

Glossary

Accrual Accounting – A method of financial accounting where revenues are recorded when earned, however, the revenue does not have to be received in the same reporting period. Similarly, expenditures are recorded as soon as the goods or services are received; the payment of the expenditure does not have to be made in the same reporting period.

Ad Valorem Tax – A tax based on the value (or assessed value) of a property.

Advocacy – Public support for a cause or policy, specifically for public transportation.

Affordable Care Act (ACA) – comprehensive health care reform law enacted in March, 2010 related to health insurance coverage, health care costs, and preventive care.

Allocation – The distribution of costs among specific activities and departments.

Amalgamated Transit Union (ATU) – The largest transit union in North America.

American Public Transportation Association (APTA) – An association in of public and private sector member organizations representing public transportation.

American Rescue Plan (ARP) – COVID-19 economic stimulus package passed by the 117th U.S. Congress in March, 2021 to support recovery from the economic and health effects of the COVID-19 pandemic and its economic effects.

Americans with Disabilities Act (ADA) – of 1990, requires that public entities, which operate non-commuter fixed route transportation services, also provide complementary Paratransit service for individuals unable to use the fixed route system.

Annual Financial Report (AFR) – Audited financial statements, financial notes, and related materials, formerly called a Comprehensive Annual Financial Report.

Appropriation – A financial authorization granted by the Board of Trustees to cover expenditures and incur obligations.

Arbitrage – Investment earnings representing the difference between interest paid on bonds and the interest earned on the investments made utilizing bond proceeds.

Assessed Valuation – The value of property against which an ad valorem tax is levied. Valuations are conducted by the County Auditor and reflect a percentage of the true or market value of the property.

Asset Maintenance – This category of capital projects refers to projects where 100 percent of the funding is provided by local sources (versus grant funded sources) and represents expenses incurred to maintain or improve the Authority's assets.

Asset Management – A systematic approach to procuring, operating, maintaining, upgrading or replacing transit assets in a manner that reduces risk and costs while improving operational performance.

Audit – a formal examination of an organization's financial information.

Automatic Passenger Counter (APC) – Equipment installed at vehicle doors which counts the number of passengers entering and existing through the door.

Average Cost per [Paratransit] Trip – Average cost to provide Paratransit Services to the ADA community using RTA vehicles and operators or contracted vehicles and operators.

Balanced Budget – The Authority considers the budget balanced when total expenditures equal total revenues. The budget is also balanced in situations where total expenditures are less than total revenues, which is called a surplus. There are also few instances where the Authority might plan to spend fund balances from previous years on one-time or non-routine expenditures, provided the funding from previous years is available. The Authority, however, must have a plan in place to not build ongoing expenditures into this type of funding.

Base Budget – The total appropriation for maintaining the Authority’s daily operations, authorized by the Board of Trustees.

Bond – The written evidence of the debt issued by the Authority. It bears a stated rate of interest and maturity date on which a fixed sum of money plus interest is payable to the holder.

Bond Counsel – A lawyer or law firm, which delivers an opinion regarding the legality of a debt issuance or other matters.

Budget Basis – The starting point for budget deliberations, usually the current budget year appropriation, or the Midyear Review estimate of expenses.

Budget Deficit – Usually, this is a projection of expenditures exceeding appropriations. It is normally determined during a quarterly review. The budget is controlled so that expenditures plus encumbrances should not exceed appropriations.

Bus Rapid Transit (BRT) – A broad term given to transit systems that use buses to provide a service that is of a higher quality than an ordinary bus line. See HealthLine.

Capital Expenditures – Funds in the Capital Improvement Program are used to account for the acquisition, construction, replacement, repair and renovation of capital facilities, assets, and equipment. Under Routine Capital Fund, local funds are used for the purchase of vehicles and equipment, where each unit has a value of at least \$5,000 and a useful life of greater than a year. Asset Maintenance expenditures are locally funded projects that maintain, repair, or rehabilitate an existing capital asset of the Authority. These projects are of smaller duration, scope, and expense than those indicated in the RTA Development Fund. The duration of these projects is often less than one year with a cost generally not exceeding \$150,000 and a useful life of less than five years. The RTA Development Fund includes both a majority of the larger rehabilitation projects and Authority’s Long Range projects. These projects are greater than \$150,000 and have a useful life of more than five years. The RTA Development Fund is primarily, but not exclusively, supported through Federal grant awards.

Capital Improvement Budget – The current year estimated revenues and expenses of construction projects and capital equipment purchases in the Capital Improvement Plan. The Capital Budget includes maintenance and expansion projects that are funded through grants and local sources.

Capital Improvement Plan (CIP) – A five to ten year plan for constructing, acquiring, or maintaining capital assets.

Cash Accounting – A major accounting method that recognizes revenues and expenses at the time physical cash is actually received or paid out.

Cash Deficit – Occurs when a fund is carrying a negative cash balance. This situation typically requires a cash transfer to remedy.

Catenary – Overhead wires supply electricity to power transit vehicles.

Closed Circuit TV (CCTV) – Video cameras transmit a signal to a specific or limited set of monitors. CCTV is used for surveillance in areas that need security, such as rapid stations, transit facilities, Park-N-Rides, and the airport.

Comprehensive Annual Financial Report – See AFR

Compressed Natural Gas (CNG) – An alternative to gasoline and diesel which can fuel certain vehicles which can burn cleaner than its alternative fuels.

Computer Integrated Transit Maintenance Environment (CITME) – A computer program, created by UltraMain, purchased to assist in modernizing maintenance and inventory operations through management by data.

Congestion Mitigation and Air Quality Improvement Program (CMAQ) – Federal program that provides a flexible funding source to State and local governments for transportation projects and programs to help meet the requirements of the Clean Air Act. Funding is available to reduce congestion and improve air quality for areas that do not meet the National Ambient Air Quality Standards for ozone, carbon monoxide, or particulate matter (nonattainment areas) and for former nonattainment areas that are now in compliance (maintenance areas).

Consumption Inventory – inventory tracked to show when spent or used by a department

Continual Process Improvement – Measuring efficiency of resources used for process investments.

Contingency – A reserve created to cover unanticipated expenses where an original appropriation provides insufficient to cover the expenses.

Controlled-Access Right-of-Way (ROW) – Lanes restricted for a portion of the day for use by transit vehicles and other high occupancy vehicles (HOV).

Coronavirus Aid, Relief, and Economic Security Act (CARES) – Federal act in 2020 to provide initial funding and relief. Transit agencies' operating expenses were supplemented by this act.

Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) – provides further Federal aid in 2021 to States to address the coronavirus pandemic in the US.

Cost Center – A division within a department that incurs costs for an activity.

Cost Ceiling – A limit on the reimbursed costs for federally supported capital projects.

Cost per Hour of Service – Rate of cost for each hour of revenue service.

Customer Engagement – Customer's investment, commitment or loyalty to RTA's brand and services.

Customer Satisfaction – A measure of how transit services meet or surpass customers' expectations.

Debt Limit – A statutory or constitutional limit on the principal amount of debt that an issuer may incur or have outstanding at one time.

Debt Service – Principal and interest paid on bonds and notes.

Debt Service Coverage – The measure of the Authority’s ability to meet annual interest and principal payments on outstanding debts.

Decision Issue – A budget request for new or increased funding of projects or programs, which exceeds base budget requests. Use of decision issues aids the process of allocating financial resources and provides for the comparison and prioritization of existing programs and services relative to the need for new programs and services.

Defeasance – Repayment of debt.

Depreciation – The reduction in value of a capital asset due to use, age, or wear.

Diesel Emissions Reduction Grant (DERG) - Funding is made available through the Ohio Department of Transportation’s Federal Highway Administration (FHWA) CMAQ Program federal appropriation fund used for vehicle replacement.

Disadvantaged Business Enterprise (DBE) – A program intended to ensure nondiscrimination in the award and administration of the Authority’s programs and contracts.

Displaced Emissions / Displacement – Reduced emissions of private vehicles on a regional or national level through increased use of public transit services.

Door-to-Door Service – Paratransit Service where drivers have been instructed to pick-up and drop-off passengers at the front door of places of residence, at the front door of the apartment buildings in which they live, or front door of destination.

DriveCam – System installed on revenue fleets to monitor driver behaviors, coach unsafe behavior, and reduce accidents and incidents.

Employee Engagement – The emotional and intellectual commitment of an employee, or segment of employees, committed to accomplishing RTA’s strategic objectives, mission, and vision.

Employee Injury Rates – Metric monitoring rate of employee injuries or accidents; 1 occurrence per 200,000 hours worked.

Employee Satisfaction – When employees are happy with their workplace and benefits provided by the organization; including incentives, recognition, and events.

Encumbrances – A budgetary technique for recording unperformed contracts for goods and services. Use of encumbrances restricts the balance in each fund so that total commitments (expenditures plus encumbrances) will not exceed appropriations.

Equal Employment Opportunity (EEO) - program to ensure employment practices provide equal opportunity to work and advance on the basis of merit and ability and without discrimination.

Exclusive Right-of-Way (ROW) – Roadway or other right-of-way (ROW) lanes reserved at all times for transit use and / or other high occupancy vehicles (HOV).

Executive Management Team (EMT) – The General Manager’s first level of management, which includes Deputy General Managers and Executive Directors.

Expenditure – An expense that a business incurs as a result of performing its normal business operations.

Family and Medical Leave Act (FMLA) – To grant employees temporary medical leave under certain circumstances.

Fare Revenues – income received from passengers.

Federal Highway Administration (FHWA) – Supports all of America’s roads and highways and ensures them to be the safest and most technologically up-to-date. Although State, local, and tribal governments own most of the Nation’s highways, the FHWA provides financial and technical support for constructing, improving, and preserving America’s highway system.

Federal Transit Administration (FTA) – Supports a variety of locally planned, constructed, and operated public transportation systems throughout the U.S., including buses, subways, light rail, commuter rail, streetcars, monorail, passenger ferry boats, inclined railways, and people movers.

Financial Management System (FMS) – The information system software that houses all financial data and includes the General Ledger, Procurement, and Budget Modules.

Fiscal Responsibility – Commitment to managing financial resources as if they were from our own pocket.

Fiscal Year – The 12-month period that the Authority uses for accounting purposes. The Fiscal Year for the Authority is concurrent with the Calendar Year.

Fixed Guideway (FG) – A separate right-of-way (ROW) for the exclusive use of public transportation vehicles. The Heavy Rail and Light Rail modes operate exclusively on fixed guideway (FG).

Fixed Route Services – services provided on a fixed route schedule along a specific route with vehicles stopping to pick up and drop off passengers at specific locations.

Flexible Funding Programs – Federal Highway Administration programs that allow the transfer of funds to the FTA Urbanized Area Formula Program to be used for transit projects including Surface Transportation Program (STP), Congestion Mitigation and Air Quality Improvement Program (CMAQ), and National Highway System (NHS).

Fraternal Order of Police (FOP) – The world's largest organization of sworn law enforcement officers, committed to improving the working conditions of law enforcement officers and the safety of those we serve through education, legislation, information, community involvement, and employee representation.

Fringe Benefits – Payments or accruals that supplement and employee’s salary.

Full-Time Equivalent (FTE) Position – A part-time position converted to the decimal equivalent of a full-time position based on 2,080 hours per year for 40 hours per week employees.

Functional Testing – Quality assurance testing process of customers used to determine physical ability to use fixed route services.

Fund – A reserve of money set-aside for a specific purpose. The RTA has specific funds set up for Operating (General), Capital, Insurance, Bonds, Pension, and Law Enforcement. There are also reserve funds in place for diesel fuel, compensated absences, hospitalization, and replacement of train cars.

Fund Deficit – An excess of expenditures over revenues during a fiscal year. This is not an acceptable condition and must be addressed by transferring revenue to the fund in deficit. See Balanced Budget.

Fund Surplus- Occurs when Total expenditures are less than total revenues

Fund Type – See Fund.

GAAP – Generally Accepted Accounting Principles. These principles are guidelines and rules for use in preparing financial statements.

General Obligation (GO) Bond – A bond that is secured by the full faith and credit of the Authority. The GCRTA pledges to utilize its taxing power (almost always Sales Tax proceeds) to pay debt service.

Goal – A statement of direction, purpose, or intent based on the needs of the community. A goal is not concerned with a specific achievement in a given time period.

Government Finance Officers Association (GFOA) – an organization that represents public finance officials throughout the United States and Canada.

Grant – An award of financial assistance.

Greenhouse Gas Emissions – Atmospheric gases contributing to the greenhouse effect; includes carbon dioxide, methane, nitrous oxide, and water vapor.

Growth Strategy – Objectives focused on improving Advocacy, Service Usage, and Passenger Satisfaction.

Guideway – A separate right-of-way (ROW) or rail system for the exclusive use of public transportation including the buildings and structures dedicated for the operation of transit vehicles. Includes tunnels, subways, bridges, tracks, and power systems.

HealthLine – A route providing service along Euclid Avenue that is of a higher quality than an ordinary bus line. This service improves transit, as well as supports increased development along Euclid Avenue with links to medical, educational, and cultural centers in Greater Cleveland.

Heavy Rail Vehicle (HRV) – Heavy Rail is a transit mode that is an electric railway with the capacity for a heavy volume of traffic. These vehicles operate on the Red Line, from Cleveland Hopkins Airport to Windermere Rapid Station.

Indirect Costs – The expenses of doing business that are not readily identified with the Authority's transportation, but rather with the general operation of the organization, such as finance, accounting, engineering, legal, and human resources.

Information Technology (IT) Environment – Applications and systems needed to support business operations; impact of systems on efficiencies of an operating environment.

Interactive Voice Response (IVR) – A phone technology that allows a computer to detect voice and touch tones using a normal phone call. The IVR system can respond with pre-recorded or dynamically generated audio to further direct callers on how to proceed.

Interest – The amount paid for the use of money.

Interest Expense – The charges for the use of borrowed capital incurred by the transit agency, including Interest on long term and short-term debt obligations.

Inventory – goods or materials that are held for the production and utilization by the Authority

Key Transit 2025 – The long-range plan to help guide the future development of public transit in Cuyahoga County, which focuses on bringing RTA's transit infrastructure up to higher standards and encouraging transit-oriented design, or TOD. Related to nationwide efforts towards Smart Growth, TOD encourages locating transit and development in close proximity in order to reduce auto dependency and improve transit access.

Key Performance Indicator (KPI)- a quantitative measure of performance over time for a specific objective

Kronos – Timekeeping and attendance software program

Light Rail Vehicle (LRV) – A transit mode that uses trains powered with overhead catenary power, operating on tracks embedded in city streets or along a separate right-of-way. These vehicles operate on the Blue and Green Lines.

Local Funds – Financial assistance from GCRTA's own resources and local governments to cover the costs of transit.

Legal Millage Rate – The stated rate, in mills, for levying real and personal property taxes.

Light Rail Vehicle (LRV) – Light Rail is a transit mode that typically is an electric railway with a light volume traffic capacity, compared to Heavy Rail (HR). These vehicles operate on the Blue, Green, and Waterfront Lines.

Market Value – The County Auditor's estimate of the true or fair value of real or personal property. In accounting, it is the price that a good or service would command on the open market.

Material Issues – Topics of highest importance in consensus identified by internal and external stakeholders.

Materiality Assessment – Defining the social, economic, and environmental topics that matter most to RTA and RTA's stakeholders.

Microtransit – small scale and flexible public transit services to expand riders' transportation options.

Miles Between Service Interruptions (MBSI) – Measured by miles; total service delivered before a vehicle breakdown that causes a service interruption.

Mill – The equivalent of \$1 of tax for each \$1,000 of assessed value of real or personal property.

Mixed Traffic Right-of-Way (ROW) – Roadways that have no time restrictions nor restrictions on what type of vehicles may use them.

Mode – A general term for the different kinds of transportation used to transport people.

National Transit Database (NTD) – A reporting system administered by the FTA that collects public transportation financial and operating information.

Net Promoter Score: measures customer experience and predicts business growth

Next Gen RTA – Name of the RTA wide bus system redesign implemented in June 2021.

NOACA – Northeast Ohio Areawide Coordinating Agency. It is the federally designated Metropolitan Planning Organization (MPO) for five counties of Northeast Ohio, which include Greater Cleveland and the Lorain area. Its chief functions are to perform long- and short-range transportation planning, transportation-related air quality planning, and areawide water quality management planning, as defined by federal and Ohio mandates.

Notes – Short-term promises to pay specified amounts of money, secured by specific sources of future revenue.

Revenue – The amount of money that a company actually receives during a specific period, usually a year.

Object – A commodity-based expenditure classification which describes articles purchased or services obtained. It represents the lowest degree of expenditure summary and budgetary control.

Objective – Desired output-oriented accomplishments, which can be measured and achieved within a given time frame.

Office of Business Development (OBD) – Engage, support, and assist the local disadvantaged business community to help ensure fair and representative participation in procurement opportunities at RTA and within the community at-large. The primary function of the OBD is to administer RTA's Disadvantaged Business Enterprise (DBE) Program.

Official Statement – A document prepared by the Authority when issuing debt that gives financial and statistical information to potential investors and others.

Ohio Depository Act – Requires a written investment policy that is approved by the treasurer of a political subdivision or governing board, or by the investing authority of a county, to be on file with the State Auditor. The policy must provide that all entities conducting investment business with a subdivision treasurer or governing board or county investment authority sign the investment policy of that subdivision or county.

Ohio Department of Transportation (ODOT) – State operating and capital subsidies are distributed to the Authority by ODOT.

Ohio Revised Code (ORC) – Governing law for State of Ohio

On-Time Performance – Schedule adherence; ability to deliver service as scheduled.

Ohio Transportation Partnership Program (OTP2) - Competitive grant provided by the Ohio Department of Transportation that fund rural and urban transportation systems in Ohio. The grant provides funding to maintain, sustain, or keep in a good sound state the transit systems in Ohio.

Operating Budget – Current year estimated revenues and expenses that provide for the day-to-day operations of the Authority.

Operating Deficit – The sum of all operating revenues minus operating expenses. See Balanced Budget.

Operating Ratio – A ratio that shows the efficiency of management by comparing operating expenses to fare revenues.

Operating Reserve – The available ending balance. A reserve is maintained as a safeguard to protect the organization in times of cyclical economic downturns and will be replenished as the economy improves. The Board Policy requires at least one month’s operating reserve. RTA recently added three reserves for fuel, medical, and compensated absences.

Opportunity Corridor – A boulevard on the southeast side of the City of Cleveland that connects I-490 and University Circle opened to traffic in late 2021.

Outlays – The payments on obligations in the form of cash, checks, the issuance of bonds or notes, or the maturing of interest coupons.

Park-N-Ride – Parking lots owned by the GCRTA to provide rail and/or bus services for all major commuter corridors in Cuyahoga County.

Pass-Thru – A situation where the Authority functions as a channel for the expenditure of funds from another source without authorization to decide the use of the funds.

People Investments – Resources allocated to developing and supporting workforce capabilities.

Performance Management – Culture of continual improvement of transit services, operational processes, and administrative processes; fostered by collecting, sharing, and analysis of data and reported through various mechanisms like TransitStat, Executive Safety Committee, Quarterly Management Meetings, and other forums.

Preventive Maintenance – Regularly performance maintenance on vehicles, equipment, or facilities to reduce probability of failure.

Preventable Collision Rates – Metric monitoring rate of collisions defined as preventable; 1 occurrence per 100,000 miles.

Principal – The face amount of a bond, which the issuer promises to pay at maturity.

Process Investments – Committing resources to improving priority, value-creation processes.

Program – A group of related activities performed by one or more organizational units for the purpose of accomplishing an objective.

Purchased Transportation – Transportation services provided by a third party under a contract between the GCRTA and the provider.

Ratings – Designations used by ratings services to indicate the financial health of the issuers of debt.

Reimbursed Expenditures – Operating fund reimbursements related to: capital grants for force account labor, project expenses, administration, and overhead costs; fuel tax refunds on diesel and gasoline purchases; and Federal and State operating assistance.

Repurchase Agreement – A money market transaction in which one party sells securities to another while agreeing to repurchase those securities at a later date.

Reserve Fund – funding set aside for cost increases in fuel and hospitalization, increases in compensated absences, preparation for the 27th pay period, local funds needed for rolling stock replacement, and to protect against stabilization decreases in revenues.

Resolution – A legal and public declaration by the Board of Trustees of intent, policy, or authorization. Resolutions are the legislation of the Authority.

Resolution Category – One of two cost categories at which the Board of Trustees controls operating budget expenditures. These include Personnel Services and Other Expenditures.

Revenue Bond – A bond on which the debt service is payable solely from the revenue generated from the operation of the project being financed.

Ridership – Number of people using a transit service, generally aggregated over a given period of time across several modes or services.

Routine Capital – Budgeted expenses for equipment, where the useful life of which is a year or more and the unit cost is at least \$1,000. These expenses are locally, not grant, funded.

RTA Capital Fund – Local funds used to finance smaller more routine projects, generally less than \$150,000 with a useful life of less than five years.

RTA Development fund – Funds including local, state, and federal funding used for projects that a larger, greater than \$150,000, and have a useful life greater than five years.

RTA Targets – Division level metrics to address RTA identified success outcomes

Senior Transportation Connection (STC) – Founded in 2005, STC is a centralized coordinating unit for senior transportation services in Cuyahoga County. The STC's mission is to provide comprehensive, efficient, and affordable transportation for senior adults in the county.

Service Capacity – The comparison of scheduled miles to actual, delivered miles optimized by available operators and vehicles.

Service Indicator – An output measure showing a statistical workload change or the degree to which program objectives are achieved.

Standard Operating Procedure (SOP) – Methods followed routinely for performance of defined operations or situations.

State Infrastructure Bank (SIB) – A funding initiative administered by the State of Ohio, Department of Transportation. The SIB provides low-cost loans for transportation infrastructure projects.

State of Good Repair (SOGR) – A Federal initiative to identify and maintain the nation's assets for bus and rail systems. This is essential for delivering safe and reliable transit service to millions of daily riders and one of the FTA's highest priorities.

Statewide Transportation Improvement Program (STIP) – Ohio's four-year planning document as required by Title 23 and Title 49 of the United States Code. The STIP identifies all state and local transportation federal highway or federal transit funded projects as well as state funded projects scheduled for some phase of

implementation during the fiscal (July 1 to June 30) four-year period. Types of projects include highway, public transit, rail, freight, bicycle and pedestrian.

Success Outcomes: key areas that will indicate performance of RTA in meeting mission, vision, and values. As of 2021, encompasses four areas: customer experience, community value, financial sustainability, and employee engagement.

Succession Planning –to plan for staff turn over related to retirement or leaving the organization

Sustainability – Ability to continue a defined behavior or process indefinitely; maintain availability of natural and human capital for the foreseeable future.

Temporary Assistance for Needy Families (TANF) – Provides grants to states to fund a wide array of benefits and services, primarily to low-income families with children. It is best known for funding cash welfare benefits to needy families with children, but it also is used to fund transportation aid and assistance.

Tax Levy – The total amount to be raised by general property taxes for purposes specified in the Tax Budget.

Threat and Vulnerability Assessment (TVA) – Analyzes all the aspects of security: physical, personnel, information, and communication. It measures the current threat capabilities against emplaced security measures and operating procedures to identify vulnerabilities.

Transit Oriented Development (TOD) – Mixed-use development designed to maximize access to, and promote use of, public transportation, with an emphasis on pedestrian circulation and accessibility.

TransitStat – The Greater Cleveland Regional Transit Authority’s performance monitoring program. It is characterized with frequently scheduled performance monitoring forums, embracing the use of data, statistics, and metrics as a means to exceed customers’ expectations, as well as achieve operational excellence. It is a critical link to achieving high-level performance directed towards the Authority’s Mission, Vision, and Values.

Transportation Improvement Plan (TIP) – The official listing of highway, transit, bikeway, airport, and harbor projects covering a five-year period.

Transportation Review Advisory Council (TRAC) – Created by the Ohio General Assembly in 1997 to bring an open, fair, numbers-driven system to choosing major new transportation projects.

Unlinked Passenger Trip (UPT) – A one-way ride on a transit vehicle, not including transfers, and despite fare type.

U-Pass (Universal Pass) – offers students a discounted transportation pass. Currently students at Case Western Reserve University (CWRU), Cleveland State University (CSU), Cuyahoga Community College, Cleveland Institute of Art, and Cleveland Institute of Music have U-Passes.

Vehicle Reliability – Minimize the impact of vehicle defects on On-Time Performance through improved maintenance practices for vehicles and equipment.