

RESOLUTION NO. 1985- 156

A RESOLUTION ADOPTING THE TAX BUDGET OF THE GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY FOR THE FISCAL YEAR BEGINNING JANUARY 1, 1986, AND SUBMITTING THE SAME TO THE COUNTY AUDITOR

WHEREAS, a tentative budget for the Greater Cleveland Regional Transit Authority for the fiscal year beginning January 1, 1986, for the purposes of said Authority during such year, and of revenues to be received for such fiscal year, including all general and special taxes, fees, rentals, charges, and all other types or classes of revenues, also estimates of all expenditures or charges in or for the purposes of such fiscal year to be paid or met from the said revenues, and otherwise conforming with the requirements of law, has been prepared; and

WHEREAS, said budget has been made conveniently available for public inspection for at least ten (10) days by having at least two (2) copies thereof on file in the office of the Secretary-Treasurer of this Authority; and

WHEREAS, the Board of Trustees on this day has held a public hearing on said budget of which public notice was given by publication in The Plain Dealer on June 18, 1985;


NOW, THEREFORE, BE IT RESOLVED by the Board of Trustesss of the Greater Cleveland Regional Transit Authority, Cuyahoga County, Ohio:

Section 1. That the budget of the Greater Cleveland Regional Transit Authority, for the fiscal year beginning January 1, 1986, heretofore prepared and submitted to this Board of Trustees, copies of which have been and are on file in the office of the Secretary-Treasurer with the revisions to said tentative budget which are incorporated therein and which are hereby approved, is hereby adopted as the official budget of said Authority for the fiscal year beginning January 1, 1986.

Section 2. That the Secretary-Treasurer be and he is hereby authorized and directed to certify a copy of said budget and a copy of this resolution and to transmit the same to the Auditor of Cuyahoga County, Ohio.

Section 3. That this resolution shall be effective immediately upon its adoption.

Adopted: July 2, 1985

  
President

Attest: Rhonda C. Laird  
Acting Secretary-Treasurer

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY  
 CUYAHOGA COUNTY, OHIO  
 TAX BUDGET - 1986  
 GENERAL FUND

	<u>1983 ACTUAL</u>	<u>1984 ACTUAL</u>	<u>1985 ACTUAL &amp; ESTIMATED</u>	<u>1986 ESTIMATED</u>
CASH AND INVESTMENTS - January 1	\$ 1,582,205	\$ 9,966,557	\$20,284,766	\$ 6,803,054
Encumbrances			8,508,447	
<u>REVENUES</u>				
Transportation:				
-- Passenger	39,667,437	37,922,242	35,200,000	36,100,000
-- Charter	119,337	171,727	100,000	100,000
Advertising and Concessions	375,324	441,761	388,000	409,000
Sales and Use Tax Proceeds	64,337,855	70,598,713	73,000,000	74,500,000
Federal Operating Assistance	8,792,966	14,109,595	11,287,676	11,287,676
State Operating Assistance	6,089,905	2,920,089	5,929,107	6,000,000
Ohio Elderly Fare Assistance	594,284	343,345	951,303	615,858
Other	1,867,946	2,061,452	2,003,000	1,900,000
Reimbursed Expenditures	1,482,029	1,789,556	1,725,000	2,000,000
Current Revenue Notes	<u>26,930,000</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<b>TOTAL CASH, INVESTMENTS AND REVENUES</b>	<u>151,839,288</u>	<u>140,325,037</u>	<u>142,360,405</u>	<u>139,715,588</u>
<u>EXPENDITURES</u>				
Personnel Services	75,048,119	74,611,095	80,243,630	79,037,765
Other Operating Expenditures	33,729,805	38,086,963	43,037,513	42,209,323
Transfers:				
-- Bond Retirement Fund	32,722,275	6,868,183	8,676,208	8,693,500
-- Local Match	-0-	-0-	3,500,000	3,500,000
-- Pension Fund	180,638	274,030	100,000	75,000
-- Insurance Fund	191,894	200,000	-0-	200,000
<b>TOTAL EXPENDITURES</b>	<u>141,872,731</u>	<u>120,040,271</u>	<u>135,557,351</u>	<u>133,715,588</u>
<b>TOTAL CASH AND INVESTMENTS December 31</b>	<u>\$ 9,966,557</u>	<u>\$20,284,766</u>	<u>\$ 6,803,054</u>	<u>\$ 6,000,000</u>

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY  
 CUYAHOGA COUNTY, OHIO  
 TAX BUDGET - 1986  
 BOND RETIREMENT FUND

	<u>1983 ACTUAL</u>	<u>1984 ACTUAL</u>	<u>1985 ACTUAL &amp; ESTIMATED</u>	<u>1986 ESTIMATED</u>
CASH AND SHORT-TERM INVESTMENTS - January 1	\$ 2,044,548	\$ 1,042,427	\$ 1,059,698	\$ 1,481,438
<u>REVENUES</u>				
Transfers from Other Funds	34,841,991	8,875,000	9,615,648	9,893,500
Investment Income	703,317	319,521	325,842	225,000
Accrued interest and premiums on Sale of Bonds	<u>66,972</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
TOTAL CASH, SHORT-TERM INVESTMENTS AND REVENUES	<u>37,656,828</u>	<u>10,236,948</u>	<u>11,001,188</u>	<u>11,599,938</u>
<u>EXPENDITURES</u>				
Debt Service for Bond Anticipation Notes				
-- Principal	-0-	-0-	-0-	1,000,000
-- Interest	-0-	-0-	805,000	905,000
Debt Service for Capital Improvement Bonds:				
-- Principal	3,100,000	3,700,000	3,700,000	3,700,000
-- Interest	5,877,500	5,477,250	5,014,750	4,552,250
Debt Service for Current Revenue Notes:				
-- Principal	26,930,000	-0-	-0-	-0-
-- Interest	<u>706,901</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
TOTAL EXPENDITURES	<u>36,614,401</u>	<u>9,177,250</u>	<u>9,519,750</u>	<u>10,157,250</u>
CASH AND SHORT-TERM INVESTMENTS - December 31	<u>\$ 1,042,427</u>	<u>\$ 1,059,698</u>	<u>\$ 1,481,438</u>	<u>\$ 1,442,688</u>

DEBT SERVICE  
BOND RETIREMENT FUND  
TAX BUDGET - 1984

Long-term obligations of the Authority are as follows:

- Capital Improvement Bonds, Series 1981A, \$21,000,000, 13% interest, dated August 1, 1981, due December 1, 1983 - 1992.
- Capital Improvement Bonds, Series 1982A, \$17,200,000, 12.75% interest, dated February 1, 1982, due December 1, 1983 - 1997.
- Capital Improvement Bonds, Series 1982B, \$9,200,000, 10.375% interest, dated December 1, 1982, due December 1, 1983 - 1998.

The annual requirements to pay principal and interest on the obligations outstanding as of December 31, 1982 are as follows:

	PRINCIPAL DUE ON BONDS				INTEREST DUE				TOTAL DEBT SERVICE REQUIREMENTS
	1981A	1982A	1982B	TOTAL	1981A	1982A	1982B	TOTAL	
1983	\$ 2,000,000	\$ 1,100,000	\$ -0-	\$ 3,100,000	\$ 2,730,000	\$ 2,193,000	\$ 954,500	\$ 5,877,500	\$ 8,977,500
1984	2,000,000	1,100,000	600,000	3,700,000	2,470,000	2,052,750	954,500	5,477,250	9,177,250
1985	2,000,000	1,100,000	600,000	3,700,000	2,210,000	1,912,500	892,250	5,014,750	8,714,750
1986	2,000,000	1,100,000	600,000	3,700,000	1,950,000	1,772,250	830,000	4,552,250	8,252,250
1987	2,000,000	1,100,000	600,000	3,700,000	1,690,000	1,632,000	767,750	4,089,750	7,789,750
1988	2,000,000	1,100,000	600,000	3,700,000	1,430,000	1,491,750	705,500	3,627,250	7,327,250
1989	2,000,000	1,100,000	600,000	3,700,000	1,170,000	1,351,500	643,250	3,164,750	6,864,750
1990	2,200,000	1,100,000	600,000	3,900,000	910,000	1,211,250	581,000	2,702,250	6,602,250
1991	2,400,000	1,200,000	600,000	4,200,000	624,000	1,071,000	518,750	2,213,750	6,413,750
1992	2,400,000	1,200,000	600,000	4,200,000	312,000	918,000	456,500	1,686,500	5,886,500
1993	-0-	1,200,000	600,000	1,800,000	-0-	765,000	394,250	1,159,250	2,959,250
1994	-0-	1,200,000	600,000	1,800,000	-0-	612,000	332,000	944,000	2,744,000
1995	-0-	1,200,000	650,000	1,850,000	-0-	459,000	269,750	728,750	2,578,750
1996	-0-	1,200,000	650,000	1,850,000	-0-	306,000	202,313	508,313	2,358,313
1997	-0-	1,200,000	650,000	1,850,000	-0-	153,000	134,875	287,875	2,137,875
1998	-0-	-0-	650,000	650,000	-0-	-0-	67,438	67,438	717,438
	<u>\$21,000,000</u>	<u>\$17,200,000</u>	<u>\$9,200,000</u>	<u>\$47,400,000</u>	<u>\$15,496,000</u>	<u>\$17,901,000</u>	<u>\$8,704,626</u>	<u>\$42,101,626</u>	<u>\$89,501,626</u>

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY  
 CUYAHOGA COUNTY, OHIO  
 TAX BUDGET - 1986  
 CAPITAL IMPROVEMENT FUND

	<u>1983 ACTUAL</u>	<u>1984 ACTUAL</u>	<u>1985 ACTUAL &amp; ESTIMATED</u>	<u>1986 ESTIMATED</u>
CASH AND SHORT-TERM INVESTMENTS - January 1	\$ 23,206,997	\$ 14,833,449	\$ 21,372,949	\$ 14,861,420
Encumbrances			1,947,724	437,747
 <u>REVENUES</u>				
Transfers from General Fund	-0-	-0-	3,500,000	3,500,000
Earnings on Investments	2,366,272	1,822,815	1,500,000	1,200,000
Federal Capital Grants	31,131,523	36,650,829	48,248,448	46,943,914
State Capital Grant	-0-	4,936,600	3,000,000	3,000,000
Other Income	-0-	20,699	-0-	-0-
Sale of Bonds & Bond Anticipation Notes	-0-	10,000,000	-0-	-0-
Sale and Leaseback	<u>913,471</u>	<u>1,034,253</u>	<u>437,747</u>	<u>-0-</u>
TOTAL CASH, SHORT-TERM INVESTMENTS, AND REVENUES	<u>57,618,263</u>	<u>69,298,645</u>	<u>76,111,420</u>	<u>69,067,587</u>
 <u>EXPENDITURES</u>				
Capital Outlay	40,665,098	45,918,879	60,310,560	58,679,893
Transfer to Bond Retirement Fund	<u>2,119,716</u>	<u>2,006,817</u>	<u>939,440</u>	<u>1,200,000</u>
TOTAL EXPENDITURES	<u>42,784,814</u>	<u>47,925,696</u>	<u>61,250,000</u>	<u>59,879,893</u>
 CASH AND SHORT-TERM INVESTMENTS - December 31	 <u>\$14,833,449</u>	 <u>\$21,372,949</u>	 <u>\$14,861,420</u>	 <u>\$ 9,187,694</u>

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY  
 CUYAHOGA COUNTY, OHIO  
 TAX BUDGET - 1986  
 SUPPLEMENTAL PENSION FUND

	<u>1983 ACTUAL</u>	<u>1984 ACTUAL</u>	<u>1985 ACTUAL &amp; ESTIMATED</u>	<u>1986 ESTIMATED</u>
CASH AND SHORT-TERM INVESTMENTS - January 1	\$ 1,613,213	\$ 1,694,840	\$ 1,866,386	\$ 1,890,261
 <u>REVENUES</u>				
Income on Investments	183,832	178,010	198,875	178,000
Employer Contributions	<u>180,638</u>	<u>274,030</u>	<u>100,000</u>	<u>75,000</u>
 TOTAL CASH, SHORT-TERM INVESTMENTS, AND REVENUES	 <u>1,977,683</u>	 <u>2,146,880</u>	 <u>2,165,261</u>	 <u>2,143,261</u>
 <u>EXPENDITURES</u>				
Benefit Payments	<u>282,843</u>	<u>280,494</u>	<u>275,000</u>	<u>275,000</u>
TOTAL EXPENDITURES	<u>282,843</u>	<u>280,494</u>	<u>275,000</u>	<u>275,000</u>
 CASH AND SHORT-TERM INVESTMENTS - December 31	 <u>\$ 1,694,840</u>	 <u>\$ 1,866,386</u>	 <u>\$ 1,890,261</u>	 <u>\$ 1,868,261</u>

NOTE: The Actuarial Liability for vested benefits as of our most recent Actuarial Valuation of January 1, 1984 is \$1,861,717.

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY  
 CUYAHOGA COUNTY, OHIO  
 TAX BUDGET - 1986  
 INSURANCE FUND

	<u>1983 ACTUAL</u>	<u>1984 ACTUAL</u>	<u>1985 ACTUAL &amp; ESTIMATED</u>	<u>1986 ESTIMATED</u>
CASH AND SHORT-TERM INVESTMENTS - January 1	\$ 1,213,921	\$ 1,573,857	\$ 1,939,310	\$ 2,143,310
 <u>REVENUES</u>				
Transfer from General Fund	191,894	200,000	-0-	200,000
Investment Income	<u>168,042</u>	<u>165,453</u>	<u>204,000</u>	<u>202,000</u>
TOTAL CASH, SHORT-TERM INVESTMENTS AND REVENUES	<u>1,573,857</u>	<u>1,939,310</u>	<u>2,143,310</u>	<u>2,545,310</u>
 <u>EXPENDITURES</u>				
Claims Outlay	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
TOTAL EXPENDITURES	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
CASH AND SHORT-TERM INVESTMENTS - December 31	<u>\$ 1,573,857</u>	<u>\$ 1,939,310</u>	<u>\$ 2,143,310</u>	<u>\$ 2,545,310</u>

## FINANCIAL ASSUMPTIONS

### PASSENGER REVENUES

Passenger revenues include farebox cash (bus, heavy rail, light rail, Maple Heights, North Olmsted, CRT, and industrial route guarantees), prepaid fares (local, express, combination & student tickets and weekly/monthly local & express passes) and Yellow Cab/CRT.

No change in fare structure is recommended for 1986, however, we do anticipate a decline in passenger fares collected in 1985 from 1984. As of April 1985, passenger fares are six to ten (6-10%) percent below those collected for the same period of 1984. We have taken a conservative view in the Tax Budget and figured a 7% decline for the current year. We anticipate that this decline will stabilize in 1986 with the improvements in the bus fleet, heavy rail fleet and the introduction of the registering farebox.

### ADVERTISING & CONCESSIONS

The bus and rail advertising contract, with TDI/Winston Network, Inc., includes a minimum guarantee of \$403,824 for the calendar year 1985.

Shelter advertising includes a minimum guarantee of \$10,000 for 1985. A new contract will be bid later this year.

### SALES AND USE TAX PROCEEDS

The forecast of \$74.5 million is based on a 2% increase over 1985 estimated revenues. This projection is dependent upon no major changes in the Federal Reserve monetary policies.

### FEDERAL OPERATING ASSISTANCE

Funding for Federal fiscal year 1986 is presently under debate in Congress. The U.S. Senate has recommended a twenty (20%) percent reduction in federal aid. The U.S. House of Representatives have recommended a spending freeze at the FFY'85 level. The House and Senate are currently debating their differences.

### STATE SUBSIDIES

Operating assistance and Elderly/Handicapped Fare assistance for the State fiscal year ending June 30, 1986 have not been authorized or appropriated. There are indications that State operating assistance may be increased by approximately eight (8%) percent over SFY'85 levels.



OTHER INCOME

	<u>1986</u>	<u>1985</u>
Interest Income	\$1,700,000	\$1,800,000
Miscellaneous	<u>200,000</u>	<u>203,000</u>
Total	<u>\$1,900,000</u>	<u>\$2,003,000</u>

REIMBURSED EXPENDITURES

	<u>1986</u>	<u>1985</u>
Capital Grants	\$1,275,000	\$1,000,000
Fuel Tax Refunds	625,000	625,000
NOACA	<u>100,000</u>	<u>100,000</u>
Total	<u>\$2,000,000</u>	<u>\$1,725,000</u>

PERSONNEL SERVICES

Personnel Services for 1985 are based upon the current annual appropriation budget.

Personnel Services estimated for 1986 are based upon staffing levels at May 1, 1985.

Fringe Benefits are estimated on a weighted average of approximately thirty (30%) percent.

OTHER OPERATING EXPENDITURES

Other Operating Expenditures include services, materials and supplies, utilities, casualty insurance, purchased transportation, leases, inventory and miscellaneous expenditures. The amount estimated is based upon (1) inflation rates varying from one to five (1-5%) percent and (2) resources available.

TRANSFERS

The Bond Retirement Transfer represents the funds needed to effect the scheduled retirement of the Capital Improvement Bonds and the Bond Anticipation Notes principal and interest.

The Capital Improvement transfer represents funds needed to fund present and future local share needs.

The Insurance Fund Contribution represents funds needed to accumulate insurance coverage deductibles.

#### BOND RETIREMENT FUND

In 1986 the General Fund will substantially fund all debt service requirements. In addition \$1,200,000 will be transferred from the Local Match account.

#### CAPITAL IMPROVEMENT FUND

No additional debt issuances are anticipated at this time. Funds needed to meet the local share requirements of the present and pending grants will be provided thru the retention of investment earnings and increased contributions from the General Fund.

#### SUPPLEMENTAL PENSION FUND

Authority employees who were employed by predecessor transit systems are covered by supplemental benefit payments. This plan has only been partially funded in the past. The estimated liability as of December 31, 1984 is \$1,833,428.

The Authority's practice has been to fund benefit payments from the General Fund. Now that the fund's assets exceed the estimated liability, benefit payments will be funded from investment earnings and from the General Fund on an as needed basis to keep the fund actuarially sound.

#### INSURANCE FUND

The Authority maintains a self-insured status both for public liability and property damages and for workers' compensation.

As of April 1985, the liability program provided for the first \$2 million as a self-retained coverage. Layers of excess liability insurance are purchased to provide for the next \$48 million of coverage, and coverage above \$50 million is self-retained.

As of March 1985, the Insurance Fund contained assets of \$2,014,000. In May 1985 our coverage changed significantly.

The coverage deductible is, as of May 1985, \$5 million and coverage is extended to \$10 million. All risks beyond \$10 million are self-retained. Beginning in 1986 we recommend that a vigorous program be instituted to fund as much of our deductible as possible.