

RESOLUTION NO. 2013-64

ADOPTING THE TAX BUDGET OF THE GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY FOR THE FISCAL YEAR BEGINNING JANUARY 1, 2014 AND SUBMITTING THE SAME TO THE CUYAHOGA COUNTY FISCAL OFFICER

WHEREAS, a Tax Budget for the Greater Cleveland Regional Transit Authority for the fiscal year beginning January 1, 2014, 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 2, 2013 on said budget, of which public notice was given by publication in the Plain Dealer on June 18, 2013.

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, 2014, 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, 2014.

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 Cuyahoga County Fiscal Officer.

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

Attachments: 2014 Tax Budget Assumptions and Fund Statements.

Adopted: July 16, 2013

  
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President

Attest:   
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CEO, General Manager/Secretary-Treasurer

# General Fund Balance Analysis

Assumptions:

Passenger Fare Annual Growth =	1.8%	2.5%	2.0%	1.5%	1.5%	1.5%
Sales Tax Annual Growth =	6.1%	4.6%	2.2%	2.0%	2.0%	2.0%
Personnel & Fringe Cost Growth =	-1.3%	5.7%	4.2%	4.0%	0.4%	2.0%
Non-Personnel Cost Growth =	7.4%	6.7%	2.9%	9.2%	1.5%	1.1%
Operating Expenses Growth =	0.8%	6.0%	3.8%	5.3%	0.7%	1.7%
Capital Contribution =	31,895,296	31,023,887	36,094,436	35,988,942	35,085,144	35,786,867
	18.4%	17.1%	19.5%	19.0%	18.2%	18.2%

	2011 Actual	2012 Actual	2013 Estimate	2014 Tax Budget	2015 Budget	2016 Budget
<b>Beginning Balance</b>	<b>19,846,961</b>	<b>36,375,982</b>	<b>38,235,141</b>	<b>28,573,390</b>	<b>12,541,202</b>	<b>2,075,955</b>
<b>Revenue</b>						
Passenger Fares	48,017,726	49,237,857	50,222,614	50,975,953	51,740,592	52,516,701
Advertising & Concessions	904,153	1,375,671	1,100,000	1,000,000	1,000,000	900,000
Sales & Use Tax	173,242,329	181,219,251	185,289,807	188,995,603	192,775,515	196,631,025
CMAQ Reimbursement for the Healthline	7,129,442	2,128,337	0	0	0	0
Operating Assistance - Paratransit Operations	3,109,000	3,125,000	3,089,000	3,089,000	3,089,000	3,089,000
Ohio Elderly Fare Assistance	0	0	0	0	0	0
CMAQ Reimbursement - Trolley	980,980	0	950,000	950,000	850,000	0
Access to Jobs Program	1,559,639	1,712,976	2,074,000	1,800,000	1,800,000	1,800,000
Investment Income	131,592	201,267	210,000	225,000	250,000	275,000
Other Revenue	1,500,537	971,146	1,000,000	1,000,000	1,000,000	1,000,000
Reimbursed Expenditures	25,600,974	16,955,634	15,500,000	18,000,000	20,500,000	23,000,000
<b>Total Revenue</b>	<b>262,176,372</b>	<b>256,927,139</b>	<b>259,435,421</b>	<b>266,035,556</b>	<b>273,005,107</b>	<b>279,211,726</b>
<b>Total Resources</b>	<b>282,023,333</b>	<b>293,303,121</b>	<b>297,670,562</b>	<b>294,608,946</b>	<b>285,546,309</b>	<b>281,287,681</b>
<b>Operating Expenditures</b>						
Personnel Services	154,927,523	163,776,230	170,594,382	177,338,332	178,023,093	181,583,555
Diesel Fuel	9,918,864	12,632,036	13,726,323	14,050,350	14,019,077	13,501,963
Other Expenditures	45,555,668	46,535,828	47,182,031	52,490,120	53,543,040	54,784,040
<b>Total Operating Expenditures</b>	<b>210,402,055</b>	<b>222,944,094</b>	<b>231,502,736</b>	<b>243,878,802</b>	<b>245,585,210</b>	<b>249,869,558</b>
<b>Transfer to the Insurance Fund</b>						
Transfer to the Pension Fund	3,250,000	1,000,000	1,400,000	2,100,000	2,700,000	2,650,000
<b>Transfers to Capital</b>						
Bond Retirement Fund	19,793,855	19,386,892	18,324,392	20,754,392	21,574,686	22,347,498
Capital Improvement Fund	12,101,441	11,636,995	17,770,044	15,234,550	13,510,458	13,439,369
<b>Total Transfers to Capital</b>	<b>31,895,296</b>	<b>31,023,887</b>	<b>36,094,436</b>	<b>35,988,942</b>	<b>35,085,144</b>	<b>35,786,867</b>
<b>Total Expenditures</b>	<b>245,647,351</b>	<b>255,067,981</b>	<b>269,097,172</b>	<b>282,067,744</b>	<b>283,470,354</b>	<b>288,406,425</b>
<b>Ending Balance</b>	<b>36,375,982</b>	<b>38,235,141</b>	<b>28,573,390</b>	<b>12,541,202</b>	<b>2,075,955</b>	<b>-7,118,743</b>
Brookpark Lightning Strike Reserve Funds	1,100,000	1,100,000	0	0	0	0
Rolling Stock Replacement Funds	0	7,000,000	0	0	0	0
Reserved Funds	6,602,000	6,840,000	6,900,000	6,900,000	6,900,000	6,900,000
<b>Available Ending Balance</b>	<b>28,673,983</b>	<b>23,295,141</b>	<b>21,673,390</b>	<b>5,641,202</b>	<b>-4,824,045</b>	<b>-14,018,743</b>

ATTACHMENT B

2014 Tax Budget

Financial Policy Objectives

	Description	Goal	2011 Actual		2012 Actual	2013 Estimate	2014 Tax Budget	2015 Budget	2016 Budget
Operating Efficiency	Operating Ratio <i>Ratio that shows the efficiency of management by comparing operating expenses to operating revenues. Operating Revenues divided by Operating Expenses</i>	> 25%	23.8%		23.0%	22.4%	21.6%	21.7%	21.6%
	Cost/Hour of Service <i>Measure of service efficiency. Total Operating Expenses divided by Total Service Hours</i>		\$133.6		\$123.4	\$121.6	\$126.9	\$126.5	\$127.5
	Growth per Year <i>Growth in the cost of delivering a unit of service (Cost per Hour), compared to the prior year, to be kept at or below the rate of inflation.</i>	< Rate of Inflation	9.5%		-7.7%	-1.4%	4.3%	-0.3%	0.7%
	Operating Reserve (Months) <i>Equal or above one month's operating expenses to cover unforeseen or extraordinary fluctuations in revenues or expenses.</i>	> 1 month	2.1		2.1	1.5	0.6	0.1	-0.3
Capital Efficiency	Debt Service Coverage <i>The measure of the Authority's ability to meet annual interest and principal payments on outstanding debts.</i>	> 1.5	2.82		2.77	2.26	1.60	1.10	0.68
	Sales Tax Contribution to Capital <i>Sales tax revenues to be allocated directly to the Capital Improvement Fund to support budgeted projects or to the Bond Retirement Fund to support debt service payments.</i>	10% - 15%	18.4%		17.1%	19.5%	19.0%	18.2%	18.2%
	Capital Maintenance to Expansion <i>The capital program requires a critical balance between maintenance of existing assets and expansion efforts.</i>	75% - 90%	98.2%		99.2%	97.1%	94.0%	72.8%	75.7%
End of Year Reserved Funds	Fuel Reserve Funds <i>A reserve designated to protect the Authority from a significant and continuing rise in fuel prices. (In Millions)</i>	Fuel Budget less Annual Expenditures	\$2.41		\$2.65	\$2.71	\$2.71	\$2.71	\$2.71
	Compensated Absences Reserve Funds <i>Ensure payment of over \$9 million in charges the Authority will need to pay to employees for vacation that has been earned. (In Millions)</i>	< 25% of Accrued Liability	\$2.25		\$2.25	\$2.25	\$2.25	\$2.25	\$2.25
	Hospitalization Reserve Funds <i>Protect against substantial cost increases from unfunded mandates or out of the ordinary costs for catastrophic illnesses. (In Millions)</i>	< 10% of Annual Hospitalization Costs	\$2.25		\$2.25	\$2.25	\$2.25	\$2.25	\$2.25
	Rolling Stock Replacement Funds <i>A reserve designated to protect the Authority from a significant and continuing rise in replacement of revenue vehicles (In Millions)</i>	Savings in Operating Funds	\$0.00		\$7.00	\$0.00	\$0.00	\$0.00	\$0.00

ATTACHMENT C

RTA Development Fund Balance Analysis

	2011 Actual	2012 Actual	2013 Estimate	2014 Tax Budget	2015 Budget	2016 Budget
<b>Beginning Balance</b>	21,135,307	25,947,255	44,440,121	37,318,612	29,304,603	40,028,094
<b>Revenue</b>						
General Obligation Debt Proceeds	0	25,000,000	0	0	20,000,000	0
Transfer from RTA Capital Fund	9,601,441	9,620,255	15,470,255	11,734,255	10,434,255	10,684,255
Investment Income	242,341	115,389	185,000	155,000	155,000	155,000
Federal Capital Grants	51,104,869	33,570,510	57,746,500	70,625,000	65,512,500	61,125,000
State Capital Grants	778,956	1,135,673	1,971,736	1,971,736	1,971,736	1,971,736
Other Revenue	1,500,000	3,424,859	0	0	0	0
<b>Total Revenue</b>	<b>63,227,607</b>	<b>72,866,686</b>	<b>75,373,491</b>	<b>84,485,991</b>	<b>98,073,491</b>	<b>73,335,991</b>
<b>Total Resources</b>	<b>84,362,914</b>	<b>98,813,941</b>	<b>119,813,612</b>	<b>121,804,603</b>	<b>127,378,094</b>	<b>113,964,086</b>
<b>Expenditures</b>						
Capital Outlay	58,415,659	54,373,820	82,495,000	92,500,000	87,350,000	81,500,000
<b>Total Expenditures</b>	<b>58,415,659</b>	<b>54,373,820</b>	<b>82,495,000</b>	<b>92,500,000</b>	<b>87,350,000</b>	<b>81,500,000</b>
<b>Ending Balance</b>	<b>25,947,255</b>	<b>44,440,121</b>	<b>37,318,612</b>	<b>29,304,603</b>	<b>40,028,094</b>	<b>32,464,086</b>

ATTACHMENT D

RTA Capital Fund Balance Analysis

	2011	2012	2013	2014	2015	2016
	Actual	Actual	Estimate	Tax Budget	Budget	Budget
<b>Beginning Balance</b>	814,717	2,061,599	2,251,107	1,001,021	1,651,566	1,828,019
<b>Revenue</b>						
Transfer from General Fund	12,101,441	11,636,995	17,770,044	15,234,550	13,510,458	13,439,369
Investment Income	265	-7	125	250	250	250
Other Revenue	0	0	0	0	0	0
<b>Total Revenue</b>	<b>12,101,706</b>	<b>11,636,988</b>	<b>17,770,169</b>	<b>15,234,800</b>	<b>13,510,708</b>	<b>13,439,619</b>
<b>Total Resources</b>	<b>12,916,423</b>	<b>13,698,587</b>	<b>20,021,276</b>	<b>16,235,821</b>	<b>15,162,274</b>	<b>15,267,637</b>
<b>Expenditures</b>						
Asset Maintenance	708,534	873,929	1,250,000	1,350,000	1,300,000	1,300,000
Routine Capital	544,849	953,296	2,300,000	1,500,000	1,600,000	1,600,000
Transfer to RTA Development Fund	9,601,441	9,620,255	15,470,255	11,734,255	10,434,255	10,684,255
<b>Total Expenditures</b>	<b>10,854,824</b>	<b>11,447,480</b>	<b>19,020,255</b>	<b>14,584,255</b>	<b>13,334,255</b>	<b>13,584,255</b>
<b>Ending Balance</b>	<b>2,061,599</b>	<b>2,251,107</b>	<b>1,001,021</b>	<b>1,651,566</b>	<b>1,828,019</b>	<b>1,683,382</b>

ATTACHMENT E

**Bond Retirement Fund Balance Analysis**

	2011	2012	2013	2014	2015	2016
	Actual	Actual	Estimate	Tax Budget	Budget	Budget
<b>Beginning Balance</b>	1,790,289	1,737,726	4,154,809	1,739,093	1,732,878	1,795,851
<b>Revenue</b>						
Transfer from General Fund	19,793,855	19,386,892	18,324,392	20,754,392	21,574,686	22,347,498
Investment Income	39,161	23,086	26,500	25,500	26,500	26,500
Bond Premium Proceeds	0	3,779,561	0	0	0	0
Other Revenue	0	0	0	0	0	0
<b>Total Revenue</b>	<b>19,833,016</b>	<b>23,189,539</b>	<b>18,350,892</b>	<b>20,779,892</b>	<b>21,601,186</b>	<b>22,373,998</b>
<b>Total Resources</b>	<b>21,623,305</b>	<b>24,927,265</b>	<b>22,505,701</b>	<b>22,518,985</b>	<b>23,334,064</b>	<b>24,169,849</b>
<b>Expenditures</b>						
Debt Service						
Principal	13,139,510	13,990,000	13,905,000	14,485,000	15,360,818	16,421,440
Interest	6,746,069	6,776,675	6,861,608	6,299,608	6,174,895	5,885,767
Other Expenditures	0	5,781	0	1,500	2,500	2,500
<b>Total Expenditures</b>	<b>19,885,579</b>	<b>20,772,456</b>	<b>20,766,608</b>	<b>20,786,108</b>	<b>21,538,213</b>	<b>22,309,707</b>
<b>Ending Balance</b>	<b>1,737,726</b>	<b>4,154,809</b>	<b>1,739,093</b>	<b>1,732,878</b>	<b>1,795,851</b>	<b>1,860,142</b>

ATTACHMENT F  
**Insurance Fund Balance Analysis**

	2011 Actual	2012 Actual	2013 Estimate	2014 Tax Budget	2015 Budget	2016 Budget
<b>Beginning Balance</b>	5,448,731	6,883,060	6,678,594	6,081,094	5,731,094	5,746,594
<b>Revenue</b>						
Investment Income	72,788	34,928	47,500	45,000	45,000	45,000
Transfer from General Fund	3,250,000	1,000,000	1,400,000	2,100,000	2,700,000	2,650,000
<b>Total Revenue</b>	<b>3,322,788</b>	<b>1,034,928</b>	<b>1,447,500</b>	<b>2,145,000</b>	<b>2,745,000</b>	<b>2,695,000</b>
<b>Total Resources</b>	<b>8,771,519</b>	<b>7,917,988</b>	<b>8,126,094</b>	<b>8,226,094</b>	<b>8,476,094</b>	<b>8,441,594</b>
<b>Expenditures</b>						
Claims and Premium Outlay	1,888,459	1,231,929	2,045,000	2,495,000	2,729,500	2,861,500
Other Expenditures	0	7,465	0	0	0	0
<b>Total Expenditures</b>	<b>1,888,459</b>	<b>1,239,394</b>	<b>2,045,000</b>	<b>2,495,000</b>	<b>2,729,500</b>	<b>2,861,500</b>
<b>Ending Balance</b>	<b>6,883,060</b>	<b>6,678,594</b>	<b>6,081,094</b>	<b>5,731,094</b>	<b>5,746,594</b>	<b>5,580,094</b>

ATTACHMENT G

Supplemental Pension Fund Balance Analysis

	2011	2012	2013	2014	2015	2016
	Actual	Actual	Estimate	Tax Budget	Budget	Budget
<b>Beginning Balance</b>	1,121,472	1,161,820	1,195,092	1,231,592	1,266,092	1,301,342
<b>Revenue</b>						
Investment Income	15,704	6,183	8,750	6,500	6,750	6,750
Transfer from General Fund	100,000	100,000	100,000	100,000	100,000	100,000
<b>Total Revenue</b>	115,704	106,183	108,750	106,500	106,750	106,750
<b>Total Resources</b>	1,237,176	1,268,004	1,303,842	1,338,092	1,372,842	1,408,092
<b>Expenditures</b>						
Benefit Payments	75,357	72,912	72,250	72,000	71,500	71,250
Other Expenditures	0	0	0	0	0	0
<b>Total Expenditures</b>	75,357	72,912	72,250	72,000	71,500	71,250
<b>Ending Balance</b>	1,161,820	1,195,092	1,231,592	1,266,092	1,301,342	1,336,842



ATTACHMENT H

Law Enforcement Fund Balance Analysis

	2011 Actual	2012 Actual	2013 Estimate	2014 Tax Budget	2015 Budget	2016 Budget
<b>Beginning Balance</b>	191,563	298,091	184,341	151,966	122,091	112,216
<b>Revenue</b>						
Law Enforcement Revenue	0	0	0	0	0	0
Investment Income	171	86	125	125	125	125
Other Revenue	164,467	56,000	45,000	55,000	55,000	55,000
<b>Total Revenue</b>	164,638	56,086	45,125	55,125	55,125	55,125
<b>Total Resources</b>	356,201	354,177	229,466	207,091	177,216	167,341
<b>Expenditures</b>						
Capital & Related Items	58,110	129,986	77,500	85,000	65,000	65,000
<b>Total Expenditures</b>	58,110	129,986	77,500	85,000	65,000	65,000
Reconciling Journal Entry	0	39,850	0	0	0	0
<b>Ending Balance</b>	298,091	184,341	151,966	122,091	112,216	102,341

ATTACHMENT I

All Funds Balance Analysis

	2011 Actual	2012 Actual	2013 Estimate	2014 Tax Budget	2015 Budget	2016 Budget
<b>Beginning Balance</b>	50,349,041	74,465,533	97,139,204	76,096,768	52,349,526	52,888,071
<b>Revenue</b>						
Passenger Fares	48,017,726	49,237,857	50,222,614	50,975,953	51,740,592	52,516,701
Sales & Use Tax	173,242,329	181,219,251	185,289,807	188,995,603	192,775,515	196,631,025
Federal (Including ARRA)	51,104,869	33,570,510	57,746,500	70,625,000	65,512,500	61,125,000
State	11,017,398	6,389,010	5,060,736	5,060,736	5,060,736	5,060,736
Investment Income	502,022	380,932	478,000	457,375	483,625	508,625
Other Revenue	32,210,750	28,275,847	20,669,000	22,805,000	25,205,000	26,755,000
General Obligation Debt Proceeds	0	25,000,000	0	0	20,000,000	0
<b>Total Revenue</b>	<b>316,095,094</b>	<b>324,073,407</b>	<b>319,466,657</b>	<b>338,919,667</b>	<b>360,777,968</b>	<b>342,597,087</b>
<b>Total Resources</b>	<b>366,444,135</b>	<b>398,538,940</b>	<b>416,605,861</b>	<b>415,016,435</b>	<b>413,127,494</b>	<b>395,485,158</b>
<b>Expenditures</b>						
Personnel Services	154,927,523	163,776,230	170,594,382	177,338,332	178,023,093	181,583,555
Diesel Fuel	9,918,864	12,632,036	13,726,323	14,050,350	14,019,077	13,501,963
Other Expenditures	47,577,594	48,023,751	49,376,781	55,143,620	56,411,540	57,784,290
Capital Outlay	59,669,042	56,201,045	86,045,000	95,350,000	90,250,000	84,400,000
Debt Service	19,885,579	20,766,675	20,766,608	20,784,608	21,535,713	22,307,207
<b>Total Expenditures</b>	<b>291,978,602</b>	<b>301,399,737</b>	<b>340,509,094</b>	<b>362,666,910</b>	<b>360,239,423</b>	<b>359,577,015</b>
<b>Available Ending Balance</b>	<b>74,465,533</b>	<b>97,139,204</b>	<b>76,096,768</b>	<b>52,349,526</b>	<b>52,888,071</b>	<b>35,908,143</b>



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

TITLE/DESCRIPTION:  ADOPTING GCRTA TAX BUDGET FOR THE 2014 FISCAL YEAR	Resolution No.: 2013- 64
	Date: July 11, 2013
	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, 2014 and submit the same to the Cuyahoga County Fiscal Officer.
- 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 2014 Tax Budget as chosen by the Finance Committee.
- 8.0 RECOMMENDATION: This budget was reviewed by the Finance Committee on July 2, 2013 and recommended for approval by the Board of Trustees. It is recommended that the 2014 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