

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY

# 2024


## PROPOSED OPERATING & CAPITAL BUDGET



# 2024 TRANSMITTAL LETTER

**To:** Rev. Charles P. Lucas, President  
and Members, Board of Trustees

**Date:** November 9, 2023

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

**Subject:** Transmittal Letter & Proposed  
FY 2024 Budget in Brief

## EXECUTIVE SUMMARY

The Greater Cleveland Regional Transit Authority (GCRTA) continues to prioritize projects and opportunities that promote our Mission, "Connecting the Community," and the four pillars of our Strategic Plan: Community Value, Customer Satisfaction, Financial Sustainability, and Employee Engagement.

### Community Value:

The Transit Ambassador program, which includes Transit Ambassadors and Crisis Intervention Specialists, has helped to improve the customer experience when riding our service. The Transit Ambassador's primary function is to assist customers during any part of their journey, from beginning to end. The Crisis Intervention Specialists are experienced in de-escalation tactics and can provide customer referrals to social safety-net programs when necessary.

We held a ribbon cutting ceremony in February for our Connectworks microtransit program. This program is a collaboration between the Authority, City of Solon, Chamber of Commerce of Solon, and area businesses in efforts to expand equitable access to Solon employment opportunities for all the greater Cleveland region, with the hope of expanding to other communities in the future. A second Workforce Connector Program with SHARE Mobility was began in October for employees in the Aerozone Alliance region. The private-public mobility partnership program will be proving rides from the Authority's Brookpark Station directly to employment opportunities in areas of North Olmsted, Fairview Park, Brookpark, Berea, Middleburg Heights, Cleveland, NASA Glenn Research Center, and Cleveland Hopkins Airport. Rides are scheduled in advance to ensure efficiency for riders and sustainability in program implementation.

In April, staff from GCRTA, Cleveland Public Library, and Kids' Book Bank joined forces to distribute free books at Tower City, Stokes-Windermere, and West Park stations. Riders were also encouraged to join the [Cleveland Reads](#) challenge.

The GCRTA has been awarded \$432,000 by the Federal Transit Administration (FTA) to study Transit-Oriented Development along the Broadway Corridor. The study will create a plan to connect existing and future economic development, affordable housing initiatives, transit investment, and foster multi-modal connections.

We added four new members to the Board of Trustees. Two members were appointed in May by Cleveland Mayor, Justin Bibb: Calley Mersmann and Jeffrey Sleasman. Two members were appointed in October by Cuyahoga County Executive Chris Ronayne: Deidre McPherson and Stephen M. Love. We welcome them aboard, and agree their experience will be beneficial to enhancing the Authority's impact on the community.

Akron METRO RTA began operating scheduled fixed-route bus service to and from the Authority's Southgate Transit Center to various places in Summit County. Customers arriving at the Southgate Transit Center will now have the ability to transfer from one bus authority to another in reaching various destinations between Cleveland and Akron. This is a huge win for both transit agencies and metro areas.

As part of fellow team members' capstone project with Cleveland State University's (CSU) 2023 Leadership Academy, two fundraisers benefiting the **A Place 4 Me** initiative. **A Place 4 Me** is a local initiative, partnered with the YWCA of Greater Cleveland, that supports and assists youth (ages 14-26) who are at risk of or experiencing homelessness. This provided a great opportunity to support our employees who are Connecting the Community. The Authority, along with the Union Miles Development Corporation (UMDC), collaborated on a project to feature six local and national historic individuals on bus shelter locations within the Authority's Union-Miles service area. These historic individuals include Stephanie Tubbs-Jones (MLK Drive at Avon Ave.), Carl & Louis Stokes (E. 131 St. at Glendale Ave.), Fred Hampton (Miles Ave. at E. 131 St.), Harriet Tubman (E. 131 St. at Harvard Ave.), Malcolm X (E. 131 St. at Harvard Ave.), and Barack Obama (E. 131 St. at Miles Ave). The artwork was created by well-known artist, Mr. Soul.

The Annual "Touch a Truck" event was held in August in Public Square. The Authority conducted vehicle demonstrations, provided on-site Operation Community Watch with Transit Police Officers, provided a "meet and greet" with some of the Authority's K-9 Officers, and provided the staff of the Authority's Human Resources Division to educate the community about job opportunities and careers at the Authority.

In October, the Board of Trustees approved seven members who will serve as the newly created Civilian Oversight Committee (COC): Elise Auvil, Timothy Clary, Jakolya Gordon, David Morris, Steven Sims, George Taylor, and Rebecca Wharton. The COC is a voluntary and proactive effort that seeks to give voice to the community and enhance accountability through an independent review and investigation of public complaints of alleged misconduct regarding its Transit Police Department.

#### **Customer Service:**

The Board of Trustees approved a new contract with Siemens Mobility, Inc. for the builder of 24 Siemens Model S200 rail cars, with an option to purchase up to 60 total cars. These cars are modeled after those at San Francisco Municipal Transportation Agency (SFMTA) and Calgary Transit. These cars will feature two door heights for high- and low-platform accessibility; ADA accessibility; advanced infotainment system for enhanced digital and travel experience; modern operator cab area with a dedicated HVAC unit, heated windshield, and enhanced visibility; ice cutting pantographs on each car; 52 passenger seats, two wheelchair areas, and four bicycle areas per rail car.

In May we launched a new RideRTA.com website. This new website features improved accessibility, keyboard navigation control, Web Content Accessibility Guidelines (WCAG), and rich internet applications to enhance the accessibility of the website.

In September, we held a ribbon-cutting ceremony to launch the re-opening of the Waterfront Line for Brown's games. The Waterfront Line resumed limited service for the Brown's games. Final site clean-up activities will continue through early Fall, and we will continue to perform various upgrades while the trains are not running. Regular scheduling for the Waterfront Line will be evaluated for 2024.

#### **Financial Sustainability:**

A new 3-year contract with the Fraternal Order of Police (FOP) was signed in March. Both negotiation teams put forth significant effort to reach a fair agreement for both the employees and the Authority.

In preparation for our new rail cars, the Authority purchased a property in Brook Park. This property features both warehouse and office space, which will support the new rail car project, work equipment for Rail Facilities, and meeting and training space for Human Resources.

On Friday, May 5, 2023, U.S. Senator Sherrod Brown, U.S. Congresswoman Shontel Brown, Federal Transit Administrator Nuria Fernandez and local leaders toured the Authority's Rail Equipment Building. They awarded

the Authority \$130 million, through the Infrastructure Investment & Jobs Act (IIJA) to support the Railcar Replacement Project.

U.S. Senator Sherrod Brown announced that the U.S. Department of Transportation's Federal Transit Administration has awarded the Authority approximately \$3.3 million of a Low-No Grant. The funding will assist the Authority in the purchase of six environmentally friendly 40-foot Compressed Natural Gas-powered buses.

The Authority was awarded a \$12.6 million grant from the Ohio Department of Transportation's (ODOT) Ohio Transit Partnership Program (OTP2) for use towards the Rail Car Replacement Program and a planned study for electric vehicles. The majority of the funding (\$12.4 million) will go towards the Rail Car Replacement Program and \$200,000 will be used for electric vehicle planning study.

**Employee Engagement:**

Since launching our Positive Impact Program last August, we have hosted 12 Mentor training classes with up to six Operators being trained in each class to be mentors. We have had great results with the program, including: 82% success rate for new Operators in the program. The success of the program is a result of great collaboration between the Transportation Managers and Amalgamated Transit Union (ATU) Operator representatives. Other transit agencies have reached out to us inquiring about our program and how they can create a similar program. A celebration for the 1-year anniversary of the program took place in November 2023 with representatives from the ATU Local 268, International ATU, the International Transportation Learning Center (TLC), and GCRTA. The ceremony will recognize mentees who have graduated from the program and the mentor leaders.

The Authority has hosted several Job Fairs for Career Opportunities throughout the year. These positions include operators, laborers, mechanics, signal maintainers, line maintainers, and substation maintainers.

The Authority will continue to focus on initiatives and projects related to our strategic plan. The 2024 budget continues to support the pillars of the strategic plan. We have eliminated steps for operators and Transit Police officers in order that employees can reach the top step faster. The Transit Police Ambassadors and Crisis Intervention Specialists will continue to enhance the customer experience throughout the entire journey, including finding routes, purchasing tickets, boarding buses and trains, connecting to free WiFi, and getting to their destinations. We are excited to continue the contract with Siemens Mobility, LLC and look forward to the day we can accept the new high-low floor rail vehicles into our system.

We will continue to seek feedback from the community, our customers, and our employees through surveys. This feedback will provide the path toward enhancing the riders' experience, enabling better connections, highlighting the Authority as an economic driver in the community, and elevating the region as a transportation leader. We look forward to what we can accomplish in 2024 and beyond.

## 2024 PROPOSED BUDGET IN BRIEF

The Proposed FY 2024 Budget supports the daily operating activities of the Authority. The following pages discuss the assumptions used in developing the Proposed FY 2024 Budget.

### INFLATION

Inflation has steadily dropped from the peak of 9.1% in July 2022 to 3.7% in September 2023. For 2024, economists are projecting core inflation to continue falling to about 2.8% at the end of 2024. Kiplinger is projecting that inflation will ease to 3.5% by the end of 2023 and 2.5% by the end of 2024. On-going shortages of raw materials and computer chips, as well as supply chain disruptions are expected to ease by the end of 2023. Moody's Analytics has forecasted that inflation will increase slightly by the end of 2023 before falling again in 2024.

### INTEREST RATES

Moody's Analytics expects the interest rates to remain between 4.2% to 4.7% through 2024. Moody's does not expect the Federal Open Market Committee (FOMC) to start cutting interest rates until mid-2024. Kiplinger predicts the Federal Reserve will keep interest rates steady around 5% through the majority of 2024.

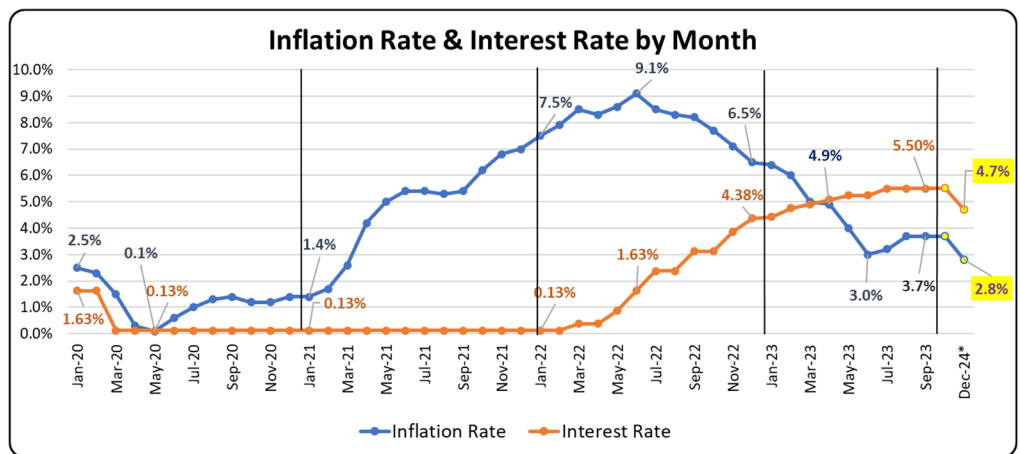


Figure 1

### Revenues

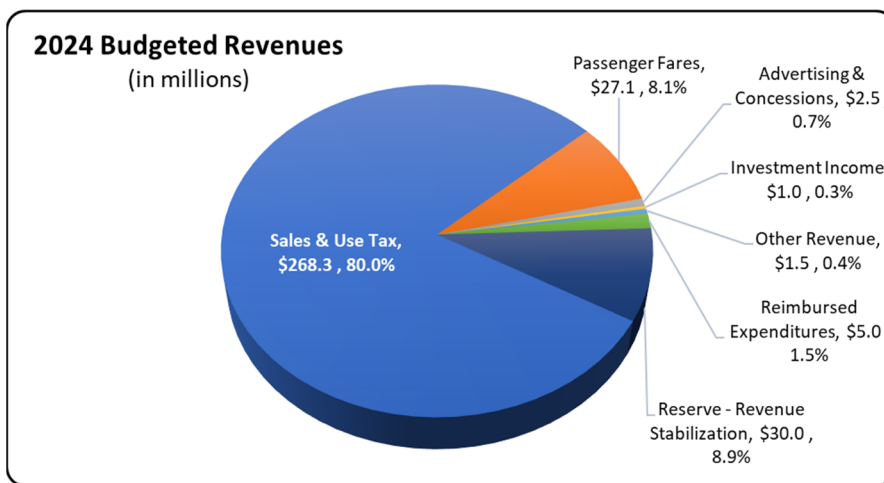


Figure 2

Total Revenues are budgeted at \$335.4 million. Sales Tax and Passenger Fares are the Authority's primary sources of unrestricted revenue representing 80.0% and 8.1%, respectively, of total budgeted revenues.

Ridership in 2019 totaled 32.1 million riders. Ridership through September 2023 is up 17.7% compared to ridership through September 2022, and down 32.9% compared to the same period in 2019. Ridership continues to return slowly to the pre-pandemic levels. Ridership for 2024 is budgeted at 21.8 million riders, an increase of 2% compared to 2023. For 2025 and 2026, ridership is projected to increase 2.0% each year. See figure 3.

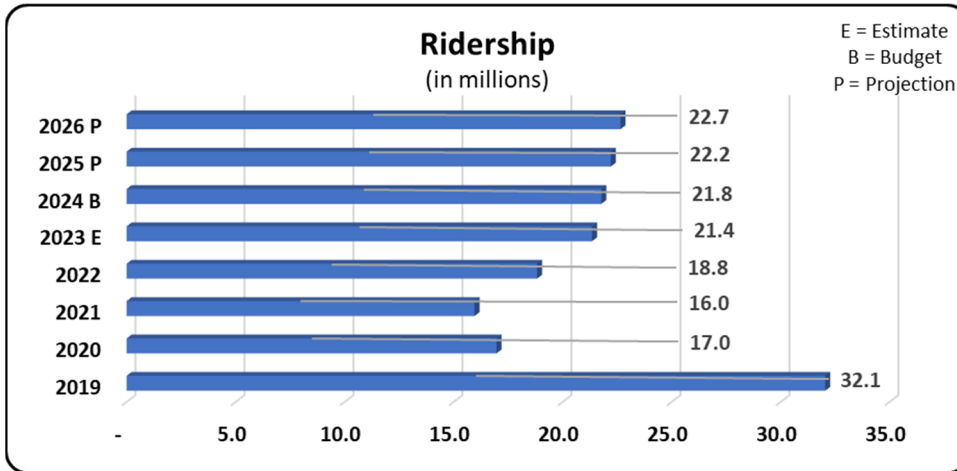


Figure 3

Student ridership increased in 2023 as students returned to in-class learning. A new contract was signed with Cleveland Metropolitan School District (CMSD) for the 2023-2024 school year. U Pass agreements were also signed with several colleges and universities as in-school learning was re-established.

Student ridership increased

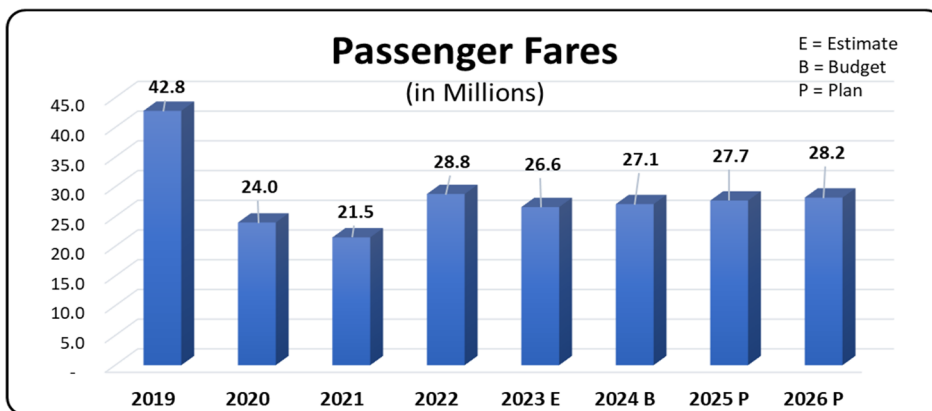


Figure 4

Passenger Fares are budgeted at \$27.1 million, a 2% increase from 2023 estimates. For 2025 and 2026, Passenger Fares are estimated at \$27.7 million and \$28.2 million, respectively, a 2% increase each year.

Sales & Use Tax is the largest source of operating revenues for the Authority. The Authority receives revenue from a 1.0% Sales & Use Tax collected in Cuyahoga County. Sales tax revenue has maintained its steady growth after the pandemic. Sales tax revenue is budgeted at \$268.3 million in 2024, a 2% increase from the 2023 estimate. For 2025 and

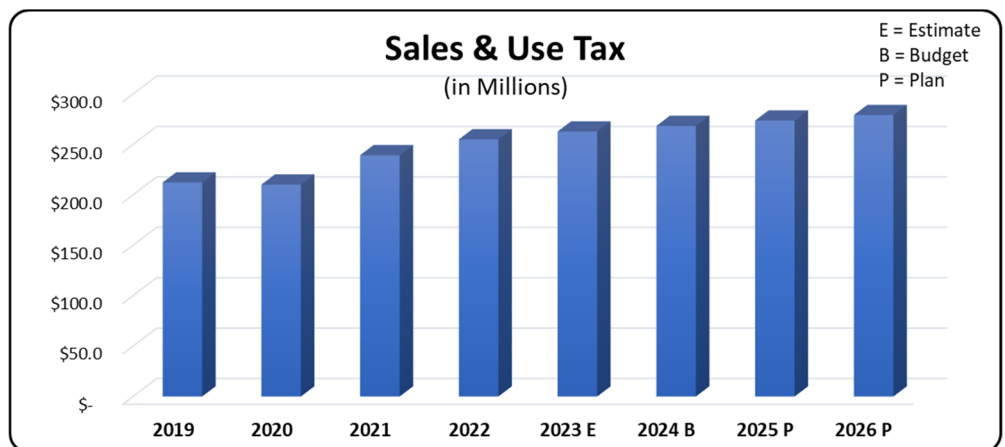
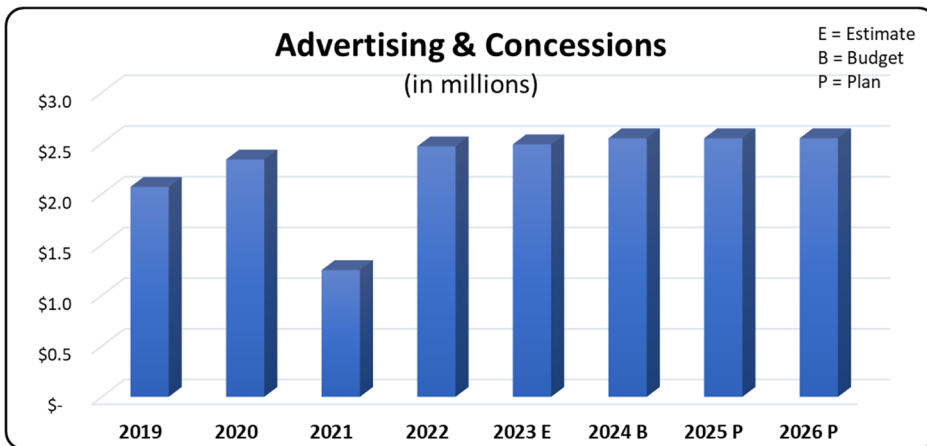


Figure 5

2026, sales tax is projected at \$273.7 million and \$279.1 million, respectively, maintaining a 2% increase each year.



Advertising & Concessions is composed of two sub-categories: advertising and naming rights. The naming rights includes Cleveland Clinic Foundation and University Hospitals for the HealthLine and area shelters; Cleveland State University for the CSU Line; MetroHealth for MetroHealth Line; and Cuyahoga Community College (Tri-C) for E. 34<sup>th</sup> Rapid Transit Station for HealthLine

Figure 6

Shelters. The Advertising & Concessions category is budgeted at \$2.6 million in 2024. Advertising & Concessions revenue is projected at the same level for 2025 and 2026.

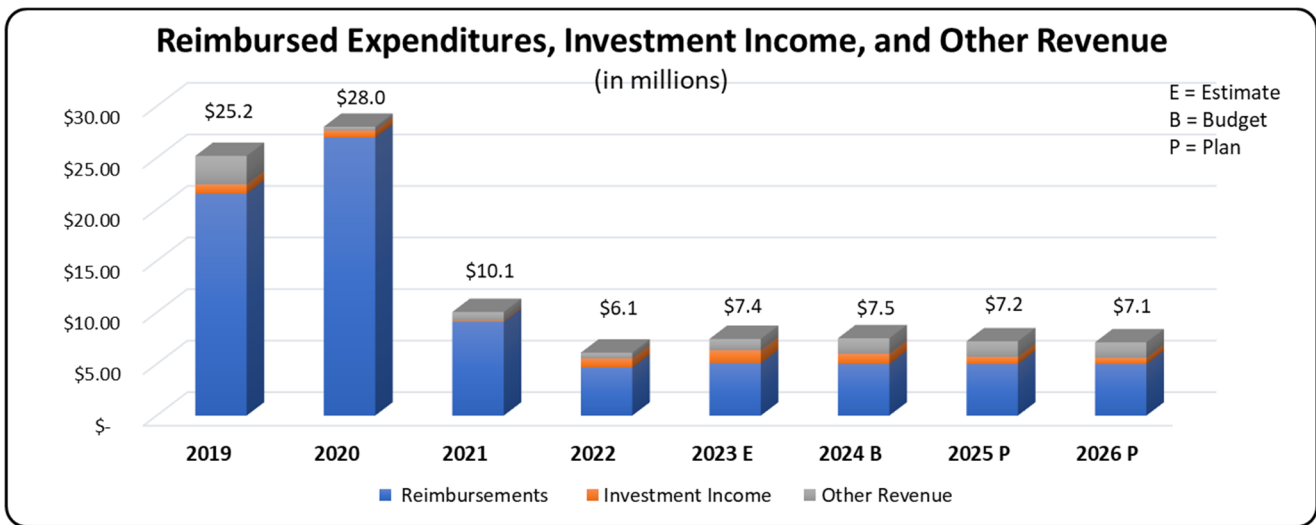


Figure 7

Investment income is budgeted at \$1 million in 2024. In 2023, the Authority is currently receiving an average of 4.2% on its cash investments and expectations in 2024 remain positive. Investment Income is budgeted at \$700,000 and \$600,000 for 2025 and 2026, respectively, as interest rates are expected to decline slowly.

Preventative Maintenance (PM) reimbursements were reduced in 2021 to \$1 million each year in order to fund much needed but unfunded capital projects. The PM Reimbursements for FY 2024 through 2026 are budgeted at \$1 million each year. The formula grants will be used for unfunded or under-funded projects. Other reimbursed expenditures include fuel tax reimbursements and force account labor reimbursements. Total reimbursements are budgeted at \$5 million for 2024 through 2026.

Other Revenue is budgeted at \$1.5 million for 2024 through 2026. Other Revenue includes various miscellaneous receipts from contractors, hospitalization, claim reimbursements, rent, and any salvage sales.

In 2021 and 2022, the Authority made strategic decisions to set aside a total of \$135 million in the Reserve Fund for Revenue Stabilization. This fund was created to support the operations by transferring funds back to the General Fund when needed to make up for the decline in revenues. This approach will also ensure that the Authority complies with the one-month year-end reserve Board Policy goal. In 2024, a transfer to the General Fund of \$30 million is budgeted. For FY 2025 and FY 2026, transfers to the General Fund of \$35 million and \$34.3 million, respectively, are planned. If Sales & Use Tax and Passenger Fare revenues are better than budgeted, the transfer to the General Fund may be reduced.

Expenditures

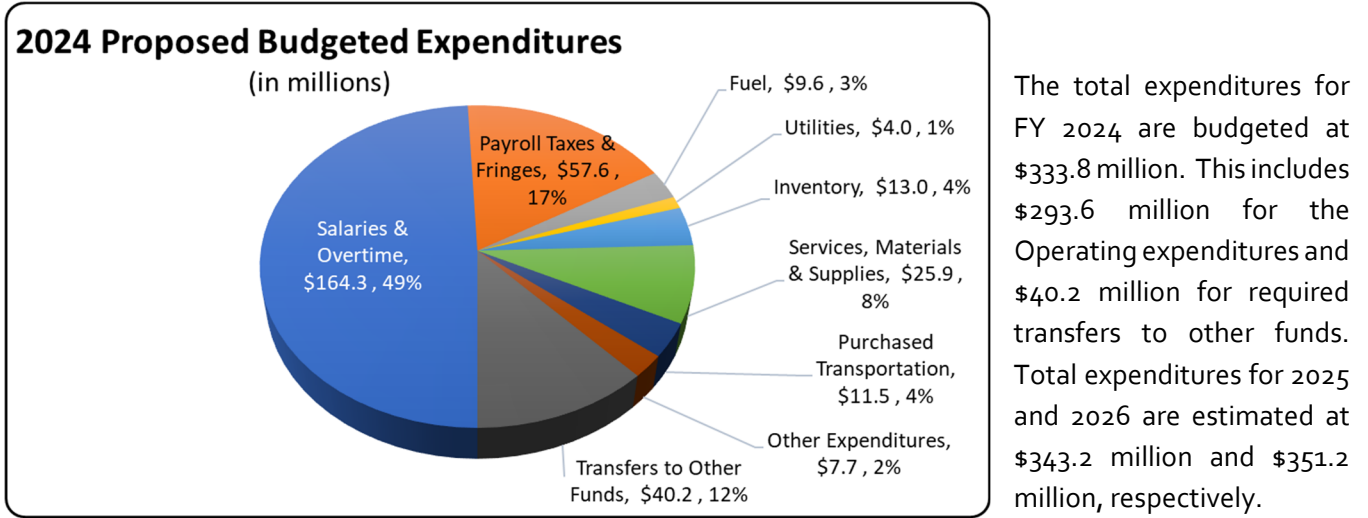


Figure 8

Total personnel costs, which includes salaries, overtime, payroll taxes, and fringe benefits, represent 66.5% of the General Fund budget. Salaries for 2024 through 2026 include wage increases for all employees, which are largely contractual.

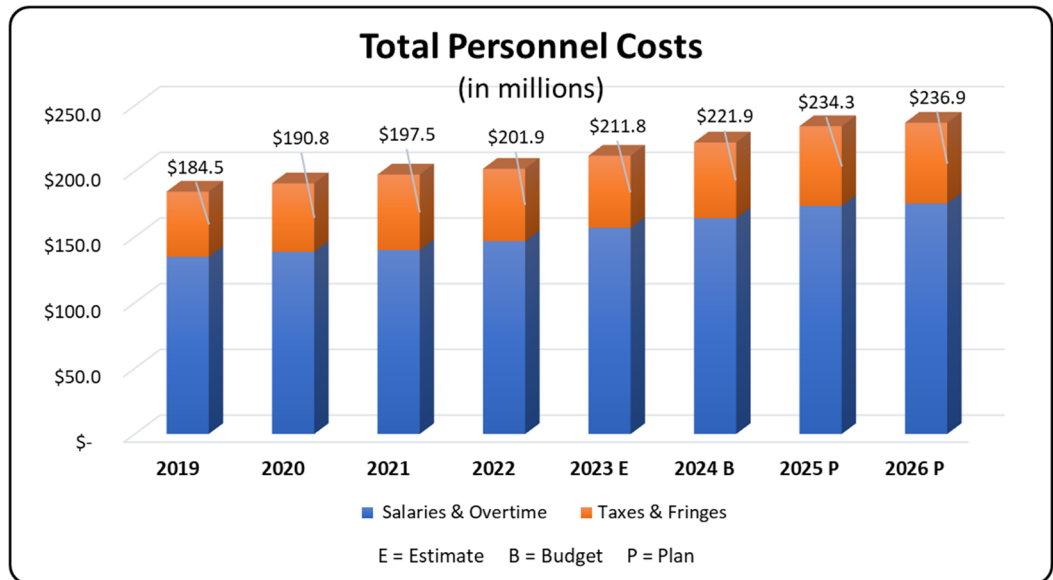


Figure 9



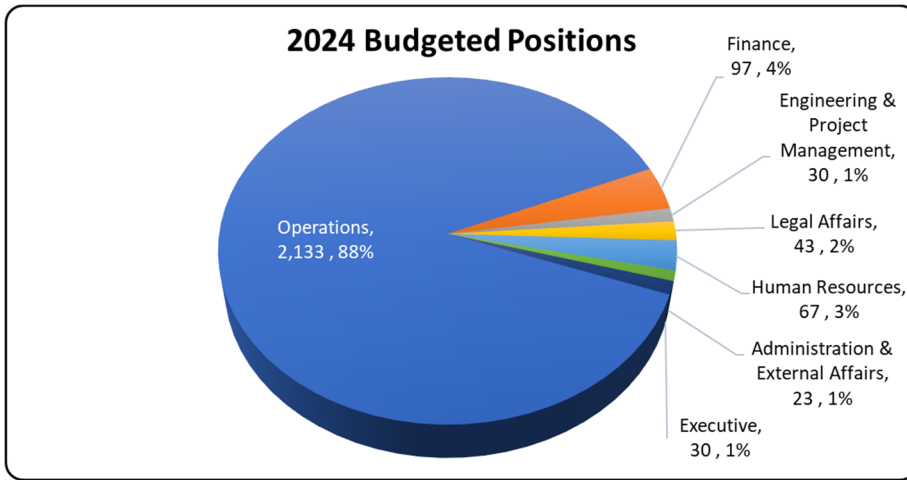


Figure 10

In 2024, there are 2,423 full-time equivalent (FTE) positions budgeted. This is an increase of 26 positions from the 2023 budget to address changing business needs across the Authority. These include six (6) Transit Ambassador positions, fourteen (14) Bus Mechanic Apprenticeship positions, two (2) Human Resources Business Partners, a Training Coordinator position, Paratransit Operator position, and two (2) Financial Analyst

positions.

The majority of the budgeted positions are in the Operations Division (approximately 88%), which houses all of the scheduling, planning, maintenance, and operations of the bus and rail fleets, and maintenance of buildings, stations, and infrastructure. Nearly 91% of the positions in the Operations Division are in either the ATU or FOP unions. The other Divisions are more administrative in nature, support the Operations, and house 12% of the Authority's positions.

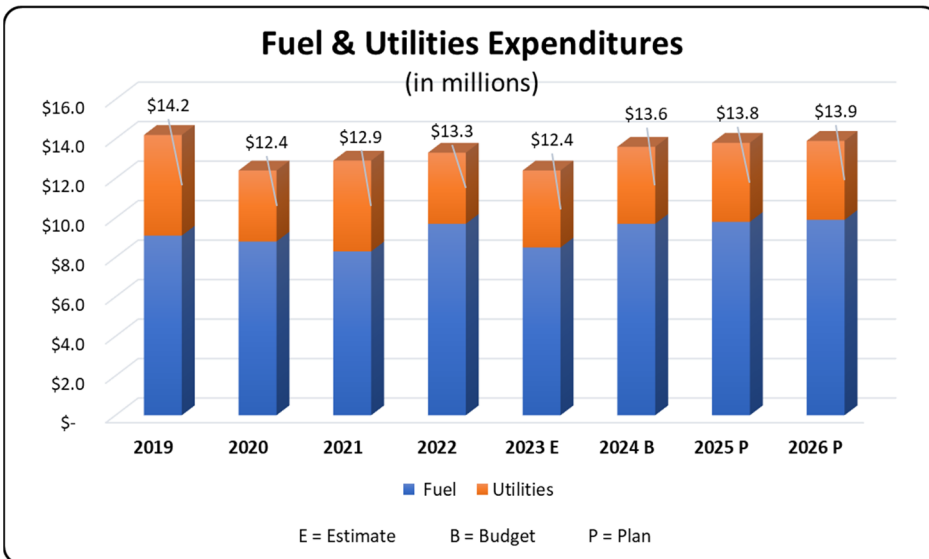


Figure 10

Fuel and utilities total 4.1% of the total budget. Fuel includes diesel, CNG, propane, propulsion power, and gasoline. Utilities include water/sewer, electricity and natural gas for the facilities, as well as telephone, cell phone, and internet services.

Fuel and Utilities are budgeted at \$13.6 million in 2024. The Energy Price Risk Management Program has helped to stabilize fuel and utility costs through 2023 and will continue to maintain expenses in 2024 and beyond.

Services, materials, supplies and inventory include all service and maintenance contracts, materials, office supplies, inventory, and supplies for the upkeep of the buildings, stations, and vehicles. These categories represent 11.7% of the operating budget. Inventory is budgeted at \$13 million for 2024. The Supply Chain Management section of Fleet Management has helped the

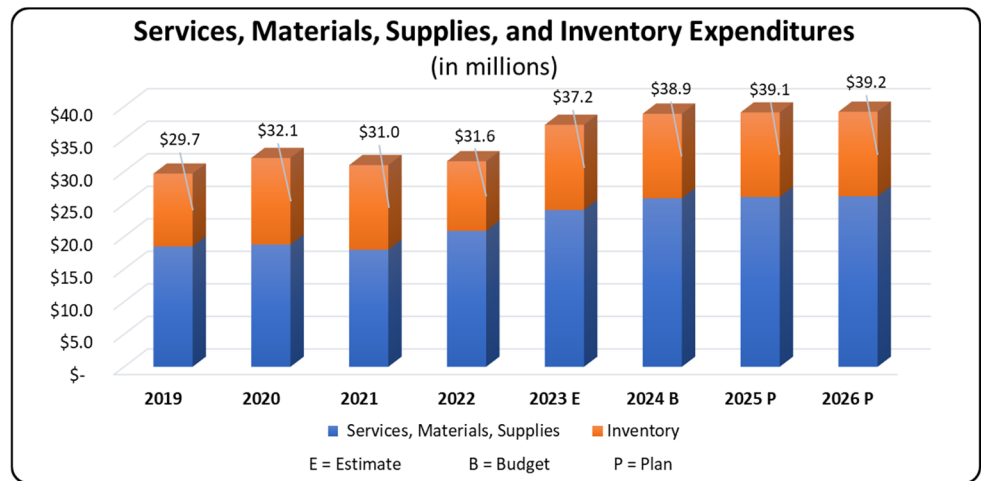


Figure 11

Authority maintain parts for the predictive and preventive maintenance repairs, and other repairs of revenue fleets. The predictive maintenance program began in 2015 under which vehicles are serviced based on a proactive maintenance program, ensuring greater reliability of our bus and rail fleets. Services, Materials & Supplies are budgeted at \$24.2 million and include maintenance and other contractual services and purchases. These purchases include smaller items and one-time purchases not covered under the Inventory program.

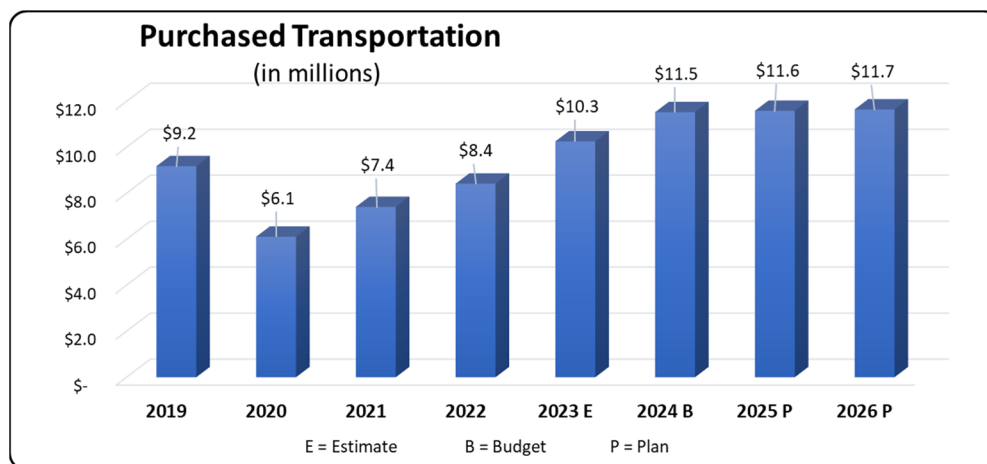


Figure 12

Purchased Transportation represents expenses for the third-party contractors for ADA Paratransit services and pass-through funding from Medina County Transit. This represents 4% of the operating budget. Purchased transportation is budgeted at \$11.5 million for 2024. The Authority entered into three (3) new contracts in 2023 with

Provide-A-Ride, Senior Transportation Connection and GC Logistics. These contracts continue the use of tablets for operators, which display rolling 90 minutes of trips, a connected dispatch system, and a united training program.

Other expenditures include workers' compensation costs, insurance premiums, claims payments, travel and training costs, and tuition reimbursement expenses. The Other Expenditures category represents 7.7% of the total operating budget, or \$11.5 million.

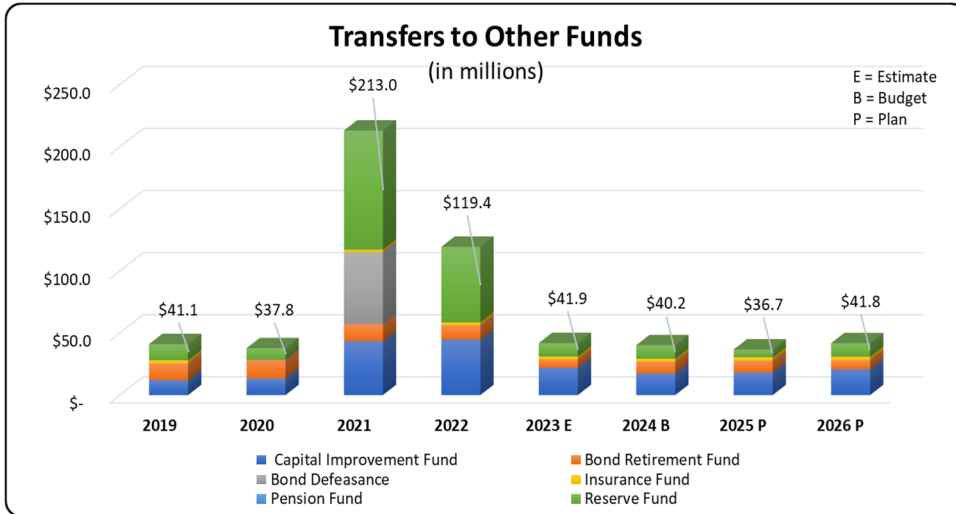


Figure 13

Transfers to Other Funds are set asides for specific needs required by various policies. Total transfers to other funds are budgeted at \$40.2 million for FY 2024.

The transfer to the Capital Improvement Fund is to cover the 100% locally funded capital projects in the RTA Capital Fund, and local matches for most grant-funded projects in the RTA Development Fund. The total

contribution to capital is budgeted at \$26.8 million and includes the transfers to the Capital Improvement Fund and the Bond Retirement Fund. The Authority made a strategic decision in 2021 to repurpose all PM reimbursements for unfunded and under-funded capital projects. Additional funding was transferred to capital in 2021 and 2022 to pay for unfunded capital projects. For 2024, the PM reimbursement is only budgeted at \$1.0 million largely for use when closing grants. In FY 2025 and FY 2026, total contributions to capital are projected to be \$27.4 million and \$27.9 million, respectively.

A \$2.5 million transfer to the Insurance Fund is budgeted in FY 2024. This transfer is to cover expected expenses and to maintain the \$5 million required balance. For 2025 and 2026, transfers of \$3 million are projected for each year.

A transfer of \$10.9 million is budgeted to the Reserve Fund for 1/12<sup>th</sup> of the 27<sup>th</sup> pay for hourly and salary employees, and \$10 million for the replacement of the rail cars. In 2025, the transfer to the Reserve Fund is \$10.9 million, however there will be a transfer back to the General Fund of \$4.6 million to pay for the 27<sup>th</sup> pay for hourly employees. A transfer of \$10.9 million is also planned for 2026.

No transfers are budgeted for the Supplemental Pension Fund since the fund has the recommended ending balance.

## SERVICE LEVELS

2024 Budgeted Service Levels By Mode Compared to 2023 Budgeted Service Levels by Mode								
Service Mode	Service Hours				Service Miles			
	2023 Budget	2024 Budget	Variance	Percent Variance	2023 Budget	2024 Budget	Variance	Percent Variance
<b>Rail</b>								
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%
<b>Rail Total</b>	<b>196,336</b>	<b>196,336</b>	<b>0</b>	<b>0.0%</b>	<b>3,356,852</b>	<b>3,356,852</b>	<b>0</b>	<b>0.0%</b>
<b>Bus</b>								
<b>Bus Total</b>	<b>1,255,020</b>	<b>1,255,020</b>	<b>0</b>	<b>0.0%</b>	<b>15,066,089</b>	<b>15,066,089</b>	<b>0</b>	<b>0.0%</b>
<b>Sub-Total Bus &amp; Rail</b>	<b>1,451,357</b>	<b>1,451,357</b>	<b>0</b>	<b>0.0%</b>	<b>18,422,941</b>	<b>18,422,941</b>	<b>0</b>	<b>0.0%</b>
<b>Paratransit</b>								
In-House	157,715	187,429	29,714	18.8%	2,733,980	3,249,064	515,084	18.8%
Contract	159,102	180,079	20,977	13.2%	2,758,014	3,121,649	363,635	13.2%
<b>Sub-Total Paratransit</b>	<b>316,817</b>	<b>367,508</b>	<b>50,691</b>	<b>16.0%</b>	<b>5,491,994</b>	<b>6,370,713</b>	<b>878,719</b>	<b>16.0%</b>
<b>Total</b>	<b>1,768,174</b>	<b>1,818,865</b>			<b>23,914,935</b>	<b>24,793,654</b>		

Figure 14

The Authority implemented the NextGen service in June 2021, in response to the System Redesign Pillar Study, which provided customers with greater frequency of service with greater connectivity. Additionally, NextGen provided more cross-town routes allowing customers increased access to all Cuyahoga County has to offer. No service changes are projected for fixed route service in FY 2024. Paratransit adjusted and adapted to a new business process to increase the number of passengers per hour. For FY 2024, Paratransit is budgeted for a 16% increase.

## FINANCIAL POLICY GOALS

An **Operating Ratio** of at least 25% is required by the Board. This efficiency ratio compares operating revenues (passenger fares, advertising, and investment income) to operating expenses. With ridership down compared to pre-pandemic levels, the Operating Ratio is budgeted at 10.5% for FY 2024. The Authority is not likely to meet this goal. Although many businesses have required employees to return to the office, others continue to have their employees either partially or permanently telecommuting. For 2025 and 2026, the Operating Ratio is projected to be 10.1% and 10.2%, respectively.

The **Growth per Year** is the change in the cost per hour of revenue service from one year to the next. This growth rate is to be kept at or below the level of inflation (for 2024, around 2.8%). This efficiency ratio shows the cost of delivering a unit of service compared to the prior year. Operating expenses are increasing for FY 2024 by 5.6% compared to FY 2023 and service levels are increasing by 2.9% due to Paratransit services. For 2025 and 2026, the growth per year is projected at 4.4% and 1.0%, respectively.

An **Operating Reserve** of at least 1 month (30 days) is required to cover any unforeseen or extraordinary fluctuations. With a 1.0-month Operating Reserve budgeted for FY 2024, the Authority is well prepared. For 2025 and 2026, a 1.0-month Operating Reserve is projected for each year.

**Debt Service Coverage** is a ratio measuring the Authority’s ability to meet annual interest and principal payments on outstanding debts. The Debt Service Ratio is budgeted at 4.64 for FY 2024, exceeding the Board policy. For 2025 and 2026, the Debt Service Ratio is projected at 4.44 and 5.84, respectively.

Current Board policy requires that a minimum of 10% of Sales & Use Tax revenue be applied to the capital needs of the Authority. These funds are used to meet the Authority’s annual debt service payments, provide the local match for grant-funded projects, and fund routine capital and asset maintenance projects. For FY 2024, the **Sales Tax Contribution to Capital** is budgeted at 10.0%, with \$26.8 million to be transferred to the Capital Improvement Funds. This goal will be met. A 10% transfer to capital is planned for both 2025 and 2026.

The Board has recognized that an emphasis must be made to maintain the Authority’s existing capital assets. **The Capital Maintenance to Expansion** is to be maintained between 75% and 90%. At 100% for the FY 2024 budget, the Authority’s emphasis continues to be on maintaining and improving its assets rather than an expansion of the system.

<b>Financial Policy Goals</b>						
		<b>Goal</b>	<b>FY 2024 Budget</b>	<b>FY 2025 Plan</b>	<b>FY 2026 Plan</b>	
<b>Operating Efficiency</b>	<b>Operating Ratio</b>	Ratio that shows the efficiency of management by comparing operating expenses to operating revenues. Operating Revenues divided by Operating Expenses. Operating Revenues include Passenger Fares, Advertising & Concessions, Naming Rights, Investment Income, Other Revenue	<b>≥ 25%</b>	10.5%	10.1%	10.2%
	<b>Cost per Service Hour</b>	Measure of service efficiency. Total Operating Expenses (less force account labor) divided by Total Service Hours		160.99	168.03	169.64
	<b>Growth per Year</b>	Cost of delivering a unit of service (Cost per Hour), compared to the prior year; to be kept at or below the rate of inflation	<b>≤ Rate of Inflation 2.8%</b>	5.6%	4.4%	1.0%
	<b>Operating Reserve (months)</b>	Equal or above one month's operating expenses to cover unforeseen or extraordinary fluctuations in revenues or expenses	<b>≥ 1 month</b>	1.0	1.0	1.0
<b>Capital Efficiency</b>	<b>Debt Service Coverage</b>	The measure of the Authority's ability to meet annual interest and principal payments on outstanding debt.	<b>≥ 1.5</b>	4.63	4.44	5.84
	<b>Sales Tax Contribution to Capital</b>	Sales tax revenues to be allocated directly to the Capital Improvement Fund to support budgeted projects or to the Bond Retirement Fund to support debt service payments.	<b>≥ 10%</b>	10%	10%	10%
	<b>Capital Maintenance to Expansion</b>	The capital program requires a critical balance between maintenance of existing assets and expansion efforts.	<b>79% - 90%</b>	300%	100%	100%

Figure 15

## CAPITAL IMPROVEMENT PLAN

The Capital Improvement Plan (CIP) for 2024-2028 was approved by the Board of Trustees on May 16, 2023. 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.

<b>2024 - 2028 CAPITAL IMPROVEMENT PLAN</b>						
<b>RTA DEVELOPMENT FUND + RTA CAPITAL</b>						
<b>PROJECT CATEGORY</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>TOTAL 2024-2028</b>
Bus Garages	\$3,900,000	\$0	\$2,150,000	\$500,000	\$0	\$6,550,000
Buses	\$23,066,750	\$23,057,497	\$23,121,247	\$23,184,997	\$23,238,747	\$115,669,238
Equipment & Vehicles	\$5,225,541	\$21,634,144	\$25,986,353	\$16,203,730	\$16,047,150	\$85,096,918
Facilities Improvements	\$24,480,000	\$13,810,000	\$26,585,000	\$13,860,000	\$7,085,000	\$85,820,000
Other Projects	\$5,871,250	\$33,341,575	\$18,341,576	\$2,841,576	\$2,841,576	\$63,237,553
Preventive Maint./Oper. Reimb.	\$1,001,373	\$1,740,075	\$5,252,874	\$6,022,249	\$12,975,887	\$26,992,458
Rail Car Program	\$42,487,500	\$34,500,000	\$20,500,000	\$13,750,000	\$14,250,000	\$125,487,500
Rail Projects	\$38,942,500	\$49,150,000	\$27,600,000	\$37,325,000	\$22,200,000	\$175,217,500
Transit Centers	\$1,300,000	\$300,000	\$375,000	\$375,000	\$375,000	\$2,725,000
<b>TOTALS</b>	<b>\$146,274,914</b>	<b>\$177,533,291</b>	<b>\$149,912,050</b>	<b>\$114,062,552</b>	<b>\$99,013,360</b>	<b>\$686,796,167</b>

Figure 16

In 2021, a strategic decision was made to transfer the preventive maintenance reimbursements to address necessary capital projects that remained unfunded or underfunded. This decision continues through FY 2026. The Authority’s priorities include replacement of rail vehicles, maintenance, and repair of rail infrastructure – including tracks, signals, bridges, and substations. Financial resources are allocated through a comprehensive capital project review process, which prioritizes funding of requested capital projects. It continues to maintain the focus of the Authority’s long-term capital strategic plan, as well as reflecting on existing and future financial and operational constraints facing the Authority.

The FY 2024-2028 capital expenditures are predicated on year-to-date outlays, obligations, and projected commitments, as well as the approved 5-year Capital Improvement Plan. Projected grant revenues include current, as well as expected traditional and non-traditional grant awards and are based on a continuation of

current FAST Act funding levels. Over the next 10 years, the Authority’s capital program will continue to focus on various State of Good Repair (SOGR) projects throughout the system. These include the on-going bus replacement program, rail car purchases, rehabilitation of light rail track and rail infrastructure of signal and overhead catenary, and various facility improvements and upgrades.

## General Fund Balance Analysis

	FY 2024 Budget	FY 2025 Plan	FY 2026 Plan
<b>Revenues</b>			
Operating Revenues			
Passenger Fares	\$ 27,100,000	\$ 27,650,000	\$ 28,200,000
Advertising & Concessions	2,061,751	2,061,751	2,061,751
Naming Rights	485,300	485,300	485,300
Investment Income	1,000,000	700,000	600,000
<b>Total Operating Revenues</b>	<b>30,647,051</b>	<b>30,897,051</b>	<b>31,347,051</b>
Non-Operating Revenues			
Sales & Use Tax	268,300,000	273,650,000	279,100,000
Reimbursed Expenditures	5,000,000	5,000,000	5,000,000
Other Revenue	1,500,000	1,500,000	1,500,000
Transfer from Reserve Fund - Revenue Stabilization	30,000,000	35,000,000	34,300,000
<b>Total Non-Operating Revenues</b>	<b>304,800,000</b>	<b>315,150,000</b>	<b>319,900,000</b>
<b>Total Revenues</b>	<b>335,447,051</b>	<b>346,047,051</b>	<b>351,247,051</b>
<b>Expenditures</b>			
Operating Expenditures			
Salaries & Overtime	164,283,362	173,584,980	175,496,000
Payroll Taxes & Fringes	57,564,329	60,747,498	61,423,600
Fuel (Diesel, CNG, Propulsion Power, Propane, Gasoline)	9,683,400	9,780,234	9,878,036
Utilities	3,964,200	4,003,842	4,043,880
Inventory	13,000,000	13,000,000	13,000,000
Services, Materials & Supplies	25,938,982	26,068,677	26,199,020
Purchased Transportation	11,533,644	11,591,312	11,649,269
Other Expenditures	7,669,043	7,676,712	7,684,389
<b>Total Operating Expenditures</b>	<b>293,636,960</b>	<b>306,453,255</b>	<b>309,374,195</b>
<b>Revenues less Operating Expenses</b>	<b>41,810,091</b>	<b>39,593,796</b>	<b>41,872,856</b>
Transfers to Other Funds			
Transfers to/from Insurance Fund	2,500,000	3,000,000	3,000,000
Transfers to/from Reserve Fund	10,878,615	6,378,615	10,878,615
Transfers to/from Capital			
Transfers to/from Bond Retirement Fund	9,346,959	9,184,042	7,134,061
Transfers to/from Capital Improvement Fund	17,483,041	18,180,958	20,775,939
<b>Total Transfers to/from Capital</b>	<b>26,830,000</b>	<b>27,365,000</b>	<b>27,910,000</b>
<b>Total Transfers to/from Other Funds</b>	<b>40,208,615</b>	<b>36,743,615</b>	<b>41,788,615</b>
<b>Total Expenditures</b>	<b>333,845,575</b>	<b>343,196,870</b>	<b>351,162,810</b>
Net Increase (Decrease)	1,601,476	2,850,181	84,241
Beginning Balance	22,025,630	23,627,106	26,477,287
<b>Projected Ending Balance</b>	<b>\$ 23,627,106</b>	<b>\$ 26,477,287</b>	<b>\$ 26,561,528</b>
<b># Months Reserves - Estimated</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>

# Capital Improvement Fund Balance Analysis

	FY 2024 Budget	FY 2025 Plan	FY 2026 Plan
<b>Revenues</b>			
Federal / State Revenues			
Federal Capital Grants	\$ 71,876,582	\$ 72,393,400	\$ 48,219,950
State Capital Grants	41,116,997	66,345,747	45,170,747
<b>Total Federal / State Revenues</b>	<b>112,993,579</b>	<b>138,739,147</b>	<b>93,390,697</b>
Other Revenue			
Investment Income	1,100,000	1,100,000	1,100,000
Other Revenue	26,520,794	34,500,000	25,000,000
<b>Total Other Revenue</b>	<b>27,620,794</b>	<b>35,600,000</b>	<b>26,100,000</b>
Transfers			
Transfer from General Fund	17,483,041	18,180,958	20,775,939
Transfer from Reserve Fund	10,000,000	10,000,000	10,000,000
<b>Total Transfers</b>	<b>27,483,041</b>	<b>28,180,958</b>	<b>30,775,939</b>
<b>Total Revenue</b>	<b>168,097,414</b>	<b>202,520,105</b>	<b>150,266,636</b>
<b>Expenditures</b>			
Capital Outlay			
Capital Outlay - Development Fund	142,245,993	173,495,767	145,965,697
Asset Maintenance	2,310,000	2,410,000	2,310,000
Routine Capital	1,718,921	1,627,524	1,636,353
<b>Total Capital Outlay</b>	<b>146,274,914</b>	<b>177,533,291</b>	<b>149,912,050</b>
<b>Total Expenditures</b>	<b>146,274,914</b>	<b>177,533,291</b>	<b>149,912,050</b>
Net Increase (Decrease)	21,822,500	24,986,814	354,586
Beginning Balance	300,928,668	345,519,548	370,506,362
<b>Projected Ending Balance</b>	<b>\$ 322,751,168</b>	<b>\$ 370,506,362</b>	<b>\$ 370,860,948</b>



## Bond Retirement Fund Balance Analysis

	FY 2024 Budget	FY 2025 Plan	FY 2026 Plan
<b>Revenues</b>			
Transfers			
Transfer from the General Fund	\$ 9,346,959	\$ 9,184,042	\$ 7,134,061
<b>Total Transfers</b>	<b>9,346,959</b>	<b>9,184,042</b>	<b>7,134,061</b>
Other Revenues			
Investment Income	100,000	100,000	100,000
<b>Total Other Revenues</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>
<b>Total Revenues</b>	<b>9,446,959</b>	<b>9,284,042</b>	<b>7,234,061</b>
<b>Expenditures</b>			
Debt Service			
Principal	7,995,000	8,355,000	6,935,000
Interest	1,481,450	1,115,500	697,750
<b>Total Debt Service</b>	<b>9,476,450</b>	<b>9,470,500</b>	<b>7,632,750</b>
Other Expenditures			
Other Expenditures	1,500	1,500	1,500
<b>Total Other Expenditures</b>	<b>1,500</b>	<b>1,500</b>	<b>1,500</b>
<b>Total Expenditures</b>	<b>9,477,950</b>	<b>9,472,000</b>	<b>7,634,250</b>
Net Increase (Decrease)	(30,991)	(187,958)	(400,189)
Beginning Balance	1,117,638	1,086,647	898,689
<b>Projected Ending Balance</b>	<b>\$ 1,086,647</b>	<b>\$ 898,689</b>	<b>\$ 498,500</b>

## Insurance Fund Balance Analysis

	FY 2024 Budget	FY 2025 Plan	FY 2026 Plan
<b>Revenues</b>			
Transfer from General Fund	\$ 2,500,000	\$ 3,000,000	\$ 3,000,000
Investment Income	100,000	100,000	50,000
<b>Total Revenues</b>	<b>2,600,000</b>	<b>3,100,000</b>	<b>3,050,000</b>
<b>Expenditures</b>			
Claims and Premium Outlay	3,078,000	3,100,000	3,100,000
<b>Total Expenditures</b>	<b>3,078,000</b>	<b>3,100,000</b>	<b>3,100,000</b>
Net Increase (Decrease)	(478,000)	-	(50,000)
Beginning Balance	6,579,653	6,101,653	6,101,653
<b>Projected Ending Balance</b>	<b>\$ 6,101,653</b>	<b>\$ 6,101,653</b>	<b>\$ 6,051,653</b>

## Supplemental Pension Fund Balance Analysis

	FY 2024 Budget	FY 2025 Plan	FY 2026 Plan
<b>Revenues</b>			
Investment Income	\$ 40,000	\$ 30,000	\$ 30,000
<b>Total Revenues</b>	<b>40,000</b>	<b>30,000</b>	<b>30,000</b>
<b>Expenditures</b>			
Benefit Payments	9,000	9,000	9,000
<b>Total Expenditures</b>	<b>9,000</b>	<b>9,000</b>	<b>9,000</b>
Net Increase (Decrease)	31,000	21,000	21,000
Beginning Balance	1,397,563	1,428,563	1,449,563
<b>Projected Ending Balance</b>	<b>\$ 1,428,563</b>	<b>\$ 1,449,563</b>	<b>\$ 1,470,563</b>

## Law Enforcement Fund Balance Analysis

	FY 2024 Budget	FY 2025 Plan	FY 2026 Plan
<b>Revenues</b>			
Law Enforcement Revenue	\$ 20,000	\$ 15,000	\$ 15,000
Investment Income	5,000	5,000	5,000
<b>Total Revenues</b>	<b>25,000</b>	<b>20,000</b>	<b>20,000</b>
<b>Expenditures</b>			
Capital & Related Expenditures	25,000	25,000	25,000
<b>Total Expenditures</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>
Net Increase (Decrease)	-	(5,000)	(5,000)
Beginning Balance	121,864	121,864	116,864
<b>Projected Ending Balance</b>	<b>\$ 121,864</b>	<b>\$ 116,864</b>	<b>\$ 111,864</b>

## Reserve Fund Balance Analysis

	FY 2024 Budget	FY 2025 Plan	FY 2026 Plan
<b>Revenues</b>			
<b>Transfers</b>			
Transfer from GF for Rolling Stock Reserve	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000
Transfer from GF for 27th Pay	878,615	878,615	878,615
<b>Total Transfers</b>	<b>10,878,615</b>	<b>10,878,615</b>	<b>10,878,615</b>
<b>Other Revenue</b>			
Investment Income	4,000,000	3,000,000	2,000,000
<b>Total Other Revenue</b>	<b>4,000,000</b>	<b>3,000,000</b>	<b>2,000,000</b>
<b>Total Revenues</b>	<b>14,878,615</b>	<b>13,878,615</b>	<b>12,878,615</b>
<b>Expenditures</b>			
<b>Transfers</b>			
Transfer to RTA Development Fund for Rolling Stock Reserve	10,000,000	10,000,000	10,000,000
Transfer to GF for 27th Pay	-	4,500,000	-
Transfer to GF for Revenue Stabilization	30,000,000	35,000,000	34,300,000
<b>Total Transfers</b>	<b>40,000,000</b>	<b>49,500,000</b>	<b>44,300,000</b>
<b>Total Expenditures</b>	<b>40,000,000</b>	<b>49,500,000</b>	<b>44,300,000</b>
Net Increase (Decrease)	(25,121,385)	(35,621,385)	(31,421,385)
Beginning Balance	157,185,686	130,064,301	94,442,916
<b>Projected Ending Balance</b>	<b>\$ 132,064,301</b>	<b>\$ 94,442,916</b>	<b>\$ 63,021,531</b>

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