

# FY 2020 Tax Budget Operational Planning & Infrastructure Committee

Presented by:

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Director OMB

July 16, 2019

Greater Cleveland Regional Transit Authority



# Agenda

- Budget Schedule
- Economic Assumptions
- 2020 Tax Budget
  - General Fund
  - 5 year forecast
  - Reserve Fund
- Public Hearing

# FY 2020 Budget Schedule

**May 14,  
2019**

- FY 2020 – 2024 CIP
  - Operational Planning & Infrastructure Committee
  - Public Hearing
  - Adopted by Board of Trustees

**Jul 16,  
2019**

- FY 2020 Tax Budget – Revenue Forecast
  - Operational Planning & Infrastructure Committee
  - Public Hearing
  - Committee Review and recommendation to the Board of Trustees for adoption

**August  
2019**

- Begin FY 2020 Operating Budget Development

**Nov 12,  
2019**

- Present FY 2020 Budgets and 4 year Forecast to Operational Planning & Infrastructure Committee
- Public Hearing

**Dec 17,  
2019**

- Public Hearing
- Committee Review and recommendation to the Board of Trustees for adoption

# FY 2020 Tax Budget

- Economic Assumptions based on:

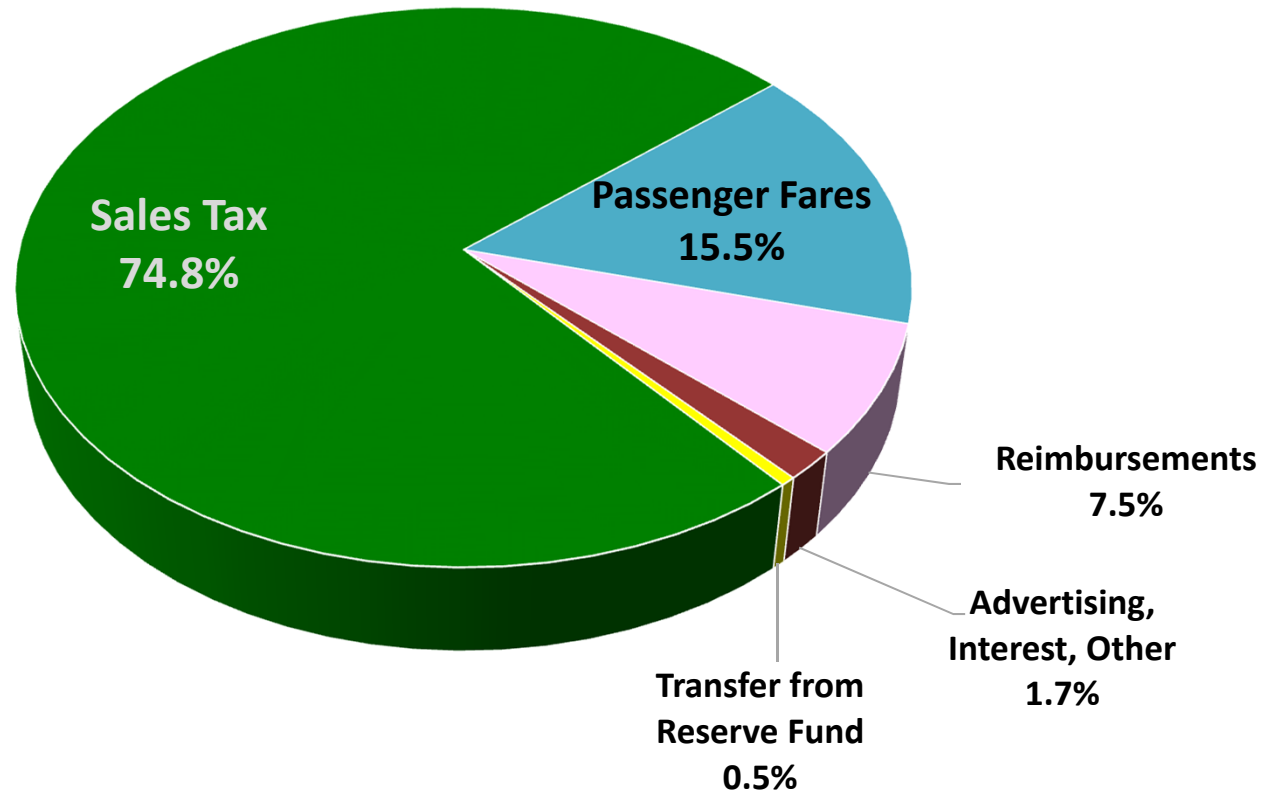
- Inflation 1.8% - 2.1%
- Interest Rates 2.5% - 3.0%
- Sales & Use Tax 1.5%
- 2020 Ridership -2.0%
- Fares / Service levels No changes
- Wage Increases FYs 2020 and 2021
- 27<sup>th</sup> Pay FY 2020

# Revenues

(in Millions)	2018 Actual	2019 Estimate	2020 Tax Budget
<b>Beginning Balance</b>	<b>\$34.9</b>	<b>\$39.0</b>	<b>\$35.0</b>
Sales & Use Tax	204.3	210.1	213.2
Passenger Fares	46.6	44.9	44.1
Reimbursed Expenditures	22.7	22.1	21.5
Advertising/Interest/Other	3.7	6.3	4.8
Transfer from Reserve Fund	0.0	0.0	1.5
State Aid for MCO Loss	18.3	0.0	0.0
<b>Total Revenues</b>	<b>\$295.6</b>	<b>\$283.3</b>	<b>\$285.1</b>
<b>Total Resources</b>	<b>\$330.5</b>	<b>\$322.3</b>	<b>\$320.1</b>

# Where the Money Comes From

FY 2020 Tax Budget: \$285.1 million



# Expenditures

(in Millions)	2018 Actual	2019 Estimate	2020 Tax Budget
<b>Operating Expenses</b>			
Salaries, Taxes, Fringes	\$185.9	\$189.2	\$194.2
Fuel and Utilities	13.9	15.3	15.4
Inventory	13.0	14.0	13.5
Services, Materials & Supplies	16.6	18.4	18.5
Purchased Transportation	9.9	8.7	8.7
Other	5.0	5.7	5.7
<b>Total Operating Expenses</b>	<b>\$244.4</b>	<b>\$251.4</b>	<b>\$256.1</b>
Transfers to Insurance, Pension, Capital	\$39.8	\$28.0	\$29.3
Transfer to Reserve Fund	7.4	8.0	5.9
<b>Total Transfers to Other Funds</b>	<b>\$47.2</b>	<b>\$35.9</b>	<b>\$35.1</b>
<b>Total Expenditures</b>	<b>\$291.5</b>	<b>\$287.3</b>	<b>\$291.2</b>



# General Fund Balance

(in Millions)	2018 Actual	2019 Estimate	2020 Tax Budget
<b>Beginning Balance</b>	<b>\$34.9</b>	<b>\$39.0</b>	<b>\$35.0</b>
<b>Total Revenues</b>	<b>295.6</b>	<b>283.3</b>	<b>285.1</b>
<b>Total Resources</b>	<b>\$330.5</b>	<b>\$322.3</b>	<b>\$320.1</b>
Salaries, Payroll Taxes, Fringes	\$185.9	\$189.2	\$194.2
Non-Personnel Operating Expenses	58.4	62.2	61.9
<b>Total Operating Expenses</b>	<b>\$244.4</b>	<b>\$251.4</b>	<b>\$256.1</b>
<b>Total Transfers to Other Funds</b>	<b>47.2</b>	<b>35.9</b>	<b>35.1</b>
<b>Total Expenditures</b>	<b>\$291.5</b>	<b>\$287.3</b>	<b>\$291.2</b>
Revenues – Expenditures	\$4.1	\$(4.0)	\$(6.1)
<b>Available Ending Balance</b>	<b>\$39.0</b>	<b>\$35.0</b>	<b>\$28.9</b>



# FY 2020 Tax Budget General Fund Balance

(in Millions)	2020 Tax Budget	2021 Plan	2022 Plan	2023 Plan	2024 Plan
<b>Beginning Balance</b>	<b>\$35.0</b>	<b>\$28.9</b>	<b>\$20.7</b>	<b>\$10.0</b>	<b>\$7.0</b>
Total Revenues	285.1	285.7	288.2	290.8	293.4
<b>Total Resources</b>	<b>\$320.1</b>	<b>\$314.6</b>	<b>\$308.9</b>	<b>\$300.8</b>	<b>\$300.4</b>
Operating Expenditures	\$256.1	\$259.7	\$260.4	\$261.8	\$263.5
Total Transfers	35.1	34.1	38.5	31.9	34.9
<b>Total Expenditures</b>	<b>\$291.3</b>	<b>\$293.8</b>	<b>\$298.9</b>	<b>\$293.8</b>	<b>\$298.3</b>
<b>Available Ending Balance</b>	<b>\$28.9</b>	<b>\$20.7</b>	<b>\$10.0</b>	<b>\$7.0</b>	<b>\$2.0</b>



# FY 2020 Tax Budget Reserve Fund Revenues

	2018	2019	2020	2021	2022	2023	2024
	Actual	Estimate	Tax Budget	Plan	Plan	Plan	Plan
<b>Beginning Balance</b>	<b>17,624,278</b>	<b>27,677,990</b>	<b>35,893,049</b>	<b>39,996,664</b>	<b>46,100,279</b>	<b>52,528,894</b>	<b>38,707,509</b>
<b>Revenue</b>							
Investment Income	326,456	450,000	475,000	625,000	750,000	900,000	900,000
Transfer from GF for Compensated Absences	944,484	690,000	0	0	0	0	0
Transfer from GF for Fuel	0	0	0	0	0	0	0
Transfer from GF for Hospitalization	729,330	0	0	0	0	0	0
Transfer from GF for Rolling Stock Reserve	5,000,000	6,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Transfer from GF for 27th Pay	694,848	1,275,059	878,615	878,615	878,615	878,615	878,615
Other Revenue	4,358,594	0	0	0	0	0	0
<b>Total Revenue</b>	<b>12,053,712</b>	<b>8,415,059</b>	<b>6,353,615</b>	<b>6,503,615</b>	<b>6,628,615</b>	<b>6,778,615</b>	<b>6,778,615</b>
<b>Total Resources</b>	<b>29,677,990</b>	<b>36,093,049</b>	<b>42,246,664</b>	<b>46,500,279</b>	<b>52,728,894</b>	<b>59,307,509</b>	<b>45,486,124</b>



# FY 2020 Tax Budget Reserve Fund Expenses

	2018	2019	2020	2021	2022	2023	2024
	Actual	Estimate	Tax Budget	Plan	Plan	Plan	Plan
<b>Expenditures</b>							
Transfer to General Fund (Compensated Absences)	0	0	0	0	0	0	0
Transfer to General Fund (Fuel)	0	0	0	0	0	0	0
Transfer to General Fund (Hospitalization)	0	0	0	0	0	0	0
Transfer to RTA Development Fund (Rolling Stock)	2,000,000	200,000	800,000	400,000	200,000	20,600,000	0
Transfer to General Fund (27th Pay - 2024)	0	0	1,450,000	0	0	0	0
<b>Total Expenditures</b>	<b>2,000,000</b>	<b>200,000</b>	<b>2,250,000</b>	<b>400,000</b>	<b>200,000</b>	<b>20,600,000</b>	<b>0</b>
<b>Ending Balance</b>	<b>27,677,990</b>	<b>35,893,049</b>	<b>39,996,664</b>	<b>46,100,279</b>	<b>52,528,894</b>	<b>38,707,509</b>	<b>45,486,124</b>



# Public Hearing

Greater Cleveland Regional Transit Authority



Staff Requests that the Operational  
Planning & Infrastructure Committee  
recommend the FY 2020 Tax Budget to  
the full Board for approval

# FY 2020 Tax Budget Reserve Fund Rolling Balance

	2018	2019	2020	2021	2022	2023	2024
	Actual	Estimate	Tax Budget	Plan	Plan	Plan	Plan
<b>Rolling Balances</b>							
Compensated Absences	2,886,027	3,621,152	3,663,467	3,711,959	3,763,499	3,819,003	3,869,344
Fuel	2,493,996	2,525,338	2,554,728	2,588,409	2,624,207	2,662,758	2,697,723
Hospitalization	2,566,707	2,598,999	2,629,280	2,663,982	2,700,865	2,740,584	2,776,609
Rolling Stock	17,605,814	23,704,032	28,243,542	33,301,216	38,660,563	23,741,450	29,430,206
27th Pay: Salary: 2020 / Hourly 2025	2,125,446	3,443,528	2,905,647	3,834,712	4,779,759	5,743,714	6,712,242
<b>Total</b>	<b>27,677,990</b>	<b>35,893,049</b>	<b>39,996,664</b>	<b>46,100,279</b>	<b>52,528,894</b>	<b>38,707,509</b>	<b>45,486,124</b>

