RESOLUTION NO. 2007-103

ADOPTING THE TAX BUDGET OF THE GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY FOR THE FISCAL YEAR BEGINNING JANUARY 1, 2008 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, 2008, 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 June 29, 2007.

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, 2008, 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, 2008.

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

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

Attachments: 2008 Tax Budget Assumptions and Fund Statements.

Adopted: July 24, 2007

President

Attest:
CEO, General Manager/Secretary-Treasurer

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GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY

TAX BUDGET

July 10, 2007

Greater Cleveland Regional Transit Authority

Greater Cleveland Regional Transit Authority

2008 TAX BUDGET ASSUMPTIONS

GENERAL FUND ASSUMPTIONS

Inflation

Assumption: ***2.8-3.3%***

Rationale:

According to economic analyses including sources such as the Federal Reserve Bank (Fed) and the Bureau of Labor Statistics, 2007 inflation measures have sent mixed signals. In the first quarter of 2007, inflationary increases created concern at the Fed, which resulted in inflation being described as "elevated". However, recent trends show a calming in inflation. Annual consumer price index inflation over the past three months has ranged from 2.6% to 2.8%. Economists expect inflation to remain near current levels throughout the remainder of this year.

The direction of longer-term inflation rates are mixed. The Fed warns that although current rates are relatively low, the risks of inflationary increases are still present as a result of relatively low unemployment and the lack of spare capacity in the economy. In addition, due to fragile energy markets, the potential for energy related inflation is still present. The Fed has defined inflation as its predominant concern and it is expected that it will continue to use monetary policy tools to keep inflation at modest levels.

Interest Rates

Assumption: ***5.00-5.50%***

Rationale:

The federal funds target rate increased to 5.25% in June 2006, where it has remained since. Recent indicators have suggested that although the housing market's slump is persisting longer than experts expected, other sectors of the economy are performing solidly. The Fed expects the economy to expand at a moderate rate over the upcoming quarters. As a result, experts expect that the federal funds rate will remain stable for the remainder of the year.

The direction of the federal funds rate for next year is mixed. Some market experts expect that the Fed will need to lower the rate while others see the potential for an increase. This affects GCRTA because the federal funds rate is a tool used by the Federal Open Market Committee (FOMC) to control economic growth and inflation. Both are components of GCRTA's sales tax revenue expectations.

Beginning Balance

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

Available Ending Balance

The 2008 available ending balance is projected to be nearly $1.5 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.

REVENUES

Passenger Fares

Assumption: ***$48.4 million***

Rationale:

Over the past year, Staff has been closely monitoring and analyzing the effects of the July 2006 passenger fare increase. In order to better understand the revenue picture it was necessary to begin tracking core passenger fare revenue. Core passenger fare revenue is all passenger fares less the student ticket and UPASS revenue – fare categories where the timing of receipts vary widely from year to year. In the first half of 2006, ridership and core passenger fare revenue increased modestly at 1.3% and 1.4% respectively over 2005. After the fare increase in July, the second half of the year registered a slight ridership drop of 0.8%; however, core passenger fare revenue increased 9.5% over the same period in 2005.

Through May 2007, core passenger fare revenue has increased 9.1% over the same period in 2006. The monthly increases have ranged from a high of 15.1% in January to a low of 1.1% in February due to inclement weather. The other three months have remained fairly consistent with increases between

9.7% and 11.7%. These increases have persisted despite a year to date (through May) ridership deficit of 3.2% over the same period in 2006.

As the Authority moves into the second half of 2007, it is expected that the ridership loss will subside. The second half of 2007 will be comparable to the same period in 2006 in that they both will have had the current fare structure. It is expected that the overall 2007 increase in core passenger fare revenue will be approximately eight percent. This, in addition to fare revenue from the Cleveland Municipal School District (CMSD), other local school districts and UPASS participants is expected to bring the 2007 total passenger fare revenue to $44.1 million.

In January 2008, GCRTA will implement the second phase of the two-step fare increase. It is expected that the fare increase will result in a slight ridership reduction of 1.3%, as compared to the projected 2007 ridership. The 2008 fare increase is expected to increase core passenger fare revenue by 11%. Adding in the price increases for the CMSD and other school districts as well as the UPASS revenue, 2008 passenger fare revenue is projected at $48.4 million.

Advertising Revenue

Assumption: ***$1.1 million***

Rationale:

In October 2006, GCRTA entered into a three-year advertising contract. The contract guarantees $1.0 million annually with the potential for greater revenue if certain performance standards are met. In addition, GCRTA receives approximately $125,000 from various concession and vending arrangements. For 2008, $1.1 million is expected in the advertising and concessions revenue category.

Sales Tax

Assumption: ***$176.8 million***

Rationale:

Through June 2007, GCRTA sales tax receipts are running 1.5% above the same period in 2006 and $857,423 or 1.0% below budget. According to the Federal Reserve, regional retailers report that unseasonable weather and high gasoline has contributed to weak sales. New car sales have been steady; however, higher priced SUV sales have been sluggish. For the remainder of 2007, retailers expect sales to remain flat or increase modestly. The GCRTA expects sales tax receipts to meet the budget of $172.9 million by the end of 2007.

For 2008, sale tax revenue is expected to increase modestly as a result of low core inflation (inflation excluding food and energy) and low regional economic growth. The Fed has shown a keen interest in ensuring that inflation remains low; therefore, it is expected that core inflation will be held in check. Experts expect 2008 core inflation to be around two percent.

Regional economic growth is also expected to be modest. Statewide retail sales are expected to grow by 2.8% in 2008 and wages and salaries are expected to grow by 4.4%, both below national levels. The weak local housing market, rising home foreclosures, and population losses are likely to dampen local economic growth as well as local sales tax growth. As a result of available economic data, 2008 sales tax revenue is expected to increase modestly to $176.8 million, 2.2% above the 2007 estimate.

<u>State Operating Assistance</u>

Assumption: ***Elderly and Disabled*** ***$2.2 million***

Rationale:

In 2006, the State decided to issue one Ohio Elderly and Disabled Fare Assistance payment per year to cover a 12-month period. GCRTA expects to receive $2.2 million this October for the 2007-2008 period. The 2008 elderly fare assistance receipt is anticipated to remain at $2.2 million.

<u>Access to Jobs</u>

Assumption: ***$1.0 million***

Rationale:

The Access to Jobs program in 2008 will continue to correspond with Welfare to Work initiatives. There are normally three funding sources for this revenue category, the Federal Transit Administration (FTA), Ohio Department of Transportation (ODOT), and Temporary Assistance for Needy Families (TANF) funding from Cuyahoga County. The 2008 projection assumes $703,000 from ODOT and that an agreement will be reached with the County for $300,000 in TANF funding. The projection does not include the federal portion, as such funding has not been disbursed for fiscal year 2007. The process for allocating and awarding these federal funds changed last year and no local plan has yet been approved to make such funds available. Therefore, GCRTA is only projecting $1.0 million in Access to Jobs revenue. This program is run to the extent of available grants.

Investment Income

Assumption: ***$652,000***

Rationale:

Through May 2007, GCRTA received $368,835. The 2007 estimate for investment income is $850,000. The 2008 General Fund balance is projected to average nearly $13.1 million. The 2008 interest rate on investments is projected to range from 4.75% to 5.25%. As a result, 2008 expected investment income revenue is projected at $652,000.

Other Revenue

Assumption: ***$1.2 million***

Rationale:

This revenue category consists of various claim reimbursements, rental income, salvage sales and identification card proceeds. Through May 2007, GCRTA has received $322,351 and anticipates receiving $1.2 million by the end of the year. The 2008 Tax Budget assumes the usual $1.0 million for this category plus an additional $200,000 for Compressed Natural Gas (CNG) rebates.

Reimbursed Expenditures

Assumption: ***$34.4 million***

Rationale:

This category is composed of grant labor and materials reimbursements, capitalized operating assistance reimbursements and diesel fuel tax refunds. In 2007, GCRTA expects to be reimbursed for expenditures in the amount of $33.4 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.

For 2008, $28.7 million is expected from Capitalized Operating Assistance. 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 $4.2 million. Combined reimbursed expenditures of $34.4 million are expected for 2008.

EXPENDITURES

Personnel Services

Assumption: ***$182.8 million***

Rationale:

The 2008 estimate for salaries and fringe benefits shows an increase of 2.1% over the projected 2007 estimate. The 2008 estimate annualizes all current negotiated bargaining unit wage increases and step increases. It also reflects expected increases in health care and pension costs as well as changes in other fringe benefits.

Other Expenditures

Assumption: ***$64.8 million***

Rationale:

This category of operating costs is expected to increase by 3.5% in 2008, relative to projected 2007 expenditures. The major other expenditure drivers are in the fuel and utilities category. In particular, diesel fuel is projected to increase by approximately $1.3 million due to the expiration of our current firm fixed price of $2.092 per gallon. In addition, the unit prices for natural gas (buses and buildings) and electricity are expected to increase. Other expense categories show slight inflationary increases.

Transfers

Assumption:	***Bond Retirement.........................$17.3 million***
	Capital Improvements................$5.6 million
	Insurance Fund.........................$1.3 million
	Pension Fund...........................$100,000

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 $17.3 million for debt payments represents a 9.8% contribution level from sales tax and 75.6% of the overall transfer to capital. The planned $5.6 million transfer to the Capital Improvement Funds in 2008 represents 3.2% of sales tax and 24.4% of the overall transfer to capital. The total contribution, at 13.0% 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 2008 Year. Lastly, the $100,000 transfer to the Pension Fund is also needed to maintain the recommended balance.

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 Board policy requires a 25.0% ratio in operating revenues compared to total operating expenditures. The Tax Budget yields a 20.6% ratio, which is below the policy objective, but this represents an improvement over the last several years primarily as a result of the January 2008 fare increase. Though an improvement over recent years, this indicator continues to be a warning that self-generated revenues may be growing at a slower rate than expenditures.

Fare Subsidy (Net Cost) Per Passenger: This indicator, at $3.48 will not meet the policy ceiling of three times the average fare of $0.86 ($2.58), again an indication that self-generated revenues are not growing at the same rate as expenditures. Nevertheless, it represents an improvement over projections for 2007 due to passenger fare increases.

EXPENDITURES

Operating Reserve: At $1.5 million or 0.1 month, this budget does not meet the policy goal of a one-month operating reserve (indicator = 1.0). This level represents a decrease from the projected reserve for year-end 2007 (0.4 month reserve) 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 15.0%, 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 2.5% growth in the cost per hour, which is lower than the expected 2008 inflation rate, thus demonstrating fiscal restraint related to the cost of service delivery.

DEBT STRUCTURES

Debt Service Coverage: At 1.03, this indicator is below the policy minimum of 1.50. This is a result of increases in the 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 a minimum of 10.0% and a maximum of 15.0% of sales tax receipts be applied to capital programs. The 2008 contribution to capital funds is planned at $22.9 million. This represents a 13.0% contribution level, which meets the policy level.

Capital Maintenance to Expansion: At 88.3%, this ratio is outside of the policy guidelines of 33% to 67%, as a result of an increase in the number of maintenance projects relative to expansion projects in 2008.

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 2007 and 2008 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 2008, maintenance projects include track, bridge and station rehabilitations. Major equipment expenditures include the purchase of buses and the overhaul of the Light Rail vehicles. The expansion projects include continued progress on the Euclid Corridor Transportation Project.

BOND RETIREMENT FUND

The General and Capital Funds will be the sources of fund transfers necessary to make scheduled interest and principal payments of $16.6 million on the $151.5 million in current outstanding debt remaining at the end of 2007. The transfers also include funds for the payment of $1.6 million for a planned debt sale of $30 million in 2008. The last series of existing long-term debt for GCRTA will expire in 2025.

INSURANCE FUND

The Insurance Fund is structured to reflect a combination of self and purchased insurance coverage. Activity expected in 2008 includes premium outlays totaling $1.5 million. Maintaining the $5.0 million balance is again recommended by the GCRTA Risk Management Department for 2008. This is accomplished with a $1.3 million transfer from the General Fund.

SUPPLEMENTAL PENSION FUND

Authority employees who were employed by predecessor transit systems are covered by supplemental benefit payments. Activity expected in 2008 includes investment income and scheduled benefit payments. Investment income in 2008 is estimated at $30,000 and benefit payments at $100,000. A transfer of $100,000 will be received from the General Fund to maintain the pension fund at the recommended level.

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 for law enforcement purposes. 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 2008 at this time. The only activity that is expected in this fund in 2008 is investment earnings of $8,500 and Law Enforcement revenue of $10,000.

ALL FUNDS

As a result of projected financial activities in the second half of 2007, the All Funds Balance is expected to decrease by $21.7 million by the end of the year, when compared to 2006. The decrease is due to projected increases in the Operating, Capital and Debt Service categories that offset anticipated growth in the Authority's total revenue base. In 2008, the All Funds Balance is expected to slightly increase by $1.2 million. Although a $30 million debt sale is planned for 2008, low sales tax growth, an aggressive capital program and projected increases to operating budget costs will keep the ending balance at a level similar to 2007.

ATTACHMENT A

General Fund Balance Analysis

Assumptions:					
Passenger Fare Annual Growth =	-1.9%	5.4%	3.3%	8.6%	9.8%
Sales Tax Annual Growth =	5.3%	2.2%	-0.2%	2.5%	2.2%
Operating Expenses Growth =	-0.1%	1.5%	3.2%	6.8%	2.5%
Capital Contribution =	19,032,028	20,699,560	21,840,207	22,302,797	22,890,761
	11.5%	12.2%	13.0%	12.9%	13.0%

	2004 Actual	2005 Actual	2006 Actual	2007 Estimate	2008 Tax Budget
Beginning Balance	6,004,903	9,649,815	16,090,633	15,762,335	7,574,952
Revenue					
Passenger Fares	37,289,919	39,300,036	40,587,880	44,097,126	48,410,176
Advertising & Concessions	1,538,473	1,705,176	1,404,936	1,200,000	1,125,000
Sales & Use Tax	165,433,059	168,997,361	168,615,372	172,889,900	176,762,634
Ohio Elderly Fare Assistance	663,541	1,750,852	2,999,495	2,239,500	2,239,500
Access to Jobs Grants	1,117,925	1,927,187	890,152	1,300,000	1,000,000
Investment Income	168,759	443,225	862,701	850,000	652,000
Other Revenue	1,160,511	1,067,306	2,672,865	1,200,000	1,200,000
Reimbursed Expenditures	31,513,439	31,398,915	30,636,402	33,400,000	34,400,000
Total Revenue	238,885,626	246,590,058	248,669,803	257,176,526	265,789,310
Total Resources	244,890,529	256,239,873	264,760,436	272,938,861	273,364,262
Operating Expenditures					
Personnel Services	157,419,533	163,934,412	168,973,550	179,014,802	182,785,346
Other Expenditures	58,639,153	55,415,268	57,328,344	62,671,310	64,840,240
Total Operating Expenditures	216,058,686	219,349,680	226,301,894	241,686,112	247,625,586
Transfer to the Insurance Fund	0	0	750,000	1,275,000	1,275,000
Transfer to the Pension Fund	150,000	100,000	106,000	100,000	100,000
Transfers to Capital					
Bond Retirement Fund	11,304,006	14,073,000	14,700,000	14,115,414	16,788,724
Capital Improvement Fund	7,728,022	6,626,560	6,811,909	0	0
Total Transfers to Capital	19,032,028	20,699,560	21,511,909	14,115,414	16,788,724
Total Expenditures	235,240,714	240,149,240	248,669,803	257,176,526	265,789,310
Ending Balance	9,649,815	16,090,633	16,090,633	15,762,335	7,574,952
Supplemental Transfer to Bond Retirement	0	0	0	1,260,940	509,135
Supplemental Transfer to Capital Improvement	0	0	328,298	6,926,443	5,592,902
Available Ending Balance	9,649,815	16,090,633	15,762,335	7,574,952	1,472,915

ATTACHMENT B

2008 Tax Budget
Financial Indicators

	2004 Actual	2005 Actual	2006 Actual	2007 Estimate	2008 Tax Budget
REVENUES					
Operating Ratio	18.5%	19.3%	19.3%	19.4%	20.6%
Fare Subsidy (Net Cost) Per Passenger	$3.13	$3.08	$3.17	$3.41	$3.48
Average Fare	$0.67	$0.69	$0.71	$0.78	$0.86
EXPENDITURES					
Operating Reserve (Months)	0.5	0.9	0.9	0.4	0.1
Overhead Cost vs. Total Cost	12.6%	12.4%	12.4%	12.5%	**12.9%**
Cost/Hour of Service	$90.31	$95.20	$97.66	$103.05	$105.63
Growth per Year	0.6%	5.4%	2.6%	5.5%	**2.5%**
DEBT STRUCTURES					
Debt Service Coverage	1.87	2.08	1.93	1.38	1.03
CAPITAL OUTLAY					
Sales Tax Contribution to Capital	11.5%	12.2%	13.0%	12.9%	**13.0%**
Capital Maintenance to Expansion	85.6%	80.3%	67.1%	74.6%	88.3%

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

ATTACHMENT C

RTA Development Fund Balance Analysis

	2004 Actual	2005 Actual	2006 Actual	2007 Estimate	2008 Tax Budget
Beginning Balance	**14,393,417**	**34,291,132**	**9,366,610**	**18,533,162**	**6,356,597**
Revenue					
General Obligation Debt Proceeds	38,006,672	0	25,003,289	0	30,000,000
Transfer from RTA Capital Fund	2,400,000	5,000,000	5,000,000	5,000,000	5,000,000
Investment Income	131,205	607,626	1,112,118	703,444	700,000
Federal Capital Grants	47,691,764	55,888,368	71,849,886	97,370,708	86,256,799
State Capital Grants	3,675,597	3,177,747	6,011,798	14,909,657	9,583,414
Other Revenue	2,905,205	3,000,000	500,000	1,000,000	1,000,000
Total Revenue	**94,810,443**	**67,673,741**	**109,477,091**	**118,983,809**	**132,540,213**
Total Resources	**109,203,860**	**101,964,873**	**118,843,701**	**137,516,971**	**138,896,810**
Expenditures					
Capital Outlay	74,781,728	92,227,928	99,198,421	130,456,930	122,873,599
Other	0	335	0	0	0
Transfer to Bond Retirement Fund	131,000	370,000	1,112,118	703,444	700,000
Total Expenditures	**74,912,728**	**92,598,263**	**100,310,539**	**131,160,374**	**123,573,599**
Ending Balance	**34,291,132**	**9,366,610**	**18,533,162**	**6,356,597**	**15,323,211**

ATTACHMENT D

RTA Capital Fund Balance Analysis

	2004 Actual	2005 Actual	2006 Actual	2007 Estimate	2008 Tax Budget
Beginning Balance	1,050,766	4,018,775	3,451,793	2,899,226	1,936,280
Revenue					
Transfer from General Fund	7,728,022	6,626,560	7,140,207	6,926,443	5,592,902
Investment Income	8,097	100,298	166,058	110,610	75,000
Other Revenue	0	0	0	0	0
Total Revenue	7,736,119	6,726,858	7,306,265	7,037,053	5,667,902
Total Resources	8,786,885	10,745,633	10,758,058	9,936,280	7,604,182
Expenditures					
Asset Maintenance	1,507,699	1,211,997	1,233,421	1,400,000	1,300,000
Routine Capital	860,411	1,081,843	1,625,411	1,600,000	1,200,000
Other Expenditures	0	0	0	0	0
Transfer to RTA Development Fund	2,400,000	5,000,000	5,000,000	5,000,000	5,000,000
Total Expenditures	4,768,110	7,293,840	7,858,832	8,000,000	7,500,000
Ending Balance	4,018,775	3,451,793	2,899,226	1,936,280	104,182

ATTACHMENT E

Bond Retirement Fund Balance Analysis

	2004 Actual	2005 Actual	2006 Actual	2007 Estimate	2008 Tax Budget
Beginning Balance	984,900	1,248,254	1,328,166	1,582,347	1,384,911
Revenue					
Transfer from General Fund	11,304,006	14,073,000	14,700,000	15,376,354	17,297,859
Transfer from RTA Development Fund	131,000	370,000	860,314	750,000	700,000
Investment Income	57,571	176,606	298,954	304,643	275,000
Other Revenue	0	0	142,782	0	0
Total Revenue	11,492,577	14,619,606	16,002,050	16,430,997	18,272,859
Total Resources	12,477,477	15,867,860	17,330,216	18,013,344	19,657,770
Expenditures					
Debt Service					
Principal	6,173,574	7,687,196	8,801,619	9,606,876	10,321,641
Interest	5,055,649	6,819,538	6,946,250	7,012,057	7,843,020
Other	0	32,960	0	9,500	18,750
Total Expenditures	11,229,223	14,539,694	15,747,869	16,628,433	18,183,411
Ending Balance	1,248,254	1,328,166	1,582,347	1,384,911	1,474,359

ATTACHMENT F

Insurance Fund Balance Analysis

	2004 Actual	2005 Actual	2006 Actual	2007 Estimate	2008 Tax Budget
Beginning Balance	7,669,403	5,998,905	6,051,880	5,167,010	5,010,657
Revenue					
Investment Income	143,132	141,210	197,782	259,647	225,360
Transfer from General Fund	0	0	750,000	1,275,000	1,275,000
Other Revenue	0	1,740,737	0	0	0
Total Revenue	143,132	1,881,947	947,782	1,534,647	1,500,360
Total Resources	7,812,535	7,880,852	6,999,662	6,701,657	6,511,017
Expenditures					
Claims and Premium Outlay	1,813,630	1,828,972	1,832,652	1,691,000	1,484,230
Total Expenditures	1,813,630	1,828,972	1,832,652	1,691,000	1,484,230
Ending Balance	5,998,905	6,051,880	5,167,010	5,010,657	5,026,787

ATTACHMENT G

Supplemental Pension Fund Balance Analysis

	2004 Actual	2005 Actual	2006 Actual	2007 Estimate	2008 Tax Budget
Beginning Balance	768,051	831,425	888,711	933,358	971,806
Revenue					
Investment Income	12,108	44,996	33,586	34,390	30,000
Transfer from General Fund	150,000	100,000	106,000	100,000	100,000
Total Revenue	162,108	144,996	139,586	134,390	130,000
Total Resources	930,159	976,421	1,028,297	1,067,748	1,101,806
Expenditures					
Benefit Payments	98,734	87,670	94,939	95,942	100,000
Other Expenditures	0	40	0	0	0
Total Expenditures	98,734	87,710	94,939	95,942	100,000
Ending Balance	831,425	888,711	933,358	971,806	1,001,806

ATTACHMENT H

Law Enforcement Fund Balance Analysis

	2004 Actual	2005 Actual	2006 Actual	2007 Estimate	2008 Tax Budget
Beginning Balance	**287,634**	**292,653**	**217,680**	**258,986**	**205,806**
Revenue					
Law Enforcement Revenue	9,883	400	104,499	10,000	10,000
Investment Income	3,238	8,087	14,056	13,665	8,500
Total Revenue	**13,121**	**8,487**	**118,555**	**23,665**	**18,500**
Total Resources	**300,755**	**301,140**	**336,235**	**282,651**	**224,306**
Expenditures					
Capital & Related Items	8,102	83,460	77,249	76,845	0
Total Expenditures	**8,102**	**83,460**	**77,249**	**76,845**	**0**
Ending Balance	**292,653**	**217,680**	**258,986**	**205,806**	**224,306**

ATTACHMENT I

All Funds Balance Analysis

	2004 Actual	2005 Actual	2006 Actual	2007 Estimate	2008 Tax Budget
Beginning Balance	31,159,074	56,330,959	37,395,473	45,388,228	23,646,256
Revenue					
Passenger Fares	37,289,919	39,300,036	40,587,880	44,097,126	48,410,176
Sales & Use Tax	165,433,059	168,997,361	168,615,372	172,889,900	176,762,634
Federal	47,691,764	55,888,368	71,849,886	97,370,708	86,256,799
State	4,339,138	4,928,599	9,011,293	17,149,157	11,822,914
Investment Income	524,110	1,522,048	2,685,255	2,276,399	1,965,860
Other Revenue	38,245,436	40,839,721	36,351,636	38,110,000	38,735,000
Bond Proceeds	38,006,672	0	25,003,289	0	30,000,000
Total Revenue	331,530,098	311,476,133	354,104,611	371,893,290	393,953,383
Total Resources	362,689,172	367,807,092	391,500,084	417,281,518	417,599,639
Expenditures					
Personnel Services	157,419,533	163,934,412	168,973,550	179,014,802	182,785,346
Other Expenditures	60,559,619	57,448,705	59,333,184	64,544,597	66,443,220
Capital Outlay	77,149,838	94,521,768	102,057,253	133,456,930	125,373,599
Debt Service	11,229,223	14,506,734	15,747,869	16,618,933	18,164,661
Total Expenditures	306,358,213	330,411,619	346,111,856	393,635,262	392,766,826
Available Ending Balance	56,330,959	37,395,473	45,388,228	23,646,256	24,832,813

Form 100-326
07-03-97

RTA Greater Cleveland Regional Transit Authority

STAFF SUMMARY AND COMMENTS

TITLE/DESCRIPTION:	Resolution No.: 2007-103
ADOPTING THE TAX BUDGET OF THE GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY FOR THE FISCAL YEAR BEGINNING JANUARY 1, 2008 AND SUBMITTING THE SAME TO THE COUNTY AUDITOR	Date: July 19, 2007
	Initiator: Office of Management & Budget

ACTION REQUEST:
☒ Approval ☐ Review/Comment ☐ Information Only ☐ 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, 2008 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. The Tax Budget serves as the beginning of the upcoming budget development process. If the Authority does not adopt the Tax Budget, it 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 2008 Tax Budget.

8.0 RECOMMENDATION: This budget was reviewed by the Finance Committee on July 10, 2007 and recommended for approval by the Board of Trustees. It is recommended that the 2008 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