

RESOLUTION NO. 2008-109

A RESOLUTION ADOPTING THE TAX BUDGET OF THE GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY FOR THE FISCAL YEAR BEGINNING JANUARY 1, 2009 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, 2009, 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 Tax 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 has held a public hearing on July 1, 2008 on said budget, of which public notice was given by publication in the Plain Dealer on June 10, 2008.

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

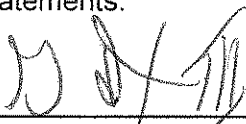
Section 1: That the Tax Budget of the Greater Cleveland Regional Transit Authority, for the fiscal year beginning January 1, 2009, heretofore prepared and submitted to this Board of Trustees, copies of which have been and are on file in the Office of Management and Budget with any revisions to said tentative 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, 2009.

Section 2: That the Executive 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: 2009 Tax Budget Assumptions and Fund Statements.

Adopted: July 15, 2008



President

Attest: 

CEO, General Manager/Secretary-Treasurer

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**GREATER CLEVELAND
REGIONAL TRANSIT
AUTHORITY**

TAX BUDGET

July 1, 2008



Greater
Cleveland
Regional
Transit
Authority

Greater Cleveland Regional Transit Authority

2009 TAX BUDGET ASSUMPTIONS

TAX BUDGET FUND BALANCE ANALYSIS

Introduction

The 2009 Tax Budget is presented differently from previous years. This year's presentation will illustrate four revenue and expense scenarios, all of which indicate that the underperformance of sales tax revenue in tandem with the unprecedented increase in the cost of diesel fuel has created a critical financial situation for the Authority. The 2009 Budget year will require a combination of fuel surcharges, service and staffing reductions, and other expenditure reductions in order to create a balanced budget with a solid ending balance. Moreover, should regional economic conditions depress sales tax performance lower than the minimal projected increases, even more reductions or additional revenue streams will be required.

Table 1, on the next page, presents the General Fund Balance analysis related to the four financial scenarios. The numbers in bold are those that change in the various scenarios. As can be easily seen, the ending balance in all cases is negative, representing an unacceptable 2009 appropriation. The analysis below presents a bleak financial picture and though the current financial situation is not one that the Authority has created, it is the reality we face. Management is working diligently to forestall those issues that can be addressed. However, the financial foundation of the Authority will be severely challenged without additional operating support, larger fuel surcharges, and/or more drastic staffing/service cuts.

The Scenarios

- Scenario #1: Do nothing. Assumes no service or staffing reductions.
- Scenario #2: Assumes \$0.25 fuel surcharge on current base fare, implemented in October 2008 and a 2.5% reduction in the salaried labor payroll.
- Scenario #3: Assumes Scenario #2 plus a 3.0% service reduction.
- Scenario #4: Assumes Scenario #3 plus an additional \$0.25 (\$0.50 total) fuel surcharge on current 2008 base fare, implemented in October 2008.

Beginning Balance

The beginning balance for each year/scenario is intended to represent unrestricted cash and investments.

Revenues

Introduction

The revenue picture for the Authority presents tremendous concern. The current 2008 Estimate projects \$263.4M in General Fund revenue and total resources of \$277.4M. As a result of unprecedented fuel cost increases, GCRTA will utilize the 2008 fund balance to cover expenditures that have outpaced revenue. This will result in a 2009 beginning balance that is \$9.4M lower than 2008.

Table 2, shown below, presents the variation in the four revenue scenarios, which highlight that sales tax revenue is fixed and expected to show minimal growth; reimbursed expenditures are expected to decrease as the force account labor associated with the Euclid Corridor Transportation Project (ECTP) is finalized; and that passenger fares is the only source of revenue that can be adjusted to alter the 2009 revenue picture. Moreover, Table 2 indicates that Scenario #1 – (Do Nothing), will result in \$360K less current revenue than 2008 and \$9.8M less total resources. The revenue increase from Scenario #1 to Scenario #4 – (\$0.50 Fuel Surcharge) is \$8.6M. However, even Scenario #4 will result in a negative ending balance (see Table 1). Therefore, in order to present a balanced budget, with a healthy ending balance, the Authority will need to consider a higher fuel surcharge and/or more drastic service cuts.

Table 2: 2009 Tax Budget Changes in Revenue and Resources

	2008 Estimate	2009 Tax Budget Scenario #1	2009 Tax Budget Scenario #2	2009 Tax Budget Scenario #3	2009 Tax Budget Scenario #4
Beginning Balance	14,047,468	4,649,675	4,649,675	4,649,675	4,649,675
Revenue					
Passenger Fares	48,010,546	48,970,757	52,811,601	52,811,601	57,612,655
Advertising & Concessions	1,198,387	1,225,000	1,225,000	1,225,000	1,225,000
Sales & Use Tax	172,000,000	173,204,000	173,204,000	173,204,000	173,204,000
Ohio Elderly Fare Assistance	2,246,300	2,246,300	2,246,300	2,246,300	2,246,300
Access to Jobs Grants	2,089,000	1,400,000	1,400,000	1,400,000	1,400,000
Investment Income	652,000	390,655	390,655	390,655	390,655
Other Revenue	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Reimbursed Expenditures	36,000,000	34,400,000	34,400,000	34,400,000	34,400,000
Total Revenue	263,396,233	263,036,712	266,877,556	266,877,556	271,678,610
Total Resources	277,443,701	267,686,387	271,527,231	271,527,231	276,328,285
<i>Change in Total Revenue</i>		-359,521	3,481,323	3,481,323	8,282,377
<i>Change in Total Resources</i>		-9,757,314	-5,916,470	-5,916,470	-1,115,416
<i>Changes in Total Revenue Scenario #1 vs. Other Scenarios</i>		0	3,840,844	3,840,844	8,641,898

Sales Tax Revenue

Assumptions

2008 Est. \$172.0M / 0.2% Inc.
2009 Proj. \$173.2M / 0.7% Inc.

Rationale:

Through June 2008, sales tax receipts registered 2.3% above 2007 and 0.6% above budget. The 2008 YTD receipts were aided by a large single payment in March, by a major delinquent taxpayer. The current RTA projection anticipates a gradual erosion of the sales tax gains during the second half of the year. Retail sales reports from the first six months suggest that consumer spending was lower than previous expectations. The most recent Federal Reserve's Beige Book for the Fourth District, reports that regional retail sales are flat to declining. Auto dealers also report sluggish sales. Moreover, requests for home equity loans are on the decline and the residential mortgage market is extremely depressed. As a result, RTA projects only a 0.2% increase in 2008 Sales Tax receipts in comparison to 2007.

The 2009 Tax Budget, projects a minimal increase of 0.7% above the 2008 estimate. The combination of high fuel and utility prices, falling housing values, home foreclosures, and declining payrolls are expected to continue to constrain consumer spending. Furthermore, trends in county population loss continue to exert negative pressure on the County's economic base. The Northeast Ohio economic fundamentals indicate minimal growth in sales tax receipts for the near future.

Reimbursed Expenditures

Assumptions

Capitalized Operating Assistance	\$28.7M
Fuel Tax Reimbursement	\$1.5M
<u>Force Account Labor & Material</u>	<u>\$4.2M</u>
Total	\$34.4M

Rationale:

The Reimbursed Expenditures category is composed of capitalized operating assistance, fuel tax reimbursements, and grant labor and material reimbursements. In 2008, this category will amount to \$36.0 million in revenue. The 2009 estimate for this source is \$1.6 million lower than 2008 due to the completion of the Euclid Corridor Transportation Project, which had been the largest grant labor reimbursement project. The 2009 estimate will include a full year of reimbursement for the Heavy Rail Vehicle Rehabilitation Project.

Advertising Revenue

Assumptions

Advertising Contract	\$925K
Healthline (net)	\$175K
<u>Other</u>	<u>\$125K</u>
Total	\$1.2M

Rationale:

Advertising revenue is composed of three subcategories. The first subcategory is the current advertising contract. Due to recent fleet reductions, the advertising contract's annual guarantee was lowered from \$1,000,000 to \$925,000 per year. The second subcategory is the Healthline naming rights contract that will net the Authority \$175,000 in 2009. The other subcategory is composed of various concession and vending arrangements and is expected to generate \$125,000 in the upcoming year.

Interest Income

Assumption

\$391K

Rationale:

The 2009 General Fund balance is projected to average nearly \$13.1 million. The 2009 interest rate on investments is projected to range from 2.25% to 3.75%. As a result of lower fund balances and lower investment rates, the 2009 revenue from this source is projected at \$390,655. This is a decrease of slightly more than \$260,000 when compared to the 2008 estimate.

have equally affected GCRTA. Since January 2008, RTA's average monthly diesel prices have increased 46%, where the daily purchase price has ranged from a low of \$2.55 per gallon to a high of \$4.17 per gallon. The price per gallon in May and June averaged \$3.86 and \$3.88 respectively and ranged from \$3.46 per gallon on May 1st to a peak of \$4.18 per gallon on May 23rd.

For 2008, diesel fuel was budgeted at \$2.70 per gallon, which represented a 30% increase above the 2007 price; however, current estimates project an average 2008 diesel price of nearly \$3.72 per gallon. This will represent a 38% increase in the actual diesel cost per gallon vs. the budgeted amount and will result in diesel fuel costs that are \$5.0 million over budget.

Projections for the remainder of 2008 show slight relief in the fourth quarter as compared to the summer driving season. However, the price of diesel fuel is not expected to retreat much from current levels. The US Department of Energy reports that diesel fuel demand remains strong, particularly in emerging markets; therefore reducing the likelihood of a price decrease due to lower aggregate demand. As such, RTA projects diesel costs to average \$4.10 for 2009. The total cost of diesel varies between the scenarios due to the projected change in service levels.

Other Expenditures

Assumptions

Scenario 1: \$50.4M / 4.1% Inc.

Scenario 2: \$50.4M / 4.1% Inc.

Scenario 3: \$50.1M / 3.5% Inc.

Scenario 4: \$50.1M / 3.5% Inc.

Rationale:

Other Expenditures include costs for services, material and supplies, CNG fuel and utilities, liabilities & damages, purchased transportation, miscellaneous expenses and leases & rentals. The 2009 estimate for other expenditures shows a 4.1% increase for Scenarios #1 and #2 and a 3.5% increase for Scenarios #3 and #4. The variations are due to reduced expenditures related to the different service level assumptions. Utility costs are projected to increase by five percent while most other costs show slight inflationary increases. This does not include transfers to other funds, which are shown below.

FINANCIAL INDICATORS

The General Fund statements presented in this Tax Budget results in the following performance against the Authority's financial policy goals. Detailed Fund Statements and the corresponding financial indicators for each scenario are presented in the Appendix section.

REVENUES

Operating Ratio: The Board policy requires a 25.0% operating ratio when comparing operating revenues to total operating expenditures. The Tax Budget scenarios yield the following Operation Ratios:

- Scenario #1: 19.7%
- Scenario #2: 21.3%
- Scenario #3: 21.6%
- Scenario #4: 23.5%

In all cases, the indicator fails to meet the policy goal as a result of weak operating revenue relative to total operating expenditures. The projected revenue from the fuel surcharge helps the indicator, but even the most aggressive scenario cannot create a ratio that meets the goal.

Fare Subsidy (Net Cost) Per Passenger: The Board policy sets a goal for the fare subsidy per passenger to be no more than three times the average fare. The Tax Budget scenarios yield the following:

- | | |
|-----------------------|----------------------|
| • Scenario #1: \$3.62 | Average Fare: \$0.86 |
| • Scenario #2: \$3.65 | Average Fare: \$0.95 |
| • Scenario #3: \$3.59 | Average Fare: \$0.95 |
| • Scenario #4: \$3.54 | Average Fare: \$1.05 |

In each case, the indicator fails to meet the policy goal. This further illustrates that self-generated revenues are not growing at the same rate as expenditures. Scenarios #2 - #4 represent improvement above the 2008 estimate due to projected increases in fare revenue from the fuel surcharges.

EXPENDITURES

Operating Reserve: The Board policy sets a goal of a one-month operating reserve (indicator = 1.0). The Tax Budget scenarios yield the following:

- Scenario #1: -0.9 months
- Scenario #2: -0.7 months
- Scenario #3: -0.6 months
- Scenario #4: -0.4 months

In each case the indicator fails to meet the policy goal and is unacceptable for the 2009 appropriation.

CAPITAL OUTLAY

Sales Tax Contribution to Capital: This Board policy requires that a minimum of 10.0% and a maximum of 15.0% of sales tax receipts be applied to the Authority's capital programs. The 2009 contribution to capital funds is planned at \$24.8 million. This represents a 14.3% contribution level, which meets the policy level.

Capital Maintenance to Expansion: At an expected 92.5% in 2009, this ratio remains well outside of the Board policy guidelines of 33% to 67%. This is the result of a continued increase in the number of maintenance projects relative to expansion projects in 2009.

CAPITAL IMPROVEMENT FUNDS

The majority of Capital Improvement projects are funded through Federal and State 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 2008 and 2009 estimated capital outlays are predicated on year-to-date outlays, current 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 2009, maintenance projects include various facilities maintenance projects and track, bridge and station rehabilitations. Major equipment expenditures include the purchase of buses and the overhaul of both the Heavy and Light Rail vehicle fleets. The expansion projects include the completion of the Euclid Corridor Transportation Project, continued work on three Intermodal Stations along Euclid Avenue, and preliminary work on three Transit Center projects.

BOND RETIREMENT FUND

The General and Capital Funds will be the sources of fund transfers necessary to make scheduled interest and principal payments of \$18.1 million on the \$176.5 million in current outstanding debt remaining at the end of 2008. The last series of existing long-term debt for GCRTA will expire in 2027.

INSURANCE FUND

The Insurance Fund is structured to reflect a combination of self and purchased insurance coverage. Activities expected in 2009 includes premium outlays totaling \$1.5 million and an expected claims payout of \$1.0 million. Maintaining the \$5.0 million balance is again recommended by the GCRTA Risk Management Department for 2009. This is accomplished with a \$2.3 million transfer from the General Fund.

GENERAL FUND ECONOMIC ASSUMPTIONS

Inflation Indicators

Assumptions

Overall Inflation

2008: 3.1% to 3.4%
2009: 1.9% to 2.3%
2010: 1.8% to 2.0%

Core Inflation

2008: 2.2% to 2.4%
2009: 1.9% to 2.1%
2010: 1.7% to 1.9%

Rationale:

According to economic analyses including sources such as the Federal Reserve Bank (Fed) and the Bureau of Labor Statistics, the price index for overall personal consumption expenditures (PCE) increased by 0.2 % in April and was up 3.2% for the preceding twelve months. The sustained increases in commodity prices for items related to oil, corn, and wheat have increased current and near-term inflation expectations. The Fed expects overall inflation to moderate through year-end 2008 as commodity prices level out or recede. The Federal Open Market Committee (FOMC) projects 2008 overall inflation to range between 3.1% and 3.4%.

The reading on core inflation, which excludes food and energy prices, has improved throughout 2008. Core inflation through April 2008 has ranged from 1.9% to 2.1%, over the corresponding preceding twelve months. There is slight upward pressure related to price increases for goods affected by higher energy and commodity prices. However, the Fed expects core inflation to remain relatively stable and range between 2.2% and 2.4% for 2008.

Looking forward, the Fed projects inflationary pressures to subside in 2009 as a result of the leveling off of oil prices and other commodities as well as the effects of economic slack in absorbing price increases. For 2009, overall inflation is projected to range from 1.9% to 2.3%, while core inflation is expected to range from 1.9% to 2.1%. Although projections suggest an easing of inflation pressures, the Fed still reports that it will be actively monitoring any changes in order to ensure price stability for the market.

APPENDIX

Section 1: Scenario #1 Fund Statements

Section 2: Scenario #2 Fund Statements

Section 3: Scenario #3 Fund Statements

Section 4: Scenario #4 Fund Statements

Section 1

**Scenario #1: Do nothing.
Assumes no service or staffing
reductions.**

General Fund Balance Analysis

Assumptions:

Passenger Fare Annual Growth =	5.4%	3.3%	7.1%	10.5%	2.0%
Sales Tax Annual Growth =	2.2%	-0.2%	1.8%	0.2%	0.7%
Operating Expenses Growth =	1.5%	3.2%	3.2%	5.1%	6.2%
Capital Contribution =	20,699,560	21,840,207	22,281,814	24,424,000	24,837,454
	12.2%	13.0%	13.0%	14.2%	14.3%

	2005 Actual	2006 Actual	2007 Actual	2008 Estimate	2009 Tax Budget
Beginning Balance	9,649,815	16,090,633	15,762,335	14,047,468	4,649,675
Revenue					
Passenger Fares	39,300,036	40,587,880	43,467,204	48,010,546	48,970,757
Advertising & Concessions	1,705,176	1,404,936	1,217,959	1,198,387	1,225,000
Sales & Use Tax	168,997,361	168,615,372	171,661,508	172,000,000	173,204,000
Ohio Elderly Fare Assistance	1,750,852	2,999,495	2,246,309	2,246,300	2,246,300
Access to Jobs Grants	1,927,187	890,152	572,647	2,089,000	1,400,000
Investment Income	443,225	862,701	870,024	652,000	390,655
Other Revenue	1,067,306	2,672,865	1,193,213	1,200,000	1,200,000
Reimbursed Expenditures	31,398,915	30,636,402	34,201,180	36,000,000	34,400,000
Total Revenue	246,590,058	248,669,803	255,430,044	263,396,233	263,036,712
Total Resources	256,239,873	264,760,436	271,192,379	277,443,701	267,686,387
Operating Expenditures					
Personnel Services	163,934,412	168,973,550	173,796,848	176,430,092	186,188,786
Diesel Fuel	11,466,037	12,552,157	12,112,507	20,544,858	24,143,305
Other Expenditures	43,949,231	44,776,187	47,653,742	48,395,076	50,356,351
Total Operating Expenditures	219,349,680	226,301,894	233,563,097	245,370,026	260,688,442
Transfer to the Insurance Fund	0	750,000	1,200,000	2,900,000	2,300,000
Transfer to the Pension Fund	100,000	106,000	100,000	100,000	100,000
Transfers to Capital					
Bond Retirement Fund	14,073,000	14,700,000	15,456,127	15,026,207	16,943,155
Capital Improvement Fund	6,626,560	6,811,909	5,110,820	0	7,894,299
Total Transfers to Capital	20,699,560	21,511,909	20,566,947	15,026,207	24,837,454
Total Expenditures	240,149,240	248,669,803	255,430,044	263,396,233	287,925,896
Ending Balance	16,090,633	16,090,633	15,762,335	14,047,468	-20,239,509
Supplemental Transfer to Bond Retirement	0	0	0	2,003,832	0
Supplemental Transfer to Capital Improvement	0	328,298	1,714,867	7,393,961	0
Available Ending Balance	16,090,633	15,762,335	14,047,468	4,649,675	-20,239,509

2009 Tax Budget Financial Indicators

	2005 Actual	2006 Actual	2007 Actual	2008 Estimate	2009 Tax Budget
REVENUES					
Operating Ratio	19.3%	19.3%	19.9%	20.8%	19.7%
Fare Subsidy (Net Cost) Per Passenger	\$3.08	\$3.18	\$3.23	\$3.41	\$3.62
Average Fare	\$0.69	\$0.71	\$0.76	\$0.86	\$0.86
EXPENDITURES					
Operating Reserve (Months)	0.9	0.9	0.7	0.2	-0.9
Overhead Cost vs. Total Cost	12.4%	12.4%	12.1%	12.5%	12.6%
Cost/Hour of Service	\$95.20	\$98.32	\$100.21	\$107.64	\$115.24
Growth per Year	5.4%	3.3%	1.9%	7.4%	7.1%
DEBT STRUCTURES					
Debt Service Coverage	2.08	1.93	1.81	1.19	-0.18
CAPITAL OUTLAY					
Sales Tax Contribution to Capital	12.2%	13.0%	13.0%	14.2%	14.3%
Capital Maintenance to Expansion	80.3%	66.8%	84.1%	77.2%	92.5%

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
 Capital Maintenance to Expansion = Capital Maintenance Outlay / Total Capital Outlay

RTA Development Fund Balance Analysis

	2005	2006	2007	2008	2009
	Actual	Actual	Actual	Estimate	Tax Budget
Beginning Balance	34,291,132	9,366,610	18,533,162	22,585,662	35,827,539
Revenue					
General Obligation Debt Proceeds	0	25,003,289	0	35,472,559	0
Transfer from RTA Capital Fund	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Investment Income	607,626	1,112,118	844,393	1,846,332	1,107,800
Federal Capital Grants	55,888,368	71,849,886	74,319,702	82,426,039	55,148,500
State Capital Grants	3,177,747	6,011,798	8,532,391	12,979,892	2,981,000
Lease	0	0	25,000,000	0	0
Other Revenue	3,000,000	500,000	2,810,906	1,000,000	1,000,000
Total Revenue	67,673,741	109,477,091	116,507,392	138,724,822	65,237,300
Total Resources	101,964,873	118,843,701	135,040,554	161,310,484	101,064,839
Expenditures					
Capital Outlay	92,227,928	99,198,421	109,944,506	124,500,000	74,525,000
Other Expenditures	335	0	2,000,000	0	0
Transfer to Bond Retirement Fund	370,000	1,112,118	510,386	982,945	1,107,800
Total Expenditures	92,598,263	100,310,539	112,454,892	125,482,945	75,632,800
Ending Balance	9,366,610	18,533,162	22,585,662	35,827,539	25,432,039

RTA Capital Fund Balance Analysis

	2005 Actual	2006 Actual	2007 Actual	2008 Estimate	2009 Tax Budget
Beginning Balance	4,018,775	3,451,793	2,899,226	1,471,716	495,734
Revenue					
Transfer from General Fund	6,626,560	7,140,207	6,825,687	7,393,961	7,894,299
Investment Income	100,298	166,058	96,409	62,331	50,000
Other Revenue	0	0	0	0	0
Total Revenue	6,726,858	7,306,265	6,922,096	7,456,292	7,944,299
Total Resources	10,745,633	10,758,058	9,821,322	8,928,008	8,440,033
Expenditures					
Asset Maintenance	1,211,997	1,233,421	1,394,482	1,573,213	1,550,000
Routine Capital	1,081,843	1,625,411	1,955,124	1,859,061	1,450,000
Other Expenditures	0	0	0	0	0
Transfer to RTA Development Fund	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Total Expenditures	7,293,840	7,858,832	8,349,606	8,432,274	8,000,000
Ending Balance	3,451,793	2,899,226	1,471,716	495,734	440,033

Bond Retirement Fund Balance Analysis

	2005 Actual	2006 Actual	2007 Actual	2008 Estimate	2009 Tax Budget
Beginning Balance	1,248,254	1,328,166	1,582,347	1,524,989	1,511,992
Revenue					
Transfer from General Fund	14,073,000	14,700,000	15,456,127	17,030,039	16,943,155
Transfer from RTA Development Fund	370,000	860,314	510,386	982,945	1,107,800
Investment Income	176,606	298,954	271,752	117,924	150,000
Other Revenue	0	142,782	2,404	0	0
Total Revenue	14,619,606	16,002,050	16,240,669	18,130,908	18,200,955
Total Resources	15,867,860	17,330,216	17,823,016	19,655,897	19,712,947
Expenditures					
Debt Service					
Principal	7,687,196	8,801,619	8,503,267	10,221,808	10,355,037
Interest	6,819,538	6,946,250	7,794,760	7,922,097	7,841,529
Other Expenditures	32,960	0	0	0	0
Total Expenditures	14,539,694	15,747,869	16,298,027	18,143,905	18,196,566
Ending Balance	1,328,166	1,582,347	1,524,989	1,511,992	1,516,381

Insurance Fund Balance Analysis

	2005 Actual	2006 Actual	2007 Actual	2008 Estimate	2009 Tax Budget
Beginning Balance	5,998,905	6,051,880	5,167,010	5,264,655	5,097,180
Revenue					
Investment Income	141,210	197,782	316,340	196,153	220,000
Transfer from General Fund	0	750,000	1,200,000	2,900,000	2,300,000
Other Revenue	1,740,737	0	0	0	0
Total Revenue	1,881,947	947,782	1,516,340	3,096,153	2,520,000
Total Resources	7,880,852	6,999,662	6,683,350	8,360,808	7,617,180
Expenditures					
Claims and Premium Outlay	1,828,972	1,832,652	1,418,695	3,263,628	2,528,757
Total Expenditures	1,828,972	1,832,652	1,418,695	3,263,628	2,528,757
Ending Balance	6,051,880	5,167,010	5,264,655	5,097,180	5,088,423

Supplemental Pension Fund Balance Analysis

	2005 Actual	2006 Actual	2007 Actual	2008 Estimate	2009 Tax Budget
Beginning Balance	831,425	888,711	933,358	983,292	1,021,358
Revenue					
Investment Income	44,996	33,586	42,900	31,566	31,000
Transfer from General Fund	100,000	106,000	100,000	100,000	100,000
Total Revenue	144,996	139,586	142,900	131,566	131,000
Total Resources	976,421	1,028,297	1,076,258	1,114,858	1,152,358
Expenditures					
Benefit Payments	87,670	94,939	92,966	93,500	96,500
Other Expenditures	40	0	0	0	0
Total Expenditures	87,710	94,939	92,966	93,500	96,500
Ending Balance	888,711	933,358	983,292	1,021,358	1,055,858

Law Enforcement Fund Balance Analysis

	2005 Actual	2006 Actual	2007 Actual	2008 Estimate	2009 Tax Budget
Beginning Balance	292,653	217,680	204,509	210,384	223,490
Revenue					
Law Enforcement Revenue	400	53,389	99,046	76,391	35,000
Investment Income	8,087	9,424	11,784	5,215	6,000
Total Revenue	8,487	62,813	110,830	81,606	41,000
Total Resources	301,140	280,493	315,339	291,990	264,490
Expenditures					
Capital & Related Items	83,460	75,984	104,955	68,500	0
Total Expenditures	83,460	75,984	104,955	68,500	0
Ending Balance	217,680	204,509	210,384	223,490	264,490

ATTACHMENT I - SCENARIO # 1

All Funds Balance Analysis

	2005	2006	2007	2008	2009
	Actual	Actual	Actual	Estimate	Tax Budget
Beginning Balance	56,330,959	37,395,473	45,333,751	21,339,970	24,078,772
Revenue					
Passenger Fares	39,300,036	40,587,880	43,467,204	48,010,546	48,970,757
Sales & Use Tax	168,997,361	168,615,372	171,661,508	172,000,000	173,204,000
Federal	55,888,368	71,849,886	74,319,702	82,426,039	55,148,500
State	4,928,599	9,011,293	10,778,700	15,226,192	5,227,300
Investment Income	1,522,048	2,680,623	2,453,602	2,911,521	1,955,455
Other Revenue	40,839,721	36,300,526	40,097,355	41,563,778	39,260,000
Bond Proceeds	0	25,003,289	0	35,472,559	0
Total Revenue	311,476,133	354,048,869	342,778,071	397,610,635	323,766,012
Total Resources	367,807,092	391,444,342	388,111,822	418,950,605	347,844,784
Expenditures					
Personnel Services	163,934,412	168,973,550	173,796,848	176,430,092	186,188,786
Diesel	11,466,037	12,552,157	12,112,507	20,544,858	24,143,305
Other Expenditures	45,982,668	46,779,762	51,270,358	51,820,704	52,981,608
Capital Outlay	94,521,768	102,057,253	113,294,112	127,932,274	77,525,000
Debt Service	14,506,734	15,747,869	16,298,027	18,143,905	18,196,566
Total Expenditures	330,411,619	346,110,591	366,771,852	394,871,833	359,035,265
Available Ending Balance	37,395,473	45,333,751	21,339,970	24,078,772	-11,190,481

Section 2

Scenario #2: Assumes \$0.25 fuel surcharge on current base fare, implemented in October 2008 and a 2.5% reduction in the salaried labor payroll.

General Fund Balance Analysis

Assumptions:

Passenger Fare Annual Growth =	5.4%	3.3%	7.1%	10.5%	10.0%
Sales Tax Annual Growth =	2.2%	-0.2%	1.8%	0.2%	0.7%
Operating Expenses Growth =	1.5%	3.2%	3.2%	5.1%	5.9%
Capital Contribution =	20,699,560	21,840,207	22,281,814	24,424,000	24,837,454
	12.2%	13.0%	13.0%	14.2%	14.3%

	2005 Actual	2006 Actual	2007 Actual	2008 Estimate	2009 Tax Budget
Beginning Balance	9,649,815	16,090,633	15,762,335	14,047,468	4,649,675
Revenue					
Passenger Fares	39,300,036	40,587,880	43,467,204	48,010,546	52,811,601
Advertising & Concessions	1,705,176	1,404,936	1,217,959	1,198,387	1,225,000
Sales & Use Tax	168,997,361	168,615,372	171,661,508	172,000,000	173,204,000
Ohio Elderly Fare Assistance	1,750,852	2,999,495	2,246,309	2,246,300	2,246,300
Access to Jobs Grants	1,927,187	890,152	572,647	2,089,000	1,400,000
Investment Income	443,225	862,701	870,024	652,000	390,655
Other Revenue	1,067,306	2,672,865	1,193,213	1,200,000	1,200,000
Reimbursed Expenditures	31,398,915	30,636,402	34,201,180	36,000,000	34,400,000
Total Revenue	246,590,058	248,669,803	255,430,044	263,396,233	266,877,556
Total Resources	256,239,873	264,760,436	271,192,379	277,443,701	271,527,231
Operating Expenditures					
Personnel Services	163,934,412	168,973,550	173,796,848	176,430,092	185,248,951
Diesel Fuel	11,466,037	12,552,157	12,112,507	20,544,858	24,143,305
Other Expenditures	43,949,231	44,776,187	47,653,742	48,395,076	50,356,351
Total Operating Expenditures	219,349,680	226,301,894	233,563,097	245,370,026	259,748,607
Transfer to the Insurance Fund	0	750,000	1,200,000	2,900,000	2,300,000
Transfer to the Pension Fund	100,000	106,000	100,000	100,000	100,000
Transfers to Capital					
Bond Retirement Fund	14,073,000	14,700,000	15,456,127	15,026,207	16,943,155
Capital Improvement Fund	6,626,560	6,811,909	5,110,820	0	7,894,299
Total Transfers to Capital	20,699,560	21,511,909	20,566,947	15,026,207	24,837,454
Total Expenditures	240,149,240	248,669,803	255,430,044	263,396,233	286,986,061
Ending Balance	16,090,633	16,090,633	15,762,335	14,047,468	-15,458,830
Supplemental Transfer to Bond Retirement	0	0	0	2,003,832	0
Supplemental Transfer to Capital Improvement	0	328,298	1,714,867	7,393,961	0
Available Ending Balance	16,090,633	15,762,335	14,047,468	4,649,675	-15,458,830

2009 Tax Budget Financial Indicators

	2005 Actual	2006 Actual	2007 Actual	2008 Estimate	2009 Tax Budget
REVENUES					
Operating Ratio	19.3%	19.3%	19.9%	20.8%	21.3%
Fare Subsidy (Net Cost) Per Passenger	\$3.08	\$3.18	\$3.23	\$3.41	\$3.65
Average Fare	\$0.69	\$0.71	\$0.76	\$0.86	\$0.95
EXPENDITURES					
Operating Reserve (Months)	0.9	0.9	0.7	0.2	-0.7
Overhead Cost vs. Total Cost	12.4%	12.4%	12.1%	12.5%	12.4%
Cost/Hour of Service	\$95.20	\$98.32	\$100.21	\$107.64	\$114.82
Growth per Year	5.4%	3.3%	1.9%	7.4%	6.7%
DEBT STRUCTURES					
Debt Service Coverage	2.08	1.93	1.81	1.19	0.08
CAPITAL OUTLAY					
Sales Tax Contribution to Capital	12.2%	13.0%	13.0%	14.2%	14.3%
Capital Maintenance to Expansion	80.3%	66.8%	84.1%	77.2%	92.5%

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 - SCENARIO # 2

RTA Development Fund Balance Analysis

	2005	2006	2007	2008	2009
	Actual	Actual	Actual	Estimate	Tax Budget
Beginning Balance	34,291,132	9,366,610	18,533,162	22,585,662	35,827,539
Revenue					
General Obligation Debt Proceeds	0	25,003,289	0	35,472,559	0
Transfer from RTA Capital Fund	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Investment Income	607,626	1,112,118	844,393	1,846,332	1,107,800
Federal Capital Grants	55,888,368	71,849,886	74,319,702	82,426,039	55,148,500
State Capital Grants	3,177,747	6,011,798	8,532,391	12,979,892	2,981,000
Lease	0	0	25,000,000	0	0
Other Revenue	3,000,000	500,000	2,810,906	1,000,000	1,000,000
Total Revenue	67,673,741	109,477,091	116,507,392	138,724,822	65,237,300
Total Resources	101,964,873	118,843,701	135,040,554	161,310,484	101,064,839
Expenditures					
Capital Outlay	92,227,928	99,198,421	109,944,506	124,500,000	74,525,000
Other Expenditures	335	0	2,000,000	0	0
Transfer to Bond Retirement Fund	370,000	1,112,118	510,386	982,945	1,107,800
Total Expenditures	92,598,263	100,310,539	112,454,892	125,482,945	75,632,800
Ending Balance	9,366,610	18,533,162	22,585,662	35,827,539	25,432,039

ATTACHMENT D - SCENARIO # 2
RTA Capital Fund Balance Analysis

	2005	2006	2007	2008	2009
	Actual	Actual	Actual	Estimate	Tax Budget
Beginning Balance	4,018,775	3,451,793	2,899,226	1,471,716	495,734
Revenue					
Transfer from General Fund	6,626,560	7,140,207	6,825,687	7,393,961	7,894,299
Investment Income	100,298	166,058	96,409	62,331	50,000
Other Revenue	0	0	0	0	0
Total Revenue	6,726,858	7,306,265	6,922,096	7,456,292	7,944,299
Total Resources	10,745,633	10,758,058	9,821,322	8,928,008	8,440,033
Expenditures					
Asset Maintenance	1,211,997	1,233,421	1,394,482	1,573,213	1,550,000
Routine Capital	1,081,843	1,625,411	1,955,124	1,859,061	1,450,000
Other Expenditures	0	0	0	0	0
Transfer to RTA Development Fund	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Total Expenditures	7,293,840	7,858,832	8,349,606	8,432,274	8,000,000
Ending Balance	3,451,793	2,899,226	1,471,716	495,734	440,033

Bond Retirement Fund Balance Analysis

	2005	2006	2007	2008	2009
	Actual	Actual	Actual	Estimate	Tax Budget
Beginning Balance	1,248,254	1,328,166	1,582,347	1,524,989	1,511,992
Revenue					
Transfer from General Fund	14,073,000	14,700,000	15,456,127	17,030,039	16,943,155
Transfer from RTA Development Fund	370,000	860,314	510,386	982,945	1,107,800
Investment Income	176,606	298,954	271,752	117,924	150,000
Other Revenue	0	142,782	2,404	0	0
Total Revenue	14,619,606	16,002,050	16,240,669	18,130,908	18,200,955
Total Resources	15,867,860	17,330,216	17,823,016	19,655,897	19,712,947
Expenditures					
Debt Service					
Principal	7,687,196	8,801,619	8,503,267	10,221,808	10,355,037
Interest	6,819,538	6,946,250	7,794,760	7,922,097	7,841,529
Other Expenditures	32,960	0	0	0	0
Total Expenditures	14,539,694	15,747,869	16,298,027	18,143,905	18,196,566
Ending Balance	1,328,166	1,582,347	1,524,989	1,511,992	1,516,381

ATTACHMENT F - SCENARIO # 2

Insurance Fund Balance Analysis

	2005 Actual	2006 Actual	2007 Actual	2008 Estimate	2009 Tax Budget
Beginning Balance	5,998,905	6,051,880	5,167,010	5,264,655	5,097,180
Revenue					
Investment Income	141,210	197,782	316,340	196,153	220,000
Transfer from General Fund	0	750,000	1,200,000	2,900,000	2,300,000
Other Revenue	1,740,737	0	0	0	0
Total Revenue	1,881,947	947,782	1,516,340	3,096,153	2,520,000
Total Resources	7,880,852	6,999,662	6,683,350	8,360,808	7,617,180
Expenditures					
Claims and Premium Outlay	1,828,972	1,832,652	1,418,695	3,263,628	2,528,757
Total Expenditures	1,828,972	1,832,652	1,418,695	3,263,628	2,528,757
Ending Balance	6,051,880	5,167,010	5,264,655	5,097,180	5,088,423

Supplemental Pension Fund Balance Analysis

	2005 Actual	2006 Actual	2007 Actual	2008 Estimate	2009 Tax Budget
Beginning Balance	831,425	888,711	933,358	983,292	1,021,358
Revenue					
Investment Income	44,996	33,586	42,900	31,566	31,000
Transfer from General Fund	100,000	106,000	100,000	100,000	100,000
Total Revenue	144,996	139,586	142,900	131,566	131,000
Total Resources	976,421	1,028,297	1,076,258	1,114,858	1,152,358
Expenditures					
Benefit Payments	87,670	94,939	92,966	93,500	96,500
Other Expenditures	40	0	0	0	0
Total Expenditures	87,710	94,939	92,966	93,500	96,500
Ending Balance	888,711	933,358	983,292	1,021,358	1,055,858

Law Enforcement Fund Balance Analysis

	2005 Actual	2006 Actual	2007 Actual	2008 Estimate	2009 Tax Budget
Beginning Balance	292,653	217,680	204,509	210,384	223,490
Revenue					
Law Enforcement Revenue	400	53,389	99,046	76,391	35,000
Investment Income	8,087	9,424	11,784	5,215	6,000
Total Revenue	8,487	62,813	110,830	81,606	41,000
Total Resources	301,140	280,493	315,339	291,990	264,490
Expenditures					
Capital & Related Items	83,460	75,984	104,955	68,500	0
Total Expenditures	83,460	75,984	104,955	68,500	0
Ending Balance	217,680	204,509	210,384	223,490	264,490

ATTACHMENT I - SCENARIO # 2

All Funds Balance Analysis

	2005	2006	2007	2008	2009
	Actual	Actual	Actual	Estimate	Tax Budget
Beginning Balance	56,330,959	37,395,473	45,333,751	21,339,970	24,078,772
Revenue					
Passenger Fares	39,300,036	40,587,880	43,467,204	48,010,546	52,811,601
Sales & Use Tax	168,997,361	168,615,372	171,661,508	172,000,000	173,204,000
Federal	55,888,368	71,849,886	74,319,702	82,426,039	55,148,500
State	4,928,599	9,011,293	10,778,700	15,226,192	5,227,300
Investment Income	1,522,048	2,680,623	2,453,602	2,911,521	1,955,455
Other Revenue	40,839,721	36,300,526	40,097,355	41,563,778	39,260,000
Bond Proceeds	0	25,003,289	0	35,472,559	0
Total Revenue	311,476,133	354,048,869	342,778,071	397,610,635	327,606,856
Total Resources	367,807,092	391,444,342	388,111,822	418,950,605	351,685,628
Expenditures					
Personnel Services	163,934,412	168,973,550	173,796,848	176,430,092	185,248,951
Diesel	11,466,037	12,552,157	12,112,507	20,544,858	24,143,305
Other Expenditures	45,982,668	46,779,762	51,270,358	51,820,704	52,981,608
Capital Outlay	94,521,768	102,057,253	113,294,112	127,932,274	77,525,000
Debt Service	14,506,734	15,747,869	16,298,027	18,143,905	18,196,566
Total Expenditures	330,411,619	346,110,591	366,771,852	394,871,833	358,095,430
Available Ending Balance	37,395,473	45,333,751	21,339,970	24,078,772	-6,409,802

Section 3

**Scenario #3: Assumes
Scenario #2 plus a 3.0% service
reduction.**

General Fund Balance Analysis

Assumptions:

Passenger Fare Annual Growth =	5.4%	3.3%	7.1%	10.5%	10.0%
Sales Tax Annual Growth =	2.2%	-0.2%	1.8%	0.2%	0.7%
Operating Expenses Growth =	1.5%	3.2%	3.2%	5.1%	4.6%
Capital Contribution =	20,699,560	21,840,207	22,281,814	24,424,000	24,837,454
	12.2%	13.0%	13.0%	14.2%	14.3%

	2005 Actual	2006 Actual	2007 Actual	2008 Estimate	2009 Tax Budget
Beginning Balance	9,649,815	16,090,633	15,762,335	14,047,468	4,649,675
Revenue					
Passenger Fares	39,300,036	40,587,880	43,467,204	48,010,546	52,811,601
Advertising & Concessions	1,705,176	1,404,936	1,217,959	1,198,387	1,225,000
Sales & Use Tax	168,997,361	168,615,372	171,661,508	172,000,000	173,204,000
Ohio Elderly Fare Assistance	1,750,852	2,999,495	2,246,309	2,246,300	2,246,300
Access to Jobs Grants	1,927,187	890,152	572,647	2,089,000	1,400,000
Investment Income	443,225	862,701	870,024	652,000	390,655
Other Revenue	1,067,306	2,672,865	1,193,213	1,200,000	1,200,000
Reimbursed Expenditures	31,398,915	30,636,402	34,201,180	36,000,000	34,400,000
Total Revenue	246,590,058	248,669,803	255,430,044	263,396,233	266,877,556
Total Resources	256,239,873	264,760,436	271,192,379	277,443,701	271,527,231
Operating Expenditures					
Personnel Services	163,934,412	168,973,550	173,796,848	176,430,092	183,021,661
Diesel Fuel	11,466,037	12,552,157	12,112,507	20,544,858	23,572,585
Other Expenditures	43,949,231	44,776,187	47,653,742	48,395,076	50,096,035
Total Operating Expenditures	219,349,680	226,301,894	233,563,097	245,370,026	256,690,281
Transfer to the Insurance Fund	0	750,000	1,200,000	2,900,000	2,300,000
Transfer to the Pension Fund	100,000	106,000	100,000	100,000	100,000
Transfers to Capital					
Bond Retirement Fund	14,073,000	14,700,000	15,456,127	15,026,207	16,943,155
Capital Improvement Fund	6,626,560	6,811,909	5,110,820	0	7,894,299
Total Transfers to Capital	20,699,560	21,511,909	20,566,947	15,026,207	24,837,454
Total Expenditures	240,149,240	248,669,803	255,430,044	263,396,233	283,927,735
Ending Balance	16,090,633	16,090,633	15,762,335	14,047,468	-12,400,504
Supplemental Transfer to Bond Retirement	0	0	0	2,003,832	0
Supplemental Transfer to Capital Improvement	0	328,298	1,714,867	7,393,961	0
Available Ending Balance	16,090,633	15,762,335	14,047,468	4,649,675	-12,400,504

2009 Tax Budget Financial Indicators

	2005 Actual	2006 Actual	2007 Actual	2008 Estimate	2009 Tax Budget
REVENUES					
Operating Ratio	19.3%	19.3%	19.9%	20.8%	21.6%
Fare Subsidy (Net Cost) Per Passenger	\$3.08	\$3.18	\$3.23	\$3.41	\$3.59
Average Fare	\$0.69	\$0.71	\$0.76	\$0.86	\$0.95
EXPENDITURES					
Operating Reserve (Months)	0.9	0.9	0.7	0.2	-0.6
Overhead Cost vs. Total Cost	12.4%	12.4%	12.1%	12.5%	12.6%
Cost/Hour of Service	\$95.20	\$98.32	\$100.21	\$107.64	\$116.96
Growth per Year	5.4%	3.3%	1.9%	7.4%	8.7%
DEBT STRUCTURES					
Debt Service Coverage	2.08	1.93	1.81	1.19	0.25
CAPITAL OUTLAY					
Sales Tax Contribution to Capital	12.2%	13.0%	13.0%	14.2%	14.3%
Capital Maintenance to Expansion	80.3%	66.8%	84.1%	77.2%	92.5%

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

RTA Development Fund Balance Analysis

	2005	2006	2007	2008	2009
	Actual	Actual	Actual	Estimate	Tax Budget
Beginning Balance	34,291,132	9,366,610	18,533,162	22,585,662	35,827,539
Revenue					
General Obligation Debt Proceeds	0	25,003,289	0	35,472,559	0
Transfer from RTA Capital Fund	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Investment Income	607,626	1,112,118	844,393	1,846,332	1,107,800
Federal Capital Grants	55,888,368	71,849,886	74,319,702	82,426,039	55,148,500
State Capital Grants	3,177,747	6,011,798	8,532,391	12,979,892	2,981,000
Lease	0	0	25,000,000	0	0
Other Revenue	3,000,000	500,000	2,810,906	1,000,000	1,000,000
Total Revenue	67,673,741	109,477,091	116,507,392	138,724,822	65,237,300
Total Resources	101,964,873	118,843,701	135,040,554	161,310,484	101,064,839
Expenditures					
Capital Outlay	92,227,928	99,198,421	109,944,506	124,500,000	74,525,000
Other Expenditures	335	0	2,000,000	0	0
Transfer to Bond Retirement Fund	370,000	1,112,118	510,386	982,945	1,107,800
Total Expenditures	92,598,263	100,310,539	112,454,892	125,482,945	75,632,800
Ending Balance	9,366,610	18,533,162	22,585,662	35,827,539	25,432,039

RTA Capital Fund Balance Analysis

	2005 Actual	2006 Actual	2007 Actual	2008 Estimate	2009 Tax Budget
Beginning Balance	4,018,775	3,451,793	2,899,226	1,471,716	495,734
Revenue					
Transfer from General Fund	6,626,560	7,140,207	6,825,687	7,393,961	7,894,299
Investment Income	100,298	166,058	96,409	62,331	50,000
Other Revenue	0	0	0	0	0
Total Revenue	6,726,858	7,306,265	6,922,096	7,456,292	7,944,299
Total Resources	10,745,633	10,758,058	9,821,322	8,928,008	8,440,033
Expenditures					
Asset Maintenance	1,211,997	1,233,421	1,394,482	1,573,213	1,550,000
Routine Capital	1,081,843	1,625,411	1,955,124	1,859,061	1,450,000
Other Expenditures	0	0	0	0	0
Transfer to RTA Development Fund	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Total Expenditures	7,293,840	7,858,832	8,349,606	8,432,274	8,000,000
Ending Balance	3,451,793	2,899,226	1,471,716	495,734	440,033

Bond Retirement Fund Balance Analysis

	2005 Actual	2006 Actual	2007 Actual	2008 Estimate	2009 Tax Budget
Beginning Balance	1,248,254	1,328,166	1,582,347	1,524,989	1,511,992
Revenue					
Transfer from General Fund	14,073,000	14,700,000	15,456,127	17,030,039	16,943,155
Transfer from RTA Development Fund	370,000	860,314	510,386	982,945	1,107,800
Investment Income	176,606	298,954	271,752	117,924	150,000
Other Revenue	0	142,782	2,404	0	0
Total Revenue	14,619,606	16,002,050	16,240,669	18,130,908	18,200,955
Total Resources	15,867,860	17,330,216	17,823,016	19,655,897	19,712,947
Expenditures					
Debt Service					
Principal	7,687,196	8,801,619	8,503,267	10,221,808	10,355,037
Interest	6,819,538	6,946,250	7,794,760	7,922,097	7,841,529
Other Expenditures	32,960	0	0	0	0
Total Expenditures	14,539,694	15,747,869	16,298,027	18,143,905	18,196,566
Ending Balance	1,328,166	1,582,347	1,524,989	1,511,992	1,516,381

Insurance Fund Balance Analysis

	2005	2006	2007	2008	2009
	Actual	Actual	Actual	Estimate	Tax Budget
Beginning Balance	5,998,905	6,051,880	5,167,010	5,264,655	5,097,180
Revenue					
Investment Income	141,210	197,782	316,340	196,153	220,000
Transfer from General Fund	0	750,000	1,200,000	2,900,000	2,300,000
Other Revenue	1,740,737	0	0	0	0
Total Revenue	1,881,947	947,782	1,516,340	3,096,153	2,520,000
Total Resources	7,880,852	6,999,662	6,683,350	8,360,808	7,617,180
Expenditures					
Claims and Premium Outlay	1,828,972	1,832,652	1,418,695	3,263,628	2,528,757
Total Expenditures	1,828,972	1,832,652	1,418,695	3,263,628	2,528,757
Ending Balance	6,051,880	5,167,010	5,264,655	5,097,180	5,088,423

Supplemental Pension Fund Balance Analysis

	2005 Actual	2006 Actual	2007 Actual	2008 Estimate	2009 Tax Budget
Beginning Balance	831,425	888,711	933,358	983,292	1,021,358
Revenue					
Investment Income	44,996	33,586	42,900	31,566	31,000
Transfer from General Fund	100,000	106,000	100,000	100,000	100,000
Total Revenue	144,996	139,586	142,900	131,566	131,000
Total Resources	976,421	1,028,297	1,076,258	1,114,858	1,152,358
Expenditures					
Benefit Payments	87,670	94,939	92,966	93,500	96,500
Other Expenditures	40	0	0	0	0
Total Expenditures	87,710	94,939	92,966	93,500	96,500
Ending Balance	888,711	933,358	983,292	1,021,358	1,055,858

Law Enforcement Fund Balance Analysis

	2005 Actual	2006 Actual	2007 Actual	2008 Estimate	2009 Tax Budget
Beginning Balance	292,653	217,680	204,509	210,384	223,490
Revenue					
Law Enforcement Revenue	400	53,389	99,046	76,391	35,000
Investment Income	8,087	9,424	11,784	5,215	6,000
Total Revenue	8,487	62,813	110,830	81,606	41,000
Total Resources	301,140	280,493	315,339	291,990	264,490
Expenditures					
Capital & Related Items	83,460	75,984	104,955	68,500	0
Total Expenditures	83,460	75,984	104,955	68,500	0
Ending Balance	217,680	204,509	210,384	223,490	264,490

ATTACHMENT I - SCENARIO #3
All Funds Balance Analysis

	2005	2006	2007	2008	2009
	Actual	Actual	Actual	Estimate	Tax Budget
Beginning Balance	56,330,959	37,395,473	45,333,751	21,339,970	24,078,772
Revenue					
Passenger Fares	39,300,036	40,587,880	43,467,204	48,010,546	52,811,601
Sales & Use Tax	168,997,361	168,615,372	171,661,508	172,000,000	173,204,000
Federal	55,888,368	71,849,886	74,319,702	82,426,039	55,148,500
State	4,928,599	9,011,293	10,778,700	15,226,192	5,227,300
Investment Income	1,522,048	2,680,623	2,453,602	2,911,521	1,955,455
Other Revenue	40,839,721	36,300,526	40,097,355	41,563,778	39,260,000
Bond Proceeds	0	25,003,289	0	35,472,559	0
Total Revenue	311,476,133	354,048,869	342,778,071	397,610,635	327,606,856
Total Resources	367,807,092	391,444,342	388,111,822	418,950,605	351,685,628
Expenditures					
Personnel Services	163,934,412	168,973,550	173,796,848	176,430,092	183,021,661
Diesel	11,466,037	12,552,157	12,112,507	20,544,858	23,572,585
Other Expenditures	45,982,668	46,779,762	51,270,358	51,820,704	52,721,292
Capital Outlay	94,521,768	102,057,253	113,294,112	127,932,274	77,525,000
Debt Service	14,506,734	15,747,869	16,298,027	18,143,905	18,196,566
Total Expenditures	330,411,619	346,110,591	366,771,852	394,871,833	355,037,104
Available Ending Balance	37,395,473	45,333,751	21,339,970	24,078,772	-3,351,476

Section 4:

**Scenario #4: Assumes
Scenario #3 plus an additional
\$0.25 (\$0.50 total) fuel
surcharge on current 2008 base
fare, implemented in October
2008.**

General Fund Balance Analysis

Assumptions:

Passenger Fare Annual Growth =	5.4%	3.3%	7.1%	10.5%	20.0%
Sales Tax Annual Growth =	2.2%	-0.2%	1.8%	0.2%	0.7%
Operating Expenses Growth =	1.5%	3.2%	3.2%	5.1%	4.6%
Capital Contribution =	20,699,560	21,840,207	22,281,814	24,424,000	24,837,454
	12.2%	13.0%	13.0%	14.2%	14.3%

	2005 Actual	2006 Actual	2007 Actual	2008 Estimate	2009 Tax Budget
Beginning Balance	9,649,815	16,090,633	15,762,335	14,047,468	4,649,675
Revenue					
Passenger Fares	39,300,036	40,587,880	43,467,204	48,010,546	57,612,655
Advertising & Concessions	1,705,176	1,404,936	1,217,959	1,198,387	1,225,000
Sales & Use Tax	168,997,361	168,615,372	171,661,508	172,000,000	173,204,000
Ohio Elderly Fare Assistance	1,750,852	2,999,495	2,246,309	2,246,300	2,246,300
Access to Jobs Grants	1,927,187	890,152	572,647	2,089,000	1,400,000
Investment Income	443,225	862,701	870,024	652,000	390,655
Other Revenue	1,067,306	2,672,865	1,193,213	1,200,000	1,200,000
Reimbursed Expenditures	31,398,915	30,636,402	34,201,180	36,000,000	34,400,000
Total Revenue	246,590,058	248,669,803	255,430,044	263,396,233	271,678,610
Total Resources	256,239,873	264,760,436	271,192,379	277,443,701	276,328,285
Operating Expenditures					
Personnel Services	163,934,412	168,973,550	173,796,848	176,430,092	183,021,661
Diesel Fuel	11,466,037	12,552,157	12,112,507	20,544,858	23,572,585
Other Expenditures	43,949,231	44,776,187	47,653,742	48,395,076	50,096,035
Total Operating Expenditures	219,349,680	226,301,894	233,563,097	245,370,026	256,690,281
Transfer to the Insurance Fund	0	750,000	1,200,000	2,900,000	2,300,000
Transfer to the Pension Fund	100,000	106,000	100,000	100,000	100,000
Transfers to Capital					
Bond Retirement Fund	14,073,000	14,700,000	15,456,127	15,026,207	16,943,155
Capital Improvement Fund	6,626,560	6,811,909	5,110,820	0	7,894,299
Total Transfers to Capital	20,699,560	21,511,909	20,566,947	15,026,207	24,837,454
Total Expenditures	240,149,240	248,669,803	255,430,044	263,396,233	283,927,735
Ending Balance	16,090,633	16,090,633	15,762,335	14,047,468	-7,599,450
Supplemental Transfer to Bond Retirement	0	0	0	2,003,832	0
Supplemental Transfer to Capital Improvement	0	328,298	1,714,867	7,393,961	0
Available Ending Balance	16,090,633	15,762,335	14,047,468	4,649,675	-7,599,450

ATTACHMENT B - SCENARIO #4
2009 Tax Budget
Financial Indicators

	2005 Actual	2006 Actual	2007 Actual	2008 Estimate	2009 Tax Budget
REVENUES					
Operating Ratio	19.3%	19.3%	19.9%	20.8%	23.5%
Fare Subsidy (Net Cost) Per Passenger	\$3.08	\$3.18	\$3.23	\$3.41	\$3.54
Average Fare	\$0.69	\$0.71	\$0.76	\$0.86	\$1.05
EXPENDITURES					
Operating Reserve (Months)	0.9	0.9	0.7	0.2	-0.4
Overhead Cost vs. Total Cost	12.4%	12.4%	12.1%	12.5%	12.6%
Cost/Hour of Service	\$95.20	\$98.32	\$100.21	\$107.64	\$116.96
Growth per Year	5.4%	3.3%	1.9%	7.4%	8.7%
DEBT STRUCTURES					
Debt Service Coverage	2.08	1.93	1.81	1.19	0.51
CAPITAL OUTLAY					
Sales Tax Contribution to Capital	12.2%	13.0%	13.0%	14.2%	14.3%
Capital Maintenance to Expansion	80.3%	66.8%	84.1%	77.2%	92.5%

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

RTA Development Fund Balance Analysis

	2005	2006	2007	2008	2009
	Actual	Actual	Actual	Estimate	Tax Budget
Beginning Balance	34,291,132	9,366,610	18,533,162	22,585,662	35,827,539
Revenue					
General Obligation Debt Proceeds	0	25,003,289	0	35,472,559	0
Transfer from RTA Capital Fund	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Investment Income	607,626	1,112,118	844,393	1,846,332	1,107,800
Federal Capital Grants	55,888,368	71,849,886	74,319,702	82,426,039	55,148,500
State Capital Grants	3,177,747	6,011,798	8,532,391	12,979,892	2,981,000
Lease	0	0	25,000,000	0	0
Other Revenue	3,000,000	500,000	2,810,906	1,000,000	1,000,000
Total Revenue	67,673,741	109,477,091	116,507,392	138,724,822	65,237,300
Total Resources	101,964,873	118,843,701	135,040,554	161,310,484	101,064,839
Expenditures					
Capital Outlay	92,227,928	99,198,421	109,944,506	124,500,000	74,525,000
Other Expenditures	335	0	2,000,000	0	0
Transfer to Bond Retirement Fund	370,000	1,112,118	510,386	982,945	1,107,800
Total Expenditures	92,598,263	100,310,539	112,454,892	125,482,945	75,632,800
Ending Balance	9,366,610	18,533,162	22,585,662	35,827,539	25,432,039

ATTACHMENT D - SCENARIO #4
RTA Capital Fund Balance Analysis

	2005	2006	2007	2008	2009
	Actual	Actual	Actual	Estimate	Tax Budget
Beginning Balance	4,018,775	3,451,793	2,899,226	1,471,716	495,734
Revenue					
Transfer from General Fund	6,626,560	7,140,207	6,825,687	7,393,961	7,894,299
Investment Income	100,298	166,058	96,409	62,331	50,000
Other Revenue	0	0	0	0	0
Total Revenue	6,726,858	7,306,265	6,922,096	7,456,292	7,944,299
Total Resources	10,745,633	10,758,058	9,821,322	8,928,008	8,440,033
Expenditures					
Asset Maintenance	1,211,997	1,233,421	1,394,482	1,573,213	1,550,000
Routine Capital	1,081,843	1,625,411	1,955,124	1,859,061	1,450,000
Other Expenditures	0	0	0	0	0
Transfer to RTA Development Fund	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Total Expenditures	7,293,840	7,858,832	8,349,606	8,432,274	8,000,000
Ending Balance	3,451,793	2,899,226	1,471,716	495,734	440,033

Bond Retirement Fund Balance Analysis

	2005	2006	2007	2008	2009
	Actual	Actual	Actual	Estimate	Tax Budget
Beginning Balance	1,248,254	1,328,166	1,582,347	1,524,989	1,511,992
Revenue					
Transfer from General Fund	14,073,000	14,700,000	15,456,127	17,030,039	16,943,155
Transfer from RTA Development Fund	370,000	860,314	510,386	982,945	1,107,800
Investment Income	176,606	298,954	271,752	117,924	150,000
Other Revenue	0	142,782	2,404	0	0
Total Revenue	14,619,606	16,002,050	16,240,669	18,130,908	18,200,955
Total Resources	15,867,860	17,330,216	17,823,016	19,655,897	19,712,947
Expenditures					
Debt Service					
Principal	7,687,196	8,801,619	8,503,267	10,221,808	10,355,037
Interest	6,819,538	6,946,250	7,794,760	7,922,097	7,841,529
Other Expenditures	32,960	0	0	0	0
Total Expenditures	14,539,694	15,747,869	16,298,027	18,143,905	18,196,566
Ending Balance	1,328,166	1,582,347	1,524,989	1,511,992	1,516,381

ATTACHMENT F - SCENARIO #4

Insurance Fund Balance Analysis

	2005	2006	2007	2008	2009
	Actual	Actual	Actual	Estimate	Tax Budget
Beginning Balance	5,998,905	6,051,880	5,167,010	5,264,655	5,097,180
Revenue					
Investment Income	141,210	197,782	316,340	196,153	220,000
Transfer from General Fund	0	750,000	1,200,000	2,900,000	2,300,000
Other Revenue	1,740,737	0	0	0	0
Total Revenue	1,881,947	947,782	1,516,340	3,096,153	2,520,000
Total Resources	7,880,852	6,999,662	6,683,350	8,360,808	7,617,180
Expenditures					
Claims and Premium Outlay	1,828,972	1,832,652	1,418,695	3,263,628	2,528,757
Total Expenditures	1,828,972	1,832,652	1,418,695	3,263,628	2,528,757
Ending Balance	6,051,880	5,167,010	5,264,655	5,097,180	5,088,423

Supplemental Pension Fund Balance Analysis

	2005 Actual	2006 Actual	2007 Actual	2008 Estimate	2009 Tax Budget
Beginning Balance	831,425	888,711	933,358	983,292	1,021,358
Revenue					
Investment Income	44,996	33,586	42,900	31,566	31,000
Transfer from General Fund	100,000	106,000	100,000	100,000	100,000
Total Revenue	144,996	139,586	142,900	131,566	131,000
Total Resources	976,421	1,028,297	1,076,258	1,114,858	1,152,358
Expenditures					
Benefit Payments	87,670	94,939	92,966	93,500	96,500
Other Expenditures	40	0	0	0	0
Total Expenditures	87,710	94,939	92,966	93,500	96,500
Ending Balance	888,711	933,358	983,292	1,021,358	1,055,858

ATTACHMENT H - SCENARIO #4

Law Enforcement Fund Balance Analysis

	2005 Actual	2006 Actual	2007 Actual	2008 Estimate	2009 Tax Budget
Beginning Balance	292,653	217,680	204,509	210,384	223,490
Revenue					
Law Enforcement Revenue	400	53,389	99,046	76,391	35,000
Investment Income	8,087	9,424	11,784	5,215	6,000
Total Revenue	8,487	62,813	110,830	81,606	41,000
Total Resources	301,140	280,493	315,339	291,990	264,490
Expenditures					
Capital & Related Items	83,460	75,984	104,955	68,500	0
Total Expenditures	83,460	75,984	104,955	68,500	0
Ending Balance	217,680	204,509	210,384	223,490	264,490

ATTACHMENT I - SCENARIO #4
All Funds Balance Analysis

	2005	2006	2007	2008	2009
	Actual	Actual	Actual	Estimate	Tax Budget
Beginning Balance	56,330,959	37,395,473	45,333,751	21,339,970	24,078,772
Revenue					
Passenger Fares	39,300,036	40,587,880	43,467,204	48,010,546	57,612,655
Sales & Use Tax	168,997,361	168,615,372	171,661,508	172,000,000	173,204,000
Federal	55,888,368	71,849,886	74,319,702	82,426,039	55,148,500
State	4,928,599	9,011,293	10,778,700	15,226,192	5,227,300
Investment Income	1,522,048	2,680,623	2,453,602	2,911,521	1,955,455
Other Revenue	40,839,721	36,300,526	40,097,355	41,563,778	39,260,000
Bond Proceeds	0	25,003,289	0	35,472,559	0
Total Revenue	311,476,133	354,048,869	342,778,071	397,610,635	332,407,910
Total Resources	367,807,092	391,444,342	388,111,822	418,950,605	356,486,682
Expenditures					
Personnel Services	163,934,412	168,973,550	173,796,848	176,430,092	183,021,661
Diesel	11,466,037	12,552,157	12,112,507	20,544,858	23,572,585
Other Expenditures	45,982,668	46,779,762	51,270,358	51,820,704	52,721,292
Capital Outlay	94,521,768	102,057,253	113,294,112	127,932,274	77,525,000
Debt Service	14,506,734	15,747,869	16,298,027	18,143,905	18,196,566
Total Expenditures	330,411,619	346,110,591	366,771,852	394,871,833	355,037,104
Available Ending Balance	37,395,473	45,333,751	21,339,970	24,078,772	1,449,578



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, 2009 AND SUBMITTING THE SAME TO THE COUNTY AUDITOR	Resolution No.: 2008-109
	Date: July 10, 2008
	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, 2009 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 2009 Tax Budget as chosen by the Finance Committee.
- 8.0 RECOMMENDATION: It is recommended that Scenario #4 within the 2009 Tax Budget be adopted and filed for several reasons. The Board of Trustee's Finance Committee at its July 1st, 2008 meeting approved this Scenario, the report demonstrates timely budgeting and appropriation procedures, and it is an element of fiscal responsibility that may bolster the Authority's credit rating. It also fosters communication and is a good preliminary budget exercise. Based on the Scenario #4 recommendation, public hearings for service reductions and a fuel surcharge will be scheduled for the first week in August.
- 9.0 ATTACHMENTS: None.

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



CEO, General Manager/Secretary-Treasurer