

Greater Cleveland Regional Transit Authority



GENERAL MANAGER / CEO 2020 PROPOSED BUDGET



2020 TRANSMITTAL LETTER

To: Hon. Dennis M. Clough, President,
and Members, Board of Trustees

Date: November 12, 2019

From: India L. Birdsong
General Manager, Chief Executive Officer

Subject: Transmittal Letter & Proposed
FY 2020 Budget

EXECUTIVE SUMMARY

Attached is the General Manager, Chief Executive Officer's proposed 2020 Budget. RTA has managed well over the last several years. The Authority has made strategic decisions to improve operational efficiencies, while continuing to provide quality of service to its customers. This has been accomplished in a manner that best serves our customers and the community.

This year has been a time of progress and accomplishment for the Authority. The following achievements have been made in 2019:

- Cleveland State University's Center for Economic Development completed the Economic Impact Study. The Authority's economic impact to Cuyahoga County is \$322 million annually
- LTK Engineering Services completed the Rail Car Study. The replacement cost is \$240 million, which includes 34 Heavy Rail Vehicles, 24 Light Rail Vehicles, and upgrades to rail shop and infrastructure
- Twenty (20) community engagement meetings were held in May and over 20 community engagement meetings in September through October for the System Redesign Study and Fare Equity Study. Customers were asked to complete on-line surveys requesting feedback for each study during May and September through October
- The Authority amended the 2019 General Fund budget in March to increase the sales tax revenue budget and increase the transfer to the Reserve Fund for Rail Car Replacement
- The Authority completed a \$30 million debt issuance in May to be used as local match for RTA Development Fund projects
- The Authority received excellent credit ratings from Standards & Poor's (AA+) and Moody's (Aa1)
- Greater Cleveland Partnership is finalizing the Administrative Efficiency Study and Operational Review
- The Authority completed a \$6.4 million track upgrade to the Red Line in May, extending between the West Park Station and the Airport Tunnel, including 3.6 miles of railroad track, replacing 12,275 timber cross ties, improving track drainage, adding signal improvements, and repairing the platform at Puritas Station
- A creative corrective action plan was implemented for the S-Curve Retaining Wall, installing 75 steel beam frames along the 300-foot long wall
- Upgrades to the East 105-Quincy Red Line Station were completed, building a second station entrance, extending the platform and enhancing the ADA accessibility at the station as part of the Opportunity Corridor
- Cleveland hosted the Major League Baseball's All Star Game and Tall Ships Festival this summer
- The Authority honored the late William Harry Alexander's contributions to RTA. Mr. Alexander served as one of the original members of the Board of Trustees when RTA was formed in 1975 and served as President of the Board of Trustees from 1979 – 1984
- The Authority honored the late Charles P. Lucas, Sr., father of RTA Board Vice President Rev. Charles P. Lucas. Mr. Lucas was the first African American Cleveland Transit Agency (CTA) Board Member, before RTA was formed
- The Authority created Wi-Fi Hot Spots at a number of stations, including: Stephanie Tubbs Jones Transit Center, East 55th, Southgate, Cedar-University Rapid Station and bus waiting area, Windermere Transit Center and Tower City

- The Federal Transportation Administration (FTA) Triennial Audit was completed successfully in September
- The State Safety Oversight (SSO) Program Status Report for 2018 for Rail Transit was received in October with excellent reviews
- Transit Police performed active shooter drill training exercises throughout the Authority
- The Authority began replacement of the radios and on-board computer equipment on buses and trains. The program is scheduled to be completed by June 2020
- For the fifth year, the Authority participated in the American Bus Benchmarking Group (ABBG) Customer Satisfaction Survey. The customer satisfaction grew from 59% in 2018 to 64% in 2019
- Customers expressed their satisfaction with all elements of service on the Light Rail lines and Cleveland State Line including reliability, cleanliness, operator performance, safety, and communications. Satisfaction ratings were high – Light Rail: 90%; Cleveland State Line: 97%

The Proposed FY 2020 Budget supports the daily operating activities of the Authority and continues the plan towards achieving a state of good repair. The following pages discuss the assumptions used in developing the Proposed FY 2020 Budget.

The 2019 General Fund Amended Budget projected Sales & Use Tax receipts at \$211.2 million, a 3.3 percent increase from 2018 actual receipts. Through October 2019, total receipts were \$175.4 million, a 3.7 percent increase from 2018 levels and a 1.3 percent increase from the 2019 amended budget. By year-end, receipts are estimated to be \$211.2 million, \$3.8 million better than budget.

The 2019 Third Quarter estimate maintains reimbursed expenditures at \$22.1 million, which includes preventive maintenance reimbursements of \$20 million, of which \$6 million is from OTP2 funding from the State. Passenger Fares are estimated at \$43.2 million, a 7.4 percent decrease from 2018 receipts. Total revenue for 2019 is estimated at \$283.1 million. With the beginning balance of \$39.0 million, total resources for 2019 are estimated at \$322.1 million, an increase of \$2.3 million from the 2019 Amended Budget.

Total Operating Expenditures for 2019 are estimated at \$243.9 million. During 2019, the Fraternal Order of Police (FOP) and Non-Bargaining employees received a 3 percent wage increase. The Amalgamated Transit Union (ATU) contract ended in 2017 and contract negotiations are continuing. Total operating expenses are projected to end the year at \$243.9 million. A \$6 million transfer was made at the beginning of the year to the Reserve Fund for Rail Car replacement. An additional \$5 million is planned to be transferred in December 2019, bringing total transfers to other funds is at \$41.1 million. With Total Resources projected at \$322.1 million and Total Expenditures estimated at \$285.0 million, the ending balance for 2019 is projected at \$37.1 million, a 1.8-month available balance.

The Board of Trustees' first review of the proposed 2020 – 2024 Capital Improvement Plan (CIP) took place on May 14, 2019 and the 2020 Capital Budget Appropriations on was approved and adopted on May 14, 2019. The Proposed 2020 Operating Budget and Amended 2019 General Fund budget will be presented to the Board on November 12, 2019. Public Hearings will be held on November 12, 2019 and on December 3, 2019. On December 3, 2019, the Operational Planning & Infrastructure Committee is expected to make a recommendation to the full Board of Trustees to adopt the Proposed 2020 General Fund and other funds budgets and the Amended 2019 General Fund Budget. Adoption will be considered at the December 17, 2019 Board Meeting.

The Authority engaged in five Pillar Studies, of which three have been completed and two will be completed by year-end 2019. These Pillar Studies include Rail Car Study, Economic Impact Study, Administrative Study and Financial Review, Fare Equity Study, and System Redesign Study. These five Pillar Studies will form the basis for the Authority's next 10-year strategic plan. Recommendations from the three completed studies are below.

The Rail Car Study was conducted by LTK Engineering Services. This was a comprehensive evaluation of the Authority's Heavy Rail Vehicles (HRV) and Light Rail Vehicles (LRV). Based on the results of the study, the HRVs have an estimated 5 years of remaining life. The cost for replacement of the HRV fleet is estimated at \$102 million for 34 cars (about \$3 million per vehicle). The LRVs have an estimated remaining life of 10 years. The estimated replacement cost for the LRV fleet is \$96 million (about \$4 million per vehicle). An additional \$42 million will be needed to improve the rail facilities and infrastructure for the new vehicles. By the end of the FY 2019, the Authority will have nearly \$29 million of local funding in the Reserve Fund, Rolling Stock Replacement for the local match of the rail vehicles.

The Economic Impact Study was conducted by Cleveland State University's Center for Economic Development. The results of this study were presented to the Board of Trustees in the 1st Quarter 2019 and included the following:

- Transit impact on Cuyahoga County property values: \$2.2 billion
- Property values increased 3.5% within a decade for previously unserved census tracts
- RTA's annual economic impact to Cuyahoga County: \$322 million
- RTA's annual direct spending in Cuyahoga County: \$182 million
- RTA creates and sustains nearly 3,000 jobs in Cuyahoga County
- RTA employees residing in Cuyahoga County: 1,800
- Jobs created from RTA-purchased goods and services in Cuyahoga County: 1,177
- Improved transit access in urban neighborhoods results in:
 - 12.9% reduction in poverty
 - 3.1% growth in employment

The Greater Cleveland Partnership (GCP) in collaboration with WSP completed the Administrative Study and Financial Review. The results of this study were presented to the Board of Trustees in October 2019. A summary of the conclusions and recommendations are below:

- Ridership declined 31% between 2007 and 2017 due to:
 - Cuyahoga County population loss and emigration
 - Changing development and employment patterns
 - Increased competition in urban transportation market (Uber and Lyft)
 - Dispersion of jobs in Cuyahoga County to the outlying areas creating difficulty in transit providing accessible transportation
- Benchmarking is on par with peers except for administrative and paratransit costs
- Rail service is high compared to ridership
- Future of rail service in Cuyahoga County is tied to regional planning and economic development
- Operational budget is balanced based on the Authority's assumptions
- Significant funding gaps exist for rail car replacement and rail infrastructure
- Cost efficiencies and revenue opportunities were identified through system redesigns
- Strong Key Performance Indicators (KPIs) exist but need to be shared with the public

STRATEGIC APPROACH TO THE BUDGET

In developing the budget as well as developing the business strategy, the Authority derives its direction from the Authority's Mission, Vision, and Values, which are shown below.

GCRTA'S MISSION, VISION, VALUES



Figure 1

MISSION: TO PROVIDE SAFE, RELIABLE, CLEAN AND COURTEOUS PUBLIC TRANSPORTATION

VALUES:



Figure 2

VISION:

We Will Be:

- The transportation mode of choice
- Recognized as a transportation industry leader with first-class image
- An employer of choice in Northeast Ohio
- A champion for sustainability

We Will Have:

- A sustainable financial position with controlled expenses and a minimum 30-day operating reserve
- An increasing impact in the region by improving efficiency and the coordination of services

We Will:

- Upgrade and manage technology systems with increased efficiency to best serve our customers
- Achieve an infrastructure and vehicle state-of-good-repair (SOGR) with an effective asset management system
- Fund, plan, coordinate, execute, and deliver quality projects on time and on budget
- Continually improve the quality of our services and enhance the value of RTA to our community

Figure 3

GENERAL FUND

ASSUMPTIONS

Inflation

Assumption:

1.8% to 2.1%

Rationale:

The Federal Reserve recently released their projections for the remainder of 2019 through the next 30 years. The Federal Reserve Bank of Cleveland noted that the 4th District economic activity has been stable and expects inflation to be between 1.8 percent and 2.1 percent. The Federal Reserve Bank of Cleveland projects the inflation rate to remain under 2.1 percent over the next 10 years.

Interest Rates

Assumption:

1.75% to 2.5%

Rationale:

The Federal Reserve Bank cut the interest rate a quarter of a percent point in September 2019, the second such cut in interest rates in 2019. The Federal Reserve further reduced interest rates by another quarter point in October. The Authority has received an average of 2.26 percent interest income on its General Fund investments and an average of 2.32 percent average yield on all investments in all Funds in 2019. For the 2020 budget, a 2.0 percent rate was used to determine the amount of investment earnings.

REVENUES

The 2020 budget estimates \$283.6 million in General Fund revenue and total resources of \$295.8 million. This is a \$1.3 million decrease in total resources compared to the 2019 year-end estimate. The chart to the right shows the percentage of each revenue stream for 2020. Sales & Use Tax has represents 75.9 percent of total revenue. Passenger Fares represents 14.6 percent of total revenue and has been slowly decreasing due to decreased ridership. Reimbursed expenditures, which includes grant-funded and preventive maintenance reimbursements to the Operating Budget, is the third largest source of revenue, at 7.6 percent of the total revenue for 2020.

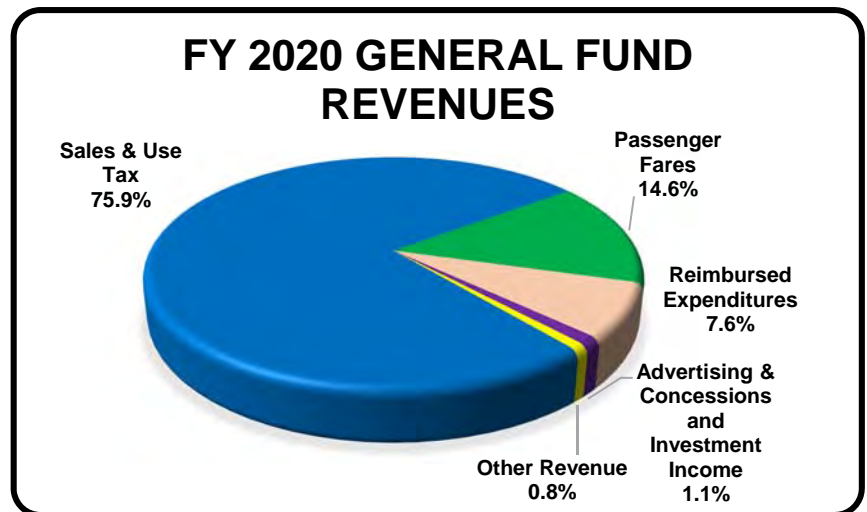


Figure 4

The specific assumptions and calculations for the revenues included there are as follows:

PASSENGER FARES

\$41.4 MILLION

RATIONALE:

Passenger Fares are estimated at \$41.4 million for 2020 representing a 4.0 percent decrease from 2019 levels based on the ridership estimates for 2020. As fuel prices remain low, choice riders continue to opt driving rather than taking public transit. Additionally, ridership on the Red Line declined during the summer due to track work on the west side. The 2020 Budget does not include any fare increase or service change. The fare increase scheduled for August 2019 was postponed until August 2020, so the base fare is expected to remain at \$2.50.

SALES & USE TAX REVENUE

\$215.4 MILLION

RATIONALE:

Sales & Use Tax receipts for 2020 are estimated at \$215.4 million, a \$4 million increase over 2019 estimates.

The Internet Tax Freedom Act is expected to sunset in June 2020. The Internet Tax Freedom Act was approved by U.S. Congress in 1998, which implemented a 3-year restriction on preventing state and local governments from taxing internet access or imposing multiple or discriminatory taxes on electronic commerce. Under this restriction, state and local governments could not impose their sales tax on the monthly payments that consumers make to their Internet Service providers for access to the Internet. In addition, a Grandfather Clause was included that allowed states, which had already imposed and collected taxes on Internet access before October 1, 1998, to continue implementing those taxes. Originally one of 13 states identified in the Grandfather Clause, Ohio is now only one of 7 states that is held under the Grandfather clause. The Internet Tax Freedom Act has been extended 8 times. With the passage of the Trade Facilitation and Trade Enforcement Act of 2015, the restriction on taxing Internet access was extended permanently, while the Grandfather Clause was extended temporarily until June 30, 2020. The Authority is estimating a \$3 to \$5 million hit if this clause expires.

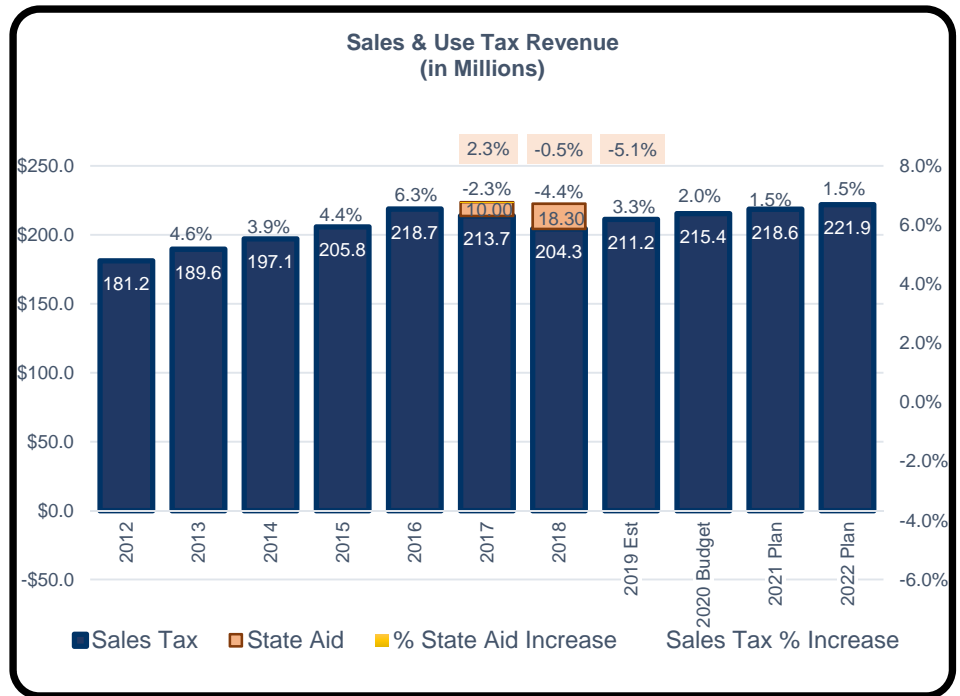


Figure 5

ADVERTISING & CONCESSIONS

\$2.4 MILLION

ADVERTISING CONTRACT

\$1.4 M

CONCESSIONS & NAMING RIGHTS

\$1.0 M

TOTAL

\$2.4 M

RATIONALE:

The Advertising and Concessions Category consists of two subcategories. The first is the current advertising contract. For 2020, the revenue from the advertising contract is budgeted at \$1.4 million. This includes a contract for advertising on the bus shelters. The second category is the naming rights revenue for the HealthLine, Cleveland State Line, and Metro Health Line and concessions that will net the Authority about \$1 million.

INVESTMENT INCOME

\$780 THOUSAND

RATIONALE:

For 2020, the Investment Income is estimated at \$780 thousand. The average yield on the Authority's investments is 2.3 percent in 2019.



OTHER REVENUE

\$2.1 MILLION

RATIONALE:

Other receipts include contractor and hospitalization claim reimbursements, rent, salvage sales, and identification card proceeds, among other miscellaneous receipts. The amounts received from these sources have fluctuated over the years, mainly due to one-time settlements and reimbursements. For 2020, the other revenue category is budgeted at \$2.1 million.

REIMBURSED EXPENDITURES

\$21.5 MILLION

PREVENTIVE MAINTENANCE REIMBURSEMENTS

\$20.0M

FUEL TAX REIMBURSEMENT

\$ 0.7M

REIMBURSED LABOR & MATERIAL

\$ 0.8M

TOTAL

\$21.5M

RATIONALE:

Reimbursed Expenditures category includes reimbursements for Preventive Maintenance (PM), fuel tax, labor and material, as well as other Federal and State reimbursements. For 2020, Reimbursed Expenditures are budgeted at \$21.5 million. This includes Preventive Maintenance at \$20.0 million, \$0.7 million for fuel tax reimbursements, and \$0.8 million for force account labor and other reimbursements. Increasing the PM Reimbursement would reduce available funding for capital projects and negatively impact the ability to achieve and maintain a state of good repair. An \$11.76 million OTP2 grant was awarded by Ohio, of which \$6 million will be used for Reimbursed Expenditures. This will free up formula funding to be used for the Light Rail Track rehabilitation.

EXPENDITURES

Operating Expenditures for the 2020 Operating Budget include the appropriation and expenditure changes as described below. As with revenues, expenditures are estimated not only for the 2020 Budget Year, but also for the two consecutive out-years to assist with longer term planning. The General Fund Balance Analysis projections include those out-years to demonstrate the impact of various items contained in the 2020 Budget (collective bargaining agreements, service changes, contract changes, as well as requirements of the Capital Improvement Plan, etc.). Figure 7 summarizes the budgeted expenditures for 2020 and highlights the various areas of cost increases included in the proposed Operating Budget.

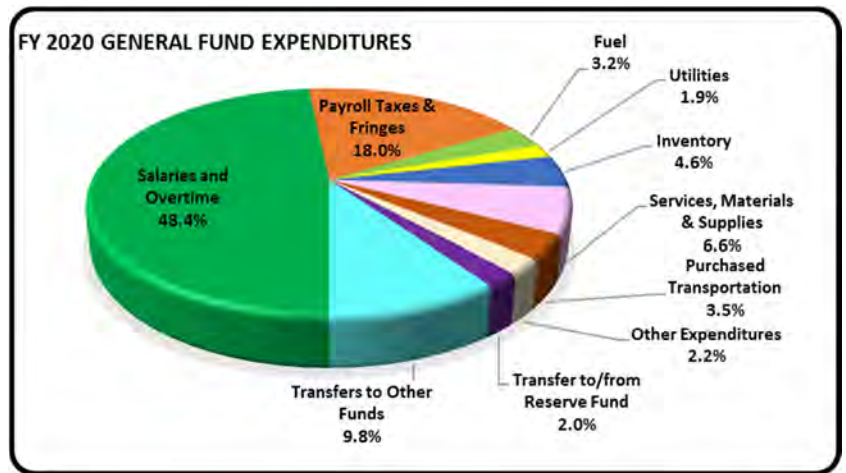


Figure 6

SALARIES & OVERTIME

\$143.7 MILLION

RATIONALE:

Total salaries, wages and overtime for the 2020 Operating Budget are \$143.7 million and represent 54.8 percent of the total 2020 General Fund expenses. The 2020 Operating Budget includes 2,333 FTE (full time equivalent) positions. A 2.5 percent salary increase is budgeted for all positions. Both union contracts ended in 2017. The FOP signed a new agreement in 2019, which again aligns wage increases to the

revenue increases for passenger fares and sales tax from the prior year. The ATU negotiations are continuing.

| | |
|---|----------------|
| PAYROLL TAXES & FRINGE BENEFITS | \$53.4 MILLION |
| PAYROLL TAXES / PERS | \$21.2M |
| HEALTH CARE / PRESCRIPTION | \$28.1M |
| VISION / DENTAL / OTHER FRINGE BENEFITS | \$ 4.1M |
| TOTAL | \$53.4M |

RATIONALE:

Payroll taxes and Ohio PERS (Ohio Public Employee Retirement System) budget for 2020 is \$21.2 million. Ohio PERS provides retirement, disability, and survivor benefit programs for public employees. Health Care and prescription costs for 2020 are budgeted at \$28.1 million and are projected to remain near 2019 levels. The employee contribution for health care coverage is 14 percent. Employees can receive a one-percent refund if they complete a physical and an additional one percent refund if they complete a dental exam. Those employees who complete both received a 2 percent refund on their health care contribution. The 2020 budget for vision, dental, and other fringe benefits is \$4.1 million. In each of the contracts, co-pays and deductibles are identified by type of plan and family size. This action makes employees more involved in their own care.

| | |
|---------------|---------------|
| FUEL EXPENSES | \$9.0 MILLION |
|---------------|---------------|

RATIONALE:

The Energy Price Risk Management Program (aka Fuel Hedging Program) has helped to stabilize diesel fuel and Compressed Natural Gas (CNG), two of the Authority's most volatile expenses. Through this program, the cost of fuel (diesel and CNG) has remained steady. The U.S. has increased production of crude oil in the last few years and is now less dependent upon foreign sources. Between 2015 and 2019, RTA placed 133 Compressed Natural Gas (CNG) buses into operation and retired older diesel buses, reducing fuel by nearly a million dollars between 2017 and 2018. By 2020, 27 new CNG buses are planned to be placed into operation. Total fuel costs for 2020 are budgeted at 9.0 million and include diesel, CNG, propulsion power electricity for the trains, gasoline, and propane.

| | |
|----------------------------------|----------------|
| OTHER EXPENDITURES | \$55.7 MILLION |
| SERVICES, MATERIALS AND SUPPLIES | \$19.4M |
| INVENTORY | \$13.7M |
| PURCHASED TRANSPORTATION | \$10.3M |
| OTHER UTILITIES | \$ 5.7M |
| OTHER MISCELLANEOUS EXPENDITURES | \$ 6.6M |
| TOTAL | \$55.7M |

RATIONALE:

Maintenance contracts and other services are budgeted at \$15.8 million. This category includes advertising fees, multi-year maintenance contracts, and other miscellaneous services. The in-house service for NAPA inventory for Paratransit expired in 2019 and Paratransit inventory was added to the inventory costs. Some of the multi-year maintenance contracts are requirement-based and only invoiced when services are needed. This helps to keep costs down throughout the year. The inventory category is budgeted at \$13.7 million and includes all parts and equipment for the buses, trains, and facilities. This category also includes the predictive maintenance kits for the fixed-route buses in the program. The collaborative work between Asset Configuration & Management and Inventory for the predictive maintenance program has helped to stabilize inventory expenses, increase miles between service interruptions, and keeping buses on the road.

Purchased transportation for ADA Paratransit services is budgeted at \$ 10.3 million. Three new contracts were started in June 2019. DriverMate was installed for the in-house and purchased transportation vehicles, enabling better mapping and communication for pick-ups and drop-offs. This category also includes



\$650,000 of pass-through expenses for Medina County. The Authority trades operating dollars in exchange for federal funding received by Medina County for their transit agency.

Other expenses includes liability claims and insurance premiums, which are budgeted at \$4.4 million for 2020. Training, travel, and professional expenses are also in this category, budgeted at \$2.2 million. This includes tuition reimbursements, property taxes, leases and rentals, and other miscellaneous expenses. Travel costs for the Bus and Rail Rodeos are also included.

| DESCRIPTION | 2019 Amended Budget | 2019 Third Quarter Estimate | 2020 Budget | 2020 Budget vs. 2019 Amended Budget | % Difference |
|--------------------------|--------------------------|-----------------------------|--------------------------|-------------------------------------|--------------|
| SALARIES & OVERTIME | \$ 138,563,985.00 | \$ 136,887,461.00 | \$ 143,667,173.00 | \$ 5,103,188.00 | 3.68% |
| FRINGE BENEFITS | \$ 53,873,933.00 | \$ 51,773,035.00 | \$ 53,391,398.00 | \$ (482,535.00) | -0.90% |
| SERVICES | \$ 14,632,263.00 | \$ 13,420,085.00 | \$ 15,811,345.00 | \$ 1,179,082.00 | 8.06% |
| MATERIAL & SUPPLIES | \$ 17,117,078.00 | \$ 13,909,612.00 | \$ 17,330,409.00 | \$ 213,331.00 | 1.25% |
| FUEL/UTILITIES | \$ 15,639,118.00 | \$ 14,170,446.00 | \$ 15,099,457.00 | \$ (539,661.00) | -3.45% |
| LIABILITIES | \$ 4,495,109.00 | \$ 3,394,144.00 | \$ 4,440,186.00 | \$ (54,923.00) | -1.22% |
| PURCHASED TRANSPORTATION | \$ 8,434,045.00 | \$ 9,094,714.00 | \$ 10,345,000.00 | \$ 1,910,955.00 | 22.66% |
| OTHER | \$ 1,762,244.00 | \$ 1,260,091.00 | \$ 2,128,906.00 | \$ 366,662.00 | 20.81% |
| TOTAL | \$ 254,517,775.00 | \$ 243,909,588.00 | \$ 262,213,874.00 | \$ 7,696,099.00 | 3.02% |

Figure 7

TRANSFER TO THE INSURANCE FUND

The Insurance Fund has a required minimum fund balance of \$5.0 to protect the Authority against catastrophic or extraordinary losses. The Authority is self-insured in all areas except personal property and equipment. Expenditures in the Insurance Fund are used for extraordinary claims and insurance premiums over \$150,000. With the increase in safety measures, claims have declined significantly, and the budgeted transfers have generally been reduced. In 2019, a transfer of \$2.7 million was budgeted to cover insurance premiums and projected claim payments and to maintain the necessary ending balance. For 2020, a transfer of \$2.0 million is needed to cover estimated costs and maintain the fund at the required level. Continued safety actions may allow the amounts in the out-years to be lowered.

TRANSFER TO THE SUPPLEMENTAL PENSION FUND

The Supplemental Pension Fund was established for payments of benefits relating primarily to certain retired employees of the Authority and predecessor transit systems. Since 1986, the Pension Fund has also been used to account for funds on deposit with the Ohio Public Employees Deferred Compensation Board. The Authority has no control over these funds but is required to account for them in a trust. The 2020 budget estimates that the Supplemental Pension Fund will need transfers of \$50,000. For the out-years, 2021 and 2022, additional transfers are planned in order to maintain the necessary balance within this fund as identified in a bi-annual actuarial study.

TRANSFERS TO CAPITAL

This measure has fluctuated over the years. Between 2016 and 2018, General Fund Transfer to Capital was \$31.4 million, \$27.3 million, and \$32.6 million, respectively. In 2018, an additional transfer of \$5.0 million was needed for the Radio CAD/AVL project, which increased the sales tax contribution to capital to 16.2 percent. Funding for this project came from a grant from the Federal Highway Administration under a 50/50 cooperative grant agreement that will reimburse RTA 50 percent of the funding used for the project. The transfer to capital for 2019 was \$25.3 million, \$1.7 million less than budget as proceeds from the Bond Issuance in 2019 was used to pay for the principal and interest payments for 2019 bonds. The 2020 Budget calls for a transfer of \$27.1 million to Capital. Local funds are transferred to the capital program to provide the local match for preventive maintenance expenditures and for other locally funded state of good repair projects that are ineligible to fund with debt service. For 2021 and 2022, the transfers to capital are planned at \$21.7 million and \$22.3 million, respectively.

EMPLOYMENT LEVEL ANALYSIS

The 2020 Budget reflects 2,333 FTEs. The pie chart to the right represents the relative employment levels within each division. During 2019, the Office of Management & Budget was moved out of the Executive Division and into the Finance & Administration Division. For the 2020 Budget, the Rail Power & Way section was moved out of Rail and as a stand-alone Department under the Operations Division.

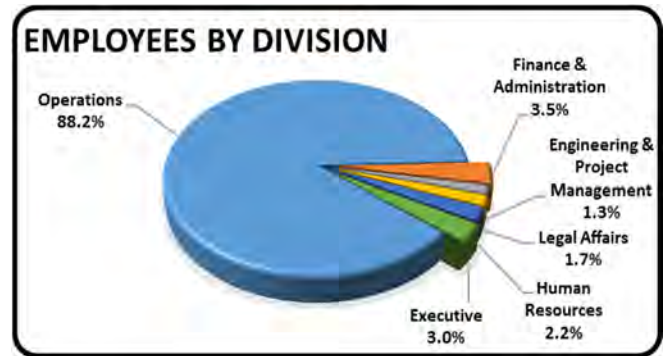


Figure 8

SERVICE LEVELS

For 2020, no significant service changes are planned. The Authority plans to maintain current services while working with a consultant on a system redesign study, which is expected to be completed by December 2019. Any service changes recommended by this study will first be discussed with the public and further refined before any implementation occurs. The Budgets service level comparison by mode is below.

| 2020 Budgeted Service Levels By Mode Compared to 2019 Budgeted Service Levels by Mode | | | | | | | | |
|--|------------------|------------------|-----------------|---------------------|-------------------|-------------------|---------------|---------------------|
| Service Mode | Service Hours | | | | Service Miles | | | |
| | 2019* Budget | 2020 Budget | Variance | Percent Variance | 2019 Budget | 2020 Budget | Variance | Percent Variance |
| Rail | | | | | | | | |
| Heavy Rail (Red) | 143,000 | 143,000 | 0 | 0.0% | 2,600,000 | 2,600,000 | 0 | 0.0% |
| Light Rail (Blue/Green) | 53,336 | 53,336 | 0 | 0.0% | 756,852 | 756,852 | (0) | 0.0% |
| Rail Total | 196,336 | 196,336 | 0 | 0.0% | 3,356,852 | 3,356,852 | (0) | 0.0% |
| Bus | | | | | | | | |
| Bus Total | 1,255,020 | 1,255,020 | 0 | 0.0% | 15,066,089 | 15,066,089 | (0) | 0.0% |
| Sub-Total Bus & Rail | 1,451,357 | 1,451,357 | 0 | 0.0% | 18,422,941 | 18,422,941 | (0) | 0.0% |
| Paratransit | | | | | | | | |
| In-House | 162,299 | 167,110 | 4,811 | 3.0% | 2,170,368 | 2,368,900 | 198,532 | 9.1% |
| Contract | 243,449 | 214,739 | (28,710) | -11.8% | 3,255,552 | 3,128,614 | (126,938) | -3.9% |
| Sub-Total Paratransit | 405,748 | 381,849 | (23,899) | -5.9% | 5,425,920 | 5,497,514 | 71,594 | 1.3% |
| Van Pool Program | 12,000 | 12,000 | - | 0.0% | 300,000 | 300,000 | - | 0.0% |
| | 12,000 | 12,000 | - | 0.0% | 300,000 | 300,000 | - | 0.0% |
| *Amended Budget | | | | | | | | |
| | 1,869,104.68 | 1,845,205.68 | | | 24,148,861.41 | 24,220,455.00 | | |

Figure 9

POLICY COMPLIANCE

The discussion in this section focuses on the Authority's adopted financial policy objectives. These objectives represent trends or indicators that are analyzed as they relate to long-range financial implications for the organization. These financial policy objectives were amended in August 2011 and again in March 2017. The financial policies or trends, as outlined in Attachment B, are applied to the following areas:

OPERATING EFFICIENCY

An OPERATING RATIO of at least 25 percent is the policy goal. At 17.1 percent, this ratio will not meet the objective for 2020, reflecting ridership declines over the past several years. RTA will need to increase operating revenues and/or control expenses throughout the year in order to end the year with a ratio above 20 percent.

The COST PER HOUR OF SERVICE is to be maintained at or below the level of inflation (under 2 percent for 2020). For 2020, budgeted operating costs are increasing by 7.5 percent, compared to the 2019 estimate. Total Service hours are budgeted to be maintained in 2020. The cost per hour of service for 2020 is budgeted at \$143.1, an 8.6 percent increase over 2019 estimates. This objective will not be met.

The ONE-MONTH OPERATING RESERVE requires that the Authority should have a year-end balance equal to one month's operating costs. The Operating Reserve objective is projected to be met again in 2019 at 1.8-months. For 2020, a one-month operating reserve is equal to \$21.8 million. With a budgeted ending balance of \$25.0 million, a 1.1-month reserve, this measure will again be met.

CAPITAL EFFICIENCY

The goal for the DEBT SERVICE COVERAGE ratio is to be at or above 1.5. A debt issuance was budgeted for 2017 but deferred to 2018 and again to 2019, based on capital needs and market conditions. Debt service coverage for 2019 is estimated at 4.21. For 2020, the Debt Service Coverage is budgeted at 2.65. This objective will be met.

Another financial goal is to contribute a minimum of 10 percent of Sales Tax revenue to capital. This indicator includes both the direct contributions to capital and the amount "set-aside" in the General Fund for debt service. The CONTRIBUTION TO CAPITAL is projected to be above the minimum of 10 percent in 2019, at 12.0 percent. The \$30 million debt issuance in 2019 brought the Sales Tax contribution down. The financial contributions to the capital programs support 100 percent of locally funded capital projects, provide the local match for projects funded by grants, and funds the Authority's debt service requirements. For 2020, the Sales Tax Contribution to Capital is budgeted at 12.6 percent.

The CAPITAL MAINTENANCE OUTLAY TO CAPITAL EXPANSION remains above the Board Policy goal of between 75 percent and 90 percent due to a large number of State of Good Repair (SOGR) capital maintenance projects including the bus improvement program, reconstruction of heavy and light rail stations, and track infrastructure projects. It will remain above the 90 percent maximum for 2020 and the out years as the focus of the Authority's capital program remains on the maintenance, rehabilitation, and the replacement and/or upgrade of existing capital assets, rather than on expansion projects.

The Authority has been able to improve internal processes over the past years and reduce costs to enable shifts of financial resources to address many SOGR capital projects. The Authority must continue to maintain a balance between operating and capital funds to stay successful and develop plans to address the significant challenges it will face in the upcoming years.

END OF YEAR RESERVE FUNDS

A \$6 million transfer to the Rolling Stock Reserve Fund was made in the 1st Quarter of 2019 with an additional transfer of \$5 million planned to be made in the 4th Quarter of 2019. In 2020, a transfer of \$5 million is budgeted for rail car replacement into the Rolling Stock Reserve Fund.

A transfer from the General Fund for the 27th pay is budgeted at \$0.88 million. Every 12 years a 27th pay is expected due to the pay cycles. To help cover these costs, a transfer of \$1.5 million is budgeted in 2020 for salary employees, or 1/12 of annual pay costs.

CAPITAL IMPROVEMENT PLAN

The Capital Improvement Plan (CIP) for 2020-2024 was approved by the Board May 14, 2019. The CIP provides for the purchase, maintenance, and improvement of the Authority's capital assets through a programmed allocation of available financial resources. The capital assets of the Authority are varied and include such items as buses, rail cars, rail right-of-way infrastructure, facilities, equipment, non-revenue vehicles, and other capital assets needed to support the on-going operations of the Authority. The life cycle of these capital assets extends over a period of years and effective capital improvement planning provides the framework for scheduling improvements based on the availability of resources, the condition of assets, and the priorities among submitted capital projects. The capital-intensive nature of public transportation makes long-term financial planning, as well as effective implementation and completion of programmed capital projects on a timely basis, indispensable.

As in previous years, additional financial resources continue to be needed to meet the needs of maintaining the Authority's capital assets in a State of Good Repair (SOGR). In recent budget years, due to the improved financial conditions of the Authority additional funds were transferred to the capital program by strategically reducing grant funded Preventive Maintenance (PM) reimbursements to the Operating Budget and directing more resources towards capital asset improvements. The Authority has also aggressively pursued all eligible competitive grant awards for identified, but unfunded SOGR projects. The Ohio Department of Transportation (ODOT) authorized \$3.67 million of Urban Transit Program (UTP) funding to the Authority. This funding will be used to purchase 3 additional MCIs and 5 Gillig buses. ODOT also authorized \$11.66 million of Ohio Transit Partnership Program (OTPP) funding, which will be used to purchase property along E. 79th Street Station along the Red Line, Preventive Maintenance Reimbursement (in exchange for Federal Formula Funding) and Heavy Rail Vehicles. The Federal Formula funding originally to be used for Preventive Maintenance Reimbursement, will be amended to help fund the Light Rail trunk line track project.

The allocation of capital funds and budget authority continues to target a significant number of SOGR projects throughout the Authority. Financial resources for capital projects are allocated through a capital review process that prioritizes both budgeted, unfunded capital projects as well as consideration of new capital projects. It maintains the focus of the Authority's capital program on achieving and maintaining a SOGR throughout the system as it continues to reflect existing and future projected financial and operational constraints facing the Authority. The challenges include maintaining bus and rail fleets in a SOGR, maintaining rail infrastructure, facilities, and bridges awarding of funds. The Authority's capital projects are grouped in the 2020-2024 Capital Improvement Plan shown on the following page.

| 2020 - 2024 COMBINED CAPITAL IMPROVEMENT PLAN | | | | | | |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Combined Budget Authority | | | | | | |
| PROJECT CATEGORY | 2020 Budget | 2021 Plan | 2022 Plan | 2023 Plan | 2024 Plan | 2020-2024 |
| Bus Garages | \$0 | \$0 | \$700,000 | \$4,312,665 | \$1,662,800 | \$6,675,465 |
| Bus Improvement Program | \$21,305,000 | \$21,906,000 | \$22,062,000 | \$20,960,000 | \$20,960,000 | \$107,193,000 |
| Equipment & Vehicles | \$1,459,702 | \$1,645,418 | \$3,065,687 | \$1,143,984 | \$952,000 | \$8,266,791 |
| Facilities Improvements | \$14,779,682 | \$13,913,599 | \$12,214,094 | \$15,002,330 | \$15,229,500 | \$71,139,205 |
| Other Projects | \$2,459,576 | \$2,459,576 | \$2,459,576 | \$2,459,576 | \$2,459,576 | \$12,297,880 |
| Preventive Maint./Oper. Reimb. | \$20,000,000 | \$20,000,000 | \$20,000,000 | \$20,000,000 | \$20,000,000 | \$100,000,000 |
| Rail Projects | \$32,954,362 | \$30,030,973 | \$29,197,680 | \$27,592,286 | \$37,689,081 | \$157,464,382 |
| Rail Car Replacement Program | \$8,000,000 | \$31,250,000 | \$31,250,000 | \$31,250,000 | \$23,250,000 | \$125,000,000 |
| Transit Centers | \$300,000 | \$300,000 | \$300,000 | \$300,000 | \$300,000 | \$1,500,000 |
| TOTALS | \$101,258,321 | \$121,505,566 | \$121,249,037 | \$123,020,841 | \$122,502,957 | \$589,536,722 |

Figure 10

CONCLUSION

GCRTA has managed well over the past six years. The 2020 budget maintains current service levels. As in the past, the GCRTA will closely monitor expenses and take the necessary actions as the budgeted operating reserve falls.

GCRTA must continue to align expenses with revenues, improve its operational efficiencies and effectiveness to provide quality service and meet its commitments to its customers, while at the same time, it must maintain the necessary funds to sustain operations and keep its infrastructure in a state of good repair. The proposed 2020 General Fund and the Other Fund Budgets achieve that goal, but at the same time indicate that challenges lie ahead in the upcoming years.

The General Fund Balance Analysis and Financial Policy Goals for the Proposed 2020 Budget are below.

**ATTACHMENT A
General Fund Balance Analysis**

| | 2018 Actual | 2019 Amended Budget | 2019 3Q Estimate | 2020 Proposed Budget | 2021 Plan | 2022 Plan |
|---------------------------------------|--------------------|---------------------------|---------------------|----------------------------|--------------------|--------------------|
| Beginning Balance | 34,869,397 | 38,959,995 | 38,959,995 | 37,136,081 | 24,974,942 | 19,161,892 |
| Revenue | | | | | | |
| Passenger Fares | 46,611,350 | 46,497,104 | 43,173,773 | 41,446,822 | 39,788,949 | 38,197,391 |
| Advertising & Concessions | 786,836 | 2,162,000 | 3,412,700 | 2,400,863 | 2,400,863 | 2,400,863 |
| Sales & Use Tax | 204,331,707 | 207,396,683 | 211,172,719 | 215,396,173 | 218,627,116 | 221,906,523 |
| State Aid from MCO Loss | 18,271,169 | 0 | 0 | 0 | 0 | 0 |
| Investment Income | 733,668 | 600,000 | 879,782 | 779,858 | 524,474 | 402,400 |
| Other Revenue | 2,217,242 | 2,090,000 | 2,430,985 | 2,100,000 | 2,100,000 | 2,100,000 |
| Reimbursed Expenditures | 22,667,293 | 22,075,000 | 22,075,000 | 21,520,000 | 21,520,000 | 21,520,000 |
| Total Revenue | 295,619,265 | 280,820,787 | 283,144,959 | 283,643,716 | 284,961,402 | 286,527,177 |
| Total Resources | 330,488,662 | 319,780,782 | 322,104,954 | 320,779,797 | 309,936,343 | 305,689,069 |
| Operating Expenditures | | | | | | |
| Salaries and Overtime | 134,480,231 | 138,563,985 | 136,887,461 | 143,667,173 | 142,423,079 | 142,888,912 |
| Payroll Taxes and Fringes | 51,457,495 | 53,873,933 | 51,773,035 | 53,391,398 | 53,337,455 | 53,381,480 |
| Fuel (Diesel, CNG, Prop. Pwr., Gas) | 9,351,736 | 10,304,550 | 8,961,021 | 9,443,600 | 9,321,888 | 9,229,585 |
| Utilities | 4,557,351 | 5,334,568 | 5,209,425 | 5,655,857 | 5,601,087 | 5,380,825 |
| Inventory | 12,961,263 | 13,368,000 | 10,792,337 | 13,711,000 | 14,585,082 | 14,585,082 |
| Services and Material & Supplies | 16,642,929 | 18,381,341 | 16,537,360 | 19,430,753 | 19,049,910 | 19,211,407 |
| Purchase Transportation | 9,934,312 | 8,434,045 | 9,094,714 | 10,345,000 | 10,439,920 | 9,885,789 |
| Other Expenditures | 4,968,361 | 6,257,353 | 4,654,235 | 6,569,092 | 6,342,427 | 6,195,927 |
| Total Operating Expenditures | 244,353,679 | 254,517,776 | 243,909,588 | 262,213,873 | 261,100,848 | 260,759,007 |
| Transfers to Other Funds | | | | | | |
| Transfer to the Insurance Fund | 7,250,000 | 2,700,000 | 2,700,000 | 2,000,000 | 2,000,000 | 2,600,000 |
| Transfer to the Pension Fund | 60,000 | 50,000 | 50,000 | 50,000 | 45,000 | 40,000 |
| Transfers to Reserve Fund | 7,368,662 | 7,965,059 | 12,965,059 | 5,878,615 | 5,878,615 | 5,878,615 |
| Transfers from the Reserve Fund | | | | (1,450,000) | | |
| Transfers to Capital | | | | | | |
| Bond Retirement Fund | 17,236,407 | 15,228,052 | 13,339,003 | 13,714,842 | 13,835,408 | 13,820,910 |
| Capital Improvement Fund | 15,259,919 | 11,887,181 | 12,005,224 | 13,397,525 | 7,914,580 | 8,527,908 |
| Total Transfers to Capital | 32,496,326 | 27,115,233 | 25,344,227 | 27,112,367 | 21,749,988 | 22,348,819 |
| Total Transfers to Other Funds | 47,174,988 | 37,830,292 | 41,059,286 | 33,590,982 | 29,673,603 | 30,867,434 |
| Total Expenditures | 291,528,667 | 292,348,069 | 284,968,874 | 295,804,855 | 290,774,451 | 291,626,441 |
| Available Ending Balance | 38,959,995 | 27,432,714 | 37,136,081 | 24,974,941 | 19,161,891 | 14,062,627 |

| 2020 Tax Budget Financial Policy Goals | | | | | | | | |
|---|--|---------------------|------------------------|------------------------|--------------------------|------------------------|----------------------|----------------------|
| | | Goal | 2018 Actual | 2019 Budget | 2019 Estimate | 2020 Budget | 2021 Plan | 2022 Plan |
| Operating Efficiency | Operating Ratio | ≥ 25% | 19.8% | 19.4% | 19.5% | 17.1% | 16.4% | 15.8% |
| | Cost per Service Hour | | \$130.6 | \$140.8 | \$131.7 | \$143.1 | \$142.5 | \$142.3 |
| | Growth per Year | ≤ Rate of Inflation | 1.4% | 7.9% | -6.5% | 8.6% | -0.4% | -0.1% |
| | Operating Reserve (Months) | ≥ 1 month | 1.9 | 1.3 | 1.8 | 1.1 | 0.9 | 0.6 |
| Capital Efficiency | Debt Service Coverage | ≥ 1.5 | 3.76 | 3.19 | 4.21 | 2.65 | 2.34 | 2.37 |
| | Sales Tax Contribution to Capital | ≥ 10% | 14.6% | 13.1% | 12.0% | 12.6% | 9.9% | 10.1% |
| | Capital Maintenance to Expansion | 75%- 90% | 97.3% | 94.3% | 100.0% | 100.0% | 100.0% | 100.0% |



ATTACHMENT C
RTA Development Fund Balance Analysis

| | 2018 Actual | 2019 Amended Budget | 2019 3Q Estimate | 2020 Proposed Budget | 2021 Plan | 2022 Plan |
|--------------------------------|-------------------|---------------------------|---------------------|----------------------------|--------------------|--------------------|
| Beginning Balance | 20,136,261 | 18,099,415 | 18,099,415 | 36,608,688 | 14,776,584 | 23,289,906 |
| Revenue | | | | | | |
| Debt Service Proceeds | 0 | 30,000,000 | 30,000,000 | 0 | 25,000,000 | 0 |
| Transfer from RTA Capital Fund | 9,434,255 | 8,984,255 | 8,984,255 | 10,684,255 | 6,034,255 | 5,884,255 |
| Transfer from the Reserve Fund | 2,000,000 | 0 | 0 | 0 | 2,400,000 | 5,200,000 |
| Investment Income | 258,572 | 800,000 | 800,000 | 500,000 | 700,000 | 500,000 |
| Federal Capital Grants | 56,531,115 | 42,082,188 | 42,082,188 | 63,887,602 | 67,750,869 | 65,973,700 |
| State Capital Grants | 827,365 | 1,384,658 | 1,384,658 | 1,384,658 | 1,384,658 | 1,384,658 |
| Other Revenue | -32,530 | 0 | 0 | 0 | 0 | 0 |
| Total Revenue | 69,018,777 | 83,251,101 | 83,251,101 | 76,456,515 | 103,269,782 | 78,942,613 |
| Total Resources | 89,155,038 | 101,350,516 | 101,350,516 | 113,065,203 | 118,046,367 | 102,232,519 |
| Expenditures | | | | | | |
| Capital Outlay | 71,055,623 | 64,741,828 | 64,741,828 | 98,288,619 | 94,756,461 | 92,270,909 |
| Other Expenditures | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Expenditures | 71,055,623 | 64,741,828 | 64,741,828 | 98,288,619 | 94,756,461 | 92,270,909 |
| Ending Balance | 18,099,415 | 36,608,688 | 36,608,688 | 14,776,584 | 23,289,906 | 9,961,610 |

ATTACHMENT D
RTA Capital Fund Balance Analysis

| | 2018 Actual | 2019 Amended Budget | 2019 3Q Estimate | 2020 Proposed Budget | 2021 Plan | 2022 Plan |
|----------------------------------|-------------------|---------------------------|---------------------|----------------------------|-------------------|-------------------|
| Beginning Balance | 1,299,482 | 3,214,558 | 3,214,558 | 2,965,343 | 2,773,912 | 1,659,247 |
| Revenue | | | | | | |
| Transfer from General Fund | 15,259,919 | 11,887,181 | 12,005,224 | 13,397,525 | 7,914,580 | 8,527,908 |
| Investment Income | 62,161 | 60,000 | 60,000 | 65,000 | 65,000 | 65,000 |
| Other Revenue | 1,855 | 0 | 0 | 0 | 0 | 0 |
| Total Revenue | 15,323,935 | 11,947,181 | 12,065,224 | 13,462,525 | 7,979,580 | 8,592,908 |
| Total Resources | 16,623,417 | 15,161,739 | 15,279,781 | 16,427,869 | 10,753,492 | 10,252,155 |
| Expenditures | | | | | | |
| Asset Maintenance | 1,920,700 | 1,405,000 | 1,405,000 | 1,510,000 | 1,755,000 | 1,710,000 |
| Routine Capital | 2,053,904 | 1,925,183 | 1,925,183 | 1,459,702 | 1,304,990 | 1,243,000 |
| Other Expenditures | 0 | 0 | 0 | 0 | 0 | 0 |
| Transfer to RTA Development Fund | 9,434,255 | 8,984,255 | 8,984,255 | 10,684,255 | 6,034,255 | 5,884,255 |
| Total Expenditures | 13,408,859 | 12,314,438 | 12,314,438 | 13,653,957 | 9,094,245 | 8,837,255 |
| Ending Balance | 3,214,558 | 2,847,301 | 2,965,343 | 2,773,912 | 1,659,247 | 1,414,900 |

ATTACHMENT E
Bond Retirement Fund Balance Analysis

| | 2018 Actual | 2019 Amended Budget | 2019 3Q Estimate | 2020 Proposed Budget | 2021 Plan | 2022 Plan |
|----------------------------------|----------------|---------------------------|---------------------|----------------------------|--------------|--------------|
| Beginning Balance | 2,299,936 | 2,739,205 | 2,739,205 | 7,046,617 | 4,637,249 | 1,982,157 |
| Revenue | | | | | | |
| Transfer from General Fund | 17,236,407 | 15,228,052 | 13,339,003 | 13,714,842 | 13,835,408 | 13,820,910 |
| Investment Income | 122,664 | 130,000 | 130,000 | 135,000 | 135,000 | 135,000 |
| Other Revenue | 134 | 0 | 5,916,999 | 0 | 0 | 0 |
| Total Revenue | 17,359,205 | 15,358,052 | 19,386,002 | 13,849,842 | 13,970,408 | 13,955,910 |
| Reconciling Journal Entry | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Resources | 19,659,141 | 18,097,257 | 22,125,207 | 20,896,459 | 18,607,657 | 15,938,067 |
| Expenditures | | | | | | |
| Debt Service | | | | | | |
| Principal | 11,945,000 | 10,405,589 | 9,650,000 | 10,560,000 | 11,345,000 | 9,535,000 |
| Interest | 4,974,936 | 5,477,090 | 5,427,090 | 5,697,710 | 5,279,000 | 4,711,950 |
| Other Expenditures | 0 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 |
| Total Expenditures | 16,919,936 | 15,884,179 | 15,078,590 | 16,259,210 | 16,625,500 | 14,248,450 |
| Ending Balance | 2,739,205 | 2,213,078 | 7,046,617 | 4,637,249 | 1,982,157 | 1,689,617 |

ATTACHMENT F
Insurance Fund Balance Analysis

| | 2018 Actual | 2019 Amended Budget | 2019 3Q Estimate | 2020 Proposed Budget | 2021 Plan | 2022 Plan |
|----------------------------|----------------|---------------------------|---------------------|----------------------------|--------------|--------------|
| Beginning Balance | 6,074,641 | 12,640,748 | 12,640,748 | 7,316,748 | 6,456,298 | 5,772,298 |
| Revenue | | | | | | |
| Investment Income | 90,005 | 90,000 | 90,000 | 35,000 | 35,000 | 35,000 |
| Transfer from General Fund | 7,250,000 | 2,700,000 | 2,700,000 | 2,000,000 | 2,000,000 | 2,600,000 |
| Total Revenue | 7,340,005 | 2,790,000 | 2,790,000 | 2,035,000 | 2,035,000 | 2,635,000 |
| Total Resources | 13,414,646 | 15,430,748 | 15,430,748 | 9,351,748 | 8,491,298 | 8,407,298 |
| Expenditures | | | | | | |
| Claims and Premium Outlay | 773,898 | 8,114,000 | 8,114,000 | 2,895,450 | 2,719,000 | 2,706,000 |
| Other Expenditures | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Expenditures | 773,898 | 8,114,000 | 8,114,000 | 2,895,450 | 2,719,000 | 2,706,000 |
| Ending Balance | 12,640,748 | 7,316,748 | 7,316,748 | 6,456,298 | 5,772,298 | 5,701,298 |

ATTACHMENT G
Supplemental Pension Fund Balance Analysis

| | 2018 Actual | 2019 Amended Budget | 2019 3Q Estimate | 2020 Proposed Budget | 2021 Plan | 2022 Plan |
|----------------------------|------------------|---------------------------|---------------------|----------------------------|------------------|------------------|
| Beginning Balance | 1,333,767 | 1,352,482 | 1,352,482 | 1,356,482 | 1,360,482 | 1,361,482 |
| Revenue | | | | | | |
| Investment Income | 16,260 | 14,000 | 14,000 | 14,000 | 14,000 | 14,000 |
| Transfer from General Fund | 60,000 | 50,000 | 50,000 | 50,000 | 45,000 | 40,000 |
| Total Revenue | 76,260 | 64,000 | 64,000 | 64,000 | 59,000 | 54,000 |
| Total Resources | 1,410,027 | 1,416,482 | 1,416,482 | 1,420,482 | 1,419,482 | 1,415,482 |
| Expenditures | | | | | | |
| Benefit Payments | 57,545 | 60,000 | 60,000 | 60,000 | 58,000 | 58,000 |
| Other Expenditures | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Expenditures | 57,545 | 60,000 | 60,000 | 60,000 | 58,000 | 58,000 |
| Reconciling Journal Entry | 0 | 0 | 0 | 0 | 0 | 0 |
| Ending Balance | 1,352,482 | 1,356,482 | 1,356,482 | 1,360,482 | 1,361,482 | 1,357,482 |

ATTACHMENT H
Law Enforcement Fund Balance Analysis

| | 2018 Actual | 2019 Amended Budget | 2019 3Q Estimate | 2020 Proposed Budget | 2021 Plan | 2022 Plan |
|----------------------------------|----------------|---------------------------|---------------------|----------------------------|---------------|----------------|
| Beginning Balance | 26,958 | 34,063 | 34,063 | 55,863 | 77,863 | 99,863 |
| Revenue | | | | | | |
| Law Enforcement Revenue | 27,850 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 |
| Law Enforcement Training Revenue | 0 | 0 | 0 | 0 | 0 | 0 |
| Investment Income | 1,219 | 1,800 | 1,800 | 2,000 | 2,000 | 2,000 |
| Other Revenue | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Revenue | 29,069 | 21,800 | 21,800 | 22,000 | 22,000 | 22,000 |
| Total Resources | 56,027 | 55,863 | 55,863 | 77,863 | 99,863 | 121,863 |
| Expenditures | | | | | | |
| Capital & Related Items | 21,964 | 0 | 0 | 0 | 0 | 0 |
| Training | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Expenditures | 21,964 | 0 | 0 | 0 | 0 | 0 |
| Reconciling Journal Entry | 0 | 0 | 0 | 0 | 0 | 0 |
| Ending Balance | 34,063 | 55,863 | 55,863 | 77,863 | 99,863 | 121,863 |

ATTACHMENT I
Reserve Fund Balance Analysis

| | 2018 Actual | 2019 Amended Budget | 2019 3Q Estimate | 2020 Proposed Budget | 2021 Plan | 2022 Plan |
|--|-------------------|---------------------------|---------------------|----------------------------|-------------------|-------------------|
| Beginning Balance | 17,624,278 | 27,677,990 | 27,677,990 | 41,093,049 | 45,996,664 | 50,100,279 |
| Revenue | | | | | | |
| Investment Income | 326,456 | 450,000 | 450,000 | 475,000 | 625,000 | 750,000 |
| Transfer from GF for Compensated Absences | 944,484 | 690,000 | 690,000 | 0 | 0 | 0 |
| Transfer from GF for Fuel | 0 | 0 | 0 | 0 | 0 | 0 |
| Transfer from GF for Hospitalization | 729,330 | 0 | 0 | 0 | 0 | 0 |
| Transfer from GF for Rolling Stock Reserve | 5,000,000 | 6,000,000 | 11,000,000 | 5,000,000 | 5,000,000 | 5,000,000 |
| Transfer from GF for 27th Pay | 694,848 | 1,275,059 | 1,275,059 | 878,615 | 878,615 | 878,615 |
| Other Revenue | 4,358,594 | 0 | 0 | 0 | 0 | 0 |
| Total Revenue | 12,053,712 | 8,415,059 | 13,415,059 | 6,353,615 | 6,503,615 | 6,628,615 |
| Total Resources | 29,677,990 | 36,093,049 | 41,093,049 | 47,446,664 | 52,500,279 | 56,728,894 |
| Expenditures | | | | | | |
| Transfer to General Fund (Compensated Absences) | 0 | 0 | 0 | 0 | 0 | 0 |
| Transfer to General Fund (Fuel) | 0 | 0 | 0 | 0 | 0 | 0 |
| Transfer to General Fund (Hospitalization) | 0 | 0 | 0 | 0 | 0 | 0 |
| Transfer to RTA Development Fund (Rolling Stock) | 2,000,000 | 0 | 0 | 0 | 2,400,000 | 5,200,000 |
| Transfer to General Fund (27th Pay - 2024) | 0 | 0 | 0 | 1,450,000 | 0 | 0 |
| Total Expenditures | 2,000,000 | 0 | 0 | 1,450,000 | 2,400,000 | 5,200,000 |
| Ending Balance | 27,677,990 | 36,093,049 | 41,093,049 | 45,996,664 | 50,100,279 | 51,528,894 |
| Rolling Balances | | | | | | |
| Compensated Absences | 2,887,323 | 3,624,267 | 3,624,267 | 3,666,160 | 3,715,976 | 3,771,604 |
| Fuel | 2,510,273 | 2,551,086 | 2,551,086 | 2,580,575 | 2,615,639 | 2,654,795 |
| Hospitalization | 2,569,915 | 2,611,697 | 2,611,697 | 2,641,886 | 2,677,784 | 2,717,871 |
| Rolling Stock | 17,584,065 | 23,869,954 | 28,869,954 | 34,203,665 | 37,268,423 | 37,626,330 |
| 27th Pay: Salary: 2020 / Hourly 2025 | 2,126,414 | 3,436,045 | 3,436,045 | 2,904,378 | 3,822,457 | 4,758,294 |
| Total | 27,677,990 | 36,093,049 | 41,093,049 | 45,996,664 | 50,100,279 | 51,528,894 |

ATTACHMENT J
All Funds Balance Analysis

| | 2018 Actual | 2019 Amended Budget | 2019 3Q Estimate | 2020 Proposed Budget | 2021 Plan | 2022 Plan |
|--------------------------------------|--------------------|---------------------------|---------------------|----------------------------|--------------------|--------------------|
| Beginning Balance | 83,664,721 | 104,718,458 | 104,718,458 | 133,578,872 | 101,053,995 | 103,427,125 |
| Revenue | | | | | | |
| Passenger Fares | 46,611,350 | 46,497,104 | 43,173,773 | 41,446,822 | 39,788,949 | 38,197,391 |
| Sales & Use Tax | 204,331,707 | 207,396,683 | 211,172,719 | 215,396,173 | 218,627,116 | 221,906,523 |
| Federal | 56,531,115 | 42,082,188 | 42,082,188 | 63,887,602 | 67,750,869 | 65,973,700 |
| State | 19,098,534 | 1,384,658 | 1,384,658 | 1,384,658 | 1,384,658 | 1,384,658 |
| Investment Income | 1,611,005 | 2,145,800 | 2,425,582 | 2,005,858 | 2,100,474 | 1,903,400 |
| Other Revenue | 30,027,274 | 26,347,000 | 33,855,684 | 26,040,863 | 26,040,863 | 26,040,863 |
| Debt Service Proceeds | 0 | 30,000,000 | 30,000,000 | 0 | 25,000,000 | 0 |
| Total Revenue | 358,210,985 | 355,853,433 | 364,094,604 | 350,161,977 | 380,692,929 | 355,406,535 |
| Total Resources | 441,875,706 | 460,571,891 | 468,813,061 | 483,740,849 | 481,746,924 | 458,833,660 |
| Expenditures | | | | | | |
| Personnel Services | 185,937,727 | 192,437,918 | 188,660,496 | 197,058,571 | 195,760,534 | 196,270,392 |
| Fuel (Diesel, CNG, Prop. Pwr., Gas) | 9,351,736 | 10,304,550 | 8,961,021 | 9,443,600 | 9,321,888 | 9,229,585 |
| Utilities | 4,557,351 | 5,334,568 | 5,209,425 | 5,655,857 | 5,601,087 | 5,380,825 |
| Inventory | 12,961,263 | 13,368,000 | 10,792,337 | 13,711,000 | 14,585,082 | 14,585,082 |
| Services & Materials | 16,642,929 | 18,381,341 | 16,537,360 | 19,430,753 | 19,049,910 | 19,211,407 |
| Purchased Transportation | 9,934,312 | 8,434,045 | 9,094,714 | 10,345,000 | 10,439,920 | 9,885,789 |
| Other Expenditures | 5,821,768 | 14,432,853 | 12,829,735 | 9,526,042 | 9,120,927 | 8,961,427 |
| Capital Outlay | 75,030,227 | 68,072,011 | 68,072,011 | 101,258,321 | 97,816,451 | 95,223,909 |
| Debt Service | 16,919,936 | 15,882,679 | 15,077,090 | 16,257,710 | 16,624,000 | 14,246,950 |
| Total Expenditures | 337,157,249 | 346,647,966 | 335,234,189 | 382,686,854 | 378,319,799 | 372,995,366 |
| Available Ending Balance | 104,718,458 | 113,923,924 | 133,578,872 | 101,053,995 | 103,427,125 | 85,838,294 |



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