Operational Planning & Infrastructure Committee

November 18, 2025

MEETING MINUTES

Committee Members: Mr. Sleasman, Ms. Pacetti, Mayor Gallo, Mr. Love

Staff/Other: Shawn Becker, Nick Biggar, India Birdsong Terry, Felicia Brooks-Williams, Janet Burney, Floun'say Caver, Brent Charnigo, Jonathan Ciesla, Nick Davidson, Nadine DeJesus, Wendy Feinn, Michael Fesler, George Fields, Bob Fleig, Joel Freilich, Catherine Galla, Anthony Garofoli, Rajan Gautam, Fiona Gibbons, Chief Deirdre Jones, Lawrence Jupina, Carl Kirkland, Jeff Macko, Ida Marshall, Sheila Miller, Joshua Miranda, Charles Morgan, Ruben Morgan, Mike Schipper, Michael So, John Sulik, Kay Sutula, Wendy Talley, John Togher, Eric Vukmanic

Public: Ehren Bingaman, Tracie Collins, Travis Ducuruen, Kesley Finucan, Alex Johnson, Mustafa Shaikhan, Carren Woods

I. Roll Call

Mr. Sleasman called the meeting to order at 9:46 a.m. with roll call. A quorum was present.

II. Approval of Minutes – November 4, 2025

Mr. Sleasman moved to approve the minutes; Mr. Love seconded. The motion carried.

III. 2026 Budget Presentation – a discussion on the FY2026 Budget presentation

Eric Vukmanic, Manager of Budget, stated that in May the Board adopted the 2026 Capital Improvement Plan. In July, staff presented the 2026 tax budget to the Operational Planning and Infrastructure Committee, which was adopted by the Board on July 15. This provides a revenue estimate for the next fiscal year. In August, staff began budget development for fiscal year 2026.

A public hearing will be held today regarding the proposed budget and a second presentation and public hearing will be held on December 2, with the expectation to present the proposed 2026 budget to the Board on December 18 for approval.

Staff utilized the Federal Open Market Committee (FOMC) when considering some economic assumptions. The FOMC projects core inflation to continue falling in 2026 and interest rates to end the year at 3.5%. Ridership and passenger fare revenue are projected to maintain current levels and 2026 service levels are budgeted at 2025 levels, with a planned service reduction beginning in summer. Sales taxes are budgeted at a 2.2% increase and only contractual wage increases are budgeted.

Mr. Vukmanic advised that healthcare costs will be a challenge through 2026. Through October, healthcare costs were 34% higher in 2025 than 2024. Staff is budgeting for a 24% increase in healthcare costs in 2026.

Staff budgeted for increases in contractual wages, service contracts and maintenance contracts. Budget reduction efforts include a reduction of 56 vacant positions, implementing a hiring freeze, reducing overtime and non-personnel budget and restructuring business functions, duties and responsibilities. Service reductions will begin in the summer of 2026. The proposed 2026 budget has 2,367 full-time equivalent positions. This is a reduction of 56 positions from the 2025 budget. We will continue to monitor positions, functions, duties and responsibilities.

Compared to the 2025 budget, salaries, overtime and payroll and taxes have increased. However, categories such as inventory, services, material supplies, purchase, transportation and other expenditures have reductions.

Revenues are budgeted at $363.8 million. Sales and use tax is budgeted at $278.7 million or 76.6% of revenues. Passenger fares are $31.5 million, which is 8.6%. A transfer of $44 million from the Revenue Stabilization Fund will be needed in 2026.

Moving to the Revenue Stabilization Fund, Ms. Sutula explained that $30 million was transferred in 2024, leaving an ending balance of approximately $121 million. $50.5 million is budgeted for 2025, which will leave the remaining balance of approximately $78 million. $44 million is budgeted to be transferred in 2026, leaving a remaining balance of $35 million. Should the budget leave a 15-day balance in the Revenue Stabilization Fund of approximately $15 million, only $23 million will be available for transfer in 2027.

Budgeted expenditures are $373.2 million. Salaries and overtime are $184.6 million, which is 49.5%, payroll and taxes and fringes are $86.6 million, which is 23.2%. Transfers to other funds is $30.7 million, which is 9.2%.

Mr. Vukmanic noted that the Board has a policy goal for the agency to maintain one month of operating expenses as an ending balance. Without making budgetary reductions, the agency would not meet that goal in 2027 or 2028.

Mr. Love inquired whether the proposed budget is an overcorrection for the increased healthcare costs seen in 2025. Ms. Sutula stated that staff is utilizing a projected 24% increase nationwide.

Ms. Elder questioned whether the budget reductions proposed would be enough moving forward. Rajan Gautam, Deputy General Manager, Finance, stated that staff's focus primarily is the 2026 budget. Steps have already been taken to ensure that expenditures are in line with the best information available for a conservative realistic budget. Cost containment strategies are not yet reflected in the 2027 and 2028 projections because they are still in process.

Mayor Gallo questioned when healthcare plan design changes could be implemented. George Fields, Deputy General Manager, Human Resources, stated that an RFP will be issued in 2026 for healthcare plans taking effect in 2027.

CEO Terry stated that she and staff are attempting every angle possible to avoid service cuts or a reduction in force prematurely. The Finance Department is attuned to continuing growth in a responsible way. Capital projects are on the docket that signal to such expansion and to actualize plans that are part of the strategic plan from 2020 to 2030. This is an opportunity to look at service but also workforce to make sure that the right people are in the right places. The leadership team is looking internally for opportunities to truncate.

Mayor Weiss stated that it would be helpful to have more detail where there are vacancies and existing operations may or may not be where you would like them to be. Mr. Gautam explained that staffing related to ongoing operational needs related to safety and reliability of the system will not be compromised.

Mr. Love asked whether before the December Committee review if it would be possible to show a per person medical fringe cost and some comparison to other public agencies.

Mr. Sleasman inquired whether there was an estimate of how much money will need to be saved to avoid service reductions.

CEO Terry stated that staff does not have a specific dollar amount that would substantiate cuts because staff wants the right level of service reduction so customers are not adversely impacted. She wants to cut the budget around the fringes and make sure everything else can be reduced before reducing service. Staff is considering scenarios that will not be as painful to customers but address the financial gap. The Board would be presented the service adjustment in 2026, as scheduling is usually a three-to-six-month process.

Mr. Sleasman stated that service cuts should be the last thing to go even before the savings account, while recognizing that transferring from savings does not solve the problem. He further stated that conversation is warranted regarding long-term finances and whether revenue levels are sufficient.

Mr. Sleasman moved to suspend the Committee meeting to have the Public Hearing; Mr. Love seconded. The motion carried unanimously.

IV. Public Hearing

Mr. Vukmanic stated that this is the first of two public hearings on the proposed 2026 budget. The 2026 budgets are available for inspection in the Office of Management and Budget and the GCRTA website and social media pages. Public notice of this hearing has been given by publication in *The Cleveland Plain Dealer* and *The Call & Post*.

The proposed 2026 budget was presented to the Operational Planning and Infrastructure Committee on November 18, 2025. A second presentation will be made to the Committee on December 2, 2025.

The proposed General Fund budget estimates revenues of $363.8 million. The two largest sources of revenue are sales and use tax -- budgeted at $278.7 million and passenger fares at $31.5 million. Total operating expenditures are budgeted for $342.5 million.

Healthcare costs are projected to increase by 26% in 2026. Through continued efforts to reduce expenses in 2025 and the budget for 2026, 56 vacant positions have been removed from the 2026 budget for a total of 2,397 positions. Budgeted overtime and other non-personnel items have been reduced and a hiring freeze is in place.

Transfers to other funds are budgeted at $30.7 million to support expenses and maintain the recommended fund balances for the bond retirement insurance, supplemental pension capital improvement and reserve funds. A transfer of $44 million will be needed from the Revenue Stabilization Fund to the General Fund to maintain the one-month ending balance. Staff is aware that the Revenue Stabilization Fund will not be able to support the budget through 2027.

All personnel costs, non-personnel items and service levels will continue to be monitored throughout 2026 to identify additional cost-cutting measures and mitigate the budget shortfalls to ensure future financial sustainability. The 2026 to 2030 Capital Improvement Plan (CIP) was adopted by the Board of Trustees on May 20, 2025. The CIP provides for the purchase, maintenance and improvement of the Authority's capital assets through a programmed allocation of available financial resources.

Members of the public addressed the Committee. Public comments submitted through the webform will appear in their original form and have not been edited for grammar or content. GCRTA reserves the right not to publish any explicit language, derogatory remarks, or personal attacks against individuals.

1. Alex of Cleveland (in-person)

Stated that he is a nurse and frequent transit user. He stated that the proposed service cuts and lack of funding in the future and is disappointing and he would like to hear more concrete resolutions to how that will be addressed.

2. Mia (phone)

Stated that she depends on public transit to get around every day. She has become increasingly concerned about the financial state of the GCTA. She asked how RTA plans to deal with this issue because the Revenue Stabilization Fund is set to run out in 2028, which the authority heavily relies on to maintain its service level. She wished to secure sufficient funding for the future, avoid service cuts and fare hikes. She stated that she was aware that the majority of funding currently comes from a 1% sales tax and asked what taxing authority RTA has and whether it has plans or is open to trying to increase the tax. She also was curious about what RTA's plan is to avoid further service cuts in future. She stated that she was dependent on public transit.

3. Airric Stewart (phone)

First to Nick Biggar. How do you determine what's considered a low-income neighborhood or area where you give service? Because you have never stated that. In addition, what do you know about how far people have to come to get on the routes where you're giving your surveys? If you knew where they were coming from, how far they had to go to get there? That would give you a better indication as to where service would be. That question is motivated by the repeated suggested 1580. that runs through four low-income counties. Ward 4 and the western point of Ward 2, which would serve these people so that they could get bus service to grocery stores, plural, pharmacy, plural. And other retail, shopping and employment. Ehren Bingham, you keep giving percentages without giving the numbers that the percentages are based on. So how is somebody listening to this supposed to know that 59% or 68 or 69 percent is any improvement and we don't know what the numbers are of people that you're basing your percentages on? Raj, I've been waiting for years for you to get back to me about my questions about the municipal bond that is helping to fund RTA. I called you four different times and I even sent e-mail and I have not received any response. India Terry, your salary is unusually close to the salary for the head of the New York Transit system, which is 10 times larger than RTA and they have a higher quality recommendation from their public. How much do you understand about this taxpayer-funded agency that employs you and needs to get a good return on their money? You could reduce your salary by $100,000 and they could pay more employees for things that people need -- drivers, people to clean the shelters and things such as that. This is a matter of financial health, which is what you're talking about. And in 2026 you claim that you're going to be working more on economics. Well, Pinecrest has 61 businesses. Shaker Square has 24 plus businesses.

4. Chris Martin (phone)

I want to give the Board a really quick cursory history of RTA's financial woes. Around 2017, the State of Ohio got rid of a huge chunk of revenue for RTA through the Medicare covered organization. And in 2018, Board member Elkins made a motion at one of your meetings to put a sales tax levy on the ballot. That motion did not get a second, so it died at the table. But then board President Dennis Clough, Mayor of Westlake told the press at that time that RTA would likely go to the ballot in 2019 because it was recognized that RTA was going broke. Of course, that did not happen in 2019, and in 2020 the pandemic hit and the Cares Act was passed and ARPA was passed and RTA received hundreds of millions of dollars to put into the Revenue Stabilization Fund. Now you are spending that down. Only predicted that you were going to spend it down all by 2026. Apparently, you still have will have some through 2028 or so, but you're already now talking about service cuts.

5. Adam Rossi (webform)

As a transit rider, I am deeply disturbed by the funding cuts for public transit, and the pending funding cuts looming in the not-too-distant future. The Federal and State government have shown that they are diligent in their attack on public just about anything, public transit included. In this era of hostility from those in power at higher levels, it is imperative that the RTA board do everything in its power to protect public transit. I rely on RTA to get to work and back each day. So many others like me would suffer from service cuts, and we are already suffering. And there are more and more who suffer each day. I implore the RTA board to do everything in its power to explore all funding mechanisms for transit as we look ahead into the uncertain future, including putting a sales tax levy on the ballot to make up the impending funding shortfall. The RTA board should also look into parking meter revenue currently used for Huntington Bank Field maintenance as a potential funding source. When it comes to potential funding sources, anything should be on the table, because any cuts in service make it harder for folks like me to get to work, to get to the dentist, to have fun, to be somewhere on time...in short, to live a fully dignified life. Thank you for the service you provide and thank you for doing everything you can to make Cleveland work for everyone.

6. Wendell Lamar (webform)

I'm interested in the outcome of the budget and strategies to continue to keep the Operators safe.

7. Isaac Shimsky-Augusto

As someone who depends on this service, I am very concerned about the financial health of RTA. If something isn't done, we are looking at massive service cuts in the coming years. Since I mostly ride on weekends and evenings, I anticipate being hit very hard by any cuts. RTA requires additional operating funding, and the best way to accomplish is with an increased tax levy. RTA has been kicking this can down the road longer than the introduction of smartcards. The best time to do this would have been years ago, the second best time is now. No amount of ignoring the issue is going to make it go away. Action needs to be taken, as soon as possible, or the consequences to people's lives will be disastrous.

Ms. Pacetti moved to reconvene the Committee; Mayor Gallo seconded. The motion passed unanimously

V. <u>2026 Service Plan</u> – a discussion on the FY 2026 Service Plan overview.

Dr. Floun'say Caver, Chief Operating Officer, stated that the Operations Division will present the 2026 Service Management Plan (SMP). The SMP is a companion document to the 2026 budget and contains an analysis of route performance. The SMP was created by Board policy and is presented once per year. The 2026 SMP and budget a service level is similar to 2025; however, staff is aware of planned 2026 service reductions.

Jeff Macko, Manager of Service Planning, stated that the 2026 SMP is aligned with the recommended 2026 budget. Budgeted service hours match those of 2025, but the goal to spend less than that budget allows.

Mr. Macko stated that per Board policy, the SMP reports on current bus route performance by route category. Staff will develop a service reduction alternatives package. We'll continue to improve bus stop safety and deployment of informational signs. Staff will seek to improve transit waiting environments with amenities to benefit all riders -- especially those with mobility impairments.

Staff will continue to seek improved bus shelter safety and try to work with community partners to install shelters at places that may not warrant them but are desired by said partners.

Staff will continue to monitor the system performance and respond to any building, road or bridge construction projects that need service adjustment and focus on service reliability.

Mr. Macko stated that in 2019, GCRTA performed a system redesign study to learn what Cuyahoga

County residents value in a transit system - particularly the bus network. The four values identified from the study helped fuel the system redesign that was implemented in 2021 and continue to how service is deployed to the service area.

Those values included more frequent service during off-peak hours, more frequent service on Saturday and Sundays, maintaining existing coverage to outlying areas, and if and when funding was available, to improve frequency rather than new routes.

Mr. Macko explained that the type of service improvement that has the highest customer value and the least cost would be when increasing frequency on a route from 60 minutes to 30 minutes. On the other end of the spectrum, potentially increasing the frequency of a route from 15 minutes to 7.5 minutes brings the least value to the rider and bears the highest cost.

Bus route productivity is assessed by comparing the number of boardings to the number of revenue or service hours. Per Board policy, staff is required to identify bus routes in the route category that fall below the bottom quartile of the respective route category.

Mr. Macko explained that eliminating or reducing frequency to the least productive routes may not be wise because that is the only route that serves that particular location because it is access to residents to get to the jobs in these outlying areas.

Ms. Elder inquired whether what addition factors are considered in terms of service frequency beyond the number of riders. Mr. Macko stated that in addition to the number of riders it affects, staff considers the severity of how a reduction would affect the rider.

Ms. Elder stated that it was important for the public to understand that considerations of community impact, severity and value go into making service decisions.

Mr. Love questioned whether there had been any service reductions since the system redesign. Mr. Macko advised that there have been no reductions in service since the redesign was implemented in 2021. That will be reviewed when considering service reductions.

Mr. Love sought to clarify the Board action relative to the 2026 SMP and in December making a decision regarding the potential for service reduction. Joel Freilich, Director of Service Management. Explained that there are no formal Board resolutions on the SMP or particular routes. The CEO is responsible for determining how to operate the system within the budget set by the Board. An open discussion is usually held with the Board about what is proposed in a participatory process.

Ms. Elder questioned whether there was an anticipated timeline of when service changes may be proposed. Mr. Freilich stated that the topic would likely be discussed during a March committee meeting.

Mr. Sleasman stated that the costs can be mitigated by additional riders. He further stated that he would like to see more efficient service -- whether that means pushing schedules or consolidating stops. Getting that service at a better dollar value would go a long way as service cuts are considered.

VI. Adjourn

There being no further business to come before the Committee, Mr. Sleasman moved to adjourn the meeting, which was seconded by Mr. Love. The meeting was adjourned at 10:50 a.m.

Rajan D. Gautam
Secretary/Treasurer

Brent Charnigo
Board Administrator