

This forecast is a tool to determine the extent of actions necessary to close future gaps between revenues and expenditures, ensuring long-term fiscal sustainability.

Key Takeaways

Even with a dedicated funding source to help pay for the County’s pension expenses, the annual structural deficit persists because expenditures grow faster than revenues.

- **Average Structural Deficit from 2026-2030:** \$34.3M
- **Additional Sales Tax (0.4%):** \$50M in one-time property tax levy savings depleted in 2025
- **Property Tax Changes:** Up \$17.6M in 2026
- **Major Cost Drivers:** Wages, benefits, and transit

Financial Pressures & Revenue Constraints

Property Tax Increase (2026)

\$17.6M

Due to debt service increase

Wages & Benefits (2026)

\$36.8M

Salary trends, overtime deficit

Transit Fiscal Cliff (2028)

\$17.8M

Stimulus funding fully spent

Major Cost Trends 2026-2030

- **Salaries:** Increase over 37% from 2021–2025
- **Overtime Costs:** Growing despite significant salary increases - \$13.3M structural deficit
- **Medical and Pharmacy Claims:** Positive trends waning – medical growing at 8% and pharmacy at 11%
- **Transit:** Stimulus funding exhausted during 2027; \$17.8M needed by 2028 to preserve services
- **0.4% Sales Tax:** Expected to fund required pension liabilities and an extra \$25.5M of unfunded liability
- **Capital Funding:** \$250M in funding from 2026-2029 and \$1.1B in projects

2026 Operating Gap

	Amount (millions)
Expenditure Type	
Pension	\$ (3.5)
Abatements	\$ 0.3
Transit	\$ 2.3
Cost to Continue	\$ 7.2
Health & Other Benefits	\$ 15.8
Debt Service	\$ 14.2
Salaries, Overtime, FICA	\$ 26.6
Expenditure Change	\$ 62.9
Revenue Type	
One-time Revenue	\$ 7.4
Odd Year Unclaimed Funds	\$ 3.5
Sales Tax	\$ 1.1
State Shared Taxes	\$ (1.1)
State & Federal Revenues	\$ (1.2)
Investment Earnings	\$ (1.4)
Employee Health & Pension Contributions	\$ (2.1)
Transit Revenue	\$ (2.3)
Miscellaneous Revenue	\$ (2.5)
Property Taxes	\$ (17.6)
Revenue Change	\$ (16.2)
Projected 2026 Operating Gap	\$ 46.7

2026 Budget

Expenditures and revenues in 2026 are projected to be \$1.363B and \$1.316B, respectively, resulting in a **budget gap of \$46.7M.**

What’s Next?

- Identify long-term, sustainable solutions
 - Cut expenditures
 - Increase revenues
- Coordinate competing funding priorities
- Address capital funding needs