MEETING MINUTES

GCRTA Special Board of Trustees Meeting

June 30, 2026

Board Members: Mayor Koomar (President), Ms. Elder, Mayor Gallo, Ms. Harper, Ms. McPherson, Mr. Sleasman, Mayor Weiss, Ms. Smith Whigham

Staff/Other: Nick Biggar, India Birdsong Terry, Janet Burney, Floun'say Caver, Brent Charnigo, Jose Feliciano, Scott Ferraro, George Fields, Bob Fleig, Anthony Garofoli, Rajan Gautam, Orlando Hudson, Chief Deirdre Jones, Lawrence Jupina, Jeff Macko, Charles Morgan, Ruben Morgan, Mike Schipper, Wendy Talley, John Togher

Public: 0

I. Call to Order

Mayor Koomar called the meeting to order at 9:03 a.m.

II. Roll Call

A quorum was present.

III. Certification regarding Notice of Meeting

It was advised that the notice of this meeting had been posted more than twenty-four hours in advance of the meeting, that the usual notification had been given to the news media and other interested persons, and that all requirements of the Ohio Revised Code and Rules and Bylaws of this Board regarding notice of meeting had been complied with.

IV. Tax Revenue Considerations – GCRTA's Regional, County and Community Value

Rajan Gautam, Deputy General Manager of Finance, stated that in September 2025 staff identified a structural gap in the budget and began taking immediate steps to identify cost reductions. The total savings at that point that were adopted and incorporated into the 2026 budget was $17.8 million. Additional financial initiatives that were recommended included the evaluation of a sales tax levy of 0.25 or 0.5%. Staff is committed to minimizing service reductions to the extent possible.

Cost-reduction strategies have stabilized finances through 2028, leaving an estimated year-end reserve balance of $26.9 million. However, a projected $30 million shortfall remains in 2029, requiring about $13 million in additional expense reductions and $17 million in service reductions over three years.

Michael Fesler, Associate Counsel, explained that since 2019, five transit authorities have gone for a ballot initiative and four passed. Ohio law allows transit authorities to levy up to 1.5% in sales and use taxes, subject to voter approval. In Cuyahoga County, GCRTA's taxing authority is independent of the county's. GCRTA currently levies 1.0% and could seek an additional 0.5%, while the County retains authority for an additional 0.25% under separate statutory

provisions. A transit tax increase requires a Board resolution specifying the purpose, rate, duration, and election date, followed by voter approval. Because of implementation timelines, a levy approved in November 2026 would not generate revenue until July 2027.

The potential elections for a ballot initiative are November 2026, May 2027 and November 2027. GCRTA would not be eligible for an August 2027 special election because doing so requires fiscal emergency condition declared by the Auditor of State.

Janet Burney, Deputy General Manager for Legal Affairs, explained that the Ohio Legislature originally reserved up to 1.5% of sales tax capacity for transit agencies, recognizing that fare revenue alone could not sustain transit systems. She clarified that GCRTA's use of its remaining 0.5% authority would not eliminate the County's ability to seek its own remaining 0.25%.

Ms. Burney advised that GCRTA would be responsible for paying the Cuyahoga County Board of Elections to administer a portion of the May 2027 election and that November elections are county-wide.

Board members discussed election timing, available tax capacity, ballot crowding, and the importance of business community

Dr. Caver stated that an investment in public transit is an investment in the greater Cleveland economy. A strong public transit system connects neighborhoods, business districts, educational institutions, healthcare facilities, and employment centers. Those connections support economic growth, strengthen property values, expand access and opportunity, and improve the quality of life throughout our region. At its core, public transit is about connecting people to jobs.

Dr. Caver outlined the benefits of increased transit funding, including a stronger rail network, service for a seven-day economy, expanded priority corridors, improved customer experience, and regional economic growth. Additional revenue could support rail extensions to Hopkins International Airport, increased train frequency, improved connections to employment and entertainment centers, restored bus service, and more frequent service on 75% of routes. A 0.5% levy could improve service for 90% of riders, while also benefiting paratransit customers, whose ridership has risen more than 50% above pre-pandemic levels.

This enhanced rail system will build upon and connect residents and community members to the most important economic development destinations. A stronger rail system will help create convenient access to top-tier sports facilities and entertainment venues which are drivers to economic development.

These investments create more connected communities and employers to a larger workforce. It reduces transportation barriers and increases the economic competitiveness of the region. These investments are about creating opportunity, supporting employers, strengthening neighborhoods, and positioning the greater Cleveland area for long-term economic success.

Michael Shipper, Deputy General Manager for Engineering, highlighted projects that are planned but currently unfunded, including improvements on the Broadway, Lorain, Warrensville, and West 25th Street corridors. New revenue would also support better shelters, real-time information displays, and reliability improvements. Staff emphasized that investments in transit expand access to jobs, strengthen neighborhoods, and enhance regional economic competitiveness. A 0.5% levy could create a robust 10-minute frequent-service network that places one-third of jobs and one-quarter of residents near high-frequency transit service.

Mr. Sleasman stated that increased reliability and frequency would likely increase ridership, and institutions may not feel obliged to spend money on capital improvements for parking infrastructure they do not need

CEO Terry reviewed three financial scenarios. With no new revenue, GCRTA would face approximately $30 million in service and expense reductions by 2029, leading to service cuts and economic stagnation. A 0.25% levy would generate moderate service improvements, provide roughly ten years of financial stability, and support moderate growth. A 0.5% levy would fund approximately $25 million in service enhancements, provide an estimated 50 years of stability, and enable transformational investments.

Management analysis concluded to seek voter approval for a 0.5% sales tax increase on a continuing basis. Staff noted that November 2026 offers the best opportunity to avoid additional service cuts, although it presents challenges in securing stakeholder support. May 2027 and November 2027 would provide more time for outreach but would likely require deeper interim service reductions. CEO Terry asked the Board to adopt a resolution on July 7.

Mayor Koomar noted a previous presentation to the Board from Burgess and Burgess and stated that November 2026 seems premature, as management should engage the business community and build GCRTA's value proposition. He stated that the Board is supportive of looking at a ballot initiative, but the timing is key.

CEO Terry stated that staff appreciates the work that Burgess and Burgess has done on behalf of GCRTA but the timing and impact of doing nothing would have on ridership cannot be ignored.

Mr. Sleasman stated that the status quo risks less service and more stress for the people in the county.

V. Adjournment

There being no further business, a motion to adjourn the meeting was made by Mayor Koomar and seconded by Mr. Sleasman; the motion was approved. The meeting was adjourned at 10:37 a.m.

Attest: _____ _____
Secretary-Treasurer President