

Minutes

RTA 2nd Budget Public Hearing

10:10 a.m. December 3, 2019

Committee: Welo (Chair), Lucas (Vice Chair), Byrne, Joyce, Moss

Other Board members: Bibb, McCall

Not present: Clough, Serrano

Also Present: Anderson, Astolfi, Becker, Beveridge, Birdsong, Bitto, Brooks-Williams, Burney, Caver, Cottrell, Cranford, Dangelo, Davidson, Davis, Feliciano, Fields, Freilich, Garofoli, Gautam, Gibbons, Halverson, Jones, Kirkland, Laule, Lewis, Lincoln, Loh, Martin, McGervey, Ponder, Schipper, Schnear, Scott, Shareef, Shariff, Singh, Stocking, Sutula, Tarka, Togher, Ulrich, Vukmanic, Wiehe, Wilson, Winn, Woodford, Young, Zeller

This is the second public hearing for the 2020 Proposed Budget for the Greater Cleveland Regional Transit Authority.

This proposed budget has been made available for public inspection for at least 10 days in the Office of Management & Budget. Public notice of this hearing was made by the publication of a legal advertisement in the Cleveland Plain Dealer on October 29, 2019 and November 15, 2019. In addition, notices were posted in the first floor lobby of the Authority's Main Office Building.

In developing the proposed 2020 budget we attempted to maintain financial health, while providing quality service to our customers. The highlights for the Proposed 2020 Budget are as follows:

- The General Fund budget request includes expenditures of \$295.8 million against estimated revenue of \$283.6 million. The total expenditures include \$262.2 million in operating expenditures, \$33.6 million for transfers to other funds for set-asides, including \$5.9 million for the reserve fund.
- Sales & Use Tax, the Authority's largest source of revenue, is budgeted at \$215.4 million, a 2% increase over 2019 3rd Quarter estimated receipts. Ridership has continued to decrease. Passenger Fares, the Authority's 2nd largest source of revenue is budgeted at \$41.4 million, a 4% decrease over 2019 estimates.
- Salaries and overtime costs are budgeted at \$143.7 million, which includes a projected 2.5% wage increase for all employees. No reductions in positions were made and the proposed 2020 budget includes 2,333 FTEs. No significant service changes are planned in the proposed 2020 budget.
- We look forward to implementing the recommendations from the 5 Pillar Studies and create the next 10-year Strategic Plan.
- Solid management and effective budget execution has allowed RTA to maintain a 30-day ending balance. The 2020 Proposed Budget has an estimated ending balance of \$25.0 million, a 1.1-month reserve.

Public Comment

1. Akshai Singh – Cleveland Hts., OH – If there is an anticipated loss in fares next year, there should be creativity in looking at new solutions. Fund for Our Economic Futures Paradox Prize proposals would be a great way to get to civilian fare enforcement on the HealthLine. SEPTA recently started this. This will eliminate the presumed criminal intent of riders and

enhance the rider's experience. There should be free paratransit service on fixed route services.

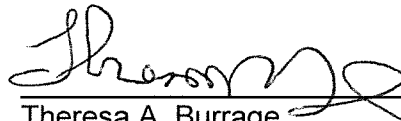
2. Chris Stocking – Cleveland, OH – A study by valuepenquin.com looked at most and least affordable transit fares nationwide. Cleveland ranked the 2nd least affordable mid-sized city with residents paying nearly 6% of their income to purchase a monthly pass. The fare study showed that 1/3 of riders can't afford the monthly pass. If fares are reduced and the service is ran at the current level, ridership will increase. This could generate revenue. He refutes the claim that low ridership is due to cheap gas prices. Gas prices in 2016 were \$2.07/gallon, \$2.26/gallon in 2017 and \$2.53/gallon in 2018. But ridership on RTA continues to decline. RTA fare goals continue to decrease from 20% to 15%, etc. He challenged the Board to find ways to increase ridership. He also mentioned their Fair Fares proposal found on their website. They would like to meet regarding their proposals. Mayor Welo asked if CPT could be active with the census.
3. George Zeller – Cleveland, OH – There is no information available on the sales tax and jobs yet. He has confidence in the OMB department and their projections. The U.S. announced conflicts with France, Argentina and Brazil. The budget assumptions expect trends to continue. Adjustments to the budget are expected to continue.
4. Loh – Cleveland, OH – The public will have a problem with how money is spent. The public has the impression that RTA is a top heavy organization. RTA could not spare a supervisor to come to Public Square when she had an incident on the trolley. The public doesn't understand why so much money is spent on Transit Police. She doesn't hear about crimes from TP. Everyone should ride for free since RTA is funded by tax payers.
5. Chris Martin – Cleveland, OH – He is a regular rider of the bus and rapid. He requested a fare capping policy, for installments to be allowed for monthly passes and to re-implement transfers between rides.

Mayor Welo thanked them for their comments. The Board shares their ideas.

The hearing was adjourned at 10:26 a.m.



Floun'say R. Caver, Ph.D.
Interim Secretary/Treasurer



Theresa A. Burrage
Executive Secretary