

# 2027 Tax Budget

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Greater Cleveland  
Regional Transit Authority  
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# FY 2027 TAX BUDGET

**To:** Mayor Paul A. Koomar, President  
and Members, Board of Trustees

**Date:** July 2, 2026

**From:** India L. Birdsong Terry   
General Manager, Chief Executive Officer

**Subject:** FY 2027 Tax Budget

## EXECUTIVE SUMMARY

The Fiscal Year (“FY”) 2027 Tax Budget is an initial analysis of the financial trends affecting revenues, with preliminary forecasts on expenditures and service levels of the Greater Cleveland Regional Transit Authority (“Authority”). It is a forward-looking document that reviews estimated revenues for the next fiscal year. It is a valuable tool and the first step in the budget development process.

The Authority launched Account-Based Ticketing (ABT), Fare Capping, and Smartcards in June 2026. This provides our riders an easier way to pay and benefit from automatic savings. The 2019 Pillar Study on Fare Equity identified the need to create more equitable ways for customers to pay their fares. The Account-Based Ticketing, Fare Capping and Smartcards improve the customer experience and make transit more affordable and equitable. Trips are tracked through the EZfare App or a Smartcard to ensure they receive the lowest fare. Riders will never pay more than the cost of a daily, 7-day, or monthly pass, even when paying per ride.

In April 2026, the Authority held public hearings on the proposed service reductions. The proposed 3% service reductions will take effect in August 2026. Other cost saving measures that the Authority has taken include hiring more part-time operators, implementing a hiring freeze for non-service personnel, reducing travel and other expenses, and temporarily reducing the transfer of Sales & Use Tax receipts to capital from 10% to 5% (only for 2026 through 2028). The Authority is currently reviewing additional sources of revenue.

The Authority has purchased 54 common high-floor light rail vehicles through Siemens Mobility Inc. that can operate on both the heavy and light rail systems. The first railcar is expected to be delivered in the Fall of 2026 at the Port of Cleveland. The vehicles for the Red Line are expected to go into service in the Fall of 2027, once all the vehicles have completed the required testing and acceptance process and the infrastructure modifications are completed. The vehicles for the Blue/Green/Waterfront Lines are expected to go into service in the Fall of 2028. The program is expected to be completed in the Summer of 2030.



LRV 401 sits on Test Track  
Figure 1

Some additional highlights of 2026 include:

- Mayor Paul A. Koomar and Ms. Emily Garr Pacetti were re-elected as President and Vice-President, respectively, of the Board of Trustees
- Reappointment of Board Members: Ms. Anastasia Elder and Mr. Jeffrey Sleasman through the City of Cleveland
- Ms. Emily Harper was sworn in as the newest member of the Board of Trustees, appointed through the City of Cleveland

The Authority has been awarded several grants in 2026:

- \$10 million from the Transportation Review Advisory Council (TRAC) for Tier 1 funding for light rail track reconstruction.
- \$16.7 million from Northeast Ohio Areawide Coordinating Agency (NOACA) for Congestion Mitigation & Air Quality (CMAQ) grant for purchase of replacement CNG vehicles.
- \$250,000 from US Congress from Congressionally Directed Spending for the Light Rail track rehabilitation.
- \$125,000 from NOACA for the Transportation for Livable Communities Initiative (TLCI) for Pathways to Transit: First/Last mile connections to transit stations.
- \$35,000 from the Ohio Department of Development from TechCred – Round 35 for reimbursement of eligible training of employees.
- The Authority has several grants that are pending review.

The GCRTA builds its financial strategy around providing safe, reliable service today and into the future. We leveraged federal and state funding to modernize vehicles, advance railcar replacement, and strengthen mobility options for seniors and individuals with disabilities. We continue to invest in community-based enhancements in connectivity, accessibility, and a consistent visible safe presence. We safeguard the dependability of our service through investments in fleet modernization, rehabilitation of critical infrastructure, and specialized event planning in order to move riders forward with transit that they can count on. Our commitment to responsible stewardship of public dollars drives all that we do.

# **General Fund Assumptions**

## **Inflation**

### ***Assumption:***

**3.5% - 4.5%**

Inflation rose to 4.3% in May 2026 with the conflict in the Middle East as the primary driver of inflationary pressures, according to the Federal Open Market Committee (FOMC). Year-ahead inflation expectations are between 3.5% and 4.5%, as reported by the Survey of Consumers from the University of Michigan.

## **Interest Rates**

### ***Assumption:***

**3.5% - 3.75%**

The Federal Reserve announced at its June 2026 Federal Open Market Committee (FOMC) meeting that the Federal Funds Rate (“FFR”) will be maintained at 3.50%. Until the committee gains confidence that inflation is moving toward the target rate of 2.0%, the committee will continue to hold interest rates steady.

In order to give the Authority time to seek additional revenue sources, the Finance Division implemented cost saving recommendations beginning in 2025. These include suspending the transfer to the Rolling Stock Reserve Fund in 2026 and 2027, reducing overtime, eliminating 56 vacant positions, and implementing a hiring freeze on non-essential positions. These actions helped to save \$17.8 million.

In 2026, the Authority continued to implement the recommendations, which included recruiting part-time operators, renegotiating the Paratransit 3<sup>rd</sup> party contracts, suspending the transfer to the Rolling Stock Reserve Fund in 2028, reduced the transfer of Sales & Use Tax receipts to capital from 10% to 5%, and planned a \$35 million debt issuance to mitigate the reduced transfers to capital, approved in May 2026. The reduction in the transfer to capital is a temporary measure for 3 years (2026 through 2028) and will help to save the Authority’s operating budget approximately \$42.7 million, which was approved in May 2026. New healthcare plans (hospitalization, prescription, vision, dental) are being negotiated and will be finalized by late Fall 2026.

# REVENUES

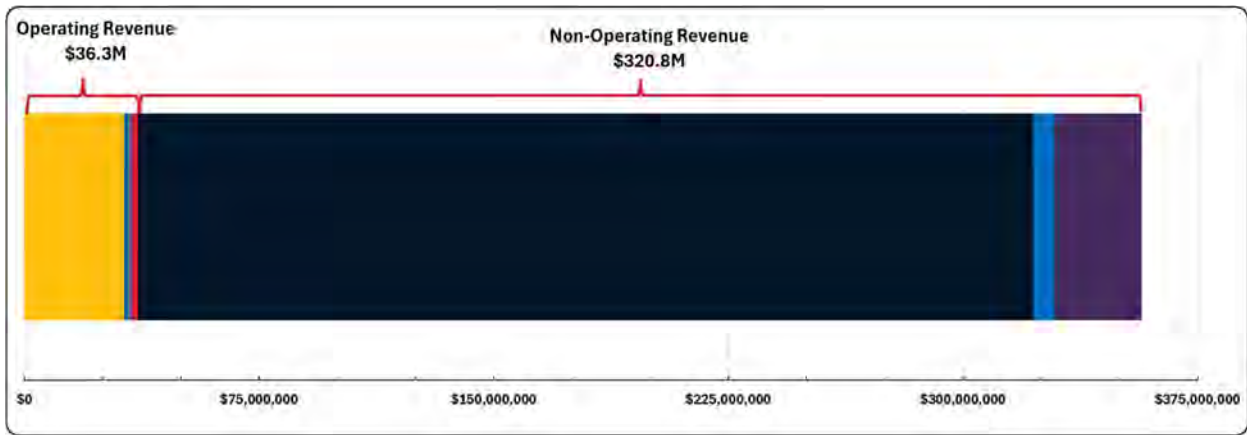
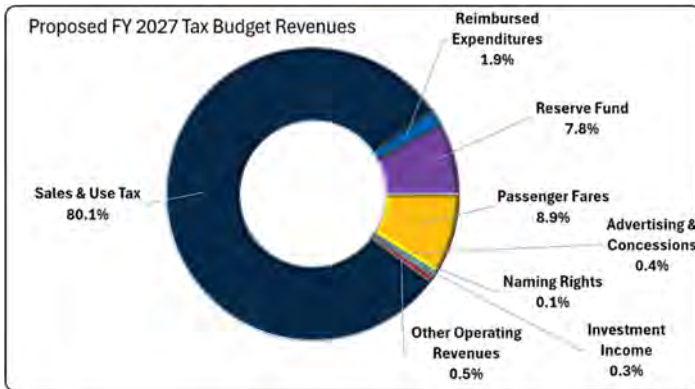


Figure 2

Total revenues of \$357.1 million are projected for 2027. Operating Revenues are those revenue streams directly impacted by the operations of the Authority. These total \$36.3 million and include Passenger Fares, Advertising, and Investment Income, and equal 10.2% of total revenues.

Non-Operating Revenues are the other sources of revenue and include Sales & Use Tax, Reimbursed Expenditures, and Transfer from the Revenue Stabilization Fund. Non-Operating Revenues total \$320.8 million.



Sales & Use Tax	\$ 286,107,000
Passenger Fares	31,878,000
Advertising & Concessions	1,400,000
Naming Rights	300,000
Investment Income	900,000
Reimbursed Expenditures	6,669,000
Other Operating Revenues	1,800,000
Transfer from Reserve Fund - Revenue Stabilization	28,000,000
<b>Total Revenues</b>	<b><u>\$ 357,054,000</u></b>

Figure 3

## Passenger Fares

**\$31.9M**

Actual Passenger Fare Revenue received through May 2026 totaled \$11.5 million. This amount is 4.5% below 2025 actual receipts for the same period. Total Passenger Fares for 2027 are projected at \$31.9 million, approximately 1.5% increase from 2026 estimates.

**Advertising & Concessions**

***Advertising Contract and Concessions***

***\$1.4M***

***Naming Rights: HealthLine and MetroHealth Line***

***0.3M***

***Total***

***\$1.7M***

Advertising and Concessions revenue is composed of two subcategories. The first subcategory is comprised of the current advertising contract, concessions, and the new contract for advertising on the bus shelters. The second category is the Naming Rights, which includes Cleveland Clinic Foundation and University Hospitals for the HealthLine, and MetroHealth Medical Center for the MetroHealth Line. The Advertising & Concessions category is projected to total \$1.7 million in 2027.

**Investment Income**

***\$0.9M***

For FY 2026, the Investment Income is projected to end the year near \$0.9 million, with an average yield of 3.64% on investments through May. The Federal Reserve Bank anticipates interest rates to remain steady in 2027. The estimated Investment Income is based on an average rate earned over the prior three years. The Investment Income is estimated at \$0.9 million for FY 2027.

**Other Operating Revenues**

***\$1.8M***

This revenue category includes various miscellaneous receipts from contractors, hospitalization, claim reimbursements, rent, salvage sales, and sale of identification cards. Other Operating Revenues are projected at \$1.8 million for FY 2027.

**Sales & Use Tax Revenue**

***\$265.6M***

The Authority receives a 1.0% Sales and Use Tax on sales of tangible personal property and on other transactions subject to the state Sales and Use Tax within Cuyahoga County. The 1% tax is of unlimited duration and was approved by the voters of Cuyahoga County in July 1975. The tax is levied and collected at the same time and on the same transactions as the permanent 5.75% Sales and Use Tax levied by the State, 1.0% levied by Cuyahoga County and a special 0.25% levied by Cuyahoga County. Sales Tax for 2026 is estimated at \$279.9 million. For FY 2027, sales tax receipts are projected at \$286.1 million, a 2.2% increase from 2026 levels.

**Transfers from Reserve Fund**

***Transfer for Revenue Stabilization***

***\$28.0M***

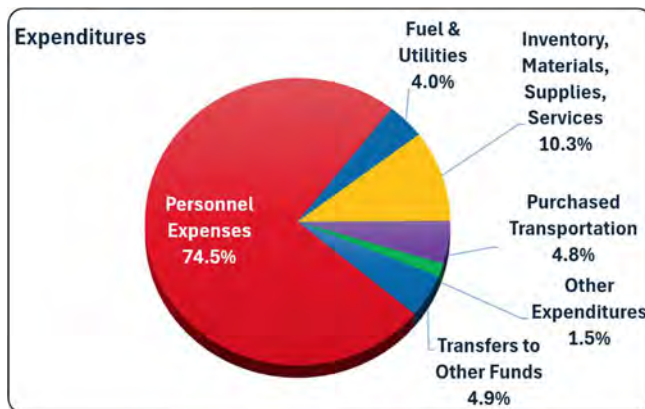
The transfer from the Revenue Stabilization Fund is projected at \$28.0 million. This transfer is to ensure a one-month ending balance in the General Fund required by Board policy. If revenues are higher than expected, the transfer may decrease.

**Reimbursements**

<i>Preventive Maintenance Reimbursement</i>	<b>\$5.2M</b>
<i>Reimbursed Labor</i>	<b>1.0M</b>
<i>Other Reimbursements</i>	<b>0.5M</b>
<b>Total</b>	<b>\$6.7M</b>

This category consists of reimbursement of labor costs for capital projects, preventive maintenance activities within the Operating Budget, and diesel fuel tax refunds. For the 2027 Tax Budget, revenues from Reimbursed Expenditures are budgeted at \$6.7 million.

**EXPENDITURES**



Projected Expenditures	
Personnel Expenses	\$ 266,575,000
Fuel & Utilities	14,425,000
Inventory, Materials, Supplies, Services	36,800,000
Purchased Transportation	17,300,000
Other Expenditures	5,300,000
Transfers to Other Funds	17,506,000
<b>Total Expenditures</b>	<b>\$ 357,906,000</b>

Figure 4

**Personnel Expenses**

**\$266.6M**

Total personnel expenses are projected at \$266.6 million, which include salaries, overtime, payroll taxes and fringes. Total salaries and overtime for the 2027 Tax Budget is projected at \$184.1 million. Payroll taxes and fringe benefits are projected at \$82.5 million. This includes payroll taxes, healthcare, prescription, dental, vision, life, and other miscellaneous fringe benefits. A new healthcare plan is being negotiated and will begin on January 1, 2027. Total personnel expenses represent 74.5% of total expenditures.

**Fuel & Utilities**

**\$14.4M**

Fuel and utilities is projected at \$14.4 million for the 2027 Tax Budget, representing 4.0% of the total expenditures. The fuel category is projected at \$9.8 million and includes diesel, compressed natural gas, gasoline, and electric propulsion power for the Authority’s revenue and non-revenue vehicles. The energy contracts have helped to stabilize the cost of fuel, which has been one of GCRTA’s most volatile expenses. The utilities category is projected at \$4.6 million and includes natural gas (for facility heating), water/sewer, electricity, and telephone expenses. Like fuel, the utility contracts, which began mid-2026, help to stabilize the costs for the Authority.

**Other Expenditures**

<i>Inventory</i>	<b>\$13.8M</b>
<i>Services &amp; Materials</i>	<b>23.0M</b>
<i>Purchased Transportation/ADA</i>	<b>17.3M</b>
<i>Other Expenditures</i>	<b>5.3M</b>
<b><i>Total</i></b>	<b>\$59.4M</b>

Inventory is budgeted at \$13.8 million. The Supply Chain Management section of the Authority’s Fleet Management department has helped the Authority to maintain predictive maintenance and repairs on the Authority’s newer fleets and carry out major purchases for supplies and equipment for facilities and vehicles. The Authority continues to implement the predictive maintenance program that started in 2015 where parts are replaced based on a proactive maintenance program.

The main drivers of the Services and Materials category are service and maintenance contracts, advertising costs, equipment, and other miscellaneous supplies. This category is budgeted at \$23.0 million for the 2027 Tax Budget. The out years are planned to increase slightly each year based on contracts and inflation.

Purchased Transportation/ADA is budgeted at \$17.3 million for the 2027 Tax Budget. The Authority entered into two new contracts in mid-2026 and ridership has increased significantly in the past two years. Additional Paratransit buses are being purchased in 2026. The “Other Expenditures” category includes travel and meeting expenses, training, claims, and other miscellaneous expenses. For the 2027 Tax Budget, \$5.3 million is projected for this category.

**Transfers to Other Funds**

<i>Bond Retirement Fund</i>	<b>\$5.7M</b>
<i>Capital Improvement Fund</i>	<b>8.6M</b>
<i>Insurance Fund</i>	<b>2.5M</b>
<i>Reserve Fund</i>	<b>0.7M</b>
<b><i>Total</i></b>	<b>\$17.5M</b>

Transfer to other funds are to support expenses and maintain the recommended fund balances for the Bond Retirement, Capital Improvement, Insurance, and Reserve Funds. Transfers totaling \$17.5 million will be needed in 2027. Transfers shown for the Bond Retirement are for the debt service net of the investment income earned in the Bond Retirement Fund. The \$5.7 million transfer to the Bond Retirement Fund for 2027 is needed to pay the principal and interest on all debt for 2027, as well as to maintain the recommended ending balance in the fund.

The \$8.6 million transfer to the Capital Improvement Fund covers 100% locally-funded capital projects in the RTA Capital Fund, as well as required local match for most grant-funded projects in the RTA Development Fund. The total contribution to capital (transfer to the Capital Improvement Funds and Bond Retirement Fund) is 5.0% of Sales & Use Tax receipts. The recommended Board policy of a minimum transfer of 10% was temporarily reduced to 5% for fiscal years 2026, 2027, and 2028. For 2029, the transfer to capital will be returned to 10%.

A \$2.5 million transfer to the Insurance Fund is required to maintain the fund balance at the current recommended \$5 million level and to cover expected expenses for the 2027 Fiscal Year. A transfer of \$0.7 million to the Reserve Fund will cover the 1/12 of 27<sup>th</sup> pay expenses.

## **FINANCIAL INDICATORS**

The General Fund statement presented in this Tax Budget results in the following performance against the Authority's financial policy goals.

### **OPERATING EFFICIENCY**

**Operating Ratio:** Board policy requires a 25.0% ratio in operating revenues compared to total operating expenditures. This ratio shows the efficiency of management by comparing operating expenses to operating revenues. The 2027 Tax Budget yields a 10.7% ratio, which is below the policy objective.

**Operating Reserve:** The Operating Reserve is targeted for a period of 30 days, or 1 month, meaning the available cash equivalent to one month's operating expenses to cover any unforeseen or extraordinary fluctuations. At a projected ending balance of \$28.4 million, the Operating Reserve for the 2027 Tax Budget is 1.0 months.

**Growth per Year:** This policy requires that growth in the cost per hour of service from year to year be at or below the rate of inflation. The cost per hour of service is a measure of service efficiency dividing total operating expenses by total service hours. The Growth per Year is the cost of delivering a unit of service (cost per hour of service) compared to the prior year. The FOMC estimates inflation will fall between 3.5% and 4.5% in 2027. The 2027 Tax Budget estimates the cost per hour of service at \$187.15, which is 0.4% above the FY 2026 estimate. This indicator is projected to be met.

### **CAPITAL EFFICIENCY**

**Debt Service Coverage:** The Debt Service Coverage is a ratio measuring the Authority's ability to meet annual interest and principal payments on outstanding debts. A \$35 million debt issuance was made in mid-2026. This will provide a local match for various large projects in the Development Fund for 2026 through 2028. The 2027 Tax Budget estimates the debt service coverage at 5.8, above Board policy minimum of 1.50. Standard & Poor's and Moody's maintained their ratings in 2026 for the Authority at AAA and Aa1, respectively.

**Sales & Use Tax Contribution to Capital:** The Board policy requires that a minimum of 10.0% of the Sales & Use Tax receipts be applied to the capital needs of the Authority. This was temporarily reduced to 5% for fiscal years 2026, 2027, and 2028. These funds are used to meet the Authority's annual debt service payments, to provide the local match for grant funded capital projects, and to fund routine capital and asset maintenance projects included within the RTA Capital Fund. At 5.0%, this indicator is projected to be met for the 2027 Tax Budget.

**Capital Maintenance to Expansion:** Several years ago, the Board recognized that our emphasis must be to maintain the Authority's existing capital assets and revised this objective to a policy guideline of 75% to 90% of the Authority's capital projects. At 100% for the FY 2027 Tax Budget and each of the out years, the Authority's emphasis continues to be the maintenance of its existing assets as opposed to expansion projects. This continues to remain the best course as the Authority continues its bus replacement program, equipment upgrades, rail vehicle replacements, and rail infrastructure improvements.

## **CAPITAL IMPROVEMENT FUNDS**

The Authority's Capital Improvement Funds are used to account for the acquisition, construction, replacement, repair and rehabilitation of major capital facilities and equipment. The Capital Improvement Funds are composed of grant-funded projects as well as 100% locally funded items. The funds needed to meet the grant requirements typically require a 20% local match. Financial resources are appropriated to sustain capital infrastructure needs through retention of investment earnings, contributions from Sales and Use Tax proceeds, as well as any issuance of debt.

Transportation is a capital-intensive business and the Authority's focus has been on addressing various State of Good Repair ("SOGR") projects. The Authority's priorities continue to include replacement of rail vehicles and maintenance and repair of rail infrastructure, including tracks, bridges, signals, and substations. For the next three years, 2027 through 2029, the funds received from Preventive Maintenance ("PM") reimbursements are budgeted at \$5 million, \$15 million, and \$15 million, respectively.

Financial resources are allocated through a comprehensive review process of capital projects, which prioritizes funding of requested projects. It continues to maintain the focus of the Authority's long-term strategic capital plan, as well as to address the existing and future financial and operational issues.

The 2027 through 2031 estimated capital expenditures are predicated on year-to-date outlays, obligations and projected commitments, as well as the approved five-year Capital Improvement Plan. Projected grant revenues include current, as well as, expected traditional and non-traditional grant awards and are based on a continuation of current funding levels. Over the next ten years, the Authority's capital program will continue to focus on various SOGR projects throughout the system. These include the on-going bus replacement program, rail car purchases, rehabilitation of rail track and infrastructure, signal and overhead catenary systems, and various facility improvement and upgrades.

## **BOND RETIREMENT FUND**

The General Fund is the source of funds necessary to make the principal and interest payments for the Authority's outstanding debt. Such transfers represent the debt service less the investment income earned in the Bond Retirement Fund. Debt service payments of \$6.0 million

are expected in the FY 2027 Tax Budget. The Authority has its debt rated highly by the major rating agencies (AAA from Standards & Poor and Aa1 from Moody's).

## **INSURANCE FUND**

The Insurance Fund includes a combination of self and purchased insurance coverage. Projected activities in the FY 2027 Tax Budget include a combined \$3.3 million for premium outlays and payments for the settlement of claims. This will require a \$2.5 million transfer from the General Fund to maintain the recommended fund balance of \$5 million established by the Authority's Risk Management Department.

## **SUPPLEMENTAL PENSION FUND**

Authority employees who were employed by predecessor transit systems are covered by supplemental benefit payments. Activities expected within this fund in the FY 2027 Tax Budget include \$20,000 of revenue from investment income, projected benefit payments of \$9,000 for remaining employees. The authority retains a fund balance at the recommended levels.

## **LAW ENFORCEMENT TRUST FUND**

In 1988, the Authority became involved with the FBI Cleveland Transnational Organized Crime Western Hemisphere Task Force ("Task Force") (formerly known as the Northern Ohio Law Enforcement Task Force (NOLETF), which was formerly known as the Caribbean/Gang Task Force). The Task Force is a multi-jurisdictional team of law enforcement personnel. Transit Police's involvement is assisting other policing agencies with intelligence and/or investigations. In addition to the benefits of intelligence gathering and improved inter-department relations, the Authority derives revenue from seized and confiscated monies and/or properties of those convicted and prosecuted by the Task Force.

Revenue obtained through the Task Force may be expended for non-budgeted items for law enforcement purposes. Furthermore, certain guidelines have been instituted by the State Attorney General's Office for the reporting and disbursement of funds. Total expenditures for the FY 2027 Tax Budget are projected at \$25,000.

## **RESERVE FUND**

The Authority established the Reserve Fund to help protect the Authority from future economic downturns and cost increases. The Reserve Fund retains funding for seven accounts: Compensated Absences, Fuel, Hospitalization, Rolling Stock, an account for budget years with 27 pay periods, Revenue Stabilization, and Transit Oriented Development, approved by the Board of Trustees in 2026. A transfer of \$0.7 million is projected in the FY 2027 Tax Budget for the 27<sup>th</sup> pay period expenses. A transfer of \$28.0 million is budgeted in the FY 2027 Tax Budget to the General Fund from the Revenue Stabilization fund, ensuring a 1-month operating reserve at year-end.

## 2027 Tax Budget Funds Summary

	General Fund	RESTRICTED FUNDS						Reserve Fund	Total of All Funds
		RTA Development Fund	RTA Capital Fund	Bond Retirement Fund	Insurance Fund	Supplemental Pension Fund	Law Enforcement Trust Fund		
		CAPITAL FUNDS							
<b>Revenues</b>									
Operating Revenues									
Passenger Fares	\$ 31,878,000								\$ 31,878,000
Advertising & Concessions	1,400,000								1,400,000
Naming Rights	300,000								300,000
Investment Income	900,000	1,000,000	100,000	100,000	100,000	20,000	1,000	4,000,000	6,221,000
Other Operating Revenues	1,800,000								1,800,000
<b>Total Operating Revenues</b>	<b>36,278,000</b>	<b>1,000,000</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>20,000</b>	<b>1,000</b>	<b>4,000,000</b>	<b>41,599,000</b>
Non-Operating Revenues									
Sales & Use Tax	286,107,000								286,107,000
Reimbursed Expenditures	6,669,000								6,669,000
Federal		99,509,073							99,509,073
State		22,801,202							22,801,202
Other Non-Operating Revenue	-	35,572,569					10,000		35,582,569
<b>Total Non-Operating Revenues</b>	<b>292,776,000</b>	<b>157,882,844</b>					<b>10,000</b>		<b>450,668,844</b>
Transfers									
Transfer from General Fund			8,597,000	5,709,000	2,500,000			700,000	
Transfer from RTA Capital Fund		4,000,000							
Transfer from Reserve Fund									
For Compensated Absences	-								
For Fuel	-								
For Hospitalization	-								
For Rolling Stock Reserve	-								
For 27th Pay	-								
For Revenue Stabilization	28,000,000								
For TOD	-								
<b>Total Transfers</b>	<b>28,000,000</b>	<b>4,000,000</b>	<b>8,597,000</b>	<b>5,709,000</b>	<b>2,500,000</b>	<b>-</b>	<b>-</b>	<b>700,000</b>	
<b>Total Revenues</b>	<b>357,054,000</b>	<b>162,882,844</b>	<b>8,697,000</b>	<b>5,809,000</b>	<b>2,600,000</b>	<b>20,000</b>	<b>11,000</b>	<b>4,700,000</b>	<b>492,267,844</b>
<b>Expenditures</b>									
Operating Expenditures									
Salaries & Overtime	184,115,000								184,115,000
Payroll Taxes & Fringes	82,460,000								82,460,000
Fuel (Diesel, CNG, Propulsion Power, Gasoline)	9,825,000								9,825,000
Utilities	4,600,000								4,600,000
Inventory	13,800,000								13,800,000
Services, Materials & Supplies	23,000,000								23,000,000
Purchased Transportation	17,300,000								17,300,000
Other Expenditures	5,300,000								5,300,000
<b>Total Operating Expenditures</b>	<b>340,400,000</b>								<b>340,400,000</b>
Non-Operating Expenditures									
Capital Outlay		179,113,885	4,280,000						183,393,885
Debt Service (Principal & Interest)				5,956,000					5,956,000
Other Expenditures				1,500	3,300,000	9,000	25,000		3,335,500
<b>Total Non-Operating Expenditures</b>	<b>-</b>	<b>179,113,885</b>	<b>4,280,000</b>	<b>5,957,500</b>	<b>3,300,000</b>	<b>9,000</b>	<b>25,000</b>		<b>192,685,385</b>
<b>Sub-Total Expenditures</b>	<b>340,400,000</b>	<b>179,113,885</b>	<b>4,280,000</b>	<b>5,957,500</b>	<b>3,300,000</b>	<b>9,000</b>	<b>25,000</b>		<b>533,085,385</b>
<b>Revenues less Expenditures</b>	<b>16,654,000</b>	<b>(16,231,041)</b>	<b>4,417,000</b>	<b>(148,500)</b>	<b>(700,000)</b>	<b>11,000</b>	<b>(14,000)</b>	<b>4,700,000</b>	<b>(40,817,541)</b>
<b>Transfers to Other Funds</b>									
Transfer to General Fund									
Transfer to Insurance Fund	2,500,000								
Transfer to Supplemental Pension Fund	-								
Transfer to Bond Retirement Fund	5,709,000								
Transfer to RTA Capital Fund	8,597,000								
Transfer to RTA Development Fund		4,000,000							
Transfer to Reserve Fund									
For Compensated Absences	-								
For Fuel	-								
For Hospitalization	-								
For Rolling Stock Reserve	-								
For 27th Pay	700,000								
For Revenue Stabilization	-							28,000,000	
For TOD	-								
<b>Total Transfers to Other Funds</b>	<b>17,506,000</b>		<b>4,000,000</b>					<b>28,000,000</b>	
<b>Total Expenditures</b>	<b>357,906,000</b>	<b>179,113,885</b>	<b>8,280,000</b>	<b>5,957,500</b>	<b>3,300,000</b>	<b>9,000</b>	<b>25,000</b>	<b>28,000,000</b>	<b>533,085,385</b>
Excess/(Deficiency) of Total Revenues over Total Expenditures									
	(852,000)	(16,231,041)	417,000	(148,500)	(700,000)	11,000	(14,000)	(23,300,000)	(40,817,541)
<b>Beginning Balance</b>	<b>29,291,218</b>	<b>352,018,116</b>	<b>5,040,360</b>	<b>771,417</b>	<b>6,699,293</b>	<b>1,575,599</b>	<b>280,355</b>	<b>73,030,703</b>	<b>468,707,061</b>
<b>Available Ending Balance</b>	<b>\$ 28,439,218</b>	<b>\$ 335,787,075</b>	<b>\$ 4,547,360</b>	<b>\$ 622,917</b>	<b>\$ 5,999,293</b>	<b>\$ 1,586,599</b>	<b>\$ 266,355</b>	<b>\$ 49,730,703</b>	<b>\$ 427,889,520</b>

# General Fund Balance Analysis

	FY 2027 Tax Budget	FY 2028 Plan	FY 2029 Plan
<b>Revenues</b>			
Operating Revenues			
Passenger Fares	\$ 31,878,000	\$ 32,400,000	\$ 32,890,000
Advertising & Concessions	1,400,000	1,400,000	1,400,000
Naming Rights	300,000	300,000	200,000
Investment Income	900,000	600,000	600,000
Other Operating Revenues	1,800,000	1,800,000	1,800,000
<b>Total Operating Revenues</b>	<b>36,278,000</b>	<b>36,500,000</b>	<b>36,890,000</b>
Non-Operating Revenues			
Sales & Use Tax	286,107,000	291,257,000	296,500,000
Reimbursed Expenditures	6,669,000	16,500,000	16,500,000
Transfer from Reserve Fund - Revenue Stabilization	28,000,000	16,000,000	-
<b>Total Non-Operating Revenues</b>	<b>320,776,000</b>	<b>323,757,000</b>	<b>313,000,000</b>
<b>Total Revenues</b>	<b>357,054,000</b>	<b>360,257,000</b>	<b>349,890,000</b>
<b>Expenditures</b>			
Operating Expenditures			
Salaries & Overtime	184,115,000	184,879,000	185,655,000
Payroll Taxes & Fringes	82,460,000	83,728,000	84,081,000
Fuel (Diesel, CNG, Propulsion Power, Gasoline)	9,825,000	9,923,000	10,023,000
Utilities	4,600,000	4,700,000	4,800,000
Inventory	13,800,000	14,100,000	14,400,000
Services, Materials & Supplies	23,000,000	23,300,000	23,500,000
Purchased Transportation	17,300,000	17,600,000	18,000,000
Other Expenditures	5,300,000	5,300,000	5,300,000
<b>Total Operating Expenditures</b>	<b>340,400,000</b>	<b>343,530,000</b>	<b>345,759,000</b>
<b>Revenues less Operating Expenses</b>	<b>16,654,000</b>	<b>16,727,000</b>	<b>4,131,000</b>
Transfers to Other Funds			
Transfers to Insurance Fund	2,500,000	2,500,000	3,100,000
Transfers to Reserve Fund	700,000	700,000	700,000
Transfers to/from Capital			
Transfers to Bond Retirement Fund	5,709,000	4,250,000	4,247,000
Transfers to Capital Improvement Fund	8,597,000	10,313,000	25,403,000
<b>Total Transfers to Capital</b>	<b>14,306,000</b>	<b>14,563,000</b>	<b>29,650,000</b>
<b>Total Transfers to Other Funds</b>	<b>17,506,000</b>	<b>17,763,000</b>	<b>33,450,000</b>
<b>Total Expenditures</b>	<b>357,906,000</b>	<b>361,293,000</b>	<b>379,209,000</b>
Excess/(Deficiency) of Total Revenues over Total Expenditures	(852,000)	(1,036,000)	(29,319,000)
Projected Beginning Balance	29,291,218	28,439,218	27,403,218
<b>Projected Ending Balance</b>	<b>\$ 28,439,218</b>	<b>\$ 27,403,218</b>	<b>\$ (1,915,782)</b>
<b># Months Reserves - Estimated</b>	<b>1.0</b>	<b>1.0</b>	<b>(0.1)</b>

# Financial Policy Goals

		Goal	FY 2027 Tax Budget	FY 2028 Plan	FY 2029 Plan	
<b>Operating Efficiency</b>	<b>Operating Ratio</b>	Ratio that shows the efficiency of management by comparing operating expenses to operating revenues. Operating Revenues divided by Operating Expenses. Operating Revenues include Passenger Fares, Advertising & Concessions, Naming Rights, Investment Income, Other Revenue	$\geq 25\%$	10.7%	10.6%	10.7%
	<b>Cost per Service Hour</b>	Measure of service efficiency. Total Operating Expenses (less force account labor) divided by Total Service Hours		\$ 187.15	\$ 188.87	\$ 190.10
	<b>Growth per Year</b>	Cost of delivering a unit of service (Cost per Hour), compared to the prior year; to be kept at or below the rate of inflation	$\leq$ Rate of Inflation 3.5% - 4.5%	0.4%	1.4%	0.6%
	<b>Operating Reserve (months)</b>	Equal or above one month's operating expenses to cover unforeseen or extraordinary fluctuations in revenues or expenses	$\geq 1$ month	1.0	1.0	-0.1
<b>Capital Efficiency</b>	<b>Debt Service Coverage</b>	The measure of the Authority's ability to meet annual interest and principal payments on outstanding debt, based on the available ending balance.	$\geq 1.5$	5.8	7.4	0.7
	<b>Sales Tax Contribution to Capital</b>	Sales tax revenues to be allocated directly to the Capital Improvement Fund to support budgeted projects or to the Bond Retirement Fund to support debt service payments.	$\geq 10\%$	5%	5%	10%
	<b>Capital Maintenance to Expansion</b>	The capital program requires a critical balance between maintenance of existing assets and expansion efforts.	79% - 90%	100%	100%	100%

# Capital Improvement Fund Balance Analysis

	FY 2027 Tax Budget	FY 2028 Plan	FY 2029 Plan
<b>Revenues</b>			
Federal / State Grants			
Federal Capital Grants	\$ 99,509,073	\$ 75,672,745	\$ 75,672,745
State Capital Grants	22,801,202	4,071,202	4,071,202
<b>Total Federal / State Grants</b>	<b>122,310,275</b>	<b>79,743,947</b>	<b>79,743,947</b>
Other Revenue			
Investment Income	1,100,000	1,100,000	1,100,000
Other Revenue	35,572,569	24,865,987	24,405,987
<b>Total Other Revenue</b>	<b>36,672,569</b>	<b>25,965,987</b>	<b>25,505,987</b>
Transfers			
Transfer from General Fund	8,597,000	10,313,000	25,403,000
<b>Total Transfers</b>	<b>8,597,000</b>	<b>10,313,000</b>	<b>25,403,000</b>
<b>Total Revenue</b>	<b>167,579,844</b>	<b>116,022,934</b>	<b>130,652,934</b>
<b>Expenditures</b>			
Capital Outlay			
Capital Outlay - Development Fund	179,113,885	153,579,933	162,619,933
Asset Maintenance	2,235,000	2,085,000	2,060,000
Routine Capital	2,045,000	2,020,000	2,045,000
<b>Total Capital Outlay</b>	<b>183,393,885</b>	<b>157,684,933</b>	<b>166,724,933</b>
Excess/(Deficiency) of Total Revenues over Total Expenditures	(15,814,041)	(41,661,999)	(36,071,999)
Beginning Balance	357,058,476	341,244,435	299,582,436
<b>Projected Ending Balance</b>	<b>\$ 341,244,435</b>	<b>\$ 299,582,436</b>	<b>\$ 263,510,437</b>

# Bond Retirement Fund Balance Analysis

	FY 2027 Tax Budget	FY 2028 Plan	FY 2029 Plan
<b>Revenues</b>			
Transfers			
Transfer from the General Fund	\$ 5,709,000	\$ 4,250,000	\$ 4,247,000
<b>Total Transfers</b>	<b>5,709,000</b>	<b>4,250,000</b>	<b>4,247,000</b>
Other Revenues			
Investment Income	100,000	100,000	100,000
<b>Total Other Revenues</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>
<b>Total Revenues</b>	<b>5,809,000</b>	<b>4,350,000</b>	<b>4,347,000</b>
<b>Expenditures</b>			
Debt Service			
Principal	3,855,000	2,450,000	2,570,000
Interest	2,101,000	1,908,250	1,785,750
<b>Total Debt Service</b>	<b>5,956,000</b>	<b>4,358,250</b>	<b>4,355,750</b>
Other Expenditures			
Other Expenditures	1,500	1,500	1,500
<b>Total Other Expenditures</b>	<b>1,500</b>	<b>1,500</b>	<b>1,500</b>
<b>Total Expenditures</b>	<b>5,957,500</b>	<b>4,359,750</b>	<b>4,357,250</b>
Excess/(Deficiency) of Total Revenues over Total Expenditures	(148,500)	(9,750)	(10,250)
Beginning Balance	771,417	622,917	613,167
<b>Projected Ending Balance</b>	<b>\$ 622,917</b>	<b>\$ 613,167</b>	<b>\$ 602,917</b>

# Insurance Fund Balance Analysis

	FY 2027 Tax Budget	FY 2028 Plan	FY 2029 Plan
<b>Revenues</b>			
Transfer from General Fund	\$ 2,500,000	\$ 2,500,000	\$ 3,100,000
Investment Income	100,000	100,000	100,000
<b>Total Revenues</b>	<b>2,600,000</b>	<b>2,600,000</b>	<b>3,200,000</b>
<b>Expenditures</b>			
Claims and Premium Outlay	3,300,000	3,350,000	3,400,000
<b>Total Expenditures</b>	<b>3,300,000</b>	<b>3,350,000</b>	<b>3,400,000</b>
Excess/(Deficiency) of Total Revenues over Total Expenditures	(700,000)	(750,000)	(200,000)
Beginning Balance	6,699,293	5,999,293	5,249,293
<b>Projected Ending Balance</b>	<b>\$ 5,999,293</b>	<b>\$ 5,249,293</b>	<b>\$ 5,049,293</b>

# Supplemental Pension Fund Balance Analysis

	FY 2027 Tax Budget	FY 2028 Plan	FY 2029 Plan
<b>Revenues</b>			
Investment Income	\$ 20,000	\$ 19,000	\$ 18,000
<b>Total Revenues</b>	<b>20,000</b>	<b>19,000</b>	<b>18,000</b>
<b>Expenditures</b>			
Benefit Payments	9,000	9,000	9,000
<b>Total Expenditures</b>	<b>9,000</b>	<b>9,000</b>	<b>9,000</b>
Excess/(Deficiency) of Total Revenues over Total Expenditures	11,000	10,000	9,000
Beginning Balance	1,575,599	1,586,599	1,596,599
<b>Projected Ending Balance</b>	<b>\$ 1,586,599</b>	<b>\$ 1,596,599</b>	<b>\$ 1,605,599</b>

# Law Enforcement Trust Fund Balance Analysis

	FY 2027	FY 2028	FY 2029
	Tax Budget	Plan	Plan
<b>Revenues</b>			
Law Enforcement Revenue	\$ 10,000	\$ 10,000	\$ 10,000
Investment Income	1,000	1,000	1,000
<b>Total Revenues</b>	<b>11,000</b>	<b>11,000</b>	<b>11,000</b>
<b>Expenditures</b>			
Capital & Related Expenditures	25,000	25,000	25,000
<b>Total Expenditures</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>
Excess/(Deficiency) of Total Revenues over Total Expenditures	(14,000)	(14,000)	(14,000)
Beginning Balance	280,355	266,355	252,355
<b>Projected Ending Balance</b>	<b>\$ 266,355</b>	<b>\$ 252,355</b>	<b>\$ 238,355</b>

# Reserve Fund Balance Analysis

	FY 2027 Tax Budget	FY 2028 Plan	FY 2029 Plan
<b>Revenues</b>			
Transfers			
Transfer from GF for 27th Pay	\$ 700,000	\$ 700,000	\$ 700,000
<b>Total Transfers</b>	<b>700,000</b>	<b>700,000</b>	<b>700,000</b>
Other Revenue			
Investment Income	4,000,000	3,500,000	3,000,000
<b>Total Other Revenue</b>	<b>4,000,000</b>	<b>3,500,000</b>	<b>3,000,000</b>
<b>Total Revenues</b>	<b>4,700,000</b>	<b>4,200,000</b>	<b>3,700,000</b>
<b>Expenditures</b>			
Transfers			
Transfer to GF for Revenue Stabilization	28,000,000	16,000,000	-
<b>Total Transfers</b>	<b>28,000,000</b>	<b>16,000,000</b>	<b>-</b>
<b>Total Expenditures</b>	<b>28,000,000</b>	<b>16,000,000</b>	<b>-</b>
Excess/(Deficiency) of Total Revenues over Total Expenditures	(23,300,000)	(11,800,000)	3,700,000
Projected Beginning Balance	73,030,703	49,730,703	37,930,703
<b>Projected Ending Balance</b>	<b>\$ 49,730,703</b>	<b>\$ 37,930,703</b>	<b>\$ 41,630,703</b>

	FY 2027 Tax Budget	FY 2028 Plan	FY 2029 Plan
<b>Rolling Balances</b>			
Compensated Absences	\$ 3,520,532	\$ 3,680,492	3,892,868
Fuel	3,340,425	3,492,202	3,693,713
Hospitalization	2,778,807	2,905,066	3,072,697
Rolling Stock Reserve	38,267	40,006	42,315
27th Pay	10,418,512	11,560,087	12,888,582
Revenue Stabilization	29,634,160	16,252,851	18,040,529
TOD	-	-	-
<b>Total</b>	<b>\$ 49,730,703</b>	<b>\$ 37,930,703</b>	<b>\$ 41,630,703</b>

# All Funds Balance Analysis

	FY 2027 Tax Budget	FY 2028 Plan	FY 2029 Plan
<b>Revenues</b>			
Operating Revenues			
Passenger Fares	\$ 31,878,000	\$ 32,400,000	\$ 32,890,000
Advertising & Concessions	1,400,000	1,400,000	1,400,000
Naming Rights	300,000	300,000	200,000
Investment Income	6,221,000	5,420,000	4,919,000
Other Operating Revenues	1,800,000	1,800,000	1,800,000
<b>Total Operating Revenues</b>	<b>41,599,000</b>	<b>41,320,000</b>	<b>41,209,000</b>
Non-Operating Revenues			
Sales & Use Tax	286,107,000	291,257,000	296,500,000
Reimbursed Expenditures	6,669,000	16,500,000	16,500,000
Federal Revenue	99,509,073	75,672,745	75,672,745
State Revenue	22,801,202	4,071,202	4,071,202
Other Non-Operating Revenue	35,582,569	24,875,987	24,415,987
<b>Total Non-Operating Revenues</b>	<b>450,668,844</b>	<b>412,376,934</b>	<b>417,159,934</b>
<b>Total Revenues</b>	<b>492,267,844</b>	<b>453,696,934</b>	<b>458,368,934</b>
<b>Expenditures</b>			
Operating Expenditures			
Salaries & Overtime	184,115,000	184,879,000	185,655,000
Payroll Taxes & Fringes	82,460,000	83,728,000	84,081,000
Fuel (Diesel, CNG, Propulsion Power, Gasoline)	9,825,000	9,923,000	10,023,000
Utilities	4,600,000	4,700,000	4,800,000
Inventory	13,800,000	14,100,000	14,400,000
Services, Materials & Supplies	23,000,000	23,300,000	23,500,000
Purchased Transportation	17,300,000	17,600,000	18,000,000
Other Expenditures	5,300,000	5,300,000	5,300,000
<b>Total Operating Expenditures</b>	<b>340,400,000</b>	<b>343,530,000</b>	<b>345,759,000</b>
Non-Operating Expenditures			
Capital Outlay	183,393,885	157,684,933	166,724,933
Debt Service	5,956,000	4,358,250	4,355,750
Other Expenditures	3,335,500	3,385,500	3,435,500
<b>Total Non-Operating Expenditures</b>	<b>192,685,385</b>	<b>165,428,683</b>	<b>174,516,183</b>
<b>Total Expenditures</b>	<b>533,085,385</b>	<b>508,958,683</b>	<b>520,275,183</b>
Excess/(Deficiency) of Total Revenues over Total Expenditures	(40,817,541)	(55,261,749)	(61,906,249)
Beginning Balance	468,707,061	427,889,520	372,627,770
<b>Estimated Available Ending Balance</b>	<b>\$ 427,889,520</b>	<b>\$ 372,627,770</b>	<b>\$ 310,721,521</b>



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