

RESOLUTION NO. 2021-18

AMENDING BUDGET APPROPRIATIONS FOR THE FY 2021 CAPITAL
IMPROVEMENT FUND BUDGET TO PROVIDE FOR AN INCREASE OF
\$124,500,000

WHEREAS, there is both a legal and a 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 capital programs of this public transportation system to be paid or met from said revenue during each fiscal year; and

WHEREAS, in order to meet those requirements, a Capital Improvement Fund budget for the Greater Cleveland Regional Transit Authority ("Authority") for Fiscal Year ("FY") 2021, beginning January 1, 2021 and ending December 31, 2021 was prepared and adopted by the Board of Trustees on May 12, 2020 through Resolution Nos. 2020-39 and 2020-100 on December 15, 2020; and

WHEREAS, on December 27, 2020, President Trump signed H.R. 133, the Coronavirus Response and Relief Supplemental Appropriations Act ("CRRSAA"); and

WHEREAS, the CRRSAA provides \$25 billion in aid to individuals, businesses, and hospitals in response to the economic distress caused by the coronavirus ("COVID-19") pandemic; and

WHEREAS, the CRRSAA provides \$14 billion in emergency funding for transit agencies to be managed by the Federal Transit Administration ("FTA") through the Transit Award Management System ("TrAMS"); and

WHEREAS, the Greater Cleveland Regional Transit Authority is increasing its appropriation by \$60,000,000 through CRRSAA to cover operating expenses incurred due to the COVID-19 pandemic in FY 2021; and

WHEREAS, the Authority will require an additional \$64,500,000 appropriation for the rail car replacement program during FY 2021; and

WHEREAS, this funding was not included in the FY 2021 Capital Improvement Fund budget and there is a need to increase the FY 2021 Capital Improvement Fund budget appropriation by \$124,500,000; and

WHEREAS, increasing the appropriation for the Capital Improvement Fund by \$124,500,000 will establish a sufficient balance in the FY 2021 Capital Budget to align with funding to be advanced for the rail car replacement program and funding to reimburse the Operating budget for operating expenses incurred due to COVID-19.

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

Section 1. That the revenues and appropriation budget set forth in Resolution Nos. 2020-39, adopted May 12, 2020 and 2020-100 approved on December 15, 2020, be and are hereby amended as follows:

FY 2021 CAPITAL IMPROVEMENT FUND BUDGET APPROPRIATION

Current 2021 Appropriation

\$126,674,752

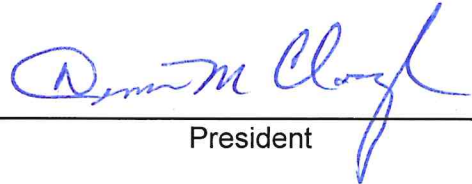
Amended 2021 Appropriation

\$251,174,752

Section 2. That Resolution Nos. 2020-39 and 2020-100 shall remain unchanged in all other respects.

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

Adopted: February 16, 2021



President

Attest: 

Interim Secretary-Treasurer



Greater Cleveland Regional Transit Authority
STAFF SUMMARY AND COMMENTS

TITLE/DESCRIPTION: AMENDING BUDGET APPROPRIATIONS FOR THE FY 2021 CAPITAL IMPROVEMENT FUND BUDGET TO PROVIDE FOR AN INCREASE OF \$124,500,000	Resolution No.: 2021-18
	Date: February 11, 2021
	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 increase in the Fiscal Year ("FY") 2021 Capital Improvement Fund budget appropriation by \$124,500,000.

2.0 DESCRIPTION/JUSTIFICATION: The FY 2021 Capital Improvement Fund was adopted by the Board of Trustees on May 12, 2020 through Resolution No. 2020-039 and on December 15, 2020 by Resolution No. 2020-100. In December 2020, the scope of work for the procurement of rail cars had not been sufficiently finalized to include reasonable appropriation for the rail car replacement program in the FY 2021 Capital Improvement Fund budget. An additional appropriation of \$64,500,000 will provide sufficient balance for the rail car replacement program in FY 2021.

On December 27, 2020, President Trump signed H.R. 133, the Coronavirus Response and Relief Supplemental Appropriations Act ("CRRSAA"). This Act provides \$14 billion in emergency funding for transit agencies to be managed by the Federal Transit Administration ("FTA"). The Authority is estimating to receive \$60,000,000 through CRRSAA to cover operating expenditures incurred due to the COVID-19 pandemic.

The proposed amendment to the FY 2021 Capital Improvement Fund budget will increase the overall appropriation by \$124,500,000 in order to establish the proper budget authority to cover funding to be received from the Federal Transit Administration ("FTA") under the Coronavirus Response and Relief Supplemental Appropriations Act ("CRRSAA") estimated at \$60,000,000 and \$64,500,000 for the rail car replacement program.

3.0 PROCUREMENT BACKGROUND: Does not apply.

4.0 POLICY IMPACT: The FY 2021 Capital Improvement Fund budget provides for the upkeep of the Authority's existing infrastructure, facilities, equipment, vehicle replacement programs, and also provides for the implementation of projects included in the Long-Range Plan. The funds expended under the CRRSAA grant will be 100% federally funded, with no local match requirement.

5.0 ECONOMIC IMPACT: These revisions will increase the total FY 2021 Capital Improvement Fund budget appropriation established in Resolution Nos. 2020-39 and 2020-100 by \$124,500,000. This increase in the FY 2021 Capital Improvement Fund budget will enable the Authority to procure new rail cars and use the CRRSAA Act funding to reimburse the Operating budget for operating expenses incurred due to the COVID-19 pandemic.

- 6.0 ALTERNATIVES: Not approve the budget revision as proposed. This would leave insufficient funding in the Capital Budget and delay procurement for the proposed projects into future years.
- 7.0 RECOMMENDATION: The proposed amendment to the FY 2021 Capital Improvement Fund budget appropriation was reviewed by the Board's Operational Planning & Infrastructure Committee on February 2, 2021. It is recommended that the Board adopt the amended FY 2021 Capital Improvement Fund budget appropriation as proposed.
- 8.0 ATTACHMENTS:
- A. 2021 – 2025 Combined Amended Capital Improvement Plan
 - B. 2021 – 2025 Amended RTA Development Fund Capital Improvement Plan
 - C. 2021 – 2025 RTA Capital Fund Capital Improvement Plan

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

2021 - 2025 AMENDED COMBINED CAPITAL IMPROVEMENT PLAN
Combined Budget Authority

PROJECT CATEGORY	2021 Budget	2022 Plan	2023 Plan	2024 Plan	2025 Plan	2021-2025
Bus Garages	\$0	\$700,000	\$3,525,000	\$1,700,000	\$0	\$5,925,000
Bus Improvement Program	\$21,300,000	\$21,300,000	\$20,800,000	\$20,800,000	\$20,800,000	\$105,000,000
Equipment & Vehicles	\$4,923,246	\$5,530,180	\$3,393,984	\$3,272,000	\$3,313,540	\$20,432,950
Facilities Improvements	\$14,888,260	\$17,000,000	\$12,715,000	\$11,830,000	\$11,335,000	\$67,768,260
Other Projects	\$2,859,576	\$2,637,500	\$2,637,500	\$2,637,500	\$2,637,500	\$13,409,576
Preventive Maint./Oper. Reimb.	\$78,000,000	\$16,500,000	\$16,500,000	\$16,500,000	\$16,500,000	\$144,000,000
Rail Projects	\$22,903,670	\$26,217,500	\$21,682,500	\$21,742,500	\$25,450,000	\$117,996,170
Rail Car Replacement Program	\$106,000,000	\$49,250,000	\$34,250,000	\$34,250,000	\$28,000,000	\$251,750,000
Transit Centers	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$1,500,000
TOTALS	\$251,174,752	\$139,435,180	\$115,803,984	\$113,032,000	\$108,336,040	\$727,781,956

ATTACHMENT B

RTA Development Fund Balance Analysis

	2021 Budget	2021 Amended Budget	2022 Plan	2023 Plan
Beginning Balance	19,234,929	19,234,929	45,271,968	39,255,385
Revenue				
Debt Service Proceeds	25,000,000	25,000,000	0	25,000,000
Revenue Bond Proceeds	0	0	0	0
State Infrastructure Bank Loan	0	0	0	0
Transfer from RTA Capital Fund	22,878,174	37,878,174	5,884,255	5,884,255
Transfer from the Reserve Fund	21,000,000	49,000,000	5,000,000	5,000,000
Investment Income	200,000	200,000	200,000	200,000
Federal Capital Grants	92,633,201	92,633,201	108,949,744	90,160,000
CARES/CRRSAA Act Assistance	0	60,000,000	0	0
State Capital Grants	9,336,598	9,336,598	10,136,598	10,136,598
State Funds for Waterfront Line	0	0	0	0
Access to Jobs Grants	0	0	0	0
Capital Lease	0	0	0	0
Other Revenue	0	0	0	0
Total Revenue	171,047,973	274,047,973	130,170,597	136,380,853
Total Resources	190,282,902	293,282,902	175,442,565	175,636,238
Expenditures				
Capital Outlay	123,510,934	188,010,934	136,187,180	112,700,000
CARES Act / CRRSAA	0	60,000,000	0	0
Other Expenditures	0	0	0	0
Transfer to Bond Retirement Fund	0	0	0	0
Transfer to Insurance Fund	0	0	0	0
Total Expenditures	123,510,934	248,010,934	136,187,180	112,700,000
Ending Balance	66,771,968	45,271,968	39,255,385	62,936,238

ATTACHMENT C

RTA Capital Fund Balance Analysis

	2021 Budget	2021 Amended Budget	2022 Plan	2023 Plan
Beginning Balance	2,769,320	2,769,320	5,191,186	6,117,955
Revenue				
Transfer from General Fund	28,398,859	43,398,859	9,994,023	10,065,825
Investment Income	65,000	65,000	65,000	65,000
Other Revenue	0	0	0	0
Total Revenue	28,463,859	43,463,859	10,059,023	10,130,825
Total Resources	31,233,178	46,233,178	15,250,210	16,248,780
Expenditures				
Asset Maintenance	1,581,000	1,581,000	1,755,000	1,710,000
Routine Capital	1,582,818	1,582,818	1,493,000	1,393,984
Other Expenditures	0	0	0	0
Transfer to RTA Development Fund	22,878,174	37,878,174	5,884,255	5,884,255
Reimbursement to FTA	0	0	0	0
Total Expenditures	26,041,992	41,041,992	9,132,255	8,988,239
Ending Balance	5,191,186	5,191,186	6,117,955	7,260,541