Mason Transit Authority Regular Board Meeting
Agenda Item: Item 9B - *Discussion*
Subject: Second Discussion of 2027 Budget
Prepared by: Amy Asher, General Manager
Approved by: Amy Asher, General Manager
Date: November 17, 2026

Background:

Presented is the second review of the 2027 Mason Transit Authority Operating and Capital Budget. A draft copy of the Consolidated Budget is provided.

Overall Highlights of the 2027 Budget from October's Presentation:

- Sales tax revenue estimated at 3% over budgeted 2026 returns
- Grant revenue for both operating and capital projects remain steady this biennium.
- Remain fare-free on system in order to qualify for grant funding.
- Non-represented staff salary survey currently underway.
- One additional transit supervisor position being added
- Service hours increase between Belfair and Bremerton
- Health insurance rates increase 9.4% with Well City discount. Delta Dental increased 1.9% and Willamette 4.2%.
- Capital projects include replacement of outdated equipment

Changes since the October Board Presentation:

Operating Expenses

Our wages and benefits are our largest labor cost and they have increased 5% over 2026 budget. This includes one new supervisor position and the 3% increase negotiated by the larges labor group, drivers, earlier in 2026. It also includes a $49,000 increase in Labor and Industry rates (20%) based on their latest estimated increases, and a $9,715 decrease in PERS contributions based on a change in rates from the state.

Contracted services have decreased compared to 2026 as several services such as negotiation legal services, IT services, and Communications training services projects have wrapped up for the year. Staff have also been looking at new services that are expected to run more cost effectively in 2027 such as a new radio communications system. Supplies have increased as MTA staff anticipate a move to host more staff in Belfair and also focus on increased service provided. Insurance for property and auto have increased 7%.

Capital and Operating Expenses

Staff have reviewed planned capital replacement projects and will focus on only those most critical at this time. A draft project list is attached.

A final draft of the 2027 budget will be presented at the December Board meeting for adoption.

Summary: Second review of 2027 operating and capital budget assumptions.

Fiscal Impact:
None at this time.

Staff Recommendation:
None at this time.

DRAFT Mason Transit Authority 2027 Capital Budget

Capital Projects	Budget	Grants	MTA Funding	Contingent Projects	Purpose
Bus stop improvements	200,000	200,000			Bus stop improvements to include paving ADA pads, shelters, benches, lighting and signage as we transition from flag stops. Continuing project. Rolling over $106,000 from 2025 for shelter delivery delay. Grant funded with PTSN.
Capital Facilities Improvements	50,000		50,000		Carry Forward. Improve Capital Facilities
Propane fueling station Belfair	25,000		25,000		$15,000 for prep and 10k for pedestals. Carry over from 2026.
Replacement Mower	10,000		10,000		Replace 2018 residential mower
Replacement Bus Washer		30,000			Replace failing 2017 manual bus washer. Can't repair current model.
Replacement Floor Scrubber	6,000		6,000		Replace 1981 floor scrubber for JP property
Radio Hardware	20,000	20,000			Bus, Supervisor, dispatch station radio replacements for better service reliability.
Desktop Computer Replacements	42,000		42,000		Replace desktop computers (35) that are at the end of useful life.
Automated Voice Announcements	150,000	150,000			Roll over from 2026. Need sign replacement in 5 buses and a new voice announcement system that ties into our GPS system. ADA requirement. Grant funded with Sales Tax Equalization funds.
MTA Johns Prarie Base Facility Updates	800,000		800,000		Rollover from 2026. Begin design for new MTA admin and training facility.
Total Misc Capital Projects	**1,303,000**	**400,000**	**933,000**	**-**	
Replace 1 Transit Coach	880,775	880,775			Grant funded with Sales Tax Equalization funds. Order in 2026 for delivery in 2027. Will be paid in 2027.
One Expansion Transit Coach	880,775	880,775			Applied for consolidated grant. Awards announced June 2027. Order to be placed in 2027 with delivery expected 2029.
Total Vehicle Replacements	**$ 1,761,550**	**$ 1,761,550**	**$ -**	**$ -**	
Proposed 2027 Capital Projects	**$ 3,064,550**	**$ 2,161,550**	**$ 933,000**	**$ -**	

Consolidated 2027 Budget DRAFT							Budget %
Presented 11/17/2026	**2023 Actual**	**2024 Actual**	**2025 Actual**	**2026 Projection**	**2026 Budget**	**2027 Budget**	**Change YoY**
Operating Revenue (Fares)							
Worker Driver Fares	74,371	79,162	75,984	82,964	87,000	85,000	-2%
	74,371	79,162	75,984	82,964	87,000	85,000	-2%
Non-Operating Revenue							
Sales Tax	7,625,304	7,841,439	8,420,486	8,112,814	8,032,489	8,273,463	3%
Operating Grants	6,470,410	3,946,121	10,720,733	3,678,591	3,991,983	3,073,811	-23%
Rental Income	143,484	160,378	141,329	144,784	131,410	135,247	3%
Investment Income	958,748	864,066	1,048,441	1,378,216	600,000	1,000,000	67%
Other income	1,719,021	2,809,170	44,072	51,783	25,000	27,000	8%
	16,916,967	15,621,174	20,375,061	13,366,188	12,780,882	12,509,521	-2%
Operating Reserves Allocation							
Total Revenue	16,991,338	15,700,336	20,451,045	13,449,152	12,867,882	12,594,521	-2%
Expenses							
Wages & Benefits	6,369,927	6,618,650	7,234,001	8,208,433	8,955,758	9,396,184	5%
Contracted Services	262,357	215,809	215,094	216,829	316,370	254,364	-20%
Fuel	527,752	452,984	494,961	633,313	650,600	673,100	3%
Vehicle/Facility Repair & Maintenance	334,301	295,750	271,125	268,860	326,325	337,425	3%
Insurance Premium	280,794	293,584	374,274	492,278	437,049	466,584	7%
Intergovernmental - Audit Fees	961	41,410	8,346	80,798	57,000	75,000	32%
Facility Rent and Park & Ride	12,295	-	1,087	-	1,500	1,500	0%
Utilities	174,605	173,879	176,013	188,312	203,800	218,573	7%
Supplies	203,715	281,406	296,922	288,660	378,300	473,992	25%
Training & Meetings	23,229	38,848	28,556	43,274	72,266	72,761	1%
Other Operating Expenses	117,985	127,419	136,799	248,132	186,547	185,297	-1%
Pooled Reserves					120,000	120,000	0%
Total Expense	8,307,921	8,539,739	9,237,178	10,668,889	11,705,515	12,274,780	5%
Net Income (Loss)	8,683,417	7,160,597	11,213,867	2,780,263	1,162,367	319,741	
Operating Reserves Allocation	-	-	-	-	-	-	
Net Income (Loss) Net Reserves Allocated	8,683,417	7,160,597	11,213,867	2,780,263	1,162,367	319,741	