



**We make lives better
through connections.**

February 10, 2026

2026–2030 Five-Year Financial Forecast

Update as of February 2026

Kelly Mackey

Chief Financial Officer

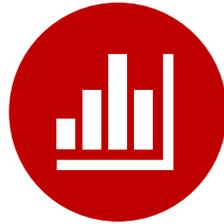
Outline



Background



**Financial Planning
Process**



**2026–2030
Assumptions**



**Five-Year
Financial Forecast
(FYFF)**



Next Steps

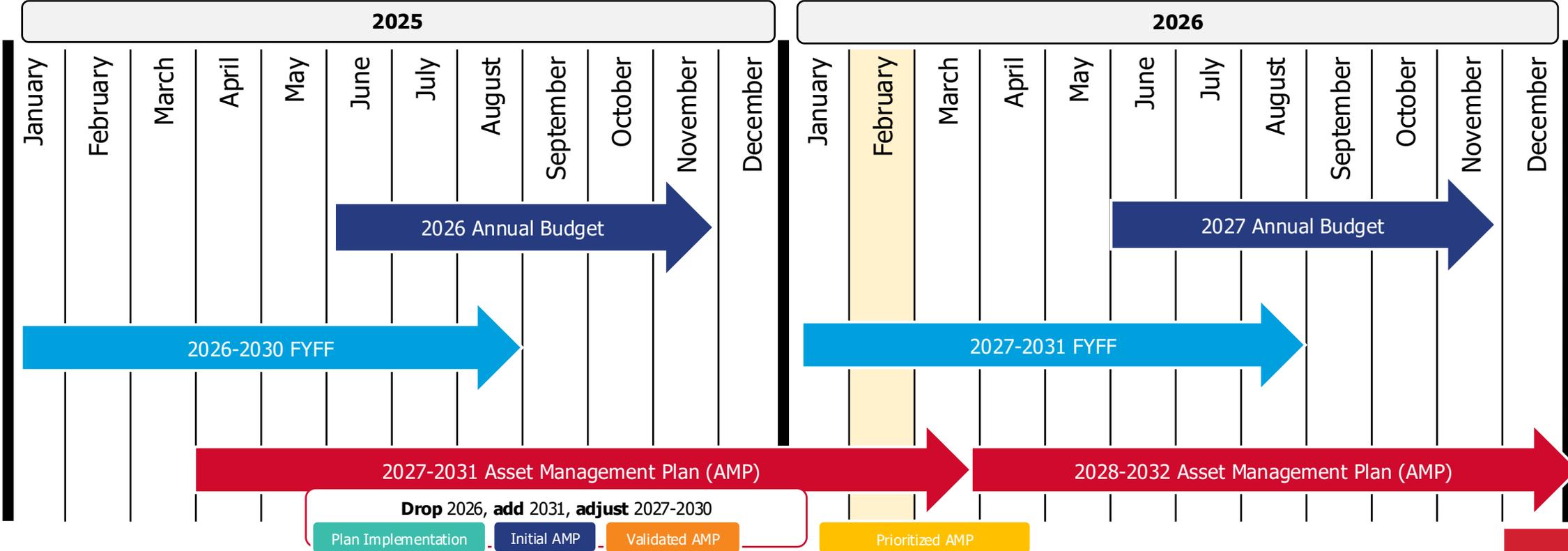
Background

- Annual five-year revenue and expenditure forecast
 - Prior FYFF was approved in September 2024
 - Basis for RTD's budget preparation, not an appropriation
- Strategic Plan alignment to Financial Success
- Transit Asset Management (TAM) Plan
- Asset Management Plan (AMP)



Financial Planning Process

Goal: The **right money** in the **right year** for the **right requests** for the **right reasons**



2026-2030 FYFF Assumptions

- Low-single-digit fare revenue growth
- September 2025 sales and use tax forecast
- No unawarded grants or debt restructuring not yet transacted
- 3% annual inflation and 3% tariffs (\$1.2M in 2026) on materials/supplies
- TAM Plan inclusion with continued maturity needed
- Reserves meet RTD's Fiscal Policy
 - Three months operating coverage and 1.2 net revenue coverage
 - Use of Capital Replacement and Unrestricted Funds



Five-Year Financial Forecast: Sales and Use Tax

(\$ Thousands)

	2025 Budget	2026 Budget	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast	2026-2030 Compound Annual Growth %
Fares	\$ 57,165	\$ 61,490	\$ 62,412	\$ 63,349	\$ 64,299	\$ 65,263	1.5%
Sales and use taxes	903,171	877,163	919,714	967,265	1,017,868	1,074,331	5.2%
Grants and contributions	347,328	308,737	169,950	174,960	179,221	184,511	-12.1%
Investment income	36,000	23,000	24,000	27,000	31,000	28,000	5.0%
Other income	8,400	9,000	9,000	9,000	9,000	9,000	0.0%
Total Revenue	1,352,064	1,279,390	1,185,076	1,241,573	1,301,388	1,361,106	1.6%
Operating expenses	1,233,425	1,113,231	790,261	802,266	817,791	833,077	-7.0%
Expense projects	-	-	12,260	11,703	8,543	9,248	N/A
Financing Proceeds	-	-	-	-	-	-	N/A
Capital expenditures	361,146	603,344	166,510	110,261	62,890	259,015	-19.1%
Debt service	229,426	190,635	273,923	260,174	258,060	246,511	6.6%
Total Expenditures	1,823,997	1,821,243	1,210,051	1,187,544	1,220,955	1,434,496	-5.8%
Net Sources and Uses	(471,933)	(541,853)	(24,975)	54,029	80,432	(73,390)	-39.3%
Operating reserve	218,302	227,403	194,500	197,641	202,312	205,957	-2.4%
Capital replacement reserve	261,000	166,000	166,000	166,000	235,000	318,000	17.6%
FISA reserve	190,099	191,532	191,532	191,532	191,532	191,532	0.0%
Unrestricted reserve	336,111	227,144	20,711	18,033	388	523	-78.1%
Total Reserves	1,005,512	812,079	572,744	573,206	629,232	716,012	-3.1%
Net Revenue Coverage (Min 1.2)	0.5	1.1	1.4	1.7	1.9	2.1	
Months Operating Reserve (Min 3.0)	2.1	2.9	3.0	3.0	3.0	3.0	

- The 2027-2030 sales and use tax revenue forecast has been reduced by \$91M to the September 2025 medium scenario
- This scenario is provided by the Business Research Division of the University of Colorado Leeds School of Business

Five-Year Financial Forecast: Operating Expense

(\$ Thousands)

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- Operating expenses have been adjusted to more sustainable levels for a balanced budget approach
- No financing is included

Five-Year Financial Forecast: Capital Expenditures

(\$ Thousands)

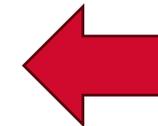
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- With the rising cost of buses, extending their life with maintenance may make more sense in some cases
- This forecast shows potentially delaying a \$187M purchase of 40' buses
- However, capital expenditures require extensive review over the next several months for a more accurate projection

Five-Year Financial Forecast: Fiscal Policy Alignment

(\$ Thousands)

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- For 2027-2030, revenue plus unrestricted reserves are greater than expenditures
- The net revenue coverage ratios for 2027-2030 meet the minimum requirement in the Fiscal Policy
- The three months of operating reserve also meet the requirement



Five-Year Financial Forecast: FISA Reserve

(\$ Thousands)

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- No change has been made to the FasTracks Internal Savings Account (FISA) from the 2026 budget



Five-Year Financial Forecast: Other Reserves

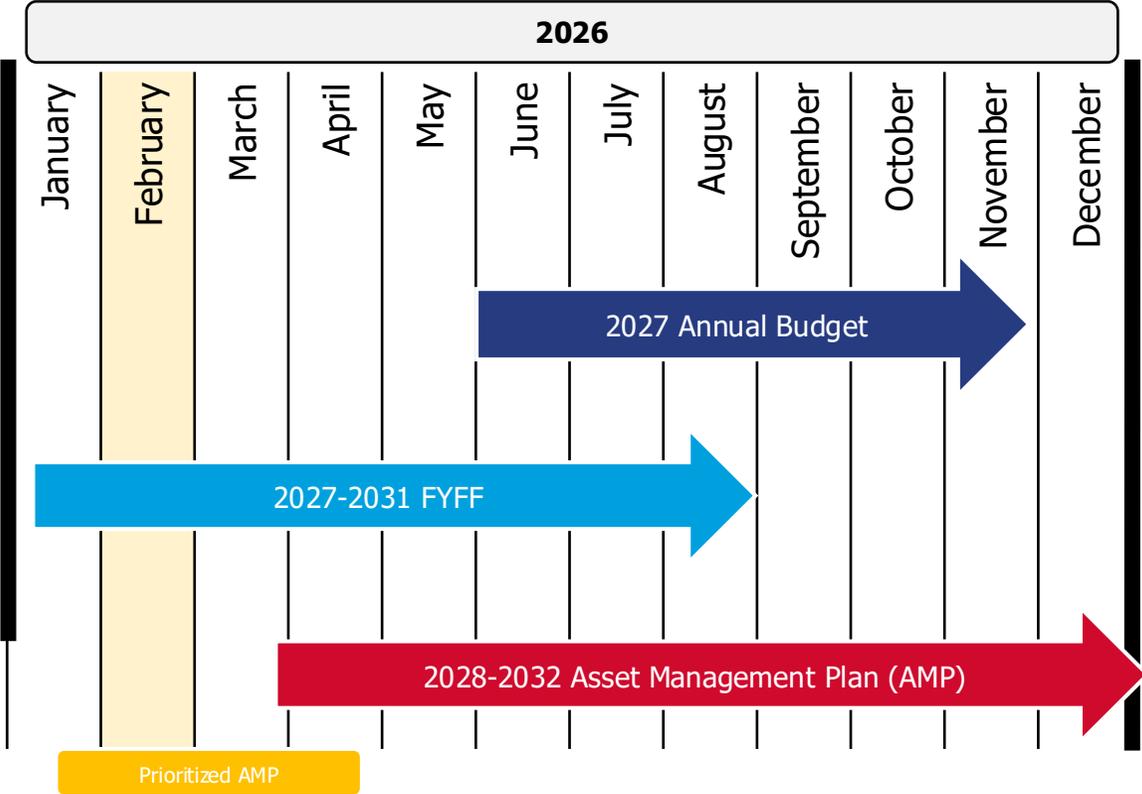
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- The capital replacement reserve may not be sufficient for future requirements
- The unrestricted reserve is fully utilized and a negative balance as of Nov. 30, 2025
- Reflected here are reserves under the Board auspices, separate from restricted reserves that are shown on the balance sheet

Financial Planning Next Steps

Goal: The **right money** in the **right year** for the **right requests** for the **right reasons**



Thank you.

