in understanding what is being measured in the charts.

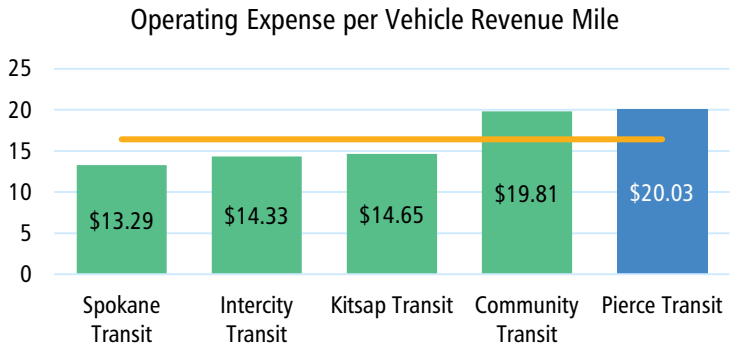
**Revenue Mile**: The total miles driven while the vehicle is in service providing passenger trips, not including the miles from base to the first stop or the last stop returning to base.
**Revenue Hour**: The total hours driven while the vehicle is in service providing passenger trips, not including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

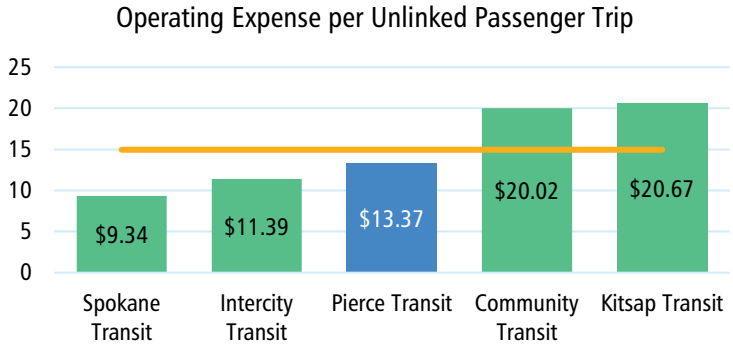
# MOTORBUS

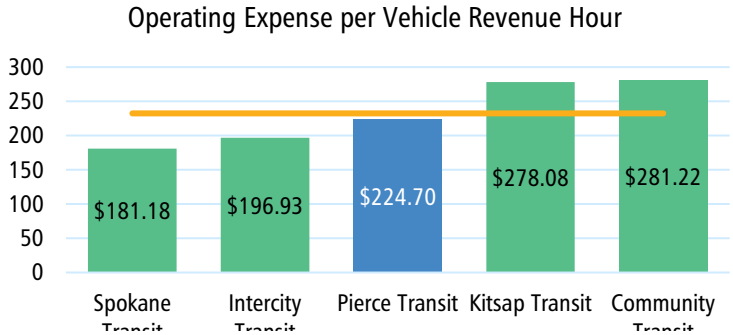
These graphs illustrate the performance of fixed-route bus services – referred to as motorbus, directly operated (MBDO) in the National Transit Database (NTD) – using 2024 agency profile data. The use of standardized NTD reporting supports consistent, reliable comparisons across transit agencies.

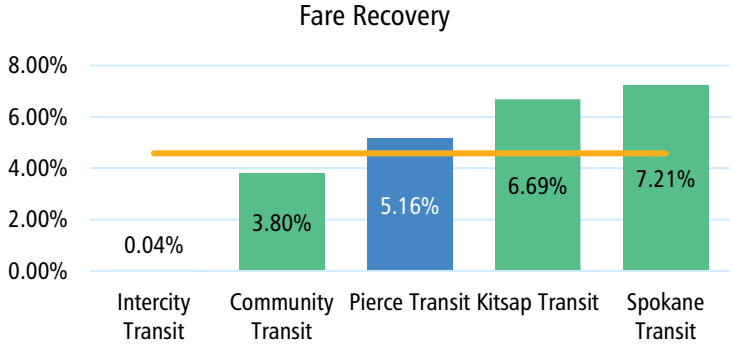
Among the metrics shown, Pierce Transit ranks third among peer agencies in all areas except cost per vehicle revenue mile, where Pierce Transit's cost is 22 percent higher than the peer average. One possible factor influencing this result is lower speed limits within our service area, which can reduce the number of miles that can be operated within a given period of time.

For most metrics, lower values indicate greater efficiency or reduced costs. Fare recovery is the exception: a higher percentage reflects a greater share of the operating costs being covered by passenger fares.



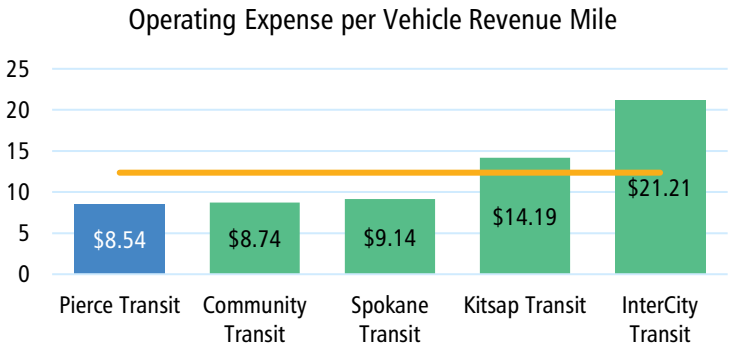



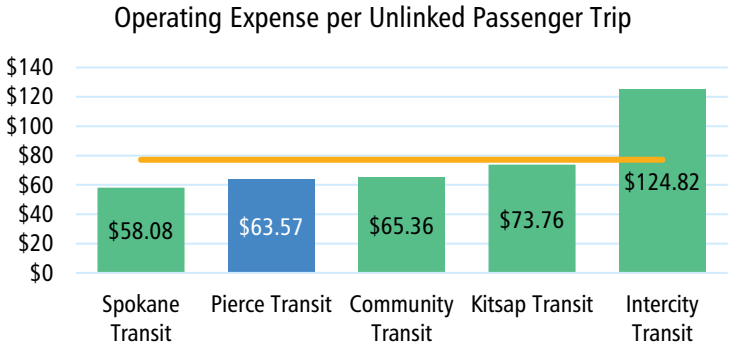
# DEMAND RESPONSE

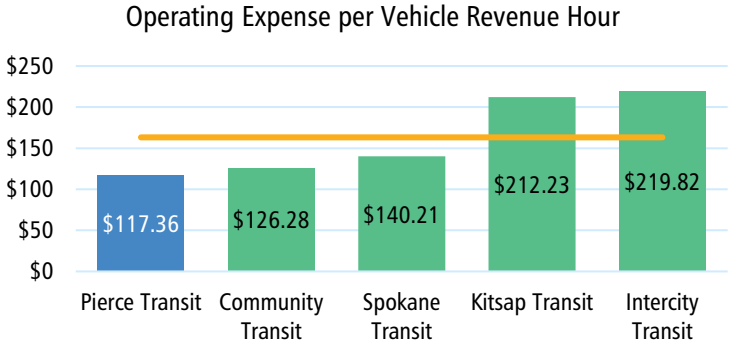
These graphs illustrate the performance of paratransit and on demand services – referred to as demand response directly operated (DRDO) and demand response purchased transportation (DRPT) in the National Transit Database (NTD) – using 2024 agency profile data. The use of standardized NTD reporting supports consistent, reliable comparisons across transit agencies.

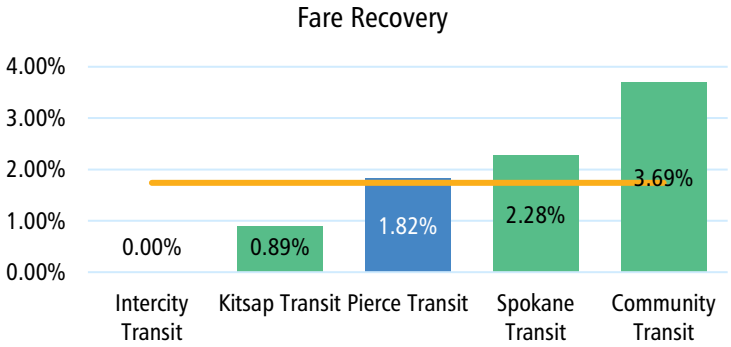
Among the metrics shown, Pierce Transit ranks first in cost per vehicle revenue mile and cost per vehicle revenue hour, coming in 31 percent and 28 percent below the peer average, respectively. Cost per passenger trip and fare recovery both rank second, continuing the trend of performing better than the peer average.

For most metrics, lower values indicate greater efficiency or reduced costs. Fare recovery is the exception: a higher percentage reflects a greater share of the operating costs being covered by passenger fares.



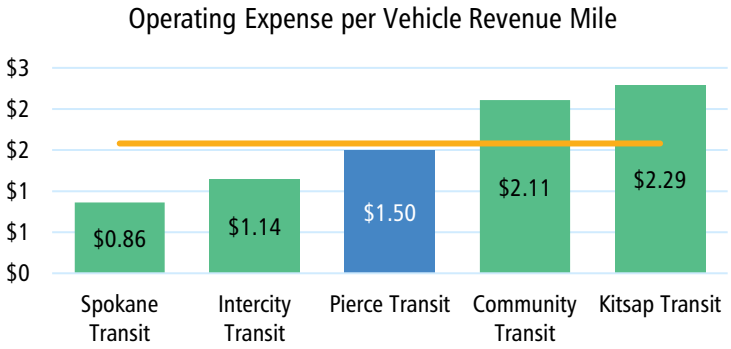



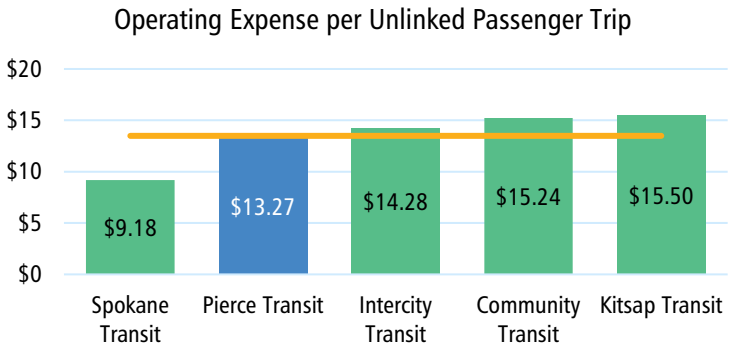
# VANPOOL

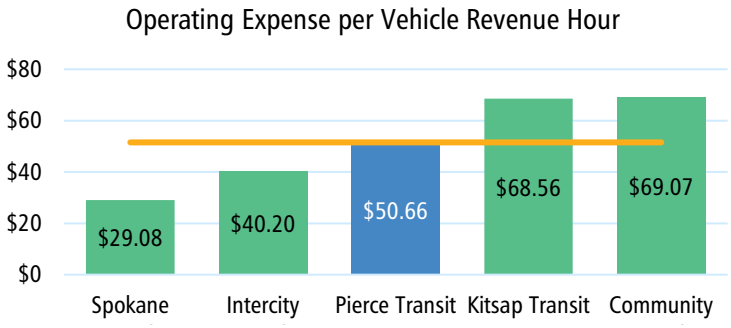
These graphs illustrate the performance of Rideshare services – referred to as vanpool, directly operated (VPDO) in the National Transit Database (NTD) – using 2024 agency profile data. The use of standardized NTD reporting supports consistent, reliable comparisons across transit agencies.

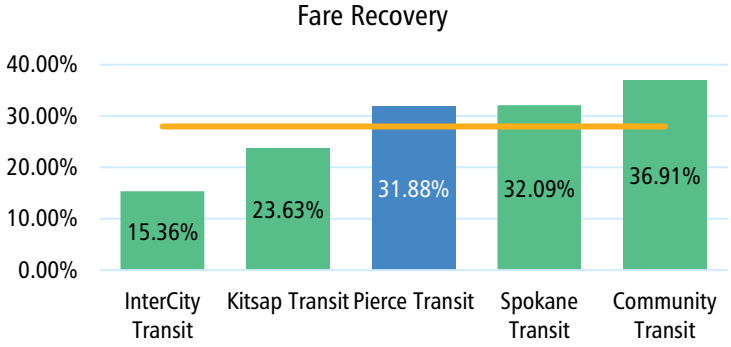
Among the metrics shown, Pierce Transit ranks third among peer agencies in all areas except for the cost per passenger trip, where Pierce Transit's cost ranks second and in line with the peer average. One possible factor influencing this result is higher number of passengers in each group, which can lower the cost for each passenger.

For most metrics, lower values indicate greater efficiency or reduced costs. Fare recovery is the exception: a higher percentage reflects a greater share of the operating costs being covered by passenger fares.



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
**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

**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 formal action of the Board of Commissioners to approve additional appropriations after the initial budget adoption.

**Budget Transfer** – A record of change to the budget with no financial impact.

**Bus Rapid Transit** – Systems 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 ¾ 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.