

RESOLUTION NO. 2002 – 130

A RESOLUTION ADOPTING THE TAX BUDGET OF THE GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY FOR THE FISCAL YEAR BEGINNING JANUARY 1, 2003 AND SUBMITTING THE SAME TO THE COUNTY AUDITOR

WHEREAS, a tax budget for the Greater Cleveland Regional Transit Authority for the fiscal year beginning January 1, 2003, for the purpose of said Authority during such year and of revenues to be received for such fiscal year, including all taxes, user fees, and other types of revenues, also estimates of all expenditures or outlays in or for the purposes of such fiscal year to be paid or met from the said revenue, 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 Management and Budget 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 July 4, 2002.

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees 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, 2003, heretofore prepared and submitted to this Board of Trustees, copies of which have been and are on file in the Office of Management and Budget with any revisions to said tentative budget which are incorporated therein and which are hereby approved, is hereby adopted as the official Tax Budget of said Authority for the fiscal year beginning January 1, 2003.

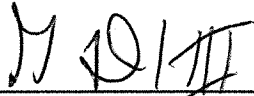
Section 2: That the Director of the Office of Management and Budget is hereby authorized and directed to have certified a copy of said budget and a copy of this resolution and to transmit the same to the Auditor of Cuyahoga County, Ohio.

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

Attachments: 2003 Tax Budget Assumptions

Adopted: July 16, 2002

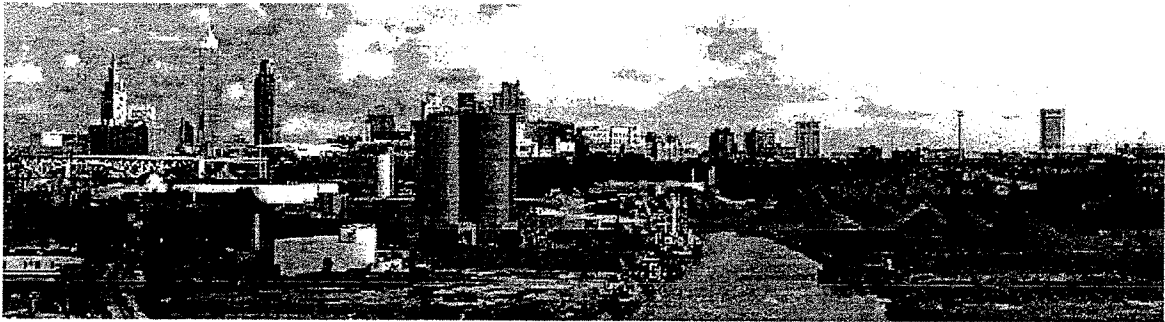
Attest:   
CEO, General Manager/Secretary-Treasurer

  
President

**2003**

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# **Greater Cleveland Regional Transit Authority**



## **Tax Budget**

**July 2, 2002**



**Greater Cleveland Regional Transit Authority**

**Greater Cleveland Regional Transit Authority**  
**2003 TAX BUDGET ASSUMPTIONS**

**GENERAL FUND ASSUMPTIONS**

**Inflation**

***Assumption:*** **3.0-3.5%**

***Rationale:***

According to economic analyses including sources such as the Federal Reserve Bank's Beige Book and the Bureau of Labor Statistics, inflation recently showed gains above 3%, and over a 12 month period has averaged under 4%. For future inflation expectations, the Fourth District Federal Reserve points to the University of Michigan's household inflation expectations data suggesting an increase of just over 3% for the next 12 months and more than 3.5% over the next five years. Although some economists are placing inflation at much lower rates, the tax budget assumes the more fiscally conservative projections.

**Interest Rates**

***Assumption:*** **2.3-2.5%**

***Rationale:***

At the end of June of 2002, the target rate for federal funds remained constant at 1.75%, while the market yield on 2-year Treasury Notes decreased to 2.87%. Interest rates are expected to remain unchanged through the remainder of 2002 and increase slightly in 2003. During the first five months of 2002, the Authority earned an average yield of 2.66%. Average yields during the remainder of 2002 are expected to decrease somewhat; however, a slight increase is expected during 2003.

The specific rate used in calculating revenue projections depends on the fund being examined and the terms of the matching investment instruments. For example, the General Fund

and the RTA Development funds have the shortest average maturity due to the need for these funds to meet current obligations for the Authority's operating and capital needs. Therefore, the investments in these funds will be toward the lower end of the range.

### **Beginning Balance**

The beginning balance for each of the five years shown is intended to represent unrestricted cash and investments.

### **Available Ending Balance**

The 2003 available ending balance is projected to be \$3.9 million. Again, as in recent years, it is clear that the Authority's policy of maintaining a reserve equal to one month's operating expenses in the General Fund will not be satisfied. Slower or even negative revenue performance relative to expenditure growth, particularly sales tax, is primarily responsible for non-compliance with this policy indicator.

## **REVENUES**

### **Passenger Fares**

***Assumption:*** ***\$41.2 million***

***Rationale:***

Actual Passenger Fare revenue through May 2002 is down 1.24% compared to prior year and total ridership is down 7.1% compared to prior year. The difference in percentage change between ridership and revenue can be attributed mostly to a timing difference in payments as nearly \$1.0 million of 2001 revenue was received in 2002. At year-end, the anticipated decline in annual ridership for 2002 is expected to be closer to 4.5% below 2001 levels. Combined with the timing difference in payments, the total 2002 Revenue is projected to be \$41.0 million.

The 2003 estimate for ridership increases by 2.25% over anticipated 2002 levels. This increase is expected due to a

recovering economy and continued effort by RTA to increase the level and quality of service to Cuyahoga County. Even with the anticipation of higher ridership, Passenger Fare revenue will increase less than 1% due to the timing of payments. Total Passenger Fares in 2003 are estimated at \$41.2 million.

### Advertising Revenue

**Assumption:** **\$1.4. million**

**Rationale:**

A new advertising contract was entered into in late 2001. The 2002 advertising revenue has been increased over budget due to timing differences in payments. The 2002 estimate and the 2003 budget are based on the guaranteed contract amounts. Nevertheless, GCRTA will receive additional payments if the advertising firm exceeds the minimum space. Other revenues in this category are from concessions, the Logo Shop and vending sales.

### Sales Tax

**Assumption:** **\$158.8 million**

**Rationale:**

The weaker economy has resulted in less favorable receipts during the first half of 2002 as compared to recent years. The year-to-date Sales and Use Tax revenue is down by 3.76% through June of 2002, although, the month of June itself saw a 1.35% increase in revenue over 2001. The Federal Reserve Bank Beige Book indicates that retail sales for the economy are still showing mixed results. It also indicates that sales in the Fourth District have been generally lower than the rest of the country. Automobile sales have been much steadier in 2002 than in 2001. The Ohio Office of Budget and Management (OBM) reports that non-auto Sales Tax have experienced a level of stability over the last four months and remains close to expectations. Overall, payments to the state's coffers have slightly exceeded the estimate for Sales and Use Tax, mostly due to strong auto sales that have exceeded estimates.



**Investment Income**

***Assumption:*** **\$350,000**

***Rationale:***

An average balance of \$15 million in the General Fund should earn about \$350,000 or 2.30% during 2003. For all funds, approximately \$1.3 million should be earned.

**Other Revenue**

***Assumption:*** **\$1.0 million**

***Rationale:***

The 2003 Tax Budget assumes no unusual claims or receivables in the other revenue category and therefore mirrors the 2002 estimate. This revenue category normally consists of various claim reimbursements, rental income, salvage sales, and identification card proceeds.

**Reimbursed Expenditures**

***Assumption:*** **\$20.0 million**

***Rationale:***

This category is composed of grant labor and materials reimbursements, capitalized operating assistance reimbursements, and diesel fuel tax refunds. In this latter category, RTA will recoup \$.21 per gallon from diesel fuel taxes, or \$1.1 million. The estimate also assumes no real changes in service miles or fuel consumption patterns beyond the impact of the service changes implemented in 2002. In addition, \$3.4 million is budgeted for reimbursements to the General Fund from the Capital Fund for labor related to capital projects and \$15.5 million for other capitalized operating expenditures.

## EXPENDITURES

### Personnel Services

**Assumption:** **\$163.7 million**

**Rationale:**

The 2003 estimate for salaries and fringe benefits is shown at a higher level compared to the projection in the adopted 2002 operating budget for 2003. It has been adjusted to reflect first quarter and subsequent projections for 2002. The basis for the 2003 assumption is the continuation of existing service levels and equates to a 2.8% increase over 2002 estimated expenditures.

It accounts for all negotiated bargaining unit wage increases as well as a non-bargaining wage adjustment. The estimate also reflects expected increases in health care costs and changes in other fringe benefits. In addition, it assumes payout levels for the TEAM incentive program.

### Other Expenditures

**Assumption:** **\$53.6 million**

**Rationale:**

In total, this category of operating costs will increase 2.6% in 2003, which includes some inflationary increases, but no new programming. This estimate is also higher as compared to the 2003 budgeted level projected in the 2002 approved operating budget. It represents the continuation of existing service levels and the associated increases in the cost of delivering that service.

### Transfers

**Assumption:** **Bond Retirement.....\$7.9 million**  
**Capital Improvements.....\$0.0 million**

**Rationale:**

Figures shown for the bond retirement "set-aside" are simply debt service less both the investment income earned in the Bond Retirement Fund and the transfer from the Capital Fund. The interest and principal payments on outstanding bonds are taken from debt amortization schedules. No debt issue is planned for



2002 as \$30 million was issued in late 2001 and will continue to be drawn down through 2003. This has resulted in higher debt service payments in 2002 and beyond.

The Contribution to Capital transfers cover local Asset Maintenance and Routine Capital purchases, as well as required local matches for some grant-funded projects. There is no transfer planned to Capital in 2003 as revenue from the "Lease to Service" is utilized to support the capital program. Therefore, the \$7.9 million for debt payments represents the entire amount necessary for 2003 thus only requiring a 5% contribution level from sales tax. Unfortunately however, this level does not meet board policy.

## **FINANCIAL INDICATORS**

The General Fund statement presented in this Tax Budget results in the following performance against the Authority's financial policies.

### **REVENUES**

**Operating Ratio:** The policy requires a 25.0% ratio. The tax budget yields a 20.0% ratio, which is below the policy objective. This indicator continues to be a warning that self-generated revenues are growing at a significantly slower rate than expenditures.

**Fare Subsidy (Net Cost) Per Passenger:** This indicator, at \$3.06 will not meet the policy ceiling of three times the average fare (\$0.73), again an indication that self-generated revenues are not growing at the same rate as expenditures.

### **EXPENDITURES**

**Operating Reserve:** At \$3.9 million or 0.2 month, this budget does not meet the policy requirement of a one-month operating reserve (indicator=1.0) which is an indication that overall revenues are not sufficient to cover expenditure growth. Nevertheless, this level is nearly identical to 2002.

**Overhead Cost vs. Total Cost:** This indicator, at 12.7%, is well below the policy maximum of 15%, indicating that overhead costs are being kept low.

**Cost/Hour:** This policy requires that growth in the cost per hour of service from year to year be kept at or below the rate of inflation. This budget assumes a 2.9% growth in the cost per hour which is much lower than the upper limit of the 2003 inflation rate, thus demonstrating fiscal restraint related to the cost of service delivery.

## **DEBT STRUCTURES**

**Debt Service Coverage:** At 1.00, this indicator misses the policy minimum of 1.50. This is a result of the increase in debt service requirement stemming from higher debt levels relative to the decrease in the ending balance.

## **CAPITAL OUTLAY**

**Sales Tax Contribution to Capital:** Policy requires that at least 10% of sales tax receipts be applied to capital programs. The 2003 contribution to capital funds is planned at \$7.9 million and will be set aside for debt service. This represents a 5.0% contribution level, which does not meet the policy level. However, as a result of an infusion of revenue from a "Lease to Service" transaction, the full 10% is not needed in the capital fund for 2003.

**Capital Maintenance to Expansion:** At 56.4%, this ratio is projected to be within policy guidelines of 33% to 67%, indicating a sufficient balance between the two capital expenditure types.

## **BOND RETIREMENT FUND**

The General and Capital Funds will be the sources of fund transfers necessary to make scheduled interest and principal payments on the \$126.2 million in current debt which will remain outstanding at the end of 2002. The last series of existing long-term debt will expire in 2021.

## **INSURANCE FUND**

The Insurance Fund was restructured in 1999 to reflect a combination of self and purchased insurance coverage. Activity expected in 2003 includes investment income of \$225,000 as well as claim and premium outlays totaling close to \$1.2 million. A transfer from the RTA Development Fund of \$6.6 million in 2002 is necessary to restore an ending balance of \$10.0 million. Although the current required level is only \$5.0 million, the attainment of a \$10.0 million balance will offer flexibility relating to the purchase of insurance coverage in a very difficult insurance market, which resulted in a 100% increase in premiums for 2002. The transfer is possible as a result of additional funds available from the "Lease to Service" transaction.

## **SUPPLEMENTAL PENSION FUND**

Authority employees who were employed by predecessor transit systems are covered by supplemental benefit payments. Since the plan is fully funded, the only activity is investment income and benefit payments. Investment rates are estimated at \$39,000 in 2003 with benefit payments at \$130,000.

## **LAW ENFORCEMENT FUND**

In 1988, RTA became involved with the multi-jurisdictional Caribbean/Gang Task Force. RTA's involvement was prompted by the increased gang activity found in and around the rail system and the need to obtain intelligence in this area. In addition to the benefits of intelligence gathering and improved inter-department relations, RTA derives revenue from seized and confiscated moneys and/or properties of convicted drug dealers prosecuted by the Task Force.

Revenue obtained through the Task Force can be expended for non-budgeted police items. The Authority uses these proceeds for unbudgeted capital items. Furthermore, certain guidelines have been instituted by the State Attorney General's Office for the reporting of and disbursement of funds. No expenditures are assumed in 2003 at this time. The only activity expected in this fund is investment earnings of \$4,800 and Law Enforcement revenue of \$10,000.

## CAPITAL IMPROVEMENT FUNDS

The majority of Capital Improvement projects are funded through grants. Funds needed to meet the local share requirements of federal and other grants as well as funds needed for locally-funded capital projects are provided through the retention of investment earnings and contributions from sales tax proceeds as well as debt sales. In addition, 2002 and 2003 will see revenue in the form of "Lease to Service" proceeds. This will amount to \$12.0 million in 2002 and \$8.0 million in 2003.

The 2002 and 2003 estimated capital outlays are predicated on year-to-date outlays, obligations and projected commitments as well as the approved five-year Capital Improvement Plan. Grant revenue projected includes current as well as expected grant awards. In 2003, maintenance projects include track, bridge, and station rehabilitations, major equipment expenditures include the purchase of buses and the overhaul of the Light Rail vehicles, and the expansion projects include continued progress on the Euclid Corridor Transportation Project.

# 2003 Tax Budget General Fund Balance Analysis

	1999	2000	2001	2002	2003
	Actual	Actual	Actual	Estimate	Tax Budget
<b>Beginning Balance</b>	11,753,987	11,051,834	11,294,115	10,470,867	3,983,683
<b>Revenue</b>					
Passenger Fares	41,790,115	41,588,902	40,061,733	40,999,000	41,229,000
Advertising & Concessions	1,855,374	2,466,421	1,620,907	1,700,000	1,400,000
Sales & Use Tax	151,265,961	160,748,146	158,097,740	154,145,297	158,770,000
Federal Operating Assistance	0	0	0	0	0
State Operating Assistance	0	0	0	0	0
Ohio Elderly Fare Assistance	567,579	291,303	896,796	583,000	560,000
Access to Jobs Grants	91,508	529,593	1,989,494	1,790,500	1,850,000
Investment Income	905,016	1,063,120	711,620	250,000	350,000
Other Revenue	838,316	834,720	1,034,538	1,000,000	1,000,000
Reimbursed Expenditures	12,231,597	15,931,228	21,923,404	19,880,000	20,000,000
Transfer From Insurance Fund	4,250,000	0	0	0	0
<b>Total Revenue</b>	<b>213,795,466</b>	<b>223,453,433</b>	<b>226,336,232</b>	<b>220,347,797</b>	<b>225,159,000</b>
<b>Total Resources</b>	<b>225,549,453</b>	<b>234,505,267</b>	<b>237,630,347</b>	<b>230,818,664</b>	<b>229,142,683</b>
<b>Operating Expenditures</b>					
Personnel Services	150,565,118	156,422,620	158,124,141	159,235,461	163,730,993
Other Expenditures	48,797,501	50,313,717	49,771,339	52,184,989	53,555,465
<b>Total Operating Expenditures</b>	<b>199,362,619</b>	<b>206,736,337</b>	<b>207,895,480</b>	<b>211,420,450</b>	<b>217,286,458</b>
<b>Transfer to the Insurance Fund</b>	<b>0</b>	<b>400,000</b>	<b>3,350,000</b>	<b>0</b>	<b>0</b>
<b>Transfers to Capital</b>					
Bond Retirement Fund	8,756,263	7,950,000	9,550,000	8,927,347	7,872,542
Capital Improvement Funds	5,676,584	8,124,815	5,540,752	0	0
<b>Total Transfers to Capital</b>	<b>14,432,847</b>	<b>16,074,815</b>	<b>15,090,752</b>	<b>8,927,347</b>	<b>7,872,542</b>
<b>Total Expenditures</b>	<b>213,795,466</b>	<b>223,211,152</b>	<b>226,336,232</b>	<b>220,347,797</b>	<b>225,159,000</b>
<b>Ending Balance</b>	<b>11,753,987</b>	<b>11,294,115</b>	<b>11,294,115</b>	<b>10,470,867</b>	<b>3,983,683</b>
<b>Additional Transfer to Bond Retirement</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,232,653</b>	<b>65,958</b>
<b>Additional Transfer to Capital Improvement</b>	<b>702,153</b>	<b>0</b>	<b>823,248</b>	<b>4,254,530</b>	<b>0</b>
<b>Available Ending Balance</b>	<b>11,051,834</b>	<b>11,294,115</b>	<b>10,470,867</b>	<b>3,983,683</b>	<b>3,917,725</b>

# 2003 Tax Budget Financial Indicators

	1999 Actual	2000 Actual	2001 Actual	2002 Estimate	2003 Tax Budget
<b>REVENUES</b>					
Operating Ratio	22.5%	22.0%	20.6%	20.6%	20.0%
Fare Subsidy (Net Cost) Per Passenger	\$2.63	\$2.77	\$2.85	\$3.02	\$3.06
Average Fare	\$0.70	\$0.70	\$0.69	\$0.74	\$0.73
<b>EXPENDITURES</b>					
Operating Reserve (Months)	0.7	0.7	0.6	0.2	0.2
Overhead Cost vs. Total Cost	11.9%	12.4%	11.5%	12.9%	12.7%
Cost/Hour of Service	\$77.85	\$78.10	\$80.26	\$84.81	\$87.27
Growth per Year	2.9%	0.3%	2.5%	5.7%	2.9%
<b>DEBT STRUCTURES</b>					
Debt Service Coverage	2.29	2.19	2.15	1.27	1.00
<b>CAPITAL OUTLAY</b>					
Sales Tax Contribution to Capital	9.5%	10.0%	10.1%	10.0%	5.0%
Capital Maintenance to Expansion	86.3%	79.2%	84.2%	75.2%	56.4%

**Definitions:**

Operating Ratio = Operating Revenue (Fares + Advertising + Interest) / Total Operating Expenditures  
 Fare Subsidy (Net Cost) Per Passenger = (Total Operating Expenditures/Ridership) - (Fares/Ridership)  
 Operating Reserve = Available Ending Balance / (Total Operating Expenditures/12)  
 Overhead Cost vs. Total Cost = Operating Overhead Cost / Total Operating Cost  
 Cost/Hour of Service = Total Operating Expenditures / Total Service Hours  
 Debt Service Coverage = (Total Operating Revenues - Total Operating Expenditures) / Debt Service  
 Contribution to Capital = (Capital Improvements Contribution and Capital Improvement + Bond Retirement Transfers) / Sales & Use Tax Revenue  
 Capital Maintenance to Expansion = Capital Maintenance Outlay / Total Capital Outlay

## Bond Retirement Fund Balance Analysis

	1999 Actual	2000 Actual	2001 Actual	2002 Estimate	2003 Tax Budget
<b>Beginning Balance</b>	779,459	758,930	115,451	974,344	1,002,387
<b>Revenue</b>					
Transfer from General Fund	8,756,263	7,950,000	9,550,000	11,160,000	7,938,500
Transfer from RTA Development Fund	0	79,494	500,000	711,000	3,946,000
Investment Income	179,447	280,791	106,327	106,000	124,000
<b>Total Revenue</b>	8,935,710	8,310,285	10,156,327	11,977,000	12,008,500
<b>Total Resources</b>	9,715,169	9,069,215	10,271,778	12,951,344	13,010,887
<b>Expenditures</b>					
Debt Service					
Principal	3,620,000	3,835,000	4,198,101	5,547,788	5,930,718
Interest	5,336,239	5,118,764	5,099,333	6,401,169	6,073,971
<b>Total Expenditures</b>	8,956,239	8,953,764	9,297,434	11,948,957	12,004,689
<b>Ending Balance</b>	758,930	115,451	974,344	1,002,387	1,006,198

# Insurance Fund Balance Analysis

	1999	2000	2001	2002	2003
	Actual	Actual	Actual	Estimate	Tax Budget
<b>Beginning Balance</b>	10,228,659	5,471,928	5,080,421	4,862,150	10,013,150
<b>Revenue</b>					
Investment Income	464,303	315,825	150,479	101,000	225,000
Transfer from General Fund	0	400,000	3,350,000	0	0
Transfer from RTA Development Fund	0	0	0	6,600,000	1,000,000
Other Income	0	1,418	0	0	0
<b>Total Revenue</b>	<b>464,303</b>	<b>717,243</b>	<b>3,500,479</b>	<b>6,701,000</b>	<b>1,225,000</b>
<b>Total Resources</b>	<b>10,692,962</b>	<b>6,189,171</b>	<b>8,580,900</b>	<b>11,563,150</b>	<b>11,238,150</b>
<b>Expenditures</b>					
Claims and Premium Outlay	971,034	1,108,750	3,718,750	1,550,000	1,159,000
Transfer to General Fund	4,250,000	0	0	0	0
<b>Total Expenditures</b>	<b>5,221,034</b>	<b>1,108,750</b>	<b>3,718,750</b>	<b>1,550,000</b>	<b>1,159,000</b>
<b>Ending Balance</b>	<b>5,471,928</b>	<b>5,080,421</b>	<b>4,862,150</b>	<b>10,013,150</b>	<b>10,079,150</b>



# Supplemental Pension Fund Balance Analysis

	1999 Actual	2000 Actual	2001 Actual	2002 Estimate	2003 Tax Budget
Beginning Balance	1,187,483	1,107,662	1,040,217	960,261	861,261
Revenue					
Investment Income	65,528	70,058	63,052	33,000	39,000
<b>Total Revenue</b>	<b>65,528</b>	<b>70,058</b>	<b>63,052</b>	<b>33,000</b>	<b>39,000</b>
<b>Total Resources</b>	<b>1,253,011</b>	<b>1,177,720</b>	<b>1,103,269</b>	<b>993,261</b>	<b>900,261</b>
Expenditures					
Benefit Payments	145,349	137,503	133,770	132,000	130,000
Other Expenditures	0	0	9,238	0	0
<b>Total Expenditures</b>	<b>145,349</b>	<b>137,503</b>	<b>143,008</b>	<b>132,000</b>	<b>130,000</b>
<b>Ending Balance</b>	<b>1,107,662</b>	<b>1,040,217</b>	<b>960,261</b>	<b>861,261</b>	<b>770,261</b>

## Law Enforcement Fund Balance Analysis

	1999 Actual	2000 Actual	2001 Actual	2002 Estimate	2003 Tax Budget
<b>Beginning Balance</b>	177,504	116,332	140,376	216,533	230,633
<b>Revenue</b>					
Law Enforcement Revenue	6,931	17,078	6,481	10,000	10,000
Investment Income	8,073	6,966	120,747	4,100	4,800
<b>Total Revenue</b>	15,004	24,044	127,228	14,100	14,800
<b>Total Resources</b>	192,508	140,376	267,604	230,633	245,433
<b>Expenditures</b>					
Capital	76,176	0	51,071	0	0
<b>Total Expenditures</b>	76,176	0	51,071	0	0
<b>Ending Balance</b>	116,332	140,376	216,533	230,633	245,433

## RTA Capital Fund Balance Analysis

	1999	2000	2001	2002	2003
	Actual	Actual	Actual	Estimate	Tax Budget
<b>Beginning Balance</b>	6,809,597	6,692,373	7,421,644	5,744,142	4,730,671
<b>Revenue</b>					
Transfer from General Fund	5,676,584	8,124,815	6,364,000	4,254,530	0
Investment Income	233,018	178,856	409,802	232,000	200,000
Other Income	0	0	7,366	0	0
<b>Total Revenue</b>	5,909,602	8,303,671	6,781,168	4,486,530	200,000
<b>Total Resources</b>	12,719,199	14,996,044	14,202,812	10,230,671	4,930,671
<b>Expenditures</b>					
Routine Capital	2,468,550	3,299,985	2,014,466	2,250,000	2,250,000
Asset Maintenance	1,258,276	1,274,415	1,217,292	1,250,000	1,250,000
Other Expenditures	0	0	26,912	0	0
Transfer to RTA Development Fund	2,300,000	3,000,000	5,200,000	2,000,000	0
<b>Total Expenditures</b>	6,026,826	7,574,400	8,458,670	5,500,000	3,500,000
<b>Ending Balance</b>	6,692,373	7,421,644	5,744,142	4,730,671	1,430,671

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# RTA Development Fund Balance Analysis

	1999 Actual	2000 Actual	2001 Actual	2002 Estimate	2003 Tax Budget
<b>Beginning Balance</b>	23,190,813	13,958,867	10,112,468	35,310,401	25,214,881
<b>Revenue</b>					
General Obligation Debt Proceeds	0	0	30,076,381	0	0
State Infrastructure Bank Loan	0	4,439,709	2,460,292	0	0
Transfer from RTA Capital Fund	2,300,000	3,000,000	5,200,000	2,000,000	0
Investment Income	1,076,664	979,336	387,604	711,000	384,000
Federal Capital Grants	27,196,159	31,256,602	42,523,635	63,122,255	69,984,050
State Capital Grants	10,300,506	8,944,439	9,890,942	4,611,350	14,132,779
Other	44,843	3,844,031	1,051,501	13,000,000	8,200,000
<b>Total Revenue</b>	40,918,172	52,464,117	91,590,355	83,444,606	92,700,829
<b>Total Resources</b>	64,108,985	66,422,984	101,702,823	118,755,006	117,915,710
<b>Expenditures</b>					
Capital Outlay	50,150,118	56,226,738	65,881,137	86,229,126	102,172,963
Other	0	4,284	11,285	0	0
Transfer to Bond Retirement Fund	0	79,494	500,000	711,000	3,946,000
Transfer to Insurance Fund	0	0	0	6,600,000	1,000,000
<b>Total Expenditures</b>	50,150,118	56,310,516	66,392,422	93,540,126	107,118,963
<b>Ending Balance</b>	13,958,867	10,112,468	35,310,401	25,214,881	10,796,747



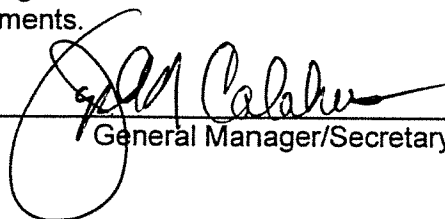
Greater Cleveland Regional Transit Authority  
**STAFF SUMMARY AND COMMENTS**

H-2

TITLE/DESCRIPTION:  A RESOLUTION ADOPTING THE TAX BUDGET OF THE GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY FOR THE FISCAL YEAR BEGINNING JANUARY 1, 2003 AND SUBMITTING THE SAME TO THE COUNTY AUDITOR	Resolution No.: 2002 - 130
	Date: July 10, 2002
	Initiator: OMB
ACTION REQUEST: <input checked="" type="checkbox"/> Approval <input type="checkbox"/> Review/Comment <input type="checkbox"/> Information Only <input type="checkbox"/> Other _____	

- 1.0 PURPOSE/SCOPE: This action will allow the Authority to adopt the Tax Budget of the GCRTA for the fiscal year beginning January 1, 2003 and submit the same to the County Auditor.
- 2.0 DESCRIPTION/JUSTIFICATION: This action is taken as a matter of recommended policy for reasons cited below in part 8.0.
- 3.0 PROCUREMENT BACKGROUND: Does not apply.
- 4.0 DBE/AFFIRMATIVE ACTION BACKGROUND: Does not apply.
- 5.0 POLICY IMPACT: Although the GCRTA is not legally required to prepare a Tax Budget, it is done as a measure of sound fiscal policy. To not adopt the Tax Budget would demonstrate a lower level of financial responsibility.
- 6.0 ECONOMIC IMPACT: This establishes the estimates of revenue for the year and defines in very broad terms the limits of expenditures anticipated.
- 7.0 ALTERNATIVES: Do not adopt and file the 2003 Tax Budget.
- 8.0 RECOMMENDATION: It is recommended that the 2003 Tax Budget be adopted and filed for several reasons. The report demonstrates timely budgeting and appropriation procedures. It is an element of financial stability that may bolster the Authority's credit rating. It also fosters communication and is a good preliminary budget exercise.
- 9.0 ATTACHMENTS: 2003 Budget Assumptions and Fund Statements.

Recommended and certified as appropriate to the availability of funds, legal form and conformance with the Procurement requirements.



General Manager/Secretary-Treasurer

**2003**

H-3

# **Greater Cleveland Regional Transit Authority**



## **Tax Budget**

**July 2, 2002**



**Greater Cleveland Regional Transit Authority**

Greater Cleveland Regional Transit Authority  
2003 TAX BUDGET ASSUMPTIONS

GENERAL FUND ASSUMPTIONS

Inflation

**Assumption:** 3.0-3.5%

**Rationale:**

According to economic analyses including sources such as the Federal Reserve Bank's Beige Book and the Bureau of Labor Statistics, inflation recently showed gains above 3%, and over a 12 month period has averaged under 4%. For future inflation expectations, the Fourth District Federal Reserve points to the University of Michigan's household inflation expectations data suggesting an increase of just over 3% for the next 12 months and more than 3.5% over the next five years. Although some economists are placing inflation at much lower rates, the tax budget assumes the more fiscally conservative projections.

Interest Rates

**Assumption:** 2.3-2.5%

**Rationale:**

At the end of June of 2002, the target rate for federal funds remained constant at 1.75%, while the market yield on 2-year Treasury Notes decreased to 2.87%. Interest rates are expected to remain unchanged through the remainder of 2002 and increase slightly in 2003. During the first five months of 2002, the Authority earned an average yield of 2.66%. Average yields during the remainder of 2002 are expected to decrease somewhat; however, a slight increase is expected during 2003.

The specific rate used in calculating revenue projections depends on the fund being examined and the terms of the matching investment instruments. For example, the General Fund

and the RTA Development funds have the shortest average maturity due to the need for these funds to meet current obligations for the Authority's operating and capital needs. Therefore, the investments in these funds will be toward the lower end of the range.

### Beginning Balance

The beginning balance for each of the five years shown is intended to represent unrestricted cash and investments.

### Available Ending Balance

The 2003 available ending balance is projected to be \$3.9 million. Again, as in recent years, it is clear that the Authority's policy of maintaining a reserve equal to one month's operating expenses in the General Fund will not be satisfied. Slower or even negative revenue performance relative to expenditure growth, particularly sales tax, is primarily responsible for non-compliance with this policy indicator.

## REVENUES

### Passenger Fares

**Assumption:** **\$41.2 million**

**Rationale:**

Actual Passenger Fare revenue through May 2002 is down 1.24% compared to prior year and total ridership is down 7.1% compared to prior year. The difference in percentage change between ridership and revenue can be attributed mostly to a timing difference in payments as nearly \$1.0 million of 2001 revenue was received in 2002. At year-end, the anticipated decline in annual ridership for 2002 is expected to be closer to 4.5% below 2001 levels. Combined with the timing difference in payments, the total 2002 Revenue is projected to be \$41.0 million.

The 2003 estimate for ridership increases by 2.25% over anticipated 2002 levels. This increase is expected due to a



recovering economy and continued effort by RTA to increase the level and quality of service to Cuyahoga County. Even with the anticipation of higher ridership, Passenger Fare revenue will increase less than 1% due to the timing of payments. Total Passenger Fares in 2003 are estimated at \$41.2 million.

**Advertising Revenue**

***Assumption:*** **\$1.4. million**

***Rationale:***

A new advertising contract was entered into in late 2001. The 2002 advertising revenue has been increased over budget due to timing differences in payments. The 2002 estimate and the 2003 budget are based on the guaranteed contract amounts. Nevertheless, GCRTA will receive additional payments if the advertising firm exceeds the minimum space. Other revenues in this category are from concessions, the Logo Shop and vending sales.

**Sales Tax**

***Assumption:*** **\$158.8 million**

***Rationale:***

The weaker economy has resulted in less favorable receipts during the first half of 2002 as compared to recent years. The year-to-date Sales and Use Tax revenue is down by 3.76% through June of 2002, although, the month of June itself saw a 1.35% increase in revenue over 2001. The Federal Reserve Bank Beige Book indicates that retail sales for the economy are still showing mixed results. It also indicates that sales in the Fourth District have been generally lower than the rest of the country. Automobile sales have been much steadier in 2002 than in 2001. The Ohio Office of Budget and Management (OBM) reports that non-auto Sales Tax have experienced a level of stability over the last four months and remains close to expectations. Overall, payments to the state's coffers have slightly exceeded the estimate for Sales and Use Tax, mostly due to strong auto sales that have exceeded estimates.

This activity indicates improved economic conditions and upbeat consumer spending.

According to the State OBM the remaining 2002 Statewide estimate for Sales and Use Tax is expected to rise slightly above 2001 levels, approximately 1.5%, with bigger gains near the end of the year. Based on the anticipated increased gains, the State OBM expects 2003 to increase by approximately 3.5%, potentially reaching 4-5% increases near the end of 2003. Nevertheless, considering Cuyahoga County's economic condition, GCRTA's projections for 2002 remain pessimistic at -2.0% with recovery expected in 2003 at 3.0%.

**State Operating Assistance**

***Assumption: Elderly and Handicapped \$560,000***

***Rationale:***

Funding levels for 2003 are expected at slightly lower levels than in 2002 for Elderly and Handicapped Assistance as a result of overall lower ridership, which is the largest factor in the distribution formula.

**Access to Jobs**

***Assumption: \$1.85 million***

***Rationale:***

The Access to Jobs program will continue in 2003 to correspond with Welfare to Work initiatives. Most of the funding for this program in 2003 will be received in the form of grants from FTA, ODOT, TANF and through strong partnerships with the County and NOACA. Funding in the outyears, however, remains uncertain.

**Investment Income**

**Assumption:** **\$350,000**

**Rationale:**

An average balance of \$15 million in the General Fund should earn about \$350,000 or 2.30% during 2003. For all funds, approximately \$1.3 million should be earned.

**Other Revenue**

**Assumption:** **\$1.0 million**

**Rationale:**

The 2003 Tax Budget assumes no unusual claims or receivables in the other revenue category and therefore mirrors the 2002 estimate. This revenue category normally consists of various claim reimbursements, rental income, salvage sales, and identification card proceeds.

**Reimbursed Expenditures**

**Assumption:** **\$20.0 million**

**Rationale:**

This category is composed of grant labor and materials reimbursements, capitalized operating assistance reimbursements, and diesel fuel tax refunds. In this latter category, RTA will recoup \$.21 per gallon from diesel fuel taxes, or \$1.1 million. The estimate also assumes no real changes in service miles or fuel consumption patterns beyond the impact of the service changes implemented in 2002. In addition, \$3.4 million is budgeted for reimbursements to the General Fund from the Capital Fund for labor related to capital projects and \$15.5 million for other capitalized operating expenditures.

**EXPENDITURES**

**Personnel Services**

**Assumption:** **\$163.7 million**

**Rationale:**

The 2003 estimate for salaries and fringe benefits is shown at a higher level compared to the projection in the adopted 2002 operating budget for 2003. It has been adjusted to reflect first quarter and subsequent projections for 2002. The basis for the 2003 assumption is the continuation of existing service levels and equates to a 2.8% increase over 2002 estimated expenditures.

It accounts for all negotiated bargaining unit wage increases as well as a non-bargaining wage adjustment. The estimate also reflects expected increases in health care costs and changes in other fringe benefits. In addition, it assumes payout levels for the TEAM incentive program.

**Other Expenditures**

**Assumption:** **\$53.6 million**

**Rationale:**

In total, this category of operating costs will increase 2.6% in 2003, which includes some inflationary increases, but no new programming. This estimate is also higher as compared to the 2003 budgeted level projected in the 2002 approved operating budget. It represents the continuation of existing service levels and the associated increases in the cost of delivering that service.

**Transfers**

**Assumption:** **Bond Retirement.....\$7.9 million**  
**Capital Improvements.....\$0.0 million**

**Rationale:**

Figures shown for the bond retirement "set-aside" are simply debt service less both the investment income earned in the Bond Retirement Fund and the transfer from the Capital Fund. The interest and principal payments on outstanding bonds are taken from debt amortization schedules. No debt issue is planned for

2002 as \$30 million was issued in late 2001 and will continue to be drawn down through 2003. This has resulted in higher debt service payments in 2002 and beyond.

The Contribution to Capital transfers cover local Asset Maintenance and Routine Capital purchases, as well as required local matches for some grant-funded projects. There is no transfer planned to Capital in 2003 as revenue from the "Lease to Service" is utilized to support the capital program. Therefore, the \$7.9 million for debt payments represents the entire amount necessary for 2003 thus only requiring a 5% contribution level from sales tax. Unfortunately however, this level does not meet board policy.

## FINANCIAL INDICATORS

The General Fund statement presented in this Tax Budget results in the following performance against the Authority's financial policies.

### REVENUES

**Operating Ratio:** The policy requires a 25.0% ratio. The tax budget yields a 20.0% ratio, which is below the policy objective. This indicator continues to be a warning that self-generated revenues are growing at a significantly slower rate than expenditures.

**Fare Subsidy (Net Cost) Per Passenger:** This indicator, at \$3.06 will not meet the policy ceiling of three times the average fare (\$0.73), again an indication that self-generated revenues are not growing at the same rate as expenditures.

### EXPENDITURES

**Operating Reserve:** At \$3.9 million or 0.2 month, this budget does not meet the policy requirement of a one-month operating reserve (indicator=1.0) which is an indication that overall revenues are not sufficient to cover expenditure growth. Nevertheless, this level is nearly identical to 2002.

**Overhead Cost vs. Total Cost:** This indicator, at 12.7%, is well below the policy maximum of 15%, indicating that overhead costs are being kept low.

**Cost/Hour:** This policy requires that growth in the cost per hour of service from year to year be kept at or below the rate of inflation. This budget assumes a 2.9% growth in the cost per hour which is much lower than the upper limit of the 2003 inflation rate, thus demonstrating fiscal restraint related to the cost of service delivery.

**DEBT STRUCTURES**

**Debt Service Coverage:** At 1.00, this indicator misses the policy minimum of 1.50. This is a result of the increase in debt service requirement stemming from higher debt levels relative to the decrease in the ending balance.

**CAPITAL OUTLAY**

**Sales Tax Contribution to Capital:** Policy requires that at least 10% of sales tax receipts be applied to capital programs. The 2003 contribution to capital funds is planned at \$7.9 million and will be set aside for debt service. This represents a 5.0% contribution level, which does not meet the policy level. However, as a result of an infusion of revenue from a "Lease to Service" transaction, the full 10% is not needed in the capital fund for 2003.

**Capital Maintenance to Expansion:** At 56.4%, this ratio is projected to be within policy guidelines of 33% to 67%, indicating a sufficient balance between the two capital expenditure types.

**BOND RETIREMENT FUND**

The General and Capital Funds will be the sources of fund transfers necessary to make scheduled interest and principal payments on the \$126.2 million in current debt which will remain outstanding at the end of 2002. The last series of existing long-term debt will expire in 2021.

## INSURANCE FUND

The Insurance Fund was restructured in 1999 to reflect a combination of self and purchased insurance coverage. Activity expected in 2003 includes investment income of \$225,000 as well as claim and premium outlays totaling close to \$1.2 million. A transfer from the RTA Development Fund of \$6.6 million in 2002 is necessary to restore an ending balance of \$10.0 million. Although the current required level is only \$5.0 million, the attainment of a \$10.0 million balance will offer flexibility relating to the purchase of insurance coverage in a very difficult insurance market, which resulted in a 100% increase in premiums for 2002. The transfer is possible as a result of additional funds available from the "Lease to Service" transaction.

## SUPPLEMENTAL PENSION FUND

Authority employees who were employed by predecessor transit systems are covered by supplemental benefit payments. Since the plan is fully funded, the only activity is investment income and benefit payments. Investment rates are estimated at \$39,000 in 2003 with benefit payments at \$130,000.

## LAW ENFORCEMENT FUND

In 1988, RTA became involved with the multi-jurisdictional Caribbean/Gang Task Force. RTA's involvement was prompted by the increased gang activity found in and around the rail system and the need to obtain intelligence in this area. In addition to the benefits of intelligence gathering and improved inter-department relations, RTA derives revenue from seized and confiscated moneys and/or properties of convicted drug dealers prosecuted by the Task Force.

Revenue obtained through the Task Force can be expended for non-budgeted police items. The Authority uses these proceeds for unbudgeted capital items. Furthermore, certain guidelines have been instituted by the State Attorney General's Office for the reporting of and disbursement of funds. No expenditures are assumed in 2003 at this time. The only activity expected in this fund is investment earnings of \$4,800 and Law Enforcement revenue of \$10,000.

## CAPITAL IMPROVEMENT FUNDS

The majority of Capital Improvement projects are funded through grants. Funds needed to meet the local share requirements of federal and other grants as well as funds needed for locally-funded capital projects are provided through the retention of investment earnings and contributions from sales tax proceeds as well as debt sales. In addition, 2002 and 2003 will see revenue in the form of "Lease to Service" proceeds. This will amount to \$12.0 million in 2002 and \$8.0 million in 2003.

The 2002 and 2003 estimated capital outlays are predicated on year-to-date outlays, obligations and projected commitments as well as the approved five-year Capital Improvement Plan. Grant revenue projected includes current as well as expected grant awards. In 2003, maintenance projects include track, bridge, and station rehabilitations, major equipment expenditures include the purchase of buses and the overhaul of the Light Rail vehicles, and the expansion projects include continued progress on the Euclid Corridor Transportation Project.



# 2003 Tax Budget General Fund Balance Analysis

	1999 Actual	2000 Actual	2001 Actual	2002 Estimate	2003 Tax Budget
<b>Beginning Balance</b>	11,753,987	11,051,834	11,294,115	10,470,867	3,983,683
<b>Revenue</b>					
Passenger Fares	41,790,115	41,588,902	40,061,733	40,999,000	41,229,000
Advertising & Concessions	1,855,374	2,466,421	1,620,907	1,700,000	1,400,000
Sales & Use Tax	151,265,961	160,748,146	158,097,740	154,145,297	158,770,000
Federal Operating Assistance	0	0	0	0	0
State Operating Assistance	0	0	0	0	0
Ohio Elderly Fare Assistance	567,579	291,303	896,796	583,000	560,000
Access to Jobs Grants	91,508	529,593	1,989,494	1,790,500	1,850,000
Investment Income	905,016	1,063,120	711,620	250,000	350,000
Other Revenue	838,316	834,720	1,034,538	1,000,000	1,000,000
Reimbursed Expenditures	12,231,597	15,931,228	21,923,404	19,880,000	20,000,000
Transfer From Insurance Fund	4,250,000	0	0	0	0
<b>Total Revenue</b>	<b>213,795,466</b>	<b>223,453,433</b>	<b>226,336,232</b>	<b>220,347,797</b>	<b>225,159,000</b>
<b>Total Resources</b>	<b>225,549,453</b>	<b>234,505,267</b>	<b>237,630,347</b>	<b>230,818,664</b>	<b>229,142,683</b>
<b>Operating Expenditures</b>					
Personnel Services	150,565,118	156,422,620	158,124,141	159,235,461	163,730,993
Other Expenditures	48,797,501	50,313,717	49,771,339	52,184,989	53,555,465
<b>Total Operating Expenditures</b>	<b>199,362,619</b>	<b>206,736,337</b>	<b>207,895,480</b>	<b>211,420,450</b>	<b>217,286,458</b>
<b>Transfer to the Insurance Fund</b>	<b>0</b>	<b>400,000</b>	<b>3,350,000</b>	<b>0</b>	<b>0</b>
<b>Transfers to Capital</b>					
Bond Retirement Fund	8,756,263	7,950,000	9,550,000	8,927,347	7,872,542
Capital Improvement Funds	5,676,584	8,124,815	5,540,752	0	0
<b>Total Transfers to Capital</b>	<b>14,432,847</b>	<b>16,074,815</b>	<b>15,090,752</b>	<b>8,927,347</b>	<b>7,872,542</b>
<b>Total Expenditures</b>	<b>213,795,466</b>	<b>223,211,152</b>	<b>226,336,232</b>	<b>220,347,797</b>	<b>225,159,000</b>
<b>Ending Balance</b>	<b>11,753,987</b>	<b>11,294,115</b>	<b>11,294,115</b>	<b>10,470,867</b>	<b>3,983,683</b>
<b>Additional Transfer to Bond Retirement</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,232,653</b>	<b>65,958</b>
<b>Additional Transfer to Capital Improvement</b>	<b>702,153</b>	<b>0</b>	<b>823,248</b>	<b>4,254,530</b>	<b>0</b>
<b>Available Ending Balance</b>	<b>11,051,834</b>	<b>11,294,115</b>	<b>10,470,867</b>	<b>3,983,683</b>	<b>3,917,725</b>

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## 2003 Tax Budget Financial Indicators

	1999 Actual	2000 Actual	2001 Actual	2002 Estimate	2003 Tax Budget
<b>REVENUES</b>					
Operating Ratio	22.5%	22.0%	20.6%	20.6%	20.0%
Fare Subsidy (Net Cost) Per Passenger	\$2.63	\$2.77	\$2.85	\$3.02	\$3.06
Average Fare	\$0.70	\$0.70	\$0.69	\$0.74	\$0.73
<b>EXPENDITURES</b>					
Operating Reserve (Months)	0.7	0.7	0.6	0.2	0.2
Overhead Cost vs. Total Cost	11.9%	12.4%	11.5%	12.9%	12.7%
Cost/Hour of Service	\$77.85	\$78.10	\$80.26	\$84.81	\$87.27
Growth per Year	2.9%	0.3%	2.5%	5.7%	2.9%
<b>DEBT STRUCTURES</b>					
Debt Service Coverage	2.29	2.19	2.15	1.27	1.00
<b>CAPITAL OUTLAY</b>					
Sales Tax Contribution to Capital	9.5%	10.0%	10.1%	10.0%	5.0%
Capital Maintenance to Expansion	86.3%	79.2%	84.2%	75.2%	56.4%

### Definitions:

Operating Ratio = Operating Revenue (Fares + Advertising + Interest) / Total Operating Expenditures  
 Fare Subsidy (Net Cost) Per Passenger = (Total Operating Expenditures/Ridership) - (Fares/Ridership)  
 Operating Reserve = Available Ending Balance / (Total Operating Expenditures/12)  
 Overhead Cost vs. Total Cost = Operating Overhead Cost / Total Operating Cost  
 Cost/Hour of Service = Total Operating Expenditures / Total Service Hours  
 Debt Service Coverage = (Total Operating Revenues - Total Operating Expenditures) / Debt Service  
 Contribution to Capital = (Capital Improvements Contribution and Capital Improvement + Bond Retirement Transfers) / Sales & Use Tax Revenue  
 Capital Maintenance to Expansion = Capital Maintenance Outlay / Total Capital Outlay

4-15

# Bond Retirement Fund Balance Analysis

	1999	2000	2001	2002	2003
	Actual	Actual	Actual	Estimate	Tax Budget
<b>Beginning Balance</b>	779,459	759,930	1,154,451	974,344	1,002,387
<b>Revenue</b>					
Transfer from General Fund	8,756,263	7,950,000	9,550,000	11,160,000	7,938,500
Transfer from RTA Development Fund	0	79,494	500,000	711,000	3,946,000
Investment Income	179,447	280,791	106,327	106,000	124,000
<b>Total Revenue</b>	<b>8,935,710</b>	<b>8,310,285</b>	<b>10,156,327</b>	<b>11,977,000</b>	<b>12,008,500</b>
<b>Total Resources</b>	<b>9,715,169</b>	<b>9,069,215</b>	<b>10,271,778</b>	<b>12,951,344</b>	<b>13,010,887</b>
<b>Expenditures</b>					
Debt Service					
Principal	3,620,000	3,835,000	4,198,101	5,547,788	5,930,718
Interest	5,336,239	5,118,764	5,099,333	6,401,169	6,073,971
<b>Total Expenditures</b>	<b>8,956,239</b>	<b>8,953,764</b>	<b>9,297,434</b>	<b>11,948,957</b>	<b>12,004,689</b>
<b>Ending Balance</b>	<b>758,930</b>	<b>1,154,451</b>	<b>974,344</b>	<b>1,002,387</b>	<b>1,006,198</b>

H-16

# Insurance Fund Balance Analysis

	1999	2000	2001	2002	2003
	Actual	Actual	Actual	Estimate	Tax Budget
<b>Beginning Balance</b>	10,228,659	5,471,928	5,080,421	4,862,150	10,013,150
<b>Revenue</b>					
Investment Income	464,303	315,825	150,479	101,000	225,000
Transfer from General Fund	0	400,000	3,350,000	0	0
Transfer from RTA Development Fund	0	0	0	6,600,000	1,000,000
Other Income	0	1,418	0	0	0
<b>Total Revenue</b>	464,303	717,243	3,500,479	6,701,000	1,225,000
<b>Total Resources</b>	10,692,962	6,189,171	8,580,900	11,563,150	11,238,150
<b>Expenditures</b>					
Claims and Premium Outlay	971,034	1,108,750	3,718,750	1,550,000	1,159,000
Transfer to General Fund	4,250,000	0	0	0	0
<b>Total Expenditures</b>	5,221,034	1,108,750	3,718,750	1,550,000	1,159,000
<b>Ending Balance</b>	5,471,928	5,080,421	4,862,150	10,013,150	10,079,150

H-17

# Supplemental Pension Fund Balance Analysis

	1999 Actual	2000 Actual	2001 Actual	2002 Estimate	2003 Tax Budget
<b>Beginning Balance</b>	1,187,483	1,107,662	1,040,217	960,261	861,261
<b>Revenue</b>					
Investment Income	65,528	70,058	63,052	33,000	39,000
<b>Total Revenue</b>	65,528	70,058	63,052	33,000	39,000
<b>Total Resources</b>	1,253,011	1,177,720	1,103,269	993,261	900,261
<b>Expenditures</b>					
Benefit Payments	145,349	137,503	133,770	132,000	130,000
Other Expenditures	0	0	9,238	0	0
<b>Total Expenditures</b>	145,349	137,503	143,008	132,000	130,000
<b>Ending Balance</b>	1,107,662	1,040,217	960,261	861,261	770,261

H-18

# Law Enforcement Fund Balance Analysis

	1999 Actual	2000 Actual	2001 Actual	2002 Estimate	2003 Tax Budget
<b>Beginning Balance</b>	177,504	116,332	140,376	216,533	230,633
<b>Revenue</b>					
Law Enforcement Revenue	6,931	17,078	6,481	10,000	10,000
Investment Income	8,073	6,966	120,747	4,100	4,800
<b>Total Revenue</b>	15,004	24,044	127,228	14,100	14,800
<b>Total Resources</b>	192,508	140,376	267,604	230,633	245,433
<b>Expenditures</b>					
Capital	76,176	0	51,071	0	0
<b>Total Expenditures</b>	76,176	0	51,071	0	0
<b>Ending Balance</b>	116,332	140,376	216,533	230,633	245,433

H-19

# RTA Capital Fund Balance Analysis

	1999	2000	2001	2002	2003
	Actual	Actual	Actual	Estimate	Tax Budget
<b>Beginning Balance</b>	6,809,597	6,692,373	7,421,644	5,744,142	4,730,671
<b>Revenue</b>					
Transfer from General Fund	5,676,584	8,124,815	6,364,000	4,254,530	0
Investment Income	233,018	178,856	409,802	232,000	200,000
Other Income	0	0	7,366	0	0
<b>Total Revenue</b>	<b>5,909,602</b>	<b>8,303,671</b>	<b>6,781,168</b>	<b>4,486,530</b>	<b>200,000</b>
<b>Total Resources</b>	<b>12,719,199</b>	<b>14,996,044</b>	<b>14,202,812</b>	<b>10,230,671</b>	<b>4,930,671</b>
<b>Expenditures</b>					
Routine Capital	2,468,550	3,299,985	2,014,466	2,250,000	2,250,000
Asset Maintenance	1,258,276	1,274,415	1,217,292	1,250,000	1,250,000
Other Expenditures	0	0	26,912	0	0
Transfer to RTA Development Fund	2,300,000	3,000,000	5,200,000	2,000,000	0
<b>Total Expenditures</b>	<b>6,026,826</b>	<b>7,574,400</b>	<b>8,458,670</b>	<b>5,500,000</b>	<b>3,500,000</b>
<b>Ending Balance</b>	<b>6,692,373</b>	<b>7,421,644</b>	<b>5,744,142</b>	<b>4,730,671</b>	<b>1,430,671</b>

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# RTA Development Fund Balance Analysis

	1999	2000	2001	2002	2003
	Actual	Actual	Actual	Estimate	Tax Budget
<b>Beginning Balance</b>	<b>23,190,813</b>	<b>13,958,867</b>	<b>10,112,468</b>	<b>35,310,401</b>	<b>25,214,881</b>
<b>Revenue</b>					
General Obligation Debt Proceeds	0	0	30,076,381	0	0
State Infrastructure Bank Loan	0	4,439,709	2,460,292	0	0
Transfer from RTA Capital Fund	2,300,000	3,000,000	5,200,000	2,000,000	0
Investment Income	1,076,664	979,336	387,604	711,000	384,000
Federal Capital Grants	27,196,159	31,256,602	42,523,635	63,122,255	69,984,050
State Capital Grants	10,300,506	8,944,439	9,890,942	4,611,350	14,132,779
Other	44,843	3,844,031	1,051,501	13,000,000	8,200,000
<b>Total Revenue</b>	<b>40,918,172</b>	<b>52,464,117</b>	<b>91,590,355</b>	<b>83,444,606</b>	<b>92,700,829</b>
<b>Total Resources</b>	<b>64,108,985</b>	<b>66,422,984</b>	<b>101,702,823</b>	<b>118,755,006</b>	<b>117,915,710</b>
<b>Expenditures</b>					
Capital Outlay	50,150,118	56,226,738	65,881,137	86,229,126	102,172,963
Other	0	4,284	11,285	0	0
Transfer to Bond Retirement Fund	0	79,494	500,000	711,000	3,946,000
Transfer to Insurance Fund	0	0	0	6,600,000	1,000,000
<b>Total Expenditures</b>	<b>50,150,118</b>	<b>56,310,516</b>	<b>66,392,422</b>	<b>93,540,126</b>	<b>107,118,963</b>
<b>Ending Balance</b>	<b>13,958,867</b>	<b>10,112,468</b>	<b>35,310,401</b>	<b>25,214,881</b>	<b>10,796,747</b>

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