



MEETING MINUTES

Committee of the Whole

April 7, 2026

Committee Members: Mayor Koomar (Chair), Ms. Pacetti (Vice Chair), Ms. Elder, Mayor Gallo, Mr. Love, Ms. McPherson, Mr. Sleasman, Mayor Weiss

Not Present: Ms. Smith Whigham

Staff/Other: Shawn Becker, Nick Biggar, India Birdsong Terry, Janet Burney, Louis Catalusci, Floun'say Caver, Brent Charnigo, Nick Davidson, George Fields, Bob Fleig, Joel Freilich, Rajan Gautam, Chief Deirdre Jones, Lawrence Jupina, Carl Kirkland, Sheila Miller, Charles Morgan, Holly Mothes, Norbert Reynolds, Mike Schipper, Kay Sutula, Wendy Talley, John Togher, Carolyn Young, Steven Zimmerman

Public: Brian Gibbons, Loh

I. Roll Call

Mayor Koomar called the meeting to order at 9:00 a.m. with roll call. A quorum was present.

II. Approval of Minutes – March 24, 2026

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

III. Financial Overview

Rajan Gautam, Deputy General Manager, Finance, presented a comprehensive financial overview aimed at balancing the authority's operating and capital needs through 2028. Proposed strategies would allow the Board and management enough time to evaluate additional sources of revenue. He explained that a structural funding gap exists following the depletion of federal stimulus funds received in 2020 and 2021. Mr. Gautam referenced a presentation he made to the Board in May 2021 that addressed using those stimulus funds in a strategic manner that would ensure stability for the Authority.

Historically, these funds were used strategically to support the operating budget, unfunded capital projects, and reduction of debt. Mr. Gautam highlighted that while the Authority previously relied on federal preventive maintenance reimbursements to support operations and those were suspended during this period to retain funds for the benefit of the Capital Program.. The stimulus funds were a reserve to mitigate economic risks through 2026. However, projections for 2028 developed around the time of the 2026 budget development show a potential deficit of \$48.3 million, which represents a \$78.3 million shortfall to get back to the Board policy which mandates a one-month operating reserve. The Authority's outstanding debt has decreased from \$170 million in 2012 to \$13.9 million in 2025, which provides the capacity to meet the capital needs if debt is utilized judiciously.

Mr. Gautam advised that the Authority has never issued debt to meet operating needs. The debt issuances are specifically for capital projects. The Authority's outstanding debt has been reduced from \$170 million in 2012 to \$13.9 million in 2025, providing capacity to issue the proposed \$35

million in new debt to mitigate the reduced capital transfers without negatively impacting the capital program. No debt has been issued since 2019.

To address this financial challenge and to ensure stabilization of operations through the end of 2028, management proposed several cost-saving measures totaling approximately \$68.3 million over three years. Key recommendations include a temporary reduction in the transfer from the General Fund to capital projects from 10% to 5%, which is expected to save \$42.7 million. Other measures involve suspending transfers to the rolling stock reserve fund, implementing a 3% credit card convenience fee, consolidating positions for a \$6.2 million savings, renegotiating paratransit contracts for \$6.5 million in savings, and hiring part-time operators rather than full-time. The savings amounted to almost \$18 million in cash flow on the 2026 budget. Further recommendations were made to provide stability through the end of 2028.

Mr. Gautam stated that additional recommendations made to the management include evaluating a potential sales tax levy, which could be in the amount of one-quarter percent or one-half percent, and would generate \$70 million or \$140 million per year, respectively, if successful.

Upcoming Board actions include a code book revision changing the transfer requirements from 10% to 5%, which the Committee of the Whole has already advanced and a resolution will be presented on May 19. Additionally, a detailed overview of the bond issuance process will be presented to committee on May 5 before an expected resolution to the Board on May 19.

Mr. Gautam advised that questions have arisen regarding the impact of the reduction from 10% to 5% would have on the capital program. Per Board policy, staff is required to transfer \$28 million to the capital program to meet the needs of capital projects with a 20% local match, with the recommendation to reduce that amount temporarily for the next three years by 50%. He explained that it will not be negatively impacted due to the issuance of \$35 million debt.

Concluding his report, Mr. Gautam stated that staff was tasked with minimizing service reductions to the extent possible, to not negatively impact customers. The initial recommendation in December 2025 was a significant 12% service reduction. The potential service reductions were minimized through other cost savings. The Finance Division has put together a strategic plan to provide sustainability for the next three years, during which options for additional revenue sources may be contemplated. All other recommendations, once adopted, will ensure that the Authority will end 2028 with close to the one-month operating reserve. He advocated acting now because if these recommendations are not adopted, in 2028 it would be nearly impossible to cut \$78 million in expenses in one year without significant employee and service reductions.

Mayor Weiss inquired whether the agency has a position if a levy were to pass. Mr. Gautam stated that he can offer better insight when a levy is pursued and comes through successfully. He advised that the projections presented assumed no additional revenues from a levy; it is largely a result of cost reductions.

Joel Freilich, Service Manager, clarified that currently proposed service reductions would save \$6 million over three years and are factored into the stability plan through 2028. This set of financial projections are based on an assumption that no further service reductions would be put into effect.

CEO Terry noted that staff a high-level document with a breakdown of money saved by route was distributed to the Board.

Mr. Love questioned whether there had been an internal discussion about alternative sources of revenue. Mr. Gautam stated that several measures are being reviewed -- including sale of land, long-term leases of land and transit-oriented development.

Ms. Pacetti inquired about the possibility of corporate or municipal sponsorships for specific routes, such as the downtown trolley. CEO Terry reported that such efforts have seen limited success as partners often prefer funding transformational capital projects over operations. Certain potential partners are also facing financial challenges of their own.

Ms. Pacetti noted the historical context of route adjustments and that this is a healthy reset of which routes are working after COVID changed commuting patterns. She hoped that aspect is not lost in the story about trying to get to a number threshold.

Regarding the debt, Mayor Weiss expressed interest in structuring it in a way to prepay to achieve flexibility. Mr. Gautam explained that the three series of remaining debt will roll off by the end of 2030. The way we've structured bonds is to make our tax-exempt bonds more attractive to the investing public. The new debt is projected to be a 20-year bond and staff will look at prepaying as time goes on.

Additionally, the Board discussed the decision to purchase 54 railcars instead of the originally planned 60. While this saves \$36 million, staff will monitor if this reduction affects future state grant eligibility.

Mayor Koomar questioned whether the Authority had pursued external funding to help with the purchase of the six additional railcars and whether that would affect the reimbursement on the capital side. Mr. Schipper stated that that reduction would not impact any grants in hand, but it could impact the ability to get the last piece of grant funding in the funding stack.

Mr. Gautam stated that the decision not to exercise the purchase option on the final six cars was not taken lightly because staff wanted to make sure that service needs were met.

CEO Terry stated that the original intent was to purchase 60 railcars but the different financial situation necessitated holding at 54. Questions regarding whether there are stipulations within the grant program need to be answered.

Mr. Love asked whether there had been projections on the long-term impact to service with 54 cars rather than 60. Mr. Freilich explained that the number of cars will not affect service frequency for the first ten years. GCRTA currently has 58 cars and on an average day far fewer than that are in service. Spare cars are necessary to support maintenance.

CEO Terry asked staff to prepare an update showing ridership projections with a capacity analysis for rail. We want to make sure we're providing enough Service capacity for future generations.

Upon questioning by Mr. Sleasman, Mr. Gautam explained that refinancing the \$13.9 million outstanding debt would not yield savings as significant as letting it retire.

Mayor Koomar stated that he would like to hold a Board Governance meeting in the near future.

I. Adjournment

There being no further business to bring before the Committee, Mayor Koomar moved to adjourn the meeting and seconded by Ms. Pacetti. The meeting was adjourned at 10:06 a.m.


Rajan D. Gautam
Secretary/Treasurer

Brent Charnigo
Board Administrator

