

RESOLUTION NO. 2003 – 185

A RESOLUTION TO MAKE APPROPRIATIONS FOR THE CURRENT EXPENSES AND OTHER EXPENDITURES OF THE GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY DURING THE YEAR 2004

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

Section 1: That the appropriations for the current expenses and other expenditures of the Greater Cleveland Regional Transit Authority during the period of January 1, 2004, through December 31, 2004, are as indicated below in order that the amount expended and encumbered in each classification during the fiscal year for which such appropriations are made and they are hereby set aside and appropriated:

GENERAL FUND

OPERATIONS DIVISION

31	PARATRANSIT DISTRICT	
	Personnel Services	9,116,581
	Other Expenditures	<u>2,827,114</u>
		11,943,695
32	RAIL DISTRICT	
	Personnel Services	25,782,154
	Other Expenditures	<u>7,543,628</u>
		33,325,782
34	TRANSIT POLICE	
	Personnel Services	6,865,252
	Other Expenditures	<u>599,772</u>
		7,465,024
35	SERVICE MANAGEMENT	
	Personnel Services	8,323,544
	Other Expenditures	<u>7,605,814</u>
		15,929,358
39	FLEET MANAGEMENT	
	Personnel Services	12,628,676
	Other Expenditures	<u>19,004,251</u>
		31,632,927
43	SATELLITES AND PASS THRU	
	Personnel Services	0
	Other Expenditures	<u>8,461,844</u>
		8,461,844

46	HAYDEN DISTRICT	
	Personnel Services	27,480,015
	Other Expenditures	<u>103,775</u>
		27,583,790
47	HARVARD DISTRICT	
	Personnel Services	26,316,049
	Other Expenditures	<u>119,975</u>
		26,436,024
49	TRISKETT DISTRICT	
	Personnel Services	27,872,330
	Other Expenditures	<u>60,275</u>
		27,932,605
	DIVISION TOTAL	\$190,711,049

FINANCE & ADMINISTRATION DIVISION

60	ACCOUNTING	
	Personnel Services	1,304,067
	Other Expenditures	<u>24,700</u>
		1,328,767
61	INFORMATION SERVICES	
	Personnel Services	1,781,221
	Other Expenditures	<u>1,454,857</u>
		3,236,078
62	SUPPORT SERVICES	
	Personnel Services	603,062
	Other Expenditures	<u>669,350</u>
		1,272,412
64	PROCUREMENT	
	Personnel Services	1,694,246
	Other Expenditures	<u>104,950</u>
		1,799,196
65	REVENUE	
	Personnel Services	1,300,668
	Other Expenditures	<u>940,450</u>
		2,241,118
	DIVISION TOTAL	\$9,877,571

Section 2: That transfers of funds may be made in this appropriation budget from one division to another, or within a division from one department to another, or from one line item to another, and shall be reported to the Board within thirty days after the end of the month in which said transfer occurred.

Section 3: That as part of this appropriation, the General Manager is granted the authority to upgrade or downgrade positions within the Authority provided the total number of positions approved in the budget is not exceeded. Furthermore, the General Manager may transfer positions from one department to another so long as the total number of positions approved in the budget is not exceeded.

Section 4: That this resolution from time to time may be amended in order to appropriate additional monies that may be received in 2004.

Section 5: That this resolution shall become effective immediately upon its adoption.

Adopted: _____ December 16 _____, 2003

Attest: _____
CEO/General Manager/Secretary-Treasurer

President



Greater Cleveland Regional Transit Authority
STAFF SUMMARY AND COMMENTS

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TITLE/DESCRIPTION: A RESOLUTION TO MAKE APPROPRIATIONS FOR THE CURRENT EXPENSES AND OTHER EXPENDITURES OF THE GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY DURING THE YEAR 2004	Resolution No.: 2003 - 1855
	Date: December 11, 2003
	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 authorize an Appropriations Budget for Fiscal Year 2004 for operation of the transit system; for required fund transfers for capital improvements, bond retirement, and to maintain the Insurance Fund minimum balance; for a Capital Budget covering locally-funded and grant-funded projects; and for the Bond Retirement, Insurance and Pension Funds.

2.0 **DESCRIPTION/JUSTIFICATION:** Fiscal year 2004 begins January 1, 2004 and ends December 31, 2004. The process for developing the operating and capital budgets for FY 2004 began in July, 2003, and involved extensive staff analysis and preparation, four meetings of the Board's Finance Committee on the 2004 Budget, and two Public Hearings on December 2 and 16, 2003. The budgets and fund transfers proposed for adoption herein represent the Authority's spending plans for operation of the transit system and capital improvements to the transit system in FY 2004.

3.0 **PROCUREMENT BACKGROUND:** Does not apply.

4.0 **DBE/AFFIRMATIVE ACTION BACKGROUND:** Does not apply.

5.0 **POLICY IMPACT:** The proposed 2004 Budget funds existing levels of service. This budget reflects a net increase in staffing of 11 positions, nearly all of which are related to reorganization/re-engineering efforts and service efficiencies. The total operating expenditure growth is 2.7%, which mostly reflects costs related to compensation issues and inflation. The proposed Operating Budget meets two of the five Board Policy Goals. The operating reserve at the end of 2004 is projected to be 0.2 of one month's operating expenditures, or \$ 3.0 million. The Operating Budget revenue assumes no fare increase for regular bus and rail service, but does include assumptions for fare policy changes.

The 2004 Capital Budget provides for the upkeep of the Authority's existing infrastructure, facilities and equipment and provides for the implementation of projects included in the Long-Range Plan.

6.0 **ECONOMIC IMPACT:** The proposed 2004 General Fund Appropriations Budget and Fund Transfers provide for spending \$241,206,219 on estimated resources of \$248,996,419. An additional transfer to the Capital Improvement Fund of \$4,788,997 leaves a year-end balance of \$3,001,203 as an operating reserve.

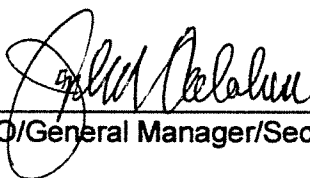
The 2004 Operating Budget includes the cost of wage and fringe benefit increases per the existing contracts for the ATU & FOP members.

The proposed 2004 Capital Budget provides for the spending of \$151,490,016 for capital improvement projects and purchases in FY 2004 and for the transfer of \$131,000 to the Bond Retirement Fund.

- 7.0 ALTERNATIVES: Modify the proposed 2004 Budget by adding or subtracting expenditures or revenues for specific activities, positions or programs.
- 8.0 RECOMMENDATION: The proposed 2004 Operating and Capital Budgets have been reviewed by the Finance Committee and are recommended for adoption by the Finance Committee. It is recommended that the Board approve the proposed FY 2004 Appropriations Budget, Fund Transfers, and Capital Budget, and budgets for the Bond Retirement, Insurance and Supplemental Pension Funds as proposed herein.
- 9.0 ATTACHMENTS:

- A General Fund Balance Analysis
- B Financial Indicators
- C Division Employment Level Analysis
- D Capital Improvement Plan
- E RTA Development Fund Balance Analysis
- F RTA Capital Fund Balance Analysis
- G Bond Retirement Fund Balance Analysis
- H Insurance Fund Balance Analysis
- I Supplemental Pension Fund Balance Analysis
- J Law Enforcement Fund Balance Analysis

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



CEO/General Manager/Secretary-Treasurer

General Fund Balance Analysis 2004 Proposed Budget

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Assumptions:

Passenger Fare Annual Growth =	-0.5%	-3.7%	-2.4%	-0.8%	2.0%	2.5%	3.0%
Sales Tax Annual Growth =	6.3%	-1.6%	0.2%	1.0%	3.0%	3.5%	4.0%
Operating Expenses Growth =	3.7%	0.6%	-0.6%	5.8%	2.7%	1.6%	3.4%
Capital Contribution =	16,074,815	15,914,000	15,845,596	17,894,552	20,320,233	19,871,405	20,648,196
	10.0%	10.1%	10.0%	11.2%	12.3%	11.7%	11.6%

	2000 Actual	2001 Actual	2002 Actual	2003 Estimate	2004 Budget	2005 Budget	2006 Budget
Beginning Balance	11,051,834	11,294,115	10,470,875	11,140,829	7,940,200	3,001,203	3,002,685
Revenue							
Passenger Fares	41,588,902	40,061,742	39,080,387	38,765,000	39,540,300	40,530,000	41,750,000
Advertising & Concessions	2,466,421	1,624,188	1,750,448	1,400,000	1,525,000	1,650,000	1,850,000
Sales & Use Tax	160,748,146	158,097,740	158,455,958	160,003,092	164,803,185	170,570,000	177,390,000
Ohio Elderly Fare Assistance	291,303	896,796	584,368	570,000	600,000	600,000	600,000
Access to Jobs Grants	529,593	2,119,746	2,107,909	2,067,000	2,439,734	2,512,926	2,588,314
Investment Income	1,063,120	711,620	261,244	171,213	178,000	241,000	269,000
Other Revenue	834,720	901,004	961,925	1,000,000	1,000,000	1,000,000	1,000,000
Reimbursed Expenditures	15,931,228	21,923,404	20,611,238	30,580,000	30,970,000	31,060,000	31,170,000
Transfer From Insurance Fund	0	0	0	0	0	0	0
Total Revenue	223,453,433	226,336,240	223,813,477	234,556,305	241,056,219	248,163,926	256,617,314
Total Resources	234,505,267	237,630,355	234,284,352	245,687,134	248,996,419	251,165,130	259,619,999
Operating Expenditures							
Personnel Services	156,422,620	158,124,141	156,798,361	164,698,995	165,711,592	167,854,382	173,813,212
Other Expenditures	50,313,717	49,771,339	49,949,566	54,013,387	58,813,391	60,336,658	62,146,758
Total Operating Expenditures	206,736,337	207,895,480	206,747,927	218,712,382	224,524,983	228,191,040	235,959,970
Transfer to the Insurance Fund	400,000	3,350,000	550,000	1,150,000	1,000,000	0	0
Transfer to the Pension Fund	0	0	0	0	150,000	100,000	0
Transfers to Capital							
Bond Retirement Fund	7,950,000	9,550,000	11,160,000	11,500,000	11,960,000	13,480,000	13,500,000
Capital Improvement Funds	8,124,815	5,540,760	4,685,596	3,193,923	3,571,236	6,391,405	7,148,196
SubTotal Transfers to Capital	16,074,815	15,090,760	15,845,596	14,693,923	15,531,236	19,871,405	20,648,196
Total Expenditures	223,211,152	226,336,240	223,143,523	234,556,305	241,206,219	248,162,445	256,608,166
Ending Balance	11,294,115	11,294,115	11,140,829	11,140,829	7,790,200	3,002,685	3,011,834
Additional Transfer to Bond Retirement	0	0	0	0	0	0	0
Additional Transfer to Capital Improvement	0	823,240	0	3,200,629	4,788,997	0	0
Available Ending Balance	11,294,115	10,470,875	11,140,829	7,940,200	3,001,203	3,002,685	3,011,834

Financial Indicators

2004 Proposed Budget

	2000 Actual	2001 Actual	2002 Actual	2003 Estimate	2004 Budget	2005 Budget	2006 Budget
REVENUES							
Operating Ratio	22.0%	20.6%	20.2%	18.8%	18.7%	18.9%	18.9%
Fare Subsidy (Net Cost) Per Passenger	\$2.77	\$2.85	\$3.11	\$3.31	\$3.31	\$3.24	\$3.21
Average Fare	\$0.70	\$0.69	\$0.74	\$0.73	\$0.72	\$0.71	\$0.70
EXPENDITURES							
Operating Reserve (Months)	0.7	0.6	0.7	0.4	0.2	0.2	0.2
Overhead Cost vs. Total Cost	12.4%	11.5%	12.5%	12.3%	12.4%	12.3%	12.3%
Cost/Hour of Service	\$78.27	\$81.75	\$85.43	\$89.46	\$90.77	\$92.23	\$95.38
Growth per Year	0.5%	4.5%	4.5%	4.7%	1.5%	1.6%	3.4%
DEBT STRUCTURES							
Debt Service Coverage	2.15	2.15	1.87	1.62	1.25	1.19	1.19
CAPITAL OUTLAY							
Sales Tax Contribution to Capital	10.0%	10.1%	10.0%	11.2%	12.3%	11.7%	11.6%
Capital Maintenance to Expansion	79.2%	84.2%	72.5%	79.0%	64.4%	49.2%	71.2%

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

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ATTACHMENT C

DIVISION EMPLOYMENT LEVEL ANALYSIS
AUTHORIZED STAFFING LEVEL

Division	2003 Authorized Positions	2004 Authorized Positions	Change 2003-2004
Operations	2,434	2,441	7
Finance & Administration	110	101	(9)
Engineering & Project Management	30	32	2
Legal Affairs	39	39	0
Human Resources & Business Development	41	41	0
Executive Departments	69	80	11
Union Officials	3	3	0
Total	2,726	2,737	11

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ATTACHMENT D

2004-2008 CAPITAL IMPROVEMENT PLAN

PROJECT CATEGORY	2004	2005	2006	2007	2008	TOTAL
Rail Projects	\$25,306,326	\$32,520,826	\$27,965,326	\$34,603,326	\$21,807,326	\$142,203,130
Bus Garages	\$6,950,000	\$1,145,000	\$2,137,500	\$0	\$10,150,000	\$20,382,500
Transit Centers	\$2,182,159	\$12,186,000	\$12,840,000	\$16,912,924	\$24,076,076	\$68,197,159
Facilities Improvements	\$5,910,000	\$3,764,000	\$12,966,000	\$6,467,000	\$1,300,000	\$30,407,000
Buses	\$14,613,600	\$23,190,600	\$18,356,600	\$8,085,600	\$8,116,600	\$72,363,000
Equipment, Vehicles, Furniture	\$18,808,431	\$3,175,450	\$2,137,200	\$2,275,000	\$8,538,900	\$34,934,981
Bus Rapid Transit	\$50,800,000	\$76,200,000	\$20,500,000	\$4,800,000	\$0	\$152,300,000
Other	\$26,919,500	\$26,804,500	\$26,604,500	\$21,604,500	\$21,604,500	\$123,537,500
TOTALS	\$151,490,016	\$178,986,376	\$123,507,126	\$94,748,350	\$95,593,402	\$644,325,270

ATTACHMENT E

RTA Development Fund Balance Analysis

	2000	2001	2002	2003	2004	2005	2006
	Actual	Actual	Actual	Estimate	Budget	Budget	Budget
Beginning Balance	13,958,867	10,112,468	35,310,401	30,273,875	13,305,418	22,238,852	12,082,746
Revenue							
General Obligation Debt Proceeds	0	30,076,381	0	0	25,000,000	0	0
Revenue Bond Proceeds	0	0	0	0	0	0	9,000,000
State Infrastructure Bank Loan	4,439,709	2,460,292	0	0	3,800,000	5,000,000	0
Transfer from RTA Capital Fund	3,000,000	5,200,000	5,100,000	4,400,000	2,400,000	5,000,000	5,000,000
Investment Income	979,336	387,604	807,565	338,000	131,000	300,000	235,000
Federal Capital Grants	31,256,602	42,523,635	63,753,899	69,051,384	80,633,056	88,008,701	64,986,690
State Capital Grants	8,944,439	9,890,942	5,988,002	5,393,474	10,853,649	18,070,302	20,215,600
Other	3,844,031	1,051,501	15,017,467	500,000	6,600,000	19,900,000	2,500,000
Total Revenue	52,464,117	91,590,355	90,666,933	79,682,858	129,417,705	136,279,003	101,937,290
Total Resources	66,422,984	101,702,823	125,977,334	109,956,733	142,723,123	158,517,855	114,020,036
Expenditures							
Capital Outlay	56,226,738	65,881,137	90,756,459	96,313,315	120,353,271	146,135,110	112,301,163
Other	4,284	11,285	0	0	0	0	0
Transfer to Bond Retirement Fund	79,494	500,000	847,000	338,000	131,000	300,000	235,000
Transfer to Insurance Fund	0	0	4,100,000	0	0	0	0
Total Expenditures	56,310,516	66,392,422	95,703,459	96,651,315	120,484,271	146,435,110	112,536,163
Ending Balance	10,112,468	35,310,401	30,273,875	13,305,418	22,238,852	12,082,746	1,483,873

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ATTACHMENT F

RTA Capital Fund Balance Analysis

	2000	2001	2002	2003	2004	2005	2006
	Actual	Actual	Actual	Estimate	Budget	Budget	Budget
Beginning Balance	7,394,526	8,123,797	6,446,295	2,936,332	1,455,498	3,987,731	1,961,136
Revenue							
Transfer from General Fund	8,124,815	6,364,000	4,685,596	6,394,552	8,360,233	6,391,405	7,148,196
Investment Income	178,856	409,802	159,973	24,614	72,000	82,000	51,000
Other Income	0	7,366	110,074	0	0	0	0
Total Revenue	8,303,671	6,781,168	4,955,643	6,419,166	8,432,233	6,473,405	7,199,196
Total Resources	15,698,197	14,904,965	11,401,938	9,355,498	9,887,731	10,461,136	9,160,332
Expenditures							
Routine Capital	3,299,985	2,014,466	2,282,406	2,250,000	2,250,000	2,250,000	2,250,000
Asset Maintenance	1,274,415	1,217,292	1,083,200	1,250,000	1,250,000	1,250,000	1,250,000
Other Expenditures	0	26,912	0	0	0	0	0
Transfer to RTA Development Fund	3,000,000	5,200,000	5,100,000	4,400,000	2,400,000	5,000,000	5,000,000
Total Expenditures	7,574,400	8,458,670	8,465,606	7,900,000	5,900,000	8,500,000	8,500,000
Ending Balance	8,123,797	6,446,295	2,936,332	1,455,498	3,987,731	1,961,136	660,332

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ATTACHMENT G

Bond Retirement Fund Balance Analysis

	2000	2001	2002	2003	2004	2005	2006
	Actual	Actual	Actual	Estimate	Budget	Budget	Budget
Beginning Balance	758,930	115,451	974,344	1,115,070	1,003,601	1,151,712	1,152,873
Revenue							
Transfer from General Fund	7,950,000	9,550,000	11,160,000	11,500,000	11,960,000	13,480,000	13,500,000
Transfer from RTA Development Fund	79,494	500,000	847,000	338,000	131,000	300,000	235,000
Investment Income	280,791	106,327	85,488	55,219	55,000	80,000	83,000
Total Revenue	8,310,285	10,156,327	12,092,488	11,893,219	12,146,000	13,860,000	13,818,000
Total Resources	9,069,215	10,271,778	13,066,832	13,008,289	13,149,601	15,011,712	14,970,873
Expenditures							
Debt Service							
Principal	3,835,000	4,198,101	5,543,597	5,930,718	6,173,574	7,442,196	7,626,618
Interest	5,118,764	5,099,333	6,388,726	6,058,344	5,809,739	6,401,643	6,179,951
Other	0	0	19,439	15,626	14,576	15,000	15,000
Total Expenditures	8,953,764	9,297,434	11,951,762	12,004,688	11,997,889	13,858,839	13,821,569
Ending Balance	115,451	974,344	1,115,070	1,003,601	1,151,712	1,152,873	1,149,304

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ATTACHMENT H

Insurance Fund Balance Analysis

	2000	2001	2002	2003	2004	2005	2006
	Actual	Actual	Actual	Estimate	Budget	Budget	Budget
Beginning Balance	5,471,928	5,080,421	4,862,150	7,601,769	7,532,010	7,506,210	6,407,160
Revenue							
Investment Income	315,825	150,479	161,394	140,241	155,200	141,000	167,000
Transfer from General Fund	400,000	3,350,000	550,000	1,150,000	1,000,000	0	0
Transfer from RTA Development Fund	0	0	4,100,000	0	0	0	0
Other Income	1,418	0	0	0	0	0	0
Total Revenue	717,243	3,500,479	4,811,394	1,290,241	1,155,200	141,000	167,000
Total Resources	6,189,171	8,580,900	9,673,544	8,892,010	8,687,210	7,647,210	6,574,160
Expenditures							
Claims and Premium Outlay	1,108,750	3,718,750	2,071,775	1,360,000	1,181,000	1,240,050	1,302,053
Total Expenditures	1,108,750	3,718,750	2,071,775	1,360,000	1,181,000	1,240,050	1,302,053
Ending Balance	5,080,421	4,862,150	7,601,769	7,532,010	7,506,210	6,407,160	5,272,108

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ATTACHMENT I

Supplemental Pension Fund Balance Analysis

	2000	2001	2002	2003	2004	2005	2006
	Actual	Actual	Actual	Estimate	Budget	Budget	Budget
Beginning Balance	1,107,662	1,040,217	960,261	857,161	753,040	787,590	785,590
Revenue							
Investment Income	70,058	63,052	9,668	25,879	9,550	18,000	21,000
Transfer from General Fund	0	0	0	0	150,000	100,000	0
Total Revenue	70,058	63,052	9,668	25,879	159,550	118,000	21,000
Total Resources	1,177,720	1,103,269	969,929	883,040	912,590	905,590	806,590
Expenditures							
Benefit Payments	137,503	133,770	112,768	130,000	125,000	120,000	115,000
Other Expenditures	0	9,238	0	0	0	0	0
Total Expenditures	137,503	143,008	112,768	130,000	125,000	120,000	115,000
Ending Balance	1,040,217	960,261	857,161	753,040	787,590	785,590	691,590

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ATTACHMENT J

Law Enforcement Fund Balance Analysis

	2000	2001	2002	2003	2004	2005	2006
	Actual	Actual	Actual	Estimate	Budget	Budget	Budget
Beginning Balance	116,332	140,376	216,533	185,760	197,861	210,621	223,521
Revenue							
Law Enforcement Revenue	17,078	6,481	9,052	10,000	10,000	10,000	10,000
Investment Income	6,966	120,747	3,597	2,101	2,760	2,900	3,000
Total Revenue	24,044	127,228	12,649	12,101	12,760	12,900	13,000
Total Resources	140,376	267,604	229,182	197,861	210,621	223,521	236,521
Expenditures							
Law Enforcement Outlay	0	51,071	43,422	0	0	0	0
Total Expenditures	0	51,071	43,422	0	0	0	0
Ending Balance	140,376	216,533	185,760	197,861	210,621	223,521	236,521

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