

RESOLUTION NO. 2020-102

TO AMEND THE FISCAL YEAR 2020 REVENUES AND APPROPRIATIONS FOR THE GENERAL FUND, AS ADOPTED IN RESOLUTION NO. 2019-118 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, 2020 and ending December 31, 2020 ("FY 2020 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 2020 General Fund Budget on December 17, 2019 through Resolution No. 2019-118; and

WHEREAS, the Operational Planning & Infrastructure Committee of the Board of Trustees reviewed and discussed the proposed increase to the FY 2020 General Fund Budget on November 10, 2020 and December 1, 2020 and recommended its approval by the Board on December 15, 2020.

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

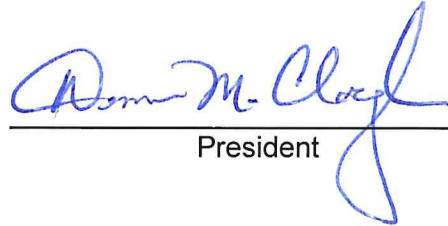
Section 1. That the appropriations for the current expenses and other expenditures of the Authority, during the period of January 1, 2020 through December 31, 2020 ("Fiscal Year 2020"), as set forth in Resolution No. 2019-118, adopted by the Board on December 17, 2019 are hereby amended as follows:

	12/17/19 Appropriation	12/15/20 Appropriation	Variance
Transfer to the Reserve Fund	\$5,878,615	\$10,878,615	\$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 2020, as set forth in Resolution Nos. 2019-118, not otherwise amended, shall remain in full force and effect.

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

Adopted: December 15, 2020



President

Attest: 

Interim Secretary-Treasurer



TITLE/DESCRIPTION: TO AMEND THE FISCAL YEAR 2020 REVENUES AND APPROPRIATIONS FOR THE GENERAL FUND, AS ADOPTED IN RESOLUTION NO. 2019-118 AND TO PROVIDE FOR A \$5,000,000 TRANSFER TO THE RESERVE FUND FOR RAIL CAR REPLACEMENT	Resolution No.: 2019-102
	Date: December 10, 2020
	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 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 2020 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 2020. The 2020 Amended General Fund Budget for FY 2020 provides for an increase of \$5,000,000 from the previously approved 2020 General Fund Budget approved in Resolution No. 2019-118 on December 17, 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 No. 2019-118.
- 6.0 ECONOMIC IMPACT: The proposed amendment will increase the transfer to the Reserve Fund by \$5,000,000 from the Fiscal Year 2020 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 2020 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 2020 Amended General Fund Budget and Fund Transfers as proposed herein.
- 9.0 ATTACHMENTS:

Attachment A: 2020 Amended General Fund Balance Analysis
Attachment B: 2020 Reserve Fund Balance Analysis

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



General Manager, Chief Executive Officer

ATTACHMENT A
General Fund Balance Analysis

	2018	2019	2019	2020	2020	2020	Variance
	Actual	Amended Budget	Actual	Amended Budget	Projection		
Beginning Balance	34,869,397	38,959,995	38,959,995	41,577,395	41,577,395	0	
Revenue							
Passenger Fares	46,611,350	46,497,104	42,785,750	41,446,822	23,835,328	(17,611,494)	
Advertising & Concessions	786,836	2,162,000	2,069,726	2,400,863	1,966,673	(434,190)	
Sales & Use Tax	204,331,707	207,396,683	212,192,079	215,396,173	211,913,657	(3,482,516)	
Federal Operating Assistance - CARES Act	0	0	0	0	111,977,170	111,977,170	
Investment Income	733,668	600,000	910,634	779,858	1,286,833	506,975	
Other Revenue	2,217,242	2,090,000	2,747,874	2,100,000	773,882	(1,326,118)	
Reimbursed Expenditures	22,667,293	22,075,000	25,289,403	21,520,000	26,482,522	4,962,522	
Transfer From Insurance Fund	0	0	0	0	0	0	
Weekly Shopper Service	0	0	0	0	0	0	
Total Revenue	295,619,265	280,820,787	285,995,466	283,643,716	378,236,065	94,592,349	
Total Resources	330,488,662	319,780,782	324,955,461	325,221,111	419,813,460	94,592,349	
Operating Expenditures							
Salaries and Overtime	134,480,231	138,563,985	134,891,187	143,667,173	135,948,781	(7,718,392)	
Payroll Taxes and Fringes	51,457,495	53,873,933	49,579,426	53,391,398	50,193,817	(3,197,581)	
Fuel (Diesel, CNG, Prop. Pwr., Gas)	9,351,736	10,304,550	8,950,522	7,846,416	7,846,416	(1,597,184)	
Utilities	4,557,351	5,334,568	5,155,284	5,655,857	4,609,262	(1,046,595)	
Inventory	12,961,263	13,368,000	11,226,105	13,711,000	12,542,227	(1,168,773)	
Services and Material & Supplies	16,642,929	18,381,341	18,522,788	19,430,753	18,237,135	(1,193,618)	
Purchase Transportation	9,934,312	8,434,045	9,177,877	10,345,000	7,637,742	(2,707,258)	
Other Expenditures	4,968,361	6,257,353	4,815,590	6,569,092	4,553,006	(2,016,086)	
Total Operating Expenditures	244,353,679	254,517,776	242,318,780	262,213,873	241,568,386	(20,645,487)	
Transfers to (from) Other Funds							
Transfer to (from) the Insurance Fund	7,250,000	2,700,000	2,700,000	2,000,000	2,000,000	0	
Transfer to (from) the Pension Fund	60,000	50,000	50,000	50,000	50,000	0	
Transfers to Reserve Fund	7,368,662	7,965,059	12,965,059	5,878,615	10,878,615	5,000,000	
Transfers from (to) Reserve Fund				(1,450,000)	(1,450,000)	0	
Transfers to (from) Capital							
Bond Retirement Fund	17,236,407	15,228,052	13,339,003	13,714,842	13,714,842	0	
Capital Improvement Fund	15,259,919	11,887,181	12,005,224	13,397,525	13,397,525	(0)	
Total Transfers to (from) Capital	32,496,326	27,115,233	25,344,227	27,112,367	27,112,367	(0)	
Total Transfers to (from) Other Funds	47,174,988	37,830,292	41,059,286	33,590,982	38,590,982	5,000,000	
Total Expenditures	291,528,667	292,348,069	283,378,066	295,804,856	280,159,368	94,592,349	
Ending Balance	38,959,995	27,432,714	41,577,395	29,416,255	139,654,092	94,592,349	
Available Ending Balance	38,959,995	27,432,714	41,577,395	29,416,255	139,654,092	94,592,349	
Passenger Fare & Sales Tax % Change		1.18%	1.61%	1.16%	-7.54%		
Operating Expenses % Change		4.16%	-0.83%	3.02%	-0.31%		
Revenues - Expenses (millions)	\$4.09	(\$11.53)	\$2.62	(\$12.16)	\$98.08		

ATTACHMENT B
Reserve Fund Balance Analysis

	2018	2019	2019	2020	2020	Variance
	Actual	Amended Budget	Actual	Amended Budget	Projection	
Beginning Balance	17,624,278	27,677,990	27,677,990	41,473,850	41,473,850	0
Revenue						
Investment Income	326,456	450,000	830,801	475,000	475,000	0
Transfer from GF for Compensated Absences	944,484	690,000	690,000	0	0	0
Transfer from GF for Fuel	0	0	0	0	0	0
Transfer from GF for Hospitalization	729,330	0	0	0	0	0
Transfer from GF for Rolling Stock Reserve	5,000,000	6,000,000	11,000,000	5,000,000	10,000,000	5,000,000
Transfer from GF for 27th Pay	694,848	1,275,059	1,275,059	878,615	878,615	0
Other Revenue	4,358,594	0	0	0	0	0
Total Revenue	12,053,712	8,415,059	13,795,860	6,353,615	11,353,615	5,000,000
Total Resources	29,677,990	36,093,049	41,473,850	47,827,465	52,827,465	5,000,000
Expenditures						
Transfer to General Fund (Compensated Absen	0	0	0	0	0	0
Transfer to General Fund (Fuel)	0	0	0	0	0	0
Transfer to General Fund (Hospitalization)	0	0	0	0	0	0
Transfer to RTA Development Fund (Rolling St	2,000,000	0	0	0	0	0
Transfer to General Fund (27th Pay - 2024)	0	0	0	1,450,000	1,450,000	0
Total Expenditures	2,000,000	0	0	1,450,000	1,450,000	0
Ending Balance	27,677,990	36,093,049	41,473,850	46,377,465	51,377,465	5,000,000

Rolling Balances						
Compensated Absences	2,887,323	3,624,267	3,663,991	3,666,160	3,705,955	
Fuel	2,510,273	2,551,086	2,585,623	2,580,575	2,615,236	
Hospitalization	2,569,915	2,611,697	2,647,055	2,641,886	2,677,372	
Rolling Stock	17,584,065	23,869,954	29,111,880	34,203,665	39,445,298	
27th Pay: Salary: 2020 / Hourly 2025	2,126,414	3,436,045	3,465,301	2,904,378	2,933,604	
Total	27,677,990	36,093,049	41,473,850	45,996,664	51,377,465	