

RESOLUTION NO. 2011-60

ADOPTING THE TAX BUDGET OF THE GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY FOR THE FISCAL YEAR BEGINNING JANUARY 1, 2012 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, 2012, 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 12, 2011 on said budget, of which public notice was given by publication in the Plain Dealer on June 29, 2011.

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

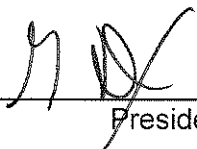
Section 1: That the Tax Budget of the Greater Cleveland Regional Transit Authority, for the fiscal year beginning January 1, 2012, heretofore prepared and submitted to this Board of Trustees, copies of which have been and are on file in the Office of Management and Budget with any revisions to said tentative 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, 2012.

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: 2012 Tax Budget Assumptions and Fund Statements.

Adopted: July 12, 2011

  
\_\_\_\_\_  
President

Attest:   
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CEO, General Manager/Secretary-Treasurer

# General Fund Balance Analysis

Assumptions:

Passenger Fare Annual Growth =	10.8%	3.3%	-5.2%	4.2%	1.5%
Sales Tax Annual Growth =	1.1%	-10.9%	5.6%	3.7%	2.2%
Operating Expenses Growth =	2.7%	-0.6%	-12.8%	5.2%	4.3%
Capital Contribution =	24,819,832	27,877,062	29,876,950	33,051,691	32,347,524
	14.3%	18.0%	18.3%	19.5%	18.7%

	2008 Actual	2009 Actual	2010 Actual	2011 Estimate	2012 Tax Budget
<b>Beginning Balance</b>	<b>14,047,468</b>	<b>8,401,085</b>	<b>2,880,104</b>	<b>20,373,004</b>	<b>25,160,066</b>
<b>Revenue</b>					
Passenger Fares	48,173,971	49,757,083	47,153,709	49,127,933	49,864,852
Advertising & Concessions	1,591,538	1,197,713	956,688	750,000	750,000
Sales & Use Tax	173,568,817	154,586,220	163,220,649	169,226,431	172,949,412
Operating Assistance - ARRA Federal Grants	0	0	3,196,015	0	0
Short Term Notes	0	8,000,000	0	0	0
CMAQ Reimbursement for the Healthline	0	1,930,603	1,069,397	7,205,000	1,680,000
Operating Assistance - Paratransit Operations	0	0	4,320,000	3,109,000	3,089,000
Ohio Elderly Fare Assistance	0	2,756,762	619,057	650,000	650,000
State Funding Fuel Initiative	0	7,875,683	1,165,200	0	0
Operating Assistance - Trolley Operations	0	0	1,765,764	980,980	0
Access to Jobs Program	976,432	2,697,111	2,399,907	2,034,466	1,800,000
Investment Income	825,633	198,200	71,468	92,908	110,000
Other Revenue	1,391,890	2,053,241	1,862,101	1,200,000	1,000,000
Reimbursed Expenditures	35,597,279	33,461,105	39,212,130	25,750,000	20,000,000
Weekly Shopper Service	0	0	30,000	0	0
<b>Total Revenue</b>	<b>262,125,560</b>	<b>264,513,721</b>	<b>267,042,085</b>	<b>260,126,718</b>	<b>251,893,264</b>
<b>Total Resources</b>	<b>276,173,028</b>	<b>272,914,806</b>	<b>269,922,189</b>	<b>280,499,722</b>	<b>277,053,330</b>
<b>Operating Expenditures</b>					
Personnel Services	173,016,961	176,631,322	156,964,659	162,882,134	167,980,528
Diesel Fuel	19,272,336	17,357,364	7,463,127	10,617,161	13,322,647
Other Expenditures	47,662,814	44,548,954	43,686,705	45,438,670	47,102,290
<b>Total Operating Expenditures</b>	<b>239,952,111</b>	<b>238,537,640</b>	<b>208,114,491</b>	<b>218,937,965</b>	<b>228,405,465</b>
<b>Short Term Notes Payment</b>	<b>0</b>	<b>0</b>	<b>8,254,743</b>	<b>0</b>	<b>0</b>
<b>Transfer to the Insurance Fund</b>	<b>2,900,000</b>	<b>3,520,000</b>	<b>3,203,000</b>	<b>3,250,000</b>	<b>3,100,000</b>
<b>Transfer to the Pension Fund</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>
<b>Transfers to Capital</b>					
Bond Retirement Fund	14,753,950	17,327,062	17,351,950	20,241,658	20,736,892
Capital Improvement Fund	10,065,882	10,550,000	12,525,000	12,810,033	11,610,632
<b>Total Transfers to Capital</b>	<b>24,819,832</b>	<b>27,877,062</b>	<b>29,876,950</b>	<b>33,051,691</b>	<b>32,347,524</b>
<b>Total Expenditures</b>	<b>267,771,943</b>	<b>270,034,702</b>	<b>249,549,185</b>	<b>255,339,656</b>	<b>263,952,989</b>
Ending Balance	8,401,085	2,880,104	20,373,005	25,160,066	13,100,341
Reserved Funds	0	0	4,639,000	5,039,000	5,039,000
<b>Available Ending Balance</b>	<b>8,401,085</b>	<b>2,880,104</b>	<b>15,734,004</b>	<b>20,121,066</b>	<b>8,061,341</b>

ATTACHMENT B

**2012 Tax Budget  
Financial Indicators**

	2009 Actual	2010 Actual	2011 Estimate	2012 Tax Budget	GOAL
<b>REVENUES</b>					
Operating Ratio	21.8%	23.8%	23.1%	22.5%	25.00%
Fare Subsidy (Net Cost) Per Passenger	\$3.70	\$3.47	\$3.67	\$3.72	< 3X Avg. Fare
Average Fare	\$1.00	\$1.06	\$1.08	\$1.05	
<b>EXPENDITURES</b>					
Operating Reserve (Months)	0.1	1.2	1.4	0.7	1 Month
Overhead Cost vs. Total Cost	12.6%	14.0%	14.0%	14.1%	< 15%
Cost/Hour of Service	\$115.04	\$121.64	\$127.90	\$130.88	< Inflation Rate
Growth per Year	9.1%	5.7%	5.1%	2.3%	
<b>DEBT STRUCTURES</b>					
Debt Service Coverage	1.14	2.05	2.28	1.63	> 1.50
<b>CAPITAL OUTLAY</b>					
Sales Tax Contribution to Capital	18.0%	18.3%	19.5%	18.7%	Between 10-15%
Capital Maintenance to Expansion	95.6%	99.0%	96.9%	87.0%	Between 33-67%

**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 Improvement Fund Transfers + Bond Retirement Transfers) / Sales & Use Tax Revenue
Capital Maintenance to Expansion = Capital Maintenance Outlay / Total Capital Outlay

ATTACHMENT C

**RTA Development Fund Balance Analysis**

	2008	2009	2010	2011	2012
	Actual	Actual	Actual	Estimate	Tax Budget
<b>Beginning Balance</b>	<b>22,837,466</b>	<b>33,485,254</b>	<b>30,508,300</b>	<b>21,135,307</b>	<b>41,784,982</b>
<b>Revenue</b>					
General Obligation Debt Proceeds	35,472,559	0	0	25,000,000	0
Transfer from RTA Capital Fund	7,600,882	8,346,054	9,275,000	9,601,441	9,320,255
Investment Income	1,672,096	271,990	244,766	210,134	295,000
Federal Capital Grants	86,109,609	65,807,459	52,664,887	61,394,100	70,949,040
ARRA Federal Capital Grants	0	7,840,623	28,823,088	6,284,988	1,000,000
State Capital Grants	9,370,685	9,162,154	1,807,284	6,776,795	6,776,795
Other Revenue	1,837,731	0	0	500,000	500,000
<b>Total Revenue</b>	<b>142,063,562</b>	<b>91,428,280</b>	<b>92,815,025</b>	<b>109,767,458</b>	<b>88,841,090</b>
<b>Total Resources</b>	<b>164,901,028</b>	<b>124,913,534</b>	<b>123,323,325</b>	<b>130,902,764</b>	<b>130,626,071</b>
<b>Expenditures</b>					
Capital Outlay	128,830,215	93,705,234	101,488,018	89,117,783	94,199,040
Other Expenditures	472,559	0	0	0	0
Transfer to Bond Retirement Fund	2,113,000	700,000	700,000	0	0
<b>Total Expenditures</b>	<b>131,415,774</b>	<b>94,405,234</b>	<b>102,188,018</b>	<b>89,117,783</b>	<b>94,199,040</b>
<b>Ending Balance</b>	<b>33,485,254</b>	<b>30,508,300</b>	<b>21,135,307</b>	<b>41,784,982</b>	<b>36,427,032</b>

## ATTACHMENT D.

## RTA Capital Fund Balance Analysis

	2008	2009	2010	2011	2012
	Actual	Actual	Actual	Estimate	Tax Budget
<b>Beginning Balance</b>	<b>1,374,346</b>	<b>270,264</b>	<b>197,782</b>	<b>814,717</b>	<b>1,698,946</b>
<b>Revenue</b>					
Transfer from General Fund	10,065,882	10,550,000	12,525,000	12,810,033	11,610,632
Investment Income	65,557	370	235	637	1,750
Other Revenue	0	0	41	0	0
<b>Total Revenue</b>	<b>10,131,439</b>	<b>10,550,370</b>	<b>12,525,276</b>	<b>12,810,670</b>	<b>11,612,382</b>
<b>Total Resources</b>	<b>11,505,785</b>	<b>10,820,634</b>	<b>12,723,058</b>	<b>13,625,387</b>	<b>13,311,328</b>
<b>Expenditures</b>					
Asset Maintenance	1,630,502	1,197,531	1,703,742	1,350,000	1,250,000
Routine Capital	2,004,137	1,079,267	929,599	975,000	925,000
Transfer to RTA Development Fund	7,600,882	8,346,054	9,275,000	9,601,441	9,320,255
<b>Total Expenditures</b>	<b>11,235,521</b>	<b>10,622,852</b>	<b>11,908,341</b>	<b>11,926,441</b>	<b>11,495,255</b>
<b>Ending Balance</b>	<b>270,264</b>	<b>197,782</b>	<b>814,717</b>	<b>1,698,946</b>	<b>1,816,073</b>

ATTACHMENT E

**Bond Retirement Fund Balance Analysis**

	2008	2009	2010	2011	2012
	Actual	Actual	Actual	Estimate	Tax Budget
<b>Beginning Balance</b>	<b>1,727,210</b>	<b>1,733,884</b>	<b>2,084,582</b>	<b>1,790,289</b>	<b>2,198,868</b>
<b>Revenue</b>					
Transfer from General Fund	14,753,950	17,327,062	17,351,950	20,241,658	20,736,892
Transfer from RTA Development Fund	2,113,000	700,000	700,000	0	0
Investment Income	316,200	36,270	26,959	55,000	65,000
Other Revenue	326,277	0	4,519	0	0
<b>Total Revenue</b>	<b>17,509,427</b>	<b>18,063,332</b>	<b>18,083,428</b>	<b>20,296,658</b>	<b>20,801,892</b>
<b>Total Resources</b>	<b>19,236,637</b>	<b>19,797,216</b>	<b>20,168,010</b>	<b>22,086,947</b>	<b>23,000,760</b>
<b>Expenditures</b>					
Debt Service					
Principal	10,216,526	10,012,244	11,108,564	13,139,510	13,424,544
Interest	7,286,227	7,700,390	7,269,157	6,746,069	7,297,833
Other Expenditures	0	0	0	2,500	2,500
<b>Total Expenditures</b>	<b>17,502,753</b>	<b>17,712,634</b>	<b>18,377,721</b>	<b>19,888,079</b>	<b>20,724,876</b>
<b>Ending Balance</b>	<b>1,733,884</b>	<b>2,084,582</b>	<b>1,790,289</b>	<b>2,198,868</b>	<b>2,275,884</b>

ATTACHMENT F

**Insurance Fund Balance Analysis**

	2008	2009	2010	2011	2012
	Actual	Actual	Actual	Estimate	Tax Budget
<b>Beginning Balance</b>	<b>5,264,655</b>	<b>5,432,199</b>	<b>4,634,855</b>	<b>5,448,731</b>	<b>5,558,731</b>
<b>Revenue</b>					
Investment Income	167,544	75,515	70,551	85,000	97,500
Transfer from General Fund	2,900,000	3,520,000	3,203,000	3,250,000	3,100,000
<b>Total Revenue</b>	<b>3,067,544</b>	<b>3,595,515</b>	<b>3,273,551</b>	<b>3,335,000</b>	<b>3,197,500</b>
<b>Total Resources</b>	<b>8,332,199</b>	<b>9,027,714</b>	<b>7,908,406</b>	<b>8,783,731</b>	<b>8,756,231</b>
<b>Expenditures</b>					
Claims and Premium Outlay	2,900,000	4,392,859	2,459,675	3,225,000	3,291,250
Other Expenditures	0	0	0	0	0
<b>Total Expenditures</b>	<b>2,900,000</b>	<b>4,392,859</b>	<b>2,459,675</b>	<b>3,225,000</b>	<b>3,291,250</b>
<b>Ending Balance</b>	<b>5,432,199</b>	<b>4,634,855</b>	<b>5,448,731</b>	<b>5,558,731</b>	<b>5,464,981</b>

## ATTACHMENT G

## Supplemental Pension Fund Balance Analysis

	2008	2009	2010	2011	2012
	Actual	Actual	Actual	Estimate	Tax Budget
<b>Beginning Balance</b>	983,292	1,036,017	1,083,091	1,121,472	1,157,472
<b>Revenue</b>					
Investment Income	34,609	28,441	17,532	18,500	19,250
Transfer from General Fund	100,000	100,000	100,000	100,000	100,000
<b>Total Revenue</b>	<b>134,609</b>	<b>128,441</b>	<b>117,532</b>	<b>118,500</b>	<b>119,250</b>
<b>Total Resources</b>	<b>1,117,901</b>	<b>1,164,458</b>	<b>1,200,623</b>	<b>1,239,972</b>	<b>1,276,722</b>
<b>Expenditures</b>					
Benefit Payments	81,884	81,366	79,151	82,500	81,500
Other Expenditures	0	0	0	0	0
<b>Total Expenditures</b>	<b>81,884</b>	<b>81,366</b>	<b>79,151</b>	<b>82,500</b>	<b>81,500</b>
<b>Ending Balance</b>	<b>1,036,017</b>	<b>1,083,091</b>	<b>1,121,472</b>	<b>1,157,472</b>	<b>1,195,222</b>



## ATTACHMENT H

## Law Enforcement Fund Balance Analysis

	2008	2009	2010	2011	2012
	Actual	Actual	Actual	Estimate	Tax Budget
<b>Beginning Balance</b>	<b>204,126</b>	<b>172,193</b>	<b>152,517</b>	<b>191,563</b>	<b>127,741</b>
<b>Revenue</b>					
Law Enforcement Revenue	14,400	11,280	2,340	11,000	12,000
Investment Income	4,505	425	171	250	300
Other Revenue	61,991	28,937	126,011	0	0
<b>Total Revenue</b>	<b>80,896</b>	<b>40,642</b>	<b>128,522</b>	<b>11,250</b>	<b>12,300</b>
<b>Total Resources</b>	<b>285,022</b>	<b>212,835</b>	<b>281,039</b>	<b>202,813</b>	<b>140,041</b>
<b>Expenditures</b>					
Capital & Related Items	112,829	60,318	89,476	75,072	25,000
<b>Total Expenditures</b>	<b>112,829</b>	<b>60,318</b>	<b>89,476</b>	<b>75,072</b>	<b>25,000</b>
<b>Ending Balance</b>	<b>172,193</b>	<b>152,517</b>	<b>191,563</b>	<b>127,741</b>	<b>115,041</b>

ATTACHMENT I

**All Funds Balance Analysis**

	2008	2009	2010	2011	2012
	Actual	Actual	Actual	Estimate	Tax Budget
<b>Beginning Balance</b>	<b>46,438,563</b>	<b>50,530,896</b>	<b>41,541,232</b>	<b>50,875,084</b>	<b>77,686,807</b>
<b>Revenue</b>					
Passenger Fares	48,173,971	49,757,083	47,153,709	49,127,933	49,864,852
Sales & Use Tax	173,568,817	154,586,220	163,220,649	169,226,431	172,949,412
Federal	86,109,609	73,648,082	84,683,990	67,679,088	71,949,040
State	9,370,685	21,725,202	8,980,938	17,740,795	12,195,795
Investment Income	3,086,144	611,211	431,682	462,429	588,800
Other Revenue	41,797,538	47,449,387	46,359,501	31,226,446	24,062,000
General Obligation Debt Proceeds	35,472,559	0	0	25,000,000	0
Capital Lease	0	0	0	0	0
<b>Total Revenue</b>	<b>397,579,323</b>	<b>347,777,185</b>	<b>350,830,469</b>	<b>360,463,122</b>	<b>331,609,899</b>
<b>Total Resources</b>					
<b>Total Resources</b>	<b>444,017,886</b>	<b>398,308,081</b>	<b>392,371,700</b>	<b>411,338,206</b>	<b>409,296,705</b>
<b>Expenditures</b>					
Personnel Services	173,016,961	176,631,322	156,964,659	162,882,134	167,980,528
Diesel Fuel	19,272,336	17,357,364	7,463,127	10,617,161	13,322,647
Other Expenditures	51,230,086	49,083,497	54,569,750	48,823,742	50,502,540
Capital Outlay	132,464,854	95,982,032	104,121,359	91,442,783	96,374,040
Debt Service	17,502,753	17,712,634	18,377,721	19,885,579	20,722,376
<b>Total Expenditures</b>	<b>393,486,990</b>	<b>356,766,849</b>	<b>341,496,617</b>	<b>333,651,399</b>	<b>348,902,131</b>
<b>Available Ending Balance</b>	<b>50,530,896</b>	<b>41,541,232</b>	<b>50,875,084</b>	<b>77,686,807</b>	<b>60,394,575</b>



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

TITLE/DESCRIPTION:  ADOPTING GCRTA TAX BUDGET FOR THE 2012 FISCAL YEAR	Resolution No.: 2011-60
	Date: July 7, 2011
	Initiator: Office of Management & Budget
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, 2012 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 2012 Tax Budget as chosen by the Finance Committee.
- 8.0 RECOMMENDATION: This budget was reviewed by the Finance Committee on July 12, 2011 and recommended for approval by the Board of Trustees. It is recommended that the 2012 Tax Budget be adopted and filed for several reasons. The report demonstrates timely budgeting and appropriation procedures. It is an element of financial stability that may bolster the Authority's credit rating. It also fosters communication and is a good preliminary budget exercise.
- 9.0 ATTACHMENTS: None.

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

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CEO, General Manager/Secretary-Treasurer