

# Item 9:

## FY 2027 Budget Assumptions

Presented by:

Vanessa Rauschenberger, General Manager

Christine Feng, Chief Financial Officer/AGM

April 1, 2026



# FY 2027 Budget Assumptions

- The GM, CFO and Department Directors are working on developing the draft budgets for FY 2027.
- Major Assumptions are that service levels will be maintained to same levels as last year.
- Staffing – Increase two bus operators to address overtime, and restore internship program
- Cost saving / revenue generating initiatives continued
  - Paratransit Service
  - 3rd party fueling continued / increased
- GCTD will continue to utilize funding from SB 125 (State Funds) to support Operations and Capital projects.



# Revenue Assumptions

Revenues:	<u>FY 2026 Approved Annual Budget</u>	<u>FY 2027 Budget Assumption (Key Factors)</u>	<u>Changes</u>
Passenger Fares	\$ 2,250,000.00	*Farebox revenue increases due to ridership increases	↑
		* LCTOP ( youth , college ride free)	↑
		* Advertising Revenue	↑
Non- Operating Revenues	1,400,000.00	* Fueling program for municipal agencies.	↑
		* Investment Income	↓
		* Energy credit/Fuel Credit	=
Local Assistance	20,028,323.00	*TDA funding is slightly higher than FY 2026.	↑
State Assistance	4,130,378.00	* SB125 Operating Assistances.	↑
	3,075,000.00	* SGR, STA, LCTOP (Rt 23)	↓
Federal Assistance	9,354,523.00	*5307 formula grant - Preventative Maintenance	↓
		* 5307 Formular grant- Operating Assistances	↑
<b>Total Revenues</b>	<b>\$ 40,238,224.00</b>	<b>Overall Revenues</b>	<b>↑</b>



# Expense Assumptions

Expenses:	FY 2026 Approved Annual Budget	FY 2027 Budget Assumption (Key Factors)	Changes
Salary/Wage	\$ 16,218,107.00	*Based on COLA and MOU agreement .	↑
Fringe Benefits	\$ 12,807,941.00	*proportional increae based on Salary/wages increase .	↑
Services	\$ 1,274,086.00	* Cost related to professional services and contract services are projected to rise	↑
Materials and Supplies	\$ 3,248,366.00	*Paratransit vehicle parts increase,	↑
		* CNG rate remain stable	=
Utilities	\$ 437,000.00	* Electricity and Gas cost increase	↑
Casualty and Liability	\$ 1,636,500.00	* Worker compensation expenses increase	↑
		* District's unfunded liabilities increases.	↑
Miscellaneous	\$ 551,000.00	* Add more training programs on employees to sharpen their job skills.	↑
Debt Service	\$ 1,384,506.00	* fixed schedule payment. Unchange.	=
5 Members Jurisdiction TDA Contribution	\$ 2,680,718.00	* slightly change.	↓
<b>Total Expenses</b>	\$ <b>40,238,224.00</b>	<b>Overall Expenses</b>	↑



# Recommendation

This report is for information only.

Staff will continue to work on developing a draft budget for the Board to review in May 2026.

