

RESOLUTION NO. 2005 - 94

A RESOLUTION ADOPTING THE TAX BUDGET OF THE GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY FOR THE FISCAL YEAR BEGINNING JANUARY 1, 2006 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, 2006, 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 1, 2005.

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, 2006, 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, 2006.

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: 2006 Tax Budget Assumptions and Fund Statements.

Adopted: July 19, 2005



President

Attest: 

CEO, General Manager/Secretary-Treasurer

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**GREATER CLEVELAND
REGIONAL TRANSIT
AUTHORITY**

TAX BUDGET

July 5, 2005



Greater Cleveland Regional Transit Authority
2006 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 has remained steady due to federal funds rate quarter point increases over the last nine periods to 3.25%. In the Cleveland MSA inflation over the latest 12-month period was 3.0%. Inflation in 2005 annualized equates to 3.8%. However, the market is confident that inflation is in check and that it will remain low for some time to come. As fears of inflation rescind the federal funds rate is expected to increase but at a slower rate. Many economists feel the rate will increase again in six weeks to 3.5% and then increase to a high of 4.25% around mid 2006.

Interest Rates

Assumption: **3.25-4.25%**

Rationale:

The Federal Reserve has raised the federal funds rate by a quarter point at each of the last 9 meetings held. The federal funds rate increase in June raised the current rate to 3.25%. Experts disagree slightly on the path of the federal funds rate. However, most experts agree that by mid-year 2006 the federal funds rate will be at 4.0% or 4.25%. The Fed's goal is to reach a neutral level where the federal funds rate is neither boosting nor restraining economic growth. The long-term interest rate continues to fall despite the increase to short-term rates. The long-term rate currently is just below 4.0% with little indication of rising in the near future even with hints of more short-term increases.

The specific rate used in calculating revenue projections for the Authority 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. However, average yields are expected to increase slightly for the remainder of 2005 and into 2006.

Beginning Balance

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

Available Ending Balance

The 2006 available ending balance is projected to be \$6.0 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. The Authority has reached a point of leveling off; however until revenue growth outperforms expenditure growth the Authority will remain non-compliant with this policy indicator.

REVENUES

Passenger Fares

Assumption:

\$40.8 million

Rationale:

Actual Passenger Fare revenue through May 2005 is up by 6.8% compared to the prior year, and up 3.0% from budget. Ridership through May 2005 is up by 5.4% from prior year. The increase in ridership is attributed to continued wider use of the all day pass implemented in early 2003 and the high price of fuel. 2005 Ridership is projected at about 58.5 million and passenger fares at \$38.1 million while 2006 ridership is expected to be about 60.5 million and revenue \$40.8 million.

Advertising Revenue

Assumption:

\$1.1million

Rationale:

The GCRTA entered the final year of its current advertising contract that guarantees two payments per year. This contract will expire in October of 2006 and a new contract will need to be procured at that time. The current contract is a \$1.6 million guarantee. The payments will be split evenly at \$800,000 in both October of 2005 and April of 2006. GCRTA will receive additional payments if the advertising firm exceeds the minimum space.

Additional payments are not anticipated and so the budget and estimate for advertising are based on the guaranteed payments and a small amount of revenue from concessions, the Logo Shop and vending sales.

Based on the current advertising sales on GCRTA buses it is anticipated that advertising will slip to \$500,000 per year once a new contract is signed. GCRTA will again attempt to receive guaranteed payments. Estimated revenue in 2006 from a new contract is \$250,000, for a total of \$1.05 million in 2006. Revenues for 2005 are currently meeting the budgeted amount.

Sales Tax

Assumption:

\$175.1 million

Rationale:

The economy has finally reached a point of apparent stability compared to the last few years. The Conference Board's Consumer Confidence Index rose in June to reach a three-year high. The Fed has consistently raised the federal funds rate by a quarter point each of the last 9 meetings in order ease the economic growth and alleviate concerns of high inflation.

The current economic environment for retailers in the Fourth District of the Federal Reserve is mixed compared to prior year. Despite high gasoline costs and warmer than average weather discount retailers have steady and slightly increasing sales compared to 2004. Specialty Stores and Grocers have sales above 2004, while department store sales and automotive sales appear to be weaker.

Cuyahoga County sales tax receipts are increasing in 2005 over 2004 collections. GCRTA sales tax receipts are expected to reach the budgeted amount of \$169.2 million in 2005. The 2006 GCRTA estimate anticipates an increase of 3.5% over 2005 Sales and Use Tax revenues to \$175.1 million.

State Operating Assistance

Assumption: Elderly and Disabled \$1.5 million

Rationale:

The 2005 year-to-date total received for Elderly and Disabled assistance totals over \$990,813. This is over the \$600,000 budget for the year, but is due to a timing difference of payments from 2004. No additional funds are anticipated in 2005. The funding for this assistance in fiscal year 2006 is anticipated to be \$1.5 million.

Access to Jobs

Assumption: \$1.9 million

Rationale:

The Access to Jobs program in 2006 will continue to correspond with Welfare to Work initiatives. Most of the funding for this program will be received in the form of grants from FTA, ODOT, TANF and through strong partnerships with the County and NOACA. To date in 2005, GCRTA has received over \$690,000 and anticipates receiving a total of \$1.9 million by the end of the year. Funding for 2006 is anticipated to reach a similar level.

Investment Income

Assumption: \$300,000

Rationale:

An average balance of about \$9.1 million in the General Fund should earn about \$300,000 or 3.3% during 2006. For all funds, nearly \$1.2 million should be earned for the year.

Other Revenue

Assumption: **\$1.0 million**

Rationale:

The 2006 Tax Budget assumes no unusual claims or receivables in the other revenue category and therefore mirrors the 2005 estimate. This revenue category normally consists of various claim reimbursements, rental income, salvage sales and identification card proceeds. Through May 2005, GCRTA has received over \$513,000 and anticipates receiving \$1.0 million by the end of the year.

Reimbursed Expenditures

Assumption: **\$30.5 million**

Rationale:

This category is composed of grant labor and materials reimbursements, capitalized operating assistance reimbursements and diesel fuel tax refunds. In 2005, GCRTA expects to be reimbursed for expenditures in the amount of \$30.3 million. The majority of these dollars are expected in the 3rd and 4th quarters in the form of capitalized operating assistance. Labor and fuel tax reimbursements occur somewhat evenly throughout the year.

In 2006, Capitalized Operating Assistance is expected to remain at \$25.0 million, while fuel tax reimbursements are projected to be close to \$1.5 million and reimbursements for labor costs (including those for the Euclid Corridor Transportation Project) associated with capital projects are expected to be \$4.0 million. Combined reimbursed expenditures for the Authority in 2006 are expected to total \$30.5 million.

EXPENDITURES

Personnel Services

Assumption: **\$175.5 million**

Rationale:

The 2006 estimate for salaries and fringe benefits is shown at a higher level compared to the projection in the adopted 2005 Operating Budget for 2006. It has also been adjusted to reflect first quarter and subsequent projections for 2005 and incorporates changes to staffing and expenses due to the consolidation of two former Satellite Operations into the GCRTA. The basis for the 2006 assumption is a continuation of current mid-year service levels. This equates to a 3.4 % increase over 2005 estimated expenditures.

It annualizes all current negotiated bargaining unit wage increases and reflects expected increases in health care & pension costs and changes in other fringe benefits. In addition, it assumes payout levels for the TEAM incentive program.

Other Expenditures

Assumption: **\$54.5 million**

Rationale:

This category of operating costs is expected to decrease by 1.2% in 2006, relative to projected 2005 expenditures. Some inflationary increases are included, but this amount represents a continuation of current service levels and the associated increases in the cost of delivering those services only - no new programming is included. This estimate is lower when compared to both the projected 2006 budget level in the 2005 approved Operating Budget, as well as projected costs for 2005, but this is primarily as a result of the shift in costs to Personnel Services due to the consolidation of the former Satellite Operations with the GCRTA.

Transfers

Assumption:

Bond Retirement.....	\$14.1 million
Capital Improvements.....	\$6.6 million
Insurance Fund.....	\$1.6 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 debt are taken from debt amortization schedules.

The transfer to the Capital Improvement Funds covers local Asset Maintenance and Routine Capital purchases, as well as required local matches for some grant-funded projects. The \$6.6 million transfer planned to the Capital Improvement Funds in 2006 represents 3.8% of sales tax and 32% of the overall transfer to capital. The \$14.1 million for debt payments represents an 8.0% contribution level from sales tax and 68% of the overall transfer to capital. The total contribution, at 11.8% meets the Board policy of a minimum of 10% and a maximum of 15% of sales tax revenue.

The transfer to the Insurance Fund is required to maintain the Fund Balance at the \$5 million level and to cover expected expenses for the 2006 Year.

FINANCIAL INDICATORS

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

REVENUES

Operating Ratio: The policy requires a 25.0% ratio. The tax budget yields an 18.7% ratio, which is below the policy objective, but greater than 2005. This indicator continues to be a warning that self-generated revenues are growing at a significantly slower rate than expenditures. The 2006 Tax Budget does not assume a fare increase.

Fare Subsidy (Net Cost) Per Passenger: This indicator, at \$3.06 will not meet the policy ceiling of three times the average fare of \$0.68 (\$2.04), again an indication that self-generated revenues are not growing at the same rate as expenditures. Nevertheless, it represents a slight improvement over projections for 2005.

EXPENDITURES

Operating Reserve: At \$6.0 million or 0.3 month, this budget does not meet the policy goal of a one-month operating reserve (indicator = 1.0). This level represents no decline from the projected reserve for 2005 and is again an indication that revenues are not growing at the same rate as expenditures.

Overhead Cost vs. Total Cost: This indicator, at 12.9%, 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 4.1% growth in the cost per hour, which is higher than the expected 2006 inflation rate, thus demonstrating some concern related to the cost of service delivery.

DEBT STRUCTURES

Debt Service Coverage: At 1.37, this indicator misses the policy minimum of 1.50, but is nearly identical to 2005. This is a result of similar debt service requirement relative to the ending balance.

CAPITAL OUTLAY

Sales Tax Contribution to Capital: Policy requires that a minimum of 10% and a maximum of 15% of sales tax receipts be applied to capital programs. The 2006 contribution to capital funds is planned at \$20.7 million. This represents an 11.8% contribution level, which meets the policy level.

Capital Maintenance to Expansion: At 56.0%, 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 of \$14.8 million on the \$144.8 million in current debt that will remain outstanding at the end of 2005. The last series of existing long-term debt for GCRTA will expire in 2024.

INSURANCE FUND

The Insurance Fund is structured to reflect a combination of self and purchased insurance coverage. Activity expected in 2006 includes claim and premium outlays totaling to \$1.5 million. Maintaining the \$5.0 million balance is recommended by the GCRTA Risk Management Department for 2006. This is accomplished with a \$1.6 million transfer from the General Fund.

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 \$27,000 in 2006 with benefit payments at \$85,000.

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 that are capital in nature. 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 2006 at this time. The only activity that is expected in this fund in 2006 is investment earnings of \$3,500 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.

The 2005 and 2006 estimated capital outlays are predicated on year-to-date outlays, obligations and projected commitments, as well as, the approved five-year Capital Improvement Plan. Projected grant revenue includes current, as well as, expected grant awards. In 2006, 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.

2006 Tax Budget General Fund Balance Analysis

	2002 Actual	2003 Actual	2004 Actual	2005 Estimate	2006 Tax Budget
Beginning Balance	10,470,875	11,140,829	6,004,903	8,913,481	6,047,907
Revenue					
Passenger Fares	39,080,387	38,014,201	37,289,919	38,056,000	40,834,800
Advertising & Concessions	1,750,448	1,443,880	1,538,473	1,700,000	1,146,000
Sales & Use Tax	158,455,958	157,145,585	165,433,059	169,219,000	175,142,000
Ohio Elderly Fare Assistance	584,368	285,435	663,541	990,813	1,500,000
Access to Jobs Grants	2,107,909	2,324,200	1,117,925	1,500,000	1,900,000
Investment Income	261,244	167,314	168,759	290,000	300,000
Other Revenue	961,925	937,438	1,160,511	1,000,000	1,000,000
Reimbursed Expenditures	20,611,238	30,624,389	31,513,439	30,320,000	30,500,000
Transfer From Insurance Fund	0	0	0	0	0
Total Revenue	223,813,477	230,942,442	238,885,626	243,075,813	252,322,800
Total Resources	234,284,352	242,083,271	244,890,529	251,989,294	258,370,707
Operating Expenditures					
Personnel Services	156,798,361	163,606,768	157,419,533	169,724,227	175,490,827
Other Expenditures	49,949,566	52,677,048	59,375,487	55,155,600	54,511,174
Total Operating Expenditures	206,747,927	216,283,816	216,795,020	224,879,827	230,002,001
Transfer to the Insurance Fund	550,000	1,900,000	0	250,000	1,600,000
Transfer to the Bond Retirement Fund	0	0	150,000	100,000	0
Transfers to Capital					
Bond Retirement Fund	11,160,000	11,500,000	11,304,006	14,085,000	14,135,000
Capital Improvement Funds	4,685,596	1,258,626	7,728,022	3,760,986	6,585,799
Total Transfers to Capital	15,845,596	12,758,626	19,032,028	17,845,986	20,720,799
Total Expenditures	223,143,523	230,942,442	235,977,048	243,075,813	252,322,800
Ending Balance	11,140,829	11,140,829	8,913,481	8,913,481	6,047,907
Additional Transfer to Bond Retirement	0	0	0	0	0
Additional Transfer to Capital Improvement	0	5,135,926	0	2,865,574	0
Available Ending Balance	11,140,829	6,004,903	8,913,481	6,047,907	6,047,908

2005 Tax Budget Financial Indicators

	2002 Actual	2003 Actual	2004 Actual	2005 Estimate	2006 Tax Budget
REVENUES					
Operating Ratio	20.2%	18.7%	18.4%	18.1%	18.7%
Fare Subsidy (Net Cost) Per Passenger	\$3.11	\$3.25	\$3.15	\$3.22	\$3.06
Average Fare	\$0.74	\$0.71	\$0.67	\$0.67	\$0.68
EXPENDITURES					
Operating Reserve (Months)	0.7	0.3	0.5	0.3	0.3
Overhead Cost vs. Total Cost	12.5%	12.3%	12.6%	12.8%	12.9%
Cost/Hour of Service	\$85.43	\$89.79	\$90.63	\$96.76	\$100.70
Growth per Year	4.5%	5.1%	0.9%	6.8%	4.1%
DEBT STRUCTURES					
Debt Service Coverage	1.87	1.48	1.80	1.39	1.37
CAPITAL OUTLAY					
Sales Tax Contribution to Capital	10.0%	11.4%	11.5%	12.2%	11.8%
Capital Maintenance to Expansion	72.5%	98.0%	85.6%	66.8%	56.0%

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

	2002	2003	2004	2005	2006
	Actual	Actual	Actual	Estimate	Tax Budget
Beginning Balance	974,344	1,115,070	984,900	1,248,254	1,284,520
Revenue					
Transfer from General Fund	11,160,000	11,500,000	11,304,006	14,085,000	14,135,000
Transfer from RTA Development Fund	847,000	319,000	131,000	370,000	410,000
Investment Income	85,488	49,170	57,571	88,000	156,825
Total Revenue	12,092,488	11,868,170	11,492,577	14,543,000	14,701,825
Total Resources	13,066,832	12,983,240	12,477,477	15,791,254	15,986,345
Expenditures					
Debt Service					
Principal	5,543,597	5,930,718	6,173,574	7,687,196	8,401,619
Interest	6,388,726	6,073,971	5,055,649	6,819,538	6,352,987
Other	19,439	(6,349)	0	0	0
Total Expenditures	11,951,762	11,998,340	11,229,223	14,506,734	14,754,606
Ending Balance	1,115,070	984,900	1,248,254	1,284,520	1,231,739

Insurance Fund Balance Analysis

	2002 Actual	2003 Actual	2004 Actual	2005 Estimate	2006 Tax Budget
Beginning Balance	4,862,150	7,601,769	7,669,403	5,998,905	4,773,380
Revenue					
Investment Income	161,394	144,471	143,132	180,000	190,000
Transfer from General Fund	550,000	1,900,000	0	250,000	1,600,000
Transfer from RTA Development Fund	4,100,000	0	0	0	0
Other Income	0	0	0	0	0
Total Revenue	4,811,394	2,044,471	143,132	430,000	1,790,000
Total Resources	9,673,544	9,646,240	7,812,535	6,428,905	6,563,380
Expenditures					
Claims and Premium Outlay	2,071,775	1,976,837	1,813,630	1,655,525	1,491,913
Transfer to General Fund	0	0	0	0	0
Total Expenditures	2,071,775	1,976,837	1,813,630	1,655,525	1,491,913
Ending Balance	7,601,769	7,669,403	5,998,905	4,773,380	5,071,467

Supplemental Pension Fund Balance Analysis

	2002	2003	2004	2005	2006
	Actual	Actual	Actual	Estimate	Tax Budget
Beginning Balance	960,261	857,161	768,051	831,425	859,425
Revenue					
Investment Income	9,668	23,364	12,108	18,000	27,000
Transfer from General Fund	0	0	150,000	100,000	0
Total Revenue	9,668	23,364	162,108	118,000	27,000
Total Resources	969,929	880,525	930,159	949,425	886,425
Expenditures					
Benefit Payments	112,768	100,793	98,734	90,000	85,000
Other Expenditures	0	11,681	0	0	0
Total Expenditures	112,768	112,474	98,734	90,000	85,000
Ending Balance	857,161	768,051	831,425	859,425	801,425

Law Enforcement Fund Balance Analysis

	2002 Actual	2003 Actual	2004 Actual	2005 Estimate	2006 Tax Budget
Beginning Balance	216,533	185,760	287,634	292,653	306,053
Revenue					
Law Enforcement Revenue	9,052	128,345	9,883	10,000	10,000
Investment Income	3,597	2,369	3,238	3,400	3,500
Total Revenue	12,649	130,714	13,121	13,400	13,500
Total Resources	229,182	316,474	300,755	306,053	319,553
Expenditures					
Capital	43,422	28,840	8,102	0	0
Total Expenditures	43,422	28,840	8,102	0	0
Ending Balance	185,760	287,634	292,653	306,053	319,553

RTA Capital Fund Balance Analysis

	2002 Actual	2003 Actual	2004 Actual	2005 Estimate	2006 Tax Budget
Beginning Balance	6,446,295	2,936,332	1,050,766	4,032,414	2,168,974
Revenue					
Transfer from General Fund	4,685,596	6,394,552	7,728,022	6,626,560	6,585,799
Investment Income	159,973	19,846	8,097	10,000	104,000
Other Income	110,074	(210)	0	0	0
Total Revenue	4,955,643	6,414,188	7,736,119	6,636,560	6,689,799
Total Resources	11,401,938	9,350,520	8,786,885	10,668,974	8,858,773
Expenditures					
Routine Capital	2,282,406	2,612,835	846,772	2,250,000	2,250,000
Asset Maintenance	1,083,200	1,286,919	1,507,699	1,250,000	1,250,000
Other Expenditures	0	0	0	0	0
Transfer to RTA Development Fund	5,100,000	4,400,000	2,400,000	5,000,000	5,000,000
Total Expenditures	8,465,606	8,299,754	4,754,471	8,500,000	8,500,000
Ending Balance	2,936,332	1,050,766	4,032,414	2,168,974	358,773

RTA Development Fund Balance Analysis

	2002	2003	2004	2005	2006
	Actual	Actual	Actual	Estimate	Tax Budget
Beginning Balance	35,310,401	30,273,875	14,393,417	34,291,132	17,153,085
Revenue					
General Obligation Debt Proceeds	0	0	38,006,672	0	0
State Infrastructure Bank Loan	0	0	0	9,000,000	0
Transfer from RTA Capital Fund	5,100,000	4,400,000	2,400,000	5,000,000	5,000,000
Investment Income	807,565	321,869	131,205	370,000	410,000
Federal Capital Grants	63,753,899	71,850,917	47,691,764	65,776,798	69,538,161
State Capital Grants	5,988,002	4,125,766	3,675,597	15,033,167	28,723,500
Other	15,017,467	4,136,594	2,905,205	4,568,000	4,117,780
Total Revenue	90,666,933	84,835,146	94,810,443	99,747,964	107,789,441
Total Resources	125,977,334	115,109,021	109,203,860	134,039,096	124,942,526
Expenditures					
Capital Outlay	90,756,459	100,396,604	74,781,728	116,516,011	119,333,600
Other	0	0	0	0	0
Transfer to Bond Retirement Fund	847,000	319,000	131,000	370,000	410,000
Transfer to Insurance Fund	4,100,000	0	0	0	0
Total Expenditures	95,703,459	100,715,604	74,912,728	116,886,011	119,743,600
Ending Balance	30,273,875	14,393,417	34,291,132	17,153,085	5,198,926




Greater Cleveland Regional Transit Authority
STAFF SUMMARY AND COMMENTS

TITLE/DESCRIPTION: A RESOLUTION ADOPTING THE TAX BUDGET OF THE GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY FOR THE FISCAL YEAR BEGINNING JANUARY 1, 2006 AND SUBMITTING THE SAME TO THE COUNTY AUDITOR	Resolution No.: 2005 - 94
	Date: July 14, 2005
	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, 2006 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 2006 Tax Budget.
- 8.0 RECOMMENDATION: It is recommended that the 2006 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.

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



CEO, General Manager/Secretary-Treasurer