# 2027 Tax Budget

## Operational Planning & Infrastructure Committee

July 7, 2026

# Agenda

## 2027 Tax Budget

- Budget Schedule
- Assumptions
- Tax Budget
- Public Hearing

# FY 2027 Budget Schedule

| May 2026 | July 2026 | August 2026 | November 2026 | December 2026 |
|---|---|---|---|---|
| 2027 Capital Improvement Plan adopted by Board | 2027 Tax Budget review and adoption | 2027 operating budget development begins | 2027 Budget review and public hearing | 2027 Budget review and public hearing<br><br>Adoption by Board |

# 2027 Assumptions

| | |
|---|---|
| Inflation | 3.5% - 4.5% |
| Interest Rates | 3.5% - 3.75% |
| Ridership | 1.5% increase - new railcars on RedLine |
| Service Levels | Includes 3% service reduction implemented in August 2026 |
| Sales Tax | 2.2% increase from 2026 levels |
| Personnel Costs | Hiring part-time Operators<br>FOP union is in negotiations; ATU contract ends mid-2027 |

Budgeting is a dynamic process

Revenues and expenditures are reviewed monthly

2027 - 2028 differ slightly from what was presented previously

# 2026 General Fund Balance & Projections (Presented in April and June 2026)

## Based on information from March 2026

| General Fund Overview (in millions) | 2026 Projection | 2027 Plan | 2028 Plan |
|---|---|---|---|
| Total Revenues | $350.1 | $359.5 | $357.2 |
| Operating Expenditures | 339.1 | 339.4 | 343.1 |
| Transfers to Other Funds | 16.7 | 17.5 | 17.8 |
| **Total Revenues over/(under Total Expenditures** | **(5.7)** | **2.6** | **(3.7)** |
| Beginning Balance | 33.8 | 28.1 | 30.6 |
| **Projected Ending Balance** | **$28.1** | **$30.7** | **$26.9** |
| **Reserve (months)** | **1.0** | **1.1** | **0.9** |

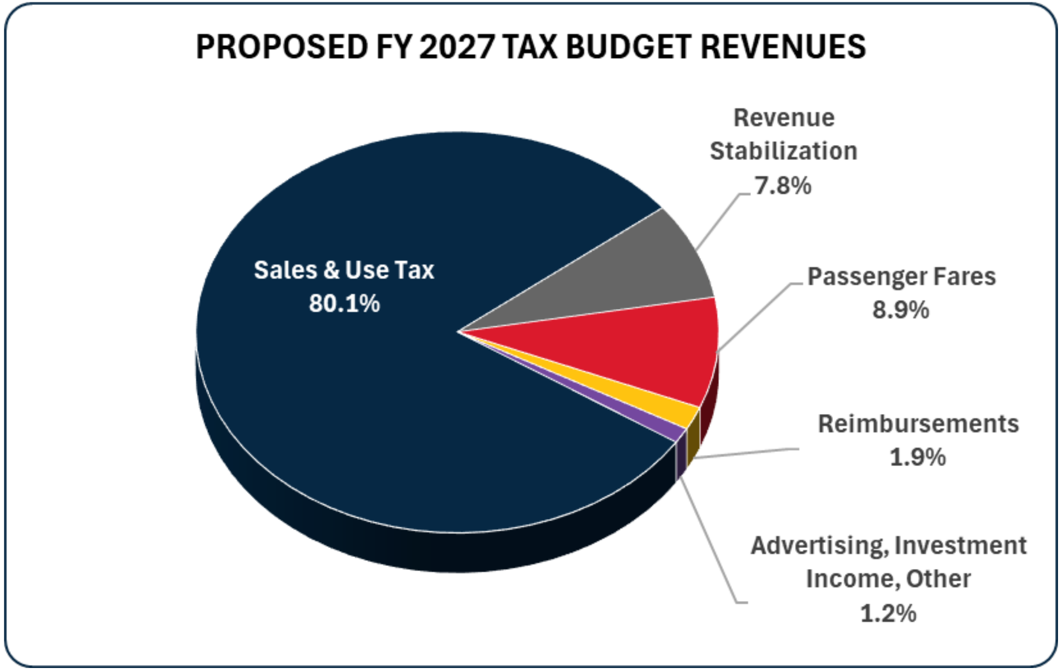
2026 Projections includes previous implemented expense reductions

Differences due to rounding

| **General Fund Revenues** (in millions) | **2027 Tax Budget** | **2028 Plan** | **2029 Plan** |
|---|---|---|---|
| Passenger Fares | $ 31.9 | $ 32.4 | $ 32.9 |
| Sales & Use Tax | **286.1** | **291.3** | **296.5** |
| Reimbursements | 6.7 | 16.5 | 16.5 |
| Advertising, Investment Income, Other | 4.4 | 4.1 | 4.0 |
| Transfer from Reserve Fund - Revenue Stabilization | **28.0** | **16.0** | **0.0** |
| **TOTAL REVENUES** | **$ 357.1** | **$ 360.3** | **$ 349.9** |

Sales & Use Tax changed due to 6 months of actual revenue

Transfer from Reserve Fund decreased while maintaining the 1-month ending balance

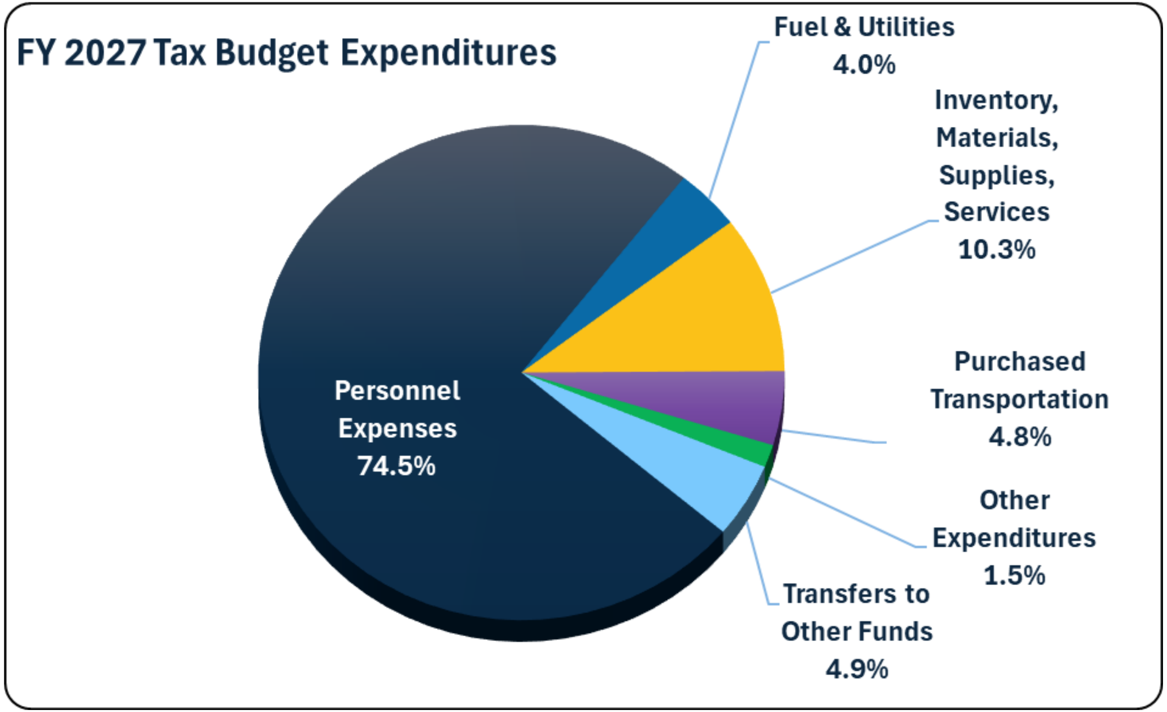



# Revenues

(in millions)

| | |
|---|---|
| Sales Tax: | $ 286.1 |
| Passenger Fares: | 31.9 |
| Reimbursements: | 6.7 |
| Advertising, Investment Income, Other: | 4.4 |
| Revenue Stabilization: | 28.0 |
| **TOTAL** | **$ 357.1** |

| **General Fund Expenditures** (in millions) | **2027 Tax Budget** | **2028 Plan** | **2029 Plan** |
|---|---|---|---|
| Salaries & Overtime | **$ 184.1** | **$ 184.9** | **$ 185.7** |
| Payroll Taxes & Fringes | **82.5** | **83.7** | **84.1** |
| Fuel & Utilities | **14.4** | **14.6** | **14.8** |
| Inventory | **13.8** | **14.1** | **14.4** |
| Services, Materials & Supplies | 23.0 | 23.3 | 23.5 |
| Purchased Transportation | 17.3 | 17.6 | 18.0 |
| Other Expenditures | 5.3 | 5.3 | 5.3 |
| Transfers | **17.5** | **17.8** | **33.5** |
| **TOTAL EXPENDITURES** | **$ 357.9** | **$ 361.3** | **$ 379.2** |




# Expenses (in millions)

| | |
|---|---|
| Personnel Expenses | $ 266.6 |
| Fuel & Utilities | 14.4 |
| Inventory, Materials, Supplies, Services | 36.8 |
| Purchased Transportation | 17.3 |
| Other Expenditures | 5.3 |
| Transfers to Other Funds | 17.5 |
| **TOTAL** | **$ 357.9** |

| **General Fund** (in millions) | **2027 Tax Budget** | **2028 Plan** | **2029 Plan** |
|---|---|---|---|
| Total Revenues | $ 357.1 | $ 360.3 | $ 349.9 |
| Total Operating Expenditures | 340.4 | 343.5 | 345.8 |
| Transfers to Other Funds | 17.5 | 17.8 | 33.5 |
| **Total Expenditures** | **357.9** | **361.3** | **379.2** |
| Total Revenues Over/(Under) Total Expenditures | (0.8) | (1.0) | (29.4) |
| Estimated Beginning Balance | 29.3 | 28.4 | 27.4 |
| **Estimated Ending Balance** | **$ 28.4** | **$ 27.4** | **($ 1.9)** |
| **Estimated Months Reserve** | **1.0** | **1.0** | **(0.1)** |

Differences due to rounding

# Questions

# Public Hearing

Public Comments:

- In person
- Phone – 440-276-4600
- Email – public-comment@gcrta.org

# Recommendation:

Staff requests that the Operational Planning & Infrastructure Committee recommend the FY 2027 Tax Budget to the Full Board for approval.