

RESOLUTION NO. 2019-117

TO AMEND THE FISCAL YEAR 2019 REVENUES AND APPROPRIATIONS FOR THE GENERAL FUND, AS ADOPTED IN RESOLUTION NOS. 2018-119 AND 2019-034, AND TO PROVIDE FOR A \$5,000,000 TRANSFER TO THE RESERVE FUND FOR RAIL CAR REPLACEMENT

WHEREAS, the Authority has both a legal and managerial requirement to establish the revenues to be received for the upcoming fiscal year, including all taxes, user fees, and other types of revenues, as well as estimates of all expenditures or outlays for the operation of this public transportation system to be paid or met from said revenue for each fiscal year; and

WHEREAS, in order to meet those requirements, a budget was prepared for the fiscal year beginning January 1, 2019 and ending December 31, 2019 ("FY 2019 General Fund Budget"); and

WHEREAS, the Reserve Fund helps to protect the Authority from future economic downturns, as well as significant increases in fuel and hospitalization costs, to financially plan for payment of earned vacation hours when an employee separates or retires, to establish a method to account for future budget years with 27 pay periods, and to accumulate sufficient funds to replace the Authority's aging revenue vehicles; and

WHEREAS, it is in the best interest of the Authority to increase the transfer to the Reserve Fund by \$5.0 million for the replacement of rail vehicles; and

WHEREAS, the Board of Trustees adopted the FY 2019 General Fund Budget on December 18, 2018 through Resolution No. 2018-119 and amended the FY 2019 General Fund Budget on March 26, 2019 through Resolution No. 2019-034; and

WHEREAS, the Operational Planning & Infrastructure Committee of the Board of Trustees reviewed and discussed the proposed increase to the FY 2019 General Fund Budget on November 12, 2019 and December 3, 2019 and recommended its approval by the Board on December 3, 2019.

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

Section 1. That the appropriations for the current expenses and other expenditures of the Authority, during the period of January 1, 2019 through December 31, 2019 ("Fiscal Year 2019"), as set forth in Resolution No. 2018-119, adopted by the Board on December 18, 2018 and in Resolution No. 2019-034, adopted by the Board on March 26, 2019 are hereby amended as follows:

	3/26/19 Appropriation	12/17/19 Appropriation	Variance
Transfer to the Reserve Fund	\$7,965,059	\$12,965,059	\$5,000,000

Section 2. That all other provisions of the appropriations for the current expenses and other expenditures of the Authority, during Fiscal Year 2019, as set forth in Resolution Nos. 2018-119 and 2019-034, not otherwise amended, shall remain in full force and effect.

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

Adopted: December 17, 2019

  
\_\_\_\_\_  
President

Attest:   
\_\_\_\_\_  
Interim Secretary-Treasurer



<b>TITLE/DESCRIPTION:</b>  TO AMEND THE FISCAL YEAR 2019 REVENUES AND APPROPRIATIONS FOR THE GENERAL FUND, AS ADOPTED IN RESOLUTION NOS. 2018-119 AND 2019-034, AND TO PROVIDE FOR A \$5,000,000 TRANSFER TO THE RESERVE FUND FOR RAIL CAR REPLACEMENT	<b>Resolution No.:</b> 2019- 117
	<b>Date:</b> December 12, 2019
	<b>Initiator:</b> Office of Management & Budget
<b>ACTION REQUEST:</b> <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 authorize an amendment to increase the transfer to the Reserve Fund by \$5,000,000 for rail car replacement.
- 2.0 **DESCRIPTION/JUSTIFICATION:** The increase in appropriations for the 2019 General Fund Budget is to help the Authority to financially plan for the replacement of the Authority's aging rail fleet. The amended budget and fund transfers proposed for adoption represent the Authority's spending plans for operation of the transit system in FY 2019. The 2019 Amended General Fund Budget for FY 2019 provides for an increase of \$5,000,000 from the previously amended 2019 General Fund Budget approved in Resolution No. 2018-119 on December 18, 2018 and Resolution No. 2019-034 on March 26, 2019.
- 3.0 **PROCUREMENT BACKGROUND:** Does not apply.
- 4.0 **DBE/AFFIRMATIVE ACTION BACKGROUND:** Does not apply.
- 5.0 **POLICY IMPACT:** The proposed amendment will increase the transfer to the Reserve Fund that was established by Resolution Nos. 2018-119 and 2019-034.
- 6.0 **ECONOMIC IMPACT:** The proposed amendment will increase the transfer to the Reserve Fund by \$5,000,000 from the Fiscal Year 2019 General Fund Budget.
- 7.0 **ALTERNATIVES:** Modify or not approve the budget amendment as proposed. This would prevent the Authority from setting aside additional funds in the Reserve Fund to replace its aging rail fleet.
- 8.0 **RECOMMENDATION:** The proposed 2019 Amended General Fund Budget has been reviewed by the Operational Planning & Infrastructure Committee and is recommended for adoption. It is recommended that the Board approve the proposed FY 2019 Amended General Fund Budget and Fund Transfers as proposed herein.
- 9.0 **ATTACHMENTS:**

Attachment A: 2019 Amended General Fund Balance Analysis  
 Attachment B: 2019 Reserve Fund Balance Analysis

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

  
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 General Manager, Chief Executive Officer



# General Fund Balance Analysis

	2016 Actual	2017 Actual	2018 Actual	2019 Amended Budget	2019 Projection	Variance
<b>Beginning Balance</b>	<b>16,822,906</b>	<b>33,324,812</b>	<b>34,869,397</b>	<b>38,959,995</b>	<b>38,959,995</b>	<b>0</b>
<b>Revenue</b>						
Passenger Fares	46,279,344	45,436,326	46,611,350	46,497,104	43,173,773	(3,323,331)
Advertising & Concessions	2,860,267	2,389,856	786,836	2,162,000	3,412,700	1,250,700
Sales & Use Tax	218,749,851	213,718,145	204,331,707	207,396,683	211,172,719	3,776,036
State Aid for MCO Loss	0	10,034,083	18,271,169	0	0	0
Investment Income	42,156	260,016	733,668	600,000	879,782	279,782
Other Revenue	1,888,060	1,990,027	2,217,242	2,090,000	2,430,985	340,985
Reimbursed Expenditures	24,560,024	22,782,104	22,667,293	22,075,000	22,075,000	0
<b>Total Revenue</b>	<b>294,379,702</b>	<b>296,610,557</b>	<b>295,619,265</b>	<b>280,820,787</b>	<b>283,144,959</b>	<b>2,324,172</b>
<b>Total Resources</b>	<b>311,202,608</b>	<b>329,935,369</b>	<b>330,488,662</b>	<b>319,780,782</b>	<b>322,104,954</b>	<b>2,324,172</b>
<b>Operating Expenditures</b>						
Salaries and Overtime	134,370,739	135,514,105	134,480,231	138,563,985	136,887,461	(1,676,524)
Payroll Taxes and Fringes	48,073,828	51,553,465	51,457,495	53,873,933	51,773,035	(2,100,898)
Fuel (Diesel, CNG, Prop Pwr., Propane, Gas)	13,446,071	11,321,665	9,351,736	10,304,550	8,961,021	(1,343,529)
Utilities	4,701,953	4,871,411	4,557,351	5,334,568	5,209,425	(125,143)
Inventory	14,746,307	14,644,874	12,961,263	13,368,000	10,792,337	(2,575,663)
Services and Materials & Supplies	16,814,912	15,581,293	16,642,929	18,381,341	16,537,360	(1,843,981)
Purchased Transportation	8,270,695	8,828,341	9,934,312	8,434,045	9,094,714	660,669
Other Expenditures	5,493,669	5,403,783	4,968,361	6,257,354	4,654,235	(1,603,119)
<b>Total Operating Expenditures</b>	<b>245,918,174</b>	<b>247,718,937</b>	<b>244,353,679</b>	<b>254,517,776</b>	<b>243,909,588</b>	<b>(10,608,188)</b>
<b>Transfer to the Insurance Fund</b>	<b>500,000</b>	<b>2,400,000</b>	<b>7,250,000</b>	<b>2,700,000</b>	<b>2,700,000</b>	<b>0</b>
<b>Transfer to the Pension Fund</b>	<b>100,000</b>	<b>75,000</b>	<b>60,000</b>	<b>50,000</b>	<b>50,000</b>	<b>0</b>
<b>Transfer to Reserve Fund</b>	<b>0</b>	<b>17,554,922</b>	<b>7,368,662</b>	<b>7,965,059</b>	<b>12,965,059</b>	<b>5,000,000</b>
<b>Transfers to Capital</b>						
Bond Retirement Fund	21,887,562	17,045,783	17,236,407	15,228,052	13,339,003	(1,889,049)
Capital Improvement Fund	9,472,060	10,271,331	15,259,919	11,887,181	12,005,224	118,043
<b>Total Transfers to Capital</b>	<b>31,359,622</b>	<b>27,317,114</b>	<b>32,496,326</b>	<b>27,115,233</b>	<b>25,344,227</b>	<b>(1,771,006)</b>
<b>Total Transfers to Other Funds</b>	<b>31,959,622</b>	<b>47,347,036</b>	<b>47,174,988</b>	<b>37,830,292</b>	<b>41,059,286</b>	<b>3,228,994</b>
<b>Total Expenditures</b>	<b>277,877,796</b>	<b>295,065,973</b>	<b>291,528,667</b>	<b>292,348,069</b>	<b>284,968,874</b>	<b>(7,379,194)</b>
<b>Available Ending Balance</b>	<b>24,548,380</b>	<b>34,869,397</b>	<b>38,959,995</b>	<b>27,432,713</b>	<b>37,136,080</b>	<b>9,703,366</b>
<b>Revenues - Expenditures</b>	<b>1,544,584</b>	<b>4,090,598</b>	<b>4,090,598</b>	<b>(11,527,282)</b>	<b>(1,823,915)</b>	
Operating Reserve		1.70	1.93	1.30	1.83	

# Reserve Fund Balance Analysis

	2016		2017		2018		2019 Amended		2019 Projection	Variance
	Actual		Actual		Actual		Budget			
<b>Beginning Balance</b>	0		0		17,624,278		27,677,990		27,677,990	0
Revenue										
Investment Income	0		69,356		326,456		450,000		450,000	0
Transfer from General Fund (Comp. Absences)	0		1,900,000		944,484		690,000		690,000	0
Transfer from General Fund (Fuel)	0		2,454,922		0		0		0	0
Transfer from General Fund (Hospitalization)	0		1,800,000		729,330		0		0	0
Transfer from General Fund (Rolling Stock)	0		10,000,000		5,000,000		6,000,000		11,000,000	5,000,000
Transfer from General Fund (27th Pay)	0		1,400,000		694,848		1,275,059		1,275,059	0
Other Revenue	0		0		4,358,594		0		0	0
<b>Total Revenue</b>	<b>0</b>		<b>17,624,278</b>		<b>12,053,712</b>		<b>8,415,059</b>		<b>13,415,059</b>	<b>5,000,000</b>
<b>Total Resources</b>	<b>0</b>		<b>17,624,278</b>		<b>29,677,990</b>		<b>36,093,049</b>		<b>41,093,049</b>	<b>5,000,000</b>
Expenditures										
Transfer to Comp. Absences (General Fund)	0		0		0		0		0	0
Transfer to Fuel (General Fund)	0		0		0		0		0	0
Transfer to Hospitalization (General Fund)	0		0		0		0		0	0
Transfer to Rolling Stock (Capital Imp. Fund)	0		0		2,000,000		0		0	0
Transfer to 27th Pay Period (2024)	0		0		0		0		0	0
<b>Total Expenditures</b>	<b>0</b>		<b>0</b>		<b>2,000,000</b>		<b>0</b>		<b>0</b>	<b>0</b>
Reconciling Journal Entry	0		0		0		0		0	0
<b>Ending Balance</b>	<b>0</b>		<b>17,624,278</b>		<b>27,677,990</b>		<b>36,093,049</b>		<b>41,093,049</b>	<b>5,000,000</b>

Rolling Balances	
Compensated Absences	1,907,507
Fuel	2,464,621
Hospitalization	1,807,111
Rolling Stock	10,039,508
27th Pay: Salary: 2020 / Hourly 2025	1,405,531
<b>Total</b>	<b>17,624,278</b>
	<b>27,677,990</b>
	<b>3,624,267</b>
	<b>2,551,086</b>
	<b>2,611,697</b>
	<b>23,869,954</b>
	<b>3,436,045</b>
	<b>36,093,049</b>
	<b>41,093,049</b>
	<b>3,624,267</b>
	<b>2,551,086</b>
	<b>2,611,697</b>
	<b>28,869,954</b>
	<b>3,436,045</b>
	<b>41,093,049</b>