

# GCRTA Today



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Greater Cleveland Regional Transit Authority  
Operating and Capital Budget  
For the Year 2010

# **Greater Cleveland Regional Transit Authority**

## **2010 Adopted Budget Plan**

**President - Board of Trustees  
George F. Dixon, III**

**CEO/General Manager and Secretary-Treasurer  
Joseph A. Calabrese**



GOVERNMENT FINANCE OFFICERS ASSOCIATION

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Ohio**

For the Fiscal Year Beginning

**January 1, 2008**

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The Government Finance Officers Association of the United States and Canada (GFOA) presented an award of Distinguished Budget Presentation to the Greater Cleveland Regional Transit Authority for its annual budget for the fiscal year beginning January 2008.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

The award is valid for a period of one year. We believe our current budget continues to conform to program requirements and we are submitting it to GFOA to determine its eligibility for another award.

# Acknowledgements

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Manager of Budgets**

**Gale Fisk  
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Organization Charts - Staff

Cover Artwork/Tabs - Steve Bitto & Co.

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**Michael York, Deputy General Manager – Operations**  
**Loretta Kirk, Deputy General Manager – Finance & Administration**  
**Michael Schipper, Deputy General Manager – Engineering & Project Management**  
**Sheryl King Benford, Deputy General Manager – Legal Affairs**  
**Bruce E. Hampton, Deputy General Manager – Human Resources**  
**Anthony Garofoli, Executive Director – Internal Audit**  
**Stephen Bitto, Director – Marketing & Communications**  
**Frank Polivka, Director – Procurement**

# DIRECTORY OF THE GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY OFFICIALS

## DEPARTMENTS AND DEPARTMENT HEADS

### Operations Division

Paratransit District	Michael Hargrove
Rail District	Melvin Clark
Transit Police	John Joyce
Service Management	Alan Erenrich
Service Quality Management	Flounsay Caver
Fleet Management	Douglas Seger
Pass Thrus	Michael York, DGM – Operations
Hayden District	Kevin Vest
Harvard District	Dennis Rehfuss
Triskett District	William Eltrich

### Finance & Administration Division

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Accounting	Glenn Hendrix
Information Systems	Hamid Manteghi
Support Services	Carol Thomas
Procurement	Frank Polivka
Revenue	Loretta Kirk

### Engineering & Project Management Division

<b>Euclid Corridor Transportation Project</b>	<b>Joseph Shaffer</b>
Programming & Planning	Maribeth Feke
Engineering & Project Development	Michael Schipper, DGM – Engineering & Project Management

# DIRECTORY OF THE GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY OFFICIALS

## DEPARTMENTS AND DEPARTMENT HEADS (continued)

### Legal Affairs Division

Safety	Pamela McCombe
Legal	Sheryl King Benford, DGM – Legal Affairs
Risk Management	Judy Lincoln

### Human Resources

Human Resources	Bruce E. Hampton, DGM – Human Resources
Labor & Employee Relations	Scott Ferraro
Training & Employee Development	Robert Baggs

### Executive

Executive	Joseph A. Calabrese, CEO/General Manager & Secretary -Treasurer
Secretary/Treasurer-Board of Trustees	Joseph A. Calabrese, CEO/General Manager & Secretary -Treasurer
Internal Audit	Anthony Garofoli, Executive Director
Marketing & Communications	Stephen Bitto
Office of Management & Budget	Gale Fisk, Executive Director

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## Citizens Summary

If you wish to see a summary of the 2010 Operating and Capital Improvement Budgets, the **Citizens Summary** is the chapter to read. This chapter includes the CEO/General Manager's **Transmittal Letter** to the Board of Trustees explaining the 2010 budget request in terms of revenue, ridership, and service level assumptions, program changes/initiatives and financial policy variables. In addition, it provides a **Budget Highlights** section that reconciles the CEO/General Manager's Recommended Budget with the final adopted Budget, summarizes the status of all the Authority's funds, focuses in on the status of the General Fund and describes staffing, service indicators and the Capital Improvements Plan.

## 2010 TRANSMITTAL LETTER

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**To:** George F. Dixon III, President,  
and Members, Board of Trustees

**Date:** February 9, 2010

**From:** Joseph A. Calabrese, CEO  
General Manager / Secretary-Treasurer

**Subject:** 2010 Transmittal Letter

### EXECUTIVE SUMMARY

RTA was on a roll as we turned the corner on 2008 and headed for 2009. Once again RTA was highly recognized on a local, national, and international level for its best in industry accomplishments. Although the weakening of the economy was very concerning, the strength of our organization, our people, our relationships, and our recent accomplishments allowed us to be cautiously optimistic about our future.

Coming off of the successful inauguration of the HealthLine and a renewed realization of the importance of adequate public transit funding by the Governor and ODOT, our optimism was well founded.

While the event of the decade was the October 2008 on-time and on-budget opening of the Euclid Corridor HealthLine, the real test was its successful operation. I am proud to report that in this test, we are not only meeting, but also exceeding all expectations.

During the year however, this optimism about those factors within our control was met with force by factors that were beyond our control, namely the condition of the National and Northeast Ohio economies.

The financial divergence between revenues and expenses, which began impacting RTA in 2001, has not only continued, but has widened. The recession of 2008-2009 has sliced an additional \$24 million from revenue. The strategic use of one-time revenues and adjustments to service levels and reduction of other expenditures allowed the Authority to achieve a balanced budget in 2009, although by the narrowest of margins. That \$24 million loss in revenue, which will continue into 2010, means that RTA must take actions necessary to further reduce expenses to match an increasingly lower revenue base.

RTA was able to mitigate some of this revenue loss through additional overhead reductions and operational efficiencies. We also were able to use a portion of American Recovery and Reinvestment Act (ARRA) funding for one-time offsets against operating costs, preventive maintenance, and force account labor. The remainder of these funds still has not been received. Consequently, some reimbursements could not be made and a short-term \$8 million note had to be executed to stand in the place of the four grants authorized but not yet received. Changes and improvements in processes such as our Energy Price Risk Management Program will further reduce costs. There is a limit to the amounts of savings these efficiencies can generate and ultimately the lack of revenue places RTA in the position almost all other transit authorities are in at present: fares must be increased and/or service reduced to balance the budget.

## **2010 TRANSMITTAL LETTER**

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As revenue continues to decrease, RTA has cut expenses, raised fares, and reduced service for three straight years. Administrative positions were reduced by 5% in 2009 and will be cut by another 3% in 2010. Salaried employees have also taken a 3% wage cut. Fuel costs will be reduced by \$8 million in 2010 due to the use of fuel hedging from the Energy Price Risk Management Program. As the fuel surcharge expires in the first quarter of 2010, the staff recommends that fares be held at the current \$2.25 base level. Public hearings were held in January 2010 and one item discussed was the fares for 2010. The other item was a substantial reduction in service.

Negotiations with the Amalgamated Transit Union (ATU) and the Fraternal Order of Police (FOP) will aim at reducing personnel costs for 2010. Without a significant reduction in the costs of service delivery, which can only be accomplished at the bargaining table, and/or additional investments in transit by the State of Ohio, a \$9 million service reduction is required in 2010 to align service with available funding. While concessions by our unions could reduce that amount, along with the reduction in staffing of approximately **185 employees**, to date, negotiations have not yielded positive results.

In recent years, RTA has been the most recognized transit system in the nation. One factor is our demonstrated strategy of sound financial management. We feel that this budget, which is far from ideal, matches our service and fare levels with the current revenue realities.

The Board of Trustees' first review of the 2010 Operating and Capital Budget took place at the Finance Committee meeting on November 9, 2009. The committee deliberated issues in the operating and capital budget requests at subsequent meetings on November 17 and December 1, 2009. At the Board meeting on December 15, 2009, the Finance Committee presented a recommendation to the full Board of Trustees to adopt only 25% of the proposed 2010 Operating and Capital Budgets. The Board wanted to get input from the Public Hearings on fares and the proposed service reduction. Ten public meetings were held during the week of January 4<sup>th</sup>. The 2010 Budget has been revised and will be discussed on February 9, 2010. Approval of the 2010 Budget is expected on February 16, 2010.

Resources are included to fund rail, bus, and paratransit services and continue rehabilitation and maintenance of equipment and facilities. In preparing the 2010 budget request, staff developed Fund Balance Analysis statements for each major fund group, which summarize financial activity and the resulting ending balances. The Finance, Operations, and Planning and Development Committees reviewed major revenue & expenditure assumptions and trends, financial policy indicators, service & employment levels, strategic and other program initiatives, and capital projects included in the 2010 – 2014 Capital Improvement Plan (CIP).

The 2010 appropriation for operating expenditures totals \$225,941,877. In comparison, the 2009 Budget totaled \$246,514,436 for operating expenditures. During the execution of the 2009 Budget expenditures have been held nearly \$8.0 million under that amount at \$238,537,641. The reduction from the 2009 actual expenditures to the 2010 Budget will be about \$12.6 million, a 5.3% decrease. It includes \$169.6 million for Personnel Services, providing salary, overtime, and fringe benefit resources needed to fund 2,477 positions. The

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authorized employment level for 2010 is a decrease of 100 positions from the 2,577 in the original 2009 budget. Personnel Services costs have been reduced to 2006 levels. An April 2010 required service reduction, will further reduce positions.

For 2010, the Capital Budget totals \$72,069,350 for equipment and other capital projects to improve, replace, or upgrade the Authority's facilities and services. This amount consists of grant-supported and locally funded projects of which \$2,245,350, or 3.0%, is for RTA Capital Fund and \$69,824,000, or 97.0%, is for RTA Development Fund projects. The emphasis within the capital program for the 2010-2014 CIP is to better match budgeted projects with the anticipated revenue, both for locally and grant funded projects.

The 2010 requested Capital Budget of \$72.1 million is slightly more than the 2009 budget of \$64.4 million. The increase is a result of including \$12.9 million of alternative capital budget authority for two projects that will be implemented only if non-traditional funding sources can be found. The 2010 Capital Budget also includes \$5.3 million of budget authority for one-time grant funded expenses. This leaves \$51.6 million of requested project budgets that will be fully funded from the traditional Federal Capital & Rail Grants.

As was done in prior budget years, new projects were added to the five-year capital plan while other projects were again deferred and pushed back to future years. As a result of including alternative project budgets within the requested CIP, the five-year capital plan increased from \$420.9 million for 2009-2013 to \$436.4 million in 2010 - 2014.

Capital financing and the balance between the capital program and operating costs continue to be a major challenge for the Authority. Recent Capital Budgets addressed this issue through the deferral and reduction of some projects. The 2010 Capital budget, though a slightly higher amount than in 2009, represents the Authority's efforts to reduce the growth of the capital program to a level that is compatible with anticipated funding levels. However, the Authority's ability to meet debt service as well as operational needs being challenged by the decrease in revenue from the Sales & Use Tax, debt financing will again continue to provide a significant source of funding for on-going capital programs.

The revenue required to support both operating and capital budgets continues to pose difficult fiscal challenges. The shortfall from our largest revenue source, the Sales & Use Tax, has been limiting the ability to provide service for the last eight years. Now, The dramatic drop in revenue caused by the current recession more severely constrains every aspect of our operation. This shortfall significantly limits our ability to provide service, maintain and upgrade our capital plan, and finance these needs.

Without the significant efforts toward reducing costs that began in 2000, the budgets for the last several years would have resulted in totally unacceptable negative ending balances. Further, without the fuel surcharge and the service realignment executed at the end of 2008 and then the additional action to implement the deferred fuel surcharge and the deferred service reduction in September 2009, our 2009 fiscal year would have ended with an exorbitant negative balance. Our diligence in seeking additional funding in 2009 to provide temporary relief from the unprecedented decline in Sales Tax Revenue and then additional

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actions taken to further reduce expenditures allowed RTA to achieve a positive ending balance for 2009. Additional actions on the upcoming Budget can produce the same results for 2010. Those actions, plus maintenance of the current fare structure and a possible additional service cut in 2010, will balance the upcoming year.

Thus, the 2010 Budget aligns economic realities and service, it represents a solid budget; one that allows us to continue to provide quality and cost-effective public transportation to the Greater Cleveland region. Regrettably, the premium service provided in the past will be reduced and only base service levels can be provided from projected revenues now available.

### **A STRATEGIC APPROACH TO THE BUDGET**

In developing the budget as well as developing our business strategy, the Authority derives its direction from the five Policy Goals identified by the Board of Trustees. These Goals, along with the Authority's Mission Statement, are shown below.

#### **GCRTA MISSION**

*RTA enhances the quality of life in Greater Cleveland by providing outstanding, cost-effective public transportation services.*

#### **BOARD POLICY GOALS**

- I. **CUSTOMER FOCUS:** Provide safe, high-quality service to all customers and support our employees in that endeavor.
- II. **EXPAND AND REORGANIZE SERVICE:** Expand and reorganize service to retain our current riders and attract new riders by providing service that meets customer and community needs.
- III. **PREPARE FOR THE FUTURE:** Prepare for the future by forging new partnerships and strengthening existing ones with the public and private sectors to establish policies, funding, innovations, and technologies that support cost-effective public transportation.
- IV. **IMPROVE FINANCIAL HEALTH:** Improve the agency's financial health through efficient use of resources and the pursuit of new and innovative revenue sources.
- V. **PROVIDE COMMUNITY BENEFITS:** Provide social, economic, and environmental benefits to the community through system improvements and increase community awareness of these contributions.

## 2010 TRANSMITTAL LETTER

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Again, for 2010, our business planning efforts continue to highlight two of the five policy goals as most critical: **Customer Focus** and **Improve Financial Health**. In an effort to more effectively transition the strategic planning focus into the 2010 budgeting process, the evaluation of requests and the allocation of funding for 2010 initiatives were linked to the business plan and these two policy goals.

### PROGRAM AND PROJECT INITIATIVES

There are two major initiatives for RTA in 2010. The first major point of emphasis is continuing actions to close the ever-widening gap between revenue and expenditures that the Authority has prudently managed for the last nine years. The loss of over 7% of total revenues with the decline in sales tax due to the current ongoing recession only serves to add to that need. TransitStat, a data driven performance management initiative, was implemented early at the beginning of 2008 with the goal of continuing and further promoting the cultural change of constant improvement and its natural outcome, reductions in expenditures. The first initiative for TransitStat dramatically reduced non-operator overtime and produced savings of over \$2.3 million. Other initiatives such as inventory management, attendance, vehicle reliability, and operational scorecards are also significantly improving operations and reducing costs. TransitStat was expanded to encompass all areas of the Authority's operations in 2009. Now Workers' Compensation, electricity usage, energy retrofits, revenue collection, fuel hedging, safety, and customer service are also generating results. Since its inception, TransitStat has saved the Authority nearly \$15 million. We can continue to manage our resources, as effectively as possible, but without sufficient revenue to sustain operations at a level in line with the needs of the working public in Greater Cleveland, additional service reductions cannot be avoided. We must become a smaller transit authority.

The second initiative is to effectively manage and execute the American Recovery and Reinvestment Act (ARRA) Grant and the nearly \$46 million provided to maintain RTA infrastructure and to provide jobs for this region to act as a stimulus to the economy. The Authority has 16 ARRA projects in process. Some of these projects include maintenance of rail infrastructure, renovating rail cars, renovation of rail grade crossings, reconstruction of Puritas Station, reconstruction of East 55<sup>th</sup> Station, reconstruction of Woodhill Station, construction of the Stephanie Tubbs Jones East Side Transit Center, and the purchase of 57 paratransit vehicles. These projects will provide the bulk of capital improvements the Authority can afford and execute during the upcoming year.

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### Fare Structure

Diesel fuel prices increased dramatically during 2008. As a result, fuel costs increased by \$7.4 million. A portion of that increase extended into 2009, \$4.7 million. To control this volatility, RTA fashioned a fuel surcharge plan. Public hearings were held on the need for a \$0.50 fuel surcharge to be implemented in the fall of 2008 along with service cuts that would be needed to maintain the financial position of the Authority. The majority of attendees stated that maintaining service was critical and they could understand the need for a fuel surcharge but that a \$0.25 surcharge would be preferable. NOACA provided \$9.0 million to the Authority to lessen the impact of fuel cost increases from 2008-2009. The Board passed a \$0.25 fuel surcharge on October 14, 2008 effective October 27. The Authority minimized the reduction in service required and implemented it on November 9. The second portion of the fuel surcharge and service reduction were deferred until September 2009 with the hope that additional funding would become available and the deferred fare increase and service reduction would not be needed. That did not happen and the current recession caused even greater financial difficulties for RTA and most transit authorities throughout the U.S. In September the additional \$0.25 of the fuel surcharge and the deferred service cut had to be implemented. This pushed base fares to \$2.25. The loss of nearly \$19 million in sales tax is a great obstacle to overcome. Unfortunately, it cannot be done without maintaining a \$2.25 base fare. The \$0.50 fuel surcharge will end, as our Energy Price Risk Management Program will significantly reduce the cost of fuel in 2010. It must be replaced with a permanent fare amount equal to the expiring surcharge holding the base fare at \$2.25. Without this action, the 12% service reduction included in this budget would become a 22% service reduction.

### GENERAL FUND

#### Underperforming Sales & Use Tax

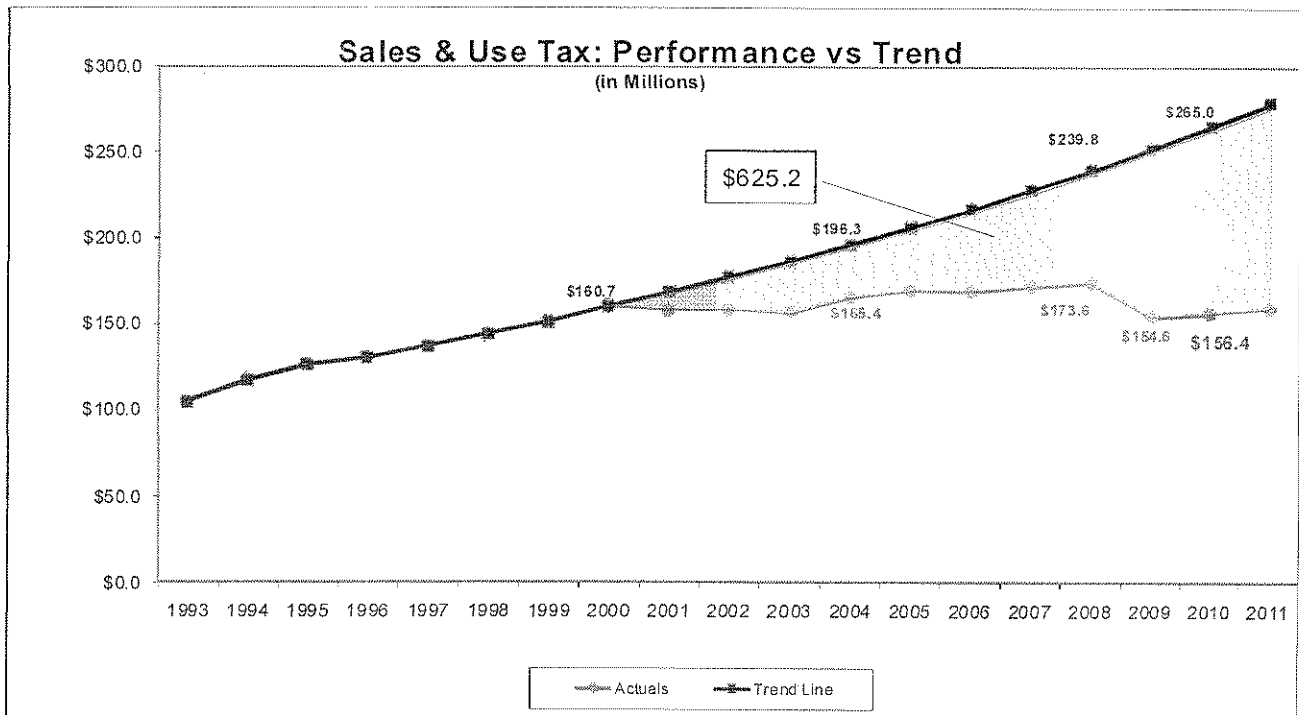
The two charts shown in this section present the major issue affecting the Authority and the region. Sales Tax growth, from 1992 to 2000, increased about 5.9% per year, yielding an average increase of nearly \$7.4 million. Beginning in 2001, local economic activity and sales tax growth flattened. The average annual growth declined to 0.9%, netting only \$2.2 million per year. Consequently, the Authority has experienced an increasing gap between revenues generated in the past and current revenues. That factor has been worsened by the deep recession of 2008-2009. Sales Tax began to decline in January 2009 and worsened from May to November as unemployment rose to an 11% level in this region. Sales Tax projections for 2009 were lowered from \$173 million to \$160 million at the end of the first quarter. By the end of the second quarter those projections were lowered again to \$155.1 million, a projected 11% drop in Sales Tax. The table below shows this dramatic decline.



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MONTH RECEIVED	4-Year Average	2009 Estimate	2009 Actual	2009 Dollar Variance	2009 Percent Variance
JANUARY	\$13,394,210	\$13,625,577	\$12,734,154	(\$891,423)	-6.54%
FEBRUARY	\$14,045,476	\$14,900,085	\$12,834,724	(\$2,065,361)	-13.86%
MARCH	\$17,492,216	\$16,038,294	\$17,103,628	\$1,065,334	6.64%
APRIL	\$12,950,239	\$13,081,234	\$11,828,348	(\$1,252,886)	-9.58%
MAY	\$12,977,520	\$14,305,286	\$12,406,078	(\$1,899,208)	-13.28%
JUNE	\$15,004,341	\$14,842,129	\$12,694,667	(\$2,147,462)	-14.47%
JULY	\$13,681,307	\$14,635,124	\$12,323,435	(\$2,311,689)	-15.80%
AUGUST	\$13,828,166	\$14,141,252	\$12,248,257	(\$1,892,995)	-13.39%
SEPTEMBER	\$15,712,967	\$15,737,137	\$13,268,229	(\$2,468,908)	-15.69%
OCTOBER	\$14,187,885	\$14,179,426	\$12,535,554	(\$1,643,872)	-11.59%
NOVEMBER	\$13,642,131	\$13,850,242	\$12,428,910	(\$1,421,332)	-10.26%
DECEMBER	\$13,794,306	\$13,868,214	\$12,180,237	(\$1,687,977)	-12.17%
<b>TOTAL</b>	<b>\$170,710,764</b>	<b>\$173,204,000</b>	<b>\$154,586,221</b>	<b>(\$18,617,779)</b>	<b>-10.75%</b>

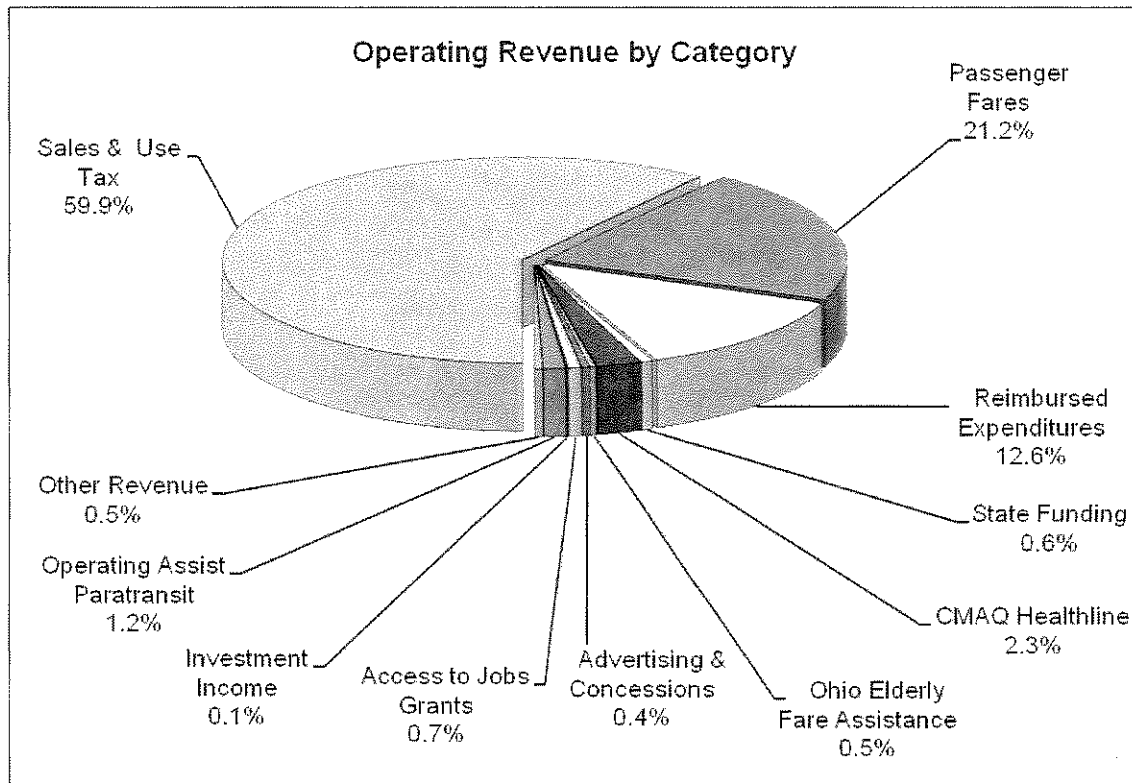
This is by far the most dramatic decline in Sales Tax in the history of the Authority; the previous worst decline in a year was 1.6%. A recovery is expected in 2010, but based on economic forecasts that increase is projected at 1.2%, producing \$156.4 million. Unlike recessions in the past, it is expected the effects of this one to be long lasting. RTA projects that it will take a minimum of six years to get back to the \$173 million Sales Tax amount generated in 2008. Sales Tax generated 70% of RTA's revenues in 2000. It only generated 58% in 2009. That gap has been filled with temporary one-time funds that will not carry forward into the future. The Authority must adjust to what now appears to be a sustained lower revenue base.



## 2010 TRANSMITTAL LETTER

The General Fund Balance Analysis, included as Attachment A, presents the 2010 Operating Budget in summary. The highlights are as follows:

### Revenue



The current 2010 estimate projects \$266.6 million in General Fund revenue and total resources of \$269.5 million as the 2009 fiscal year ends with a \$2.9 million balance. This was caused by the dramatic Sales Tax decline. As a result, 2010 will begin the year with budgeted total resources that are \$11.3 million less than the budgeted amount for 2009.

### Passenger Fares

**\$52.3 Million**

#### **Rationale:**

The 2009 Budget established the need for a \$0.50 base fare fuel surcharge. The State provided a one-time funding relief package that allowed the Authority to only implement half (\$0.25) on October 27, 2008 and defer the other half. If additional funding was not forthcoming, the Authority would need to implement the second half of the fuel surcharge in September 2009. The current recession eliminated any possibility of receiving those funds and caused sales tax collections to plunge necessitating implementation of the deferred fuel surcharge to balance the 2009 budget. Ridership through September 2009 was 11.6% below

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the same period in 2008. The recession, leading to a double-digit unemployment rate in the region, the reduction in gasoline prices and the service reductions over the last three years are the reasons for this decrease. The Authority provided service for approximately 51.3 million riders in 2009 and collected fare revenue of \$49.7 million. We expect ridership to hold at the current level.

Passenger fares for the first eight months of 2009 were held to a \$2.00 base fare. The deferred fuel surcharge implemented in September 2009 raised the fare to \$2.25. The Authority must either hold fares at this level for 2010 or substantially increase the \$9 million service reduction already required for 2010. Maintaining the base fare at \$2.25 with current ridership will generate \$52.3 million in passenger fares. We anticipate some of the lost ridership returning as unemployment levels decline in 2010 and the future years.

### **Sales & Use Tax Revenue**

**\$156.4 Million**

#### **Rationale:**

The continuing economic crisis and the decrease in Sales Tax revenue has not let up yet. Cuyahoga County experienced an historic decline in Sales Tax in 2009. Sales Tax declined by 10.94% in 2009, losing nearly \$19 million in Sales Tax revenue. This is an unprecedented decline, which RTA could not have predicted at the time the 2009 Budget was prepared. During 2009, Sales Tax receipts set records nine times for the worst in the history of the Authority and significant effort had to be made to overcome this shortfall.

Economists indicate this recession is deep and will be longer-lasting than any other that has affected the U.S. in the last 70 years. Our Sales Tax revenue will not recover in the short term and may well not return to the \$173 million mark generated in 2008 until 2015. That is our optimistic view based on an increase of 2% per year. An increase of 1% per year would mean it would take twice that time. Thus, we must plan on a new base level of revenue at a reduced amount. Other outside sources of funding have the same revenue generating problems the Authority has and therefore cannot be counted on for funds to stabilize transit in Ohio. RTA originally projected a 1.4% increase (\$157.3 million) in Sales Tax revenue in 2010. We have now revised that downward to 1.2% (\$156.4 million). Most of that increase will be generated in the second half of the year. The 2010 January Sales Tax collection increased by 2.3% compared to January 2008. These seem to be indicators that some economic improvement is in motion. Increases for the 2000-2008 period averaged approximately 1%. Increases beyond 2% per year for Northeast Ohio for the five years from 2011 to 2015 are most unlikely even with a significant economic recovery.

### **Advertising & Concessions**

**\$1.1 Million**

**Advertising Contract**  
**HealthLine (net)**  
**Other**  
**Total**

**\$825K**  
**\$175K**  
**\$100K**  
**\$1.1M**

## 2010 TRANSMITTAL LETTER

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### Rationale:

The 2010 Budget Advertising and Concessions Category consist of three subcategories. The first is the current advertising contract. However, to 2008 and 2009 fleet reductions, the advertising contract's annual guarantee shrunk from \$1,000,000 to \$825,000 per year. The second is the HealthLine naming rights contract that will net the Authority \$175,000 in 2010. The other subcategory is composed of various concession and vending arrangements and is expected to generate \$100,000 in the upcoming year.

<u>Intergovernmental</u>	\$ 14.1 Million
Temporary State Funding	\$11.5M
Elderly and Disabled Fare Assistance	\$ 0.8M
<u>Access to Jobs Revenue (JARC)</u>	<u>\$ 1.8M</u>
Total	\$14.1M

### Rationale:

Last year Governor Strickland led the way for temporary emergency funding for Ohio Transit Agencies with balances held in Metropolitan Planning Organizations (MPO's). As a result, NOACA (our regional MPO), made \$9.0 million available to GCRTA to lessen the impact of fuel cost increases from 2008-2009. RTA utilized \$7.8 million, or 87%, of this amount to mitigate operating expenses in 2009. The remaining \$1,165,200 will be utilized in 2010. A grant for Congestion Mitigation and Air Quality (CMAQ) for costs associated with the HealthLine has been requested and \$6.2 million is planned for 2010. A second CMAQ grant to fund the downtown trolley operation for \$783,000 is authorized. A grant from the Surface Transportation Program for Paratransit eligible expenses for \$3.4 million is under consideration. These total approximately \$11.5 million.

In 2008, the Authority received \$2.1 million from the State of Ohio for elderly and disabled fare assistance. The State of Ohio tax receipts were reduced by the recession and in 2009 RTA received only \$688,000 in this category. The estimate for 2010 is \$840,000.

Job Access and Reverse Commute (JARC) helps GCRTA provide vanpool and reverse commute services consistent with Welfare to Work initiatives. The funds from this source have been very sporadic over the past few years. Actions by the Northeast Ohio Area Coordinating Agency (NOACA) in 2008 released Federal funds. RTA spent \$500,000 of these funds in 2008, with the remaining balances to be used in 2009 and 2010, at approximately \$1.2 million-\$1.4 million per year. An additional \$700,000 from Federal funds and \$700,000 from ODOT will be received in 2009 and 2010, respectively, totaling \$1.4 million. We recently received an ARRA grant for \$1.863 million with no match requirement. About \$300,000 of those funds were used in the end of 2009. The remaining \$1.5 million from that grant will be used in 2010 and then supplemented with funds from grants previously received. Remaining funds from these grants will be used in 2011.

## **2010 TRANSMITTAL LETTER**

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### **Other Revenue**

**\$1.2 Million**

These other sources of revenue include contractor and hospitalization claim reimbursements, rent, salvage sales, identification card proceeds, among other miscellaneous receipts. The amounts received from these sources have fluctuated over the years, mainly due to one-time settlements and reimbursements.

In 2007 and 2008, the Authority received CNG rebates from the Internal Revenue Service (IRS). These rebates are also expected for 2009 and 2010.

### **Investment Income**

**\$204 Thousand**

The available 2009 General Fund cash balance is projected to average nearly \$4.6 million. As a result of lower fund balances and lower investment rates, the 2009 revenue from this source was \$198,000, a drop of 76% compared to 2008. The anticipated 2010 interest rate on investments is projected to range from 1% to 2.25%. As a result of lower fund balances and lower investment rates, the 2010 revenue from this source is projected at \$204,146.

### **Reimbursed Expenditures**

**\$37.4 Million**

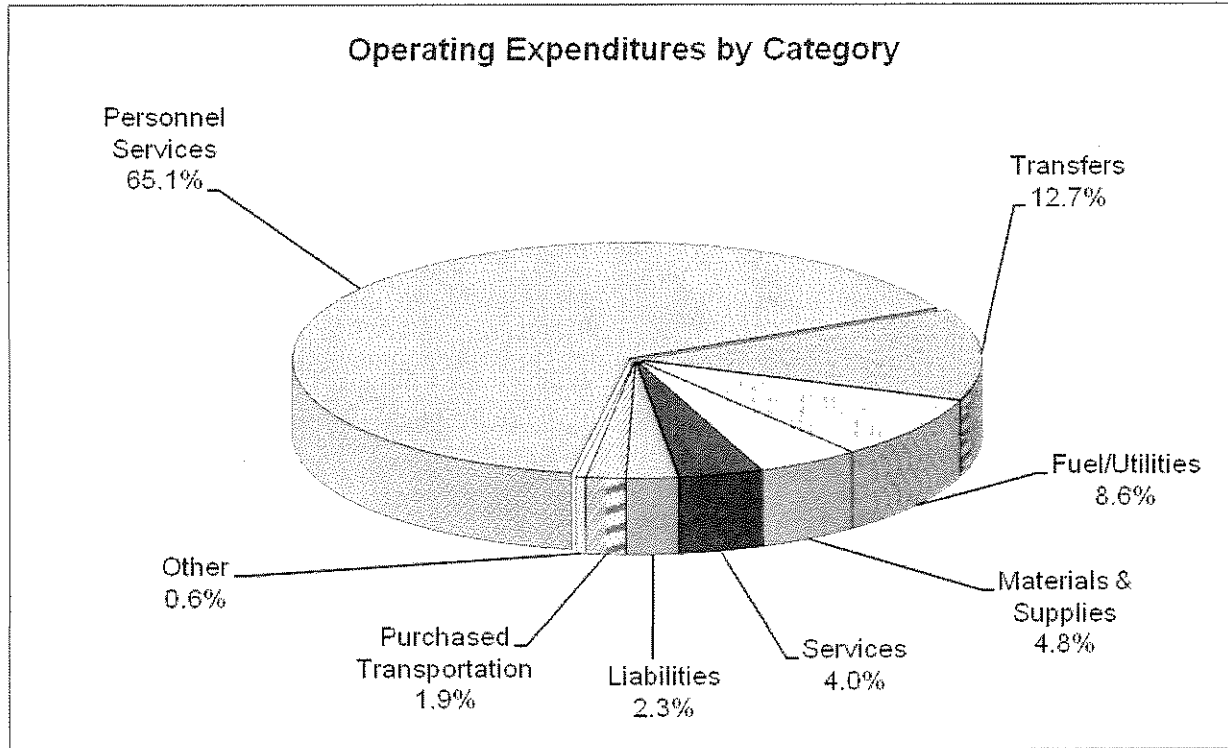
<b>Capitalized Operating Assistance</b>	<b>\$31.6M</b>
<b>Fuel Tax Reimbursement</b>	<b>\$ 1.3M</b>
<b><u>Force Account Labor &amp; Material</u></b>	<b><u>\$ 4.5M</u></b>
<b>Total</b>	<b>\$37.4M</b>

#### **Rationale:**

This category primarily is composed of capitalized operating assistance, fuel tax reimbursements, grant labor, and material reimbursements. In 2009, this category was \$33.4 million. This is about \$3.6 million less than projected because four federal grants with expected receipts in 2009 were not finalized until after the close of the fiscal year (Those grants contained over \$10 million in revenue expected for 2009). Thus, RTA was not able to process orders for reimbursement on eligible preventive maintenance. The 2010 estimate for this source was originally projected to be \$4.0 million lower than 2009 because ARRA funding for preventive maintenance in 2009 will not be available in 2010. With the late receipt of some of these funds, reimbursement will actually increase as 2009 eligible costs are processed for reimbursement in 2010.

One additional category of reimbursed expenditures will also be processed in 2010. The federal government allowed 10% of ARRA funds to be used to directly offset operating expenses. Those funds were in one of the federal grants not received prior to year-end. Those funds will also be processed for reimbursement just as soon as that grant is received in 2010. This will provide an additional \$3.456 million in revenue in 2010 beyond the original projection.

Expenditures



The Operating Expenditures for 2010 include the appropriation and expenditure changes as described below. As with revenues, expenditures are estimated not only for the 2010 Budget Year, but also for the two subsequent years. The Fund Balance Analysis projections include those out-years to demonstrate the longer-term impacts of various items contained in the 2010 Budget (collective bargaining agreements, service changes, requirements of the Capital Improvement Plan, etc.).

The chart on page TL – 15 summarizes the budgeted increases/reductions in expenditures for 2010. The chart highlights the ardent effort by management to align the Authority's expenditures with the projected revenue. As a result, it will be necessary for the Authority to implement a service reduction in April 2010. This service cut will equate to \$8.7 million in 2010 and will be annualized in 2011 as \$12.0 million in cost reductions.

**Compensation Issues** include the wage and fringe payments consistent with current collective bargaining agreements with the ATU and FOP, vacancy replenishments, as well as expected cost increases associated with health care and the Ohio Public Employee Retirement System (OPERS). Savings captured in the service reduction and cost reduction sections below reduces the amounts in labor and fringe benefits. In the past, Sales Tax paid

## **2010 TRANSMITTAL LETTER**

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for the personnel costs. Passenger fares and grants paid for the remaining costs. For instance, in 2006 Sales Tax was \$168.6 million and Personnel Services was \$168.9 million. In 2007, those figures were \$171.6 million for Sales Tax and \$174.7 million for Personnel Services. In 2008, the numbers were \$173.6 million versus \$173.0 million. For 2009, \$154.6 million was generated in Sales Tax while Personnel Services were \$176.6 million. This is a \$22 million shortfall. For 2010, the shortfall has been reduced to \$13.1 million. Clearly this shortfall must be reduced even further. As such, there are no wage and salary increases projected for employees.

RTA is attempting to negotiate concessions to the current union contracts. Concessions could mitigate the extent of the currently budgeted April service reduction and layoffs. Salaried employees received no pay increase for the first seven months of 2009 and then had wages reduced by 3% for the remainder of the year. The 3% reduction will remain in effect until approximately June 2010.

In addition, an administrative staff reduction of 16 positions, totaling \$920,000 in salaries, has been implemented. RTA is becoming a smaller organization and thus administrative positions must be reduced. A total of 45 administrative positions were eliminated in 2009. The Authority is currently reviewing other non-administrative support positions and plans to make reductions in those ranks prior to March 1, 2010. In addition, the selective hiring freeze employed for 2008 and 2009 will continue in 2010 to control and reduce compensation costs. Fringe benefits are expected to grow by \$1.7 million over the 2009 level. Consequently, fringe benefits have been very tightly budgeted at \$47.7 million.

**Fuel costs** will decrease by \$8.0 million. The unprecedented increases in fuel costs for 2008 are well documented. At RTA, the effects were nearly crippling, where the daily purchase price for diesel fuel ranged from a low of \$2.55 per gallon to a high of \$4.18 per gallon, and costs increased from \$12 million to \$19.3 million. To mitigate the financial risk associated with the market, the Authority awarded firm-fixed-price contracts of \$3.28 per gallon for the fourth quarter of 2008 and \$3.17 per gallon for the first 5 million gallons of diesel fuel purchased in 2009. The Authority used about 5.4 million gallons in 2009. The final 380,000 gallons were bought at market price. Fuel costs for 2009 were about \$17.4 million.

For much of 2008, RTA worked process improvements to establish a new methodology of purchasing diesel fuel. To get that accomplished, State law had to be changed, which was enacted and effective in September 2008. In January of 2009, the Board of Trustees approved the implementation of an Energy Price Risk Management Program. RTA is now authorized to purchase futures contracts out to a maximum maturity of 36 months up to a maximum of 90% of projected use. With the service cut implemented in September 2009 and the budgeted reduction in 2010, diesel fuel usage will be cut to 4,850,000 gallons in 2010. RTA has purchased future contracts on 88% of that fuel at a current price of about \$1.90 per gallon and will reduce costs to a projected \$9.4 million. The volatility experienced in the last two years has been removed. Costs have been stabilized for 2010 and 2011. For 2011, 86% of the fuel requirement has already been purchased at a cost of \$2.32 per gallon. The currently projected cost is \$11.3 million.

## **2010 TRANSMITTAL LETTER**

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At the beginning of 2010, RTA began to execute the sale on fuel futures contracts bought previously. Nine January 2010 contracts have been sold with realized gains of \$191,307, about \$21,250 per contract. These gains will be used to offset the actual cost of diesel fuel on the current market to produce the net costs depicted above. The first 504,000 gallons of heating oil futures for 2012 (11.5% of the total) have also been purchased.

**Cost Reduction Measures** will result in significant savings. In addition to the reduction of staff and salaries described under compensation issues, travel expenditures will be held 40% below the norm. There will be no cost of living adjustment for materials and supplies. Additional personnel reductions are currently being mapped out for non-administrative support employees. Encumbrances for 2009 were held to less than \$3.6 million. This is the lowest amount in the last 20 years. For 2010, RTA will not exceed that figure and will try to reduce it even further by \$500,000.

In addition, the Authority closely reviewed utility usage and is seeking reimbursement for amounts overpaid on electricity. We also went out on the open market and solicited bids for our electricity rate. The rate quotes received will lower our cost by 2 cents per kilowatt-hour and result in savings of over \$1.127 million.

**Service Reductions** resulting in \$8.7 million in savings for 2010 is unquestionably needed. This reduction must take place by April 2010. The service reductions include savings in operator labor, vehicle maintenance labor, diesel fuel, and inventory parts. This service reduction will be annualized in 2011 at about \$12.0 million.

The Authority continues to try to negotiate wage and benefit concessions with the ATU. If those actions produce results, part of the service reduction can be eliminated. This would mean a reduction in the number of employees laid off and maintenance of a greater quantity of service for our riders. Negotiations with the FOP will begin early in 2010.



## 2010 TRANSMITTAL LETTER

<b>AREAS OF EXPENDITURE GROWTH 2010 BUDGET</b>		
<b>2009 Operating Expenditures</b>		<b>\$238,537,641</b>
<b>Compensation Issues</b>		<b>(\$781,067) -0.3%</b>
2009 Annualization of Service Cuts/Operator Labor	(\$3,699,360)	
Fringe Benefits	\$1,573,071	
Hourly Labor Increase	\$298,962	
Salary Labor Increase	\$1,109,789	
Unemployment Comp	(\$63,529)	
<b>Fuel / Utilities</b>		<b>(\$7,599,947) -3.2%</b>
Diesel Fuel	(\$7,066,884)	
Other Fuel / Utilities Adjustments (net)	\$406,756	
Propulsion Power	(\$939,818)	
<b>Service Opportunities</b>		<b>\$3,160,945 1.3%</b>
ADA Purchased Transportation	\$212,089	
Service Contracts	\$2,005,708	
Misc Materials and Supplies	\$943,147	
<b>Operating Transfers</b>		<b>\$1,713,795 0.7%</b>
Bond Retirement	\$1,101,007	
RTA Capital	\$432,788	
Insurance Fund	\$180,000	
<b>Administrative/Proceedural Changes</b>		<b>(\$389,489) -0.2%</b>
Administrative Reduction in Forces Salary	(\$920,000)	
Additional positions	\$200,000	
27th Pay moved to 2010 for Salaried Non-Bargining	\$712,000	
Worker's Comp	\$263,244	
Other/Property Tax	(\$228,727)	
Other Net	(\$416,006)	
<b>Service Reduction</b>		<b>(\$8,700,000) -3.6%</b>
Operator Labor / Service Efficiencies	(\$6,300,000)	
Diesel Fuel	(\$900,000)	
Vechicle Maintenance Labor	(\$250,000)	
Inventory Parts	(\$1,250,000)	
<b>Expenditure Growth</b>		<b>(\$12,595,764) -5.3%</b>
<b>2010 Budgeted Operating Expenditures</b>		<b>\$225,941,877</b>

## **2010 TRANSMITTAL LETTER**

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### **Transfer to the Insurance Fund**

In 2009, a transfer from the General Fund of \$3.52 million was made. Although significant, it was not enough to maintain the Insurance Fund at the established balance of \$5.0 million. The fund now has a balance of \$4.6 million. Consistent with the recommendation from our Director of Risk Manager and Board guidance, the Authority will do all it can to reinstate the \$5.0 million balance in the Insurance Fund through the next two out years. Transfers from the General Fund of \$3.7 million in 2010 and \$3.2 million in 2011 are currently budgeted. The actual level of claims will dictate the transfers needed to get back to the \$5.0 million balance.

### **Transfer to the Supplemental Pension Fund**

The 2010 budget estimates that the Supplemental Pension Fund will need transfers of \$100,000 for 2010, 2011, and 2012 in order to accommodate the increase in retirees affecting the Authority's pension liabilities.

### **Transfers to Capital**

In 2010, Transfers to Capital will total \$29.4 million and equal 18.8% of the Sales Tax & Use revenue. This amount includes \$18.4 million to be transferred to the Bond Retirement Fund for debt service payments associated with existing debt. An additional \$11.0 million will be transferred to the Capital Improvement Fund for payment of 100% locally-funded projects and for the local match portion of grant-funded projects. With increases in capitalized operating expense reimbursements and dwindling local match fund balance, this transfer has increased sharply over the past two years. In the two out-years, 18.7% and 19.4% of revenue from the Sales & Use Tax will be needed to meet the demands of the Capital program. The growth in this measure continues to highlight the escalating difficulty created by increased capital needs in a time of constrained revenue.

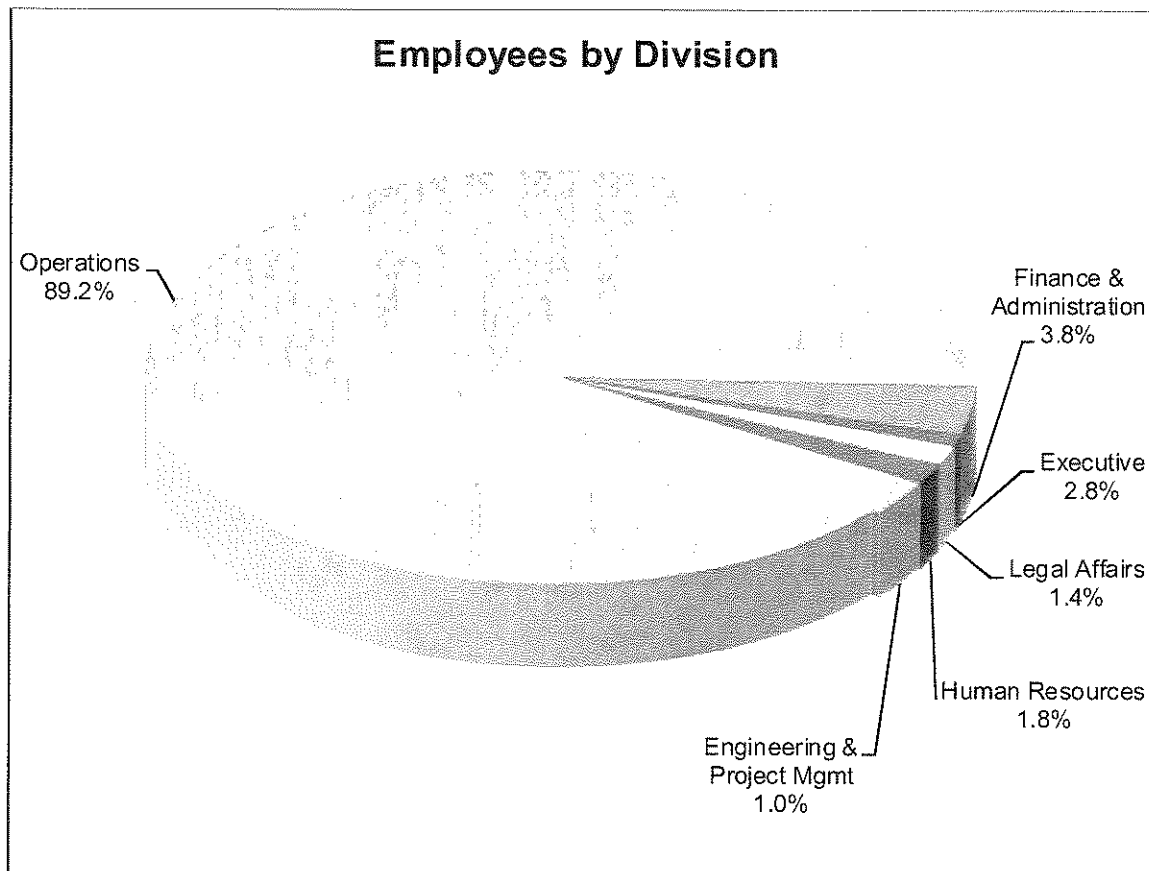
At the end of 2009, the Authority utilized a short-term loan of \$8 million to bridge the revenue gap that was created because four federal grants with over \$10 million of reimbursements were not received prior to the end of the fiscal year. That loan will be paid back in February with about \$70,000 in interest. This expenditure has been added to the 2010 budget.

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### Employment Level Analysis

The chart on the following page summarizes changes in staffing from the 2009 Budget to the level included in the 2010 Budget. The 2010 Budget reflects staffing of 2,477, an overall decrease of 100 positions. Due to the September 2009 service reductions, 76 operator positions have been eliminated. In addition, 12 support and mechanic positions have been eliminated due to the reduction in service miles and need for service. It should be noted that a 3% administrative reduction, or 16 positions, have been eliminated to adjust and right-size administrative support to existing budget limitations, and abate upcoming fiscal hardships. These reductions must be taken to align with service levels and maintain our fiscal position. In addition, non-administrative support positions are being reviewed to further align their totals to current service levels. Those reductions will be implemented in 2010. The pie chart below demonstrates relative employment levels within each division.



**EMPLOYMENT LEVEL CHANGES  
2010 BUDGET**

<b>2009 Budget</b>	<b>2,577</b>
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**Operators** **(76)**

    Bus (8)

    Circulator (68)

**Support Staff** **4**

    Energy Management Analyst 1

    Back to Work Coordinator 1

    Business Analyst MDP 2

**Service Support** **(12)**

    Hostlers (6)

    Vehicle Maintenance (3)

    Non-Vehicle Maintenance (3)

**Administrative Reduction in Forces (RIF)** **(16)**

<b>2010 Budgeted Positions</b>	<b>2,477</b>
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<b>Net Change in Employment Level</b>	<b>(100)</b>
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## 2010 TRANSMITTAL LETTER

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### **SERVICE LEVELS**

In these difficult economic times, the Authority is faced with dwindling revenue, particularly from our largest revenue source, the Sales and Use Tax. These shortfall, combined with increasing operating costs, limits our ability to provide service at levels RTA would like to provide for our customers.

<u>Service Levels</u>	<u>2009</u>	<u>2010</u>	<u>% Change 2009-2010</u>
<b>Service Hours</b>	2,084,147	1,817,626	-12.8%
<b>Service Miles</b>	27,817,100	24,431,291	-12.2%

In recent years, service levels were adjusted to more accurately reflect customer demand. In some cases, this involved service reductions and merging of routes. The budgeted miles and hours include the annualized effect of service changes that were made in September 2009. The changes include route changes for lower utilized bus routes traveling from suburban areas into downtown, as well as eliminating the Community Circulators. Minor changes will be made on other routes. The frequencies of those routes will be adjusted in off-peak hours. Headway adjustments on select routes are scheduled mostly in off-peak periods when ridership is low. This involves changing the time interval between vehicles moving in the same direction.

Service for bus and rail are reduced. Paratransit services will remain at current levels as RTA continue our actions to promote our continuing commitment to ADA service and requirements. In 2010, the Authority will need to make additional service cuts in order to remain sustainable because of the dramatic reduction in sales tax revenue.

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**2010 Budgeted Service Levels By Mode  
Compared to 2009 Budgeted Service Levels by Mode**

Service Mode	Service Hours			Service Miles		
	2009 Budget	2010 Budget	Percent Variance	2009 Budget	2010 Budget	Percent Variance
<b>Rail</b>						
Heavy Rail(Red)*	77,820	73,711	(4,109) -5.3%	1,691,616	1,606,193	(85,423) -5.0%
Light Rail(Blue/Green)*	66,180	62,686	(3,494) -5.3%	801,384	760,916	(40,468) -5.0%
<b>Total Rail</b>	<b>144,000</b>	<b>136,397</b>	<b>(7,603) -5.3%</b>	<b>2,493,000</b>	<b>2,367,109</b>	<b>(125,891) -5.0%</b>
<b>Bus</b>						
RTA	1,609,233	1,346,584	(262,649) -16.3%	20,388,534	16,854,877	(3,533,657) -17.3%
Van Pool	28,000	30,000	2,000 7.1%	520,000	590,000	70,000 13.5%
<b>Total Bus</b>	<b>1,637,233</b>	<b>1,376,584</b>	<b>(260,649) -15.9%</b>	<b>20,908,534</b>	<b>17,444,877</b>	<b>(3,463,657) -16.6%</b>
<b>Paratransit</b>						
In-House	227,791	206,016	(21,775) -9.6%	3,320,506	3,125,027	(195,479) -5.9%
Contract	75,123	98,629	23,506 31.3%	1,095,060	1,494,278	399,218 36.5%
<b>Total Paratransit</b>	<b>302,914</b>	<b>304,645</b>	<b>1,731 0.6%</b>	<b>4,415,566</b>	<b>4,619,305</b>	<b>203,739 4.6%</b>
<b>Grand Totals</b>	<b>2,084,147</b>	<b>1,817,626</b>	<b>(266,521) -12.8%</b>	<b>27,817,100</b>	<b>24,431,291</b>	<b>(3,385,809) -12.2%</b>

## 2010 TRANSMITTAL LETTER

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### **POLICY COMPLIANCE**

The discussion in this section focuses on the financial status of GCRTA as it relates to the Authority's basic adopted financial policies. These policies represent trends or indicators that should be analyzed as they relate to long-range financial implications for the organization.

The financial policies or trends, as outlined in Attachment B, are applied to the following areas:

#### Revenues

For 2010, Operating Revenues will account for 24.1% of total operating expenses. Slightly more than the **Operating Ratio** policy goal of 25%, it continues an upward trend in this measure over the last two years. The improvement in this measure is partly due to the fare increase from 2006 and 2008 and the Fuel Surcharge implemented in 2008 and the second half of 2009, as well as to reductions in operating expenditures. The maintenance of the \$2.25 base fare for the entire of 2010 results in a 2% increase over 2009.

Its companion indicator, **Fare Subsidy (Net Cost) Per Passenger** at \$3.34, will fall barely short of the policy goal of three times the average fare of \$1.03 or \$3.09. These two indicators demonstrate that fare revenue is beginning to cover a sufficient portion of the actual service costs, owing to the two-part fuel surcharge.

#### Expenditures

This Indicator includes a **One-Month Operating Reserve**, for available ending balance. The 2010 Operating Reserve will be equivalent to one-tenth of one month's operating reserve. By managing expenses, we again plan to improve this number during 2010. The Authority does all that it can to reduce expenses, but downward pressure on revenues threaten the results of our costs savings and meeting this indicator.

The organization will meet its operational needs in the 2010 budget by managing efficiently and effectively. Because of the recession, reserves available can be measured in days. A reserve is maintained as a safeguard to protect the organization in times of cyclical economic downturns and will be replenished as the economy improves. The cyclic downturn in Sales Tax has lasted eight years. It is no longer a cycle; it is a new reality. With the temporary revenues already discussed and actions taken to reduce cost, a positive balance for year-end will be achieved in 2010. However, it will be a small margin and will take considerable persistence to achieve.

The percent of **Overhead Cost to Total Cost** is projected to be 14.2%, still below the maximum of 15%, and the **Cost per Hour of Service** at \$109.07 is 5.2% less than the estimated amount in 2009, primarily due to the major budgeted reductions in service for 2010.

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### Debt Structures

The **Debt Service Coverage** ratio, projected at 1.06 in 2010, will again fall below the minimum goal of 1.50 as a result of increasing debt service requirements in support of the capital program, as well as a lower fund balance in the General Fund. Unfortunately, this ratio is expected to continue to worsen in 2011 and 2012 due to programmed increases in debt service requirements and continuing decreases to the ending balance as this measure falls to 0.41 and negative 0.15 respectively.

### Capital Outlay

Our goal is also to contribute a minimum of 10% and a maximum of 15% of Sales Tax revenue to capital. This indicator includes both the direct contributions to capital and the amount "set-aside" in the General Fund for debt service. An 18.8% **Contribution to Capital** in 2010, which amounts to \$29.5 million, will exceed this goal due to the relationship between the decreasing revenue from the Sales & Use Tax and the increasing capital and debt service needs of the Authority. This amount will support RTA Capital projects, provide local match for projects funded by grants, and fund debt service requirements. This contribution to capital is expected to slightly decrease to 18.7% in 2011 and then increase 19.4% in 2012, both significantly above the maximum range for this Board Policy measure due, as mentioned before, to meeting the growing capital and debt service needs of the Authority while revenue from the Sales & Use Tax decreases or remains flat.

The ratio of **Capital Maintenance Outlay to Capital Expansion Outlay**, at 99.0%, is outside of the Board Policy goal of between 33% and 67% for 2010. It increases from the actual level of 95.6% in 2009 as the Authority focuses on maintaining and rehabilitating existing assets, rather than on expansion projects, during the economic downturn. This measure is again expected to exceed the goal during 2011 with a ratio of 79.5% and in 2012 with 88.4% as more maintenance projects are prioritized in the upcoming years.

## **CAPITAL PROGRAM**

The Capital Improvement Plan (CIP) provides for the purchase, maintenance, and improvement of the Authority's capital assets and covers a period of five years, from 2010 through 2014. Capital assets are properties such as buses, rail cars, facilities, equipment, etc., and the life of these properties extends over a period of years. Capital improvement planning provides a framework for scheduling improvements based on the availability of resources, the condition of assets, and the priorities among projects. The capital-intensive nature of public transportation makes long-term financial planning indispensable.

The first year of the CIP reflects the 2010 Capital Improvement Budget. In 2010, the focus will be on supporting the Operating Budget through the reimbursement of preventive maintenance expenses, the continuation of the Heavy Rail Fleet Overhaul project, and the



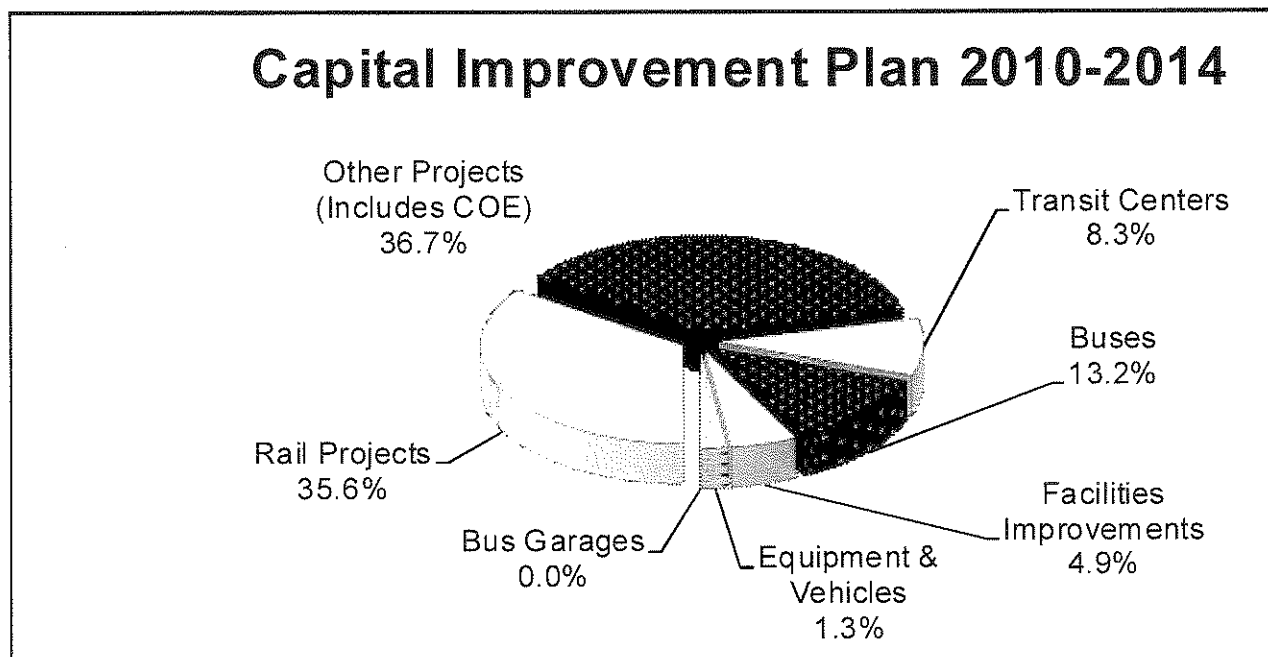
## 2010-2014 CAPITAL IMPROVEMENT PLAN

PROJECT CATEGORY	2010	2011	2012	2013	2014	TOTAL
Bus Garages	\$0	\$0	\$0	\$0	\$0	\$0
Buses	\$0	\$95,000	\$10,210,000	\$21,350,000	\$26,160,000	\$57,815,000
Bus Rapid Transit	\$0	\$0	\$0	\$0	\$0	\$0
Equipment & Vehicles	\$2,067,500	\$657,500	\$780,000	\$912,000	\$830,000	\$5,247,000
Facilities Improvements	\$5,807,000	\$5,450,500	\$1,735,000	\$4,868,500	\$3,675,000	\$21,536,000
Other Projects	\$36,257,850	\$31,044,200	\$31,049,700	\$30,935,650	\$30,940,000	\$160,227,400
Rail Projects	\$27,445,000	\$39,298,250	\$19,437,130	\$39,668,130	\$29,621,000	\$155,469,510
Transit Centers	\$492,000	\$17,195,000	\$5,380,000	\$12,585,000	\$410,000	\$36,062,000
<b>TOTALS</b>	<b>\$72,069,350</b>	<b>\$93,740,450</b>	<b>\$68,591,830</b>	<b>\$110,319,280</b>	<b>\$91,636,000</b>	<b>\$436,356,910</b>

## 2010 TRANSMITTAL LETTER

rehabilitation of existing assets of the Authority with a focus on the Rail System. In the following four years, the longer-term plans of the organization are outlined. The projected cost of the five-year CIP is \$436.4 million, an increase of \$13.8 million or nearly 3.3%, from last year's CIP. The increase, due to the inclusion of alternative budgets for projects that will only be funded if non-traditional funding can be identified, continues to reflect the existing financial & operational constraints facing the Authority.

Capital projects supported by this allocation are categorized into eight areas as shown in the chart displayed below. The larger programs/projects included in the five-year plan are shown below.



Highlights of the larger programs & projects included in the 2010-2014 CIP are as follows:

- Capitalized Operating Expenses \$136.0 million
- Bus & Paratransit Bus Programs \$57.8 million
- Rail Station Rehabilitation Program \$47.1 million
- Transit Centers & Intermodal Stations \$36.1 million
- Track Rehabilitation \$24.9 million
- Rail Power System \$18.4 million

The total 2010 Capital Improvement Budget is \$72.1 million, of which \$2.3 million, or 3.2%, is for RTA Capital Fund projects and \$69.8 million, or 96.8%, is for RTA Development Fund projects. The decrease in budgeted RTA Capital Fund projects, funded from the Sales &

## **2010 TRANSMITTAL LETTER**

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Use Tax revenue, reflects the recent downturn in this important funding source for the Authority. The two largest projects with identified grant funding sources included in the 2010 Capital Improvement Budget are Capitalized Operating Expenses, at \$27.2 million, or 37.7% of the total capital budget for the year, and the Overhaul of the Heavy Rail Fleet, at \$5.5 million, or 7.7% of the total.

In addition, budget authority is also provided in 2010 for the following projects with identified grant funding sources:

- The replacement of the Fairhill Substation at \$2.8 million;
- Payment of the bi-annual Fare Collection Equipment Lease at \$2.4 million;
- Rehabilitation of the Light Rail Trunk Line Bridge at \$2.4 million; and
- A continuation of a three-year program to rehabilitate various light rail crossings with a 2010 budget of \$2.1 million.

The 2010 through 2014 Capital Improvement Plan of \$436.4 million continues to slow the aggressive infrastructure plan that began nearly a decade ago and focuses on the maintenance and rehabilitation of existing assets, especially in the first several years of the proposed CIP. RTA is committed to both policy goals of Customer Service and Improving Financial Health by continuing to develop and to refine a more realistic capital program that both meets the Authority's needs as well as its ability to finance it.

### **CONCLUSION**

The 2009 Operating and Capital Budgets were very tight when authorized. The failure of money markets requiring the drastic bailout action taken created a deep recession. Unemployment rose to 11% in Northeast Ohio. Sales Tax declined by an unprecedented 11% resulting in nearly \$19 million in lost revenue. The Authority took action throughout the fiscal year to combat this problem. RTA ended the year with a small positive balance of \$2.9 million and have used a significant part of the 2008 \$8.4 million year end balance to help defray 2009 costs. The current economic reality demands that the 2010 Operating and Capital Budgets be planned in the most frugal manner possible. This is exactly what we have tried to do. Fares must be held at current levels. Service must be decreased again. Personnel costs must be reduced. Expenditures for projects and capital upkeep must be held to a minimum. The ARRA funds authorized in 2009 will provide the bulk of our infrastructure maintenance in 2010. RTA will provide the maximum service to the public that is possible. In this recession, revenues have declined sharply. Premium service cannot be funded. Base service will be maintained.

The 2010 Budget has been shaped by the 2008-2009 recession and the severe economic challenges it has imposed. The revenues available are significantly smaller. RTA has no choice but to continue to react and become a smaller, leaner entity.

# ATTACHMENT A General Fund Balance Analysis

**Assumptions:**

Passenger Fare Annual Growth =	3.3%	7.1%	10.8%	3.3%	5.1%	2.0%	2.0%
Sales Tax Annual Growth =	-0.2%	1.8%	1.1%	-10.9%	1.2%	1.2%	1.2%
Operating Expenses Growth =	3.2%	3.2%	2.7%	-0.6%	-5.3%	1.8%	1.0%
Capital Contribution =	21,840,207	22,281,814	24,819,832	27,877,062	29,410,956	29,605,569	31,082,364
	13.0%	13.0%	14.3%	18.0%	18.8%	18.7%	19.4%

	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Budget	2011 Budget	2012 Budget
<b>Beginning Balance</b>	16,090,633	15,762,335	14,047,468	8,401,085	2,880,103	2,271,323	-10,886,906
<b>Revenue</b>							
Passenger Fares	40,587,880	43,467,204	48,173,971	49,757,083	52,315,718	53,362,033	54,429,273
Advertising & Concessions	1,404,936	1,217,959	1,591,538	1,197,713	1,109,375	1,100,000	1,100,000
Sales & Use Tax	168,615,372	171,661,508	173,568,817	154,586,220	156,441,255	158,318,550	160,218,372
Operating Assistance - ARRA Federal Grants	0	0	0	0	3,456,000	0	0
Short Term Notes	0	0	0	8,000,000	0	0	0
CMAQ Reimbursement for the Healthline	0	0	0	1,930,603	6,200,000	0	0
Operating Assistance - Paratransit Operations	0	0	0	0	3,456,000	0	0
Ohio Elderly Fare Assistance	2,999,495	2,246,309	0	2,756,762	840,000	924,000	1,016,400
State Funding Fuel Initiative	0	0	0	7,875,683	1,165,200	0	0
Operating Assistance - Trolley Operations	0	0	0	0	783,000	0	0
Access to Jobs Program	890,152	572,647	976,432	2,697,111	1,863,358	1,200,000	1,200,000
Investment Income	862,701	870,024	825,633	198,200	204,146	214,353	225,071
Other Revenue	2,672,865	1,193,213	1,391,890	2,053,241	1,200,000	1,200,000	1,320,000
Reimbursed Expenditures	30,636,402	34,201,180	35,597,279	33,461,105	37,400,000	33,461,105	33,795,716
Weekly Shopper Service	0	0	0	0	180,000	0	0
<b>Total Revenue</b>	248,669,803	255,430,044	262,125,560	264,513,721	266,614,052	249,780,041	253,304,833
<b>Total Resources</b>	264,760,436	271,192,379	276,173,028	272,914,806	269,494,156	252,051,364	242,417,927
<b>Operating Expenditures</b>							
Personnel Services	168,973,550	173,796,848	173,016,961	176,631,322	169,550,255	171,245,757	172,958,215
Diesel Fuel	12,552,157	12,112,507	19,272,336	17,357,364	9,390,480	11,330,790	11,330,790
Other Expenditures	44,776,187	47,653,742	47,662,814	44,548,954	47,001,142	47,471,154	47,945,865
<b>Total Operating Expenditures</b>	226,301,894	233,563,097	239,952,111	238,537,641	225,941,877	230,047,701	232,234,870
Short Term Notes Payment	0	0	0	0	8,070,000	0	0
Transfer to the Insurance Fund	750,000	1,200,000	2,900,000	3,520,000	3,700,000	3,185,000	2,800,000
Transfer to the Pension Fund	106,000	100,000	100,000	100,000	100,000	100,000	100,000
<b>Transfers to Capital</b>							
Bond Retirement Fund	14,700,000	15,456,127	14,753,950	17,327,062	18,428,168	18,927,476	20,617,643
Capital Improvement Fund	7,140,207	6,825,687	10,065,882	10,550,000	10,982,788	10,678,092	10,464,721
<b>Total Transfers to Capital</b>	21,840,207	22,281,814	24,819,832	27,877,062	29,410,956	29,605,569	31,082,364
<b>Total Expenditures</b>	248,998,101	257,144,911	267,771,943	270,034,703	267,222,833	262,938,270	266,217,234
<b>Available Ending Balance</b>	15,762,335	14,047,468	8,401,085	2,880,103	2,271,323	-10,886,906	-23,799,308

ATTACHMENT B

# 2010 Proposed Budget Financial Indicators

	2007 Actual	2008 Actual	2009 Estimate	2010 Budget	2011 Budget	2012 Budget
<b>REVENUES</b>						
Operating Ratio	19.9%	21.5%	21.8%	24.1%	24.4%	20.7%
Fare Subsidy (Net Cost) Per Passenger	\$3.23	\$3.23	\$3.70	\$3.34	\$3.36	\$3.99
Average Fare	\$0.76	\$0.83	\$1.00	\$1.03	\$1.05	\$1.00
<b>EXPENDITURES</b>						
Operating Reserve (Months)	0.7	0.4	0.1	0.1	-1.2	-2.0
Overhead Cost vs. Total Cost	12.1%	12.2%	12.6%	14.2%	14.4%	14.4%
Cost/Hour of Service	\$100.21	\$105.47	\$115.04	\$109.07	\$112.16	\$127.08
Growth per Year	1.9%	5.3%	9.1%	-5.2%	2.8%	13.3%
<b>DEBT STRUCTURES</b>						
Debt Service Coverage	1.81	1.32	1.14	1.06	0.41	-0.15
<b>CAPITAL OUTLAY</b>						
Sales Tax Contribution to Capital	13.0%	14.3%	18.0%	18.8%	18.7%	19.4%
Capital Maintenance to Expansion	84.1%	89.3%	95.6%	99.0%	79.5%	88.4%

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

ATTACHMENT C

RTA Development Fund Balance Analysis

	2006	2007	2008	2009	2010	2011	2012
	Actual	Actual	Actual	Actual	Budget	Budget	Budget
<b>Beginning Balance</b>	9,366,610	18,784,966	22,837,466	33,485,254	30,508,300	50,263,847	41,061,638
<b>Revenue</b>							
General Obligation Debt Proceeds	25,003,289	0	35,472,559	0	20,000,000	0	0
Transfer from RTA Capital Fund	5,000,000	5,000,000	7,600,882	8,346,054	8,475,400	8,225,400	8,175,400
Investment Income	1,112,118	844,393	1,672,096	271,990	325,000	375,000	375,000
Federal Capital Grants	71,849,886	74,319,702	86,109,609	65,807,459	59,227,000	45,901,244	48,176,409
ARRA Federal Capital Grants	0	0	0	7,840,623	30,823,088	7,084,988	0
State Capital Grants	6,011,798	8,532,391	9,370,685	9,162,154	968,147	968,147	960,000
Capital Lease	0	25,000,000	0	0	0	0	0
Other Revenue	500,000	2,810,906	1,837,731	0	1,000,000	1,000,000	1,000,000
<b>Total Revenue</b>	<b>109,477,091</b>	<b>116,507,392</b>	<b>142,063,562</b>	<b>91,428,280</b>	<b>120,818,635</b>	<b>63,554,779</b>	<b>58,686,809</b>
<b>Total Resources</b>	<b>118,843,701</b>	<b>135,292,358</b>	<b>164,901,028</b>	<b>124,913,534</b>	<b>151,326,935</b>	<b>113,818,626</b>	<b>99,748,447</b>
<b>Expenditures</b>							
Capital Outlay	99,198,421	109,944,506	128,830,215	93,705,234	100,363,088	72,306,988	71,037,000
Other Expenditures	0	2,000,000	472,559	0	0	0	0
Transfer to Bond Retirement Fund	860,314	510,386	2,113,000	700,000	700,000	450,000	450,000
<b>Total Expenditures</b>	<b>100,058,735</b>	<b>112,454,892</b>	<b>131,415,774</b>	<b>94,405,234</b>	<b>101,063,088</b>	<b>72,756,988</b>	<b>71,487,000</b>
<b>Ending Balance</b>	<b>18,784,966</b>	<b>22,837,466</b>	<b>33,485,254</b>	<b>30,508,300</b>	<b>50,263,847</b>	<b>41,061,638</b>	<b>28,261,447</b>

ATTACHMENT D

RTA Capital Fund Balance Analysis

	2006	2007	2008	2009	2010	2011	2012
	Actual	Actual	Actual	Actual	Budget	Budget	Budget
<b>Beginning Balance</b>	3,451,793	2,899,226	1,374,346	270,264	197,782	256,671	259,363
<b>Revenue</b>							
Transfer from General Fund	7,140,207	6,825,687	10,065,882	10,550,000	10,982,788	10,678,092	10,464,721
Investment Income	166,058	96,409	65,557	370	1,500	50,000	50,000
Other Revenue	0	0	0	0	0	0	0
<b>Total Revenue</b>	<b>7,306,265</b>	<b>6,922,096</b>	<b>10,131,439</b>	<b>10,550,370</b>	<b>10,984,288</b>	<b>10,728,092</b>	<b>10,514,721</b>
<b>Total Resources</b>	<b>10,758,058</b>	<b>9,821,322</b>	<b>11,505,785</b>	<b>10,820,634</b>	<b>11,182,071</b>	<b>10,984,763</b>	<b>10,774,084</b>
<b>Expenditures</b>							
Asset Maintenance	1,233,421	1,394,482	1,630,502	1,197,531	1,400,000	1,400,000	1,450,000
Routine Capital	1,625,411	2,052,494	2,004,137	1,079,267	1,050,000	1,100,000	1,100,000
Other Expenditures	0	0	0	0	0	0	0
Transfer to RTA Development Fund	5,000,000	5,000,000	7,600,882	8,346,054	8,475,400	8,225,400	8,175,400
<b>Total Expenditures</b>	<b>7,858,832</b>	<b>8,446,976</b>	<b>11,235,521</b>	<b>10,622,852</b>	<b>10,925,400</b>	<b>10,725,400</b>	<b>10,725,400</b>
<b>Ending Balance</b>	<b>2,899,226</b>	<b>1,374,346</b>	<b>270,264</b>	<b>197,782</b>	<b>256,671</b>	<b>259,363</b>	<b>48,684</b>

ATTACHMENT E

# Bond Retirement Fund Balance Analysis

	2006	2007	2008	2009	2010	2011	2012
	Actual	Actual	Actual	Actual	Budget	Budget	Budget
<b>Beginning Balance</b>	1,510,792	1,764,973	1,727,210	1,733,884	2,084,582	1,771,731	1,703,022
<b>Revenue</b>							
Transfer from General Fund	14,700,000	15,456,127	14,753,950	17,327,062	18,428,168	18,927,476	20,617,643
Transfer from RTA Development Fund	860,314	510,386	2,113,000	700,000	700,000	450,000	450,000
Investment Income	298,954	271,752	316,200	36,270	75,000	125,000	125,000
Other Revenue	142,782	2,404	326,277	0	0	0	0
<b>Total Revenue</b>	<b>16,002,050</b>	<b>16,240,669</b>	<b>17,509,427</b>	<b>18,063,332</b>	<b>19,203,168</b>	<b>19,502,476</b>	<b>21,192,643</b>
<b>Total Resources</b>	<b>17,512,842</b>	<b>18,005,642</b>	<b>19,236,637</b>	<b>19,797,216</b>	<b>21,287,750</b>	<b>21,274,207</b>	<b>22,895,665</b>
<b>Expenditures</b>							
Debt Service							
Principal	8,801,619	9,358,533	10,216,526	10,012,244	11,439,987	11,726,148	13,669,909
Interest	6,946,250	6,919,899	7,286,227	7,700,390	8,066,032	7,825,037	7,378,006
Other Expenditures	0	0	0	0	10,000	20,000	20,000
<b>Total Expenditures</b>	<b>15,747,869</b>	<b>16,278,432</b>	<b>17,502,753</b>	<b>17,712,634</b>	<b>19,516,019</b>	<b>19,571,185</b>	<b>21,067,915</b>
<b>Ending Balance</b>	<b>1,764,973</b>	<b>1,727,210</b>	<b>1,733,884</b>	<b>2,084,582</b>	<b>1,771,731</b>	<b>1,703,022</b>	<b>1,827,750</b>



ATTACHMENT F

# Insurance Fund Balance Analysis

	2006	2007	2008	2009	2010	2011	2012
	Actual	Actual	Actual	Actual	Budget	Budget	Budget
<b>Beginning Balance</b>	6,051,880	5,167,010	5,264,655	5,432,199	4,634,855	4,584,858	5,005,098
<b>Revenue</b>							
Investment Income	197,782	316,340	167,544	75,515	150,000	135,240	175,320
Transfer from General Fund	750,000	1,200,000	2,900,000	3,520,000	3,700,000	3,185,000	2,800,000
Other Revenue	0	0	0	0	3	0	0
<b>Total Revenue</b>	947,782	1,516,340	3,067,544	3,595,515	3,850,003	3,320,240	2,975,320
<b>Total Resources</b>	6,999,662	6,683,350	8,332,199	9,027,714	8,484,858	7,905,098	7,980,418
<b>Expenditures</b>							
Claims and Premium Outlay	1,832,652	1,418,695	2,900,000	4,392,859	3,900,000	2,900,000	2,929,000
Other Expenditures	0	0	0	0	0	0	0
<b>Total Expenditures</b>	1,832,652	1,418,695	2,900,000	4,392,859	3,900,000	2,900,000	2,929,000
<b>Ending Balance</b>	5,167,010	5,264,655	5,432,199	4,634,855	4,584,858	5,005,098	5,051,418

ATTACHMENT G

# Supplemental Pension Fund Balance Analysis

	2006	2007	2008	2009	2010	2011	2012
	Actual	Actual	Actual	Actual	Budget	Budget	Budget
<b>Beginning Balance</b>	888,711	933,358	983,292	1,036,017	1,083,091	1,132,184	1,179,184
<b>Revenue</b>							
Investment Income	33,586	42,900	34,609	28,441	31,000	31,000	31,000
Transfer from General Fund	106,000	100,000	100,000	100,000	100,000	100,000	100,000
<b>Total Revenue</b>	139,586	142,900	134,609	128,441	131,000	131,000	131,000
<b>Total Resources</b>	1,028,297	1,076,258	1,117,901	1,164,458	1,214,091	1,263,184	1,310,184
<b>Expenditures</b>							
Benefit Payments	94,939	92,966	81,884	81,366	81,907	84,000	84,000
Other Expenditures	0	0	0	0	0	0	0
<b>Total Expenditures</b>	94,939	92,966	81,884	81,366	81,907	84,000	84,000
<b>Ending Balance</b>	933,358	983,292	1,036,017	1,083,091	1,132,184	1,179,184	1,226,184

ATTACHMENT H

# Law Enforcement Fund Balance Analysis

	2006	2007	2008	2009	2010	2011	2012
	Actual	Actual	Actual	Actual	Budget	Budget	Budget
<b>Beginning Balance</b>	217,680	204,509	204,126	172,193	152,517	168,117	179,717
<b>Revenue</b>							
Law Enforcement Revenue	53,389	99,046	14,400	11,280	15,000	11,000	12,000
Investment Income	9,424	11,784	4,505	425	600	600	600
Other Revenue	0	0	61,991	28,937	0	0	0
<b>Total Revenue</b>	<b>62,813</b>	<b>110,830</b>	<b>80,896</b>	<b>40,642</b>	<b>15,600</b>	<b>11,600</b>	<b>12,600</b>
<b>Total Resources</b>	<b>280,493</b>	<b>315,339</b>	<b>285,022</b>	<b>212,835</b>	<b>168,117</b>	<b>179,717</b>	<b>192,317</b>
<b>Expenditures</b>							
Capital & Related Items	75,984	111,213	112,829	60,318	0	0	0
<b>Total Expenditures</b>	<b>75,984</b>	<b>111,213</b>	<b>112,829</b>	<b>60,318</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Ending Balance</b>	<b>204,509</b>	<b>204,126</b>	<b>172,193</b>	<b>152,517</b>	<b>168,117</b>	<b>179,717</b>	<b>192,317</b>

ATTACHMENT I

# All Funds Balance Analysis

	2006		2007		2008		2009		2010		2011		2012	
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Budget	Budget	Budget	Budget	Budget	Budget
<b>Beginning Balance</b>	37,578,099	45,516,377	46,438,563	50,530,896	41,541,231	60,448,731	38,501,117							
<b>Revenue</b>														
Passenger Fares	40,587,880	43,467,204	48,173,971	49,757,083	52,315,718	53,362,033	54,429,273							
Sales & Use Tax	168,615,372	171,661,508	173,568,817	154,586,220	156,441,255	158,318,550	160,218,372							
Federal	71,849,886	74,319,702	86,109,609	73,648,082	93,506,088	52,986,232	48,176,409							
State	9,011,293	10,778,700	9,370,685	21,725,202	12,629,347	1,892,147	1,976,400							
Investment Income	2,680,623	2,453,602	3,086,144	611,211	787,246	931,193	981,991							
Other Revenue	36,300,526	40,097,355	41,797,538	47,449,387	43,550,736	37,972,105	38,427,716							
General Obligation Debt Proceeds	25,003,289	0	35,472,559	0	20,000,000	0	0							
Capital Lease	0	25,000,000	0	0	0	0	0							
<b>Total Revenue</b>	<b>354,048,869</b>	<b>367,778,071</b>	<b>397,579,323</b>	<b>347,777,185</b>	<b>379,230,390</b>	<b>305,462,260</b>	<b>304,210,162</b>							
<b>Total Resources</b>	<b>391,626,968</b>	<b>413,294,448</b>	<b>444,017,886</b>	<b>398,308,081</b>	<b>420,771,621</b>	<b>365,910,990</b>	<b>342,711,278</b>							
<b>Expenditures</b>														
Personnel Services	168,973,550	173,796,848	173,016,961	176,631,322	169,550,255	171,245,757	172,958,215							
Diesel Fuel	12,552,157	12,112,507	19,272,336	17,357,364	9,390,480	11,330,790	11,330,790							
Other Expenditures	46,779,762	51,276,616	51,230,086	49,083,498	59,063,049	50,475,154	50,978,865							
Capital Outlay	102,057,253	113,391,482	132,464,854	95,982,032	102,813,088	74,806,988	73,587,000							
Debt Service	15,747,869	16,278,432	17,502,753	17,712,634	19,506,019	19,551,185	21,047,915							
<b>Total Expenditures</b>	<b>346,110,591</b>	<b>366,855,885</b>	<b>393,486,990</b>	<b>356,766,850</b>	<b>360,322,891</b>	<b>327,409,874</b>	<b>329,902,785</b>							
<b>Available Ending Balance</b>	<b>45,516,377</b>	<b>46,438,563</b>	<b>50,530,896</b>	<b>41,541,231</b>	<b>60,448,731</b>	<b>38,501,117</b>	<b>12,808,493</b>							

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# Citizens Summary

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## Budget Highlights

### Introduction

This section concentrates on the significant components of the **2010 Adopted Budget Plan**. The intent is to furnish an overview of the Plan on the Authority's finances for 2010.

This section also includes a consolidated presentation of the Authority's funds and further details regarding the General Fund. A synopsis of the Capital Improvements Plan (CIP) and summary statistics conclude the **Citizens Summary**.

**The CEO/General Manager's 2010 Recommended Operating and Capital Budgets** were first presented to the Board of Trustees (BOT) at the Finance Committee meeting on November 10, 2009. Two public hearings were held on December 1, 2009 and December 15, 2009. During these hearings, information was presented on revenues, expenditures, the general make-up of the operating budget and capital budgets, the need for service realignment and the form it would take. The Trustees reviewed the final 2010 budget resolution on December 15, 2009 and adopted 25% of the expenses on the Resolution. The Board wanted to hear the public's perspective from the Public Hearings held January 4, 2010 to January 8, 2010 regarding the service reduction scheduled for the beginning of April 2010 and to get the actual receipts for the Sales & Use Tax for December 2009 and January 2010.

The 2010 Budget was re-presented to the Board of Trustees on February 9, 2010. Another public hearing was held on February 16, 2010 and the Trustees reviewed the final 2010 budget resolution that same day. The Board of Trustees formally adopted the 2010 Budget on February 16, 2010 as recommended by the CEO/General Manager in the preceding **Transmittal Letter**.

# Citizens Summary

## Budget Highlights

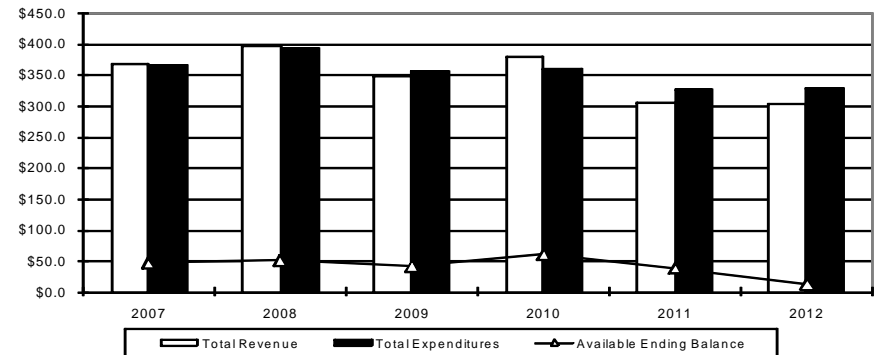
### All Funds Analysis

Figure CS-1 is the first of several fund status presentations found throughout this document. Revenues and expenditures for a six-year horizon are charted in bar-graph form with an overlay representing actual and projected unrestricted fund balances. This information is greatly expanded in the section on **Fund Budgets**, which provides a detailed discussion of specific resources, expenses, and resulting balances.

Despite economic difficulties in the last few years, the Authority is projected to complete 2009 financially sound. However, the continuing underperformance of the Sales and Use Tax presents both concerns and challenges. This trend in Sales and Use Tax will not only impact our ability to address the increasing demand for public services, it has necessitated a strategic hiring freeze, 3% wage reduction of salary employees, postponement of the 27<sup>th</sup> pay scheduled for December 31, 2009 for our salaried non-union employees, and a budgeted service adjustment of nearly 12% at the beginning of April 2010. Careful management has allowed GCRTA to delay this action for longer than other Ohio transportation authorities and has mitigated the extent of the realignment.

The strategy for 2010 continues ongoing efforts to restructure existing services within the context of limited revenue reserves. Resources are provided to fund restructured service levels and to rehabilitate and maintain the Authority's equipment and facilities. The 2010 Budget continues the Authority's process to truly re-engineer the organization to support the appropriate levels of service based on customer demand and available funding.

### All Funds Balance Analysis (Millions)



	2007 Actual	2008 Actual	2009 Actual	2010 Budget	2011 Estimate	2012 Estimate
Beginning Balance	\$45.5	\$46.4	\$50.5	\$41.5	\$60.4	\$38.5
<b>Total Revenue</b>	<b>\$367.8</b>	<b>\$397.6</b>	<b>\$347.8</b>	<b>\$379.2</b>	<b>\$305.5</b>	<b>\$304.2</b>
Total Resources	\$413.3	\$444.0	\$398.3	\$420.7	\$365.9	\$342.7
<b>Total Expenditures</b>	<b>\$366.9</b>	<b>\$393.5</b>	<b>\$356.8</b>	<b>\$360.3</b>	<b>\$327.4</b>	<b>\$329.9</b>
<b>Available Ending Balance</b>	<b>\$46.4</b>	<b>\$50.5</b>	<b>\$41.5</b>	<b>\$60.4</b>	<b>\$38.5</b>	<b>\$12.8</b>

Figure CS-1: All Funds Balance Analysis

# Citizens Summary

## Budget Highlights

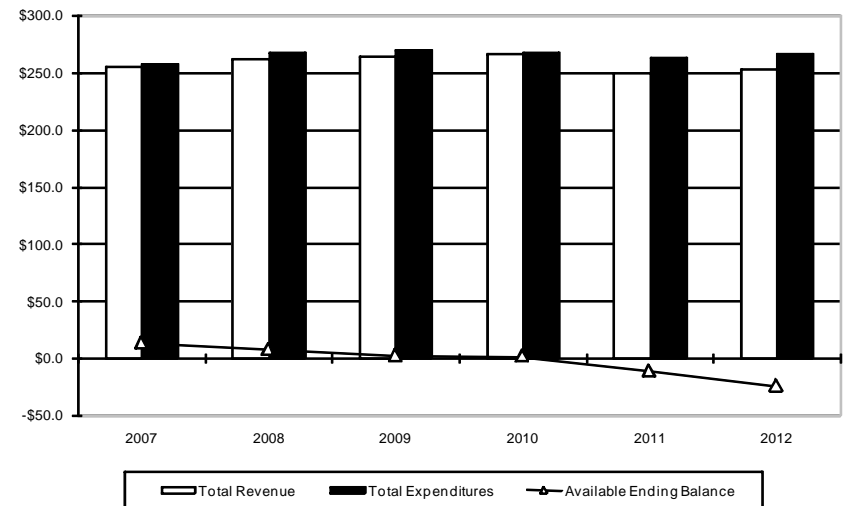
### General Fund Analysis

Figure CS-2 highlights the activity in the General Fund, the main operating fund of the Authority. With the exception of transactions, which must be reported in special funds, all operating activity at RTA is reflected in this fund. The Authority's financial health, reflected by the unrestricted fund balance, is a significant criterion examined by credit rating agencies.

For the last few years, the Authority has experienced a variety of economic challenges and has been unable to meet the policy to maintain a one-month operating reserve. The ending balance was \$16.1 million in 2005, narrowly missing the goal with a 0.9-month operating reserve. The 2006 budget required a drawdown on the operating reserve, resulting in a \$15.8 million ending balance, 0.9-month reserve. The 2007 budget again required a drawdown on fund balances with an operating reserve of \$14.0 million, 0.7-month reserve. For 2008, the Authority was affected by a significant increase in diesel fuel costs, which added \$7.5 million in expenses. As a result of this and other cost drivers, a nearly three percent service realignment had to be implemented at the end of the year. The year ended with a \$8.4 million balance, or 0.4-month reserve. In 2009, the year ended with a \$2.9 million budget balance because of these cost saving efforts, as well as the \$8 million in revenue in short term notes.

Despite the service realignment, operating cost increases and low revenue growth will necessitate another drawdown on the ending balance resulting in a \$2.3 million balance, 0.1-month reserve. The reserve level will be extremely important in the out years as this budget projects negative fund balances in 2011 and 2012.

### General Fund Balance Analysis (Millions)



	2007 Actual	2008 Actual	2009 Actual	2010 Budget	2011 Estimate	2012 Estimate
Beginning Balance	\$15.8	\$14.0	\$8.4	\$2.9	\$2.3	-\$10.9
<b>Total Revenue</b>	<b>\$255.4</b>	<b>\$262.1</b>	<b>\$264.5</b>	<b>\$266.6</b>	<b>\$249.8</b>	<b>\$253.3</b>
Total Resources	\$271.2	\$276.2	\$272.9	\$269.5	\$252.1	\$242.4
Operating Expenses	\$233.6	\$240.0	\$238.5	\$225.9	\$230.0	\$232.2
Fund Transfers	\$23.6	\$27.8	\$31.5	\$41.3	\$33.0	\$34.0
<b>Total Expenditures</b>	<b>\$257.2</b>	<b>\$267.8</b>	<b>\$270.0</b>	<b>\$267.2</b>	<b>\$263.0</b>	<b>\$266.2</b>
<b>Available Ending Balance</b>	<b>\$14.0</b>	<b>\$8.4</b>	<b>\$2.9</b>	<b>\$2.3</b>	<b>-\$10.9</b>	<b>-\$23.8</b>

Figure CS-2: General Fund Balance Analysis

# Citizens Summary

## Budget Highlights

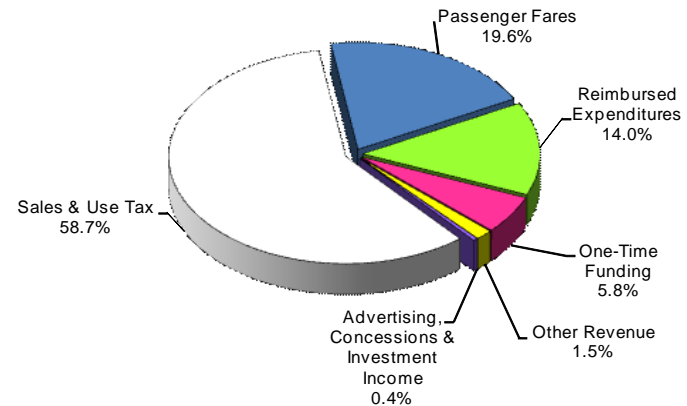
### General Fund Analysis, cont.

Figure CS-3 illustrates the relationship between major operating revenues. In 2009, 19.6 percent of General Fund revenue came from passenger fares, while 58.7 percent is projected from Sales and Use Tax. The projected growth in 2010 sales tax revenue is 1.2 percent over 2009. This includes \$1.1 million in the increase to the State of Ohio Managed Care Organization tax (a component in Sales Tax), and \$750K in increased economic activity. Sales tax revenue had increased by an average of 5.6 percent annually from 1992 to 2000. That trend has changed remarkably. Three straight years of declines followed. There was an increase in 2004 and 2005; then in 2006, revenue declined again. The average increase over the last several years is 1.0 percent. For 2009, the decrease was 11 percent over 2008. The 2010 projection anticipates a stagnant economy and is consistent with receipts received in the final quarter of 2009.

All other sources of operating revenue for 2010 are expected to equal approximately 21.7 percent of the total. Reimbursed expenditures, which include capitalized operating expenses as well as \$9.6 million in additional State Funding and \$3.4 million in ARRA Operating Assistance, continues to be a significant revenue category. Combined Advertising, Concession, and Investment Income are expected to remain relatively flat compared to 2009, although the mix between the categories will change. The total revenue for 2010 is \$2.1 million higher than in 2009. Details on these specific sources are found in the **Fund Budgets** section.

An Operating Expenditure decrease is projected for 2010 due to an April 1<sup>st</sup> budgeted service cuts. Expenditures for 2010 (\$225.9 million) are expected to decrease from the 2009 total (\$238.5 million) by \$12.6 million.

### General Fund Revenue by Source (Millions)



	2007 Actual	2008 Actual	2009 Actual	2010 Budget	2011 Estimate	2012 Estimate
Passenger Fares	\$43.5	\$48.2	\$49.8	\$52.3	\$53.4	\$54.4
Sales & Use Tax	\$171.7	\$173.6	\$154.6	\$156.4	\$158.3	\$160.2
Reimbursed Expenditures	\$34.2	\$35.6	\$33.5	\$37.4	\$33.5	\$33.8
Advertising, Concessions & Investment Income	\$2.0	\$1.6	\$1.2	\$1.1	\$1.1	\$1.1
One-time Funding	\$0.0	\$0.0	\$17.7	\$15.3	\$0.0	\$0.0
Other Revenue	\$4.0	\$2.6	\$7.7	\$4.1	\$3.5	\$3.8
<b>Total Revenue</b>	<b>\$255.4</b>	<b>\$261.6</b>	<b>\$264.5</b>	<b>\$266.6</b>	<b>\$249.8</b>	<b>\$253.3</b>

Figure CS-3: General Fund Revenue by Source



# Citizens Summary

## Budget Highlights

### General Fund Analysis, cont.

To complete the overview of the General Fund, figure CS-4 reports the financial indicators for the organization. To satisfy Board policies, the Authority must:

#### REVENUES

- Maintain an **Operating Ratio** (operating reserves divided by operating expenditures) of at least 25 percent, with 30 percent being the long-term objective. For 2010, the budget assumes a ratio of 24.1 percent. This policy goal remains unsatisfied for the eleventh year in a row (although growing since 2006), resulting in increasing concern for the growth rate of operating expenses versus operating revenue.
- Maintain a **Fare Subsidy** (net cost) per passenger that does not exceed three times the average fare. For 2010, the fare subsidy is projected at \$3.34; nearly three-and-one-half times the average fare of \$1.03.

#### EXPENDITURES

- Maintain an **Operating Reserve** equivalent to one-month's expenses in the unrestricted fund balance. In 2010, the reserve will not meet the policy target for the eleventh year in a row, primarily due to continuing slow economic growth and existing revenue conditions.

### Financial Indicators (2010)

	2007 Actual	2008 Actual	2009 Actual	2010 Budget	2011 Estimate	2012 Estimate
<b>REVENUES</b>						
Operating Ratio	19.9%	21.5%	21.8%	24.1%	24.4%	20.7%
Fare Subsidy (Net Cost) Per Passenger	\$3.23	\$3.23	\$3.70	\$3.34	\$3.36	\$3.99
Average Fare	\$0.76	\$0.83	\$1.00	\$1.03	\$1.05	\$1.00
<b>EXPENDITURES</b>						
Operating Reserve (Months)	0.7	0.4	0.1	0.1	-1.2	-2.0
Overhead Cost vs. Total Cost	12.1%	12.2%	12.6%	14.2%	14.4%	14.4%
Cost/Hour of Service	\$100.21	\$105.47	\$115.04	\$109.07	\$112.16	\$127.08
Growth per Year	1.9%	5.3%	9.1%	-5.2%	2.8%	13.3%
<b>DEBT STRUCTURES</b>						
Debt Service Coverage	1.81	1.32	1.14	1.06	0.41	-0.15
<b>CAPITAL OUTLAY</b>						
Sales Tax Contribution to Capital	13.0%	14.3%	18.0%	18.8%	18.7%	19.4%
Capital Maintenance to Expansion	80.5%	89.3%	95.6%	99.0%	79.5%	88.4%

#### Definitions:

Operating Ratio = Operating Revenue (Fares + Advertising + Interest)/Total Operating Expenditures

Fare Subsidy(Net Cost) Per Passenger = (Total Expenditures/Ridership)-(Fares/Ridership)

Operating Reserves = Available Ending Balance/(Total Operating Expenditures/12)

Overhead Cost vs. Total Cost = Overhead Cost/Total Cost

Cost/Hour of Service = Total Operating Expenditures/Total Service Hours

Debt Service Coverage = (Total Revenues - Total Expenditures)/Debt Service

Contribution to Capital = (Capital Improvement Contribution & Capital Improvement+Bond Retirement Transfer)/Sales & Use Tax Rev

Capital Maintenance to Expansion = Capital Maintenance Outlay/Total Capital Outlay

Figure CS-4: Financial Indicators

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# Citizens Summary

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## Budget Highlights

### General Fund Analysis, cont.

- Maintain **Overhead Costs** at 15 percent or less of total costs. This policy goal will be satisfied at 14.2 percent.
- Growth in costs, as defined by the **Cost per Hour of Service**, is to be kept at or below the rate of inflation. In 2010, this indicator is projected at -5.2 percent, due to significant budgeted service cuts.

#### DEBT STRUCTURES

- Maintain a **Debt Service Coverage** (total operating revenue minus operating expenditures, divided by debt service requirements) of at least 1.5. The 2010 budget falls below the minimum at 1.06, reflecting increasing debt levels and a lower ending balance.

#### CAPITAL OUTLAY

- Contribute at least **10 percent of sales tax collections directly to capital projects**. The contribution to capital directly from sales tax proceeds will total \$29.5 million or 18.8 percent in 2010. This includes a transfer to the **Bond Retirement Fund** to cover existing debt service.
- The percent of **Capital Maintenance Outlay to Capital Expansion Outlay** is to be a minimum of 33 percent and a maximum of 67 percent. At 99.1 percent, this ratio will not be met in 2010, due to the sudden drop in Sales Tax Revenue experienced in 2009, and despite the fact that RTA is maintaining, not expanding.

### General Fund Analysis, cont.

The remaining charts (Figures CS-5 and CS-6) categorize appropriations by division, or organizational grouping, and by summary object classes. In 2010, as shown in Figure CS-5 on the previous page, the Operations Division, which includes all bus, rail, and Paratransit services, is charged with the largest share of the budget (73.2 percent). The decrease from 2009 primarily reflects the anticipated service reduction in April.

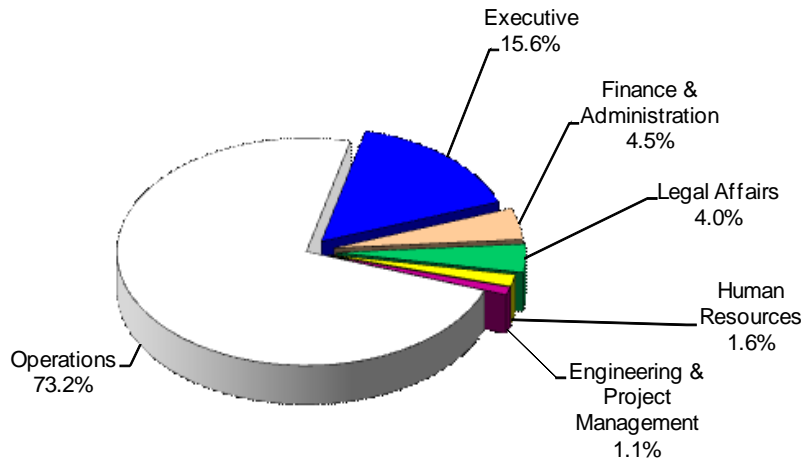
At the summary level, Figure CS-6 presents budgets by summary object classes. In the **Department Budgets** chapter, these cost categories are used for detailing each department's spending authorization. In 2010, Personnel Services accounts for 63.5 percent of the budget, nearly the same as it did last year. The 3.9 percent decrease in budgeted personnel costs, when compared to 2009, is primarily due to the anticipated service reduction and no pay increases for 2010. The non-personnel categories, excluding Transfers, are expected to decrease by nearly 8.9 percent, primarily due to the reduction in Diesel Fuel costs from the service cuts and RTA's fuel hedging strategy. Transfers tie to the required 2010 Bond Retirement, Capital, Insurance, and Pension Fund contributions.

The following table lists all departments within each division, together with historical, budgeted, and projected expenditures. The program changes, which support each table entry, are explained in the **Department Budgets** chapter.

# Citizens Summary

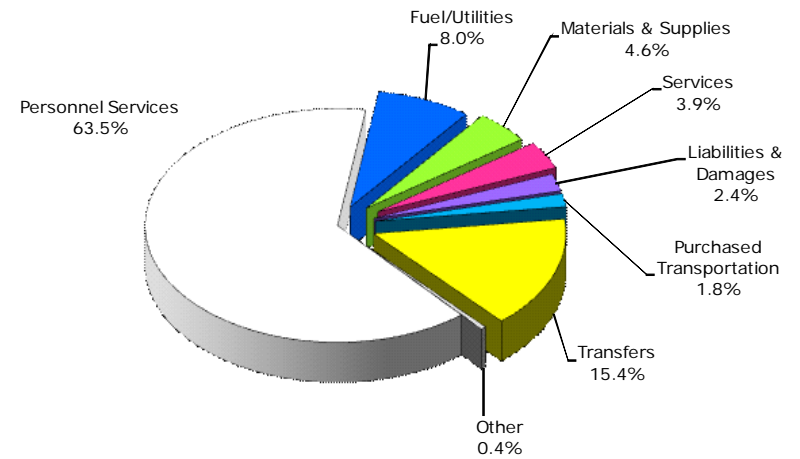
## Budget Highlights

**General Fund Expenditures by Division (Millions)**



	2007 Actual	2008 Actual	2009 Actual	2010 Budget	2011 Estimate	2012 Estimate
Operations	\$199.5	\$204.8	\$204.5	\$189.7	\$193.4	\$195.2
Finance & Administration	\$10.3	\$11.0	\$10.6	\$11.6	\$11.7	\$11.8
Engineering & Project Management	\$3.5	\$3.6	\$2.8	\$2.8	\$2.8	\$2.8
Legal Affairs	\$9.5	\$9.7	\$9.6	\$10.4	\$10.5	\$10.7
Human Resources	\$3.5	\$3.9	\$4.1	\$4.3	\$4.4	\$4.4
Executive	\$30.8	\$34.8	\$38.4	\$40.4	\$40.1	\$41.8
<b>Total</b>	<b>\$257.1</b>	<b>\$267.8</b>	<b>\$270.0</b>	<b>\$259.2</b>	<b>\$262.9</b>	<b>\$266.7</b>

**General Fund Expenditures by Object Class (Millions)**



	2007 Actual	2008 Actual	2009 Actual	2010 Budget	2011 Estimate	2012 Estimate
Personnel Services	\$173.7	\$173.0	\$176.6	\$169.6	\$171.2	\$173.0
Services	\$9.3	\$8.8	\$8.3	\$10.3	\$10.3	\$10.3
Materials & Supplies	\$14.5	\$13.8	\$11.6	\$12.4	\$12.6	\$12.8
Fuel/Utilities	\$26.0	\$33.0	\$30.2	\$21.3	\$23.3	\$23.4
Liabilities & Damages	\$5.8	\$5.9	\$6.1	\$6.4	\$6.5	\$6.6
Purchased Transportation	\$3.3	\$4.2	\$4.6	\$4.8	\$5.0	\$5.0
Transfers	\$23.6	\$27.8	\$31.5	\$41.2	\$32.8	\$34.4
Other	\$0.9	\$1.3	\$1.1	\$1.2	\$1.2	\$1.2
<b>Total</b>	<b>\$257.1</b>	<b>\$267.8</b>	<b>\$270.0</b>	<b>\$267.2</b>	<b>\$262.9</b>	<b>\$266.7</b>

Figure CS-5: General Fund Expenditures by Division

Figure CS-6: General Fund Expenditures by Summary Object Class

# General Fund Expenditures By Division

<b>Operations</b>							
Dept. #	Description	2007 Actual	2008 Actual	2009 Actual	2010 Budget	2011 Estimate	2012 Estimate
31	PARATRANSIT DISTRICT	13,459,289	14,530,318	15,957,727	16,703,722	16,964,378	17,103,527
32	RAIL DISTRICT	33,318,007	33,371,509	33,071,349	32,375,480	32,702,411	33,033,501
34	TRANSIT POLICE	7,949,702	8,591,972	9,927,561	11,095,216	11,208,642	11,323,272
35	SERVICE MANAGEMENT	15,898,967	11,203,009	11,785,385	13,155,132	13,260,490	13,366,932
38	SERVICE QUALITY MANAGEMENT	0	5,108,111	5,867,513	5,992,347	6,052,984	6,114,267
39	FLEET MANAGEMENT	40,543,014	46,307,274	41,524,985	34,865,729	37,007,624	37,334,259
43	PASS THRU	665,335	246,439	231,510	275,000	275,000	275,000
46	HAYDEN DISTRICT	27,798,437	27,724,756	29,309,425	26,101,021	26,363,521	26,628,820
47	HARVARD DISTRICT	29,042,871	28,134,886	29,276,123	27,284,673	27,562,725	27,843,740
49	TRISKETT DISTRICT	30,843,672	29,545,583	27,500,388	21,802,245	22,022,154	22,244,408
<b>DIVISION TOTALS</b>		<b>\$ 199,519,294</b>	<b>\$ 204,763,858</b>	<b>\$ 204,451,965</b>	<b>\$ 189,650,566</b>	<b>\$ 193,419,927</b>	<b>\$ 195,267,725</b>

<b>Finance &amp; Administration</b>							
Dept. #	Description	2007 Actual	2008 Actual	2009 Actual	2010 Budget	2011 Estimate	2012 Estimate
10	OFFICE OF BUSINESS DEVELOPMENT	417,526	430,506	393,147	372,227	376,117	380,048
60	ACCOUNTING	1,331,757	1,523,537	1,603,658	1,772,357	1,790,374	1,808,584
61	INFORMATION TECHNOLOGY	3,411,556	3,605,339	3,588,267	4,014,989	4,040,998	4,067,281
62	SUPPORT SERVICES	1,086,625	1,275,268	1,046,180	1,059,971	1,068,958	1,078,039
64	PROCUREMENT	1,833,520	1,890,397	1,654,540	1,735,857	1,753,981	1,772,298
65	REVENUE	2,191,023	2,266,683	2,346,067	2,616,481	2,639,945	2,663,655
<b>DIVISION TOTALS</b>		<b>\$ 10,272,008</b>	<b>\$ 10,991,729</b>	<b>\$ 10,631,860</b>	<b>\$ 11,571,882</b>	<b>\$ 11,670,374</b>	<b>\$ 11,769,906</b>

<b>Engineering &amp; Project Management</b>							
Dept. #	Description	2007 Actual	2008 Actual	2009 Actual	2010 Budget	2011 Estimate	2012 Estimate
09	EUCLID CORRIDOR	1,072,269	940,585	307,200	0	0	0
55	PROJECT SUPPORT	0	0	321,541	640,155	642,297	644,464
57	PROGRAMMING & PLANNING	767,650	1,012,191	841,290	758,420	760,608	762,821
80	ENGINEERING & PROJECT DEVELOPMENT	1,653,990	1,649,025	1,345,565	1,369,647	1,374,215	1,378,838
<b>DIVISION TOTALS</b>		<b>\$ 3,493,909</b>	<b>\$ 3,601,801</b>	<b>\$ 2,815,596</b>	<b>\$ 2,768,222</b>	<b>\$ 2,777,120</b>	<b>\$ 2,786,124</b>

# General Fund Expenditures By Division

<b>Legal Affairs</b>							
Dept. #	Description	2007 Actual	2008 Actual	2009 Actual	2010 Budget	2011 Estimate	2012 Estimate
15	SAFETY	710,250	728,281	794,060	791,382	796,706	802,087
21	LEGAL	1,588,866	1,483,289	1,336,797	1,626,863	1,643,479	1,660,270
22	RISK MANAGEMENT	7,229,820	7,456,844	7,508,628	8,005,438	8,118,089	8,232,684
<b>DIVISION TOTALS</b>		<b>\$ 9,528,937</b>	<b>\$ 9,668,415</b>	<b>\$ 9,639,484</b>	<b>\$ 10,423,684</b>	<b>\$ 10,558,274</b>	<b>\$ 10,695,040</b>

<b>Human Resources</b>							
Dept. #	Description	2007 Actual	2008 Actual	2009 Actual	2010 Budget	2011 Estimate	2012 Estimate
14	HUMAN RESOURCES	843,975	1,052,602	938,471	1,063,052	1,072,762	1,082,576
18	LABOR & EMPLOYEE RELATIONS	662,181	849,927	1,061,317	1,073,715	1,083,876	1,092,999
30	TRAINING & EMPLOYEE DEVELOPMENT	2,001,240	2,054,054	2,117,260	2,172,411	2,193,671	2,215,157
<b>DIVISION TOTALS</b>		<b>\$ 3,507,397</b>	<b>\$ 3,956,583</b>	<b>\$ 4,117,049</b>	<b>\$ 4,309,178</b>	<b>\$ 4,350,309</b>	<b>\$ 4,390,731</b>

<b>Executive</b>							
Dept. #	Description	2007 Actual	2008 Actual	2009 Actual	2010 Budget	2011 Estimate	2012 Estimate
12	EXECUTIVE	2,323,694	2,047,612	1,925,824	2,018,067	2,024,102	2,030,208
16	SECRETARY/TREASURER - BOARD OF TRUSTEES	298,660	291,048	276,547	343,008	343,444	343,886
19	INTERNAL AUDIT	599,494	588,893	613,142	665,875	667,990	670,129
53	MARKETING & COMMUNICATIONS	3,073,524	3,133,287	3,158,400	3,186,607	3,216,312	3,246,329
67	OFFICE OF MANAGEMENT & BUDGET	946,179	908,886	907,773	1,004,789	1,008,581	1,011,912
99	FUND TRANSFERS	23,581,814	27,819,832	31,497,162	33,210,956	32,845,625	34,477,214
<b>DIVISION TOTALS</b>		<b>\$ 30,823,365</b>	<b>\$ 34,789,557</b>	<b>\$ 38,378,847</b>	<b>\$ 40,429,302</b>	<b>\$ 40,106,053</b>	<b>\$ 41,779,679</b>

# Citizens Summary

## Budget Highlights

### Staffing Analysis

The Authority's budgeted staffing level reached an authorized level of 3,086 employees in 2000. Between 2001 and early 2005, staffing declined to a low of 2,660 positions, though an increase to 2,739 positions was experienced due to the merger of satellite operations with the RTA. The 2008 Operating Budget supported 2,693 positions. The service realignment requires fewer buses to execute the schedule and, thus, staffing levels declined by 116 positions, net, to a total of 2,577.

All changes made in staffing levels for 2009 were linked to changes in methods and levels of service delivery as well as a three percent service cut, enforced in late 2008. The fare enforcement personnel and fare technicians were added to support the new fare collection system and the HealthLine. In 2010, service cuts and organizational re-organization reduce RTA's budgeted positions by another 100 FTE's, down to 2,477.

The large majority of employees (89.1 percent) are assigned to Operations. This proportion has remained fairly constant over the past three years. The Operations Division's staffing includes positions working in bus/rail operator, maintenance, facilities, transit police, and related management functions. Bus and Paratransit Districts dominate with 1,460, or 66.2 percent, of the 2,206 division positions. Rail services and maintenance include 562 budgeted positions, or 25.7 percent of the Operations Division workforce.

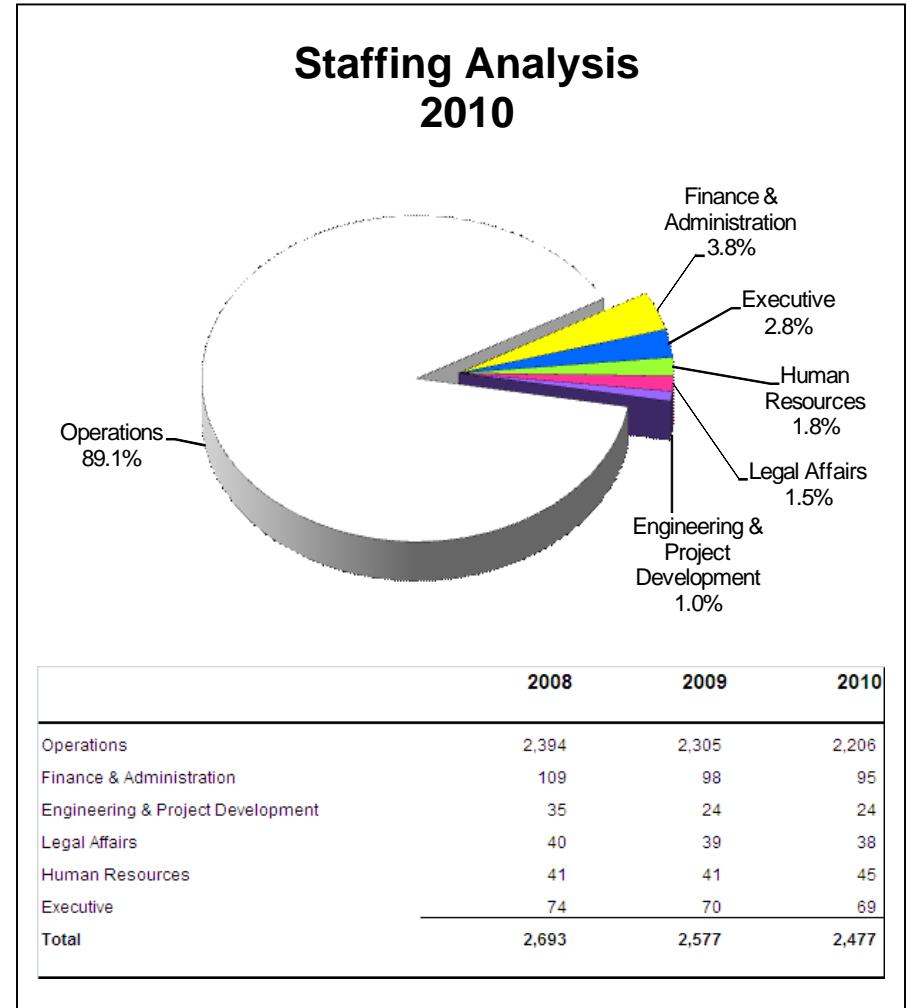


Figure CS-7: Staffing Analysis

**STAFFING LEVEL COMPARISONS**  
**Authorized Staffing Level by Division**

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>Variance 2010 - 2009</u>
<b>OPERATIONS</b>				
PARATRANSIT DISTRICT	175	182	182	0
RAIL DISTRICT	415	385	383	(2)
TRANSIT POLICE	151	153	148	(5)
SERVICE MANAGEMENT	126	65	64	(1)
SERVICE QUALITY MANAGEMENT	0	67	67	0
FLEET MANAGEMENT	182	177	174	(3)
HAYDEN DISTRICT	425	417	411	(6)
HARVARD DISTRICT	458	447	441	(6)
TRISKETT DISTRICT	462	412	336	(76)
<b>TOTALS</b>	<b>2,394</b>	<b>2,305</b>	<b>2,206</b>	<b>(99)</b>
<b>FINANCE &amp; ADMINISTRATION</b>				
OFFICE OF BUSINESS DEVELOPMENT	5	5	4	(1)
ACCOUNTING	23	22	22	0
INFORMATION SYSTEMS	24	23	23	0
SUPPORT SERVICES	10	8	8	0
PROCUREMENT	22	20	18	(2)
REVENUE	25	20	20	0
<b>TOTALS</b>	<b>109</b>	<b>98</b>	<b>95</b>	<b>(3)</b>
<b>ENGINEERING &amp; PROJECT MANAGEMENT</b>				
EUCLID CORRIDOR TRANSPORTATION PROJECT	11	2	0	(2)
PROJECT SUPPORT	0	0	7	7
PROGRAMMING & PLANNING	6	6	4	(2)
ENGINEERING & PROJECT DEVELOPMENT	18	16	13	(3)
<b>TOTALS</b>	<b>35</b>	<b>24</b>	<b>24</b>	<b>0</b>

<b>LEGAL AFFAIRS</b>				
SAFETY	6	6	6	0
LEGAL	15	15	15	0
RISK MANAGEMENT	19	18	17	(1)
<b>TOTALS</b>	<b>40</b>	<b>39</b>	<b>38</b>	<b>(1)</b>
<b>HUMAN RESOURCES</b>				
HUMAN RESOURCES	10	13	15	2
LABOR & EMPLOYEE RELATIONS	6	5	6	1
TRAINING & EMPLOYEE DEVELOPMENT	25	23	24	1
<b>TOTALS</b>	<b>41</b>	<b>41</b>	<b>45</b>	<b>4</b>
<b>EXECUTIVE</b>				
EXECUTIVE	13	13	12	(1)
SECRETARY/TREASURER - BOARD OF TRUSTEES	11	11	11	0
INTERNAL AUDIT	7	7	7	0
MARKETING & COMMUNICATIONS	33	30	29	(1)
OFFICE OF MANAGEMENT & BUDGET	10	9	10	1
<b>TOTALS</b>	<b>74</b>	<b>70</b>	<b>69</b>	<b>(1)</b>
<b>GRAND TOTAL</b>	<b>2,693</b>	<b>2,577</b>	<b>2,477</b>	<b>(100)</b>



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# Citizens Summary

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## Budget Highlights

### Capital Improvement Plan

The 2010 – 2014 Capital Improvement Plan (CIP) continues to represent a significant reduction from the previously adopted plans. In 2010, the focus will be on the rehabilitation of rail stations and existing asset maintenance. The projected cost of the five-year CIP is \$436.4 million. This is an increase of \$13.8 million, or nearly three percent, from last year's CIP as the plan continues to be refined to reflect existing financial and operational constraints.

The total 2010 CIP includes \$53.3 million in projects and \$18.8 million in alternate projects (if funding becomes available), for a total of \$72.1 million. \$2.3 million, or 3.2 percent, is for the RTA Capital Fund Projects and \$69.8 million, or 96.8 percent, is for the RTA Development Fund projects. The Development Fund includes the Long Range Plan projects and is primarily supported through Federal and State grant programs; however, local resources are also required. The two largest projects included in the 2010 CIP are Capitalized Operating Expenses, at \$27.2 million, or 37.7 percent, and the Overhaul of the Heavy Rail Fleet, at \$5.5 million, or 7.7 percent of the total. Further details of the Capital Improvement Plan and the relationships between funds and funding resources, are discussed thoroughly in the last chapter of this document, the **Capital Improvement Plan**.

### Service Indicators

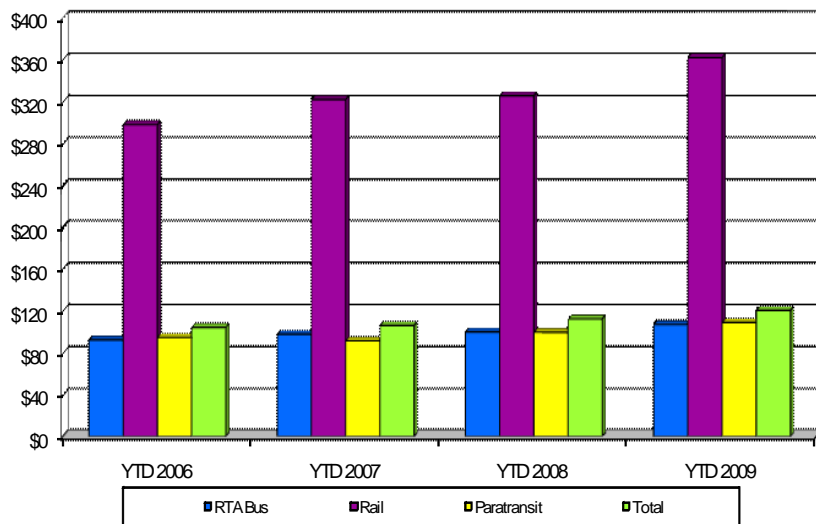
The **Transmittal Letter** provided a discussion of ridership trends and the anticipated impact of service efficiencies in 2010. The next page presents graphs on cost efficiency and ridership by mode over the last four years. The 2010 Budget continues efforts to better match service levels with customer demand. In the mid-1990's, much service was added, some of which was positively received and utilized. Significant efforts have been made in recent years to reevaluate and improve the alignment of supply to demand. The 2010 Budget continues these efforts and reduces service levels by about twelve percent. Current sales tax revenues have significantly underperformed compared to 1992 – 2000 receipts. Even with efficiencies to offset the gap in revenue that has developed, current funds were not sufficient to support past service levels. The 2010 Budget shows a 12.0 percent decrease in service, effective on April 1st, 2010.

Cost efficiency is typically measured by operating expenses per total vehicle hours or total vehicle miles. Cost models are maintained that capture the total (fully-loaded) costs of operations and the incremental (variable) costs associated with increases in service levels. This effort is reflected in the graph indicating fully loaded costs per hour, by mode. Updates on these and other service indicators are included in the Authority's Quarterly Management Reports. Additional indicators are provided on the department level, in the **Department Budget** section.

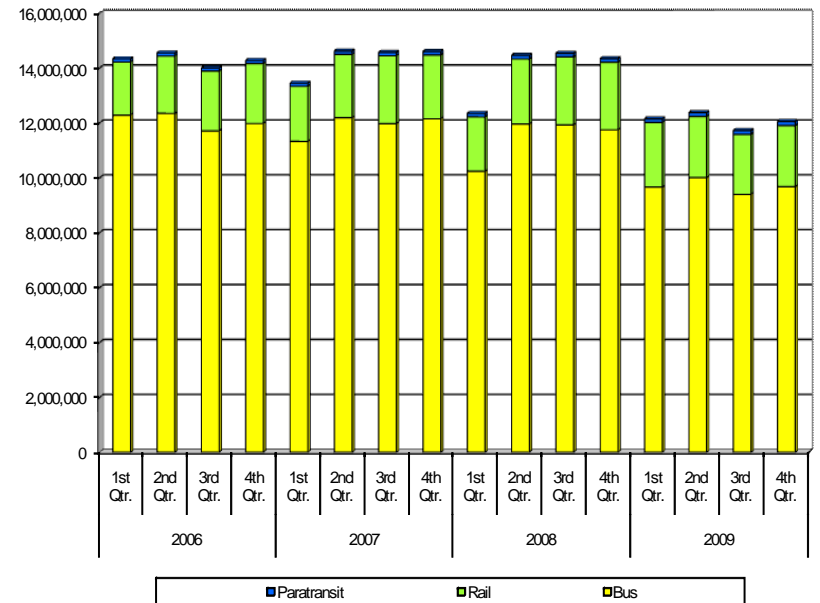
# Citizens Summary

## Budget Highlights

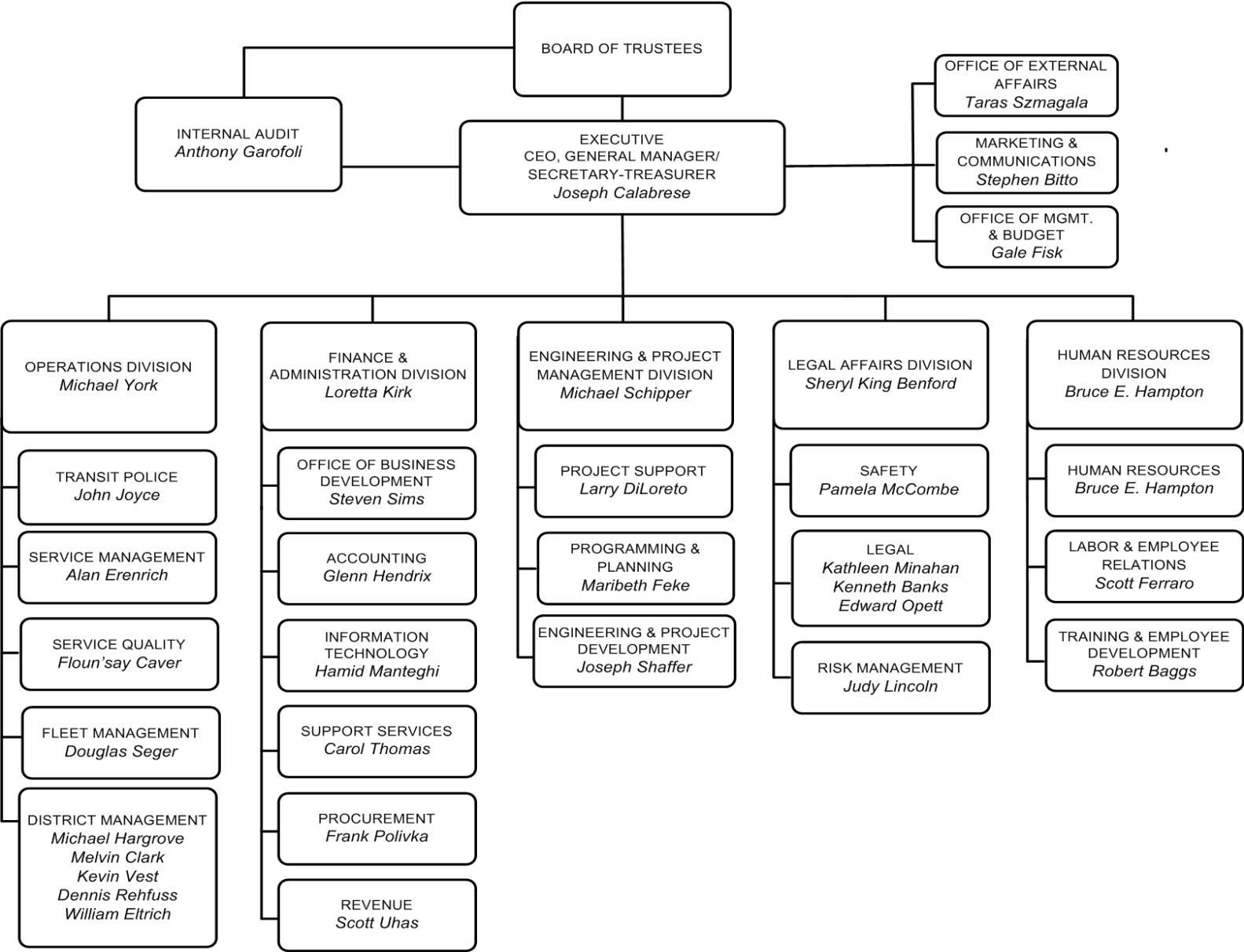
### Cost Efficiency Operating Expenses per Hour



### Total Ridership By Mode



GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY  
 TABLE OF ORGANIZATION  
 AS OF 2010 BUDGET ADOPTION



# Citizens Summary

## Profile of Service Area (Cuyahoga County)

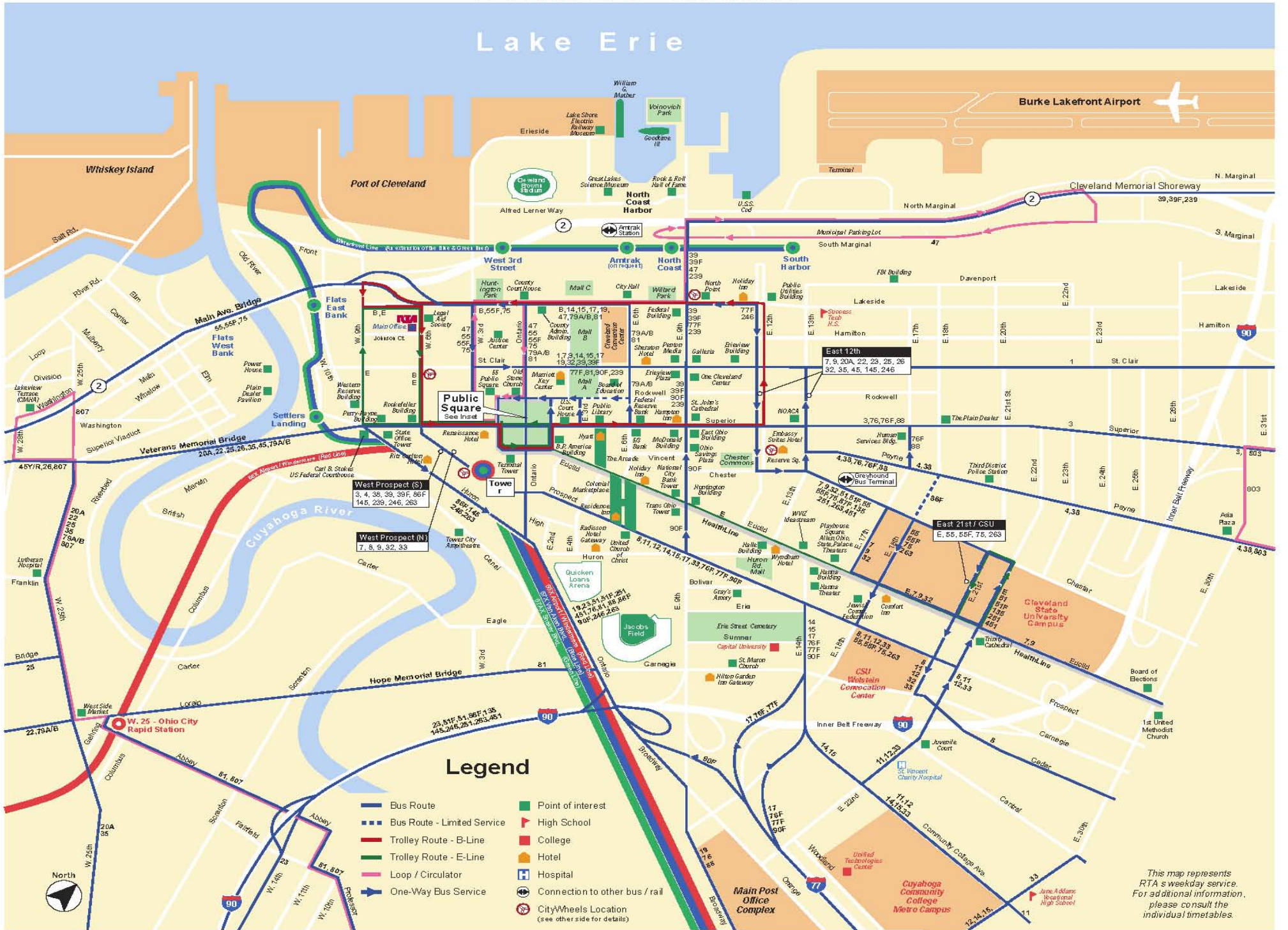
<u>AREA &amp; TRANSPORTATION STATISTICS:</u>		<u>POPULATION:</u>		<u>1990</u>	<u>2000</u>
				<u>Census</u>	<u>Census</u>
Registered Motor Vehicles (2009)	1,058,471	Total Population		1,412,140	1,393,978
Registered Passenger Cars (2009)	869,877	Percent Minorities		28.4%	34%
Mean Travel Time (in minutes)	24.4	Percent Over Age 64		15.70%	15.60%
Square Miles	458.49	Percent Under Age 25		33.30%	32.90%
Municipalities	57	Persons per Square Mile		3,081	3,040
Townships	2	Total Households		563,243	571,457
School Districts	33	Population Per Household		2.46	2.39
Colleges and Universities	8	Median Household Income		\$35,749	\$36,754
Largest City	Cleveland	Per Capita Money Income		\$14,912	\$15,067
Miles of County & Municipal Maintained Roads	1020				

<u>CUYAHOGA COUNTY LEADING SOCIO/ECONOMIC INDICATORS BY YEAR:</u>						
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Unemployment Rate	6.2%	5.7%	5.3%	6.1%	7.0%	8.90%
Assessed Valuation \$(000s)	30,647,572	30,646,005	33,158,047	32,460,486	31,880,330	29,633,695
Growth in Sales Tax Receipts	5.30%	2.20%	-0.20%	1.80%	1.11%	-10.94%

<u>OVERVIEW OF 2009:</u>	<u>OUTLOOK FOR 2010-2012:</u>
<ul style="list-style-type: none"> <li>In 2009, assessed valuation in Cuyahoga County decreased from \$31.9 million in 2008 to \$29.6 million.</li> <li>Sales tax has consistently decreased over a short period time. Year-end 2009 collections for sales tax were 10.9% lower than 2008.</li> <li>In 2009, the average unemployment rate for Cuyahoga County increased to nearly 8.9% compared to 2008. The U.S. unemployment rate escalated in December to 10% for 2009 from 7.4% in 2008. Ohio's unemployment rate in December increased to 10.9% in 2009 compared to 7.4% in 2008.</li> </ul>	<ul style="list-style-type: none"> <li>In 2009, total assessed valuation decreased from \$31.9 million to \$29.6 million or by -7.2%. Contributing factors to the decline were phasing out of collections on tangible property tax, a historic recession, and the collapse of the local real estate market.</li> <li>The 2010 GCRTA estimate anticipates a projected increase by 1.2% over 2009 Sales and Use Tax revenues, generated in latter part of the year.</li> <li>Leading economic indicators suggest that employment will increase at a steady pace toward the end of 2010 and into 2011 and national unemployment will remain moderately high close to 10%. This region's economy will continue to be sluggish compared to the National growth.</li> </ul>

# Downtown Cleveland

Lake Erie



# Rapid Transit & Connecting Routes

LAKE ERIE



# Public Square Bus Stops

## Bus Route - Bus Stops

**B-Line (62)-** 18, 19, 22, 24, 29

**E-Line (61)-** 14, 15, 16, 18, 19, 29,  
31, 34,

1- 1, 3, 6, 11

3- 15, 16, 17, 22, 23, 27

4- 15, 17, 22, 23, 35

6- 12, 30, 31, 34, 39, 44

7X- 3, 4, 9, 13, 18, 25, 33

8- 18, 26, 28, 39, 42, 44, 46

9X- 3, 4, 9, 13, 18, 25, 33

11- 7, 10, 21, 26, 37, 39, 42, 44, 46

12- 7, 10, 21, 26, 37, 39, 42, 44, 46

13- 7, 10, 21, 26, 37, 39, 42, 44, 46

14- 2, 6, 9, 26, 37, 39, 42, 44, 46

15- 2, 6, 9, 26, 37, 39, 42, 44, 46

17- 2, 4, 9, 13, 36, 37, 39, 42, 44, 46

19- 2, 6, 9, 26, 37, 40, 41

20A- 14, 16, 17, 18, 20, 22

22- 14, 16, 17, 18, 20, 22

23- 7, 10, 13, 22, 23, 36, 40, 41

25- 14, 16, 17, 18, 20, 22

26- 14, 15, 16, 17, 18, 20, 22

32X- 3, 4, 9, 13, 18, 25, 33

33- 18, 26, 28, 42, 44, 46

35- 14, 16, 17, 18, 20, 22

38- 15, 17, 22, 23, 35

39/39F- 2, 9, 15, 17, 32, 37

45Y/R- 14, 16, 17, 18, 20, 22

47- 1, 6, 12

51X/F- 7, 10, 13, 22, 23, 36, 40, 41

55/55F- 5, 8, 17, 19, 22

75X- 5, 8, 17, 19, 22

76F- 7, 10, 13, 22, 23, 33, 39, 42, 44, 46

76X- 7, 10, 13, 22, 23, 38, 41, 45

77F- 2, 4, 13, 33, 37, 39, 42, 44, 46

79A/B- 6, 7, 10, 13, 14, 15, 18, 20,  
22

81- 2, 6, 9, 13, 36, 37, 41, 43

86F- 15, 17, 18, 20, 21, 22, 35, 43

87F- 15, 17, 19, 22, 35, 40

88X- 7, 10, 13, 22, 23, 38, 41, 45

90F- 4, 13, 38, 45

96F- 15, 17, 19, 22, 35, 40

135- 7, 10, 13, 22, 23, 36, 40, 41

145Y/R- 15, 17, 18, 20, 22, 35, 43

239- 2, 9, 15, 17, 32, 37

246- 15, 17, 19, 22, 35, 43

251- 7, 10, 13, 22, 23, 36, 40, 41



# University Circle Area





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# Citizens Summary

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## Performance Management

### TransitStat

Over the past decade, many organizations have embraced the use of data, statistics, and metrics as their means to exceed customer expectations, as well as achieve operational excellence. Six Sigma and the Balanced Scorecard are popular examples of proven management techniques in the private sector. In government, Performance Stat programs have proven to be very effective tools.

Performance Stat programs are structured continuous management processes, which entail the frequent gathering, reviewing, and analyzing of day-to-day government performance. CompStat, credited as the first government stat program, was developed in the NYPD. Its goals were to infuse timely information and accountability into the police department's management and culture. The program used computer mapping and statistical data to capture crime trends at their highest levels, how many officers were on duty, and where their officers were located during those times. By placing officers at the high crime areas, this technique was widely credited with contributing to the dramatic reduction in New York City's crime levels.

Building on the success of CompStat, the City of Baltimore developed CitiStat. Whereas, CompStat was utilized mainly in police departments, CitiStat brought its tenets and strategies to general government. CitiStat tracks performance in waste collection, road repairs, housing enforcement, etc. The city holds bi-weekly meetings lead by the mayor's executive team to review performance, understand trends, and make necessary adjustments to ensure that immediate and long-term goals are met. Since then, other cities and states have adopted Performance Stat programs, including Maryland, Atlanta, San Francisco, and Washington State. These

governments have reported immediate success with their Stat programs.

In December 2007, RTA adapted the Performance Stat model to a transit environment and titled our program TransitStat. It is a critical link to achieving high-level performance directed towards the Authority's three most critical goals:

- 1. Maintain Financial Health**
- 2. Improve Customer Service**
- 3. Enhance the Image of RTA**

TransitStat is characterized with bi-weekly performance monitoring forums. The TransitStat leadership team includes the Chief Executive Officer (CEO), Deputy General Manager (DGM) – Operations, DGM – Human Resources, Director of Procurement, Executive Director – Internal Audit, and Executive Director – Office of Management and Budget (OMB). In 2009, we incorporated Administrative TransitStat to our already running TransitStat program. Administrative TransitStat focuses on the performance monitoring of the Administrative Departments and the leadership team includes the TransitStat Panel as well as DGM – Finance & Administration, DGM – Engineering & Project Development, DGM – Legal Affairs, and the Director of Marketing & Communications. The meetings are coordinated and directed by OMB. Other members with information pertaining to the topic of interest are also invited. The forum ensures that the people needed to address issues are at the table, therefore expediting action and eliminating excuses.

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# Citizens Summary

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## Performance Management

Performance Stat programs' center on four principles:

1. **Provide timely, accurate, and relevant data.**
2. **Analyze data and develop effective solutions that respond to emerging issues.**
3. **Deploy resources quickly to address issues.**
4. **Relentless follow-up and assessment.**

In 2008, we implemented TransitStat in the Authority's Operations Division and identified four target areas: overtime (non-operator), inventory management, service reliability, and District scorecards. In 2009, in addition to the Operation Division, we also implemented Administrative TransitStat. Both programs focused on the FAST approach (a strategic development process):

- **F – Focus** (What will the Authority look like in 1-10 years?)
- **A – Accelerate** (Identify 2-3 operating initiatives would accelerate the movement toward the preferred future)
- **S – Strengthen** (What major organizational objectives might prevent the Authority from moving forward to achieve the goals?)
- **T – Tie it all together** (Integrate the preceding activities and refine them)

We identified the HOT Target Areas for both the Operations and Administrative programs:

Administrative TransitStat:

1. Capital Plan Execution
2. Stimulus Package Execution
3. Customer Service Performance
4. Revenue/Vaulting Procedures
5. Ridership Reporting
6. Purchasing Card Enhancements
7. Employee Injuries
8. Collision Reduction
9. Strategic Healthcare Plan
10. Electricity Audit
11. Healthcare Audit
12. Energy Price Risk Management

Operations TransitStat

1. Paratransit Part-Time Operators
2. Inventory EOQ – Top 50 FAD items
3. Utilities/Energy Conservation
4. Brand Management
5. Training Initiatives
6. Shift Changes
7. Vehicle Reliability
8. Scorecards

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# Citizens Summary

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## Performance Management

### Successes

In non-operator overtime, the Authority saved \$2.3 million in 2008, compared to 2007. This was achieved through detailed analysis of overtime cost drivers, developing more effective ways to dispense overtime, effectively managing and monitoring the times to complete tasks, and maximizing use of the UltraMain maintenance and material system. The challenge for 2009 was to continue managing the non-operator overtime. Through the third quarter, we maintained the \$2 million savings from 2008 and will continue to manage the non-operator overtime.

Taking a similar approach as the NYPD, our Transit Police Department has reviewed the fare evasion on the Red Line and traffic citations on the HealthLine. Figures PM-5 and PM-6 show the percentage of fare evasion and traffic citations at several stations.

Since July 2008, Vehicle Reliability was added to the District Scorecards. RTA began monitoring the number, cost, and reason for towed vehicles, among other indicators. Since then, RTA has reduced the towing charges by over \$102,000. Figure PM-7 shows the monthly charges of towing for 2008 and 2009.

Starting in July 2008, the Maintenance Planners conducted a comprehensive analysis on maintenance, productivity, and performance of the bus equipment maintenance sections. They compared the labor scheduled with the availability of the buses. They also analyzed failure modes, labor productivity, shift productivity, maintenance effectiveness, and reevaluated the work processes and shift schedules. What they found was that most of the bus maintainers and supervisors were scheduled during the first shift however, most of the buses were available during the third shift.

(Figure PM-8). In order to increase wrench time and optimize the performance standards, the shift times would need to be changed and most of the bus maintainers and supervisors would need to work the third shift (7:30pm to 4:00am). These new shifts were implemented mid 2009 among all the bus districts.

As part of their scorecard, CBM has been monitoring the progress of their safety campaigns by District. Figure PM-9 shows the Safety Campaign for Hayden District.

With the inclusion of Administrative TransitStat, several of the Administrative Departments have been analyzing data and monitoring performance. One Department is Risk Management. One of the areas this Department is monitoring is the number of claims submitted each month, the reason for the claims, and the type of claims. Figure PM-10 displays one of their performance indicators showing the claims that are Medical only and those that are Lost Time only.

Marketing & Communications has been monitoring the performance of the Telephone Information Center (TIC). Figure PM-11 shows one of their indicators – Average Talk Time and Average Speed of Answer. They have significantly decreased their Average Speed of Answer from over 3 minutes down to 1 minute and Average talk time from just under 2 minutes to 1.38 minutes.

Due to high costs of diesel fuel in 2008, RTA positioned itself to mitigate the risk of the volatility through an Energy Price Risk Management Program. This program will enable RTA to reduce its diesel fuel costs from \$16.6M in 2009 to \$9.4M in 2010. Additional information about this program is on PM-12.

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# Citizens Summary

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## Performance Management

### TransitStat Going Forward

In 2010, TransitStat will continue performance monitoring of the Administrative and Operations divisions. We will use the program to focus our actions on critical initiatives that can better position RTA to address impending sales tax and other economic threats. TransitStat is our scorecard and RTA will continue to use its efforts to achieve breakthrough performance.

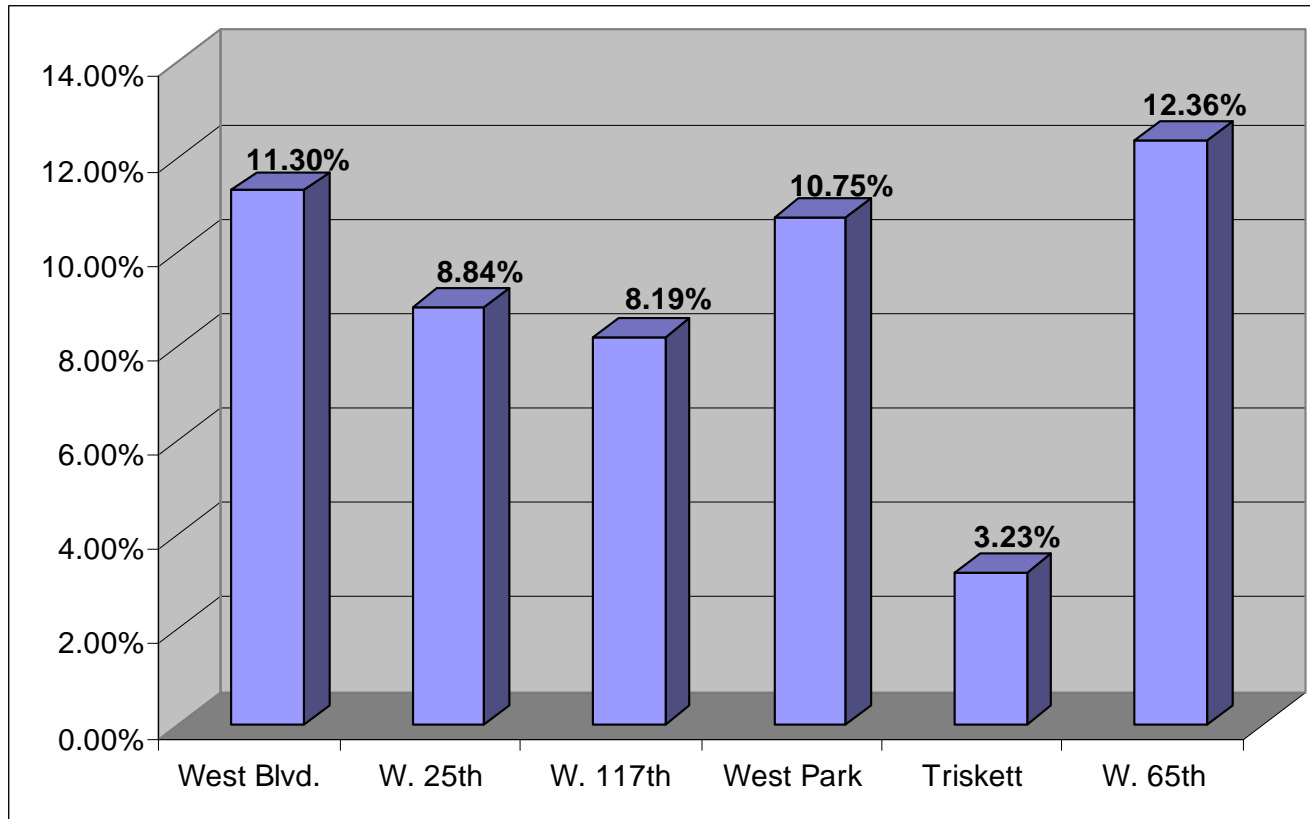
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# Citizens Summary

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## Performance Management

TransitStat  
Transit Police  
Fare Evasion Comparison  
Red Line - 2009



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# Citizens Summary

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## Performance Management

TransitStat  
Transit Police  
Traffic Citations – Health Line  
2009

<u>YTD</u>		
Location	Accidents	Citations
Ontario - Euclid	4	0
E. Roadway - Euclid	3	0
E. 6th - Euclid	4	14
E. 55th - Euclid	3	34
E. 100th - Euclid	4	60

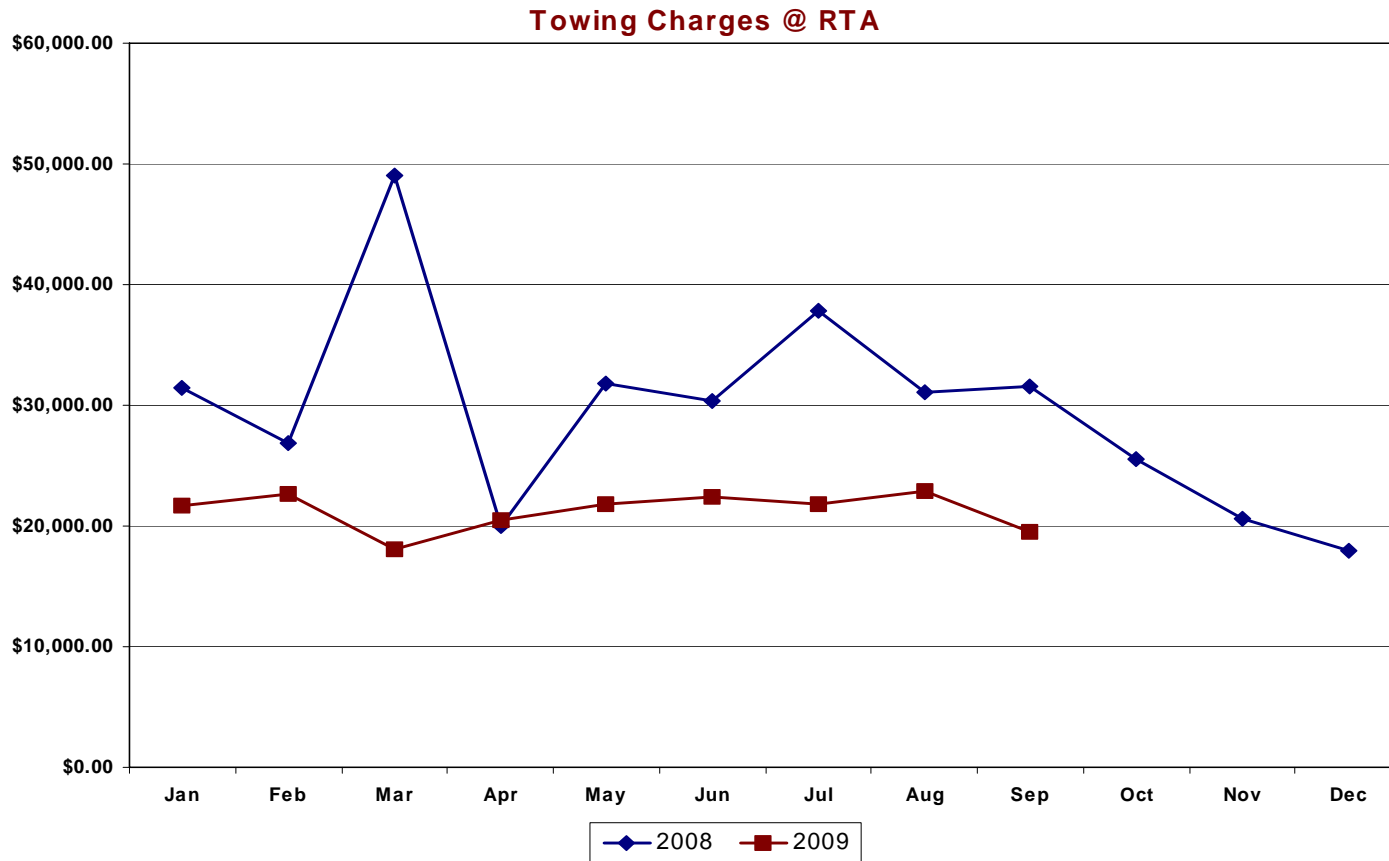
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# Citizens Summary

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## Performance Management

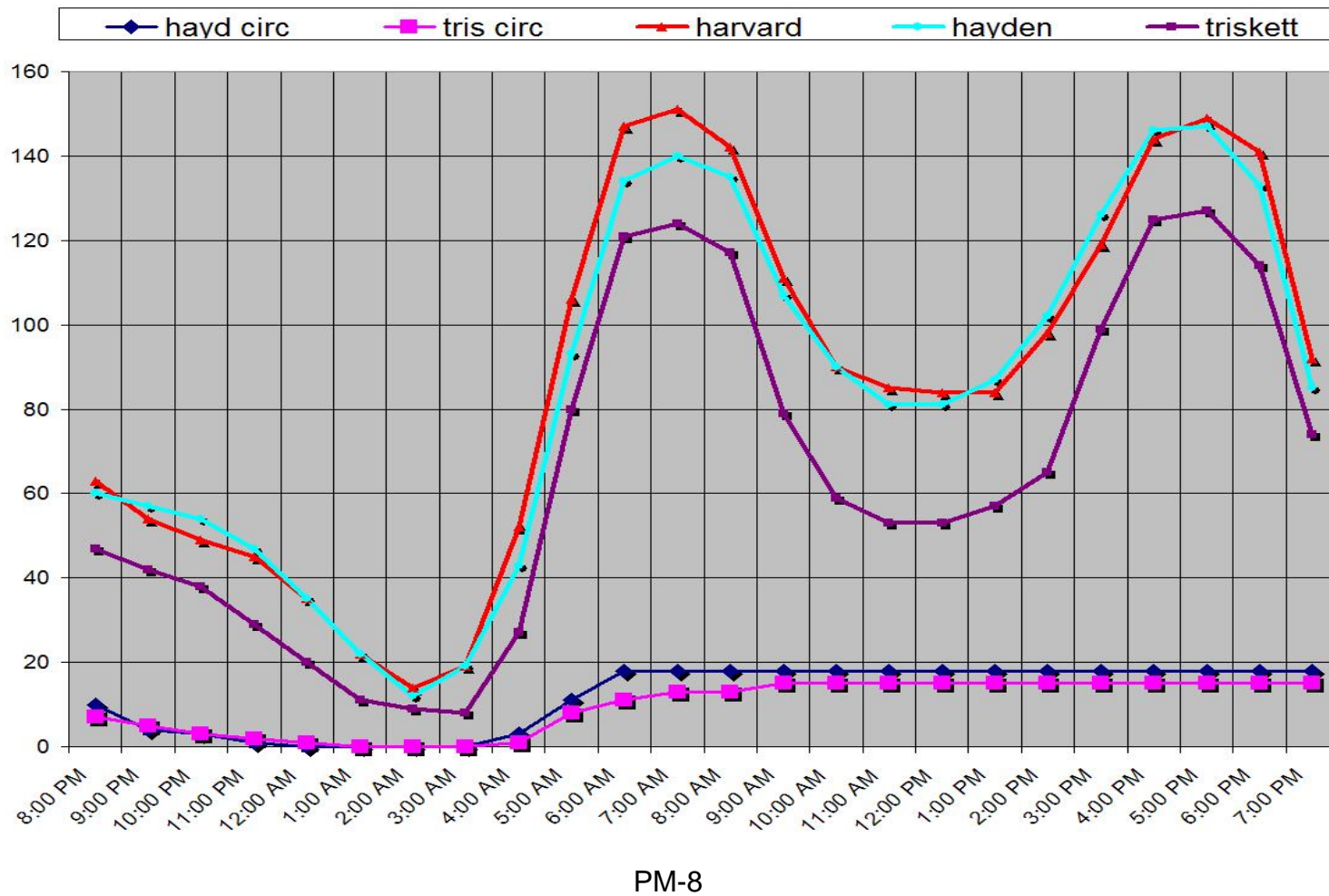
TransitStat  
Number of Tows Per Month  
2008 vs. 2009



# Citizens Summary

## Performance Management

TransitStat  
Coaches on Road - Weekday  
By Hour





# Citizens Summary

## Performance Management

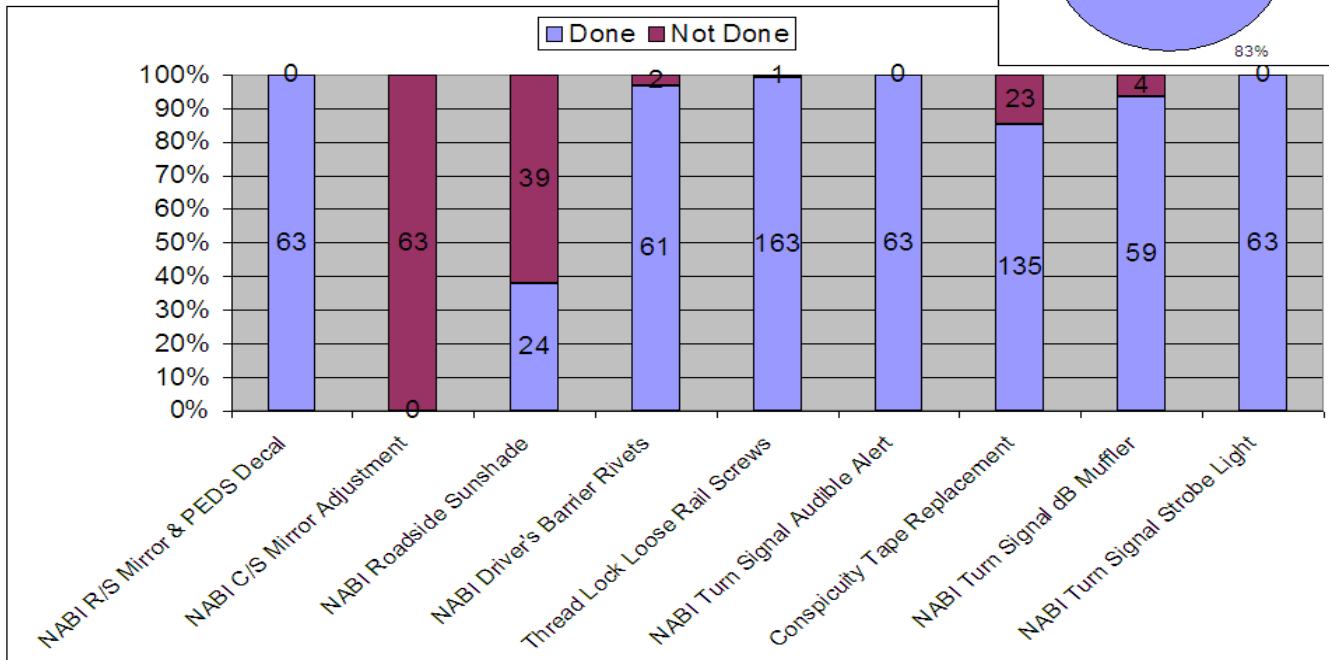
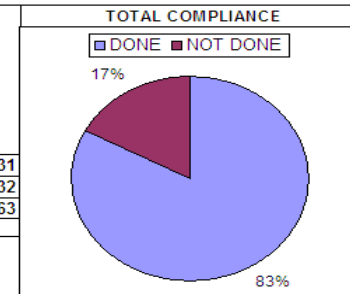
TransitStat

CBM

Safety Campaigns

HAYDEN - AS OF 10-07-2009

TSB-2009-002 & TSB-2009-003	NABI R/S Mirror & PEDS Decal	Done	Not Done	Total		
TSB-2009-003	NABI C/S Mirror Adjustment	0	63	63		
TSB-2009-004	NABI Roadside Sunshade	24	39	63		
TSB-2009-005	NABI Driver's Barrier Rivets	61	2	63		
TSB-2009-012	Thread Lock Loose Rail Screws	163	1	164	DONE	631
TSB-2009-014	NABI Turn Signal Audible Alert	63	0	63		
TSB-2009-015	Conspicuity Tape Replacement	135	23	158	NOT DONE	132
TSB-2009-016	NABI Turn Signal dB Muffler	59	4	63		
TSB-2009-017	NABI Turn Signal Strobe Light	63	0	63	TOTAL	763

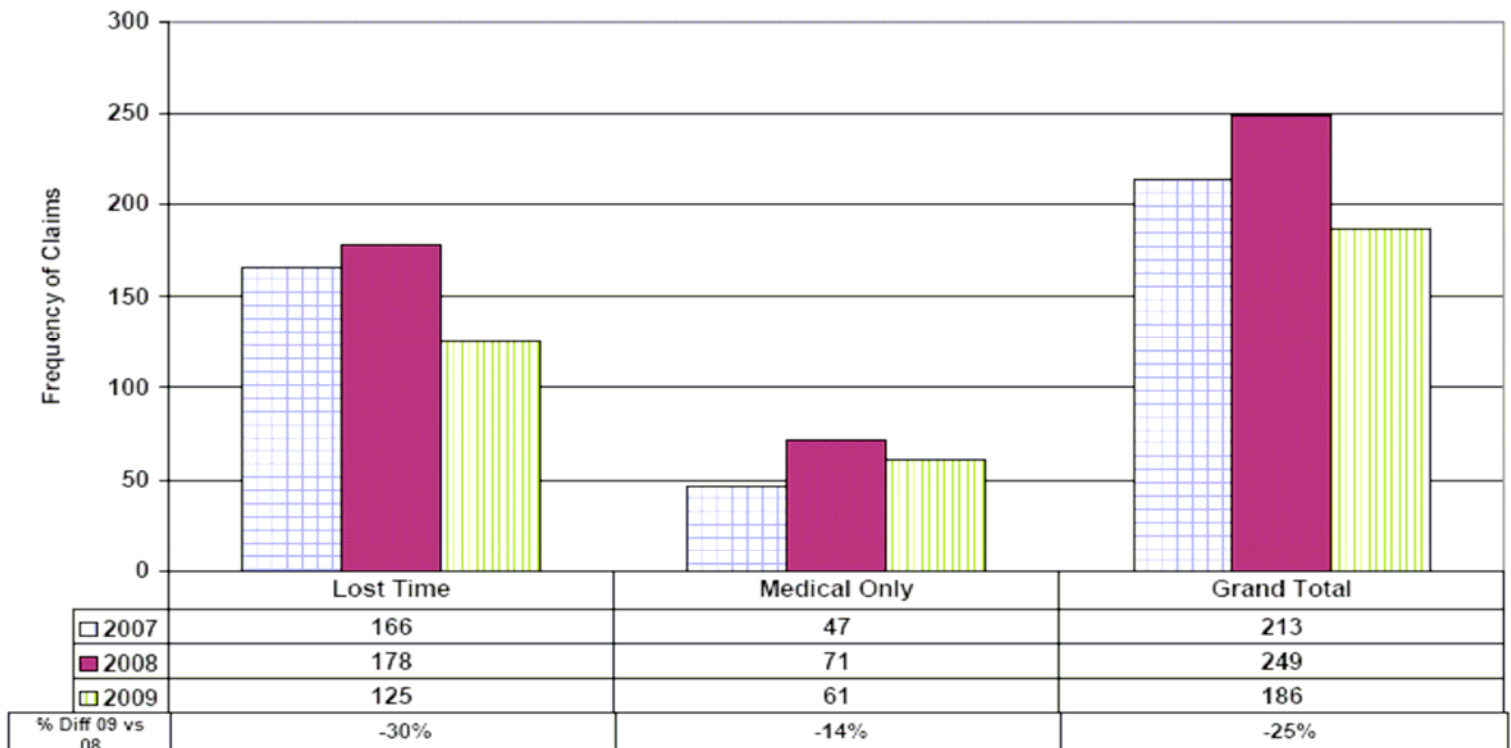


# Citizens Summary

## Performance Management

### Administrative TransitStat Risk Management Lost Time vs. Medical Only Claims

GCRTA Lost Time vs Medical Only Claims 2007 - 2009: YTD Through August

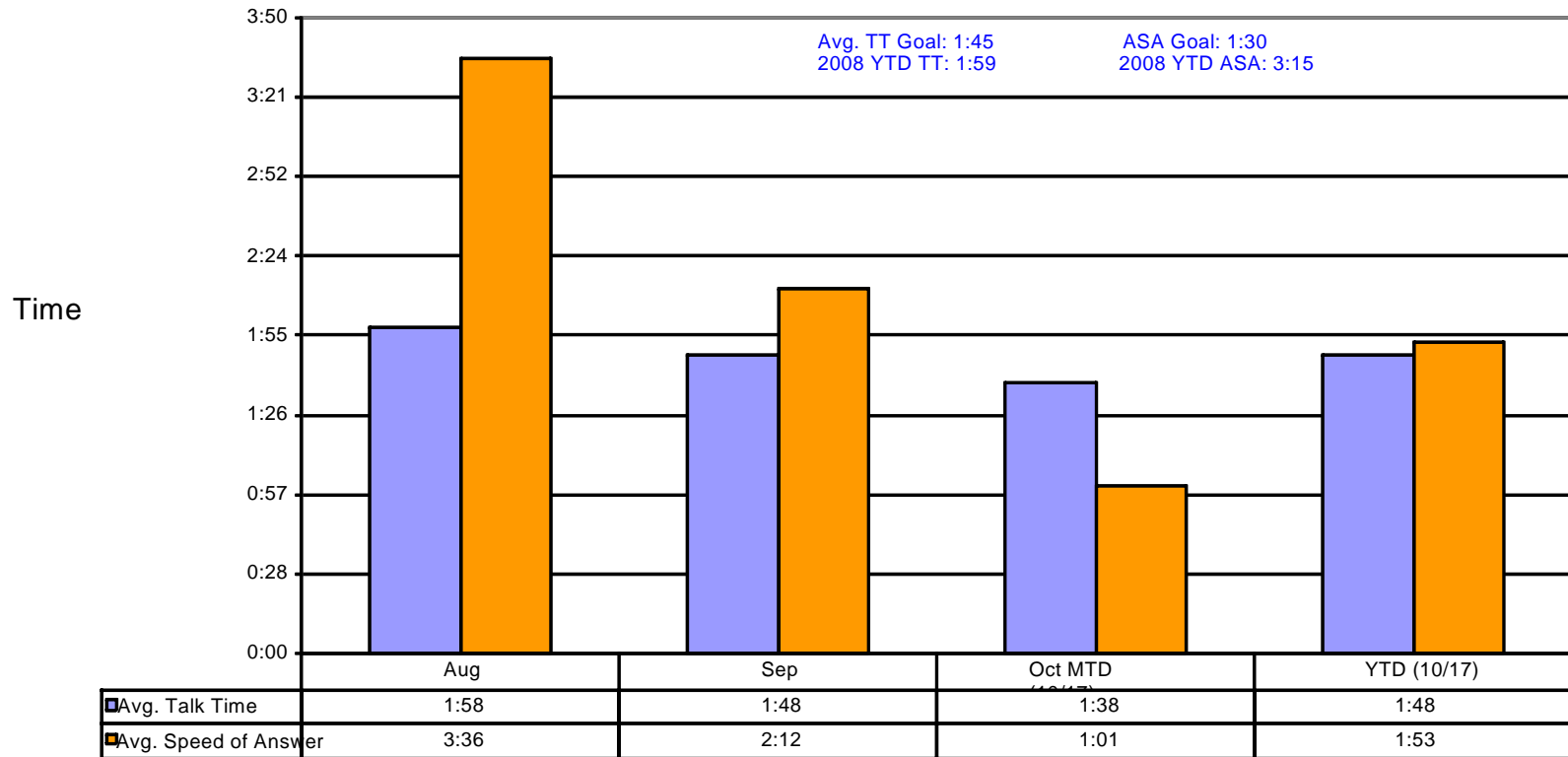


# Citizens Summary

## Performance Management

### Administrative TransitStat Marketing & Communications

Average Talk Times and Speeds of Answer



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# Citizens Summary

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## Performance Management

### Energy Price Risk Management

In 2008, RTA experienced record highs in fuel cost as well as extreme volatility. The cost per gallon for diesel fuel ranged from \$2.54 to \$4.18. As a result of the high costs, our total diesel fuel expense increased by nearly \$7.4 million, compared to 2007. This amount was \$3.6 million above RTA's 2008 budget. With this as the new reality for fuel, the Authority sought to use tools to ensure better performance in the management of its fuel costs, which resulted in the creation of an energy price risk management program (fuel hedging program).

The fuel hedging program's strategy uses a process:

1. That addresses market opportunities and market risk;
2. That holds the risk of exceeding budget at or below an acceptable level;
3. That uses historical pricing ranges as pricing parameters;
4. That is continuous;
5. That will use a dollar cost averaging tool;
6. That mitigates transaction-timing risk by making numerous smaller volume transactions (i.e. 42,000 gallons per transaction).

The strategy has been accomplished in concert with an Advisor, who is responsible for daily execution of the program, including the execution of transactions, generating reports on the programs status and results, and monitoring the program and energy markets. The hedging instruments include purchases of home heating oil futures (the diesel fuel correlate) traded on the Exchange, as well as, purchases of derivatives with financial institutions that are certified by

the International Swaps and Derivative's Association (ISDA). The RTA policy dictates that the maximum hedge ration will not be more than 90 percent of the forecasted consumption and that hedges can only go out to 36 months in advance.

The Authority began positioning itself in the first quarter of 2009. By April, the Authority had nearly 3.9 million gallons of the 5 million gallon usage, purchased for 2010. The performance objective is to establish a 2010 fuel cost at or below \$2.20 per gallon. Regular reports and tracking are included in the 2009 and 2010 budget execution.

The overall objective of the program is to decrease energy volatility, increase the certainty of future fuel costs, stabilize and control the budget and finally to lower overall long term energy costs.

In 2008, fuel costs were \$19.4 million. Using a firm fixed price contract for 2009, those costs were reduced to a projected \$16.6 million. For 2010, the projected cost for fuel is \$9.390 million with a variance of no more than \$131,000 either way. This meets our objective of stabilizing budgeted costs and then goes on to significantly reduce overall costs. Beyond that, almost 70% of 2011 fuel costs have been hedged and are projected at \$11.3 million.

## 2010 Budget Guide

<b>Organization of the Adopted Budget Plan</b>	BG - 1
<b>Fiscal and Budgetary Policies</b>	
Introduction	BG - 2
All Funds	BG - 2
General Fund	BG - 6
Capital Improvement Funds	BG - 8
Supplemental Pension Fund	BG - 10
Insurance Fund	BG - 10
Bond Retirement Fund	BG - 12
<b>Budget Management Process</b>	
Introduction	BG - 14
The Budget Cycle	BG - 14
Budget Calendar of Events	BG - 16
Quality Management System	BG - 17
Budget Monitoring and Control	BG - 17
<b>Glossary</b>	BG - 18

## 2010 Budget Guide

The **2010 Budget Guide** describes the decision-making process involved in adopting the annual budget. It begins with a description of what is found in the various chapters of the **Adopted Budget Plan**. Then, it explains the financial and budgetary policies adopted by the Board of Trustees that guide budget decisions. The budget process is described, including the methods used to monitor the budget once it is adopted. This chapter ends with a glossary of key technical terms used throughout the document.

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# 2010 Budget Guide

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## Organization of the Adopted Budget Plan

The purpose of this section is to describe the contents of the 2010 Operating and Capital Budgets (Adopted Budget Plan) for the Greater Cleveland Regional Transit Authority. It is an aid to those who wish to analyze the budget in detail. Tables of Contents in the first section of this book and on the tabs in the beginning of each chapter provide further direction to the reader.

The **Citizens Summary** is an overview of the Authority's operations and finances. It includes the CEO/General Manager's Transmittal Letter, summaries of revenues, expenditures and staffing, service indicators, and a profile of the service area.

In addition to providing an outline of the Adopted Budget Plan, the **Budget Guide** explains the Authority's financial and budgetary policies, including the rationale for their adoption and the manner in which they are implemented and monitored. The Guide also contains a description of the budget management process, a budget calendar and a glossary of terms used in the Adopted Budget Plan.

The **Fund Budgets** section defines the Authority's fund structure and the interrelationships between funds. Individual fund statements reflect the trends in revenues, expenditures, ending balances and transfers between funds over a six year period. Historical, current, and prospective information is provided. An analysis of the Authority's financial condition is based on these trends.

The **Department Budgets** present the Adopted Budget Plan by organizational unit. These chapters describe the six divisions including their mission statements, functions, achievements, and priorities for 2010. Individual budgets, budget implementation narratives, organization charts, and staffing level summaries are provided for each department.

The **Capital Improvement Plan** itemizes capital projects approved for 2010 and those planned for 2011 through 2014. The chapter discusses funding sources, the capital improvement planning cycle, and the criteria used to establish priorities.

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# 2010 Budget Guide

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## Budget Management Process

### Introduction

The Authority adopted a set of financial policies in 1989, relating to its overall finances and to particular funds. The policies were amended in July of 1998 to include four more financial indicators as companions to the existing four. The indicators represent policy goals in an effort to achieve and maintain a sound fiscal condition. The impact of the financial policies is highlighted in the Policy Implementation sections that follow.

For accounting purposes, the Authority reports the results of its operations in a single enterprise fund, **All Funds Statement**. However, for budget purposes, a separate budget must be adopted annually for each fund (see **Fund Budgets**). Therefore, the following financial and budgetary policies are organized by fund, except for those general policies that are applicable to the Authority as a whole.

The policies are designed to provide a financial management framework, which ensures the fiscal integrity of the organization and adherence to laws and regulations. The Authority's purpose, which is to provide a public service, can only be accomplished so long as it remains a financially viable organization. In this vein, a balance must be struck between using the funds to provide that service and maintaining a reserve for possible future shortfalls.

### All Funds

#### **Policy Statement:**

***Current appropriations in each fund are limited to the sum of available cash, encumbered balances, and revenues estimated to be received in the current budget period.***

#### **Rationale:**

A balance must be struck between revenues and expenditures. By law, budgets must be balanced and cannot exceed available resources. A balanced budget is when total expenditures are equal to total revenues. However, the budget is also balanced in situations where total expenditures are less than total revenues, also called a surplus. A third way a budget is balanced is when total resources (previous year balance plus current year revenues) are greater than total expenditures.

#### **Balanced Budget:**

- A) Total Revenues = Total Expenditures
- B) Total Revenues > Total Expenditures
- C) Total Resources > Total Expenditures

#### **Implementation:**

The Board of Trustees (BOT) has adopted other policy goals that go beyond the statutory requirement listed above and require certain reserves in each fund. The specific requirements are discussed under the appropriate fund policy statement. The following describes the implementation of this policy for the General Fund.

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# 2010 Budget Guide

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## Budget Management Process

### All Funds, cont.

In the General Fund, estimated resources total \$269.5 million (current revenues of \$266.6 million plus an assumed beginning balance of \$2.9 million). Total estimated expenditures for 2010 equal \$267.2 million and are within the estimate of total resources available. The ending balance, \$2.2 million, does not meet the one-month reserve recommended by the Trustees for the General Fund (see page BG-6). The Board policy goal is considerably more restrictive and more determinant than is the legal demand for balanced appropriations.

#### **Policy Statement:**

*The Authority's interim funds shall be invested to achieve the maximum financial return consistent with prudent market and credit risks while conforming to applicable State and Federal laws and consistent with the cash flow requirements of the Authority, matching maturities and/or marketability at par, to meet outstanding obligations and financial commitments.*

#### **Rationale:**

With interim funds of more than \$50 million, investment income is a material resource for the GCRTA and makes funds management a priority. Investment decisions should attempt to increase yields without sacrificing the safety of principal or the liquidity position of the organization. In addition, idle cash balances should be invested whenever possible to maximize investment income.

#### **Implementation:**

The Ohio Depository Act and GCRTA cash management investment policy allows the Authority to invest in the following types of financial instruments:

- U.S. Government securities, maximum term of three years.
- Secured certificates of deposit, maximum term of one year.
- U.S. Government Agency securities, maximum term of three years.
- Repurchase agreements of U.S. Government and agency securities, maximum term of thirty days.
- State Treasury Asset Reserve of Ohio (Star Ohio), daily liquidity.

Monthly reports summarizing investment transactions and earnings are provided to the Board of Trustees. The Authority was able to achieve a favorable return on its year-to-date 2009 investments and at the same time meet its outstanding financial commitments with an investment yield of 2.25%.



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# 2010 Budget Guide

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## Budget Management Process

<b>All Funds, cont.</b>
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### Controlling Costs

**Policy Statement:**

*The Authority's personnel, procurement, and other policies are designed and administered to obtain the maximum value for the funds provided by its constituents.*

**Rationale:**

As a public agency, the Authority is charged with delivering the services for which its taxpayers and users provide resources. The incentive is not to generate an excessive surplus of funds, but rather, to provide the most extensive and cost-effective level and mix of services possible. More can be done only if services and operations are well managed and if costs are contained.

**Implementation:**

In the General Fund, the growth in the cost of providing services (measured by cost per hour of service) must remain at or below the rate of inflation. Also, the overhead costs must not exceed 15% of the total cost of operations. These policy goals allow the Authority to maximize the use of its resources and provide the most direct service possible.

Budgeted 2010 General Fund operating expenditures, which exclude transfers to other funds, are \$225.9 million, which represent a decrease of nearly \$12.6 million, or -5.3%, over estimated 2009 levels. The largest Operating Budget appropriation, \$169.6 million, is for Personnel Services, which accounts for 75.0% of the total operating appropriation. The 2010 appropriation for personnel costs is 4.0% lower than the 2009 estimated level. These decreases are related to the service decrease scheduled at the beginning of April. These decreases include labor, compensation issues including fringe benefits, inventory stock, and various service opportunities. Other decreases include diesel fuel prices, caused by the mitigation of risk through the Fuel Hedging Program, and utility costs realized through our work with TransitStat and invoice management.

In the Capital Improvement Fund, economies are sought that minimize the costs of capital projects. Construction management activities ensure the timely completion of these projects at the lowest cost. Cost savings also are possible by planning for the purchase of similar types of equipment in larger quantities. Additionally, capital investment is encouraged where operating cost savings and operational efficiencies result.

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# 2010 Budget Guide

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## Budget Management Process

<b>All Funds, cont.</b>
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### Funding Public Services

***Policy Statement:***

***Program demands require that an adequate resource stream be maintained. The Authority must make the hard decisions required to assure a continuing flow of resources.***

**Rationale:**

It is the policy of this Authority to take whatever steps are necessary to ensure full and continued funding for the services, programs, and facilities, which the Authority is required or elects to provide. The Authority should actively pursue whatever legitimate revenues it can locate to support the services its constituents demand.

**Implementation:**

The continuing economic crisis and the decrease in Sales Tax revenue has not let up. Cuyahoga County experienced an historic decline in Sales & Use Tax receipts in 2009. For RTA, Sales Tax declined 10.94%, losing nearly \$19 million in Sales Tax revenue. During the year, Sales Tax receipts set unprecedented records nine times for the worst collections in the history of the Authority and significant effort had to be made to overcome the shortfall.

Sales Tax revenue will not recover in the short-term and may not return to the 2008 levels until 2015. This is an optimistic view based on an increase every year of 2%. We must then, plan on a new base level of revenue at a reduced amount. Other outside sources of funding have the same revenue generating problems and cannot be counted on for funds to stabilize transit in Ohio.

In 2008, Governor Strickland led the way for temporary emergency funding for Ohio Transit Agencies with balances held in Metropolitan Planning Organizations (MPO's). As a result, the Northeast Ohio Area Coordinating Agency (NOACA), our regional MPO, made \$9.0 million available to GCRTA to lessen the impact of fuel cost increases from 2008 to 2009. The remaining \$1.2 million will be utilized in 2010. Two grants for Congesting Mitigation and Air Quality (CMAQ) for costs associated with the HealthLine and Trolley operations are authorized for use in 2010, equaling \$6.2 million and \$0.8 million, respectively.

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# 2010 Budget Guide

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## Budget Management Process

### General Fund

The following financial policy goals constitute the foundation of the Authority's financial management process in regards to the General Fund. Since their adoption in 1989, they have heavily influenced the development of the annual budget, including the decisions on fare and service changes. Regular monitoring of the related financial indicators by both management and the Board of Trustees demonstrates the importance of these goals to the Authority's operations. The Financial Policies were amended in 1998, adding three new financial measures for the General Fund.

***Policy Statement:***

***An operating reserve in an amount equal to at least one month's operating expenses shall be budgeted each year to cover unforeseen or extraordinary fluctuations in revenues or expenses.***

**Rationale:**

Adequate reserves must be maintained to avoid disruptions in service due to temporary shortages in operating funds or fluctuations in revenue streams or costs.

**Implementation:**

As in prior years, this policy generated discussion during 2010 budget deliberations. Unfortunately, the 2010 budget represents only a 0.1-month operating reserve, with the ending balance falling to an estimated \$2.3 million. The Authority routinely manages well and holds expenses under appropriation. For 2010, an internal operating target of \$220.9 million has been established, which would result in a \$7.3 million reserve.

***Policy Statement:***

- (1) Growth in the cost of delivering a unit of service (cost per service hour) shall be kept at or below the rate of inflation.***
- (2) The overhead costs shall not exceed 15 percent of the total cost.***

**Rationale:**

As a means of assuring cost containment, direct costs shall not be permitted to increase faster than overall price levels. Additional indirect costs (overhead) must be supported by service improvements. The specific measure of the overhead rate was added as a financial indicator in 1998 as a complement to the existing measure.

**Implementation:**

Operating expenditures are expected to decrease by 5.3% in 2010 due to the service reduction scheduled for the beginning of April. The comparable growth in the cost per hour of service in 2010 is negative 5.2%, significantly lower than the projected inflation rate. Both statistics reflect the impact of personnel cost decreases and substantial decreases in fuel/utilities and inventory. The growth in cost per hour of service is expected to increase in 2011 and 2012 with 2011 remaining closer to the inflation rate. The overhead cost ratio is projected at 14.2% in 2010 and to remain steady in 2011 and 2012, with each year below the policy maximum.

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# 2010 Budget Guide

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## Budget Management Process

### General Fund, cont.

**Policy Statement:**

***(1) The Operating Ratio (Operating Revenues divided by Operating Expenses) shall not be allowed to go below 25 percent with a long-range objective of having Operating Revenues cover an increasing proportion of Operating Expenses. (2) The fare subsidy (net cost) per passenger shall not exceed three (3) times the average fare.***

**Rationale:**

An increasing Operating Ratio indicates that the Authority is becoming more self-supporting and less reliant on other sources of income. Moreover, a lower fare subsidy indicates that the users are paying more of the cost of providing the service.

**Implementation:**

Operating revenues include fares, advertising, and interest income. Operating expenses include all expenditures of the General Fund less transfers to other funds and costs, which are charged to, and reimbursed by, the capital program.

Between 1989, when the financial policies were formalized, and 1997, the Operating Ratio ran above the 25% recommended minimum. It fell below the minimum of 25% in 1998 and continued to decline through 2004. The ratio stabilized in the 2005 Budget Year, primarily due to a 2006 fare increase, the first in thirteen years. The fare increase was implemented in two phases, the first in July 2006 with the second, implemented in January 2008. In late 2008, a fuel surcharge of \$0.25 per ride was implemented to offset the increasing cost of diesel fuel. In late 2009, the second half of the fuel

surcharge, an additional \$0.25, was implemented. A slight upturn is expected as Operating Expenses are projected to decrease because of a service reduction scheduled at the beginning of April 2010. Expenses will then fall at a faster rate than Operating Revenue and passenger fare revenue will stabilize.

**Policy Statement:**

***Debt service coverage (total operating revenue minus operating expenditures divided by debt service requirements) shall be kept to a minimum of 1.5.***

**Rationale:**

Debt service payments should be comfortably supported by the organization. The excess from general obligations should be used as the measure to not jeopardize the financial condition of the Authority.

**Implementation:**

The debt service coverage measure has traditionally not only been met, but significantly exceeded the minimum since the Authority has historically used debt sparingly. Between 2004 and 2007, debt service coverage met the standard at 1.87, 2.08, 1.93, and 1.81, respectively. Current estimates project it at 1.14 for 2009 and is budgeted at 1.06 for 2010 with further declines in 2011 (0.41) and 2012 (-0.15). Capital improvement appropriations were reduced for a third year in 2010 and capital expenditures for 2011 and 2012 will be further reviewed.

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# 2010 Budget Guide

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## Budget Management Process

### Capital Improvement Funds

**Policy Statement:**

***An amount equivalent to ten percent of sales tax revenues shall be allocated to the Capital Improvement Fund on an annual basis. This amount shall be allocated directly to the Capital Improvement Fund to support budgeted projects or to the Bond Retirement Fund to support debt service payments.***

**Rationale:**

Capital assets, such as facilities, equipment, and vehicles, are essential to the provision of transportation services. Although expensive to sustain, a regular capital investment program lowers operating and capital costs over the long term. The Federal Government funds a substantial proportion of capital projects, but RTA must have adequate local matching funds on hand in order to qualify for FTA grants. State and federal assistance has shrunk in recent years, leaving the Authority to absorb an increasing share of capital expenditures through 100% local funds.

**Implementation:**

The Authority has combined debt financing and direct allocations of sales tax receipts to fulfill the commitment to capital over the last couple of years. In 1995, the definition of contribution to capital was officially broadened to include the transfer to the Bond Retirement Fund. The Authority provided a contribution to capital equivalent to the minimum of 10 percent in 1998 through 2002. Growth in Authority-wide capital needs progressively increased this ratio between 2003 and 2008, from 11.4% to 14.3%.

The contribution to capital increased to 18.0% in 2009 and we are budgeting a transfer of 18.8% in 2010. Capital expenditures for 2011 and 2012 must be reduced from current levels to hold around 19.0%. Capital requirements for 2010 were substantially reduced from the previous five-year plan. This same action will be needed in 2011 and 2012 in order to maintain a balance. If current Sales Tax revenue will not support past levels of service, it also will not support past levels of capital expenditures.

**Policy Statement:**

***Capital Improvement Funds shall be used to account for the construction and acquisition of major capital facilities and equipment.***

**Rationale:**

The separation of funds used for day-to-day operations from those employed for capital improvements facilitates the planning process and the management of resources.

**Implementation:**

Capital investments are defined as those exceeding \$1,000, where the useful life of the asset exceeds one year. Capital Improvement Funds include the RTA Capital Fund and the RTA Development Fund. The Capital Fund is supported by the Federal and State grants as well as local sources.

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# 2010 Budget Guide

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## Budget Management Process

### Capital Improvement Funds, cont.

**Policy Statement:**

*The percent of capital maintenance to capital expansion outlay will be a minimum of 33 percent and a maximum of 67 percent.*

**Rationale:**

Transit remains a capital-intensive business and continued quality service relies solidly on maintenance of infrastructure and equipment. Investments must anticipate future service requirements and capacity. Ridership is increased only through a clean, dependable, and well-operated system.

**Implementation:**

Recognizing that the capital program requires a critical balance between maintenance of existing assets and expansion efforts, this policy objective is used to develop the annual capital budget. In 2009 and 2010, the capital maintenance to expansion ratio is 95.6% and 99.0%, respectively. During these years, our capital projects are to maintain our existing vehicles, buildings, and infrastructure.

**Policy Statement:**

*The Authority will strive to take advantage of all available State and Federal grants and other financing programs for capital improvements, including but not limited to, State of Ohio public transportation grants and Federal Highway Administration programs as well as the programs of the Federal Transit Administration.*

**Rationale:**

Various “formula” grants are allocated to systems usually on the basis of service or demographic indicators. Discretionary grants are competitive and require the maintenance of positive relationships, solid planning, and well-conceived, well-executed projects. The Authority strives to maximize grant funding in order to best leverage local funds. Furthermore, as more dollars are needed to support an aggressive Long-Range Plan, the Authority will explore and secure other creative and non-traditional revenue sources.

**Implementation:**

Limited availability of funding at the Federal, State, and Local levels meant the Authority could only place emphasis on the most essential and realistic capital projects during the 2010 process. The Authority continues to aggressively pursue the flexible funding authorized under the Safe, Accountable, Flexible, Efficient, Transportation Equity Act: A Legacy for Users (SAFETEA-LU) and continues to improve its internal capability to plan, finance, and implement its Capital Improvement Plan. The 2010 Budget also reflects the capitalization of traditional maintenance type expenditures allowable at the Federal level, which includes inventory material and supplies and preventive maintenance costs. It also includes funding from the Transportation Review Advisory Committee (TRAC). Long-Range capital planning efforts continue and will shape future capital strategies.

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# 2010 Budget Guide

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## Budget Management Process

### Supplemental Pension Fund

**Policy Statement:**

*Every two years, an evaluation, including appropriate actuarial studies, shall be made of the Supplemental Pension Fund to determine the amounts required to meet expected obligations of the Fund. Any additional funds determined to be needed will be allocated during the annual budgeting process of the Authority.*

**Rationale:**

Periodic evaluations of the pension amount ensures that the Authority has adequate funds to meet expected obligations.

**Implementation:**

The Supplemental Pension Fund contains assets held in trust for the payment of pension benefits to certain retired employees of the Authority. Provisions of the plan are delineated in the agreement between RTA and the Amalgamated Transit Union (ATU). As a result of low levels of investment income earned over the last few years and increasing expenditures, the fund has required transfers from the General Fund to keep the recommended balance. A transfer of \$100,000 from the General Fund was done in 2005 to meet expected obligations, and then a transfer of \$106,000 was needed for 2006. The transfers were held at \$100,000 for years 2007 through 2009. In 2010, 2011 and 2012, \$100,000 transfers are needed each year to ensure that the Fund remains at the recommended level to meet all obligations.

### Insurance Fund

**Policy Statement:**

*The Authority is insured through both self-insurance and purchased insurance. Insurance for property and equipment losses as well as liability is to be purchased on the open Insurance market. This basis for the Insurance Fund structure and coverage levels shall be determined by the Risk Manager.*

**Rationale:**

The Authority desires to save funds by implementing the most appropriate balance of insurance to solve claims. Sufficient resources have been set aside to provide security against normal business risk, for major property claims and to purchase specified insurance for these purposes.

**Implementation:**

The General and Insurance Funds provide for the payment of the insurance purchased on the open market. Since the hiring of a Risk Manager in 1998, the Insurance Fund was restructured to include a mix of self- and purchased-insurance. This represented a major change from the Authority's previous self-insured position. In 2010, nearly \$1.6 million is budgeted in the General Fund for the payment of ordinary and routine losses in the form of personal injury and property damage claims against the Authority. An additional \$3.7 million is budgeted in the Insurance Fund for claims outlay and to cover insurance premiums for catastrophic or extraordinary losses.

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# 2010 Budget Guide

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## Budget Management Process

### Insurance Fund, cont.

**Policy Statement:**

*The minimum balance to be maintained in the Insurance Fund shall be determined by the Risk Manager on an annual basis taking into consideration the balance between self-insurance and purchased-insurance requirements. Upon attaining the required minimum balance, additional funds will be allotted to the Insurance Fund during the annual budgeting process based upon the results of periodic actuarial studies of the fund to assess its sufficiency.*

A \$3.7 million transfer from the General Fund is required in 2010 to maintain the fund at its minimum balance of \$5.0 million. In 2011 and 2012, transfers of \$3.19 million and \$2.8 million will be needed due to increasing insurance costs and low investment income growth.

**Rationale:**

The intent is to ensure that reserves and insurance levels are sufficient to cover extraordinary or catastrophic losses. The periodic evaluations will determine the sufficiency of the fund and the cost-effectiveness of maintaining a self-insurance program versus obtaining coverage externally, or a combination of the two.

**Implementation:**

The Insurance Fund provides coverage for catastrophic or extraordinary losses and is not used to pay ordinary and routine losses, which are paid through the Risk Management Department's General Fund Budget. Approximately \$1.2 million and \$2.9 million were paid out in 2007 and 2008, respectively. For 2009, the transfer increased to \$3.52 million.



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# 2010 Budget Guide

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## Budget Management Process

### Bond Retirement Fund

**Policy Statement:**

*Principal and interest payments on outstanding bonds will be accounted for in the Bond Retirement Fund. Debt issuances shall comply with pertinent state and federal laws, finance only long-term capital assets and be supported by adequate debt servicing capacity.*

**Rationale:**

It is the intent of the Authority to issue debt in a manner that adheres to state and federal laws and prudent financial management principles.

**Implementation:**

Historically, the Authority has used its debt capacity sparingly due to the benefits of federal and state grant funding. Reductions in these sources of capital support over the years though, combined with an aggressive long-range Capital Improvement Plan (CIP), has resulted in more frequent use of debt sales as a revenue source for the Authority's capital needs. At the end of 2009 the combined outstanding debt for the Authority totaled \$163.0 million in general obligation bonds and \$3.6 million for a State Infrastructure Bank (SIB) loan, requiring combined principal and interest payments of nearly \$18.1 million in 2010. Principal and interest payments are expected to continue to increase in future years in support of the on-going Capital Improvement Plan.

Ohio law permits the Authority to issue both voted and unvoted debt and to levy ad valorem property taxes. Current obligations have not required the use of property taxes for debt service. Debt issuances are subject to three limitations as specified in the Ohio Revised Code and the Ohio Constitution:

1. **Restriction:** Total debt supported by voted and/or unvoted property taxes may not exceed 5 percent of the total assessed valuation of the property within the Authority's territory (Cuyahoga County).

**Impact:** This provision is not currently applicable since property taxes are not supporting debt repayment. Further, the \$1.60 billion limitation (based on the county's assessed valuation of \$31.9 billion) is not overly restrictive in view of the Authority's debt requirements.

2. **Restriction:** Annual principal and interest payments on all unvoted general obligation bonds may not exceed one-tenth of one percent of the total assessed valuation.

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# 2010 Budget Guide

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## Budget Management Process

### Bond Retirement Fund, cont.

**Impact:** The 2008-2010 recession has affected sales tax and fare revenue. It has also negatively affected the property valuation for Cuyahoga County. The previous assessed valuation of \$32.5 billion declined to \$29.6 billion for 2010. In 2009, the amount of debt issued by various government entities in the County increased and approached the County-wide limit of 10 mills. The reduction in property valuation then caused the total debt issued to exceed the 10 mill limit.

3. **Restriction:** The total amount of annual debt service on unvoted general obligations issued by overlapping subdivisions is limited to ten mills of assessed valuation. Overlapping subdivisions, include Cuyahoga County and various municipalities, school districts, and townships within the taxing district.

**Impact:** The 10 mill limit provision pertains to all unvoted debt regardless of the source of payment and historically has been the most restrictive to the Authority. The Authority's Debt Service Coverage has been negatively affected by the 11% decline in sales tax. Thus, RTA planned to lower the amount of debt to be issued in 2010. The fact that the 10 mill limit has been exceeded is now another factor to be considered and planned for. General Obligation Debt will not be utilized for debt issued in 2010. Beyond that, it should be noted that in 1996, the Authority's bond rating, a major determinant of the interest rate charged on notes and bonds, was upgraded by Fitch Investors Service from A- to A. In 1997, Moody's Investors Service refined the Authority's rating to "A3," reaffirming it in 2001. The Authority issued debt in 2008, and refinanced debt at a lower interest rate. The Authority did not issue debt in 2009. Fitch Investors Service held the A rating for GCRTA. Moody's upgraded its rating from "A3" to "Aa3."

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# 2010 Budget Guide

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## Budget Management Process

### Introduction

As the Authority's finances become tighter, increased emphasis has been placed on the budget management process. The following procedures were instituted to strengthen this process:

- The Board of Trustees developed a set of financial policies to guide the development of the budget plan and articulate the Authority's operating guidelines.
- The Authority's performance is measured against the standards established by the Board.
- A formal budget document is produced, providing clear, timely, and accurate budget information to officials and the public.
- Expenditures are tracked against appropriations and available resources.
- Performance indicators are used to assess the containment of costs and the effectiveness of service delivery.
- Citizens Advisory Board (CAB) meets monthly to provide the pulse of the community in matters of fare changes, Long Range Plan updates, capital projects, and service changes.

### The Budget Cycle

For the Authority, the fiscal and calendar year coincide. The budget process for the forthcoming fiscal year begins in June with the development of the Tax Budget. The Authority prepares a Tax Budget as a valuable tool for estimating budget year resources and performing appropriations planning.

Around the same time, a mid-year review of spending patterns and budget variances is conducted. The July review and the Tax Budget are essential components of the base level appropriations assumed for the succeeding budget cycle. The development of this budget "base" begins the annual budget process, which proceeds as follows:

- A budget "basis" (or starting point) is selected, usually based on the mid-year estimate or the original appropriation level.
- The Office of Management and Budget (OMB) staff adjusts the budget basis for any nonrecurring costs, contracts, or binding commitments or inflation. The product is called the Base Budget.
- After receiving the Base Budget, including the budget basis and any OMB adjustments, departments submit requests for adjustments to the Base Budget.

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# 2010 Budget Guide

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## Budget Management Process

### The Budget Cycle, cont.

- Negotiations between OMB staff and Department staff refine the Base Budget. When completed, it should include commitments and recurring costs but not discretionary projects or initiatives.
- New projects or initiatives are presented as Decision Issues. These are negotiated initially at the Division level and then at hearings with the CEO/General Manager, and the Executive Management Team (EMT) based on their effect on the Authority's goals and objectives.
- The finalized CEO/General Manager's Recommended Budget:
  1. Is the sum of the refined Base Budgets, Adjustments, and approved Decision Issues.
  2. Must be limited to estimated available resources.
  3. Shall satisfy the Authority's financial policies to the best extent possible.
  4. Must support the Authority's mission and strategic direction as embodied in the Board Policy Goals and outlined in the Strategic Planning Process.
- The CEO/General Manager's Recommended Budget is presented to the Board of Trustees and is made available to the public.
- A series of budget hearings is scheduled for the Board of Trustees and for the public. Three or four hearings are held including the public discussion of the budget.
- The review process culminates in the formal adoption of a budget resolution at the December Board meeting. It is the Trustees' practice to finalize appropriations before the new fiscal year begins.

# 2010 Budget Guide

## Budget Calendar of Events

JANUARY	<ul style="list-style-type: none"> <li>o Conversion of Annual Budget Plan from Budget Development System to Financial Management System</li> <li>o Budget Appropriation Available for use</li> <li>o Citizens Advisory Board (CAB) Meeting</li> </ul>	JULY	<ul style="list-style-type: none"> <li>o Adoption of Tax Budget</li> <li>o Citizens Advisory Board (CAB) Meeting</li> </ul>
FEBRUARY	<ul style="list-style-type: none"> <li>o Publication of Annual Budget Plan</li> <li>o Report on 4th Quarter Review</li> <li>o CAB Meeting</li> </ul>	AUGUST	<ul style="list-style-type: none"> <li>o 2011 Base Budget Developments</li> <li>o CAB Meeting</li> </ul>
MARCH	<ul style="list-style-type: none"> <li>o Budget Policy Review and Priority Setting</li> <li>o CAB Meeting</li> </ul>	SEPTEMBER	<ul style="list-style-type: none"> <li>o Department Negotiations &amp; Contracts</li> <li>o Preliminary Budget Rollup &amp; Transmittal Letter</li> <li>o Preliminary EMT Budget Presentation</li> <li>o CAB Meeting</li> </ul>
APRIL	<ul style="list-style-type: none"> <li>o Report on 1st Quarter Review</li> <li>o CAB Meeting</li> </ul>	OCTOBER	<ul style="list-style-type: none"> <li>o Final EMT Budget Presentation</li> <li>o Final Rollup / Transmittal Letter</li> <li>o CAB Meeting</li> </ul>
MAY	<ul style="list-style-type: none"> <li>o CAB Meeting</li> </ul>	NOVEMBER	<ul style="list-style-type: none"> <li>o Presentation of CEO Recommended Budget to Finance Committee</li> <li>o Board Deliberations &amp; Public Hearing</li> <li>o CAB Meeting</li> </ul>
JUNE	<ul style="list-style-type: none"> <li>o Office of Management &amp; Budget prepares 2011 Tax Budget</li> <li>o CAB Meeting</li> </ul>	DECEMBER	<ul style="list-style-type: none"> <li>o Adoption of 2011 Budget</li> <li>o CAB Meeting</li> </ul>

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# 2010 Budget Guide

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## Budget Management Process

### Quality Management System

The Authority continues to operate under the Quality Management System (QMS), an outgrowth of the organization's implementation of Total Quality. Under the QMS, the Board of Trustees and senior management have identified a Mission Statement and five Priority Policy Goals essential for growth and progress in RTA. These goals are reviewed annually and, if necessary, modified. Budget decisions are made within the context of our overall strategic planning process (see the Transmittal Letter in the Citizens Summary Section for further details). For 2010, these Policy Goals remain:

- **Customer Focus:**  
Provide safe, high quality service to all customers and support our employees in that endeavor.
- **Expand and Reorganize Service:**  
Expand and reorganize service to retain our current riders and attract new riders by providing service that meets customer and community needs.
- **Prepare for the Future:**  
Prepare for the future by forging new partnerships and strengthening existing ones with the public and private sectors to establish policies, funding, innovations, and technologies that support cost-effective public transportation.
- **Improve Financial Health:**  
Improve the agency's financial health through efficient use of resources and the pursuit of new and innovative revenue sources.

- **Provide Community Benefits:**

Provide social, economic, and environmental benefits to the community through system improvements, and increase community awareness of these contributions.

During development of the 2010 Budget, as in recent years, however, emphasis was placed on two of the Board Policy Goals: **Customer Focus** and **Improve Financial Health**.

### Budget Monitoring and Control

A quarterly financial report allows the CEO/General Manager and the Board of Trustees to monitor actual performance. This report is used to determine adjustments to the budget. The budget may be adjusted after periodic reviews, but is normally limited to interdepartmental transfers rather than an increase to the overall appropriation level. The CEO/General Manager has the authority to transfer appropriations within departments, then these are reported to the Trustees within thirty days. Any increase to the Authority's total operating budget requires Board of Trustee approval.

The CEO/General Manager also has the authority to upgrade or reclassify staff positions. Positions may be reallocated between departments and divisions, providing the overall division staffing level remains at the level approved by the Board. This allows the CEO/General Manager flexibility in making staff decisions.

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# 2010 Budget Guide

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## Glossary

**Accrual Accounting** - A method of financial accounting where revenues are recorded when earned; the revenue does not have to be received in the same reporting period. Similarly, expenditures are recorded as soon as they result in liabilities for benefits received; the payment of the expenditure does not have to be made in the same reporting period.

**Ad Valorem Tax** – A tax based on the value (or assessed value) of property.

**Amalgamated Transit Union (ATU)** - the largest transit union in North America.

**Americans with Disabilities Act (ADA)** – of 1990, requires that public entities, which operate non-commuter fixed route transportation services, also provide complementary Paratransit service for individuals unable to use the fixed route system.

**Appropriation** – An authorization granted by the Board of Trustees to make expenditures and incur obligations for purposes specified in the Appropriations Resolution.

**Arbitrage** – Investment earnings representing the difference between interest paid on bonds and the interest earned on the investments made utilizing bond proceeds.

**Assessed Valuation** – The value of property against which an ad valorem tax is levied. Valuations are conducted by the County Auditor and reflect a percentage of the true or market value of the property.

**Asset Maintenance** – This category of capital projects refers to projects where 100% of the funding is provided by local sources (versus grant funding sources) and represents expenses incurred to maintain or improve the Authority's major capital assets.

**Balanced Budget** – The Authority considers the budget balanced when total expenditures equal total revenues. The budget is also balanced in situations where total expenditures are less than total revenues, which is called a surplus. There are also instances where the Authority might plan to spend fund balances from previous years on one-time or non-routine expenditures. The Authority considers the budget to be balanced in this case also, provided the funding from previous years is available, and a plan is in place to not build ongoing expenditures into this type of funding.

**Base Budget** – The ongoing expenses for maintaining the Authority's daily operations, previously authorized by the Trustees. Base Budgets include all mandated and non-discretionary services or reductions to the cost of continuing projects or programs.

**Bond** – The written evidence of the debt issued by the Authority. It bears a stated rate of interest and maturity date on which a fixed sum of money plus interest is payable to the holder.

**Bond Counsel** – A lawyer or law firm, which delivers an opinion regarding the legality of a debt issuance or other matters.

**Budget Basis** – The starting point for budget deliberations, usually the prior-to budget year appropriation, or the Midyear Review estimate of expenses. It is critical that the budget basis be clearly documented and understood by all budget participants.

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# 2010 Budget Guide

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## Glossary

**Budget Deficit** – Usually, this is a projection of expenditures exceeding appropriations. It is normally determined as a result of a quarterly review. The budget is controlled so that expenditures plus encumbrances should not exceed appropriations.

**Bus Rapid Transit (BRT)** – A broad term given to a variety of transportation systems that, through improvements to infrastructure, vehicles, and scheduling, attempt to use buses to provide a service that is of a higher quality than an ordinary bus line. See Euclid Corridor Transportation Project.

**CAFR** – Comprehensive Annual Financial Report, containing audited financial statements and related materials.

**Capital Improvement Budget** – The current year estimated resources and costs of construction projects and capital equipment purchases in the Capital Improvement Plan that involve maintenance and expansion projects and are funded through grants as well as local sources.

**Capital Improvement Plan (CIP)** – A multi-year plan for constructing, acquiring, or maintaining capital assets.

**Cash Accounting** - A major accounting method that recognizes revenues and expenses at the time physical cash is actually received or paid out.

**Cash Deficit** – This is a common circumstance in a fund deficit situation and it involves a fund carrying a negative (or credit) cash balance. This situation typically requires a cash transfer to remedy.

**Closed Circuit TV (CCTV)** - the use of video cameras to transmit a signal to a specific, limited set of monitors. CCTV is used for surveillance in areas, which need security, such as rapid stations, transit facilities, Park-N-Rides, and the airport.

**Computer Integrated Transit Maintenance Environment (CITME)**– A computer program purchased to assist in modernizing maintenance operations through management by data.

**Controlled-Access Right-of-Way (ROW)** – Lanes restricted for at least a portion of the day for use by transit vehicles and other high occupancy vehicles (HOV). Use of controlled access lanes may also be permitted for vehicles preparing to turn. The restriction must be sufficiently enforced so that 95 percent of the vehicles using the lanes during the restricted period are authorized to use them.

**Cost Ceiling** – A limit on costs for which a program allocation will reimburse. This term is used most often in reference to federally supported capital projects.

**Debt Limit** – A statutory or constitutional limit on the principal amount of debt that an issuer may incur or have outstanding at one time.

**Debt Service** – Principal and interest paid on bonds and notes.

**Debt Service Coverage** - the measure of the Authority's ability to meet annual interest and principal payments on outstanding debts.



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# 2010 Budget Guide

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## Glossary

**Decision Issue** – Any budget request for new or increased funding of projects or programs, which exceeds base budget requests. Use of decision issues aids the process of allocating financial resources and provides for the comparison and prioritization of existing programs and services relative to the need for new programs and services.

**Depreciation** – The reduction in value of a capital asset due to use, age, or wear.

**Disadvantaged Business Enterprise (DBE)** – A program intended to ensure nondiscrimination in the award and administration of DOT-assisted contracts in the Department's highway, transit, airport, and highway safety financial assistance programs.

**Door-to-Door Service** – Paratransit Service where drivers have been instructed to pick-up and drop off passengers at the front door of places of residence, at the front door of the apartment buildings in which they live, or front door of destination.

**Encumbrances** – A budgetary technique for recording unperformed contracts for goods and services. Use of encumbrances restricts the balance in each fund so that total commitments (expenditures plus encumbrances) will not exceed appropriations.

**Euclid Corridor Transportation Project (ECTP)** – (Health Line) designed to improve transit service, as well as support increased development along Euclid Avenue. The objective of the project was to provide shorter travel times along Euclid Avenue and linkages with other RTA services for better access to work, home, medical, educational, and cultural centers in Greater Cleveland.

**Exclusive Right-of-Way (ROW)** – Roadway or other right-of-way (ROW) reserved at all times for transit use and / or other high occupancy vehicles (HOV). The restriction must be sufficiently enforced so that 95 percent of vehicles using the right-of-way (ROW) are authorized to use it.

**Executive Management Team (EMT)** – The General Manager's first level of management, which includes Deputy General Managers and Executive Directors.

**Expenditure** - A category of expense that a business incurs as a result of performing its normal business operations.

**Family and Medical Leave Act (FMLA)** - To grant family and temporary medical leave under certain circumstances.

**Federal Highway Administration (FHA)** - charged with the broad responsibility of ensuring that America's roads and highways continue to be the safest and most technologically up-to-date. Although State, local, and tribal governments own most of the Nation's highways, we provide financial and technical support to them for constructing, improving, and preserving America's highway system.

**Federal Transit Administration (FTA)** - supports a variety of locally planned, constructed, and operated public transportation systems throughout the U.S., including buses, subways, light rail, commuter rail, streetcars, monorail, passenger ferry boats, inclined railways, and people movers.

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# 2010 Budget Guide

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## Glossary

**Financial Management System (FMS)** – The information system software that houses all financial data and includes the General Ledger, Procurement, and Budget Modules.

**Fiscal Year** - Any 12-month period that a company uses for accounting purposes.

**Fixed Guideway (FG)** - A separate right-of-way (ROW) for the exclusive use of public transportation vehicles. All rail modes operate exclusively, (i.e., 24 hours per day and seven days per week), on fixed guideway (FG).

**Fraternal Order of Police (FOP)** - the world's largest organization of sworn law enforcement officers, committed to improving the working conditions of law enforcement officers and the safety of those we serve through education, legislation, information, community involvement, and employee representation.

**Full-Time Equivalent (FTE) Position** – A part-time position converted to the decimal equivalent of a full-time position based on 2,080 hours per year for 40 hours per week employees.

**Fund** – A fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with specific regulations, restrictions, or limitations.

**Fund Deficit** – An excess of liabilities over assets. This is not an acceptable condition in most funds and it usually must be addressed by transferring revenue to the fund in deficit.

**Fund Type** – In governmental accounting, all funds are classified into eight generic types; General, Special Revenue, Debt Service, Capital Projects, Special Assessment, Enterprise, Internal Service, and Trust and Agency. The Authority uses General, Debt Service, Capital Projects, Agency, and Enterprise funds.

**GAAP** – Generally Accepted Accounting Principles.

**General Obligation (GO) Bond** – A bond that is secured by the full faith and credit of the Authority. The GCRTA pledges to utilize its taxing power (almost always Sales Tax proceeds) to pay debt service.

**Goal** – A statement of broad direction, purpose, or intent based on the needs of the community. A goal is not concerned with a specific achievement in a given time period.

**Guideway** - A public transportation facility using and occupying a separate right-of-way (ROW) or rail for the exclusive use of public transportation including the buildings and structures dedicated for the operation of transit vehicles such as tunnels, subways, bridges, paved highway lanes, and track and power systems for rail modes.

**Health Line** – See Euclid Corridor Transportation Project

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# 2010 Budget Guide

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## Glossary

**HRV** – Heavy Rail Vehicles, which operate on the Red Line. Heavy Rail is a transit mode that is an electric railway with the capacity for a heavy volume of traffic.

**Indirect Costs** - the expenses of doing business that are not readily identified with a particular grant, contract, project function or activity, but are necessary for the general operation of the organization and the conduct of activities it performs.

**Interactive Voice Response (IVR)** - a phone technology that allows a computer to detect voice and touch tones using a normal phone call. The IVR system can respond with pre-recorded or dynamically generated audio to further direct callers on how to proceed.

**Interest** – The amount paid for the use of money.

**Interest Expense** - The charges for the use of borrowed capital incurred by the transit agency, including Interest on long term and short-term debt obligations.

**Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA)** – A legislative initiative setting policy guidance and providing funding for highway, transit, and safety programs. It expired in 1998.

**Key Transit 2025** – The long-range plan to help guide the future development of public transit in Cuyahoga County, which focuses on bringing RTA's transit infrastructure up to higher standards and encouraging transit-oriented design, or TOD. Related to nationwide efforts towards Smart Growth, TOD encourages locating transit and

development in close proximity in order to reduce auto dependency and improve transit access.

**Legal Millage Rate** – The stated rate, in mills, for levying real and personal property taxes.

**LRV** – Light Rail Vehicles, which operate on the Blue, Green, and Waterfront Lines. Light Rail is a transit mode that typically is an electric railway with a light volume traffic capacity, compared to Heavy Rail (HR).

**Market Value** – The County Auditor's estimate of the true or fair value of real or personal property. In accounting, it is the price that a good or service would command on the open market.

**Mill** – The equivalent of \$1 of tax for each \$1,000 of assessed value of real or personal property.

**Mixed Traffic Right-of-Way (ROW)** – Roadways that have no time restrictions nor restrictions on what type of vehicles may use them.

**Mode** - A general term for the different kinds of transportation used to transport people.

**NOACA** - Northeast Ohio Areawide Coordinating Agency. It is the federally designated Metropolitan Planning Organization (MPO) for five counties of Northeast Ohio, which include Greater Cleveland and the Lorain area. Its chief functions are to perform long- and short-range transportation planning, transportation-related air quality planning, and areawide water quality management planning, as defined by federal and Ohio mandates.

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# 2010 Budget Guide

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## Glossary

**Notes** – Short-term promises to pay specified amounts of money, secured by specific sources of future revenue.

**Revenue** - The amount of money that a company actually receives during a specific period, including discounts and deductions for returned merchandise.

**Object** – A commodity-based expenditure classification which describes articles purchased or services obtained. It represents the lowest degree of expenditure summary and budgetary control.

**Objective** – Desired output-oriented accomplishments, which can be measured and achieved within a given time frame.

**Office of Business Development (OBD)** - Engage, support, and assist the local disadvantaged business community to help ensure fair and representative participation in procurement opportunities at RTA and within the community at-large. The primary function of the Office of Business Development (OBD) is to administer RTA's Disadvantaged Business Enterprise (DBE) Program.

**Official Statement** – A document prepared by the Authority when issuing debt that gives financial and statistical information to potential investors and others.

**Ohio Depository Act** - requires a written investment policy that is approved by the treasurer of a political subdivision or governing board, or by the investing authority of a county, to be on file with the State Auditor. The policy must provide that all entities conducting investment business with a subdivision treasurer or governing board or county investment authority sign the investment policy of that subdivision or county.

**ODOT** – Ohio Department of Transportation. State operating and capital subsidies are distributed to the Authority by ODOT.

**Operating Budget** – Current year Estimated Revenues and Appropriations that provide for the day-to-day operations of the Authority.

**Operating Deficit** – An excess of current expenditures over current revenues. A fund can sustain an operating deficit only if there are sufficient fund balances carrying forward from prior years.

**Operating Ratio** - A ratio that shows the efficiency of management by comparing operating expense to net sales.

**Operating Reserve** – The available ending balance. A reserve is maintained as a safeguard to protect the organization in times of cyclical economic downturns and will be replenished as the economy improves.

**Outlays** – The payments on obligations in the form of cash, checks, the issuance of bonds or notes, or the maturing of interest coupons.

**Park-N-Ride** – Parking lots owned by the GCRTA to provide rail and/or bus services for all major commuter corridors in Cuyahoga County.

**Pass-Thru** – A situation where the Authority functions as a channel for the expenditure of funds from another source without authority to decide the use of the funds.

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# 2010 Budget Guide

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## Glossary

**Principal** – The face amount of a bond, which the issuer promises to pay at maturity.

**Program** – A group of related activities performed by one or more organizational units for the purpose of accomplishing an objective.

**Ratings** – Designations used by ratings services to indicate the financial health of the issuers of debt.

**Repurchase Agreement** – A money market transaction in which one party sells securities to another while agreeing to repurchase those securities at a later date.

**Resolution** – A legal and public declaration by the Board of Trustees of intent, policy, or authorization. Resolutions are the legislation of the Authority.

**Resolution Category** – One of two cost categories at which the Board of Trustees controls operating budget expenditures. These include Personnel Services and Other Expenditures.

**Revenue Bond** – A bond on which the debt service is payable solely from the revenue generated from the operation of the project being financed.

**Routine Capital** – Budgeted expenses for equipment, the useful life of which is a year or more and the unit cost is at least \$1,000. These expenses are locally, not grant, funded.

**Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU)** – A legislative authorization for transit approved in 2005. It is a six-year initiative, which replaces the expired Transportation Equity Act for the Twenty-First Century (TEA-21).

**Senior Transportation Connection (STC)** - of Cuyahoga County is designed to be the centralized coordinating unit for senior transportation services in Cuyahoga County. The STC's mission is to provide comprehensive, efficient and affordable transportation for senior adults in the County.

**Service Indicator** – An output measure showing a statistical workload change or the degree to which program objectives are achieved.

**State Infrastructure Bank (SIB)** – A funding initiative administered by the State of Ohio, Department of Transportation. The SIB provides low-cost loans for transportation infrastructure projects.

**Temporary Assistance for Needy Families (TANF)** - provides grants to states to fund a wide array of benefits and services, primarily to low-income families with children. It is best known for funding cash welfare benefits to needy families with children, but it also is used to fund transportation aid.

**Tax Levy** – The total amount to be raised by general property taxes for purposes specified in the Tax Budget.

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# 2010 Budget Guide

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## Glossary

**Threat and Vulnerability Assessment (TVA)** - analyzes all the aspects of physical security, personnel security, information security, and communications security. It measures the current threat capabilities against emplaced security measures and operating procedures to identify vulnerabilities.

**TransitStat** – The Greater Cleveland Regional Transit Authority’s performance monitoring program. It entails frequent gathering, reviewing, analyzing, and monitoring of critical success measures.

**Transportation Equity Act for the Twenty-First Century (TEA-21)** – A legislative authorization for transit originally approved in mid-1998. It is a five-year initiative, which originally expired in 2003, but was extended by Congress pending an agreement on new transit legislation. It expired in 2005.

**Transportation Improvement Plan (TIP)** – The official listing of highway, transit, bikeway, airport, and harbor projects covering a five-year period.

**Transportation Review Advisory Council (TRAC)** - was created by the Ohio General Assembly in 1997 to bring an open, fair, numbers-driven system to choosing major new transportation projects.

**Urban Mass Transportation Act (UMTA) of 1964** – As amended, an Act of Congress providing funds to the Authority under various programs:

**Section 5309 (formerly Section 3)** – A Federal discretionary program directed primarily to those rail modernization and major bus projects that require funding beyond that available under Section 9.

**Section 5307 (formerly Section 9)** – A Federal formula program which makes resources available to urbanized areas for planning, capital, and operating assistance purposes. Funding allocations are earmarked by Congress.

**Title 23 Interstate Transfer Fund** – Federal funding which had been made available for alternative projects due to the elimination of Interstate 490 from the Federal Interstate Highway Program. Funding for this program was split between highway and transit projects. Also established by Section 134, Title 23 of the United States Code. All funds have been exhausted at this time.

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## 2010 Fund Budgets

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## 2010 Fund Budgets

The Authority segregates its financial activity into a number of funds. These funds account for all receipts and expenditures for a specific purpose. The **Fund Budgets** chapter describes the fund structure used by the Authority, the sources of revenue and the status of these funds in 2010 and beyond.



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# Fund Budgets

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## All Funds

### Introduction

The Authority maintains its books of accounts on the accrual basis of accounting, using a single enterprise fund to report the results of its operations. However, separate funds are maintained on the books of the Authority in order to best account for its various revenues that are designated for specific purposes.

Since the Authority is an independent, special purpose political subdivision of the State of Ohio, annual budgets for each fund are prepared on the cash basis of accounting. On the cash basis, revenues are budgeted when they are expected to be received as opposed to when they will be earned and expenditures are budgeted when they are estimated to be paid, encumbered, or obligated as opposed to when the liabilities will be incurred. The Authority uses the following funds to account for its operations:

#### All Funds

- General Fund
- Bond Retirement Fund
- Insurance Fund
- Supplemental Pension Fund
- Law Enforcement Fund
- Capital Improvement Funds
  - RTA Capital Fund
  - RTA Development Fund

A fund balance is the difference between total resources (beginning cash and investment balance plus total revenues) and total expenditures. In the following presentation, fund balances for the General Fund and RTA Capital Fund represent the unencumbered, unreserved balance (referred to as the available ending balance). These fund balances are shown net of reserves for encumbrances. All other funds are reflected in cash balances.

The ending year balance of a fund provides a measure of a fund or entity's financial health and is useful in spotting negative trends. The following analysis focuses on the Authority's major funds and addresses future trends within those balances. The analysis also presents details on the components of revenue and trends in expenditures.

# Fund Budgets

## All Funds

### All Funds Balance Analysis

Figure FB-1 presents the combined fund balances of all the Authority's funds. In 2006, the balance increased due to a debt issuance and state grants related to the Authority's capital program. The All Funds Balance again increased by nearly \$1.0 million in 2007, to \$46.4 million, as a result of a \$25.0 million capital lease and increases in other revenue sources that offset an increase in personnel costs, other expenditures and an aggressive capital campaign, including outlays related to ECTP.

Total Resources for 2008 increased by nearly \$34.2 million, primarily because of Federal grant funds associated with ECTP, a \$35 million debt issuance, and adjustments to the Authority's passenger fare structure. Correspondingly, expenditures increased in 2008 by over \$30.5 million, as the ECTP project was finalized and capital projects from past years were completed. In 2009, the All Funds balance decreased to \$34.7 million as a result of increasing efforts to reduce expenses and increase revenue. This is reflected in the expenditure figures and subsequent ending balance.

As reflected in Figure FB-1, the ending balance shows cyclical patterns, primarily increasing as a result of debt issuances, and decreasing as those funds are consumed. Overall, the All Funds balance is stable, though the amount of debt issued and the sudden large drop of sales tax revenue are of concern. Service has been realigned and will continue to be realigned and capital expenditures have been reduced in upcoming years as counter measures.

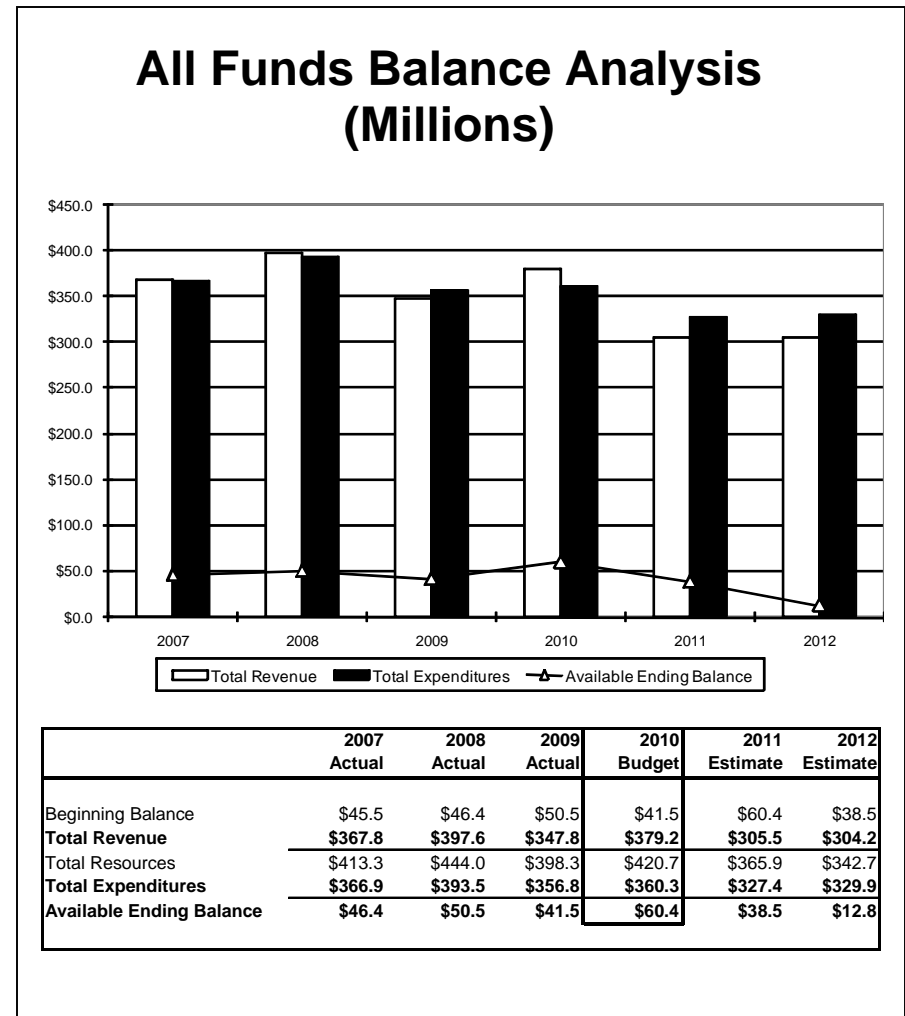


Figure FB-1: All Funds Balance Analysis

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# Fund Budgets

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## All Funds

### All Funds Balance Analysis, cont.

In 2009, sales tax revenue, the largest funding source for both the General Fund and the All Funds, decreased by 11.0 percent, due to on-going economic recession in this area. This is by far the most dramatic decline in Sales Tax in the history of the Authority, the previous worse decline in a year was 1.6%. A recovery is expected for 2010, but based on economic forecasts that increase is projected for 2010 at 1.2% increase over 2009. RTA projects that it will take a minimum of six years to get back to the \$173 million Sales Tax generated in 2008.

This trend identifies the challenge that lies ahead: to balance operating requirements versus the local commitment required to support capital improvements. As such, it questions the Authority's ability to maintain current service levels without additional revenue or additional service reductions.

### All Funds Revenue

Total All Funds revenue in 2006 increased by \$42.6 million, which included \$25.0 million in bond proceeds. Sales Tax collections in 2006 though, decreased by nearly \$382,000, or 0.2 percent. In 2007, total All Funds Revenue increased by \$13.7 million, primarily due to a \$25.0 million capital lease, while Sales & Use Tax revenue increased by 1.8 percent and federal capital assistance increased by \$2.5 million.

In 2008, the expected Sales & Use Tax revenue remained the Authority's largest source of revenue, representing nearly 42.9 percent, or \$172.0 million, of total Authority revenue. Federal capital assistance will account for 20.4 percent, or \$71.7 million, of total revenue. When combined with State and Local capital grant assistance, all intergovernmental sources of revenue account for over 25.0 percent, or a total of \$100.3 million of revenue flowing through the Authority. Fare revenue, projected at \$48.8 million, represents 12.2 percent of the total in 2008. Other revenue, debt proceeds and investment income will account for the remaining 19.9 percent, or \$80.0 million.

In 2009, revenues dropped primarily due to the sharp drop in Sales Tax revenue. 2010 projected increases for Sales & Use Tax revenue remain modest, 1.2 percent, but overall will make up nearly 41.0 percent, or \$156.4 million, of the Authority's total revenue. Federal and State Capital Assistance will account for 27.9 percent, or \$106.1 million of total revenue. Passenger Fares will increase due to the annualization of fare increases implemented in 2008 and will make up to 13.7 percent, or \$52.3 million. Other revenue sources and income from investments will comprise the remaining \$64.3 million, or 16.8 percent. General Obligation Debt Proceeds will be \$20 million. The capital program will require additional debt sales of approximately \$20.0 million in 2010 to support planned capital activities.

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# Fund Budgets

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## All Funds

### All Funds Expenditures

An increase of \$21.8 million in total expenditures took place in 2007 as a result of Personnel and Capital Outlay costs increasing by over \$7.1 million and \$8.9 million, respectively. Personnel costs increased because of a three percent wage increase and health care costs. The increases in capital expenditures were primarily a result of the HealthLine/Euclid Corridor project.

Total expenditures increased in 2008 by nearly \$30.5 million, or 8.3 percent. Capital Outlays increased by \$20.0 million million, or nearly 19.0 percent, mainly as a result of the completion of construction on the HealthLine Project. In addition, Diesel Fuel expenditures decreased by 42.2 million while Personnel Services expenditures increased by \$3.3 million.

In 2009, total expenditures decreased by \$36.8 million, or 7.9 percent. Outlays for capital projects decreased by \$36.6 million, or negative 10.2 percent, as the capital program begins its return to more historical levels following the completion of the HealthLine. In addition, the 2010 Budget includes Personnel Services expenditure decrease over \$7.1 million, or 2.7 percent. This includes no increases in personnel costs associated with current collective bargaining agreements, health care cost increases, and increases in pension costs, and includes a reduction of 100 positions. Other expenditure areas include a \$7.9

million decrease in the cost of diesel fuel, as the cost decreased from \$3.17 per gallon to \$2.40-\$2.92 per gallon and a reduction in gallons due to a service reduction. Additionally, due to growing capital needs, Debt Service will increase in 2010 by nearly \$1.8 million.

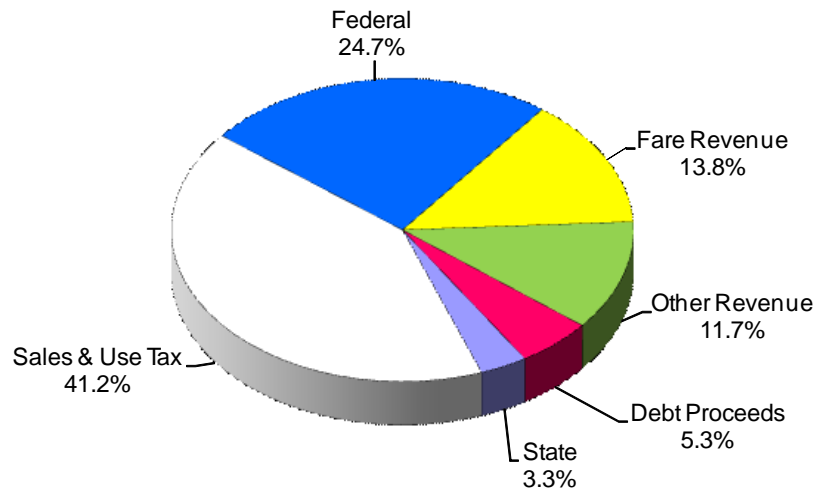
Due to the nature of the services provided by the Authority, Personnel Services remains the largest expenditure category on an All Funds basis. At \$169.5 million, these labor and fringe benefits costs will represent nearly 47.0 percent of total expenditures. Capital Outlays will again represent the second largest category of expenditures at \$102.8 million, or 28.4 percent of the total. The third largest category of expenditures will be Other Expenditures at \$59.0 million, or 16.2 percent, followed by Debt Service at \$19.5 million, or 5.3 percent. The smallest category of expenditures remains Diesel Fuel, comprising 4.9 percent of total expenditures in 2010 at \$2.5 million.

Over the 2011 to 2012 period, overall expenditures are expected to decrease primarily due to the April 4th, 2010 service reduction and a return to more historical levels of capital activity. Personnel costs are expected to decline in 2011 and 2012 as a result of the service realignment and Other Expenditures are also expected to decline. Debt service costs for 2011 and 2012 reflect existing debt payment schedules and a planned General Obligation debt sale of approximately \$20.0 million in 2010.

# Fund Budgets

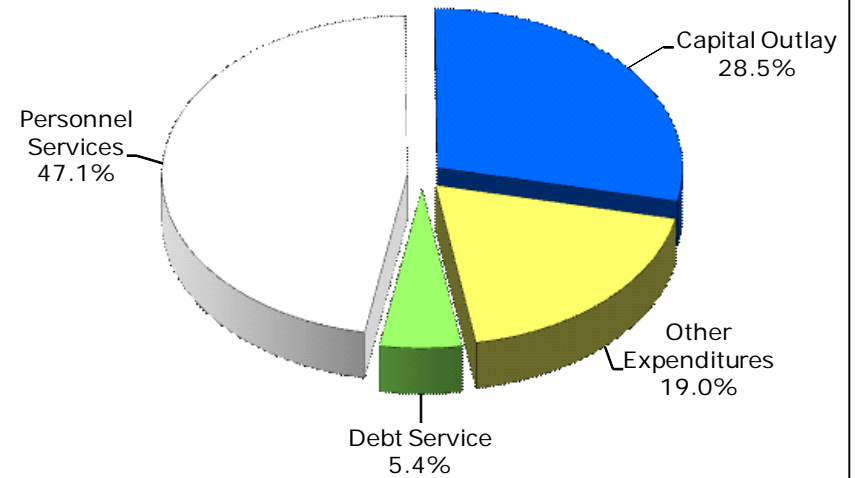
## All Funds

**All Funds Revenue by Source  
(Millions)**



	2007 Actual	2008 Actual	2009 Actual	2010 Budget	2011 Estimate	2012 Estimate
Fare Revenue	\$43.5	\$48.2	\$49.8	\$52.3	\$53.4	\$54.4
Sales & Use Tax	\$171.7	\$173.6	\$154.6	\$156.4	\$158.3	\$160.2
Federal	\$74.3	\$86.1	\$73.6	\$93.5	\$53.0	\$48.2
State	\$10.8	\$9.4	\$21.7	\$12.6	\$1.9	\$2.0
Other Revenue	\$42.5	\$44.8	\$48.1	\$44.4	\$38.9	\$39.4
Debt Proceeds	\$0.0	\$35.5	\$0.0	\$20.0	\$0.0	\$0.0
Capital Lease	\$25.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b>Total Revenue</b>	<b>\$367.8</b>	<b>\$397.6</b>	<b>\$347.8</b>	<b>\$379.2</b>	<b>\$305.5</b>	<b>\$304.2</b>

**All Funds Expenditures by Type  
(Millions)**



	2007 Actual	2008 Actual	2009 Actual	2010 Budget	2011 Estimate	2012 Estimate
Personnel Services	\$173.8	\$173.0	\$176.6	\$169.6	\$171.2	\$173.0
Other Expenditures	\$63.4	\$70.5	\$66.5	\$68.4	\$61.8	\$62.3
Capital Outlay	\$113.4	\$132.5	\$96.0	\$102.8	\$74.8	\$73.6
Debt Service	\$16.3	\$17.5	\$17.7	\$19.5	\$19.6	\$21.0
<b>Total Expenditures</b>	<b>\$366.9</b>	<b>\$393.5</b>	<b>\$356.8</b>	<b>\$360.3</b>	<b>\$327.4</b>	<b>\$329.9</b>

Figure FB-2: All Funds Revenue by Source

Figure FB-3: All Funds Expenditures by Type

# Fund Budgets

## General Fund

### All Funds Balance Analysis

	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Budget	2011 Budget	2012 Budget
<b>Beginning Balance</b>	<b>37,578,099</b>	<b>45,516,377</b>	<b>46,438,563</b>	<b>50,530,896</b>	<b>41,541,231</b>	<b>60,448,731</b>	<b>38,501,117</b>
<b>Revenue</b>							
Passenger Fares	40,587,880	43,467,204	48,173,971	49,757,083	52,315,718	53,362,033	54,429,273
Sales & Use Tax	168,615,372	171,661,508	173,568,817	154,586,220	156,441,255	158,318,550	160,218,372
Federal	71,849,886	74,319,702	86,109,609	73,648,082	93,506,088	52,986,232	48,176,409
State	9,011,293	10,778,700	9,370,685	21,725,202	12,629,347	1,892,147	1,976,400
Investment Income	2,680,623	2,453,602	3,086,144	611,211	787,246	931,193	981,991
Other Revenue	36,300,526	40,097,355	41,797,538	47,449,387	43,550,736	37,972,105	38,427,716
General Obligation Debt Proceeds	25,003,289	0	35,472,559	0	20,000,000	0	0
Capital Lease	0	25,000,000	0	0	0	0	0
<b>Total Revenue</b>	<b>354,048,869</b>	<b>367,778,071</b>	<b>397,579,323</b>	<b>347,777,185</b>	<b>379,230,390</b>	<b>305,462,260</b>	<b>304,210,162</b>
<b>Total Resources</b>	<b>391,626,968</b>	<b>413,294,448</b>	<b>444,017,886</b>	<b>398,308,081</b>	<b>420,771,621</b>	<b>365,910,990</b>	<b>342,711,278</b>
<b>Expenditures</b>							
Personnel Services	168,973,550	173,796,848	173,016,961	176,631,322	169,550,255	171,245,757	172,958,215
Diesel Fuel	12,552,157	12,112,507	19,272,336	17,357,364	9,390,480	11,330,790	11,330,790
Other Expenditures	46,779,762	51,276,616	51,230,086	49,083,498	59,063,049	50,475,154	50,978,865
Capital Outlay	102,057,253	113,391,482	132,464,854	95,982,032	102,813,088	74,806,988	73,587,000
Debt Service	15,747,869	16,278,432	17,502,753	17,712,634	19,506,019	19,551,185	21,047,915
<b>Total Expenditures</b>	<b>346,110,591</b>	<b>366,855,885</b>	<b>393,486,990</b>	<b>356,766,850</b>	<b>360,322,891</b>	<b>327,409,874</b>	<b>329,902,785</b>
<b>Available Ending Balance</b>	<b>45,516,377</b>	<b>46,438,563</b>	<b>50,530,896</b>	<b>41,541,231</b>	<b>60,448,731</b>	<b>38,501,117</b>	<b>12,808,493</b>

# Fund Budgets

## General Fund

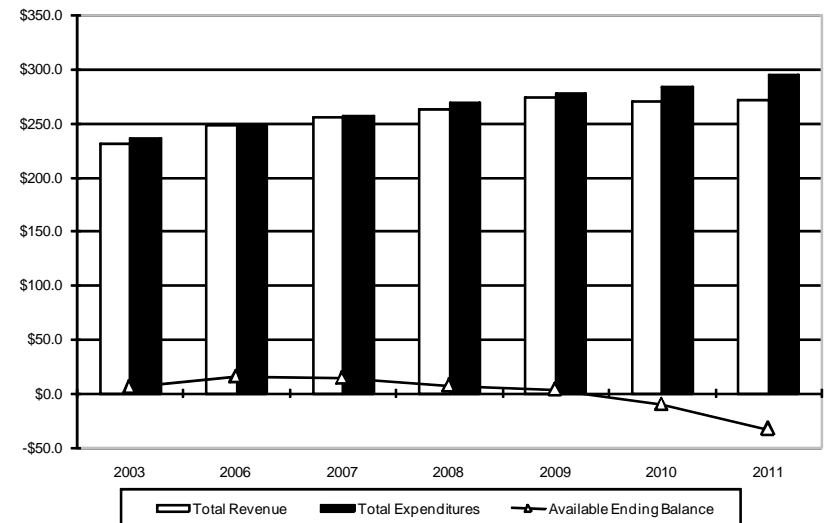
### General Fund Balance Analysis

The General Fund is the general operating fund of the Authority and accounts for all revenue and expenditures except for activities related to capital improvements, debt service, catastrophic/extraordinary losses, and supplemental pension benefits. Figure FB-4 highlights the financial stress that is presently being experienced. The combination of stagnant sales tax growth, increasing personnel costs, and volatile fuel/utility costs has created a discouraging outlook.

Over the past three years, the revenue and expense mismatch has been steadily growing. The Authority has had to utilize the fund balance to cover the expenses. In 2006, total expenditures were \$400,000 more than that year's revenue. In 2007, the mismatch increased to \$1.3 million and further increased in 2008 to \$6.6 million with a resulting drawdown of the fund balance to \$3.9 million. In 2009, the General Fund balance lowers again to \$2.9 million and projected to be \$2.3 million in 2010.

As highlighted in the **Citizens Summary**, meeting the one-month reserve policy has been a challenge over the last decade. After several years of declining revenues and forced service and staff reductions in the early 1990's, this goal was last met between 1994 and 1996. Since then the reserve policy has not been met, fluctuating between a low of a 0.3 months reserve in 2003, to a high of a 0.9 months reserve in 2005 and 2006.

### General Fund Balance Analysis (Millions)



	2007 Actual	2008 Actual	2009 Actual	2010 Budget	2011 Estimate	2012 Estimate
Beginning Balance	\$15.8	\$14.0	\$8.4	\$2.9	\$2.3	-\$10
<b>Total Revenue</b>	<b>\$255.4</b>	<b>\$262.1</b>	<b>\$264.5</b>	<b>\$266.6</b>	<b>\$249.8</b>	<b>\$253</b>
Total Resources	\$271.2	\$276.2	\$272.9	\$269.5	\$252.1	\$242
Operating Expenses	\$233.6	\$240.0	\$238.5	\$225.9	\$230.0	\$232
Fund Transfers	\$23.6	\$27.8	\$31.5	\$41.3	\$32.9	\$34
<b>Total Expenditures</b>	<b>\$257.2</b>	<b>\$267.8</b>	<b>\$270.0</b>	<b>\$267.2</b>	<b>\$262.9</b>	<b>\$266</b>
<b>Available Ending Balance</b>	<b>\$14.0</b>	<b>\$8.4</b>	<b>\$2.9</b>	<b>\$2.3</b>	<b>-\$10.9</b>	<b>-\$23</b>

Figure FB-4: General Fund Balance Analysis

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# Fund Budgets

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## General Fund

### General Fund Balance Analysis, cont.

The 2007 reserve of 0.7 months did not meet the goal, nor did the projected 2008 reserve of 0.4 months, but both represent improvements over the budgeted amounts for those years. In 2009, the ending balance did not meet the reserve level of one month. The ending balance has been declining over the past few years, but the drawdown in 2007 and 2008 utilized the ending balance for its intended purpose, to support service levels. Sales tax revenue, the largest revenue source for the Authority, experienced unprecedented decline in 2009 and continues the necessity to drawdown of the fund balance.

The projected reserve for 2010 is 0.1 months. The Authority will again control costs and aggressively execute the budget. In addition to this normal level of activity, the Authority has implemented TransitStat, a data-driven performance management initiative, to review operations, seek improvements, and further reduce costs. Our goal is to at least maintain the 2009 estimated year-end balance at the end of 2010.

The reserve level of the General Fund will be extremely important in the 2011 to 2012 time period, as operating costs continue to decline with service reductions, the capital plan continues to place additional demands on local resources, and historically low sales tax revenue declining rates combine to generate projected negative fund balances. As such, this budget presents a significant concern for the future and challenges the Authority's ability to maintain service levels without additional revenue or significant non-service-related cost reductions.

### General Fund Revenue

Revenue is received from a number of sources to support activity in the General Fund. A discussion of the major sources of General Fund revenue follows.

### Sales and Use Tax

The Authority's major source of revenue is a one percent Sales and Use Tax on sales of tangible personal property and on other transactions subject to the State Sales and Use Tax within the boundaries of Cuyahoga County. The one percent tax is of unlimited duration and was approved by the voters of Cuyahoga County in July 1975. The tax is levied and collected at the same time and on the same transactions as the permanent five percent Sales and Use Tax levied by the State, plus the one-half percent temporary state sales tax and the one percent tax levied by Cuyahoga County. The tax is administered and enforced by State taxing authorities and is distributed on a monthly basis, approximately two months following the collection of the tax by the State (three months after the tax is paid by consumers).

Beginning in 1989, Board policy required that a minimum of ten percent of annual Sales and Use Tax revenues be dedicated to capital improvements. The presentation of sales tax revenue (as reported in Figure FB-5) indicates total receipts, not the approximately 90 percent that is actually used to fund operations.



# Fund Budgets

## General Fund

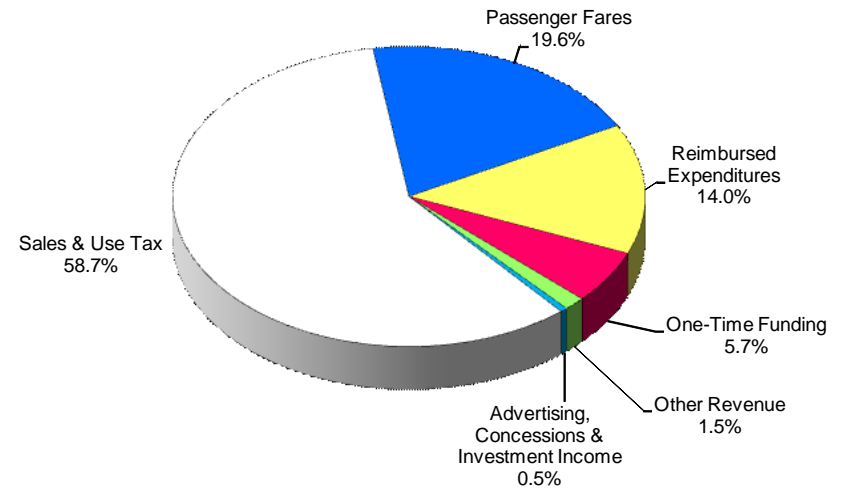
### Sales and Use Tax, cont.

Sales tax receipts dedicated to capital improvements are reported as a fund transfer from the General Fund to the RTA Capital Fund. However, in the Authority's accounting records, sales tax receipts dedicated to capital improvements are treated as direct revenue to the RTA Capital Fund, not as a transfer. In 1995, the direct contribution was further defined to include the transfer to the Bond Retirement Fund.

In the past, even in slower economic growth periods, the sales tax has performed relatively well. Sales tax receipts in 1994 showed an 11.2 percent increase, decreasing to 7.6 percent in 1995 and to 3.2 percent in 1996. A more stable growth pattern was seen between 1997 and 2000 as the growth rate ranged between 4.8 percent and 6.3 percent during these years. Since 2001 though, the picture has been much different with minimal growth rates and some years of negative growth. The last solid increase of 5.3 percent occurred in 2004. This has been followed by a 2.2 percent growth in 2005, a negative 0.2 percent growth in 2006, a 1.8 percent growth in 2007, and a 0.4 percent decline in 2008, and a staggering 11% decline in 2009.

In 2010, sales tax revenue is expected to increase by only 1.2 percent, due to the regional impact of the on-going economic recession. The increases projected for 2011 and 2012 reflect a continuation of this pattern as the growth in sales tax revenue will continue to perform below the level of inflation.

### General Fund Revenue by Source (Millions)



	2007 Actual	2008 Actual	2009 Actual	2010 Budget	2011 Estimate	2012 Estimate
Passenger Fares	\$43.5	\$48.2	\$49.8	\$52.3	\$53.4	\$54.4
Sales & Use Tax	\$171.7	\$173.6	\$154.6	\$156.4	\$158.3	\$160.2
Reimbursed Expenditures	\$34.2	\$35.6	\$33.5	\$37.4	\$33.5	\$33.8
Advertising, Concessions & Investment Income	\$2.0	\$1.6	\$1.4	\$1.3	\$1.3	\$1.3
One-time Funding	\$0.0	\$0.0	\$17.8	\$15.3	\$0.0	\$0.0
Other Revenue	\$4.0	\$2.6	\$7.4	\$3.9	\$3.3	\$3.6
<b>Total Revenue</b>	<b>\$255.4</b>	<b>\$261.6</b>	<b>\$264.5</b>	<b>\$266.6</b>	<b>\$249.8</b>	<b>\$253.3</b>

Figure FB-5: General Fund Revenue by Source

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# Fund Budgets

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## General Fund

### Passenger Fares

Passenger Fares are the second largest source of revenue to the General Fund, comprising 19.6 percent of the total in 2010. Passenger fares consist of cash farebox revenue from Authority trains and buses, charges for elderly, handicapped, and special services, and sales of passes and tickets.

From 2003 to 2008, the Authority registered annual ridership increases each year, bringing the accomplishment to six consecutive years of ridership growth. However, during the period between 2003 and 2005, passenger fare revenue lagged behind ridership due to modifications in the fare policies and changes in customer travel patterns. Therefore, in 2006 the Board of Trustees approved a two-phase fare increase effective in July 2006 and January 2008. This action helped boost fare revenue for 2006 to 2009 and was captured in the 2010 Budget.

In 2010, passenger fares of \$52.3 million represent an increase of \$2.6 million over the 2009 level. This change is entirely attributable to the annualization of the fuel surcharge as Ridership is expected to decrease by two percent due to the elasticity effects of the fare increase as well as the decrease in fuel costs and the area unemployment rate. Fares are expected to grow by 2.0 percent in 2011 and 2012.

### Investment Income

The Authority pursues an aggressive cash management and investment program in order to achieve maximum financial return on all available funds. Idle cash balances are invested at the best interest rates available within the constraints imposed by State law and RTA financial policies. Current policy permits the Investment Officer to invest idle cash in certificates of deposit or repurchase agreements with depositories designated by the Board of Trustees, in U.S. Government securities, in securities of agencies, which are guaranteed by the U.S. Government, and in the State investment pool (Star Ohio).

Investment income steadily increased from 2005 to 2008. This was the result of large ending balances and increasing investment rates. The 2009 actual shows a significant reduction of 80.0% as a result of a lower balance and Federal Reserve actions lowering short-term rates. Investment income for 2010 is estimated flatly at \$204,146. The trend of lower balances will be present in the two out-years and result in low investment income in both years. Interests earned on General Fund investments also vary depending upon the timing of revenue receipts, expenditures, and the transfers made to other funds (shifting interest earnings from the General Fund to other funds).

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# Fund Budgets

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## General Fund

### Advertising & Concessions

Another source of income is the Authority's contract to place advertisements upon buses and trains. The current contract guarantees \$825,000 annually, a decrease due to recent service and bus fleet reductions. In addition, the Authority will receive \$175,000 (net) from the HealthLine naming rights deal. In combination with a small amount of concessions revenue, nearly \$1.1 million is expected in 2010. The entire category is projected to remain steady in 2011 and 2012, though changes to service levels may have an impact on this amount.

### Federal & State Operating Assistance

#### Federal Operating Assistance

Federal operating grants are no longer received from the Federal Transit Administration (FTA) for general operating assistance. This source of revenue, at one time very significant, was eliminated in 1999 and will not be restored in the foreseeable future.

Prior to 1999, Federal operating grant dollars had been drawn down based on cash flow requirements in the General Fund. The amount and timing of revenue received from this source in any year fluctuated, based on the Authority's ability to drawdown these funds and the amount of the grant.

This source of revenue declined over the last several years of its existence, reaching a low of \$773,000 in 1998, which represented less than one percent of all General Fund revenues. This amount had been significantly reduced from the 1997 level of \$4.2 million and was nearly a 90 percent reduction from 1995.

This was a result of Congressional action that was to substantially reduce operating assistance to transit agencies eventually leading to the total elimination, which transpired in 1998 for the 1999 budget year.

Although direct Federal Operating Assistance has basically been eliminated, some flexibility has been given to the Authority to use capital grant awards to reimburse the Operating Budget for traditional maintenance expenditures within the Operating Budget. Over the years, the amount of capital funds used for this purpose, Capitalized Operating Assistance (COA), has grown from an initial amount of \$15 million per year to the budgeted amount of \$28.7 million in 2009 and 31.6 million in 2010. This move has helped to maintain the Authority's level of service, as revenue challenges have arisen and been met over the years, but in the long-term it represents an ongoing disinvestment in the Authority's capital infrastructure in favor of maintaining service levels.

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# Fund Budgets

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## General Fund

### Federal & State Op. Assistance, cont.

State operating funds are received from the Ohio Department of Transportation (ODOT) for elderly and handicapped assistance. These funds are awarded annually and correspond to the state fiscal year (July 1 through June 30).

In 1999, nearly \$5 million of State Operating Assistance was completely eliminated with an equivalent amount given as a capital grant. The same was true in 2000 – 2004, though flexibility was given to allow the capitalization of operating expenses. Unfortunately though, beginning in 2005, its use in the form of capitalized operating assistance was no longer permitted.

In 2007, \$2.2 million was awarded and received from the state for elderly and handicapped fare assistance. In 2008, RTA again expects to receive nearly \$2.1 million from the state for this purpose. In 2009, a one-time state award provides the Authority an opportunity to supplement the expected amount of \$2.1 million for Ohio Elderly Fare Assistance by nearly \$7.2 million of revenue to cover other operating expenses. This includes including transfers to capital, contractual paratransit services, and CNG purchases for the bus fleet. In 2010 and 2011, though, the amount drops back to its normal level of \$2.1 million, with an additional award that may be available of \$3.5 million for paratransit and CMAQ revenue for reimbursement of the HealthLine. The effect of the long-term elimination of State Operating Assistance remains evident, as budget strains are projected to exist for the foreseeable future. State aid could offer potential support for public transportation services, but it faces financial challenges of its own.

### Other Revenue

#### Reimbursed Expenditures, Transfers and Other Revenue

The remaining revenue sources to the General Fund contribute \$5.6 million in 2010, representing 2.1 percent of total revenue. These remaining funding sources include Access to Jobs grants, grant reimbursements for RTA labor, materials and administration costs associated with capital projects, fuel tax refunds on diesel and gasoline purchases from the State of Ohio, and reimbursements for outlays associated with capitalized operating expenses.

Capitalized Operating Assistance (COA), the largest of the remaining revenue sources, is found in the category of Reimbursed Expenditures. Between 2003 and 2006, this source has reimbursed close to \$25 million per year in General Fund expenses. The amount was increased to \$27.7 million in 2007, due to a recategorization of bus and rail spare parts from a capital purchase to an inventory item in the General Fund, and again in 2008 when it is expected to reach nearly \$29.1 million. The 2009 Budget projects \$28.7 million in 2009, and \$31.6 million in 2010.

In addition, the Authority will continue to focus on reimbursements to the General Fund for capital project labor expenditures. This source has increased from \$700,000 in 1991 to \$2.8 million in 1992 and has remained near \$4.7 million over the last several years. In 2010, reimbursed labor is projected to generate \$4.5 million.

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# Fund Budgets

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## General Fund

### Other Revenue, cont.

The largest remaining capital project with reimbursable labor will be the Heavy Rail Vehicle (HRV) Overhaul. The reimbursed labor projection for 2010 and 2011 remain near stable as the level of capital activities returns to normal.

The 2010 Budget projects \$1.8 million from the federal government related to the Access to Jobs Program. These funds will be used to reimburse expenses related to reverse commute trips and the RTA vanpool services and are in part 100% ARRA funded. The amount is projected to and hold at \$1.2 million in 2011 and 2012.

Other sources of revenue include fuel tax reimbursements of approximately \$1.0 million, contractor and hospitalization reimbursements, rent, salvage sales, and claims receipts, among other miscellaneous receipts. The amounts received from these sources have fluctuated over the years due to one-time receipts settlements and miscellaneous reimbursements.

### General Fund Expenditures

As discussed in the Citizens Summary, 2010 operating expenditures are expected to decrease by \$12.6 million, or 5.3 percent, over 2009. This includes a budgeted 12% service reduction.

The 2009 budget process originally included an 8 percent service reduction. Due to the temporary funding made available by the Governor and NOACA, a three percent reduction was implemented in the 4<sup>th</sup> quarter 2008 with the remaining five percent implemented in September 2009. The 2010 goal is to minimize the size of the planned April, 2010 service cut.

As a result of the service realignment and other efficiencies, a net decrease of 100 positions are included in the 2010 budget. The 2010 Budget funds 2,477 positions compared to 2,577 in 2009. The Department Budgets chapter provides the details of these General Fund expenditures and staffing levels by department.

Expenditure estimates for 2011 and 2012 include only minimal increases. Personnel estimates include the impact of wage and benefit increases from current negotiated bargaining agreements and projected increases in health care costs. The other operating expenditures reflect an increase to diesel fuel and modest inflation/growth factors for other categories, though adjustments are made based on projected costs and known contracts.

# Fund Budgets

## General Fund

### General Fund Expenditures, cont.

Any new program(s) or expansion of existing programs are assumed as “trade-offs” thus representing no net increase in cost, demonstrating a commitment to financial control.

Transfers to other funds within the Authority continue to place additional financial pressures on the General Fund. The transfer for bond retirement has grown from \$15.5 million in 2007 to a projected \$18.4 million in 2010 to cover increases in debt service payments. This transfer will continue to grow in the future, increasing to \$18.9 million in 2011 reflecting actual debt payments and another projected debt issuance and to \$20.6 million in 2012.

Transfers to support the capital program significantly increased in 2009 to meet the demands for local funding by the Authority’s capital program. Though work has been done to bring the Authority’s capital program in line with existing grant awards, the need for local match funds has increased. When combined with transfers for debt service payments, the total capital contribution exceeds the maximum 15 percent level prescribed by the Authority’s financial policies in 2009 at 18.0 percent, as well as in 2010 and 2011 at 18.8 percent and 18.7 percent respectively. To maintain the proper balance in the Insurance and Pension Funds, transfers of \$3.9 million and \$100,000, respectively, are needed in 2010. In 2011 and 2012, the Insurance Fund transfer will decrease to \$2.9 million in both years and the Pension Fund is projected to need transfers of \$100,000 in both years.

AREAS OF EXPENDITURE GROWTH 2010 BUDGET		
<b>2009 Operating Expenditures</b>	<b>\$238,537,641</b>	
<b>Compensation Issues</b>	<b>(\$781,067)</b>	<b>-0.3%</b>
2009 Annualization of Service Cuts/Operator Labor	(\$3,699,360)	
Fringe Benefits	\$1,573,071	
Hourly Labor Increase	\$298,962	
Salary Labor Increase	\$1,109,789	
Unemployment Comp	(\$63,529)	
<b>Fuel / Utilities</b>	<b>(\$7,599,947)</b>	<b>-3.2%</b>
Diesel Fuel	(\$7,066,884)	
Other Fuel / Utilities Adjustments (net)	\$406,756	
Propulsion Power	(\$939,818)	
<b>Service Opportunities</b>	<b>\$3,160,945</b>	<b>1.3%</b>
ADA Purchased Transportation	\$212,089	
Service Contracts	\$2,005,708	
Misc Materials and Supplies	\$943,147	
<b>Operating Transfers</b>	<b>\$1,713,795</b>	<b>0.7%</b>
Bond Retirement	\$1,101,007	
RTA Capital	\$432,788	
Insurance Fund	\$180,000	
<b>Administrative/Proceedural Changes</b>	<b>(\$389,489)</b>	<b>-0.2%</b>
Administrative Reduction in Forces Salary	(\$920,000)	
Additional positions	\$200,000	
27th Pay moved to 2010 for Salaried Non-Bargining	\$712,000	
Worker’s Comp	\$263,244	
Other/Property Tax	(\$228,727)	
Other Net	(\$416,006)	
<b>Service Reduction</b>	<b>(\$8,700,000)</b>	<b>-3.6%</b>
Operator Labor / Service Efficiencies	(\$6,300,000)	
Diesel Fuel	(\$900,000)	
Vechicle Maintenance Labor	(\$250,000)	
Inventory Parts	(\$1,250,000)	
<b>Expenditure Growth</b>	<b>(\$12,595,764)</b>	<b>-5.3%</b>
<b>2010 Budgeted Operating Expenditures</b>	<b>\$225,941,877</b>	

Figure FB-6: Areas of Expenditure Growth – 2010 Budget

## General Fund Balance Analysis

	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Budget	2011 Budget	2012 Budget
<b>Beginning Balance</b>	16,090,633	15,762,335	14,047,468	8,401,085	2,880,103	2,271,323	-10,886,906
<b>Revenue</b>							
Passenger Fares	40,587,880	43,467,204	48,173,971	49,757,083	52,315,718	53,362,033	54,429,273
Advertising & Concessions	1,404,936	1,217,959	1,591,538	1,197,713	1,109,375	1,100,000	1,100,000
Sales & Use Tax	168,615,372	171,661,508	173,568,817	154,586,220	156,441,255	158,318,550	160,218,372
Operating Assistance - ARRA Federal Grants	0	0	0	0	3,456,000	0	0
Short Term Notes	0	0	0	8,000,000	0	0	0
CMAQ Reimbursement for the Healthline	0	0	0	1,930,603	6,200,000	0	0
Operating Assistance - Paratransit Operations	0	0	0	0	3,456,000	0	0
Ohio Elderly Fare Assistance	2,999,495	2,246,309	0	2,756,762	840,000	924,000	1,016,400
State Funding Fuel Initiative	0	0	0	7,875,683	1,165,200	0	0
Operating Assistance - Trolley Operations	0	0	0	0	783,000	0	0
Access to Jobs Program	890,152	572,647	976,432	2,697,111	1,863,358	1,200,000	1,200,000
Investment Income	862,701	870,024	825,633	198,200	204,146	214,353	225,071
Other Revenue	2,672,865	1,193,213	1,391,890	2,053,241	1,200,000	1,200,000	1,320,000
Reimbursed Expenditures	30,636,402	34,201,180	35,597,279	33,461,105	37,400,000	33,461,105	33,795,716
Weekly Shopper Service	0	0	0	0	180,000	0	0
<b>Total Revenue</b>	<b>248,669,803</b>	<b>255,430,044</b>	<b>262,125,560</b>	<b>264,513,721</b>	<b>266,614,052</b>	<b>249,780,041</b>	<b>253,304,833</b>
<b>Total Resources</b>	<b>264,760,436</b>	<b>271,192,379</b>	<b>276,173,028</b>	<b>272,914,806</b>	<b>269,494,156</b>	<b>252,051,364</b>	<b>242,417,927</b>
<b>Operating Expenditures</b>							
Personnel Services	168,973,550	173,796,848	173,016,961	176,631,322	169,550,255	171,245,757	172,958,215
Diesel Fuel	12,552,157	12,112,507	19,272,336	17,357,364	9,390,480	11,330,790	11,330,790
Other Expenditures	44,776,187	47,653,742	47,662,814	44,548,954	47,001,142	47,471,154	47,945,865
<b>Total Operating Expenditures</b>	<b>226,301,894</b>	<b>233,563,097</b>	<b>239,952,111</b>	<b>238,537,641</b>	<b>225,941,877</b>	<b>230,047,701</b>	<b>232,234,870</b>
<b>Short Term Notes Payment</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8,070,000</b>	<b>0</b>	<b>0</b>
<b>Transfer to the Insurance Fund</b>	<b>750,000</b>	<b>1,200,000</b>	<b>2,900,000</b>	<b>3,520,000</b>	<b>3,700,000</b>	<b>3,185,000</b>	<b>2,800,000</b>
<b>Transfer to the Pension Fund</b>	<b>106,000</b>	<b>100,000</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	14,700,000	15,456,127	14,753,950	17,327,062	18,428,168	18,927,476	20,617,643
Capital Improvement Fund	7,140,207	6,825,687	10,065,882	10,550,000	10,982,788	10,678,092	10,464,721
<b>Total Transfers to Capital</b>	<b>21,840,207</b>	<b>22,281,814</b>	<b>24,819,832</b>	<b>27,877,062</b>	<b>29,410,956</b>	<b>29,605,569</b>	<b>31,082,364</b>
<b>Total Expenditures</b>	<b>248,998,101</b>	<b>257,144,911</b>	<b>267,771,943</b>	<b>270,034,703</b>	<b>267,222,833</b>	<b>262,938,270</b>	<b>266,217,234</b>
<b>Available Ending Balance</b>	<b>15,762,335</b>	<b>14,047,468</b>	<b>8,401,085</b>	<b>2,880,103</b>	<b>2,271,323</b>	<b>-10,886,906</b>	<b>-23,799,308</b>

# Fund Budgets

## Bond Retirement Fund

The Bond Retirement Fund accounts for resources set aside for the payment of principal and interest on debt obligations. The Authority currently has six General Obligation (G.O.) Bond Issues outstanding, totaling \$172.8 million and one State Infrastructure Bank (SIB) loan, totaling nearly \$3.6 million as of December 31, 2008. It is the Authority's policy to set aside resources transferred from the General Fund on a monthly basis to meet the current year's annual principal and semiannual interest payments. Under the set-aside system, the balance in the Bond Retirement Fund drops below one thousand dollars each December 1<sup>st</sup>.

In Figure FB-7, each year's ending balance generally represents one-twelfth of the subsequent year's debt service requirement, which is set-aside on the last day of each year. Thus, the ending balance in this fund remains relatively low at all times. During 2010, the Authority will retire \$11.4 million in principal and pay nearly \$8.0 million in interest on its current long-term debt and SIB loan.

Long-term debt for the Authority includes both debt and refunding debt sales from 1998 through 2008. These include a \$35.0 million issuance and \$27.4 million refunding issuance in 2008, a 2006 debt sale of \$38.5 million, \$67.2 million of debt issued in 2004, \$17.5 million of refunding debt issued from 2002, a \$20.9 million debt issued in 2001, a refunding debt issue of \$29 million and a debt issue of \$33 million both done in 1998. Also reflected in this fund is a 1998 SIB loan with an original amount of \$6.9 million. The total transfers required from the General Fund to make these payments are reduced by interest earned in the Bond Retirement Fund and transfers from capital. For the 2010 Budget, a transfer of \$18.4 million will be required from the General Fund. Overall debt service will continue to increase in both 2011 and 2012, which includes another debt issuance of \$20.0 million in 2010.

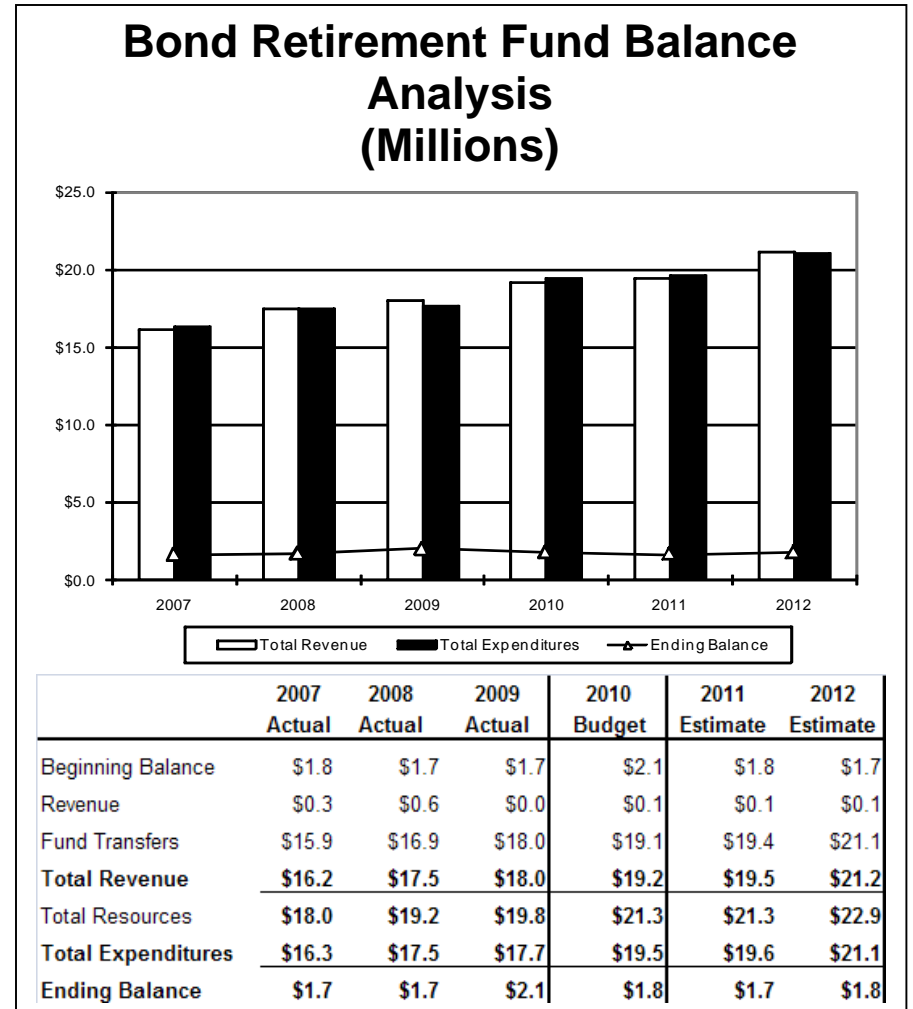


Figure FB-7: Bond Retirement Fund Balance Analysis



## Bond Retirement Fund Balance Analysis

	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Budget	2011 Budget	2012 Budget
<b>Beginning Balance</b>	1,510,792	1,764,973	1,727,210	1,733,884	2,084,582	1,771,731	1,703,022
<b>Revenue</b>							
Transfer from General Fund	14,700,000	15,456,127	14,753,950	17,327,062	18,428,168	18,927,476	20,617,643
Transfer from RTA Development Fund	860,314	510,386	2,113,000	700,000	700,000	450,000	450,000
Investment Income	298,954	271,752	316,200	36,270	75,000	125,000	125,000
Other Revenue	142,782	2,404	326,277	0	0	0	0
<b>Total Revenue</b>	16,002,050	16,240,669	17,509,427	18,063,332	19,203,168	19,502,476	21,192,643
<b>Total Resources</b>	17,512,842	18,005,642	19,236,637	19,797,216	21,287,750	21,274,207	22,895,665
<b>Expenditures</b>							
Debt Service							
Principal	8,801,619	9,358,533	10,216,526	10,012,244	11,439,987	11,726,148	13,669,909
Interest	6,946,250	6,919,899	7,286,227	7,700,390	8,066,032	7,825,037	7,378,006
Other Expenditures	0	0	0	0	10,000	20,000	20,000
<b>Total Expenditures</b>	15,747,869	16,278,432	17,502,753	17,712,634	19,516,019	19,571,185	21,067,915
<b>Ending Balance</b>	1,764,973	1,727,210	1,733,884	2,084,582	1,771,731	1,703,022	1,827,750

# Fund Budgets

## Insurance Fund

The Insurance Fund is used to account for resources, which have been reserved to protect the Authority against future catastrophic or extraordinary losses, since the Authority is currently self-insured in all areas except personal property and equipment. A portion of the self-insurance fund was liquidated and replaced with purchased insurance coverage in 1999. According to the Authority's financial policies, the Risk Manager on an annual basis determines the minimum balance required in the Insurance Fund. The minimum balance in the Insurance Fund decreased from \$7.5 to \$5.0 million in 2005 and has remained until 2009. In 2009, it was necessary to allow the balance to fall to \$4.3 million for cash flow purposes. It is anticipated that the fund balance will remain near that level from 2010 through 2011.

In the late-nineties, expenditures for the settlement of unusual or extraordinary claims as well as for insurance premiums stressed this fund. Transfers to the General Fund totaling \$6.2 million were made in 1998-1999 to clear the excess amount in the fund above the required \$5.0 million, representing a change in the structure of this fund. Unfortunately, unexpected claims costs and a decision to increase the fund balance back to \$7.5 million resulted in the necessity to infuse \$6.2 million back into the Insurance Fund from the General Fund between 2000 through 2003 to maintain the required minimum balance.

A planned 2004 transfer from the General Fund totaling \$1.0 million was not made as a process to reduce the required fund balance back to \$5.0 million was initiated. In 2005, no transfer was made due to a third party settlement. In 2006, a \$750,000 transfer to the Insurance Fund was needed to cover unbudgeted claims followed by an increase to \$1.2 million in 2007 and to \$2.9 million in 2008. In 2009 the transfer from the General Fund was \$3.5 million. The 2010 budget will require a transfer of \$3.7 million.

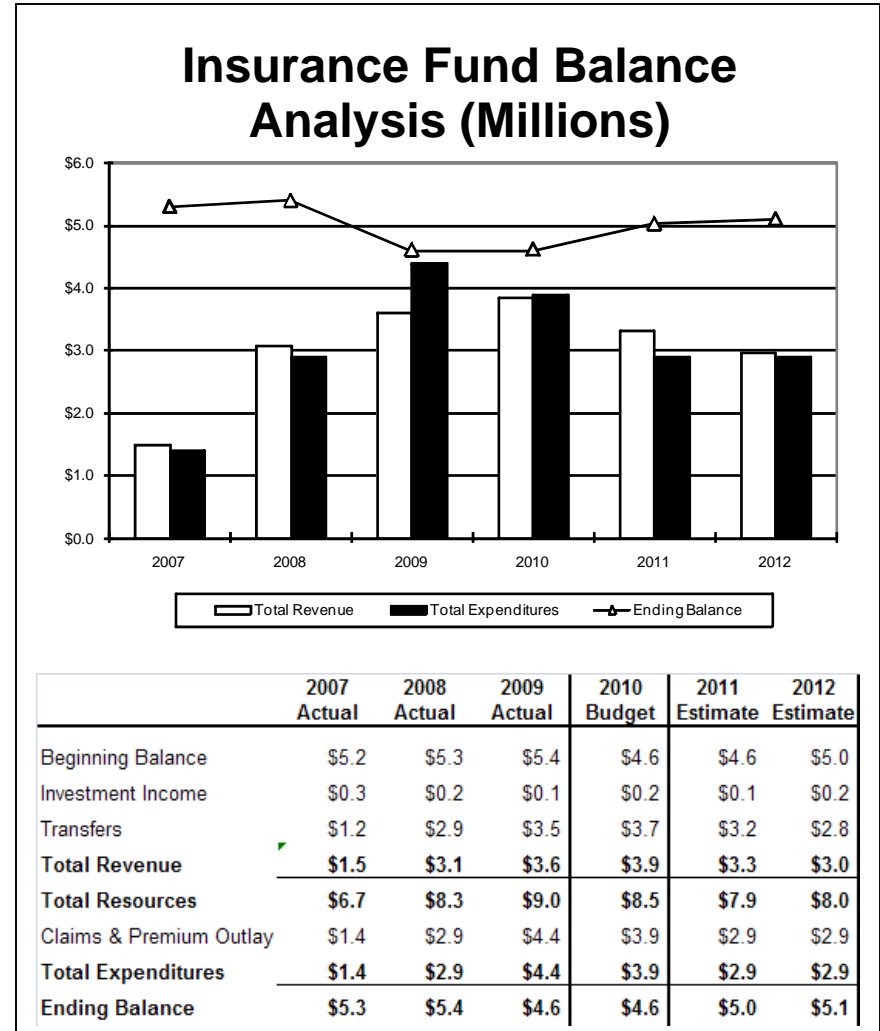


Figure FB-8: Insurance Fund Balance Analysis

## Insurance Fund Balance Analysis

	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Budget	2011 Budget	2012 Budget
<b>Beginning Balance</b>	6,051,880	5,167,010	5,264,655	5,432,199	4,634,855	4,584,858	5,005,098
<b>Revenue</b>							
Investment Income	197,782	316,340	167,544	75,515	150,000	135,240	175,320
Transfer from General Fund	750,000	1,200,000	2,900,000	3,520,000	3,700,000	3,185,000	2,800,000
Other Revenue	0	0	0	0	3	0	0
<b>Total Revenue</b>	<b>947,782</b>	<b>1,516,340</b>	<b>3,067,544</b>	<b>3,595,515</b>	<b>3,850,003</b>	<b>3,320,240</b>	<b>2,975,320</b>
<b>Total Resources</b>	<b>6,999,662</b>	<b>6,683,350</b>	<b>8,332,199</b>	<b>9,027,714</b>	<b>8,484,858</b>	<b>7,905,098</b>	<b>7,980,418</b>
<b>Expenditures</b>							
Claims and Premium Outlay	1,832,652	1,418,695	2,900,000	4,392,859	3,900,000	2,900,000	2,929,000
Other Expenditures	0	0	0	0	0	0	0
<b>Total Expenditures</b>	<b>1,832,652</b>	<b>1,418,695</b>	<b>2,900,000</b>	<b>4,392,859</b>	<b>3,900,000</b>	<b>2,900,000</b>	<b>2,929,000</b>
<b>Ending Balance</b>	<b>5,167,010</b>	<b>5,264,655</b>	<b>5,432,199</b>	<b>4,634,855</b>	<b>4,584,858</b>	<b>5,005,098</b>	<b>5,051,418</b>

# Fund Budgets

## Supplemental Pension Fund

The Supplemental Pension Fund (Pension/Deferred Compensation Trust and Agency Fund) was established to account for assets held by the Authority in a trustee capacity for payments of benefits relating primarily to certain retired employees of the Authority and its predecessor transit systems. Since 1986, the Pension Fund also has been used to account for funds on deposit with the Ohio Public Employees Deferred Compensation Board. The Authority has no control over these funds, but is required to account for them in a trust and agency fund according to governmental accounting standards.

An actuarial evaluation is performed every two years to assess the adequacy of the fund balance. This Budget increases and maintains the fund balance at levels recommended in the last actuarial evaluation. Transfers of \$100,000 will be made from the General Fund to support this effort in 2010, 2011, and 2012, but these amounts may change with the results of the next actuarial study.

Benefit payments from this fund between 2005 and 2009 have ranged from a low of nearly \$88,000 in 2005 to a high of just under \$95,000 in the following year. In 2010, payments will be approximately \$81,907, increasing to \$84,000 in 2011 and 2012. The ending balance in the fund is projected to be stable at nearly \$1.0 million over the next three years.

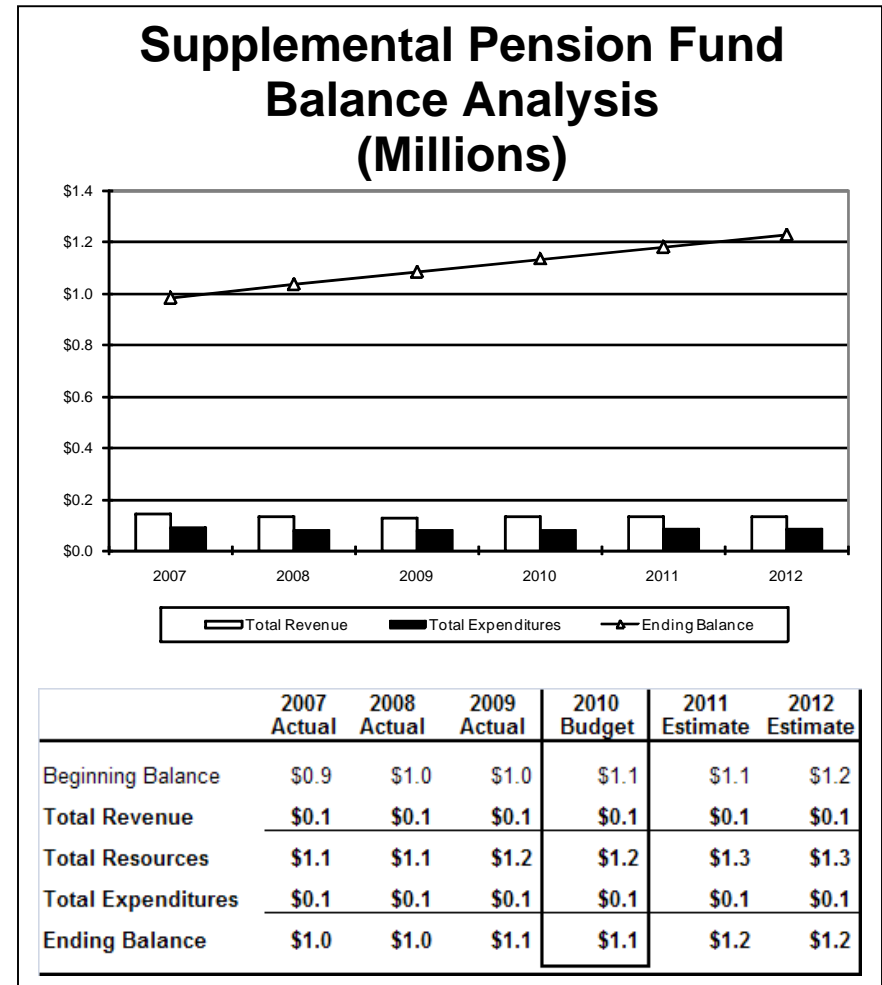


Figure FB-9: Supplemental Pension Fund Balance Analysis

## Supplemental Pension Fund Balance Analysis

	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Budget	2011 Budget	2012 Budget
<b>Beginning Balance</b>	888,711	933,358	983,292	1,036,017	1,083,091	1,132,184	1,179,184
<b>Revenue</b>							
Investment Income	33,586	42,900	34,609	28,441	31,000	31,000	31,000
Transfer from General Fund	106,000	100,000	100,000	100,000	100,000	100,000	100,000
<b>Total Revenue</b>	<b>139,586</b>	<b>142,900</b>	<b>134,609</b>	<b>128,441</b>	<b>131,000</b>	<b>131,000</b>	<b>131,000</b>
<b>Total Resources</b>	<b>1,028,297</b>	<b>1,076,258</b>	<b>1,117,901</b>	<b>1,164,458</b>	<b>1,214,091</b>	<b>1,263,184</b>	<b>1,310,184</b>
<b>Expenditures</b>							
Benefit Payments	94,939	92,966	81,884	81,366	81,907	84,000	84,000
Other Expenditures	0	0	0	0	0	0	0
<b>Total Expenditures</b>	<b>94,939</b>	<b>92,966</b>	<b>81,884</b>	<b>81,366</b>	<b>81,907</b>	<b>84,000</b>	<b>84,000</b>
<b>Ending Balance</b>	<b>933,358</b>	<b>983,292</b>	<b>1,036,017</b>	<b>1,083,091</b>	<b>1,132,184</b>	<b>1,179,184</b>	<b>1,226,184</b>

# Fund Budgets

## Law Enforcement Fund

In 1988, RTA became involved with the multi-jurisdictional Caribbean/Gang Task Force. RTA's involvement was prompted by the increasing gang activity found in and around the rail system and the need to obtain intelligence in this area. In addition to the benefits of intelligence gathering and improved inter-department relations, the GCRTA derives revenue from seized and confiscated moneys and/or properties of convicted drug dealers prosecuted by the Task Force.

Revenue obtained through the Task Force can be expended for non-budgeted police items. The Authority primarily uses these proceeds for unbudgeted capital items. Furthermore, certain guidelines have been instituted by the State Attorney General's Office for the reporting of and disbursement of funds. Expenditures within this fund have varied over the years, ranging from over \$112,829 in 2008 to \$60,318 in 2009 depending upon the levels of revenue obtained through the Task Force. These expenditures funded security items, protective equipment, and technical training equipment. At present, no expenditures are assumed in 2010, 2011 or in 2012.

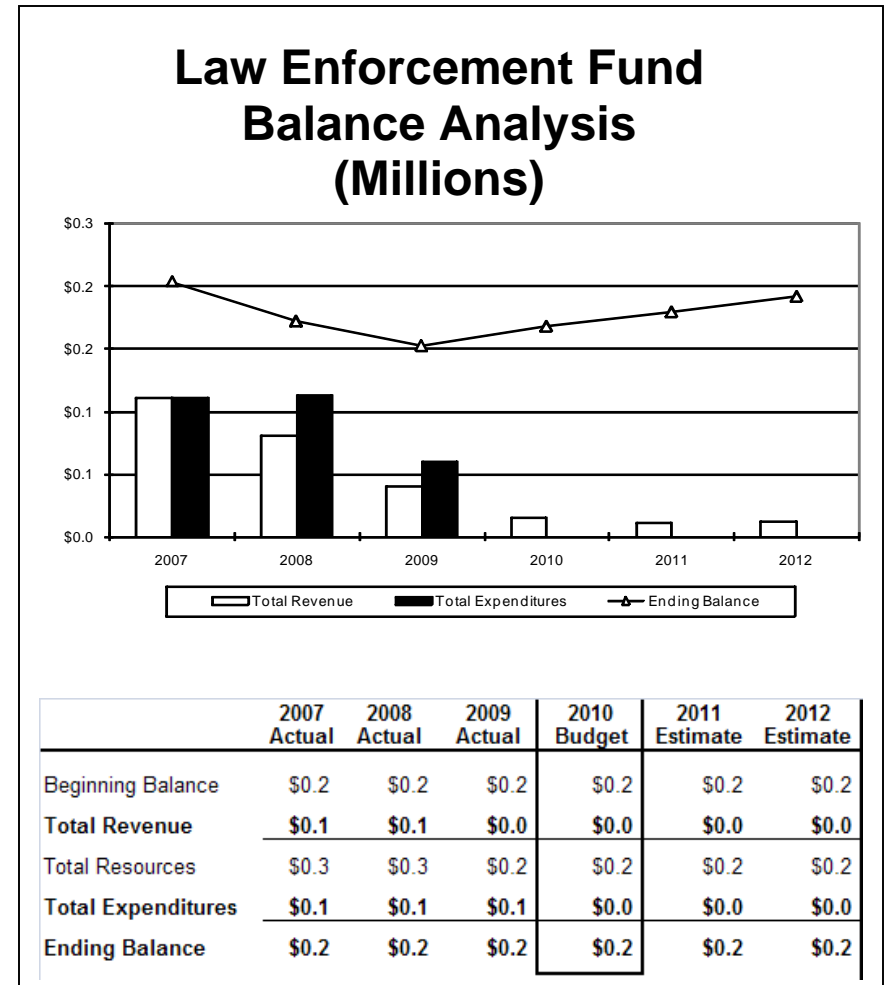


Figure FB-10: Law Enforcement Fund Balance Analysis

## Law Enforcement Fund Balance Analysis

	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Budget	2011 Budget	2012 Budget
<b>Beginning Balance</b>	217,680	204,509	204,126	172,193	152,517	168,117	179,717
<b>Revenue</b>							
Law Enforcement Revenue	53,389	99,046	14,400	11,280	15,000	11,000	12,000
Investment Income	9,424	11,784	4,505	425	600	600	600
Other Revenue	0	0	61,991	28,937	0	0	0
<b>Total Revenue</b>	<b>62,813</b>	<b>110,830</b>	<b>80,896</b>	<b>40,642</b>	<b>15,600</b>	<b>11,600</b>	<b>12,600</b>
<b>Total Resources</b>	<b>280,493</b>	<b>315,339</b>	<b>285,022</b>	<b>212,835</b>	<b>168,117</b>	<b>179,717</b>	<b>192,317</b>
<b>Expenditures</b>							
Capital & Related Items	75,984	111,213	112,829	60,318	0	0	0
<b>Total Expenditures</b>	<b>75,984</b>	<b>111,213</b>	<b>112,829</b>	<b>60,318</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Ending Balance</b>	<b>204,509</b>	<b>204,126</b>	<b>172,193</b>	<b>152,517</b>	<b>168,117</b>	<b>179,717</b>	<b>192,317</b>

# Fund Budgets

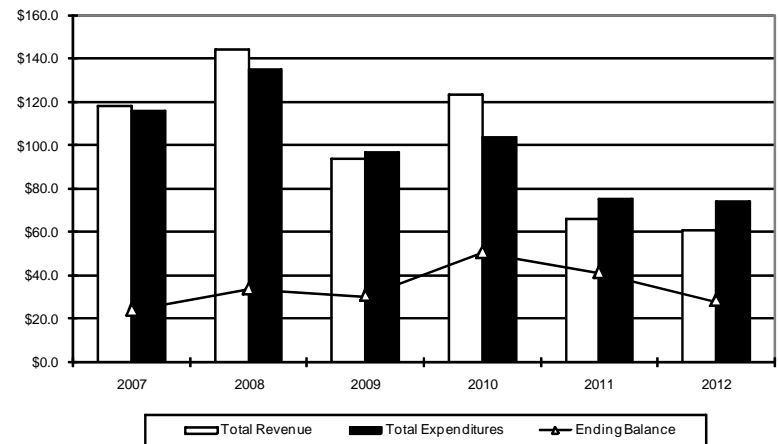
## Capital Improvement Fund

### Capital Improvement Fund Balance Analysis

The Authority's Capital Improvement Fund is used to account for the acquisition, construction, replacement, repair, and renovation of major capital facilities and equipment. The Capital Improvement Plan is composed of both grant-funded projects as well as 100 percent locally funded items.

These projects are included in one of two funds: the RTA Development Fund which includes the majority of the larger projects, including rehabilitations, expansions and large equipment purchases, and the RTA Capital Fund, a smaller fund for more routine expenditures that support daily operational activities. Generally, projects in the RTA Development Fund are greater than \$150,000, have a useful life of greater than five years, and are predominantly, although not exclusively, supported through grants. Projects from the Authority's Long Range Plan are included in this area. Grant projects include those where grant funding already has been approved or will be submitted for approval in future years. The projects included in the RTA Capital Fund are generally less than \$150,000, have a useful life of less than 5 years, and are routine in nature. Unlike the RTA Development Fund, where the majority of projects are funded with grants, the RTA Capital Fund is financed entirely through local dollars in the form of sales tax contributions.

### Capital Improvement Fund Balance Analysis (Millions)



	2007 Actual	2008 Actual	2009 Actual	2010 Budget	2011 Estimate	2012 Estimate
Beginning Balance	\$21.7	\$24.2	\$33.8	\$30.7	\$50.5	\$41.3
<b>Total Revenue</b>	<b>\$118.4</b>	<b>\$144.6</b>	<b>\$93.6</b>	<b>\$123.3</b>	<b>\$66.1</b>	<b>\$61.0</b>
Total Resources	\$140.1	\$168.8	\$127.4	\$154.0	\$116.6	\$102.3
<b>Total Expenditures</b>	<b>\$115.9</b>	<b>\$135.1</b>	<b>\$96.7</b>	<b>\$103.5</b>	<b>\$75.3</b>	<b>\$74.0</b>
Ending Balance	\$24.2	\$33.8	\$30.7	\$50.5	\$41.3	\$28.3

Figure FB-11: Capital Improvement Fund Balance Analysis



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# Fund Budgets

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## Capital Improvement Fund

### Capital Improvement Fund Balance Analysis, cont.

Detailed discussions of the fund balances in these funds are presented in the Capital Improvement Plan. Figure FB-11 provides a consolidated look at all Capital Improvement Funds. The fund balance alternates years of increases and decreases as planned activities are balanced with cash infusions. Overall, the balance has been generally decreasing since 1990. Periodic increases over the years have been a direct result of cash infusion from debt sales or from other irregular one-time revenue, such as an infusion from a \$15.0 million "Sale to Lease" transaction in 2002 or a \$25.0 million Capital Lease transaction in 2007.

After increasing by nearly \$8.6 million in 2006 due to a \$25.0 million debt issuance that partially offset an increase in capital expenditures, the available balance in this fund again increased in 2007 due to a \$25.0 million capital lease for revenue collection equipment. In 2008, the ending balance is projected to increase to \$34.3 million, due to the infusion of funds from a \$35 million debt issuance and to a high level of Federal Capital Grant resources associated with the recently opened HealthLine/Euclid Corridor Project. In 2009, the balance declined due to the lateness of receipt of the Federal Capital Grants. The balance rebounds in 2010 due to the next planned debt issuance, and receipt of ARRA funds, then decreases again in 2012.

Capital activity by the Authority increased in the early 1990s, as the GCRTA completed work on the Tower City Rail Station, bus purchases, and Red Line improvements, among other projects. The high level of capital activity continued until recently with such projects as construction of the Harvard and Triskett Garages, rehabilitation of

the Hayden Garage, the opening of Light Rail Waterfront Line, the HealthLine along Euclid Avenue, a mid-life overhaul of the Authority's Light Rail Fleet, as well as the reconstruction of multiple Rail Stations. Funds set aside for these projects were drawn against, as part of a planned drawdown of the fund balance. Beginning in 2008, the capital budget process stressed the need to balance the ambitious capital program with available grant funding and to minimize, where possible, the use of local funds. This resulted in few new projects being added to the budget, a process that was continued during through the 2009, and 2010 budget process.

The Authority's infrastructure needs continue to exceed the amount of available grant funding and will likely require continued high levels of local financial support. In 2010, the Capital Budget request totals \$72.1 million for equipment, services, and construction projects to improve, replace or upgrade the Authority's facilities and infrastructure. Proceeds from debt sales, as well as from sales tax contributions, will be used to fulfill the Local Match requirement on grant funded projects as well as for 100 percent locally funded projects. The 2010 Contribution to Capital from the General Fund is budgeted at \$11.0 million and is expected to slightly decrease in 2011 to \$10.7 million and to \$10.5 million in 2012. Efforts continue relative to securing additional federal and state resources, tapping into the increased funding flexibility provided under the newly adopted Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), and becoming more creative with the use of debt and other financing.

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# Fund Budgets

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## Capital Improvement Fund

### Capital Improvement Fund Revenue

The Authority receives various capital grants from the Federal Transit Administration (FTA). Funds are requested from FTA, as needed, to meet obligations, via wire transfer. The timing of the receipt of federal capital revenue is directly related to costs invoiced by contractors/vendors, since these funds must be disbursed within three days after receipt. FTA grants normally cover approximately 80 percent of project costs, the remaining cost being absorbed by the Authority's local match revenue, which consist of interest income, transfers from other funds and sales of bonds and notes. In some cases FTA grants are awarded with a 100 percent Federal share. This includes funding from the American Recovery & Reinvestment Act of 2009 (ARRA) and from the Transportation Investment Generating Economic Recovery (TIGER) program. State capital assistance is seen in the form of State capital grants from the Ohio Department of Transportation (ODOT) and loans from the State Infrastructure Bank (SIB).

The RTA Capital Fund was established in 1988, and receives sales and use tax proceeds as part of the minimum 10 percent contribution to capital requirement as described under General Fund Revenue. Interest earned on the investment of those sales tax proceeds is the only other income credited to the RTA Capital Fund.

Transfers from General Fund revenue to the RTA Capital Fund have been growing in recent years just as the growth rate in revenue from

the Sales & Use Tax stagnated and decreased. Transfers have risen from \$6.6 million in 2005, to \$7.1 million in 2006, \$6.8 million in 2007, to \$10.1 million in 2008, and to \$10.6 million in 2009 as demands from the on-going capital program increased the need for local funds. For the 2010 Budget Year, the Transfer from the General Fund will again need to increase, to a planned \$11.0 million, to meet the needs of the capital program. This amount, when combined with the expected \$18.4 million transfer to the Bond Retirement Fund will produce a total contribution of Sales & Use Tax revenue to capital of 18.8 percent, significantly exceeding the maximum goal of 15 percent.

In 2011 and 2012, contributions will again exceed the maximum goal at 18.7 and 19.4 percent respectively due to the cost of the Authority's long-range Capital Plan. The expected growth in the contribution to capital, as well as it remaining well above the maximum goal of 15.0, highlights the growing problem of meeting the operating needs of the Authority while maintaining the Authority's assets as well. Meeting both will significantly challenge the overall financial stability of the Authority, particularly in light of the current economic situation and the decrease in revenue from the Sales & Use Tax.

## Capital Improvement Fund Balance Analysis

	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Budget	2011 Budget	2012 Budget
<b>Beginning Balance</b>	12,818,403	21,684,192	24,211,812	33,755,518	30,706,082	50,520,518	41,321,001
<b>Revenue</b>							
Transfer from General Fund	7,140,207	6,825,687	10,065,882	10,550,000	10,982,788	10,678,092	10,464,721
Investment Income	1,278,176	940,802	1,737,653	272,360	326,500	425,000	425,000
Federal Capital Grants	71,849,886	74,319,702	86,109,609	65,807,459	59,227,000	45,901,244	48,176,409
ARRA Federal Capital Grants	0	0	0	7,840,623	30,823,088	7,084,988	0
State Capital Grants	6,011,798	8,532,391	9,370,685	9,162,154	968,147	968,147	960,000
General Obligation Debt Proceeds	25,003,289	0	35,472,559	0	20,000,000	0	0
Capital Lease	0	25,000,000	0	0	0	0	0
Other Revenue	500,000	2,810,906	1,837,731	0	1,000,000	1,000,000	1,000,000
<b>Total Revenue</b>	<b>111,783,356</b>	<b>118,429,488</b>	<b>144,594,119</b>	<b>93,632,596</b>	<b>123,327,523</b>	<b>66,057,471</b>	<b>61,026,130</b>
<b>Total Resources</b>	<b>124,601,759</b>	<b>140,113,680</b>	<b>168,805,931</b>	<b>127,388,114</b>	<b>154,033,606</b>	<b>116,577,989</b>	<b>102,347,131</b>
<b>Expenditures</b>							
Capital Outlay	102,057,253	113,391,482	132,464,854	95,982,032	102,813,088	74,806,988	73,587,000
Other Expenditures	0	2,000,000	472,559	0	0	0	0
Transfer to Bond Retirement Fund	860,314	510,386	2,113,000	700,000	700,000	450,000	450,000
<b>Total Expenditures</b>	<b>102,917,567</b>	<b>115,901,868</b>	<b>135,050,413</b>	<b>96,682,032</b>	<b>103,513,088</b>	<b>75,256,988</b>	<b>74,037,000</b>
<b>Available Ending Balance</b>	<b>21,684,192</b>	<b>24,211,812</b>	<b>33,755,518</b>	<b>30,706,082</b>	<b>50,520,518</b>	<b>41,321,001</b>	<b>28,310,131</b>

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# DEPARTMENT BUDGETS

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## What You Will Find In The Department Budget Section

The Department Budgets Section provides detailed information about the budget of a particular division or department within the Authority. Departments are listed in department-number order within their respective divisions. The Table of Contents at the beginning of the document lists departments by division. Also, departments are listed on the tabs of each division within this section.

**Budget information is organized at two levels within this section:**

Division – For each of the divisions within the Authority, a narrative introduces the mission and general description of the division. Achievements from 2009 are highlighted, in addition to priorities for the upcoming 2010 Budget Year. Historical expenditure information for the last three years is presented for each department within the division.

Budget information appears for the current year, and estimates of future expenditures are provided for the next two years. A graph shows the distribution of expenditures among the departments within the division.

Department – Detailed information is presented for each department, including a description of the department's functions. Detailed information on historical, current year and projected future expenditures is presented. Current year information reflects the total approved budget presented by summary object classes. Also presented is budget implementation information, including budget directives and performance indicators. Organization charts and staff level summaries accompany each department. All positions listed on the organization charts are described as shown below:

POSITION TITLE JOB CLASS (# OF POSITIONS)
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A solid box indicates that the position is budgeted in and reports to the Department in which it is referenced. A dotted box denotes that the position has a reporting relationship with the particular Department but is not budgeted by the Department in which it is shown. A solid line reflects reporting of one position to another. A dotted line reflects reporting of one position to two or more other positions.

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# DEPARTMENT BUDGETS

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## What You Will Find In The Department Budget Section

The organizational charts and budgeted positions shown in the 2010 Budget represent a snapshot in time. Accordingly, they reflect the positions and organizational structure at the time the budget was adopted. During the course of the year a budgeted position may undergo changes in responsibility and scope as a result of technology and/or process improvements. When these changes are significant, it may become necessary to re-evaluate the grade level and title of a position to ensure it is consistent with the Authority's Job Evaluation System and organizational structure.

Furthermore, the organizational charts included in the 2010 Operating Budget represent the completion of the district management reorganization. During that implementation, a number of operational departments underwent name and/or structural changes or were combined with other departments. These types of changes may also have occurred as a result of re-engineering efforts. In addition to structural changes, a number of positions may have changed in scope, title, and/or function to reflect new responsibilities.

## Division - Operations

<b>Division Summary</b>	<b>DB - 3</b>
Paratransit District	DB - 8
Rail District	DB - 12
Transit Police	DB - 18
Service Management	DB - 22
Service Quality Management	DB - 28
Fleet Management	DB - 32
Satellites and Pass Thrus	DB - 38
Hayden District	DB - 40
Harvard District	DB - 44
Triskett District	DB - 48

# DIVISION SUMMARY

## Operations

Michael C. York, Deputy General Manager

### Mission Statement

The mission of the Operations Division is to provide safe, reliable and effective customer-focused transportation services throughout the RTA's service area in accordance with the service policies and financial plans adopted by the Authority.

### General Description

The Operations Division provides special door-to-door and scheduled fixed route bus and rail transportation services to the general public and is responsible for maintenance of all vehicles, equipment, and properties.

### 2009 Achievements

- Realized significant cost savings and productivity improvements through participation in TransitStat program.
- Implemented work shift changes to improve support efficiency and cost effectiveness.
- Continued operation and maintenance of Health Line.
- Continued Proof-of-Payment (POP) fare collection on Health Line and Red Line Rail service.
- Participated in Amalgamated Transit Union (ATU) contract negotiations
- Continued fine-tuning services to minimize cost and maximize service productivity.
- Completed Light Rail Vehicle (LRV) Overhaul for 34 vehicles.
- Implemented service modifications to reduce operating costs in June and September, including elimination of Community Circulator program.
- Acquired & placed into service 20 new articulated vehicles (RTVs); 3 of these for the Health Line and 17 for routes 22 and 26.
- Acquired and placed into service 57 new Paratransit buses.
- Continued the in-house rehabilitation of 40 Heavy Rail Vehicles (HRVs) and the associated rail equipment personnel apprenticeship program.
- Continued efforts to reduce crime on RTA vehicles and at RTA facilities.
- Installed CCTV surveillance cameras on 34 LRVs.
- Continued support of Senior Transportation Connection (STC) initiatives in Cuyahoga County.
- Improved preventive maintenance schedules for equipment and facilities.
- Continued track geometry profiling.
- Equipped NABI buses with audible turn alarms that beep when the turn signals are activated. These are a safety initiative to reduce pedestrian accidents.
- Improve customer communications and quality of service delivery.



# DIVISION SUMMARY

## Operations

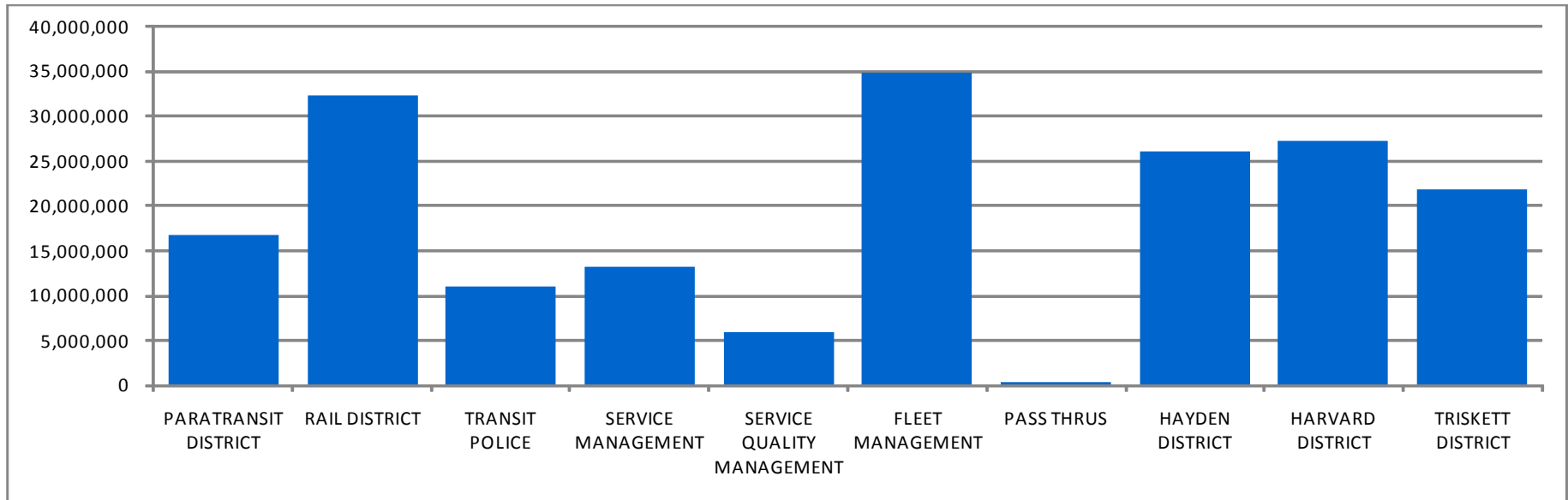
Michael C. York, Deputy General Manager

### 2010 Priorities

- Improve the cost-effectiveness and efficiency of service delivery.
- Continue priority focus on improving customer communications and service delivery.
- Continue to aggressively support all safety initiatives to instill a safety culture throughout the Authority.
- Implement the Talking Bus Program to reduce pedestrian accidents.
- Prepare for and execute a major service reduction (approximately 12%).
- Be prepared to implement additional service reductions should the Authority's fiscal situation require further cost containment.
- Continue to fine-tune services to minimize cost and maximize service delivery productivity.
- Reroute downtown bus routes in the vicinity of CSU to layover/stage at the new Stephanie Tubbs Jones Transit Center when it opens in late 2010.
- Plan, implement, and operate the Shopper Special Service program that is offered to communities served by the discontinued Community Circulators.
- Continue to support and participate in the TransitStat program to reduce costs and improve the Authority's business practices and services.
- Continue Proof-of-Payment (POP) fare enforcement on Health Line and Heavy Rail.
- Participate in contract negotiations with the FOP.
- Aggressively enforce energy conservation and sustainability initiatives.
- Continue the in-house rehabilitation of 40 Heavy Rail Vehicles (HRVs) and the associated rail equipment personnel apprenticeship program.
- Continue efforts to reduce crime on RTA vehicles and at RTA facilities.
- Resolve Siemens radio contract issues.
- Complete the rail track geometry profiling and hire a contractor for the track profile grinding work.
- Support and participate in the Authority's hosting of the 2010 APTA Bus Conference and "Roadeo" in May.
- Continue to support the Senior Transportation Connection (STC) initiatives.

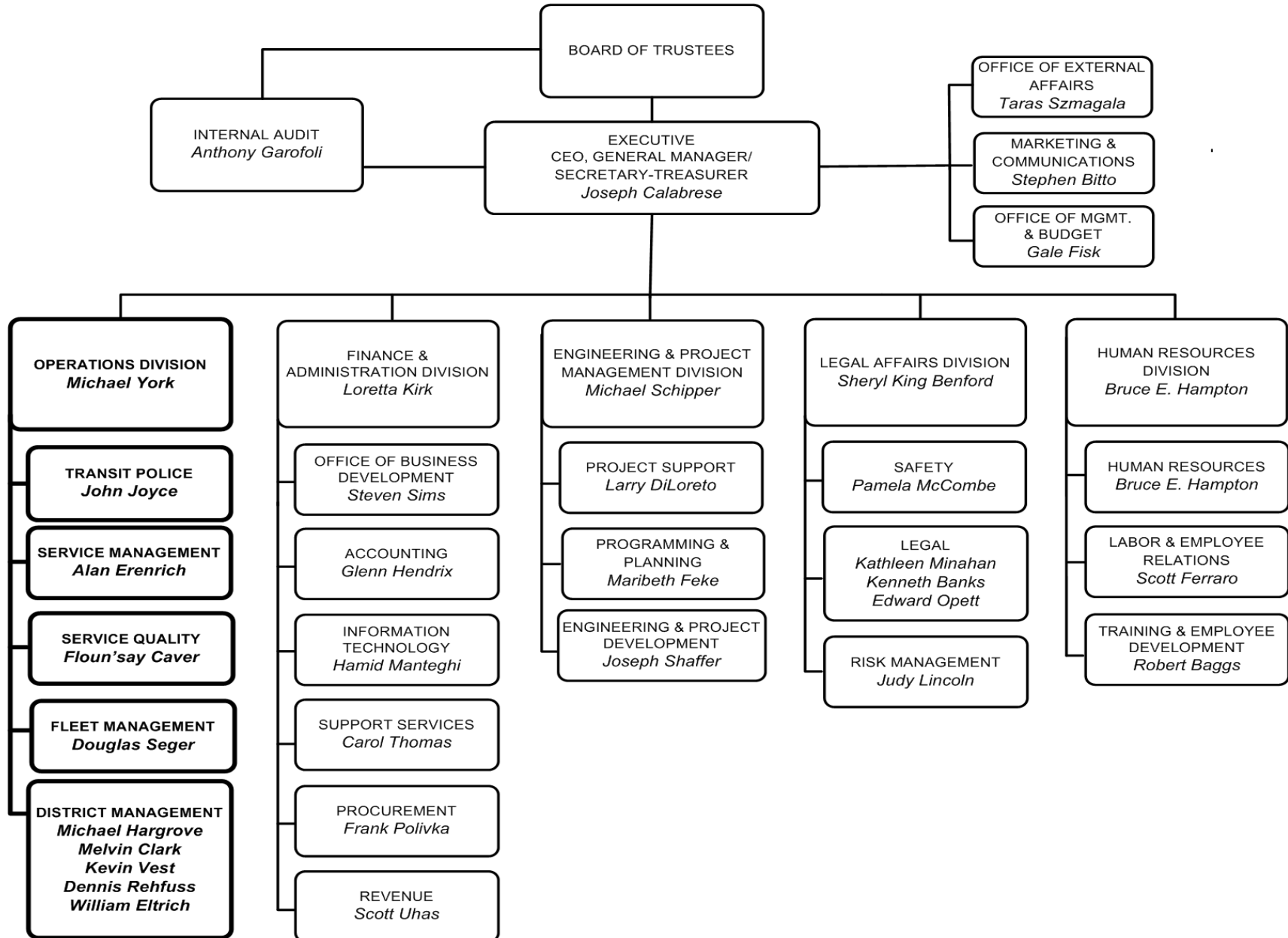
# 2010 OPERATING BUDGET SUMMARY

## Division 1 - Operations



Dept. #	Description	2007 Actual	2008 Actual	2009 Actual	2010 Budget	2011 Estimate	2012 Estimate
31	PARATRANSIT DISTRICT	13,459,289	14,530,318	15,957,727	16,703,722	16,964,378	17,103,527
32	RAIL DISTRICT	33,318,007	33,371,509	33,071,349	32,375,480	32,702,411	33,033,501
34	TRANSIT POLICE	7,949,702	8,591,972	9,927,561	11,095,216	11,208,642	11,323,272
35	SERVICE MANAGEMENT	15,898,967	11,203,009	11,785,385	13,155,132	13,260,490	13,366,932
38	SERVICE QUALITY MANAGEMENT	0	5,108,111	5,867,513	5,992,347	6,052,984	6,114,267
39	FLEET MANAGEMENT	40,543,014	46,307,274	41,524,985	34,865,729	37,007,624	37,334,259
43	PASS THRU	665,335	246,439	231,510	275,000	275,000	275,000
46	HAYDEN DISTRICT	27,798,437	27,724,756	29,309,425	26,101,021	26,363,521	26,628,820
47	HARVARD DISTRICT	29,042,871	28,134,886	29,276,123	27,284,673	27,562,725	27,843,740
49	TRISKETT DISTRICT	30,843,672	29,545,583	27,500,388	21,802,245	22,022,154	22,244,408
<b>DIVISION TOTALS</b>		<b>\$ 199,519,294</b>	<b>\$ 204,763,858</b>	<b>\$ 204,451,965</b>	<b>\$ 189,650,566</b>	<b>\$ 193,419,927</b>	<b>\$ 195,267,725</b>

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY  
TABLE OF ORGANIZATION  
AS OF 2010 BUDGET ADOPTION



# DEPARTMENTAL STAFFING ANALYSIS

## Authorized Staffing Level by Division

	2008	2009	2010	Variance 2010 - 2009
<b>OPERATIONS</b>				
PARATRANSIT DISTRICT	175	182	182	0
RAIL DISTRICT	415	385	383	(2)
TRANSIT POLICE	151	153	148	(5)
SERVICE MANAGEMENT	126	65	64	(1)
SERVICE QUALITY MANAGEMENT	0	67	67	0
FLEET MANAGEMENT	182	177	174	(3)
HAYDEN DISTRICT	425	417	411	(6)
HARVARD DISTRICT	458	447	441	(6)
TRISKETT DISTRICT	462	412	336	(76)
<b>TOTALS</b>	<b>2,394</b>	<b>2,305</b>	<b>2,206</b>	<b>(99)</b>

# 2010 OPERATING BUDGET SUMMARY

## Department 31 – Paratransit District

**MICHAEL HARGROVE, DISTRICT DIRECTOR**

The mission of the Paratransit District is to provide essential door-to-door transportation services 24 hours a day, seven days a week for Americans with Disabilities Act (ADA) eligible persons who cannot use regular GCRTA services as required by the ADA law and to manage all facilities and vehicle maintenance functions related to District operations.

OBJECT		2007 Actual	2008 Actual	2009 Actual	2010 Budget	2011 Estimate	2012 Estimate
CLASS	DESCRIPTION						
501100	BUS OPERATOR'S LABOR	4,143,767	4,458,601	4,979,235	5,098,496	5,149,481	5,200,976
501110	OVERTIME - BUS OPERATORS	544,253	639,051	428,930	480,000	480,000	480,000
501200	HOURLY EMPLOYEES PAYROLL	2,244,882	2,239,736	2,428,671	2,510,406	2,535,510	2,560,865
501210	OVERTIME - HOURLY EMPLOYEES	323,508	201,937	234,920	200,000	200,000	200,000
501300	LABOR - SALARIED EMPLOYEES	912,696	898,598	907,057	857,043	865,614	874,270
501310	OVERTIME - SALARIED EMPLOYEES	39,263	26,797	24,957	21,000	21,000	21,000
502000	FRINGE BENEFITS	2,553,791	2,793,138	3,171,643	3,592,219	3,635,326	3,678,950
502071	W. C. - INJURIES & DAMAGES	459	2,617	2,473	0	0	0
503000	SERVICES	60,694	73,182	81,246	96,800	96,800	96,800
504000	MATERIAL & SUPPLIES	291,724	258,309	198,905	410,000	410,000	410,000
508020	PURCHASED TRANSPORTATION - SUBURBAN	2,336,613	2,934,765	3,494,800	3,426,889	3,559,779	3,569,798
508027	PURCHASED TRANSPORTATION - TAXI	2,000	(2,000)	0	0	0	0
509000	MISCELLANEOUS EXPENSES	4,328	4,310	3,391	8,310	8,310	8,310
512000	LEASES & RENTALS	1,310	1,277	1,500	2,558	2,558	2,558
<b>DEPT TOTAL</b>		<b>13,459,289</b>	<b>14,530,318</b>	<b>15,957,727</b>	<b>16,703,722</b>	<b>16,964,378</b>	<b>17,103,527</b>

# Department Budgets

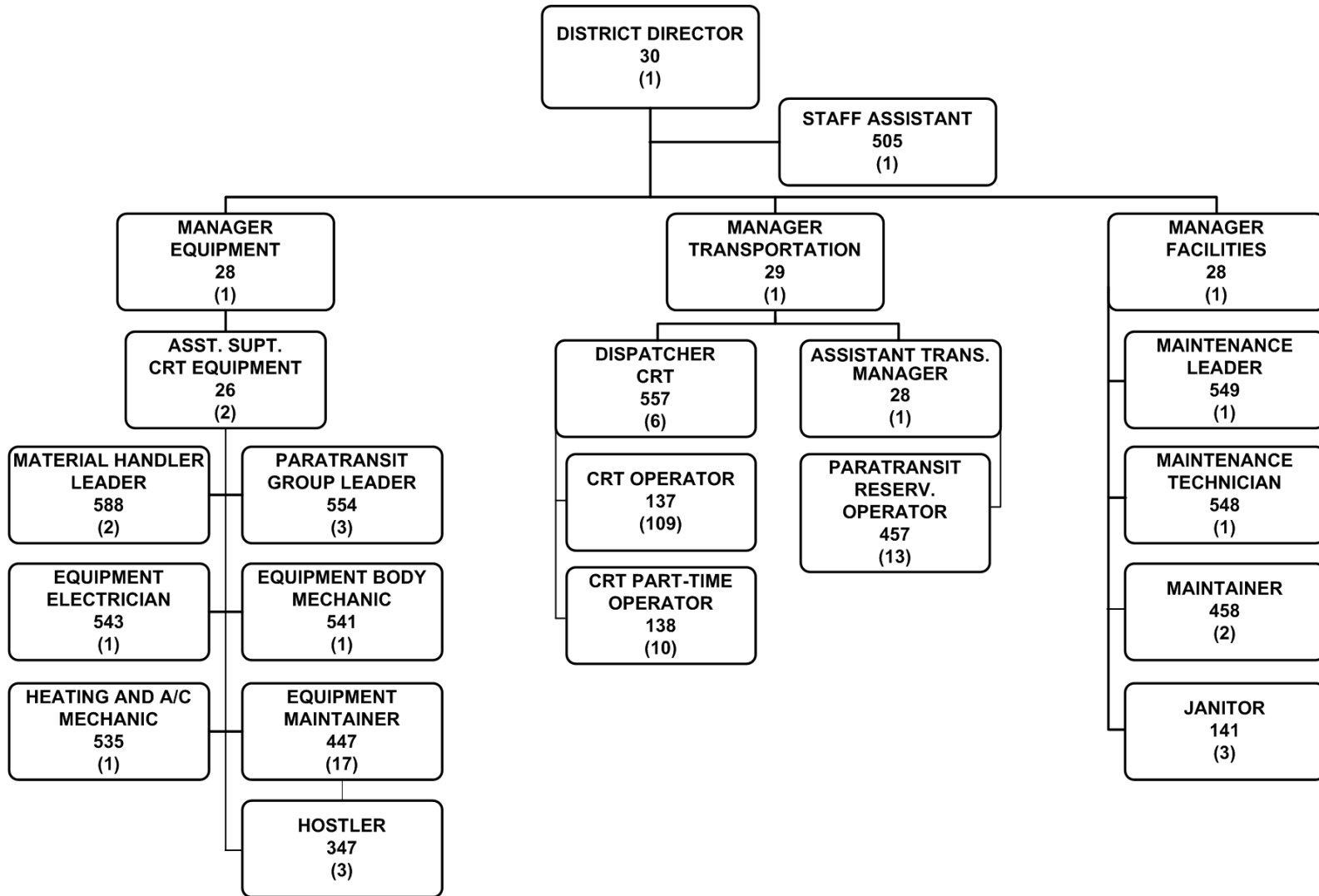
## 2010 Budget Implementation

### Department 31 – Paratransit District

- Continue to implement the Paratransit Action plan to decrease customer wait times, decrease trip denials, and increase unlinked passenger trips per revenue hour.
- Meet FTA/ADA Paratransit service parameters for average wait times and trip denials.
- Support the participation in the new TransitStat project.
- Improve customer utilization of IVR and Web access for scheduling functions.
- Continue to provide support to Senior Transportation Connection (STC).

	<b>2007 Actual</b>	<b>2008 Actual</b>	<b>2009 Actual</b>	<b>2010 Budget</b>
<b>CALLS</b>				
Calls Taken	209,822	206,557	215,000	218,000
Average Wait Time – Minutes per Call	1:09	1:05	1:10	1:00
% Calls Abandoned	3.07%	3.55%	2.5%	2.3%
<b>TRIPS</b>				
Passenger Trips Completed	481,112	513,502	525,000	550,000
% Trip Denials	0.0014%	0.00%	0.00%	0.00%
Cost per Revenue Mile	\$6.00	\$4.19	\$4.25	\$4.30
Unlinked Passenger Trip per Revenue Hour	1.60	2.01	2.00	2.05
Average Number of Revenue Vehicles inspected per month	35	39	40	41

**GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY**  
**TABLE OF ORGANIZATION**  
**OPERATIONS DIVISION**  
**PARATRANSIT DISTRICT**  
**#31**



# Staffing Level Comparisons

**DEPARTMENT: 31 - PARATRANSIT DISTRICT**

<b>JOB CLASS</b>	<b>JOB TITLE</b>	<b>APPROVED 2008</b>	<b>APPROVED 2009</b>	<b>APPROVED 2010</b>	<b>2010-2009 VARIANCE</b>
137	137 PARATRANSIT OPERATOR	109	109	109	0
138	138 PART-TIME PARATRANSIT OPERATOR	0	10	10	0
141	141 JANITOR	3	3	3	0
215	215 MAINTENANCE CLERK	1	0	0	0
347	347 HOSTLER	3	3	3	0
442	442 EQUIPMENT SERVICER	2	2	0	(2)
447	447 EQUIPMENT MAINTAINER	15	15	17	2
457	457 PARATRANSIT RESERVATIONS OPERATOR	14	14	13	(1)
458	458 MAINTAINER	2	2	2	0
505	505 STAFF ASSISTANT	1	1	1	0
535	535 HEATING / AIR CONDITIONING MECHANIC	1	1	1	0
541	541 EQUIPMENT BODY MECHANIC	1	1	1	0
543	543 EQUIPMENT ELECTRICIAN	1	1	1	0
548	548 MAINTENANCE TECHNICIAN	1	1	1	0
549	549 MAINTENANCE LEADER	1	1	1	0
554	554 PARATRANSIT GROUP LEADER	3	3	3	0
557	557 PARATRANSIT DISPATCHER	6	6	6	0
588	588 MATERIAL HANDLER LEADER	2	2	2	0
658	658 ROAD SUPERVISOR - PARATRANSIT	2	0	0	0
1069	26 ASSISTANT SUPERINTENDENT - PARATRANSIT EQUIPMENT	2	2	2	0
1084	28 ASSISTANT TRANSPORTATION MANAGER - PARATRANSIT	1	1	1	0
761	28 MANAGER FACILITIES	1	1	1	0
851	28 MANAGER - EQUIPMENT	1	1	1	0
786	29 MANAGER - TRANSPORTATION	1	1	1	0
777	30 DISTRICT DIRECTOR	1	1	1	0
<b>DEPARTMENT TOTALS</b>		<b>175</b>	<b>182</b>	<b>181</b>	<b>(1)</b>



# 2010 OPERATING BUDGET SUMMARY

## Department 32 – Rail District

MELVIN CLARK, DISTRICT DIRECTOR

The mission of the Rail District is to provide safe, reliable, clean and effective rapid transit services to GCRTA customers and to effectively manage all facilities, track infrastructure and vehicle maintenance functions related to District operations.

OBJECT CLASS	DESCRIPTION	2007 Actual	2008 Actual	2009 Actual	2010 Budget	2011 Estimate	2012 Estimate
501100	RAIL OPERATORS' LABOR	5,623,574	5,205,043	4,794,393	3,985,370	4,025,224	4,065,476
501110	OVERTIME - RAIL OPERATORS	552,122	489,508	403,354	300,000	300,000	300,000
501200	HOURLY EMPLOYEES PAYROLL	9,212,164	9,709,116	9,674,535	10,577,950	10,683,730	10,790,567
501210	OVERTIME - HOURLY EMPLOYEES	1,060,837	799,074	1,324,124	650,000	650,000	650,000
501300	LABOR - SALARIED EMPLOYEES	2,507,831	2,758,900	2,556,089	2,445,524	2,469,979	2,494,679
501310	OVERTIME - SALARIED EMPLOYEES	215,912	95,376	81,152	75,000	75,000	75,000
502000	FRINGE BENEFITS	6,002,431	6,270,912	6,441,583	7,066,859	7,151,661	7,237,481
502071	W. C. - INJURIES & DAMAGES	4,523	6,791	3,593	0	0	0
503000	SERVICES	3,172,214	2,500,770	2,303,186	2,667,372	2,667,372	2,667,372
504000	MATERIAL & SUPPLIES	790,172	624,036	638,865	568,505	568,505	568,505
504090	TIRES & TUBES	1,500	1,997	(334)	3,000	3,000	3,000
505000	UTILITIES	4,132,498	434,652	292,340	387,000	387,000	387,000
505010	PROPULSION POWER	0	4,435,501	4,541,818	3,602,000	3,674,040	3,747,521
509000	MISCELLANEOUS EXPENSES	30,129	34,885	17,783	39,900	39,900	39,900
512000	LEASES & RENTALS	12,100	4,948	(1,133)	7,000	7,000	7,000
<b>DEPT TOTAL</b>		<b>33,318,007</b>	<b>33,371,509</b>	<b>33,071,349</b>	<b>32,375,480</b>	<b>32,702,411</b>	<b>33,033,501</b>

# Department Budgets

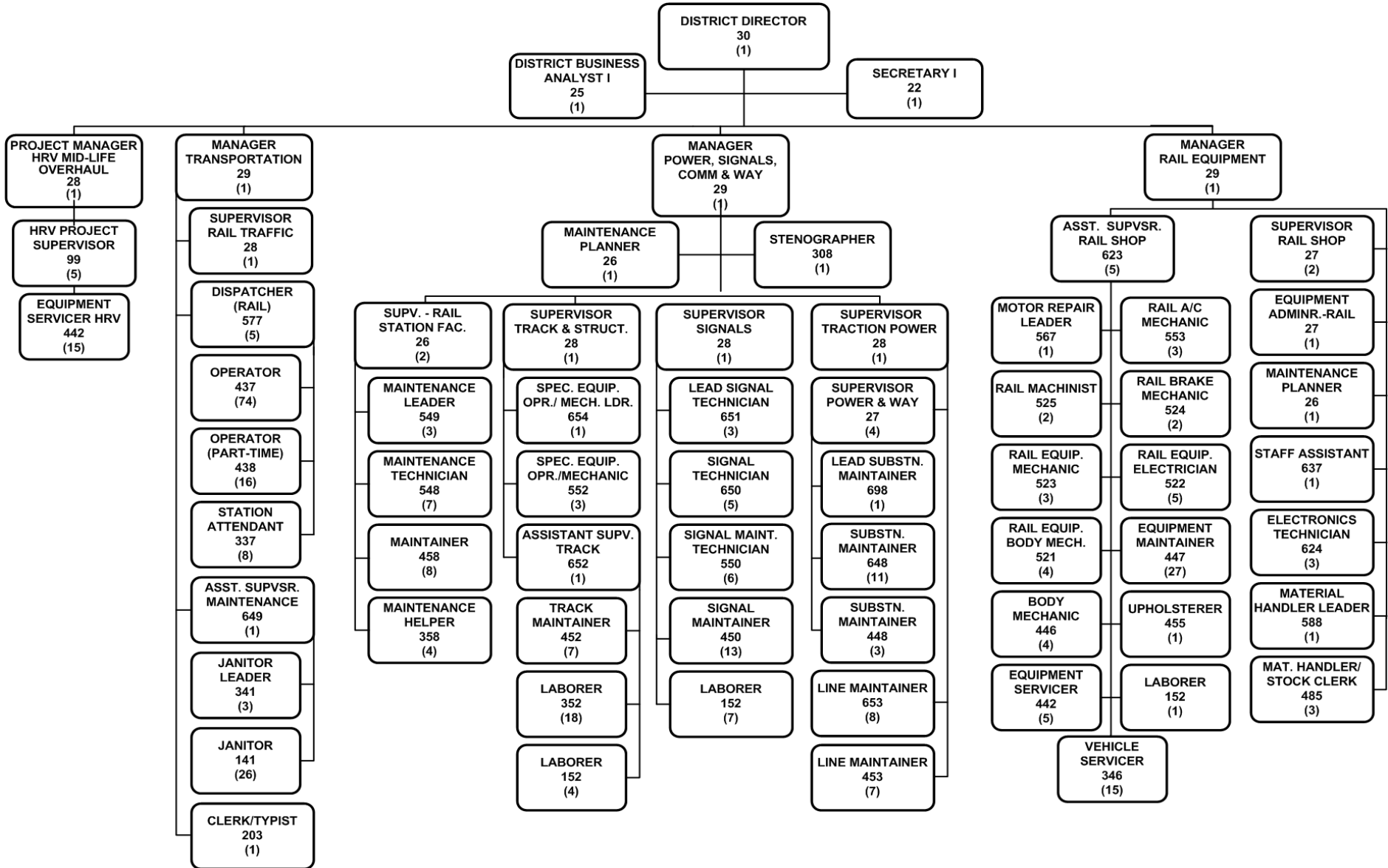
## 2010 Budget Implementation

### Department 32 – Rail District

- Continue Heavy Rail Vehicle (HRV) rehabilitation project.
- Develop and Implement station-cleaning procedures.
- Continue to manage and track overtime utilization.
- Standardize Rail District SOP format.
- Implement ADA bridge plate.
- Address rapid station horizontal & vertical ADA compliance.
- Issue Rail Operations Rule Book.
- Assess Rail District building and equipment needs, pursuing replacement roofs for the rail complex, upgrades to the wheel lathe, and repairs to the equipment lifts.
- Aggressively perform signal system maintenance during relay testing, junction box replacement & double bonding to mitigate track circuit failures, reduce service delays, & ensure safe system.
- Aggressively pursue training for all Rail disciplines, working with the Training Department, to meet regulatory guidelines & ensure safe workforce.
- Achieve Rail's set goal of 15,000 miles between service interruptions.
- Carry forward winterization plans for 2010, installing additional HRV snow plows and LRV ice cutters.
- Support 2010 Operations Division initiatives and projects as assigned.

	<b>2007 Actual</b>	<b>2008 Actual</b>	<b>2009 Actual</b>	<b>2010 Budget</b>
Passenger Car Revenue Miles	2,573,000	2,446,350	2,293,032	2,367,109
% Deadhead miles	1.20%	1.20%	1.20%	1.20%
Cost per Passenger Trip	\$3.30	\$3.15	\$4.01	\$3.85
Average Passengers per Revenue Hour	58.00	59.00	65.93	61.57
Number of Preventable Accidents per 100,000 miles	0.00	0.92	0.92	0.00
% Vehicles Completed in Light Rail Overhaul	50%	98%	100%	100%
% Vehicles Completed in Heavy Rail Overhaul	0%	10%	10%	40%
<b>Mileage between Maintenance Inspections</b>				
Light Rail Vehicles	3,500	3,500	3,500	3,000
Heavy Rail Vehicles – Single Cab	5,000	5,000	5,000	5,000
Heavy Rail Vehicles – Double Cab	6,300	6,000	6,000	5,000

**GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY  
TABLE OF ORGANIZATION  
OPERATIONS DIVISION  
RAIL DISTRICT  
#32**



# Staffing Level Comparisons

DEPARTMENT: 32 - RAIL DISTRICT

JOB CLASS	JOB TITLE	APPROVED 2008	APPROVED 2009	APPROVED 2010	2010-2009 VARIANCE
141	JANITOR	26	26	26	0
152	LABORER	12	12	12	0
203	CLERK / TYPIST	1	1	1	0
308	STENOGRAPHER	1	1	1	0
337	STATION ATTENDANT	32	8	8	0
341	JANITOR LEADER	3	3	3	0
346	VEHICLE SERVICER	15	15	15	0
352	LABORER	18	18	18	0
358	MAINTENANCE HELPER	4	4	4	0
401	SECRETARY	1	0	0	0
437	OPERATOR	83	74	74	0
438	OPERATOR (PART-TIME)	7	16	16	0
442	EQUIPMENT SERVICER	16	15	5	(10)
442	EQUIPMENT SERVICER -HRV	15	15	15	0
446	BODY MECHANIC	4	4	4	0
447	EQUIPMENT MAINTAINER	17	17	27	10
448	SUBSTATION MAINTAINER	3	3	3	0
450	SIGNAL MAINTAINER	6	8	13	5
452	TRACK MAINTAINER	7	7	7	0
453	LINE MAINTAINER	7	7	7	0
455	UPHOLSTERER	1	1	1	0
458	MAINTAINER	8	8	8	0
485	MATERIAL HANDLER / STOCK CLERK	3	3	3	0
521	RAIL EQUIPMENT BODY MECHANIC	4	4	4	0
522	RAIL EQUIPMENT ELECTRICIAN	5	5	5	0
523	RAIL EQUIPMENT MECHANIC	3	3	3	0
524	RAIL BRAKE MECHANIC	2	2	2	0
525	RAIL MACHINIST	1	2	2	0
548	MAINTENANCE TECHNICIAN	7	7	7	0

# Staffing Level Comparisons

## DEPARTMENT: 32 - RAIL DISTRICT (CONTINUED)

JOB CLASS	JOB TITLE	APPROVED 2008	APPROVED 2009	APPROVED 2010	2010-2009 VARIANCE
549	MAINTENANCE LEADER	3	3	3	0
550	SIGNAL MAINTENANCE TECHNICIAN	10	8	6	(2)
552	SPECIAL EQUIPMENT OPERATOR / MECHANIC	2	2	3	1
553	RAIL AIR CONDITIONING MECHANIC	3	3	3	0
567	MOTOR REPAIR LEADER	1	1	1	0
577	DISPATCHER	5	5	5	0
588	MATERIAL HANDLER LEADER	1	1	1	0
623	ASSISTANT SUPERVISOR - RAIL SHOP	5	5	5	0
624	ELECTRONICS TECHNICIAN	3	3	3	0
637	STAFF ASSISTANT	1	1	1	0
648	SUBSTATION MAINTAINER	11	11	11	0
649	ASSISTANT SUPERVISOR - MAINTENANCE	1	1	1	0
650	SIGNAL TECHNICIAN	8	8	5	(3)
651	LEAD SIGNAL TECHNICIAN	3	3	3	0
652	ASSISTANT SUPERVISOR - TRACK	1	1	1	0
653	LINE MAINTAINER	9	9	8	(1)
654	SPECIAL EQUIPMENT OPERATOR / MECHANIC LEADER	1	1	1	0
698	LEAD SUBSTATION MAINTAINER	1	1	1	0
22	SECRETARY I	1	1	1	0
25	LRV RESIDENT INSPECTORS (PART-TIME)	1	1	0	(1)
25	DISTRICT BUSINESS ANALYST	0	1	1	0
26	LOAD DISPATCHER	4	0	0	0
26	MAINTENANCE PLANNER	2	2	2	0
26	SUPERVISOR - JANITORIAL SERVICES	1	0	0	0
26	SUPERVISOR - RAIL STATION FACILITIES	2	2	2	0
27	EQUIPMENT ADMINISTRATOR - RAIL	1	1	1	0
27	SUPERVISOR - POWER & WAY	4	4	4	0
27	SUPERVISOR - RAIL SHOP	2	2	2	0
28	MANAGER - FACILITIES	1	0	0	0

# Staffing Level Comparisons

## DEPARTMENT: 32 - RAIL DISTRICT (CONTINUED)

<b>JOB CLASS</b>	<b>JOB TITLE</b>	<b>APPROVED 2008</b>	<b>APPROVED 2009</b>	<b>APPROVED 2010</b>	<b>2010-2009 VARIANCE</b>
28	PROJECT MANAGER - LRV MID-LIFE OVERHAUL	1	1	0	(1)
28	PROJECT MANAGER - HRV MID-LIFE OVERHAUL	1	1	1	0
28	SUPERVISOR - SIGNALS	1	1	1	0
28	SUPERVISOR - TRACTION POWER	1	1	1	0
28	SUPERVISOR - RAIL TRAFFIC	1	1	1	0
28	SUPERVISOR - TRACK	1	1	0	(1)
28	SUPERVISOR - TRACK & STRUCTURES	0	0	1	1
29	MANAGER - TRANSPORTATION	1	1	1	0
29	MANAGER - RAIL EQUIPMENT	1	1	1	0
29	MANAGER - POWER, SIGNALS, COMM. & WAY	1	1	1	0
30	DISTRICT DIRECTOR	1	1	1	0
99	HRV - PROJECT SUPERVISORS	5	5	5	0
<b>DEPARTMENT TOTALS</b>		<b>415</b>	<b>385</b>	<b>383</b>	<b>(2)</b>

# 2010 OPERATING BUDGET SUMMARY

## Department 34 – Transit Police

JOHN JOYCE, DIRECTOR OF SECURITY / CHIEF

The mission of the GCRTA Transit Police is to provide a safe and orderly environment within the transit system, to promote the confidence of the riding public and employees, and to enhance the use of the entire system.

OBJECT		2007 Actual	2008 Actual	2009 Actual	2010 Budget	2011 Estimate	2012 Estimate
CLASS	DESCRIPTION						
501200	HOURLY EMPLOYEES PAYROLL	4,735,115	5,167,712	6,182,463	6,563,924	6,629,563	6,695,859
501210	OVERTIME - HOURLY EMPLOYEES	399,738	220,725	241,668	170,000	170,000	170,000
501300	LABOR - SALARIED EMPLOYEES	695,390	660,250	554,790	765,127	772,778	780,506
501310	OVERTIME - SALARIED EMPLOYEES	7,866	835	250	1,500	1,500	1,500
502000	FRINGE BENEFITS	1,879,165	2,113,162	2,527,098	2,939,215	2,974,486	3,010,179
503000	SERVICES	370,564	334,810	338,198	486,450	491,315	496,228
503049	TEMPORARY HELP	0	0	0	0	0	0
504000	MATERIAL & SUPPLIES	62,523	30,913	55,119	79,900	79,900	79,900
506000	CASUALTY & LIABILITY COSTS	4,160	4,620	6,400	7,000	7,000	7,000
509000	MISCELLANEOUS EXPENSES	(224,078)	35,194	23,078	48,300	48,300	48,300
512000	LEASES & RENTALS	19,258	23,750	(1,503)	33,800	33,800	33,800
<b>DEPT TOTAL</b>		<b>7,949,702</b>	<b>8,591,972</b>	<b>9,927,561</b>	<b>11,095,216</b>	<b>11,208,642</b>	<b>11,323,272</b>

# Department Budgets

## 2010 Budget Implementation

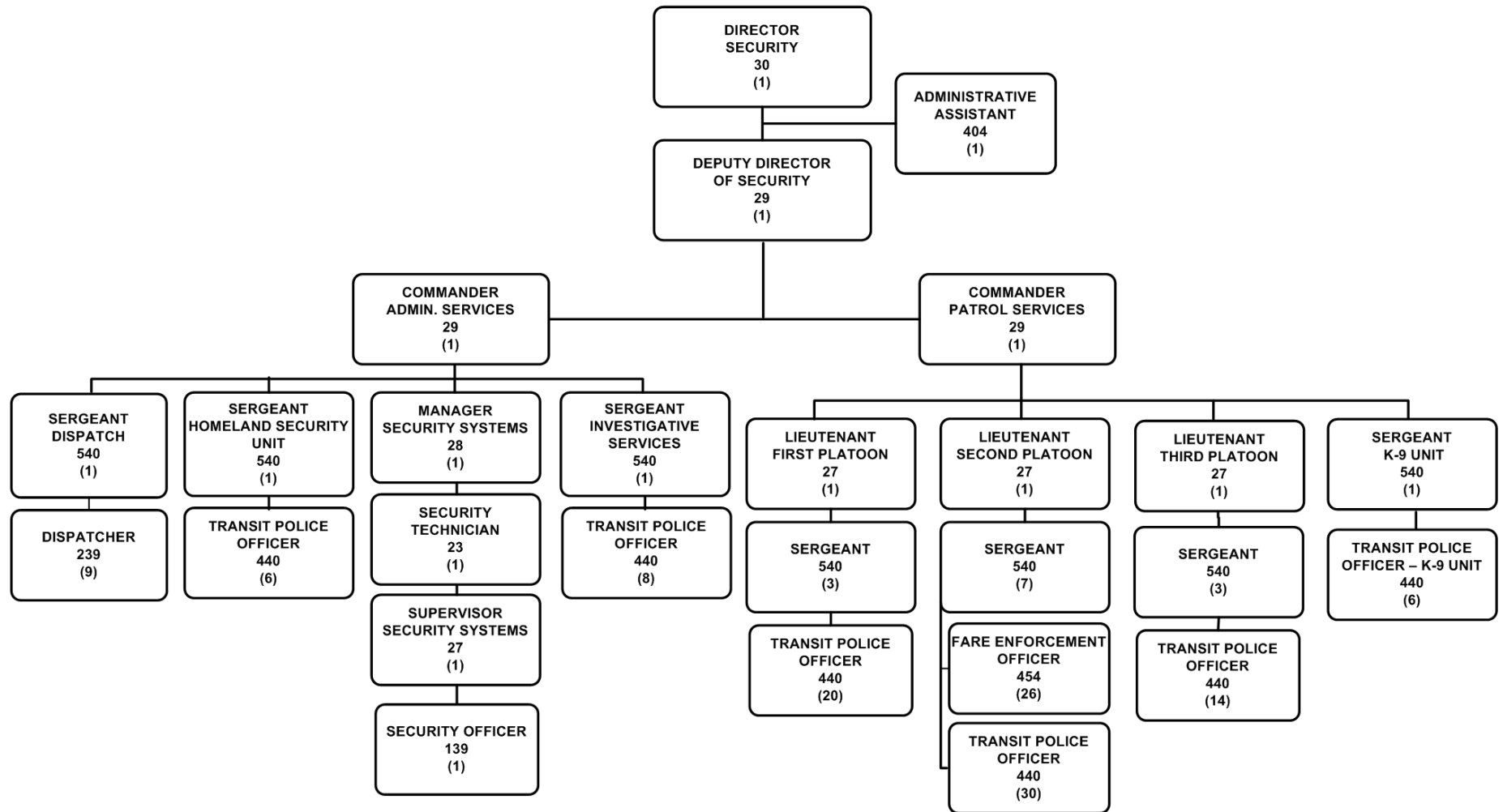
### Department 34 – Transit Police

- Establish fare enforcement payment/collection procedures and resource requirements, and TMV/revenue security.
- Continue providing Transit Police traffic and parking enforcement on the HealthLine, Transit Zone Bus-Only lanes, rail crossings, and all other facilities
- Address serious crimes (drugs, terrorism, and gang violence) through participation in multi-agency task forces.
- Continue to train officers on counter-terrorism initiatives.
- Improve detection of Improvised Explosive Devices (IEDs) and chemical, biological, radiological, and nuclear (CBRN) incidents through canine teams and technical capabilities
- Continue to refine RTA's System Security and Emergency Preparedness and Operations Plans as appropriate.
- Continue facility security upgrades and aggressively pursue all available Federal and State funding for security initiatives.
- Continue to conduct Threat and Vulnerability Analysis (TVA) for all GCRTA properties with assistance from U.S. Department of Homeland Security, Office for Domestic Preparedness
- Administer the 2007, 2008, and 2009 Transit Security Grants for training and counter-terrorism needs within the Greater Cleveland region.
- Comply with all TSA/FTA regulations.
- 2010 Operations Division Initiatives / Projects supported as assigned.

	<b>2007 Actual</b>	<b>2008 Actual</b>	<b>2009 Actual</b>	<b>2010 Budget</b>
Arrests for Quality of Life Enforcement Issues	570	548	431	2,500
Passenger Facilities Patrolled	58	58	118	118



**GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY  
TABLE OF ORGANIZATION  
OPERATIONS DIVISION  
TRANSIT POLICE DEPARTMENT  
#34**



# Staffing Level Comparisons

## DEPARTMENT: 34 - TRANSIT POLICE

JOB CLASS	JOB TITLE	APPROVED 2008	APPROVED 2009	APPROVED 2010	2010-2009 VARIANCE
139	SECURITY OFFICER	1	1	1	0
239	DISPATCHER - TRANSIT POLICE	9	9	9	0
404	ADMINISTRATIVE ASSISTANT	1	1	1	0
440	TRANSIT POLICE OFFICER	89	89	84	(5)
454	PART-TIME FARE ENFORCEMENT OFFICER	29	26	26	0
540	TRANSIT POLICE SERGEANT	12	17	17	0
23	SECURITY TECHNICIAN	1	1	1	0
27	SUPERVISOR - SECURITY SYSTEMS	1	1	1	0
27	TRANSIT POLICE LIEUTENANT	3	3	3	0
28	SECURITY SYSTEMS MANAGER	1	1	1	0
29	COMMANDER - TRANSIT POLICE	2	2	2	0
29	DEPUTY DIRECTOR OF SECURITY / POLICE	1	1	1	0
30	DIRECTOR - SECURITY / CHIEF OF POLICE	1	1	1	0
<b>DEPARTMENT TOTALS</b>		<b>151</b>	<b>153</b>	<b>148</b>	<b>(5)</b>

# 2010 OPERATING BUDGET SUMMARY

## Department 35 – Service Management

ALAN ERENICH, DIRECTOR

The Service Management Department plans, monitors and adjusts all rail, bus and van pool services. The department works with District Management to ensure safe, reliable and effective service for all passengers. The Department also provides centralized facility maintenance services for the Authority and manages the signage & shelter programs.

OBJECT		2007 Actual	2008 Actual	2009 Actual	2010 Budget	2011 Estimate	2012 Estimate
CLASS	DESCRIPTION						
501200	HOURLY EMPLOYEES PAYROLL	1,253,255	1,303,665	1,509,481	1,691,061	1,707,972	1,725,051
501210	OVERTIME - HOURLY EMPLOYEES	78,061	36,626	37,039	55,000	55,000	55,000
501300	LABOR - SALARIED EMPLOYEES	4,871,497	1,484,701	1,551,058	1,552,842	1,568,370	1,584,054
501310	OVERTIME - SALARIED EMPLOYEES	353,568	3,427	5,342	2,500	2,500	2,500
502000	FRINGE BENEFITS	2,081,843	1,061,871	1,148,095	1,293,709	1,309,234	1,324,944
503000	SERVICES	765,233	712,559	961,761	1,289,915	1,289,915	1,289,915
504000	MATERIAL & SUPPLIES	210,034	131,405	181,277	380,100	380,100	380,100
505000	UTILITIES	5,565,457	5,483,726	5,524,014	5,739,405	5,796,799	5,854,767
508024	PURCHASED TRANSP. - WORK ACCESS	710,000	960,000	860,000	1,140,000	1,140,000	1,140,000
509000	MISCELLANEOUS EXPENSES	11,207	25,030	7,318	10,100	10,100	10,100
512000	LEASES & RENTALS	(1,187)	0	0	500	500	500
<b>DEPT TOTAL</b>		<b>15,898,967</b>	<b>11,203,009</b>	<b>11,785,385</b>	<b>13,155,132</b>	<b>13,260,490</b>	<b>13,366,932</b>

# Department Budgets

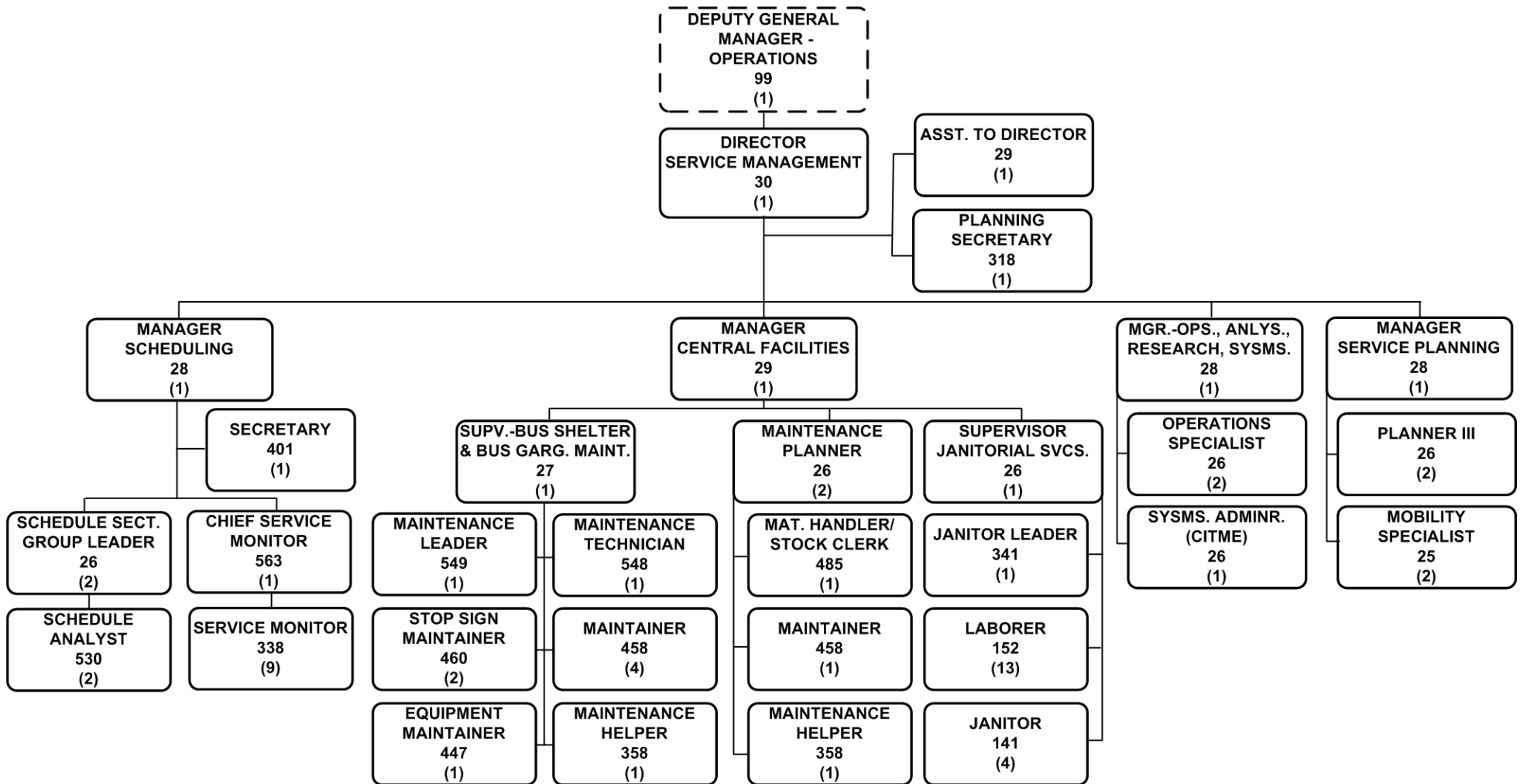
## 2010 Budget Implementation

### Department 35 – Service Management

- Develop and implement the annual Service Management Plan.
- Prepare for and execute a major service reduction.
- Plan, implement and operate the shopper special service program that is being offered to communities that were served by the discontinued community circulators.
- Re-route downtown bus service in the vicinity of CSU to layover at the new Stephanie Tubbs Jones Transit Center when it opens in late 2010.
- Continue to improve the cost effectiveness and efficiency of service delivery.
- Continue the bus stop signage program and replacement of damaged passenger shelters.
- Resolve Siemens radio contract issues.
- Monitor vehicle service miles and hours on a regular basis.
- Continue to focus on customer communications and quality of service delivery.
- Manage absenteeism.
- Identify and implement workflow efficiency.
- Improve operating efficiencies and aggressively enforce energy conservation and sustainability initiatives.
- Support employee training and development programs.
- Support safety initiatives & efforts to instill a safety culture throughout the Authority.
- Continue to make improvements in equipment and facilities preventative maintenance schedules.
- Continue operation of the new ECTP HealthLine & perform routine maintenance of stations, properties & shelters on the Euclid Corridor.

	Vehicle Hours		Vehicle Miles	
	2009	2010	2009	2010
RTA Bus	1,609,233	1,346,584	20,388,534	16,854,877
Paratransit	302,914	304,645	4,415,566	4,619,305

**GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY  
TABLE OF ORGANIZATION  
OPERATIONS DIVISION  
SERVICE MANAGEMENT DEPARTMENT  
#35**



# Staffing Level Comparisons

## DEPARTMENT: 35 - SERVICE MANAGEMENT

JOB CLASS	JOB TITLE	APPROVED 2008	APPROVED 2009	APPROVED 2010	2010-2009 VARIANCE
141	JANITOR	4	4	4	0
152	LABORER	12	13	13	0
301	ADMINISTRATIVE ASSISTANT	1	0	0	0
318	PLANNING SECRETARY	1	1	1	0
338	SERVICE MONITOR	8	9	9	0
341	JANITOR LEADER	0	1	1	0
358	MAINTENANCE HELPER	2	2	2	0
401	SECRETARY	1	1	1	0
447	EQUIPMENT MAINTAINER	1	1	1	0
458	MAINTAINER	5	5	5	0
460	STOP SIGN MAINTAINER	2	2	2	0
485	MATERIAL HANDLER / STOCK CLERK	1	1	1	0
530	SCHEDULE ANALYST	3	2	2	0
548	MAINTENANCE TECHNICIAN	1	1	1	0
549	MAINTENANCE LEADER	1	1	1	0
563	CHIEF SERVICE MONITOR	1	1	1	0
574	SUPERVISOR I - SERVICE QUALITY	8	0	0	0
576	SUPERVISOR - SERVICE QUALITY (RAIL)	11	0	0	0
634	SUPERVISOR II - SERVICE QUALITY	19	0	0	0
635	SUPERVISOR - TOWER CONTROL	8	0	0	0
25	PLANNER II	1	0	0	0
25	MOBILITY SPECIALIST	2	2	2	0
26	SCHEDULE SECTION GROUP LEADER	2	2	2	0
26	SYSTEMS ADMINISTRATOR (CITME)	1	1	1	0
26	OPERATIONS SPECIALIST	2	2	2	0
26	SUPERVISOR - JANITORIAL SERVICES	1	1	1	0
26	PLANNER III	1	2	2	0

# Staffing Level Comparisons

## DEPARTMENT: 35 - SERVICE MANAGEMENT (CONTINUED)

JOB CLASS	JOB TITLE	APPROVED 2008	APPROVED 2009	APPROVED 2010	2010-2009 VARIANCE
26	MAINTENANCE PLANNER	2	2	2	0
26	SENIOR STAFF ASSISTANT - OPERATIONS	1	0	0	0
27	SUPERVISOR - BUS SHELTER & BUS GARAGE MAINTENANCE	1	1	1	0
27	SERVICE QUALITY COORDINATOR	10	0	0	0
27	PLANNING TEAM LEADER	1	0	0	0
27	PLANNING LEADER - ASST TO THE DIRECTOR	0	1	0	(1)
28	MANAGER - OPERATIONS, ANALYSIS, RESEARCH & SYSTEMS	1	1	1	0
28	ASSISTANT MANAGER - SERVICE QUALITY	5	0	0	0
28	MANAGER - SCHEDULING	1	1	1	0
28	MANAGER - SERVICE PLANNING	1	1	1	0
29	MANAGER - CENTRAL FACILITIES	1	1	1	0
29	ASSISTANT DIRECTOR, SERVICE MANAGEMENT	1	1	1	0
30	DIRECTOR - SERVICE MANAGEMENT	1	1	1	0
<b>DEPARTMENT TOTALS</b>		<b>126</b>	<b>65</b>	<b>64</b>	<b>(1)</b>

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# 2010 OPERATING BUDGET SUMMARY

## Department 38 – Service Quality Management

FLOUN'SAY CAVER, DIRECTOR

The Service Quality Department ensures that the authority's various service offerings are safely provided, on-time and courteously delivered. The department is comprised of supervisors and managers and utilizes a radio system for real-time communications. Primary internal customers include the bus and rail districts and the Service Management Department.

OBJECT							
CLASS	DESCRIPTION	2007 Actual	2008 Actual	2009 Actual	2010 Budget	2011 Estimate	2012 Estimate
501200	HOURLY EMPLOYEES PAYROLL	0	1	0	0	0	0
501300	LABOR - SALARIED EMPLOYEES	0	3,646,643	4,067,876	4,045,891	4,086,350	4,127,214
501310	OVERTIME - SALARIED EMPLOYEES	0	302,483	259,971	245,000	245,000	245,000
502000	FRINGE BENEFITS	0	1,153,975	1,535,005	1,681,456	1,701,633	1,722,053
503000	SERVICES	0	0	0	4,000	4,000	4,000
504000	MATERIAL & SUPPLIES	0	2,826	2,528	3,500	3,500	3,500
509000	MISCELLANEOUS EXPENSES	0	2,182	2,132	12,500	12,500	12,500
		<b>0</b>	<b>5,108,111</b>	<b>5,867,513</b>	<b>5,992,347</b>	<b>6,052,984</b>	<b>6,114,267</b>

# Department Budgets

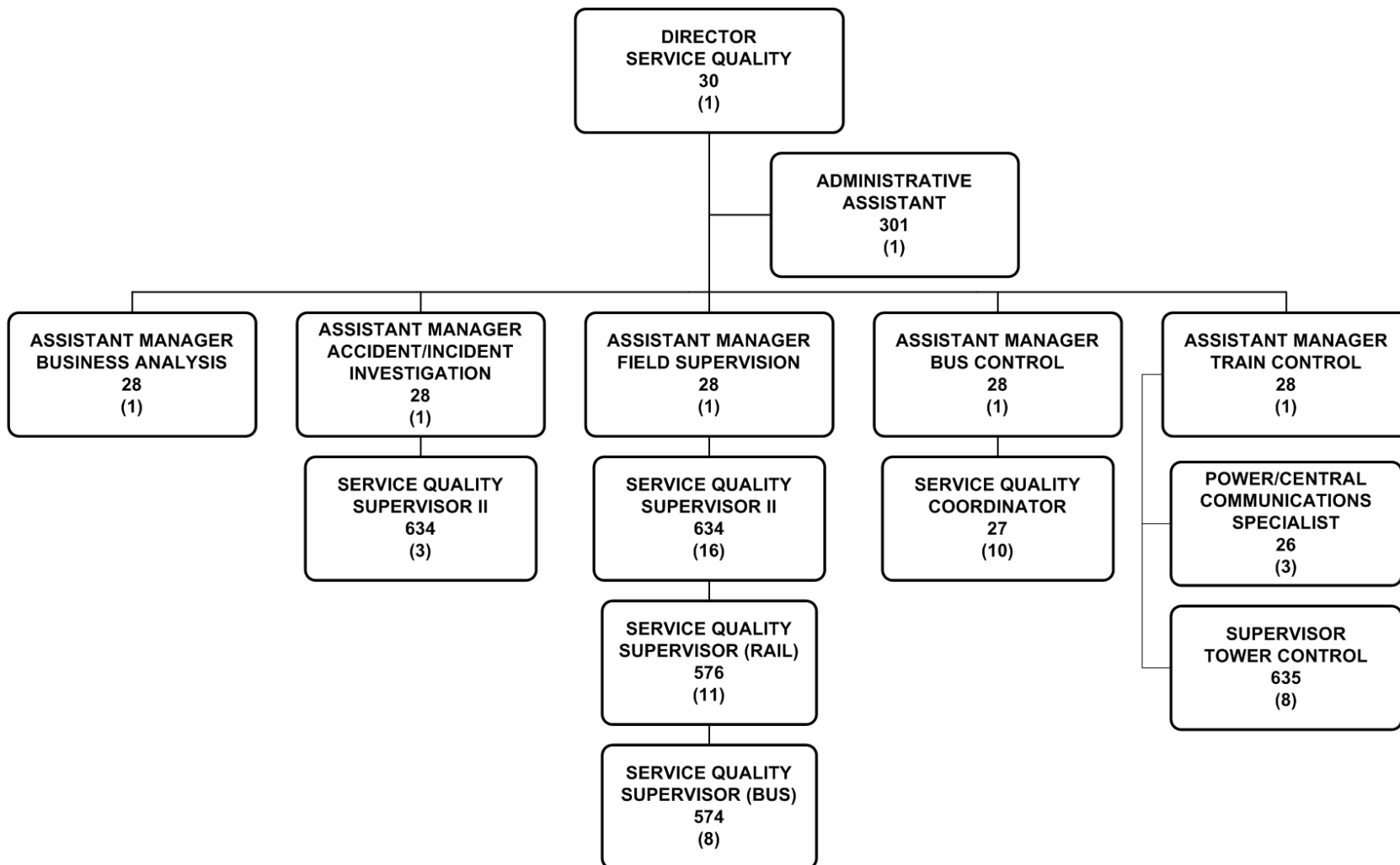
## 2010 Budget Implementation

### Department 38 – Service Quality Management

- Continue to pursue operating efficiencies towards reducing costs and/or increasing effectiveness.
- Continue assessing and refining the zone/sector approach to field supervision.
- Work with the supervisory teams assigned to the mini-transit centers at Stokes/Windemere and University Circle toward stabilizing and normalizing the HealthLine.
- Identify and target under-performing lines of service to facilitate resource allocations.
- Focus on training and development for all staff persons as a means to enhance preparation and performance.
- Work with the Safety Department and the Service Districts to define, identify, and review accident prone operators with the objective of discovering underlying common factors and use information in development of effective pre-selection techniques and the design of future training and/or preventative measures.
- Provide all field supervisors with additional accident investigation training.
- Continue efforts to reduce overtime.
- Continue efforts to improve customer communications and response time.

	<b>2007 Actual</b>	<b>2008 Actual</b>	<b>2009 Actual</b>	<b>2010 Budget</b>
Overtime Per Pay	N/A	\$10,790	\$9,273	\$8,000
Absence Rates	N/A	2.38%	2.96%	4.5%
High Accident Route Contacts	N/A	N/A	N/A	100
Safety Rule of the Month Contacts per month	N/A	N/A	3,400	3,500
Safety Ride Checks	N/A	N/A	N/A	100%
Pull-Out Checks	N/A	113	9	96

**GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY  
TABLE OF ORGANIZATION  
OPERATIONS DIVISION  
SERVICE QUALITY DEPARTMENT  
#38**



# Staffing Level Comparisons

## DEPARTMENT 38 - SERVICE QUALITY MANAGEMENT

JOB CLASS	JOB TITLE	APPROVED 2008	APPROVED 2009	APPROVED 2010	2010-2009 VARIANCE
301	ADMINISTRATIVE ASSISTANT	0	1	1	0
574	SUPERVISOR I - SERVICE QUALITY	0	8	8	0
576	SUPERVISOR - RAIL SERVICE QUALITY	0	7	7	0
634	SUPERVISOR II - SERVICE QUALITY	0	19	19	0
635	SUPERVISOR - TOWER CONTROL	0	12	12	0
658	PARATRANSIT ROAD SUPERVISOR	0	1	1	0
26	POWER/CENTRAL COMMUNICATION SPECIALIST	0	3	3	0
27	SERVICE QUALITY COORDINATOR	0	10	10	0
28	ASSISTANT MANAGER - SERVICE QUALITY	0	5	5	0
29	DIRECTOR - SERVICE QUALITY	0	1	1	0
<b>DEPARTMENT TOTALS</b>		<b>0</b>	<b>67</b>	<b>67</b>	<b>0</b>

# 2010 OPERATING BUDGET SUMMARY

## Department 39 – Fleet Management

DOUGLAS SEGER, DIRECTOR

The Fleet Management Department provides management support for the maintenance of the Authority's bus fleet. Its primary objective is to provide sufficient, safe, operable, clean & attractive buses to meet the Authority's scheduled service requirements by maintaining & repairing vehicles and overseeing the Authority's central inventory account.

OBJECT							
CLASS	DESCRIPTION	2007 Actual	2008 Actual	2009 Actual	2010 Budget	2011 Estimate	2012 Estimate
501200	HOURLY EMPLOYEES PAYROLL	5,892,125	5,913,659	6,213,420	6,474,393	6,539,137	6,604,528
501210	OVERTIME - HOURLY EMPLOYEES	589,726	361,612	216,432	200,000	200,000	200,000
501300	LABOR - SALARIED EMPLOYEES	2,483,736	2,452,609	2,291,118	2,540,429	2,565,833	2,591,492
501310	OVERTIME - SALARIED EMPLOYEES	29,633	15,336	6,286	7,000	7,000	7,000
502000	FRINGE BENEFITS	2,839,591	2,924,950	3,156,251	3,613,723	3,657,088	3,700,973
502071	W. C. - INJURIES & DAMAGES	902	751	734	0	0	0
503000	SERVICES	594,074	595,467	452,661	731,759	731,759	731,759
201009	MATERIALS & SUPPLIES - INVENTORY	10,839,554	10,405,664	8,483,453	8,400,000	8,568,000	8,739,360
504000	MATERIAL & SUPPLIES	220,987	200,961	169,818	277,450	277,450	277,450
504020	DIESEL FUEL	12,112,507	19,272,336	17,357,364	9,390,480	11,330,790	11,330,790
504021	COMPRESSED NATURAL GAS	1,676,793	739,062	154,553	120,000	0	0
504031	GASOLINE	292,763	430,541	330,854	336,000	342,720	349,574
504090	TIRES & TUBES	1,284,000	1,244,000	1,109,508	1,335,200	1,348,552	1,362,038
507000	FEDERAL UNDERGROUND FUEL TANK TAX	0	0	(6)	0	0	0
507050	STATE FUEL TAX	1,662,576	1,717,097	1,566,097	1,412,345	1,412,345	1,412,345
509000	MISCELLANEOUS EXPENSES	24,048	33,230	16,442	25,450	25,450	25,450
512000	LEASES & RENTALS	0	0	0	1,500	1,500	1,500
<b>DEPT TOTAL</b>		<b>40,543,014</b>	<b>46,307,274</b>	<b>41,524,985</b>	<b>34,865,729</b>	<b>37,007,624</b>	<b>37,334,259</b>
<b>DEPT. TOTAL NET INVENTORY</b>		<b>29,703,460</b>	<b>35,901,610</b>	<b>33,041,532</b>	<b>26,465,729</b>	<b>28,439,624</b>	<b>28,594,899</b>

# Department Budgets

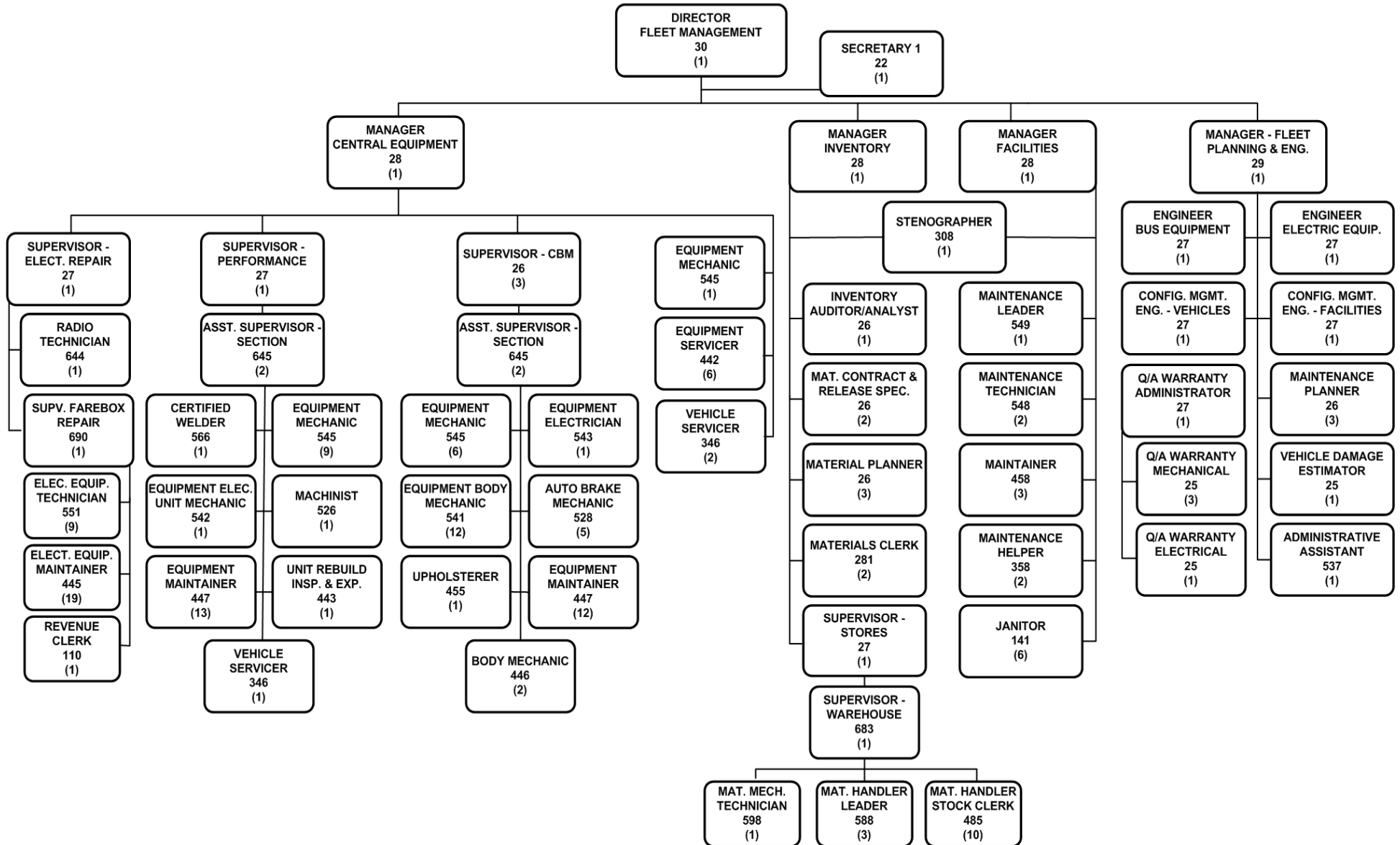
## 2010 Budget Implementation

### Department 39 – Fleet Management

- Refine preventive maintenance program by revising frequencies and expanding the tasks involved to coincide with changes in the fleet.
- Use Computer Integrated Transit Maintenance Environment (CITME) to streamline inventory and maintenance processes.
- Provide technical support to departments within the Authority to support the progress of product reliability and sound maintenance practices.
- Administer Quality Assurance/Warranty program to ensure the receipt of quality goods/services and warranty recovery.
- Implement the Talking Bus Program as equipment is developed and provided to the RTA.
- Administer and control provision and delivery of materials within the inventory materials and supplies budget to all user departments.
- Maintain parts inventory at Central Rail, Central Bus Maintenance Facility, Hayden, Harvard, and Triskett Districts.
- Manage the production of new buses and ensure the delivery of quality built vehicles that meet the needs of the Authority.
- Continue to improve efficiencies through the use of TransitStat data to control labor and material costs while maintaining Fleet Management operations.

	<b>2007 Actual</b>	<b>2008 Actual</b>	<b>2009 Actual</b>	<b>2010 Budget</b>
Vehicle Availability - % of Active Fleet Available for Service	82%	82%	82%	82%
Heavy Maintenance Overhauls Completed	99	90	71	70
Miles between Preventive Maintenance Inspections	3,000	3,000	3,000	3,000
Problem Identification Corrective Action (PICA) Completed	49	89	81	85
Q/A First Article Inspections	48	21	77	6
Warranty Dollars (\$) Recovered	\$2,280,831	\$1,013,432	\$1,725,000	\$750,000

**GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY  
TABLE OF ORGANIZATION  
OPERATIONS DIVISION  
FLEET MANAGEMENT DEPARTMENT  
#39**



# Staffing Level Comparisons

DEPARTMENT: 39 - FLEET MANAGEMENT

JOB CLASS	JOB TITLE	APPROVED 2008	APPROVED 2009	APPROVED 2010	2010-2009 VARIANCE
110	REVENUE CLERK	1	1	1	0
141	JANITOR	6	6	6	0
215	MAINTENANCE CLERK	2	0	0	0
281	MATERIALS CLERK	2	2	2	0
308	STENOGRAPHER	1	1	1	0
346	VEHICLE SERVICER	3	3	3	0
347	HOSTLER	1	1	0	(1)
358	MAINTENANCE HELPER	2	2	2	0
442	EQUIPMENT SERVICER	7	8	6	(2)
443	UNIT REBUILD INSPECTOR & EXPEDITOR	1	1	1	0
445	ELECTRONIC EQUIPMENT MAINTAINER	14	19	19	0
446	BODY MECHANIC	6	2	2	0
447	EQUIPMENT MAINTAINER	25	25	25	0
455	UPHOLSTERER	1	1	1	0
458	MAINTAINER	3	3	3	0
485	MATERIAL HANDLER / STOCK CLERK	10	10	10	0
526	MACHINIST	1	1	1	0
528	AUTOMOTIVE BRAKE MECHANIC	6	5	5	0
537	ADMINISTRATIVE ASSISTANT	1	1	1	0
541	EQUIPMENT BODY MECHANIC	11	11	12	1
542	EQUIPMENT ELECTRICIAN UNIT MECHANIC	2	1	1	0
543	EQUIPMENT ELECTRICIAN	2	2	1	(1)
545	EQUIPMENT MECHANIC	16	16	16	0
548	MAINTENANCE TECHNICIAN	2	2	2	0
549	MAINTENANCE LEADER	1	1	1	0
551	ELECTRONIC EQUIPMENT TECHNICIAN	9	9	9	0
566	CERTIFIED WELDER	1	1	1	0
588	MATERIAL HANDLER LEADER	3	3	3	0



# Staffing Level Comparisons

DEPARTMENT: 39 - FLEET MANAGEMENT (CONTINUED)

JOB CLASS	JOB TITLE	APPROVED 2008	APPROVED 2009	APPROVED 2010	2010-2009 VARIANCE
598	MATERIAL MECHANIC TECHNICIAN	1	1	1	0
638	COACH INSPECTOR	1	0	0	0
644	RADIO TECHNICIAN	1	1	1	0
645	ASSISTANT SECTION SUPERVISOR	4	4	4	0
683	SUPERVISOR - WAREHOUSE	1	1	1	0
690	SUPERVISOR - FAREBOX REPAIR	1	1	1	0
22	SECRETARY I	1	1	1	0
25	QUALITY ASSURANCE / WARRANTY - ELECTRICAL	1	1	1	0
25	QUALITY ASSURANCE / WARRANTY - MECHANICAL	3	3	3	0
25	VEHICLE DAMAGE ESTIMATOR	1	1	1	0
26	INVENTORY AUDITOR / ANALYST	1	1	1	0
26	SUPERVISOR - INVENTORY CONTROL	1	0	0	0
26	MAINTENANCE PLANNER	3	3	3	0
26	SUPERVISOR - CENTRAL BUS MAINTENANCE	3	3	3	0
26	MATERIAL PLANNER	3	3	3	0
26	MATERIAL CONTRACT & RELEASE SPECIALIST	2	2	2	0
27	SUPERVISOR - ELECTRONIC REPAIR	1	1	1	0
27	SUPERVISOR - PERFORMANCE	1	1	1	0
27	ENGINEER - BUS EQUIPMENT	1	1	1	0
27	ENGINEER - ELECTRICAL EQUIPMENT	1	1	1	0
27	ENGINEER - MECHANICAL	1	0	0	0
27	QUALITY ASSURANCE / WARRANTY ADMINISTRATOR	1	1	1	0
27	SUPERVISOR - STORES	1	1	1	0
27	CONFIGURATION MANAGEMENT ENGINEER - FACILITIES	1	1	1	0
27	CONFIGURATION MANAGEMENT ENGINEER - VEHICLES	1	1	1	0
28	MANAGER - CENTRAL EQUIPMENT	1	1	1	0
28	MANAGER - FACILITIES	1	1	1	0
28	MANAGER - INVENTORY	1	1	1	0
29	MANAGER - FLEET PLANNING & ENGINEERING	1	1	1	0
30	DIRECTOR - FLEET MANAGEMENT	1	1	1	0
<b>DEPARTMENT TOTALS</b>		<b>182</b>	<b>177</b>	<b>174</b>	<b>(3)</b>

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# 2010 OPERATING BUDGET SUMMARY

## Department 43 – Pass Thrus

**MICHAEL YORK, DEPUTY GENERAL MANAGER - OPERATIONS**

Federal and State financial assistance is passed through to the City of Brunswick for eligible transit projects. In early 2005, the operations of the Maple Heights Transit System and the North Olmsted Municipal Bus Line (NOMBL) were merged with the GCRTA bus operations.

OBJECT CLASS	DESCRIPTION	2007 Actual	2008 Actual	2009 Actual	2010 Budget	2011 Estimate	2012 Estimate
503000	SERVICES	418,000	(3,561)	(280)	0	0	0
509100	BRUNSWICK OPERATING ASSISTANCE	247,335	250,000	231,790	275,000	275,000	275,000
<b>DEPT TOTAL</b>		<b>665,335</b>	<b>246,439</b>	<b>231,510</b>	<b>275,000</b>	<b>275,000</b>	<b>275,000</b>

# **Department Budgets**

## **2010 Budget Implementation**

### **Department 43 – Pass Thrus**

- Administer the agreement with the City of Brunswick (Brunswick Transit Alternative) to ensure that Federal and State financial assistance is passed through for eligible projects.
- In March 2005, the operations of the North Olmsted Municipal Bus Line (NOMBL) and the Maple Heights Transit System were merged within GCRTA bus operations.

# 2010 OPERATING BUDGET SUMMARY

## Department 46 – Hayden District

KEVIN VEST, DISTRICT DIRECTOR

The mission of the Hayden District is to provide high quality, on-time, efficient, safe and clean RTV and bus transportation services for the eastern and southeastern portions of the GCRTA service area and to effectively manage all facilities and vehicle maintenance functions related to District operations.

OBJECT		2007 Actual	2008 Actual	2009 Actual	2010 Budget	2011 Estimate	2012 Estimate
CLASS	DESCRIPTION						
501100	BUS OPERATORS' LABOR	14,610,734	14,915,389	15,355,489	12,891,163	13,020,075	13,150,275
501110	OVERTIME - BUS OPERATORS	1,109,246	1,111,730	1,427,578	1,080,246	1,080,246	1,080,246
501200	HOURLY EMPLOYEES PAYROLL	3,728,983	3,569,240	3,764,542	3,604,514	3,640,559	3,676,965
501210	OVERTIME - HOURLY EMPLOYEES	505,907	119,729	72,919	75,000	75,000	75,000
501300	LABOR - SALARIED EMPLOYEES	866,749	878,472	965,673	973,017	982,747	992,575
501310	OVERTIME - SALARIED EMPLOYEES	146,917	73,445	27,758	50,000	50,000	50,000
502000	FRINGE BENEFITS	6,713,169	6,976,672	7,617,537	7,317,691	7,405,503	7,494,369
502071	W. C. - INJURIES & DAMAGES	4,874	7,530	5,410	0	0	0
503000	SERVICES	45,958	18,010	24,360	60,285	60,285	60,285
504000	MATERIAL & SUPPLIES	61,872	53,494	46,465	41,405	41,405	41,405
509000	MISCELLANEOUS EXPENSES	4,029	1,045	1,694	5,800	5,800	5,800
512000	LEASES & RENTALS	0	0	0	1,900	1,900	1,900
<b>DEPT TOTAL</b>		<b>27,798,437</b>	<b>27,724,756</b>	<b>29,309,425</b>	<b>26,101,021</b>	<b>26,363,521</b>	<b>26,628,820</b>

# Department Budgets

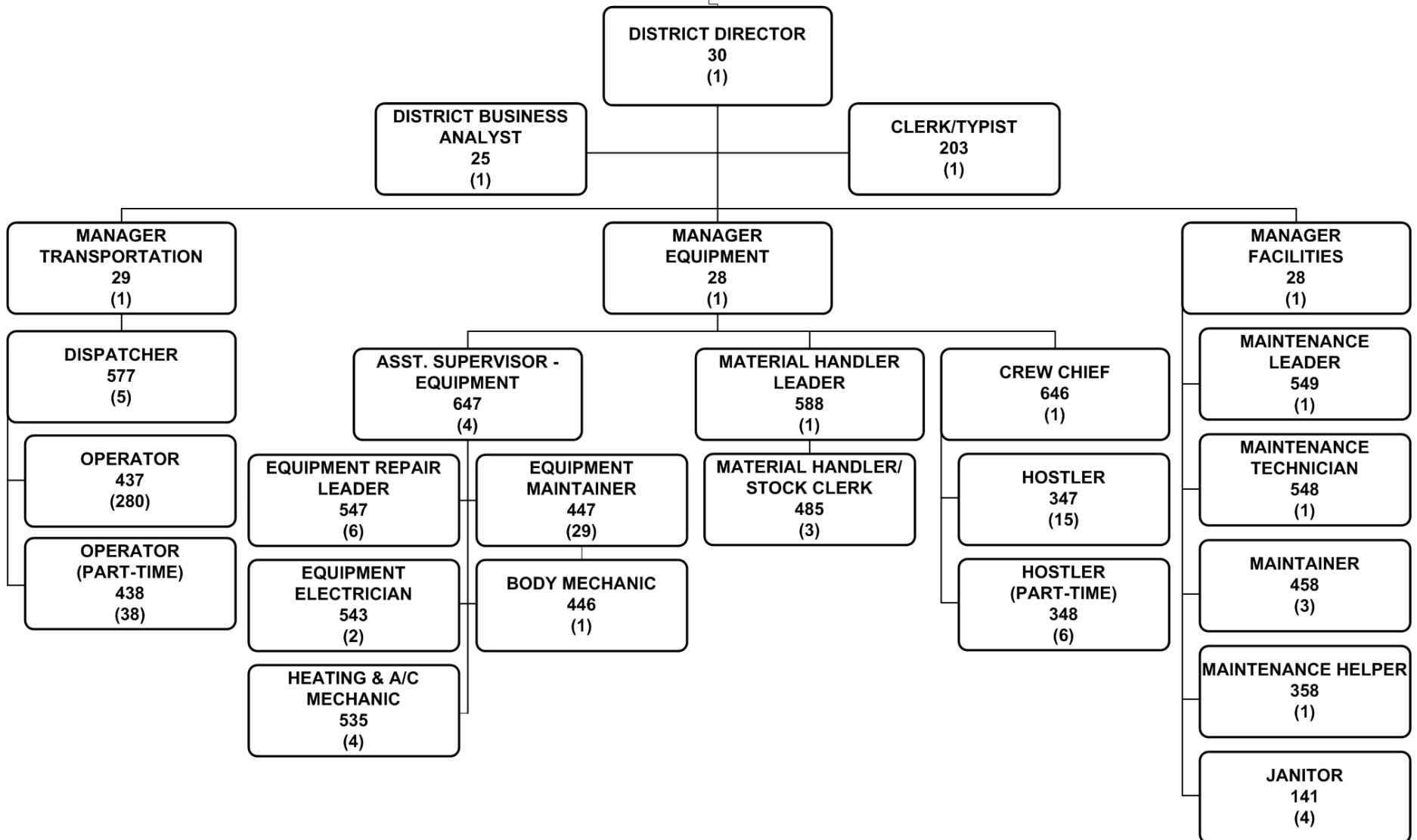
## 2010 Budget Implementation

### Department 46 – Hayden District

- Continue to aggressively support all safety programs designed to reduce collisions and passenger accidents.
- Maximize revenue collection efforts through operator training, preventative maintenance procedures, and improving collection procedures.
- Increase and maintain ridership through creative approaches and improving customer service.
- Support the Health Line.
- Support 2009 Operations Division initiatives and projects as assigned.
- Support communications among employees, management, and the ATU.
- Continue to utilize and maximize the CITME program for facility and vehicle maintenance plans.
- Support participation in the TransitStat program.
- Support RTA's system security, emergency preparedness, and operations plans.
- Enhance customer service communications through operators, service delivery monitoring, field supervision, accident investigation, and performance analysis.

	<b>2007 Actual</b>	<b>2008 Actual</b>	<b>2009 Actual</b>	<b>2010 Budget</b>
Hayden Vehicle Miles	6,846,977	6,717,510	6,405,306	6,376,000
Preventable Collisions per 100,000 miles	0.30	0.30	1.009	0.70
Collision Accidents per 100,000 miles	3.31	3.31	3.91	3.15
Number of Miles between Service Interruptions	73,78	7,378	4,073	6,000
Absence Rates	9.27%	9.00%	6.63%	6.50%

**GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY  
TABLE OF ORGANIZATION  
OPERATIONS DIVISION  
HAYDEN DISTRICT  
#46**



# Staffing Level Comparisons

DEPARTMENT: 46 - HAYDEN DISTRICT

JOB CLASS	JOB TITLE	APPROVED 2008	APPROVED 2009	APPROVED 2010	2010-2009 VARIANCE
141	JANITOR	4	4	4	0
203	CLERK/TYPIST	1	1	1	0
347	HOSTLER	18	17	15	(2)
348	HOSTLER (PART-TIME)	6	6	6	0
358	MAINTENANCE HELPER	1	1	1	0
437	OPERATOR	296	282	280	(2)
438	OPERATOR (PART-TIME)	29	38	38	0
442	EQUIPMENT SERVICER	5	5	0	(5)
446	BODY MECHANIC	1	1	1	0
447	EQUIPMENT MAINTAINER	26	26	29	3
458	MAINTAINER	3	3	3	0
485	MATERIAL HANDLER / STOCK CLERK	3	3	3	0
535	HEATING / AIR CONDITIONING MECHANIC	4	4	4	0
543	EQUIPMENT ELECTRICIAN	1	1	2	1
547	EQUIPMENT REPAIR LEADER	9	7	6	(1)
548	MAINTENANCE TECHNICIAN	2	1	1	0
549	MAINTENANCE LEADER	1	1	1	0
577	DISPATCHER	5	5	5	0
588	MATERIAL HANDLER LEADER	1	1	1	0
646	CREW CHIEF	1	1	1	0
647	ASSISTANT SUPERVISOR - EQUIPMENT	4	4	4	0
25	DISTRICT BUSINESS ANALYST	0	1	1	0
28	MANAGER - FACILITIES	1	1	1	0
28	MANAGER - EQUIPMENT	1	1	1	0
29	MANAGER - TRANSPORTATION	1	1	1	0
30	DISTRICT DIRECTOR	1	1	1	0
<b>DEPARTMENT TOTALS</b>		<b>425</b>	<b>417</b>	<b>411</b>	<b>(6)</b>



# 2010 OPERATING BUDGET SUMMARY

## Department 47 – Harvard District

DENNIS REHFUSS, DISTRICT DIRECTOR

The mission of the Harvard District is to provide high quality, on-time, efficient, safe and clean trolley and bus transportation services for the Downtown, southern & southeastern portions of the GCRTA service area and to effectively manage all facilities and vehicle maintenance functions related to District operations.

OBJECT CLASS	DESCRIPTION	2007 Actual	2008 Actual	2009 Actual	2010 Budget	2011 Estimate	2012 Estimate
501100	BUS OPERATORS' LABOR	15,664,807	15,174,720	15,657,308	13,617,276	13,753,449	13,890,983
501110	OVERTIME - BUS OPERATORS	1,016,373	1,053,444	991,699	733,333	733,333	733,333
501200	HOURLY EMPLOYEES PAYROLL	3,807,638	3,620,251	3,821,098	3,824,211	3,862,453	3,901,078
501210	OVERTIME - HOURLY EMPLOYEES	374,215	118,426	46,236	100,000	100,000	100,000
501300	LABOR - SALARIED EMPLOYEES	883,154	863,541	924,591	1,187,959	1,199,839	1,211,837
501310	OVERTIME - SALARIED EMPLOYEES	136,315	62,876	50,989	50,000	50,000	50,000
502000	FRINGE BENEFITS	7,018,828	7,102,756	7,689,760	7,646,404	7,738,161	7,831,019
502071	W. C. - INJURIES & DAMAGES	13,937	13,140	10,229	0	0	0
503000	SERVICES	70,459	83,414	49,663	72,485	72,485	72,485
504000	MATERIAL & SUPPLIES	54,795	43,032	32,913	45,305	45,305	45,305
509000	MISCELLANEOUS EXPENSES	1,899	749	1,637	5,800	5,800	5,800
512000	LEASES & RENTALS	450	(1,464)	0	1,900	1,900	1,900
<b>DEPT TOTAL</b>		<b>29,042,871</b>	<b>28,134,886</b>	<b>29,276,123</b>	<b>27,284,673</b>	<b>27,562,725</b>	<b>27,843,740</b>

# Department Budgets

## 2010 Budget Implementation

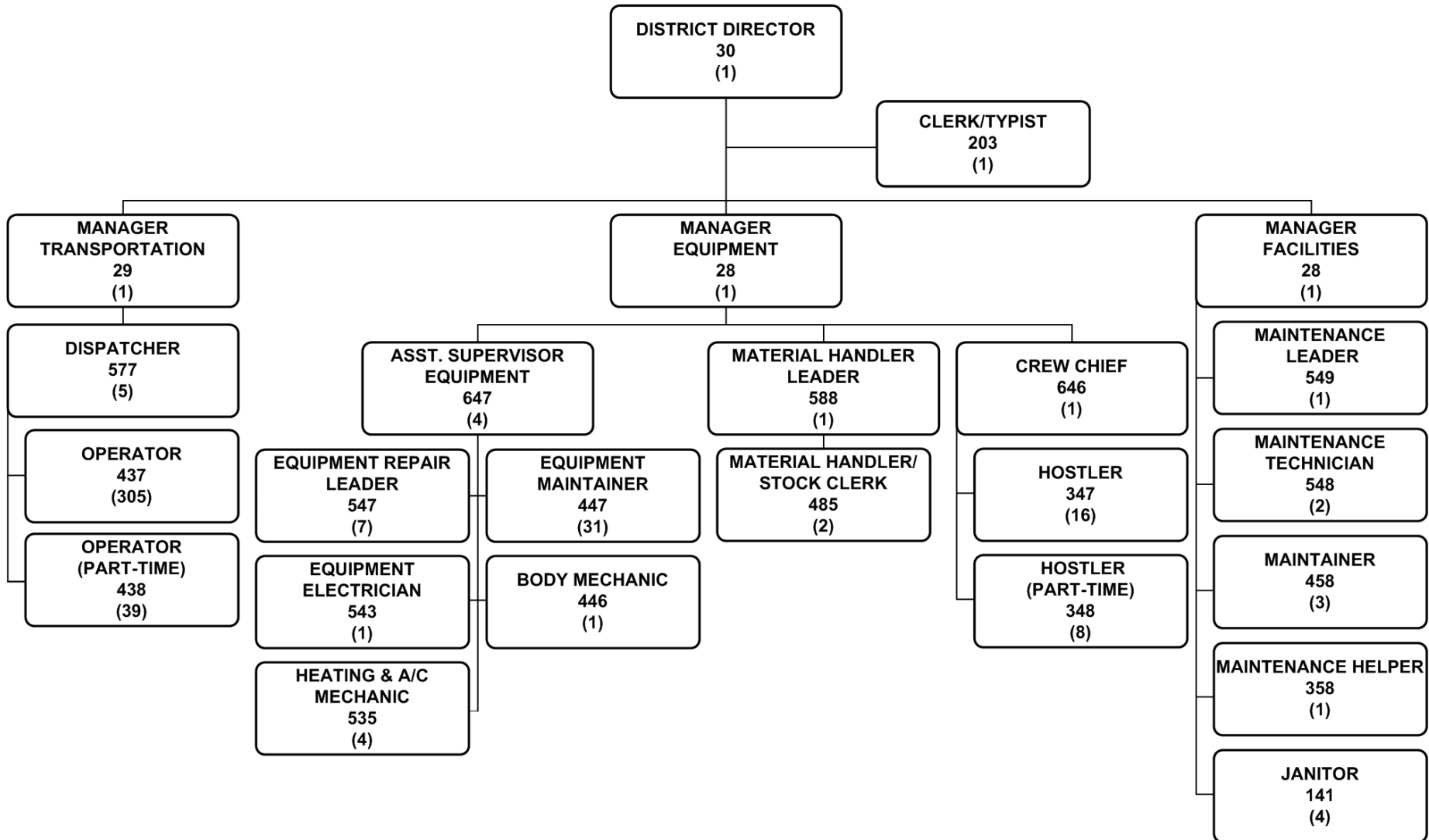
### Department 47 – Harvard District

- Continue to aggressively support all safety programs designed to reduce collisions and passenger accidents.
- Maximize revenue collection by addressing the problem of fare evasion, improving collection procedures, and supporting farebox preventive maintenance.
- Increase and maintain ridership through creative approaches.
- Verify the daily cycle testing of wheelchair lifts.
- Reduce absenteeism.
- Continue shop safety training to reduce workers' compensation claims and promote personal safety.
- Support the participation in TransitStat project.
- Improve absence monitoring and control through personal contact.
- Support communications among employees, management, and the ATU.
- Continue to utilize and maximize the CITME program for facility and vehicle maintenance plans.
- Increase the number of miles between service interruptions.
- Utilize District Council to support community activities.
- Utilize the District Safety Committee to promote district safety.
- Support 2010 Operations Division initiatives and projects.

	<b>2007 Actual</b>	<b>2008 Actual</b>	<b>2009 Actual</b>	<b>2010 Budget</b>
Harvard Vehicle Miles	8,520,228	7,385,982	7,265,717	7,508,700
Preventable Collisions per 100,000 miles	1.07	1.07	1.10	1.07
Collision Accidents per 100,000 miles	2.99	2.99	2.99	2.99
Number of Miles between Service Interruptions	5,790	4,046	7,092	9,000
Absence Rates	8.99%	8.65%	7.64%	4.50

# Staffing Level Comparisons

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY  
 TABLE OF ORGANIZATION  
 OPERATIONS DIVISION  
 HARVARD DISTRICT  
 #47



# Staffing Level Comparisons

DEPARTMENT: 47 - HARVARD DISTRICT

JOB CLASS	JOB TITLE	APPROVED 2008	APPROVED 2009	APPROVED 2010	2010-2009 VARIANCE
141	JANITOR	4	4	4	0
203	CLERK / TYPIST	1	1	1	0
347	HOSTLER	18	16	16	0
348	HOSTLER (PART-TIME)	8	8	8	0
358	MAINTENANCE HELPER	1	1	1	0
437	OPERATOR	330	308	305	(3)
438	OPERATOR (PART-TIME)	24	39	39	0
442	EQUIPMENT SERVICER	9	6	0	(6)
446	BODY MECHANIC	1	1	1	0
447	EQUIPMENT MAINTAINER	25	26	31	5
458	MAINTAINER	3	3	3	0
485	MATERIAL HANDLER / STOCK CLERK	3	3	2	(1)
535	HEATING / AIR CONDITIONING MECHANIC	4	4	4	0
543	EQUIPMENT ELECTRICIAN	1	1	1	0
547	EQUIPMENT REPAIR LEADER	8	7	7	0
548	MAINTENANCE TECHNICIAN	2	2	2	0
549	MAINTENANCE LEADER	1	1	1	0
577	DISPATCHER	5	5	5	0
588	MATERIAL HANDLER LEADER	1	1	1	0
646	CREW CHIEF	1	1	1	0
647	ASSISTANT SUPERVISOR - EQUIPMENT	4	5	4	(1)
28	MANAGER - FACILITIES	1	1	1	0
28	MANAGER - EQUIPMENT	1	1	1	0
29	MANAGER - TRANSPORTATION	1	1	1	0
30	DISTRICT DIRECTOR	1	1	1	0
<b>DEPARTMENT TOTALS</b>		<b>458</b>	<b>447</b>	<b>441</b>	<b>(6)</b>

# 2010 OPERATING BUDGET SUMMARY

## Department 49 – Triskett District

**WILLIAM ELTRICH, DISTRICT DIRECTOR**

The mission of the Triskett District is to provide high quality public transportation services that are customer friendly, on-time, efficient and safe for the downtown and western portion of the GCRTA service area and to effectively manage all facilities and vehicle maintenance functions related to District operations.

OBJECT		2007 Actual	2008 Actual	2009 Actual	2010 Budget	2011 Estimate	2012 Estimate
CLASS	DESCRIPTION						
501100	BUS OPERATORS' LABOR	16,723,104	16,095,532	14,555,611	10,793,324	10,901,257	11,010,270
501110	OVERTIME - BUS OPERATORS	1,069,061	1,008,753	1,018,307	633,333	633,333	633,333
501200	HOURLY EMPLOYEES PAYROLL	3,966,225	3,821,312	3,446,186	2,966,366	2,996,030	3,025,990
501210	OVERTIME - HOURLY EMPLOYEES	502,238	141,874	267,710	120,000	120,000	120,000
501300	LABOR - SALARIED EMPLOYEES	896,231	921,159	989,080	937,520	946,895	956,364
501310	OVERTIME - SALARIED EMPLOYEES	152,942	26,524	29,769	60,000	60,000	60,000
502000	FRINGE BENEFITS	7,459,667	7,456,451	7,131,209	6,078,062	6,150,999	6,224,811
502071	W. C. - INJURIES & DAMAGES	4,714	10,091	4,739	0	0	0
503000	SERVICES	24,730	24,835	17,659	161,485	161,485	161,485
504000	MATERIAL & SUPPLIES	40,752	37,319	38,418	45,905	45,905	45,905
509000	MISCELLANEOUS EXPENSES	3,870	1,733	1,501	5,550	5,550	5,550
512000	LEASES & RENTALS	140	0	200	700	700	700
<b>DEPT TOTAL</b>		<b>30,843,672</b>	<b>29,545,583</b>	<b>27,500,388</b>	<b>21,802,245</b>	<b>22,022,154</b>	<b>22,244,408</b>

# Department Budgets

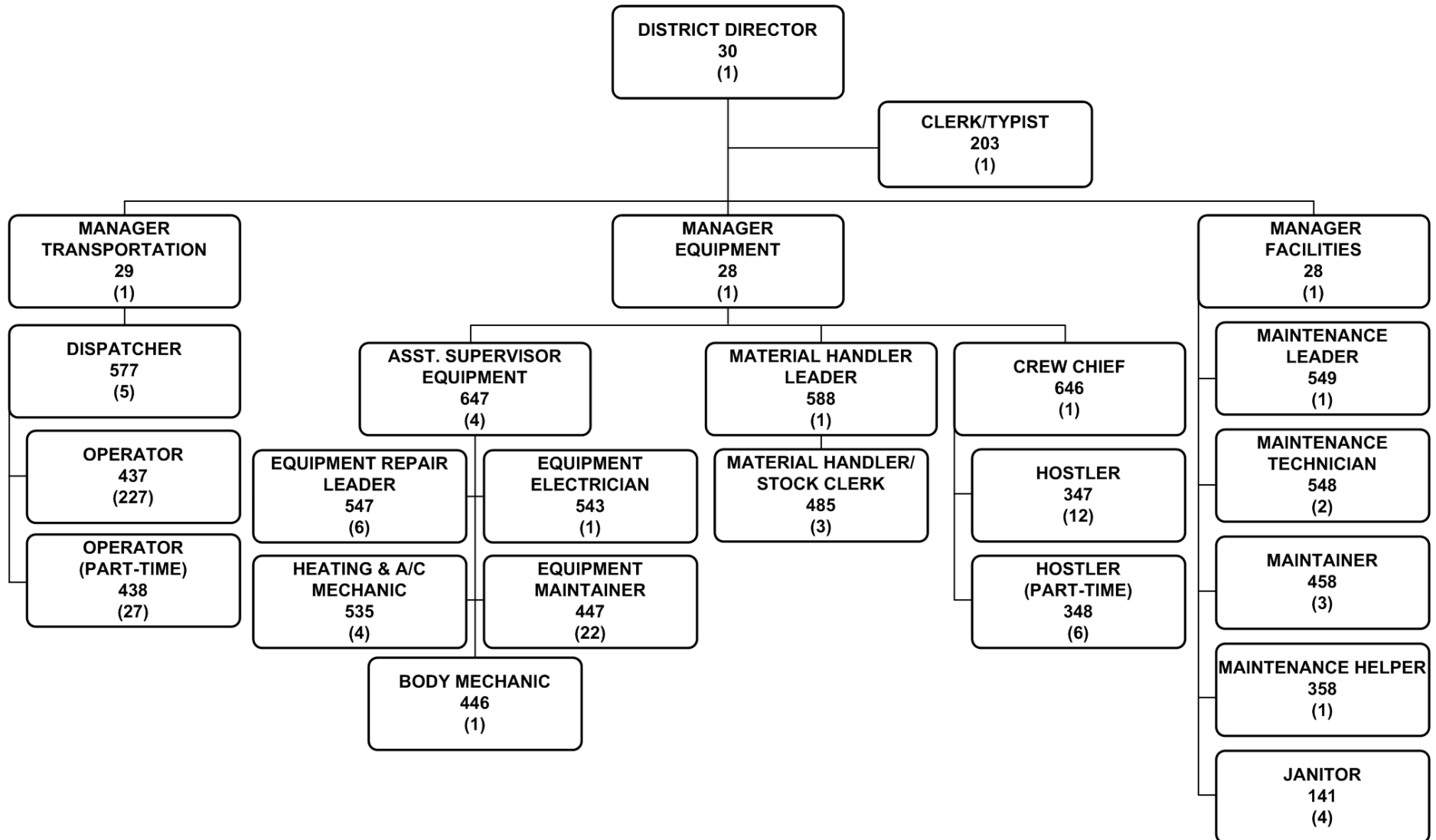
## 2010 Budget Implementation

### Department 49 – Triskett District

- Continue to aggressively support all safety programs to reduce collisions and passenger accidents by coordinating with the Safety Department and tracking the number and type of accidents on a monthly basis.
- Support participation in TransitStat project by reporting on the TransitStat 'Score Card' on a monthly basis.
- Continue to utilize and maximize CITME maintenance program by reporting preventative maintenance compliance data on a monthly basis.
- Continue to aggressively support revenue vehicle cleanliness by maintaining or exceeding the standard set on detail cleaning on a monthly basis.
- Maximize revenue collection efforts by coordinating information with the Revenue Department in tracking the percentage of coaches vaulted and probed on a monthly basis.
- Support the Authority's system of security, emergency preparedness, and operational plan by participating in the annual emergency drill exercise and attending NIMS courses.
- Reduce the absenteeism rate at the district through creative approaches and by tracking the absenteeism rate on a monthly basis.
- Support 2010 Operations Division initiatives and projects as assigned.

	<b>2007 Actual</b>	<b>2008 Actual</b>	<b>2009 Actual</b>	<b>2010 Budget</b>
Triskett Vehicle Miles	8,423,584	8,503,901	5,752,557	5,062,250
Preventable Collisions per 100,000 miles	0.82	0.82	0.66	0.93
Collision Accidents per 100,000 miles	2.69	2.57	1.93	3.00
Number of Miles between Service Interruptions	7,174	6,655	6,865	8,500
Absence Rates	6.15%	5.36%	5.78%	4.50%

**GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY  
TABLE OF ORGANIZATION  
OPERATIONS DIVISION  
TRISKETT DISTRICT  
#49**



# Staffing Level Comparisons

**DEPARTMENT: 49 - TRISKETT DISTRICT**

<b>JOB CLASS</b>	<b>JOB TITLE</b>	<b>APPROVED 2008</b>	<b>APPROVED 2009</b>	<b>APPROVED 2010</b>	<b>2010-2009 VARIANCE</b>
141	JANITOR	4	4	4	0
188	COMMUNITY CIRCULATOR OPERATOR	81	58	0	(58)
189	COMMUNITY CIRCULATOR OPERATOR (PART-TIME)	11	10	0	(10)
203	CLERK/TYPIST	1	1	1	0
347	HOSTLER	15	13	12	(1)
348	HOSTLER (PART-TIME)	8	8	6	(2)
358	MAINTENANCE HELPER	1	1	1	0
437	OPERATOR	254	229	227	(2)
438	OPERATOR - PART-TIME	18	27	27	0
446	BODY MECHANIC	1	1	1	0
447	EQUIPMENT MAINTAINER	32	25	22	(3)
458	MAINTAINER	3	3	3	0
485	MATERIAL HANDLER / STOCK CLERK	3	3	3	0
535	HEATING / AIR CONDITIONING MECHANIC	4	4	4	0
543	EQUIPMENT ELECTRICIAN	1	1	1	0
547	EQUIPMENT REPAIR LEADER	7	6	6	0
548	MAINTENANCE TECHNICIAN	2	2	2	0
549	MAINTENANCE LEADER	1	1	1	0
577	DISPATCHER	5	5	5	0
588	MATERIAL HANDLER LEADER	1	1	1	0
646	CREW CHIEF	1	1	1	0
647	ASSISTANT SUPERVISOR - EQUIPMENT	4	4	4	0
28	MANAGER - FACILITIES	1	1	1	0
28	MANAGER - EQUIPMENT	1	1	1	0
29	MANAGER - TRANSPORTATION	1	1	1	0
30	DISTRICT DIRECTOR	1	1	1	0
<b>DEPARTMENT TOTALS</b>		<b>462</b>	<b>412</b>	<b>336</b>	<b>(76)</b>



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## **Division - Finance & Administration**

<b>Division Summary</b>	<b>DB - 53</b>
Office of Business Development	DB - 58
Accounting	DB - 62
Information Systems	DB - 66
Support Services	DB - 70
Procurement	DB - 74
Revenue	DB - 78

# **DIVISION SUMMARY**

## **FINANCE & ADMINISTRATION**

**Loretta Kirk, Deputy General Manager**

### **Mission Statement**

As an integrated group of professions, the Finance and Administration Division contributes to the organizational success by managing the financial resources of the Authority efficiently and in strict compliance with government regulations, generally accepted financial management principles and Authority policies and by providing timely delivery of administrative services to internal and external customers.

### **General Description**

The Finance and Administration Division is responsible for the Authority's financial management and critical support functions. Performs financial management functions, accounting, financial reporting, cash management, debt management and passenger fare collection and processing. Performs critical support functions, such as purchasing, contract administration, information technology, grants management, records management, mail, reproduction services, administrative services and outreach efforts for DBE contracting opportunities with the GCRTA.

### **2009 Achievements**

- Implemented Information Technology projects and modules to improve productivity and customer service; supported development of short and long range Information Technology (IT) Strategic Plan and IT Policies and Procedure update.

- Completed procurements according to Procurement Plan and continued implementation and monitored procurement processes to reduce processing, turnaround time and inventory-carrying costs.
- Continued Grant Closeouts & Grants Administration improvements.
- Continued improvements and enhancements to the Disadvantaged Business Enterprise (DBE) Program.
- Completed financing transactions to support operations and capital program.
- Continued efforts with assisting departments in minimizing the Authority's overall administration costs.
- Managed Support Services and Record Management functions for the Authority.

### **2010 Priorities**

- Support development of short and long range Information Technology (IT) Strategic Plans and update IT Policies and Procedures.
- Upgrade, maintain and replace distributed network and client server applications.

# DIVISION SUMMARY

## FINANCE & ADMINISTRATION

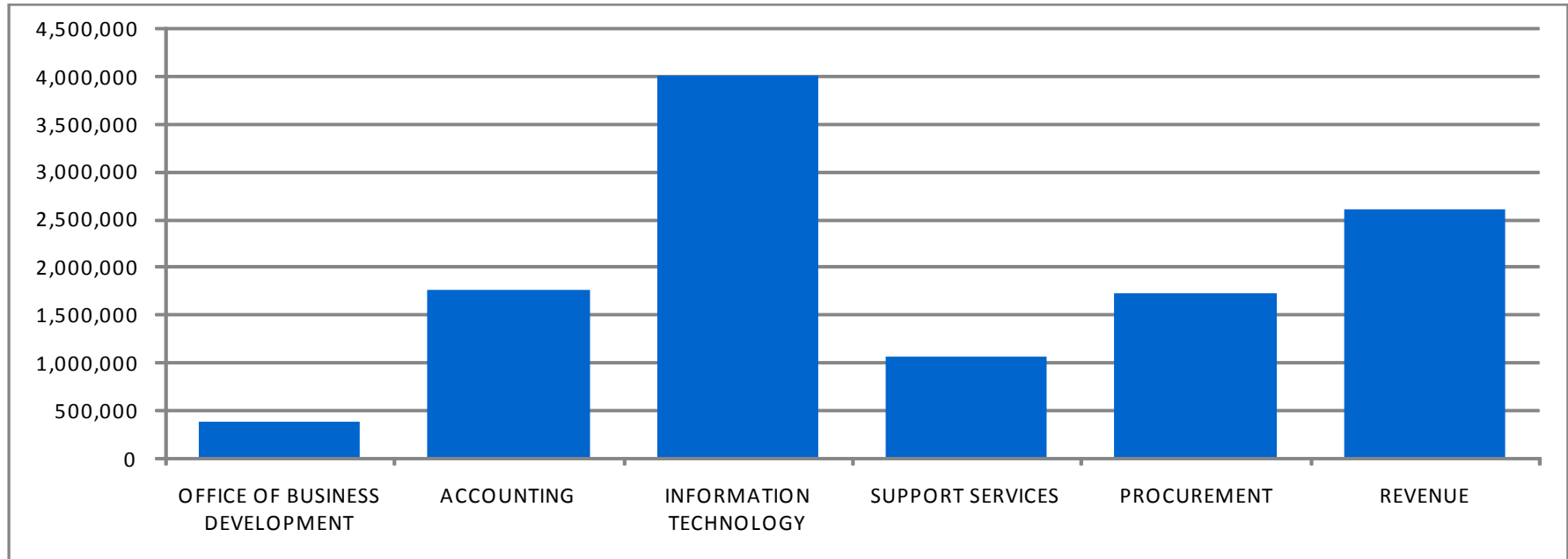
Loretta Kirk, Deputy General Manager

### 2010 Priorities (Continued)

- Support telecommunications services, including audio, video and data.
- Support Disaster Recovery Implementation.
- Implement, monitor and improve procurement acquisition process to reduce procurement turnaround time.
- Expedite procurement and delivery of goods and services to user departments utilizing a functional work team structure.
- Implement procurement processes to reduce processing time of purchase requisitions and reduce inventory-carrying cost.
- Reduce time required to process payments to vendors and employees by revising the payments process and streamlining procedures.
- Prepare Comprehensive Annual Financial Report, conforming to the requirements outlined by the Government Finance Officers Association.
- Prepare Comprehensive Annual Financial Report, conforming to the requirements outlined by the Government Finance Officers Association.
- Continue to work with vendors to successfully implement and improve the proof of payment system in place on both the Red Line (heavy rail) and the Health Line.
- Work towards the implementation of Smart Card use for payment of fares system-wide.
- Improve ridership reporting using the Transit Stat process and the new Automated Passenger Counting (APC) system.
- Maintain and improve cash handling processes, fare collection equipment security and the vaulting process.
- Administer the Authority's Disadvantaged Business (DBE) Program to include certification of firms as DBE contractors, establish DBE goals on contracts, outreach to the business community, and ensure compliance with federal regulations.
- Work to increase the number of businesses and overall spending that women and minority owned firms represent in all procurement opportunities including small purchases.
- Assist and support women and minority owned firms through sponsoring topic-oriented workshops, training and information sessions.
- Encourage and monitor the utilization of women and minority workers on RTA construction projects to ensure that required participation levels are reached.
- Oversee Support Services and Record Management functions for the Authority.

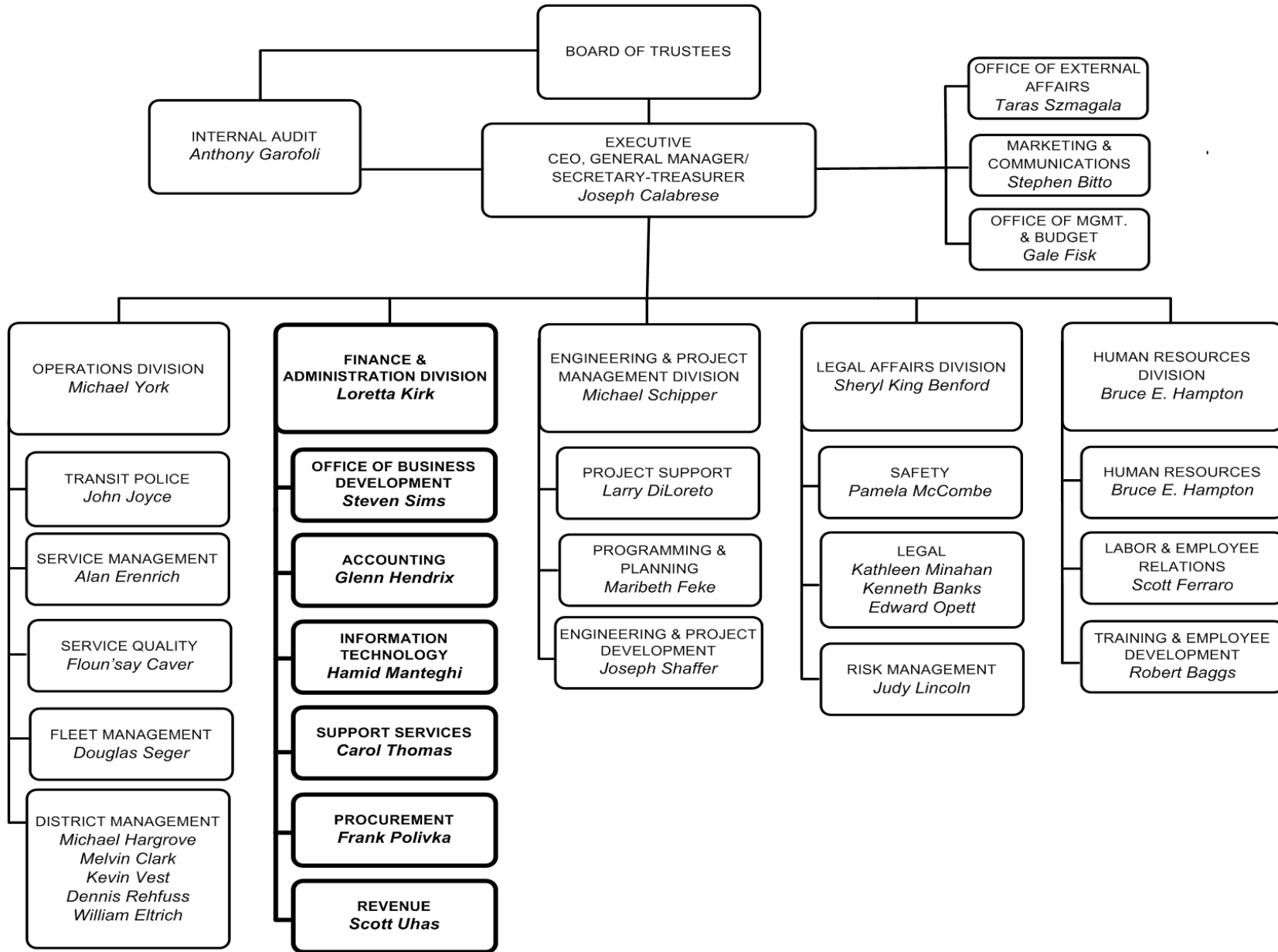
# 2010 OPERATING BUDGET SUMMARY

## Division 2 – Finance & Administration



Dept. #	Description	2007 Actual	2008 Actual	2009 Actual	2010 Budget	2011 Estimate	2012 Estimate
10	OFFICE OF BUSINESS DEVELOPMENT	417,526	430,506	393,147	372,227	376,117	380,048
60	ACCOUNTING	1,331,757	1,523,537	1,603,658	1,772,357	1,790,374	1,808,584
61	INFORMATION TECHNOLOGY	3,411,556	3,605,339	3,588,267	4,014,989	4,040,998	4,067,281
62	SUPPORT SERVICES	1,086,625	1,275,268	1,046,180	1,059,971	1,068,958	1,078,039
64	PROCUREMENT	1,833,520	1,890,397	1,654,540	1,735,857	1,753,981	1,772,298
65	REVENUE	2,191,023	2,266,683	2,346,067	2,616,481	2,639,945	2,663,655
<b>DIVISION TOTALS</b>		<b>\$ 10,272,008</b>	<b>\$ 10,991,729</b>	<b>\$ 10,631,860</b>	<b>\$ 11,571,882</b>	<b>\$ 11,670,374</b>	<b>\$ 11,769,906</b>

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY  
TABLE OF ORGANIZATION  
AS OF 2010 BUDGET ADOPTION



# DEPARTMENTAL STAFFING ANALYSIS

## Authorized Staffing Level by Division

	2008	2009	2010	Variance 2010 - 2009
<b>FINANCE &amp; ADMINISTRATION</b>				
OFFICE OF BUSINESS DEVELOPMENT	5	5	4	(1)
ACCOUNTING	23	22	22	0
INFORMATION SYSTEMS	24	23	23	0
SUPPORT SERVICES	10	8	8	0
PROCUREMENT	22	20	18	(2)
REVENUE	25	20	20	0
<b>TOTALS</b>	<b>109</b>	<b>98</b>	<b>95</b>	<b>(3)</b>

# 2010 OPERATING BUDGET SUMMARY

## Department 10 – Office of Business Development

STEVEN SIMS, DIRECTOR

The mission of the Office of Business Development is to engage, support, and assist the local disadvantaged business community, and help ensure fair and representative participation in procurement opportunities at GCRTA and within the community at-large.

OBJECT		2007 Actual	2008 Actual	2009 Actual	2010 Budget	2011 Estimate	2012 Estimate
CLASS	DESCRIPTION						
501300	LABOR - SALARIED EMPLOYEES	313,519	320,356	286,323	264,574	267,220	269,892
502000	FRINGE BENEFITS	99,912	104,360	102,919	103,678	104,922	106,181
503000	SERVICES	0	221	0	0	0	0
503020	ADVERTISING FEES	842	0	557	1,100	1,100	1,100
504000	MATERIAL & SUPPLIES	563	542	15	500	500	500
509000	MISCELLANEOUS EXPENSES	2,691	5,025	3,332	2,375	2,375	2,375
<b>DEPT TOTAL</b>		<b>417,526</b>	<b>430,506</b>	<b>393,147</b>	<b>372,227</b>	<b>376,117</b>	<b>380,048</b>



# Department Budgets

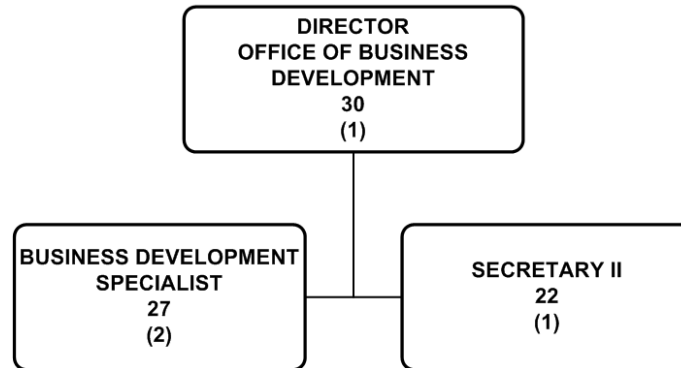
## 2010 Budget Implementation

### Department 10 – Office of Business Development

- Administer the Authority’s Disadvantaged Business (DBE) Program to include certification of firms as a DBE contractor, establishing DBE goals on contracts, and ensuring compliance with federal regulations.
- Encourage strong business relationships between RTA and women and minority owned firms by supporting avenues to communicate procurement opportunities.
- Work to increase the number of businesses and overall spending that women and minority owned firms represent in all procurement opportunities including small purchases.
- Assist and support women and minority owned firms through sponsoring topic-oriented workshops, training and information sessions.
- Encourage and monitor the utilization of women and minority workers on RTA construction projects to ensure that required participation levels are reached.
- Actively seek to identify and certify DBE firms.

	<b>2007 Actual</b>	<b>2008 Actual</b>	<b>2009 Estimate</b>	<b>2010 Budget</b>
Conduct on site construction compliance reviews	24	32	16	16
Host contract informational sessions for DBE and prime contractors regarding RTA procurements	4	2	2	2
Sponsor and support business focused workshops and training sessions for women and minority business owners	4	3	4	4
Conduct DBE certification workshops	8	2	2	2

**GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY  
TABLE OF ORGANIZATION  
FINANCE & ADMINISTRATION DIVISION  
OFFICE OF BUSINESS DEVELOPMENT  
#10**



# STAFFING LEVEL COMPARISONS

## DEPARTMENT: 10 - OFFICE OF BUSINESS DEVELOPMENT

<b>JOB CLASS</b>	<b>JOB TITLE</b>	<b>APPROVED 2008</b>	<b>APPROVED 2009</b>	<b>APPROVED 2010</b>	<b>2010-2009 VARIANCE</b>
22	SECRETARY II	1	1	1	0
27	BUSINESS DEVELOPMENT SPECIALIST	3	3	2	(1)
30	DIRECTOR - OFFICE OF BUSINESS DEVELOPMENT	1	1	1	0
<b>DEPARTMENT TOTALS</b>		<b>5</b>	<b>5</b>	<b>4</b>	<b>(1)</b>

# 2010 OPERATING BUDGET SUMMARY

## Department 60 - Accounting

GLENN HENDRIX, DIRECTOR

The mission statement of the Accounting Department is to maintain accurate and timely accounting records of the Authority, process accurate voucher and payroll checks for both our internal and external customers, and to develop, monitor and maintain an effective internal control system that safeguards the Authority's financial assets.

OBJECT		2007 Actual	2008 Actual	2009 Actual	2010 Budget	2011 Estimate	2012 Estimate
CLASS	DESCRIPTION						
501300	LABOR - SALARIED EMPLOYEES	952,746	1,100,005	1,159,216	1,215,886	1,228,045	1,240,325
501310	OVERTIME - SALARIED EMPLOYEES	28,669	38,567	18,071	30,000	30,000	30,000
502000	FRINGE BENEFITS	312,889	344,300	390,481	488,221	494,080	500,009
503000	SERVICES	19,518	24,993	11,695	15,250	15,250	15,250
503049	TEMPORARY HELP	(4)	0	0	0	0	0
504000	MATERIAL & SUPPLIES	12,198	10,225	16,436	16,700	16,700	16,700
504051	POSTAGE EXPENSE	0	0	0	0	0	0
509000	MISCELLANEOUS EXPENSES	5,741	5,447	7,760	6,300	6,300	6,300
<b>DEPT TOTAL</b>		<b>1,331,757</b>	<b>1,523,537</b>	<b>1,603,658</b>	<b>1,772,357</b>	<b>1,790,374</b>	<b>1,808,584</b>

# Department Budgets

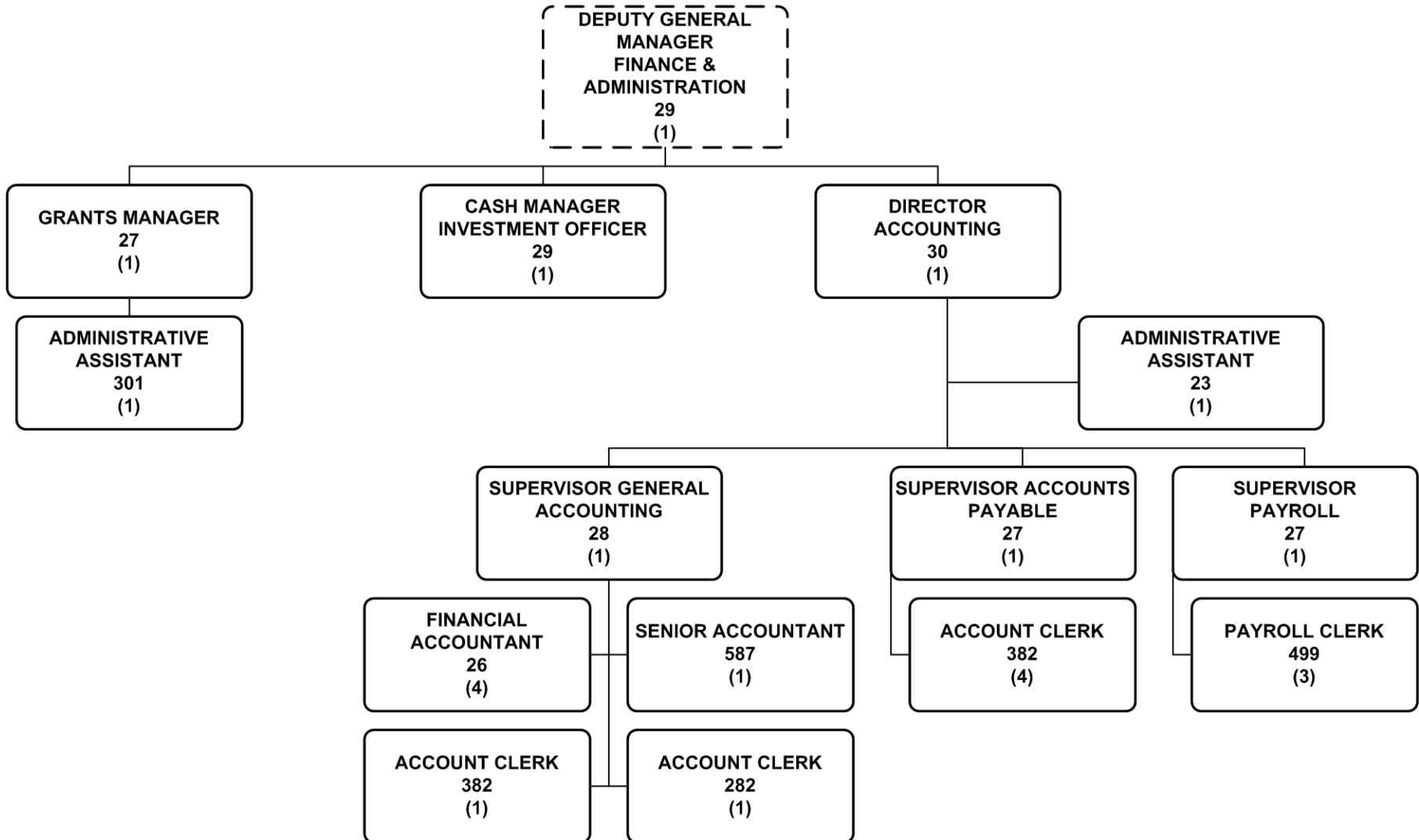
## 2010 Budget Implementation

### Department 60 - Accounting

- Reduce time required to process payments to vendors and employees by revising the payments process and streamlining procedures.
- Prepare Comprehensive Annual Financial Report, conforming to the requirements outlined by the Government Finance Officers Association.
- Improve department performance to eliminate audit citations and expedite workflow.

	<b>2007 Actual</b>	<b>2008 Actual</b>	<b>2009 Estimate</b>	<b>2010 Budget</b>
Number Of Days To Process Cash Disbursement Reports	1	1	1	1
Number Of Days To Complete Month-End Closings	6	5	5	5
Average Days To Process Invoices	5	5	5	5

**GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY  
TABLE OF ORGANIZATION  
FINANCE & ADMINISTRATION DIVISION  
ACCOUNTING DEPARTMENT  
#60**



# STAFFING LEVEL COMPARISONS

## DEPARTMENT: 60 - ACCOUNTING

<b>JOB CLASS</b>	<b>JOB TITLE</b>	<b>APPROVED 2008</b>	<b>APPROVED 2009</b>	<b>APPROVED 2010</b>	<b>2010-2009 VARIANCE</b>
282	ACCOUNT CLERK	1	1	1	0
301	ADMINISTRATIVE ASSISTANT	1	1	1	0
382	ACCOUNT CLERK	5	5	5	0
499	PAYROLL CLERK	3	3	3	0
587	SENIOR ACCOUNTANT	1	1	1	0
23	ADMINISTRATIVE ASSISTANT	1	1	1	0
26	PAYROLL ADMINISTRATOR	1	0	0	0
26	FINANCIAL ACCOUNTANT	4	4	4	0
27	SUPERVISOR - ACCOUNTS PAYABLE	1	1	1	0
27	SUPERVISOR - PAYROLL	1	1	1	0
27	GRANTS MANAGER	1	1	1	0
28	SUPERVISOR - GENERAL ACCOUNTING	1	1	1	0
29	CASH MANAGER / INVESTMENT OFFICER	1	1	1	0
30	DIRECTOR - ACCOUNTING	1	1	1	0
<b>DEPARTMENT TOTALS</b>		<b>23</b>	<b>22</b>	<b>22</b>	<b>0</b>

# Department Budgets

## 2010 Budget Implementation

### Department 61 – Information Technology

HAMID MANTEGHI, DIRECTOR

The mission of the Information Technology Department is to deliver reliable Information Technology services to the entire Greater Cleveland Regional Transit Authority, based on business requirements established by department and divisions, in a cost effective manner. Its focus is on the effective use of technology solutions through IT planning, procurement, business process improvement, and by maintaining the enterprise software, hardware and infrastructure.

OBJECT		2007 Actual	2008 Actual	2009 Actual	2010 Budget	2011 Estimate	2012 Estimate
CLASS	DESCRIPTION						
501300	LABOR - SALARIED EMPLOYEES	1,378,862	1,386,616	1,366,862	1,473,753	1,488,490	1,503,375
501310	OVERTIME - SALARIED EMPLOYEES	1,083	450	809	2,700	2,700	2,700
502000	FRINGE BENEFITS	443,800	456,210	493,906	578,572	585,515	592,541
503000	SERVICES	1,074,118	1,231,516	1,251,814	1,492,326	1,492,326	1,492,326
504000	MATERIAL & SUPPLIES	30,981	29,657	22,253	31,000	31,000	31,000
505000	UTILITIES	477,368	498,396	449,914	347,000	350,470	353,975
509000	MISCELLANEOUS EXPENSES	5,345	2,494	2,709	3,750	3,750	3,750
512000	LEASES & RENTALS	0	0	0	85,888	86,747	87,614
<b>DEPT TOTAL</b>		<b>3,411,556</b>	<b>3,605,339</b>	<b>3,588,267</b>	<b>4,014,989</b>	<b>4,040,998</b>	<b>4,067,281</b>



# Department Budgets

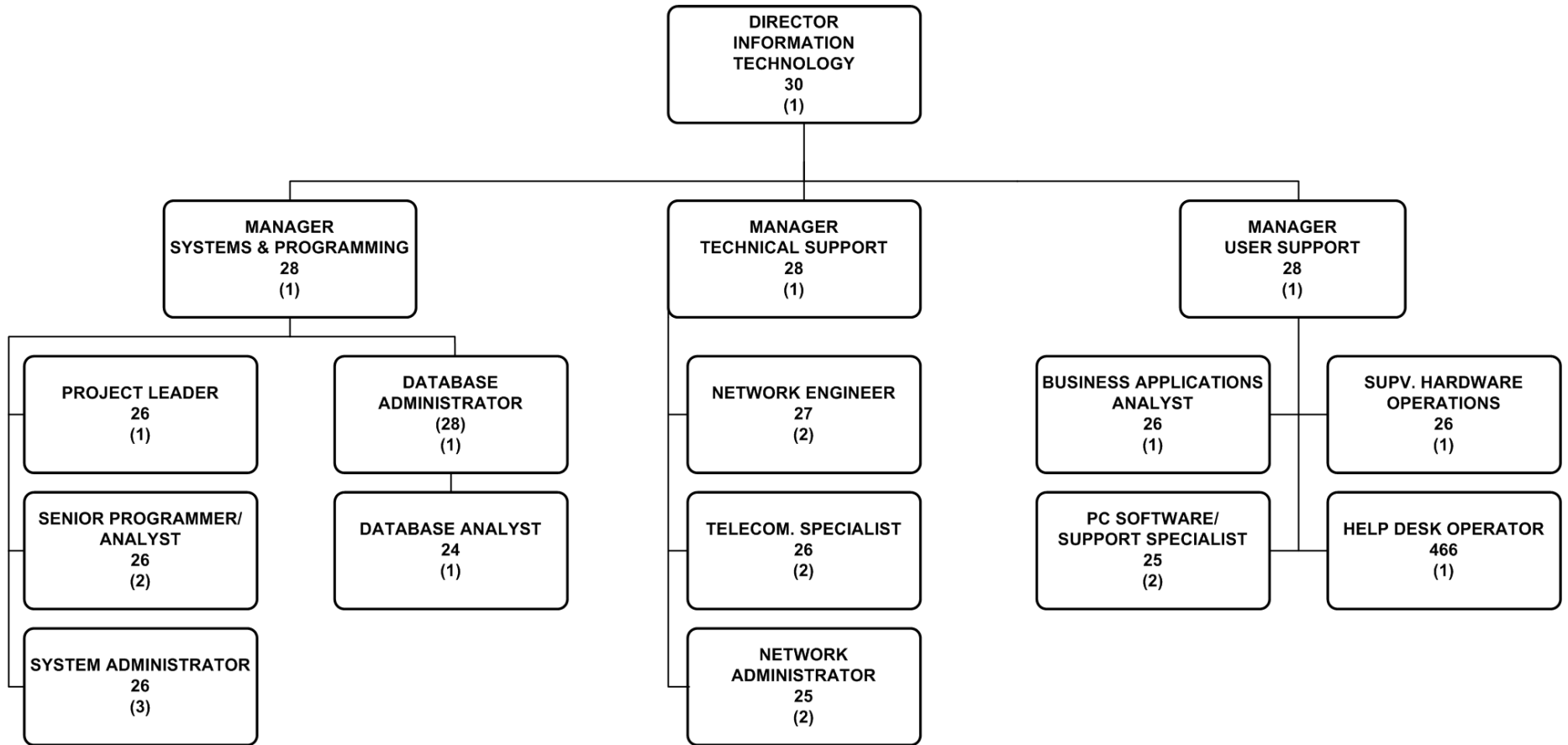
## 2010 Budget Implementation

### Department 61 – Information Technology

- Upgrade, maintain and replace distributed network and client server applications.
- Support telecommunications services, including audio, video and data.
- Support Disaster Recovery Implementation.
- Support development of short and long range Information Technology (IT) Strategic Plans and update IT Policies and Procedures.
- Support daily operations and office automations.
- Provide Help Desk support and users technical training.

	<b>2007 Actual</b>	<b>2008 Actual</b>	<b>2009 Estimate</b>	<b>2010 Budget</b>
<b><u>IT Projects (Percent Of Project Completed)</u></b>				
Kronos Upgrade	5%	20%	100%	100%
Fare Collection (Infrastructure)	10%	90%	100%	100%
ECTP Infrastructure	75%	90%	100%	100%
Oracle Products Implementation	90%	90%	95%	98%
Document Management System	20%	20%	20%	20%
Oracle Version Upgrade	-	-	0%	5%
Operator Time & Attendance Replacement	-	-	0%	5%
Communication Infrastructure Enhancement	-	-	0%	10%
Data Center Renovation	20%	60%	85%	90%
Trapeze Product Upgrade	0%	50%	75%	100%
<b><u>User Support</u></b>				
Printers Supported	220	200	250	250
Users Supported	1,250	1,250	1,225	1,200
RTA Locations Supported	18	18	18	18
Personal Computers	1,000	1,000	1,000	970
Telephone/Voice Mail Boxes	1,900	1,900	1,850	700
911 Call Box	145	220	279	285

**GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY  
TABLE OF ORGANIZATION  
FINANCE & ADMINISTRATION DIVISION  
INFORMATION TECHNOLOGY DEPARTMENT  
#61**



# STAFFING LEVEL COMPARISONS

## DEPARTMENT: 61 - INFORMATION TECHNOLOGY

JOB CLASS	JOB TITLE	APPROVED 2008	APPROVED 2009	APPROVED 2010	2010-2009 VARIANCE
466	HELP DESK OPERATOR	1	1	1	0
596	COORDINATOR - USER SUPPORT	1	0	0	0
24	DATABASE ANALYST	1	1	1	0
25	NETWORK ADMINISTRATOR	4	2	2	0
25	PC SOFTWARE/SUPPORT SPECIALIST	2	2	2	0
26	TELECOMMUNICATION SPECIALIST	2	2	2	0
26	BUSINESS APPLICATIONS ANALYST	1	1	1	0
26	SYSTEM ADMINISTRATOR	2	2	3	1
26	SENIOR PROGRAMMER / ANALYST	2	2	2	0
26	SUPERVISOR - HARDWARE OPERATIONS	1	1	1	0
26	PROJECT LEADER	2	2	1	(1)
27	NETWORK ENGINEER	0	2	2	0
28	MANAGER - USER SUPPORT	1	1	1	0
28	MANAGER - TECHNICAL SUPPORT	1	1	1	0
28	DATABASE ADMINISTRATOR	1	1	1	0
28	MANAGER - SYSTEMS AND PROGRAMMING	1	1	1	0
30	DIRECTOR - INFORMATION SYSTEMS	1	1	1	0
<b>DEPARTMENT TOTALS</b>		<b>24</b>	<b>23</b>	<b>23</b>	<b>0</b>

# 2010 OPERATING BUDGET SUMMARY

## Department 62 – Support Services

CAROL THOMAS, MANAGER

Support Services provides high-tech duplicating services, mail management, mail and supplies delivery to our facilities and other business establishments, high-speed offset printing at our Print Shop, vending machine services, office furniture, recycling services, and a Records Management Program.

OBJECT		2007 Actual	2008 Actual	2009 Actual	2010 Budget	2011 Estimate	2012 Estimate
CLASS	DESCRIPTION						
501200	HOURLY EMPLOYEES PAYROLL	46,676	47,933	49,742	49,878	50,377	50,881
501210	OVERTIME - HOURLY EMPLOYEES	497	322	658	750	750	750
501300	LABOR - SALARIED EMPLOYEES	457,374	465,533	388,732	376,572	380,338	384,141
501310	OVERTIME - SALARIED EMPLOYEES	8,447	6,300	3,171	3,000	3,000	3,000
502000	FRINGE BENEFITS	165,150	169,627	161,009	168,581	170,604	172,651
503000	SERVICES	69,707	79,634	69,888	80,364	80,364	80,364
504000	MATERIAL & SUPPLIES	45,907	92,931	65,806	108,300	108,300	108,300
504051	POSTAGE EXPENSE	110,538	120,560	52,490	102,000	103,020	104,050
504052	DUPLICATING MATERIAL & SUPPLIES	120,452	119,021	113,859	120,000	121,200	122,412
509000	MISCELLANEOUS EXPENSES	4,236	1,579	2,395	2,525	2,525	2,525
512000	LEASES & RENTALS	57,641	171,828	138,429	48,000	48,480	48,965
<b>DEPT TOTAL</b>		<b>1,086,625</b>	<b>1,275,268</b>	<b>1,046,180</b>	<b>1,059,971</b>	<b>1,068,958</b>	<b>1,078,039</b>

# Department Budgets

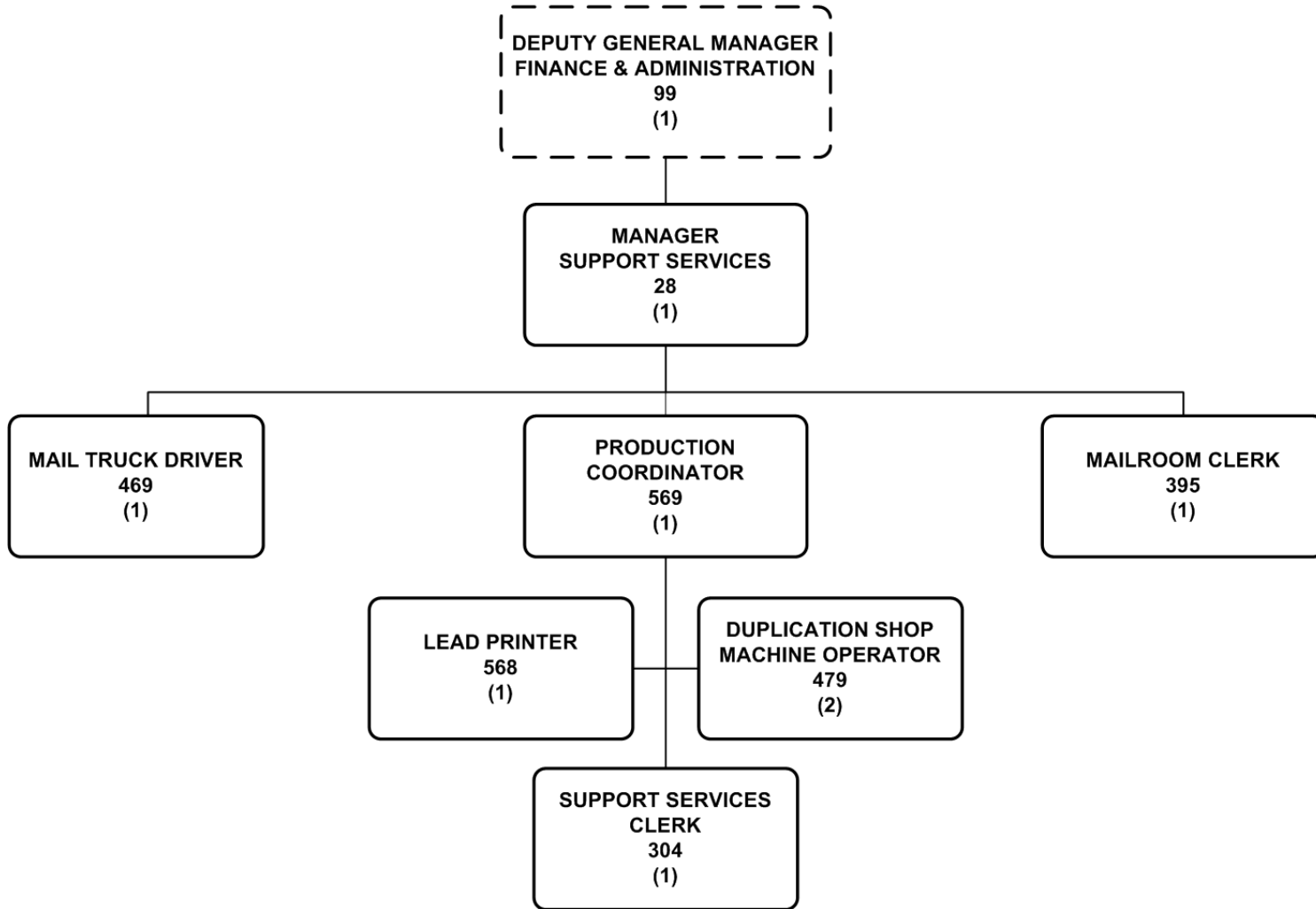
## 2010 Budget Implementation

### Department 62 – Support Services

- Offset printing at the Print Shop.
- High-tech duplicating.
- Mail Management.
- Mail and supplies distribution to our facilities.
- Commercial delivery service.
- Provide and operate audio-visual equipment for Board Room meetings.
- Manage recycling.
- Handle monthly maintenance and lease fees for non-revenue parking facility.
- Provide cost-effective paper usage and postage techniques.
- Manage copying and printing equipment leases.
- Manage vending machines.
- Manage Records Management Program.
- Manage office supplies.
- Manage office design and furniture.

	<b>2007 Actual</b>	<b>2008 Actual</b>	<b>2009 Estimate</b>	<b>2010 Budget</b>
Print & Distribute Timetables	10,000,000	10,000,000	10,000,000	10,000
Duplicate Copies	12,000,000	12,000,000	11,500,000	11,500

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY  
TABLE OF ORGANIZATION  
FINANCE & ADMINISTRATION DIVISION  
SUPPORT SERVICES DEPARTMENT  
#62



# STAFFING LEVEL COMPARISONS

## DEPARTMENT: 62 - SUPPORT SERVICES

<b>JOB CLASS</b>	<b>JOB TITLE</b>	<b>APPROVED 2008</b>	<b>APPROVED 2009</b>	<b>APPROVED 2010</b>	<b>2010-2009 VARIANCE</b>
304	SUPPORT SERVICES CLERK	1	1	1	0
395	MAILROOM CLERK	1	1	1	0
469	MAIL TRUCK DRIVER	1	1	1	0
479	DUPLICATION SHOP MACHINE OPERATOR	2	2	2	0
496	SENIOR MAIL CLERK / WORK UNIFORM COORDINATOR	1	0	0	0
568	LEAD PRINTER	1	1	1	0
569	PRODUCTION COORDINATOR	1	1	1	0
27	MANAGER - RECORDS	1	0	0	0
28	MANAGER - SUPPORT SERVICES	1	1	1	0
<b>DEPARTMENT TOTALS</b>		<b>10</b>	<b>8</b>	<b>8</b>	<b>0</b>

# 2010 OPERATING BUDGET SUMMARY

## Department 64 – Procurement

FRANK POLIVKA, DIRECTOR

The mission of the Procurement Department is to efficiently procure the Authority's goods, services and capital improvements in a manner consistent with GCRTA Board Policy, Federal Regulations, State Law & Generally Accepted Business Practices and to effectively administer all purchase and service contracts.

OBJECT		2007 Actual	2008 Actual	2009 Actual	2010 Budget	2011 Estimate	2012 Estimate
CLASS	DESCRIPTION						
501300	LABOR - SALARIED EMPLOYEES	1,352,240	1,394,180	1,190,507	1,216,393	1,228,557	1,240,843
502000	FRINGE BENEFITS	432,862	455,968	436,664	476,664	482,384	488,173
503000	SERVICES	6,250	3,950	4,345	4,500	4,500	4,500
503020	ADVERTISING FEES	24,767	8,904	11,483	24,000	24,240	24,482
503049	TEMPORARY HELP	(122)	0	0	0	0	0
504000	MATERIAL & SUPPLIES	2,471	7,428	5,102	5,400	5,400	5,400
509000	MISCELLANEOUS EXPENSES	15,052	19,967	6,438	8,900	8,900	8,900
<b>DEPT TOTAL</b>		<b>1,833,520</b>	<b>1,890,397</b>	<b>1,654,540</b>	<b>1,735,857</b>	<b>1,753,981</b>	<b>1,772,298</b>



# Department Budgets

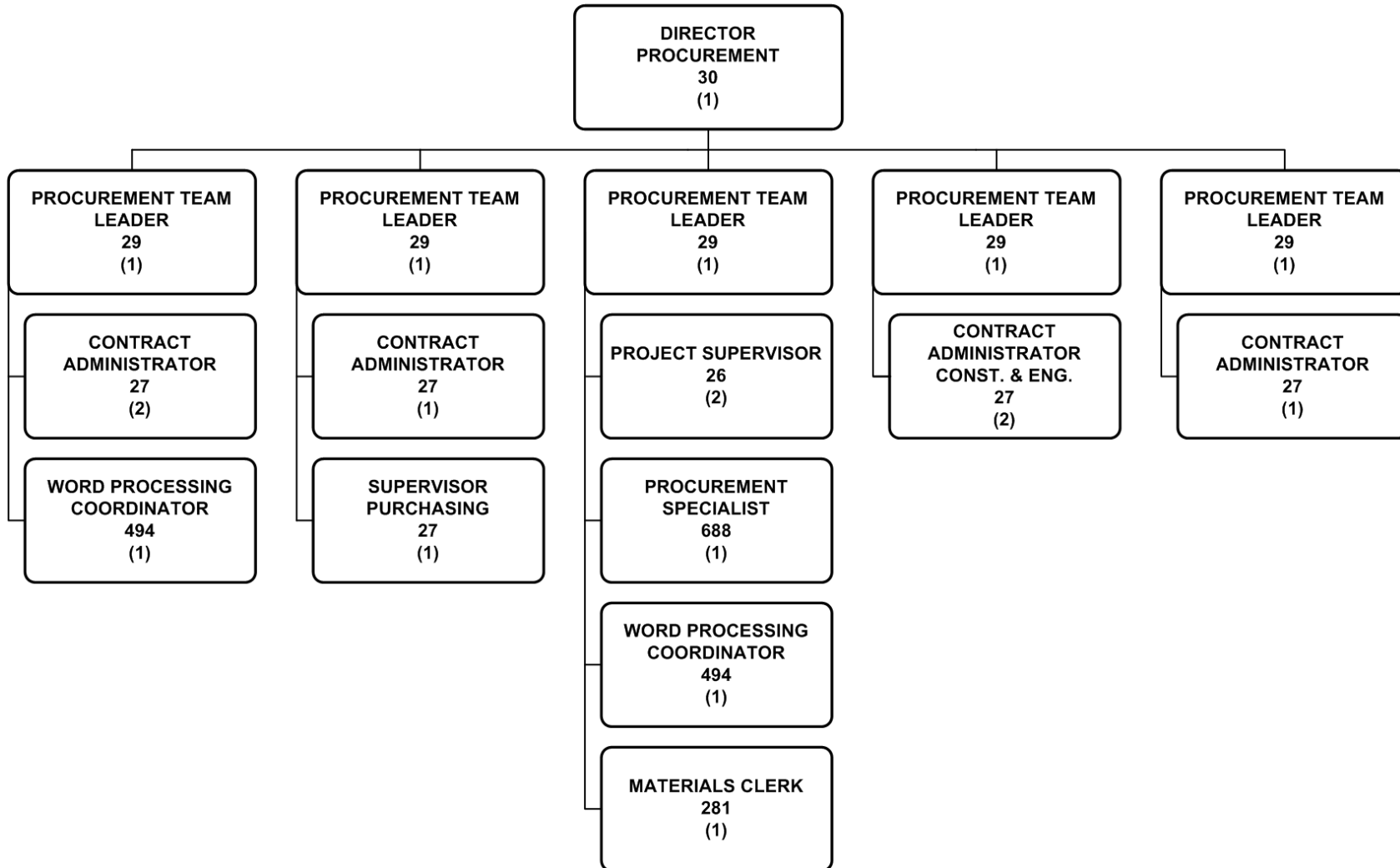
## 2010 Budget Implementation

### Department 64 – Procurement

- Implement, monitor and improve procurement acquisition process to reduce procurement turnaround time.
- Expedite procurement and delivery of goods and services to user departments utilizing a functional work team structure.
- Implement procurement processes to reduce processing time of purchase requisitions and reduce inventory-carrying cost.

	<b>2007 Actual</b>	<b>2008 Actual</b>	<b>2009 Estimate</b>	<b>2010 Budget</b>
Number Of Work Days To Complete Purchases Under 100K—this category was 25K prior 2009	3	3	10	10
Number Of Work Days To Complete Bids Over 100K	60	60	60	60
Number Of Work Days To Process Proposals Over 100K	90	90	90	90

**GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY  
TABLE OF ORGANIZATION  
FINANCE & ADMINISTRATION DIVISION  
PROCUREMENT DEPARTMENT  
#64**



# STAFFING LEVEL COMPARISONS

## DEPARTMENT: 64 - PROCUREMENT

<b>JOB CLASS</b>	<b>JOB TITLE</b>	<b>APPROVED 2008</b>	<b>APPROVED 2009</b>	<b>APPROVED 2010</b>	<b>2010-2009 VARIANCE</b>
281	MATERIALS CLERK	1	1	1	0
494	WORD PROCESSING COORDINATOR	3	3	2	(1)
688	PROCUREMENT SPECIALIST	1	1	0	(1)
26	ASSISTANT CONTRACT ADMINISTRATOR	1	0	0	0
26	PRODUCTS AND SERVICES SPECIFICATION WRITER	1	0	0	0
26	PROJECT SUPERVISOR	2	2	2	0
27	SUPERVISOR - PURCHASING	1	1	1	0
27	CONTRACT ADMINISTRATOR	4	4	4	0
27	CONTRACT ADMIN. - CONSTRUCTION & ENGINEERING	2	2	2	0
29	PROCUREMENT TEAM LEADER	5	5	5	0
30	DIRECTOR - PROCUREMENT	1	1	1	0
<b>DEPARTMENT TOTALS</b>		<b>22</b>	<b>20</b>	<b>18</b>	<b>(2)</b>

# 2010 OPERATING BUDGET SUMMARY

## Department 65 – Revenue

SCOTT UHAS, DIRECTOR

The mission of the Revenue Department is to maximize, collect & safeguard passenger revenues from fareboxes, retail outlets and automated fare collection machines. Other responsibilities include administering sales of farecards & passes, generation of ridership reports, oversight of all vending equipment and the review & integration of new fare policies and collection techniques as they are adopted.

OBJECT		2007 Actual	2008 Actual	2009 Actual	2010 Budget	2011 Estimate	2012 Estimate
CLASS	DESCRIPTION						
501300	LABOR - SALARIED EMPLOYEES	975,234	996,062	1,020,058	1,109,562	1,120,658	1,131,864
501310	OVERTIME - SALARIED EMPLOYEES	51,474	44,595	45,885	53,000	53,000	53,000
502000	FRINGE BENEFITS	327,343	339,734	384,452	455,569	461,036	466,568
503000	SERVICES	524,019	596,574	608,611	690,200	697,102	704,073
504000	MATERIAL & SUPPLIES	306,343	285,238	284,608	306,900	306,900	306,900
509000	MISCELLANEOUS EXPENSES	6,609	4,480	2,452	1,250	1,250	1,250
<b>DEPT TOTAL</b>		<b>2,191,023</b>	<b>2,266,683</b>	<b>2,346,067</b>	<b>2,616,481</b>	<b>2,639,945</b>	<b>2,663,655</b>

# Department Budgets

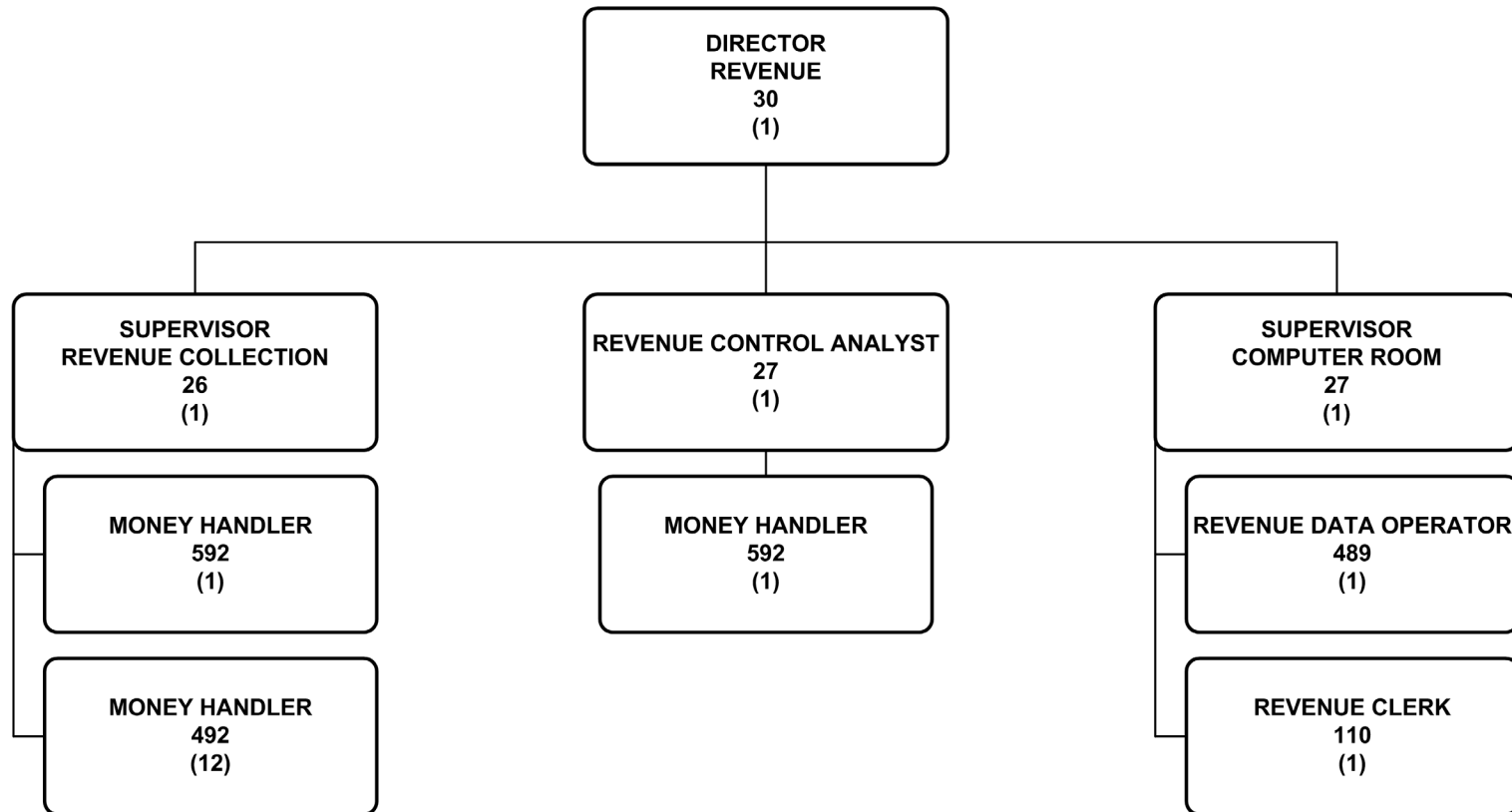
## 2010 Budget Implementation

### Department 65 – Revenue

- Continue working with the vendor to successfully implement and improve the proof of payment system in place on both the Red Line and the Health Line.
- Work towards the implementation of smart card use for payment of fares system wide.
- Ensure that farecards and passes are available for distribution to outlets and the general public.
- Improve ridership reporting using the Transit Stat process and the new APC system.
- Maintain and improve cash handling processes, fare collection equipment security and the vaulting process.
- Direct implementation of fare policies and continue to seek ways to improve public education.

	<b>2007 Actual</b>	<b>2008 Actual</b>	<b>2009 Estimate</b>	<b>2010 Budget</b>
Number of Ticket and Pass Outlets	190	210	240	260
Percentage Increase in Total Revenue	6.5%	5.0%	8%	9%
Average Number of Passes Sold Monthly				
Monthly Passes	9,500	10,500	11,000	11,500
Seven Day Passes	55,000	56,500	38,000	40,000
Average Number of Farecards Sold Monthly	210,000	230,000	240,000	245,000
Average Monthly On-line Fare Sales in Dollars	21,000	24,000	27,000	32,000
Farebox Revenue Sources by Percentage				
Cash On Board				
• Single Fare	19%	18%	16%	18%
• Day Passes	30%	30%	32%	26%
Farecards	13%	12%	13%	20%
Passes (Weekly and Monthly combined)	38%	40%	39%	36%

**GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY  
TABLE OF ORGANIZATION  
FINANCE & ADMINISTRATION DIVISION  
REVENUE DEPARTMENT  
#65**



# STAFFING LEVEL COMPARISONS

## DEPARTMENT: 65 - REVENUE

<b>JOB CLASS</b>	<b>JOB TITLE</b>	<b>APPROVED 2008</b>	<b>APPROVED 2009</b>	<b>APPROVED 2010</b>	<b>2010-2009 VARIANCE</b>
110	REVENUE CLERK	2	1	1	0
290	ASSISTANT MONEY HANDLER	2	0	0	0
489	REVENUE DATA OPERATOR	1	1	1	0
492	MONEY HANDLER	14	12	12	0
592	MONEY HANDLER	2	2	2	0
26	SUPERVISOR - REVENUE COLLECTION	1	1	1	0
27	REVENUE CONTROL ANALYST	1	1	1	0
27	SUPERVISOR - COMPUTER ROOM	1	1	1	0
30	DIRECTOR - REVENUE COLLECTION	1	1	1	0
<b>DEPARTMENT TOTALS</b>		<b>25</b>	<b>20</b>	<b>20</b>	<b>0</b>

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## **Division - Engineering & Project Management**

<b>Division Summary</b>	<b>DB - 83</b>
Euclid Corridor Transportation Project	DB - 88
Project Support	DB - 92
Programming & Planning	DB - 96
Engineering & Project Development	DB - 100

# DIVISION SUMMARY

## Engineering & Project Management

Michael Schipper, Deputy General Manager

### Mission Statement

The mission of the Engineering and Project Management Division is to ensure the successful completion of capital improvement projects through professional planning, design, right-of-way, and construction services.

### General Description

The Engineering and Project Management Division is responsible for RTA's planning, real estate and capital project design and construction administrative activities.

### 2009 Achievements

- Closed-out majority of Euclid Corridor contracts.
- Acquired property for the Westlake Park and Ride.
- Acquired property for the East 55<sup>th</sup> Street and Woodhill Station projects.
- Managed the delivery of the \$45.75 million ARRA program.
- Awarded \$2.3 million competitive TIGGER grant.
- Began construction of the East 55<sup>th</sup> Street and Puritas Rapid Station ADA Rehabilitations.
- Began construction of the Stephanie Tubbs Jones East Side Transit Center.
- Continued the designs of the University /Cedar, East 120<sup>th</sup>/Mayfield, Woodhill, and Lee/Van Aken Station ADA Rehabilitations.
- Began the design of the Brookpark Station Rehabilitation.
- Completed the design and began the Rockefeller Bridge Demolition.
- Completed construction of the four Red line Bridge Rehabilitations in East Cleveland.
- Completed design of the East Boulevard Track Bridge Rehabilitation.
- Began the design of the Red Line S-Curve and Airport Tunnel rehabilitation projects.
- Completed the design and began construction of the Paratransit Rehabilitation project.
- Continued the Strategic Planning Study for the Authority.
- Complete the designs and construction of the Tremont and Slavic Village Transit Waiting Environment Projects.
- Completed design and began construction of the Rocky River Bus Loop Repairs.

# DIVISION SUMMARY

## Engineering & Project Management

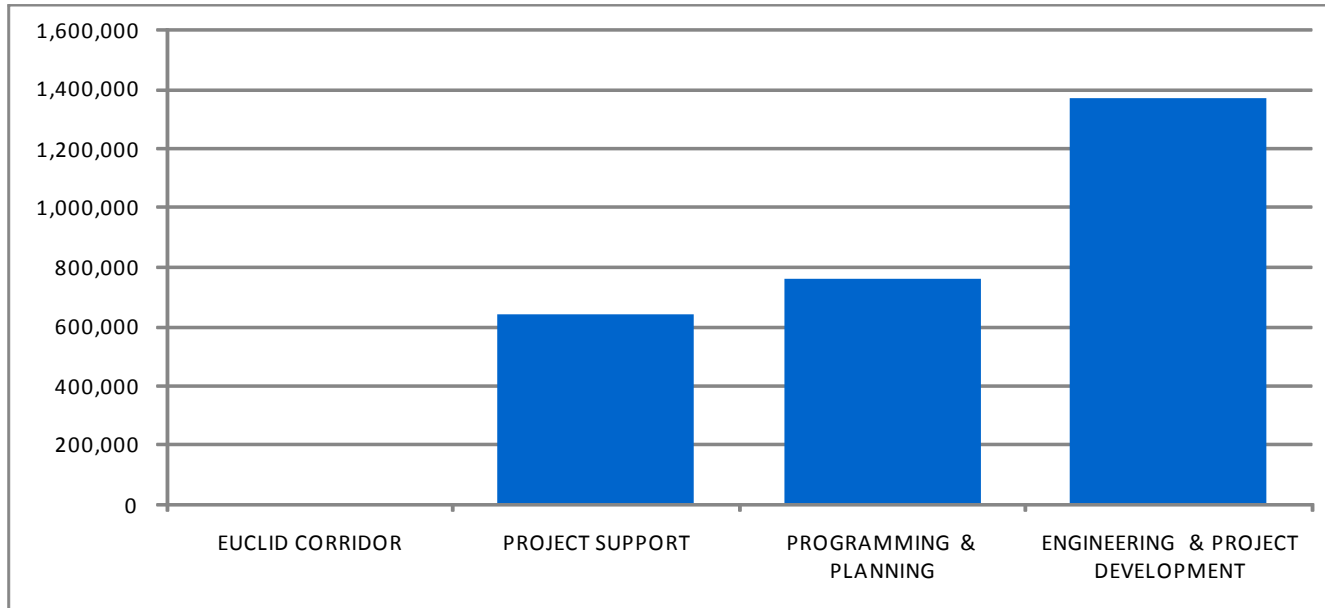
Michael Schipper, Deputy General Manager

### 2010 Priorities

- Complete construction of the Stephanie Tubbs Jones/East Side Transit Center.
- Complete the construction of the Paratransit Rehabilitation project.
- Complete the construction of the Puritas Rapid Station ADA Rehabilitation.
- Continue the construction of the East 55<sup>th</sup> Street Rapid Station ADA Rehabilitation.
- Begin construction of the Buckeye/Woodhill Station ADA Rehabilitation.
- Complete construction of the Westlake Park and Ride Lot Expansion.
- Complete the design and construction of the Holyoke Retaining Wall Repairs on the Red line.
- Complete the design of the Redline S-Curve reconstruction.
- Begin construction of four at-grade rail crossing upgrades on the Light Rail System (Phase 1 of 3).
- Complete design of the Airport Tunnel Rehabilitation.
- Complete the repairs to the Rocky River Bus Loop.
- Complete design and construction of the three TIGGER grant funded energy saving projects.
- Complete construction of the Waterfront Line and Main Avenue Grade Crossing Signal.
- Complete the designs of the University/Cedar, East 120<sup>th</sup>/Mayfield and Lee/Van Aken Station ADA Rehabilitations.
- Continue design of the Brookpark Station ADA Rehabilitation.
- Complete the Demolition of the Rockefeller Bridge.
- Complete the design and begin construction of the Shaker No Left Turn project.
- Complete the design and begin construction of the Light Rail Trunk Line Bridge Deck Replacements.
- Complete the design and begin construction of the Shaker/Van Aken Rail Grade Crossing.
- Design four at-grade rail crossing upgrades on the Light Rail System (Phase 2 of 3).
- Begin construction of Fairhill Substation Rehabilitation.

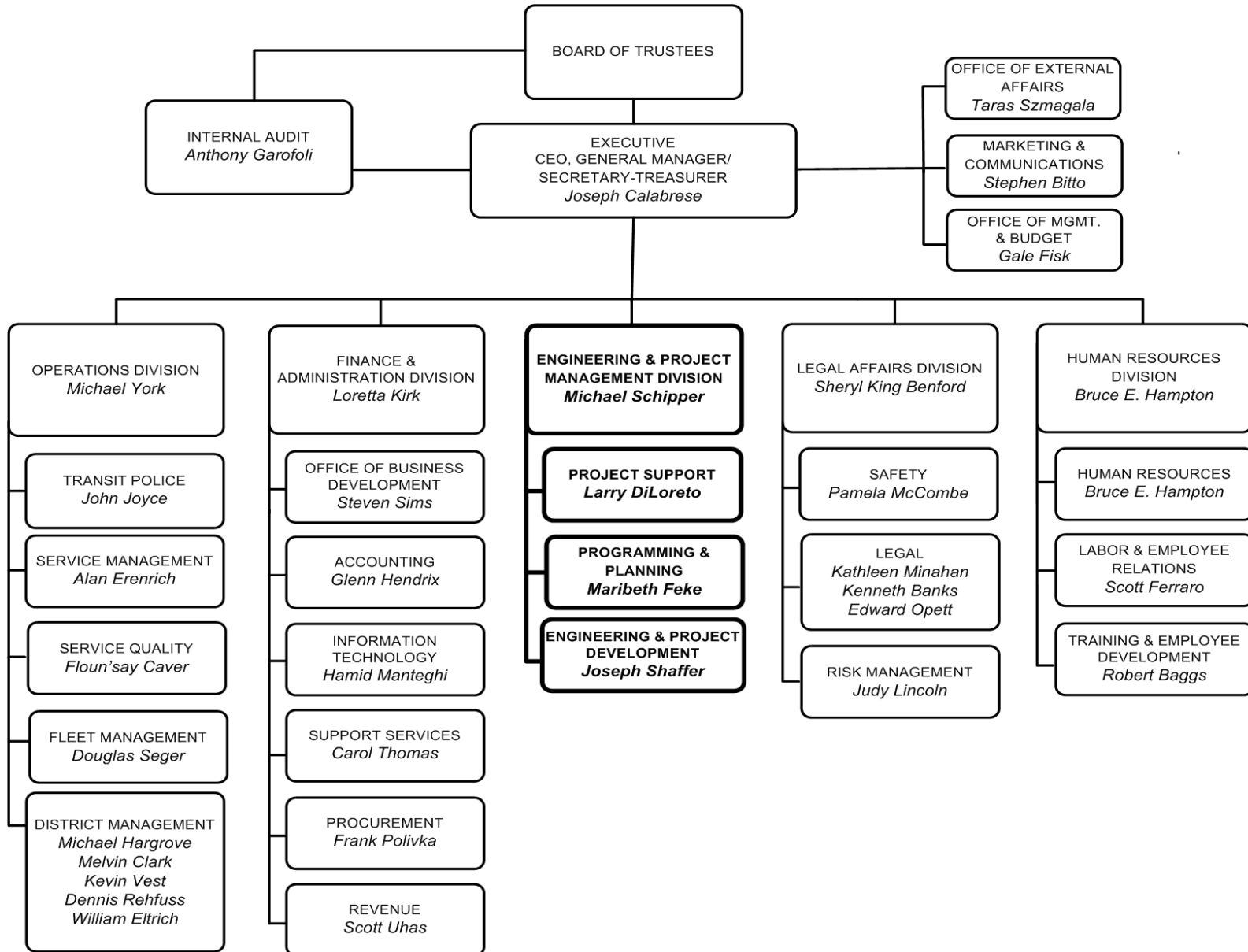
# 2010 OPERATING BUDGET SUMMARY

## Division 3 – Engineering & Project Management



Dept. #	Description	2007 Actual	2008 Actual	2009 Actual	2010 Budget	2011 Estimate	2012 Estimate
09	EUCLID CORRIDOR	1,072,269	940,585	307,200	0	0	0
55	PROJECT SUPPORT	0	0	321,541	640,155	642,297	644,464
57	PROGRAMMING & PLANNING	767,650	1,012,191	841,290	758,420	760,608	762,821
80	ENGINEERING & PROJECT DEVELOPMENT	1,653,990	1,649,025	1,345,565	1,369,647	1,374,215	1,378,838
<b>DIVISION TOTALS</b>		<b>\$ 3,493,909</b>	<b>\$ 3,601,801</b>	<b>\$ 2,815,596</b>	<b>\$ 2,768,222</b>	<b>\$ 2,777,120</b>	<b>\$ 2,786,124</b>

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY  
 TABLE OF ORGANIZATION  
 AS OF 2010 BUDGET ADOPTION



# DEPARTMENTAL STAFFING ANALYSIS

## Authorized Staffing Level by Division

	2008	2009	2010	Variance 2010 - 2009
<b>ENGINEERING &amp; PROJECT MANAGEMENT</b>				
EUCLID CORRIDOR TRANSPORTATION PROJECT	11	2	0	(2)
PROJECT SUPPORT	0	0	7	7
PROGRAMMING & PLANNING	6	6	4	(2)
ENGINEERING & PROJECT DEVELOPMENT	18	16	13	(3)
<b>TOTALS</b>	<b>35</b>	<b>24</b>	<b>24</b>	<b>0</b>

# 2010 OPERATING BUDGET SUMMARY

## Department 9 – Euclid Corridor Transportation Project

JOSEPH SHAFFER, PROJECT MANAGER

The Euclid Corridor Transportation Project Department was created to plan, design and construct a bus-rapid transit system along the Euclid Avenue Corridor that will increase service frequency, reduce travel times and enhance passenger amenities for transit customers.

OBJECT		2007 Actual	2008 Actual	2009 Actual	2010 Budget	2011 Estimate	2012 Estimate
CLASS	DESCRIPTION						
501300	LABOR - SALARIED EMPLOYEES	795,821	694,635	223,446	0	0	0
502000	FRINGE BENEFITS	270,108	223,517	83,656	0	0	0
503000	SERVICES	0	0	0	0	0	0
504000	MATERIAL & SUPPLIES	2,904	3,086	(117)	0	0	0
509000	MISCELLANEOUS EXPENSES	3,435	19,347	215	0	0	0
<b>DEPT TOTAL</b>		<b>1,072,269</b>	<b>940,585</b>	<b>307,200</b>	<b>0</b>	<b>0</b>	<b>0</b>

# Department Budgets

## 2010 Budget Implementation

### Department 09 – Euclid Corridor Transportation Project

- In 2009 the department was eliminated and staff was re-distributed within the Division and overall organization.
- Close-out remaining construction contracts.
- Complete the transfer of permanent easements to the City of Cleveland.
- Complete Before and After Study.
- Close-out remaining grants.

	<b>Projected Date</b>	<b>Actual Date</b>
Begin Construction for Contract C-03	March 2006	February 28, 2006
Begin Construction for Contract C-05B	March 2006	April 7, 2006
Begin Construction for Contract C-02	April 2006	May 22, 2006
Begin Construction C-05A	June 2007	May 15, 2006
Complete All Real Estate Acquisition	June 2008	September 17, 2008
Begin Construction for Contract C-04	July 2006	August 8, 2006
Complete Construction for Contract C-06	September 2006	August 15, 2006
Complete BRT Vehicle Testing	December 2006	December 1, 2006
Overall Construction Ongoing	2006-2008	2006-2008
Bus Rapid Transit Service Begins	End of 2008	October 24, 2008
Before and After Study	December 2010	
Overall Project Close-out	December 2010	



# STAFFING LEVEL COMPARISONS

## DEPARTMENT: 09 - EUCLID CORRIDOR TRANSPORTATION PROJECT

JOB CLASS	JOB TITLE	APPROVED 2008	APPROVED 2009	APPROVED 2010	2010-2009 VARIANCE
23	ADMINISTRATIVE ASSISTANT	1	0	0	0
24	PROJECT ASSISTANT (ECTP)	1	0	0	0
26	PROJECT CONTROL ADMINISTRATOR	1	0	0	0
27	CONSTRUCTION ENGINEER	1	0	0	0
27	PROJECT OFFICER (ECTP)	1	0	0	0
28	MANAGER - CIVIL & ARCHITECTURAL DESIGN	1	0	0	0
28	RESIDENT ENGINEER	2	0	0	0
28	STATION ENGINEER/CONSTRUCTION SUPERINTENDENT	1	1	0	(1)
29	DEPUTY PROJECT MANAGER OF CONSTRUCTION	1	1	0	(1)
29	ENGINEERING PROJECT MANAGER	1	0	0	0
<b>DEPARTMENT TOTALS</b>		<b>11</b>	<b>2</b>	<b>0</b>	<b>(2)</b>

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# 2010 OPERATING BUDGET SUMMARY

## Department 55 – Project Support Department

LARRY DI LORETO, MANAGER

The mission of the Project Support Department is to provide quality assurance oversight and program review services in support of the Authority's capital and development activities

OBJECT		2007 Actual	2008 Actual	2009 Actual	2010 Budget	2011 Estimate	2012 Estimate
CLASS	DESCRIPTION						
501300	LABOR - SALARIED EMPLOYEES	0	0	228,247	427,399	427,399	427,399
501310	OVERTIME - SALARIED EMPLOYEES	0	0	9,034	28,000	28,000	28,000
502000	FRINGE BENEFITS	0	0	84,260	178,456	180,597	182,765
503000	SERVICES	0	0	0	5,000	5,000	5,000
504000	MATERIAL & SUPPLIES	0	0	0	200	200	200
509000	MISCELLANEOUS EXPENSES	0	0	0	1,100	1,100	1,100
<b>DEPT TOTAL</b>		<b>0</b>	<b>0</b>	<b>321,541</b>	<b>640,155</b>	<b>642,297</b>	<b>644,464</b>

# Department Budgets

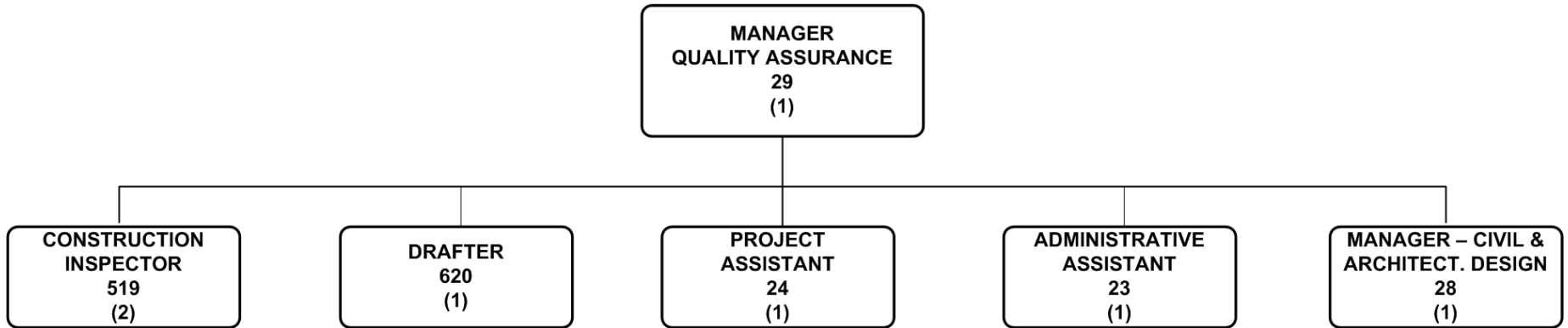
## 2010 Budget Implementation

### Department 55 – Project Support

- Develop and update design and construction procedures.
- Conduct quality assurance audits.
- Review plans and specifications for construction projects.
- Provide engineering assistance as needed.
- Develop procedures to track on-call service contracts.
- Coordinate work of construction inspectors and support staff.

	<b>2007 Actual</b>	<b>2008 Actual</b>	<b>2009 Actual</b>	<b>2010 Budget</b>
Quality Assurance Audits Completed	N/A	N/A	20	30
Plans, Specifications, QC Plans and Reports Reviewed	N/A	N/A	35	45
Daily Field Reports Completed	N/A	N/A	400	410
Bridges Inspected	N/A	N/A	130	152
Project Meetings	N/A	N/A	20	40

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY  
TABLE OF ORGANIZATION  
ENGINEERING & PROJECT MANAGEMENT DIVISION  
PROJECT SUPPORT DEPARTMENT  
#55



# STAFFING LEVEL COMPARISONS

## DEPARTMENT: 55 - PROJECT SUPPORT

<b>JOB CLASS</b>	<b>JOB TITLE</b>	<b>APPROVED 2008</b>	<b>APPROVED 2009</b>	<b>APPROVED 2010</b>	<b>2010-2009 VARIANCE</b>
519	CONSTRUCTION INSPECTOR	0	0	2	2
620	DRAFTER	0	0	1	1
23	ADMINISTRATIVE ASSISTANT	0	0	1	1
24	PROJECT ASSISTANT	0	0	1	1
28	SUPERINTENDANT-CONSTRUCTION	0	0	0	0
28	MANAGER-CIVIL AND ARCHITECTURAL DESIGN	0	0	1	1
29	MANAGER QUALITY ASSURANCE	0	0	1	1
<b>DEPARTMENT TOTALS</b>		<b>0</b>	<b>0</b>	<b>7</b>	<b>7</b>

# Department Budgets

## 2010 Budget Implementation

### Department 57 – Programming & Planning

MARIBETH FEKE, DIRECTOR

The Department of Programming and Planning is responsible for initiating studies and long-term projects designed to maintain and to improve transit ridership through project viability studies, joint venture identification, station design and land use planning. This Department is also responsible for the oversight of the Authority's real estate property holdings.

OBJECT CLASS	DESCRIPTION	2007 Actual	2008 Actual	2009 Actual	2010 Budget	2011 Estimate	2012 Estimate
501300	LABOR - SALARIED EMPLOYEES	337,241	393,174	324,679	314,322	314,322	314,322
502000	FRINGE BENEFITS	107,966	137,352	116,975	123,172	124,650	126,146
503000	SERVICES	(100)	8,151	3,157	12,000	12,000	12,000
504000	MATERIAL & SUPPLIES	620	454	557	400	400	400
507030	PROPERTY TAXES	307,266	288,423	299,753	71,026	71,737	72,454
509000	MISCELLANEOUS EXPENSES	2,855	12,440	1,410	55,200	55,200	55,200
512000	LEASES & RENTALS	11,801	172,199	94,758	182,300	182,300	182,300
<b>DEPT TOTAL</b>		<b>767,650</b>	<b>1,012,191</b>	<b>841,290</b>	<b>758,420</b>	<b>760,608</b>	<b>762,821</b>

# Department Budgets

## 2010 Budget Implementation

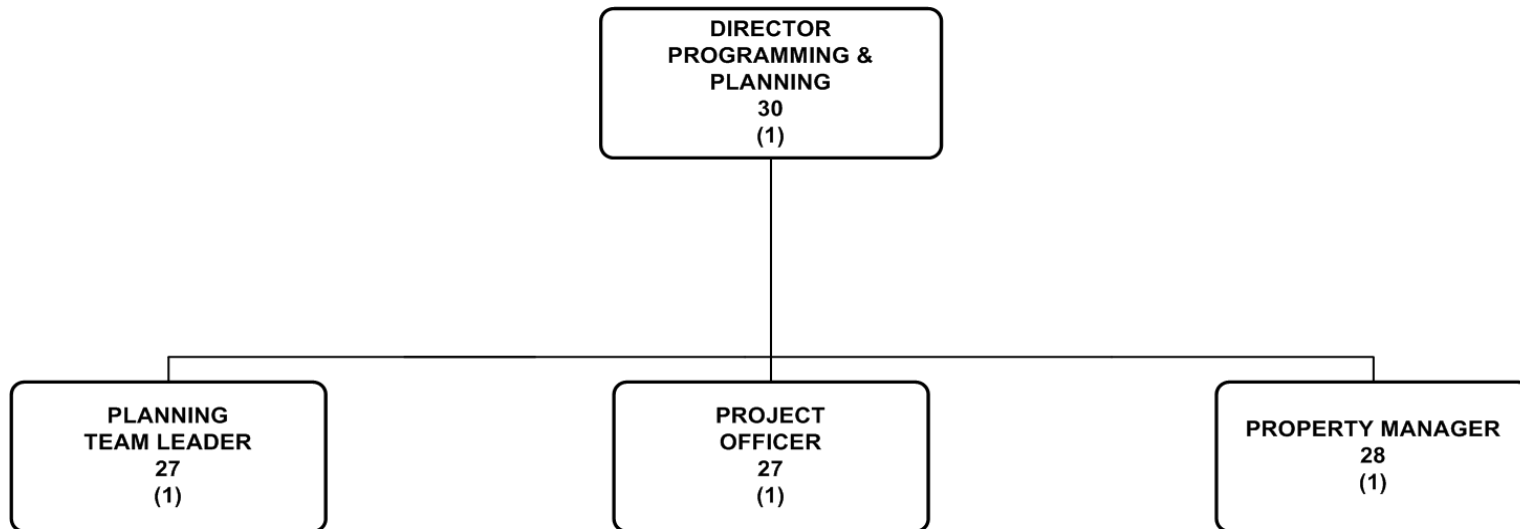
### Department 57 – Programming & Planning

- Continue Transit Oriented Development efforts.
- Initiate Planning Studies for the West Side Center, Woodhill Station Area, and Blue Line Extension Phase II.
- Complete Strategic Plan Update.
- Complete designs of the Buckeye-Woodhill, Lee/Van Aken, University Circle and Mayfield Rapid Station projects.
- Complete land acquisition of proposed construction projects.
- Continue Transit Waiting Environment Program.
- Continue implementation of the Arts in Transit Program.
- Continue design of the Brookpark Rapid Station.
- Sustainability program implementation.

	<b>2007 Actual</b>	<b>2008 Actual</b>	<b>2009 Actual</b>	<b>2010 Budget</b>
Number of Rapid Transit Stations Under Design	5	6	5	4
Number of Transit Centers Under Design	1	1	1	0
Number of Park-n-Ride Lots Under Design	2	1	1	0
Number of Planning Studies Underway	2	2	2	5
Number of Planning Studies Completed	2	2	1	3
Number of TWE Projects Completed	1	2	4	6
Number of Joint Developments Underway	2	1	1	1
Number of Public Art Awards	2	2	2	3



**GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY  
TABLE OF ORGANIZATION  
ENGINEERING & PROJECT MANAGEMENT DIVISION  
PROGRAMMING & PLANNING DEPARTMENT  
#57**



# STAFFING LEVEL COMPARISONS

## DEPARTMENT: 57 - PROGRAMMING AND PLANNING

<b>JOB CLASS</b>	<b>JOB TITLE</b>	<b>APPROVED 2008</b>	<b>APPROVED 2009</b>	<b>APPROVED 2010</b>	<b>2010-2009 VARIANCE</b>
301	ADMINISTRATIVE ASSISTANT	1	1	0	(1)
25	PLANNER II	1	1	0	(1)
27	PLANNING TEAM LEADER	1	1	1	0
27	PROJECT OFFICER	0	0	1	1
28	PROPERTY MANAGER	1	1	1	0
29	PROJECT MANAGER - DESIGN & LAND USE	1	1	0	(1)
30	DIRECTOR - PROGRAMMING AND PLANNING	1	1	1	0
<b>DEPARTMENT TOTALS</b>		<b>6</b>	<b>6</b>	<b>4</b>	<b>(2)</b>

# 2010 OPERATING BUDGET SUMMARY

## Department 80 – Engineering & Project Development

MICHAEL SCHIPPER, DEPUTY GENERAL MANAGER

The mission of the Engineering & Project Development Department is to design and manage construction of the Authority's capital improvement and rehabilitation programs, to provide quality assurance oversight and program review services.

OBJECT							
CLASS	DESCRIPTION	2007 Actual	2008 Actual	2009 Actual	2010 Budget	2011 Estimate	2012 Estimate
501300	LABOR - SALARIED EMPLOYEES	1,233,199	1,217,848	975,537	971,231	971,231	971,231
501310	OVERTIME - SALARIED EMPLOYEES	14,805	19,596	11,162	250	250	250
502000	FRINGE BENEFITS	397,933	399,982	350,423	380,691	385,259	389,882
503000	SERVICES	2,868	5,319	529	7,500	7,500	7,500
504000	MATERIAL & SUPPLIES	2,663	3,660	1,519	3,300	3,300	3,300
509000	MISCELLANEOUS EXPENSES	2,522	2,620	6,395	6,675	6,675	6,675
<b>DEPT TOTAL</b>		<b>1,653,990</b>	<b>1,649,025</b>	<b>1,345,565</b>	<b>1,369,647</b>	<b>1,374,215</b>	<b>1,378,838</b>

# Department Budgets

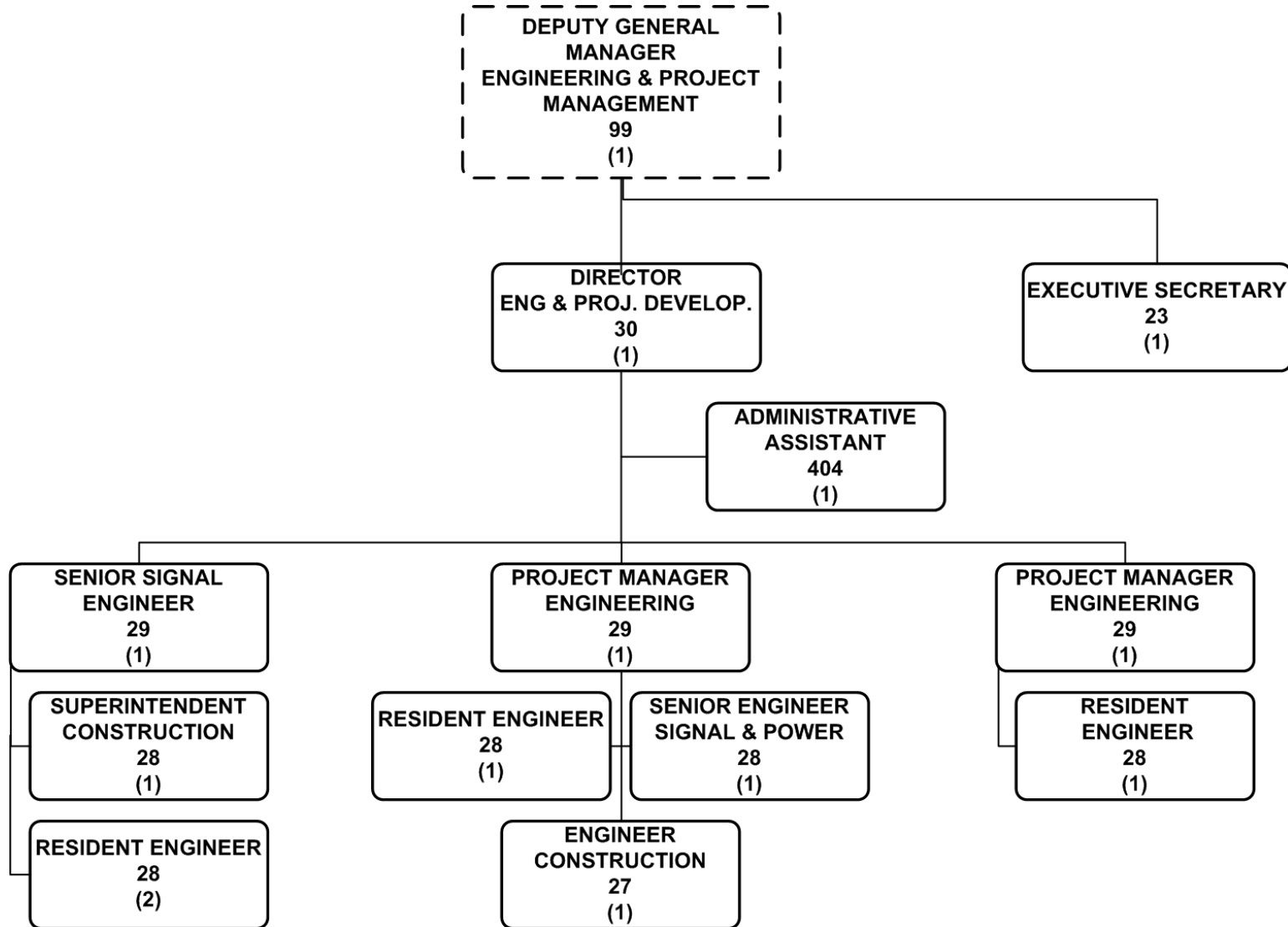
## 2010 Budget Implementation

### Department 80 – Engineering & Project Development

- Manage design and construction of capital projects.
- Provide project support, quality assurance and program review services in support of the Authority's capital projects and development activities.
- Estimated percentage completion of some, but not all, of the Authority's Capital projects are shown below:

	<b>2007 Actual</b>	<b>2008 Actual</b>	<b>2009 Actual</b>	<b>2010 Budget</b>
Brookpark to Airport Signals	80%	100%	N/A	N/A
Rail Service Building Boilers	60%	100%	N/A	N/A
Bridge (Street) Rehabilitation - Abbey Road	10%	100%	N/A	N/A
Bridge (Street) Demo - Broadway/Rockefeller	8%	99%	100%	N/A
CTDS Host Processor and Workstation	N/A	90%	100%	N/A
Substation - Westpark	10%	70%	100%	N/A
Four Bridges (Track) Rehab Const - Red Line East Cleveland	N/A	50%	100%	N/A
Bridge (Track) Rehabilitation Design - East Boulevard	N/A	30%	100%	N/A
Paratransit Rehabilitation Design	N/A	30%	100%	N/A
Light Rail Trunkline Turnouts	N/A	10%	100%	N/A
Waterfront Line Chute Track Repairs	N/A	N/A	100%	N/A
Shaker Line Truss Bridge Timber Replacement Design	N/A	N/A	100%	N/A
ADA Key Station Correction Design	N/A	N/A	80%	100%
Fairhill Substation Design	N/A	N/A	80%	100%
Tower City ADA Emergency Egress	N/A	N/A	80%	100%
S-Curve Reconstruction Design	N/A	N/A	60%	100%
Puritas Station Rehabilitation Construction	N/A	N/A	25%	100%
Stephanie Tubbs Jones Transit Center Construction	N/A	N/A	20%	100%
Airport Tunnel Rehabilitation Final Design	N/A	N/A	10%	100%
Rail Grade Crossing Construction –Phase I	N/A	N/A	0%	100%
Westlake Park-N-Ride Expansion Construction	N/A	N/A	0%	100%
East 55th Street Station Rehabilitation Construction	N/A	N/A	10%	70%
Woodhill Station Rehabilitation Construction	N/A	N/A	0%	50%
Shaker Line Truss Bridge Timber Replacement Construction	N/A	N/A	N/A	100%
Woodhill Roof Replacement Construction	N/A	N/A	N/A	100%
Lighting Controls and Fixture Replacements	N/A	N/A	N/A	80%

**GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY  
TABLE OF ORGANIZATION  
ENGINEERING & PROJECT MANAGEMENT DIVISION  
ENGINEERING & PROJECT DEVELOPMENT DEPARTMENT  
#80**



**DEPARTMENT: 80 - ENGINEERING AND PROJECT DEVELOPMENT**

<b>JOB CLASS</b>	<b>JOB TITLE</b>	<b>APPROVED 2008</b>	<b>APPROVED 2009</b>	<b>APPROVED 2010</b>	<b>2010-2009 VARIANCE</b>
404	ADMINISTRATIVE ASSISTANT	1	1	1	0
519	CONSTRUCTION INSPECTOR	2	2	0	(2)
620	DRAFTER	1	1	0	(1)
23	EXECUTIVE SECRETARY	1	1	1	0
27	ENGINEER - CIVIL	2	1	0	(1)
27	ENGINEER - CONSRUCTION	0	1	1	0
28	SUPERINTENDENT - CONSTRUCTION	1	1	1	0
28	SENIOR ENGINEER OF SIGNAL AND POWER	1	1	1	0
28	RESIDENT ENGINEER	2	2	4	2
28	SENIOR MECHANICAL ENGINEER	1	0	0	0
28	QUALITY ASSURANCE ENGINEER / ARCHITECT	1	0	0	0
29	MANAGER - ENGINEERING PROJECT	2	2	2	0
29	SENIOR SIGNAL ENGINEER	1	1	1	0
29	QUALITY ASSURANCE MANAGER	1	1	0	(1)
30	DIRECTOR - ENGINEERING & PROJECT DEVELOPMENT	1	1	1	0
<b>DEPARTMENT TOTALS</b>		<b>18</b>	<b>16</b>	<b>13</b>	<b>(3)</b>

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## Division - Legal Affairs

**Division Summary**

**DB - 105**

Safety

DB - 110

Legal

DB - 114

Risk Management

DB - 118



# DIVISION SUMMARY

## Legal Affairs

Sheryl King Benford, Deputy General Manager

### Mission Statement

The mission of the Legal Affairs Division is to provide professional, cost-effective legal, safety, and risk management services as well as ensuring equal opportunity, access, and treatment to all stakeholders of the Greater Cleveland Regional Transit Authority.

### General Description

The Legal Division is comprised of the Legal, Safety, and Risk Management Departments. The Legal Department provides legal counsel and representation to the Board of Trustees and the Authority. Legal represents the GCRTA on major projects, in personal injury, property damage, labor, civil rights, debt collection and contract lawsuits and provides expertise on procurement, general contract and real estate law, personnel policies, liability, and labor negotiations. The Office of Equal Opportunity enforces EEO/ADA compliance and workplace harassment policy. The Safety Department provides accident prevention, forklift, defensive driving, bus system safety, industrial safety, and facilitates rail system safety programs. The Risk Management Department provides Workers' Compensation and insurance expertise for the Authority and protects the Authority against future and catastrophic losses. Risk Management investigates and purchases liability and property insurance consistent with GCRTA's level of self-insurance.

### 2009 Achievements

- Supported Close Out Activities for the ECTP.

- Supported GCRTA objectives in revenue enhancing initiatives.
- Provided effective and cost efficient legal representation in all GCRTA litigation, transactional and administrative matters.
- Continued legal information program to inform GCRTA Departments of public sector legal issues that affect their operations including Ethics Training with the Ohio Ethics Commission.
- Conducted labor relations, ethics, and diversity training programs. Trained staff on revisions to federal procurement regulations.
- Managed the Authority's ADA/EEO Programs to ensure compliance with federal, state, and local laws regarding employment practices, facilities, and services.
- Oversaw an equitable ADA Paratransit Appeals Process.
- Developed and implemented FAST Initiative: Workers' Compensation/On the Job Injuries.
- Investigated allegations of discrimination or non-compliance with the Equal Opportunity policies and procedures, or state and federal laws, in a timely and thorough manner and provided employees the appropriate training on these issues.

# DIVISION SUMMARY

## Legal Affairs

Sheryl King Benford, Deputy General Manager

### 2009 Achievements (continued)

- Assisted in the development and monitoring of the Authority's Affirmative Action Plan.
- Prepared and submitted Triennial Update of the GCRTA's Affirmative Action Program.
- Negotiated the most favorable renewal of GCRTA insurance programs.
- Continued a proactive approach to reducing collisions and incidents through root cause analysis and the formation of various task forces.
- Improved environmental and employee safety compliance.
- Prepared and implemented at least five programs required under the revised State Safety Oversight regulations.

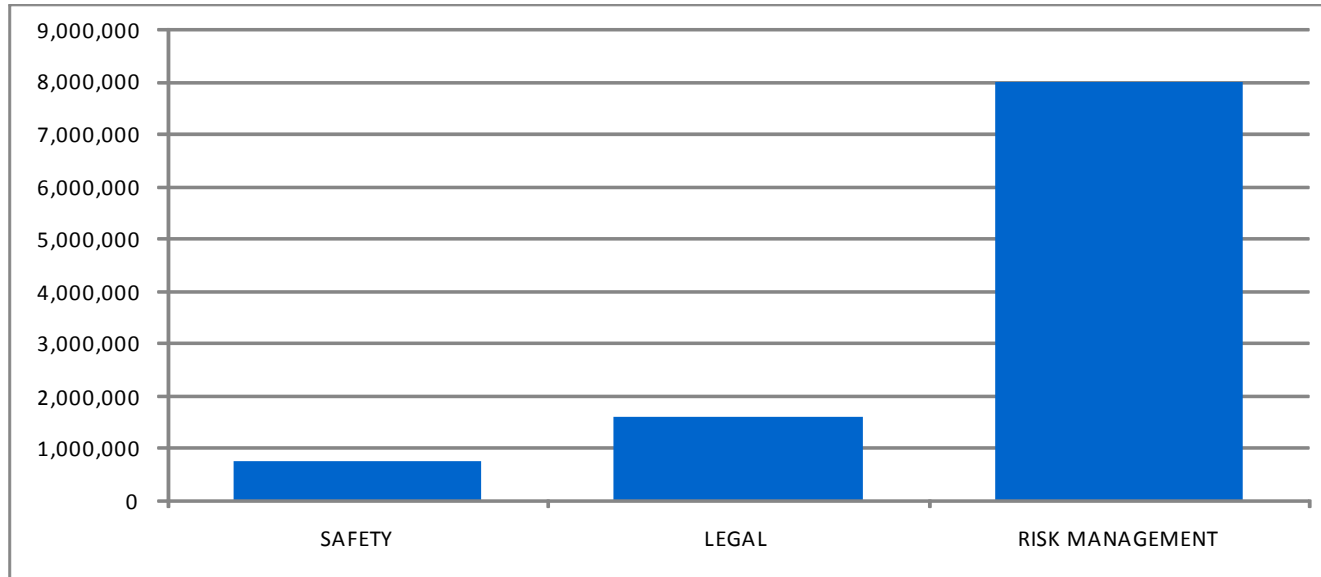
### 2010 Priorities

- Provide efficient and cost-effective legal representation in all GCRTA litigation, transactional and administrative matters.
- Continue legal information program to apprise GCRTA departments of public sector legal issues that affect their operations.
- Participate in Diversity Training in cooperation with the Human Resources Department.
- Successfully finalize labor agreements with the Amalgamated Transit Union (ATU) and Fraternal Order of Police (FOP).

- Continue closeout activities for remaining Euclid Corridor Transportation Project issues.
- Support activities for the construction of the Stephanie Tubbs Jones Eastside Transit Center.
- Conduct programs required under the revised State Safety Oversight regulations.
- Improve environmental and employee safety compliance.
- Continue a proactive approach to reducing collisions and injuries through root cause analysis, completion of corrective actions and engineering controls.
- Continue the management of the Authority's ADA Program to ensure compliance with federal, state, and local laws regarding employment practices, facilities, and services.
- Continue to investigate allegations of discrimination or non-compliance with the Equal Opportunity policies and procedures, or state and federal laws.
- Continue to develop and monitor the Authority's Affirmative Action Plan.
- Continue the implementation of the Workers' Compensation Action Plan with a focus on strengthening and expanding the Return to Work Program.
- Adhere to deadlines and requirements of new Section 111 Mandatory Medicare Reporting.
- Continue to negotiate the best terms and conditions available in the marketplace and most cost-effective renewal of GCRTA insurance programs.

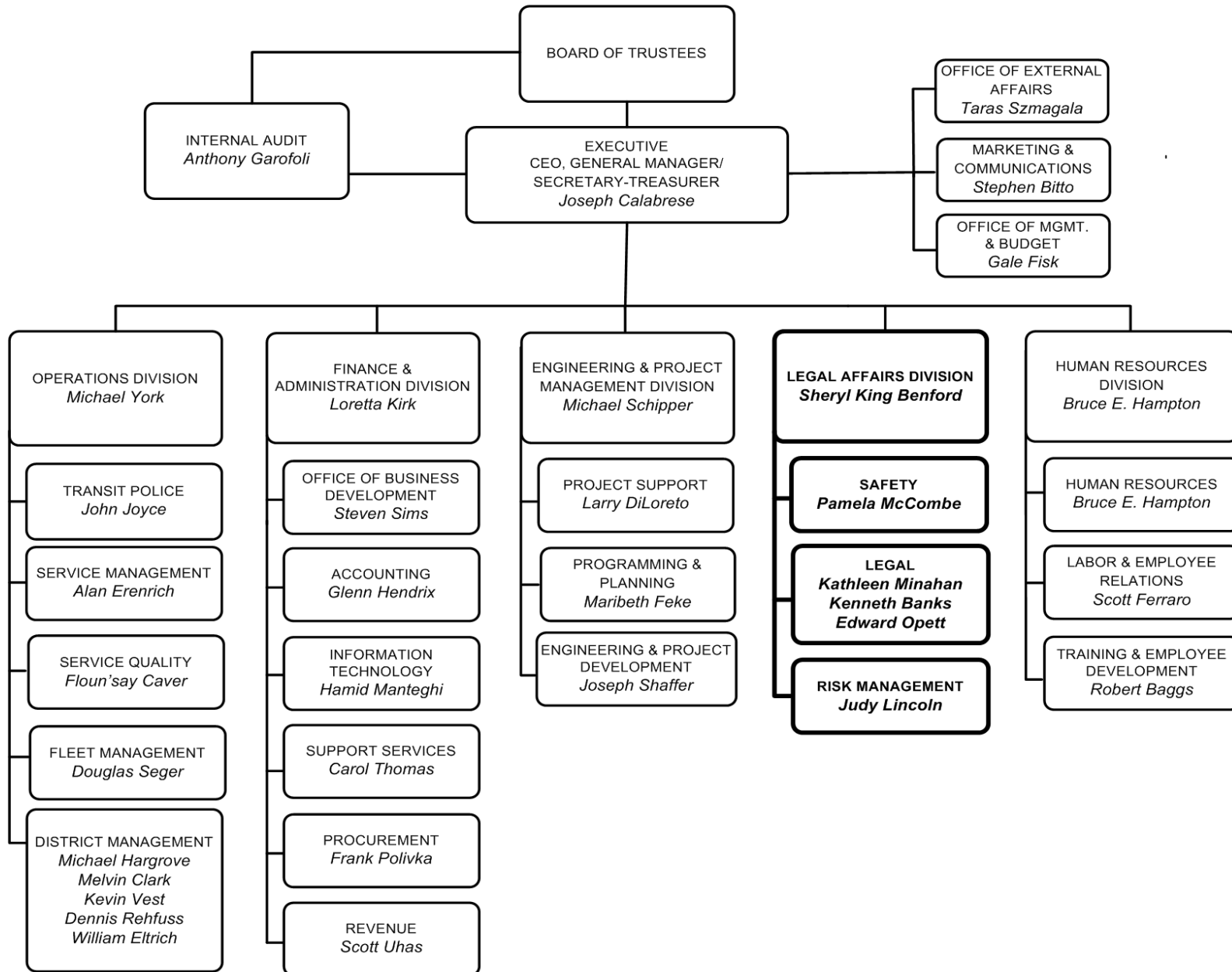
# 2010 OPERATING BUDGET SUMMARY

## Division 4 – Legal Affairs



Dept. #	Description	2007 Actual	2008 Actual	2009 Actual	2010 Budget	2011 Estimate	2012 Estimate
15	SAFETY	710,250	728,281	794,060	791,382	796,706	802,087
21	LEGAL	1,588,866	1,483,289	1,336,797	1,626,863	1,643,479	1,660,270
22	RISK MANAGEMENT	7,229,820	7,456,844	7,508,628	8,005,438	8,118,089	8,232,684
<b>DIVISION TOTALS</b>		<b>\$ 9,528,937</b>	<b>\$ 9,668,415</b>	<b>\$ 9,639,484</b>	<b>\$ 10,423,684</b>	<b>\$ 10,558,274</b>	<b>\$ 10,695,040</b>

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY  
 TABLE OF ORGANIZATION  
 AS OF 2010 BUDGET ADOPTION



# DEPARTMENTAL STAFFING ANALYSIS

## Authorized Staffing Level by Division

	2008	2009	2010	Variance 2010 - 2009
<b>LEGAL AFFAIRS</b>				
SAFETY	6	6	6	0
LEGAL	15	15	15	0
RISK MANAGEMENT	19	18	17	(1)
<b>TOTALS</b>	<b>40</b>	<b>39</b>	<b>38</b>	<b>(1)</b>

# 2010 OPERATING BUDGET SUMMARY

## Department 15 – Safety

PAMELA McCOMBE, DIRECTOR

The mission of the Safety Department is to provide a proactive approach towards the prevention of collisions and injuries, and the enhancement of employee and passenger safety. In addition, the Safety Department is committed to protecting the environment.

OBJECT							
CLASS	DESCRIPTION	2007 Actual	2008 Actual	2009 Actual	2010 Budget	2011 Estimate	2012 Estimate
501300	LABOR - SALARIED EMPLOYEES	330,265	345,031	348,122	361,315	364,928	368,578
501310	OVERTIME - SALARIED EMPLOYEES	5,501	4,695	2,722	2,500	2,500	2,500
502000	FRINGE BENEFITS	105,582	112,165	125,146	142,567	144,278	146,009
503000	SERVICES	219,753	226,133	242,992	242,000	242,000	242,000
504000	MATERIAL & SUPPLIES	13,224	7,372	15,333	14,500	14,500	14,500
509000	MISCELLANEOUS EXPENSES	35,925	32,885	59,745	28,500	28,500	28,500
<b>DEPT TOTAL</b>		<b>710,250</b>	<b>728,281</b>	<b>794,060</b>	<b>791,382</b>	<b>796,706</b>	<b>802,087</b>

# Department Budgets

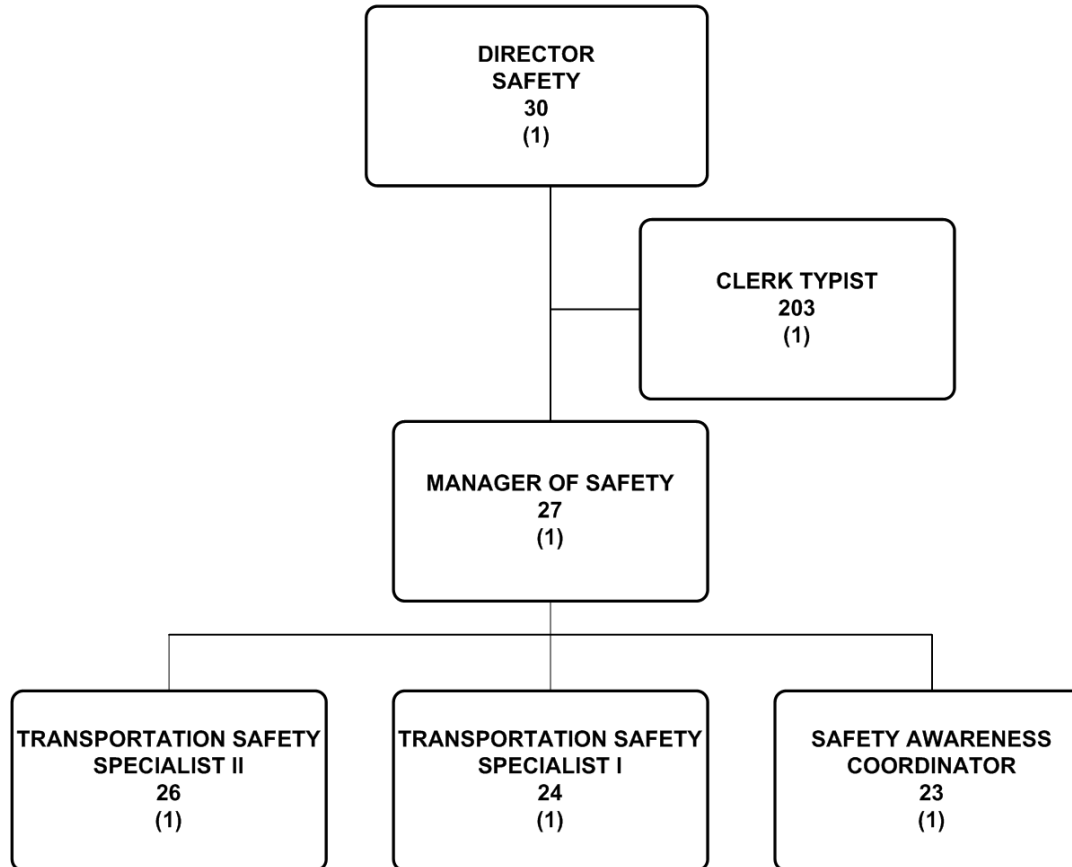
## 2010 Budget Implementation

### Department 15 – Safety

- Continue a proactive approach to reducing collisions and injuries through root cause analysis, statistical trending, and assisting with implementation of corrective actions.
- Improve employee safety compliance. Continue the Job Hazard Analysis process for Injury Reduction and Hazard Identification.
- Assist with safety and security certification for capital projects.
- Conduct programs required under the revised Rail State Safety Oversight Regulations, such as audits, inspections and hazard management.
- Coordinate and facilitate the 2009 Rail State Safety Oversight (ODOT) audit and APTA's Bus System Safety Audit recommendation implementation.
- Provide guidance for environmental compliance and respond to BUSTR (Bureau for Underground Storage Tank Regulations) and the EPA regulations on storage tanks.

	<b>2007 Actual</b>	<b>2008 Actual</b>	<b>2009 Actual</b>	<b>2010 Budget</b>
Total Collisions	3.42	3.20	3.00	2.85
Total Preventable Collisions	0.83	1.0	.95	1.0
Internal Rail Audits	5	9	8	6
Bus/Rail Car Safety Inspections	33	30	25	85
Facility Inspections	65	65	70	70
Radar Audits	20	21	35	30
Ride Checks	30	55	100	36
Fire Drills	12	40	40	42
BMV Checks				
-Authoritywide	2 runs	2 runs	2 runs	2 runs
-CDLs	12 runs	12 runs	12 runs	12 runs
Environmental Waste Disposal (lbs)	111,645	114,224	110,000	100,000
Material Safety Data				
Sheet Evaluation	14	32	48	40
Bus Incident Investigations	26	33	30	30
Rail Incident Investigations	35	41	30	33
Total Investigations	61	74	60	63

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY  
TABLE OF ORGANIZATION  
LEGAL AFFAIRS DIVISION  
SAFETY DEPARTMENT  
#15





# STAFFING LEVEL COMPARISONS

## DEPARTMENT: 15 - SAFETY

<b>JOB CLASS</b>	<b>JOB TITLE</b>	<b>APPROVED 2008</b>	<b>APPROVED 2009</b>	<b>APPROVED 2010</b>	<b>2010-2009 VARIANCE</b>
203	CLERK / TYPIST	1	1	1	0
23	SAFETY AWARENESS COORDINATOR	1	1	1	0
24	TRANSPORTATION SAFETY SPECIALIST I	1	1	1	0
26	TRANSPORTATION SAFETY SPECIALIST II	1	1	1	0
27	MANAGER - SAFETY	1	1	1	0
30	DIRECTOR - SAFETY	1	1	1	0
<b>DEPARTMENT TOTALS</b>		<b>6</b>	<b>6</b>	<b>6</b>	<b>0</b>

# 2010 OPERATING BUDGET SUMMARY

## Department 21 – Legal

**SHERYL KING BENFORD, DEPUTY GENERAL MANAGER - LEGAL AFFAIRS**

The mission of the Legal Department is to provide comprehensive, effective legal services to the Authority including representing the Authority in lawsuits, administrative and grievance hearings, preparing legal opinions & documents and providing advice in all labor negotiations.

OBJECT							
CLASS	DESCRIPTION	2007 Actual	2008 Actual	2009 Actual	2010 Budget	2011 Estimate	2012 Estimate
501200	HOURLY EMPLOYEES PAYROLL	19,421	13,253	0	0	0	0
501300	LABOR - SALARIED EMPLOYEES	981,412	902,521	898,808	997,483	1,007,458	1,017,533
501310	OVERTIME - SALARIED EMPLOYEES	2,788	897	287	0	0	0
502000	FRINGE BENEFITS	327,266	296,507	321,854	390,880	395,571	400,317
503000	SERVICES	221,339	220,617	89,192	195,000	196,950	198,920
503049	TEMPORARY HELP	0	29,700	7,607	0	0	0
504000	MATERIAL & SUPPLIES	1,481	2,954	436	5,000	5,000	5,000
509000	MISCELLANEOUS EXPENSES	15,701	6,840	5,612	23,500	23,500	23,500
512000	LEASES & RENTALS	19,448	10,000	13,000	15,000	15,000	15,000
<b>DEPT TOTAL</b>		<b>1,588,866</b>	<b>1,483,289</b>	<b>1,336,797</b>	<b>1,626,863</b>	<b>1,643,479</b>	<b>1,660,270</b>

# Department Budgets

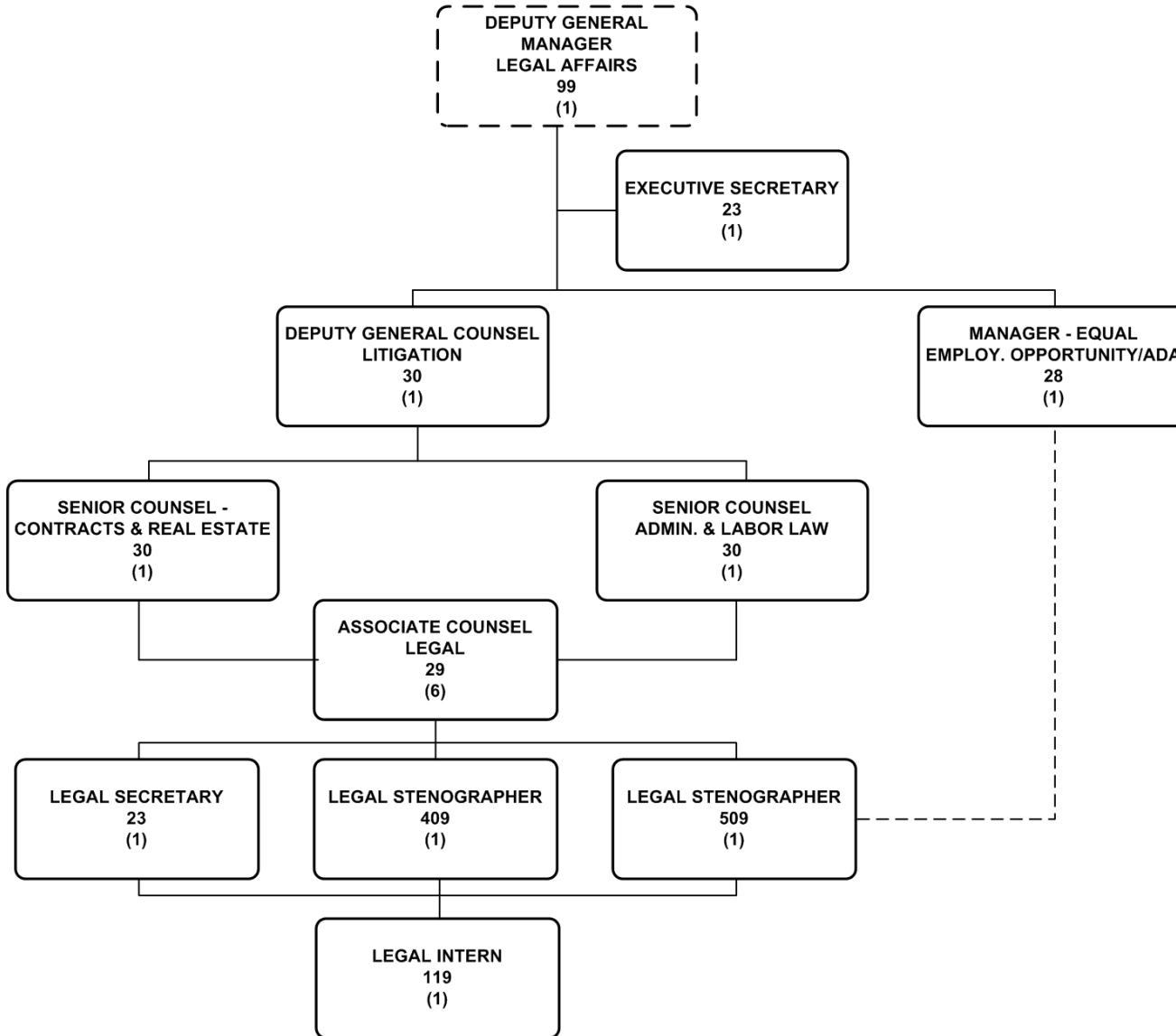
## 2010 Budget Implementation

### Department 21 - Legal

- Provide legal service to the Authority including representing the Authority in tort claims, contract claims, workers' compensation cases and associated lawsuits; federal, state and local administrative proceedings/hearings; grievance hearings; and labor negotiations.
- Conduct training sessions on significant legal topics affecting the Authority.
- Prepare legal opinions and responses to Board of Trustee inquiries, provide client consultation and participate on Procurement, Engineering and Project Management, Human Resource, System Security, Americans with Disability Act, and Labor Relations panels and committees.
- Conduct investigations on all EEO and ADA allegations.
- Provide legal support for closeout of the Euclid Corridor Transportation Project.
- Provide legal support for fiscal responsibility including damage claims, subrogation, location and pursuit of unclaimed funds, management and cost control of outside counsel, and contract, environmental and other risk and insurance evaluations.
- Provide legal support for the development, drafting and revision of policies and procedures, including those for Procurement, and drafting and revision of contract forms and personnel forms.
- Conduct harassment and ADA training.

	<b>2007 Actual</b>	<b>2008 Actual</b>	<b>2009 Actual</b>	<b>2010 Budget</b>
Depositions Scheduled	95	100	125	100
Court Hearings	210	160	224	200
Court Arbitration Cases	10	8	2	5
Scheduled Trials	25	28	20	10
Bureau Of Workers' Compensation Hearings	625	647	600	625
Labor Arbitration Cases	22	23	27	25
Bureau of Employment Service Hearings	9	8	9	10
Public Records Requests	75	120	140	150
Contract Reviews	368	223	269	350
Contracts Negotiated and Drafted	75	107	96	70
Legal Opinions	11	60	70	70
Subpoenas Processed	750	1505	676	750
Resolutions Reviewed	220	186	107	100
New Lawsuits Filed	100	98	110	95
ADA Paratransit Appeals	48	87	105	90
Number of Lawsuits Closed	90	115	120	90
ADA/OEO Complaints Received	46	56	45	50
Appellate Cases			5	2

**GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY  
TABLE OF ORGANIZATION  
LEGAL AFFAIRS DIVISION  
LEGAL DEPARTMENT  
#21**



# STAFFING LEVEL COMPARISONS

## DEPARTMENT: 21 - LEGAL

JOB CLASS	JOB TITLE	APPROVED 2008	APPROVED 2009	APPROVED 2010	2010-2009 VARIANCE
119	LEGAL INTERN	1	1	1	0
409	LEGAL STENOGRAPHER	1	1	1	0
509	LEGAL STENOGRAPHER	1	1	1	0
23	LEGAL SECRETARY	1	1	1	0
23	EXECUTIVE SECRETARY	1	1	1	0
28	MANAGER - EQUAL EMPLOYMENT OPPORTUNITY & ADA	1	1	1	0
29	ASSOCIATE COUNSEL - CONTRACTS & REAL ESTATE	2	2	0	(2)
29	ASSOCIATE COUNSEL - LEGAL	4	4	6	2
30	SENIOR COUNSEL - ADMINISTRATION & LABOR LAW	1	1	1	0
30	SENIOR COUNSEL - CONTRACTS & REAL ESTATE	1	1	1	0
30	SENIOR COUNSEL - LITIGATION	0	0	0	0
30	DEPUTY GENERAL COUNSEL/LITIGATION	1	1	1	0
<b>DEPARTMENT TOTALS</b>		<b>15</b>	<b>15</b>	<b>15</b>	<b>0</b>

# 2010 OPERATING BUDGET SUMMARY

## Department 22 – Risk Management

JUDY LINCOLN, DIRECTOR

The mission of the Risk Management Department is to protect the assets of the Authority from catastrophic loss through risk identification and analysis, risk avoidance, mitigation and risk transfer. The Department is also responsible for managing the Authority's property and casualty insurance and self-insurance programs as well as the Liability Claims and Workers Compensation section of the Department.

OBJECT							
CLASS	DESCRIPTION	2007 Actual	2008 Actual	2009 Actual	2010 Budget	2011 Estimate	2012 Estimate
501300	LABOR - SALARIED EMPLOYEES	939,105	946,606	913,871	953,362	962,896	972,525
501310	OVERTIME - SALARIED EMPLOYEES	550	2,375	3,794	3,000	3,000	3,000
502000	FRINGE BENEFITS	300,686	324,336	330,915	374,766	379,263	383,814
502071	W. C. - INJURIES & DAMAGES	1,518,118	1,628,549	1,573,648	1,623,500	1,655,970	1,689,089
502082	W. C. - MEDICAL PAYMENTS	971,871	1,142,937	998,931	1,239,500	1,251,895	1,264,414
503000	SERVICES	196,515	333,205	115,544	298,500	298,500	298,500
503030	WORKERS COMP ADMINISTRATION FEE	654,172	436,950	461,067	532,000	532,000	532,000
503049	TEMPORARY HELP	0	0	28,000	0	0	0
504000	MATERIAL & SUPPLIES	12,062	6,167	3,482	6,910	6,910	6,910
506000	CASUALTY & LIABILITY COSTS	277,197	344,451	252,107	362,500	366,125	369,786
506010	PHYSICAL DAMAGE INSURANCE	638,743	574,098	751,967	790,500	806,310	822,436
506040	LIABILITY & PROPERTY DAMAGE CLAIMS	1,607,421	1,365,116	1,890,755	1,628,500	1,661,070	1,694,291
506200	W. C. - SETTLEMENT & LAWSUIT EXPENSE	96,400	335,200	171,600	175,000	176,750	178,518
509000	MISCELLANEOUS EXPENSES	16,980	16,854	12,949	17,400	17,400	17,400
<b>DEPT TOTAL</b>		<b>7,229,820</b>	<b>7,456,844</b>	<b>7,508,628</b>	<b>8,005,438</b>	<b>8,118,089</b>	<b>8,232,684</b>

# Department Budgets

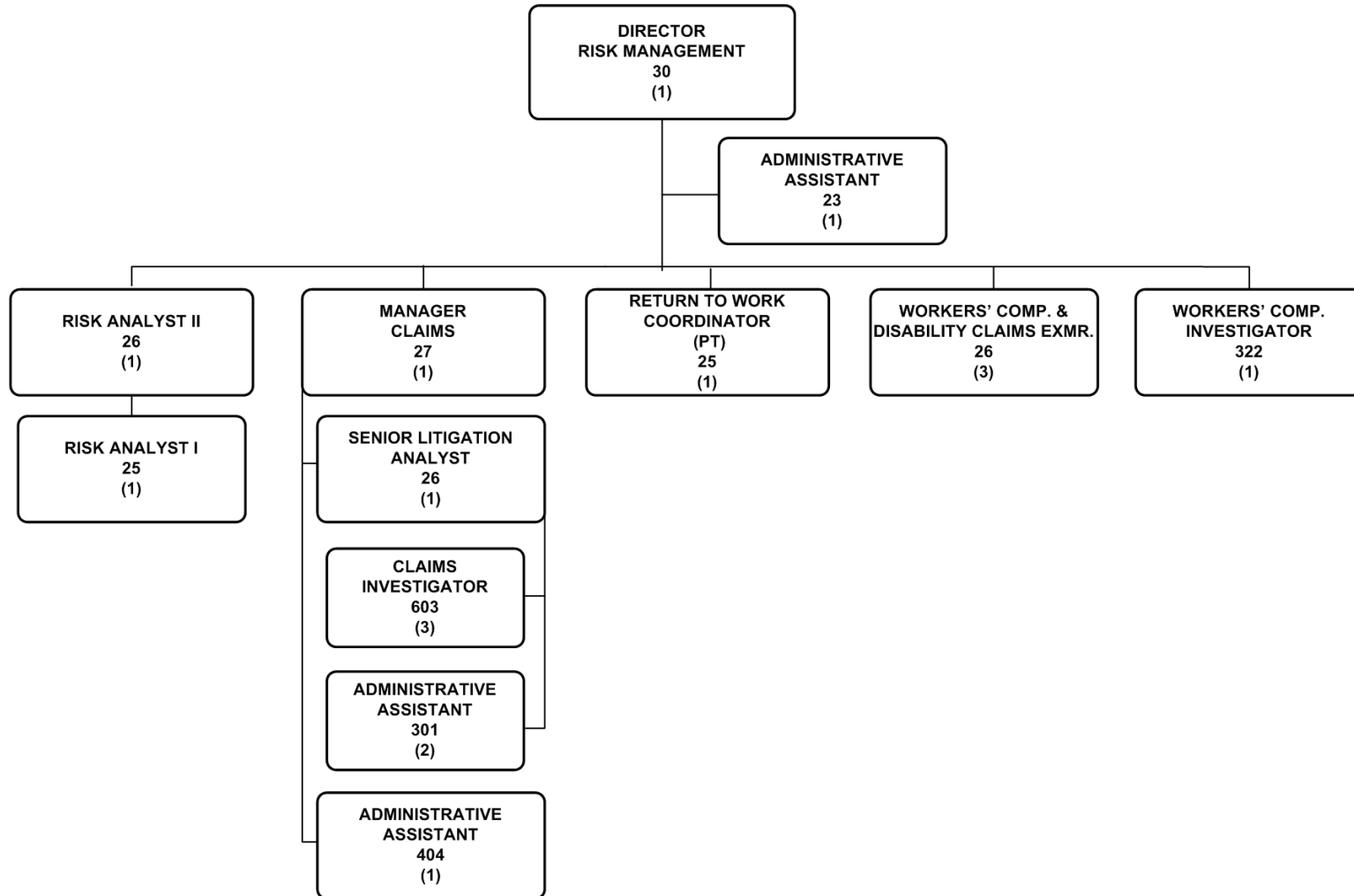
## 2010 Budget Implementation

### Department 22 – Risk Management

- Continue implementation of Workers' Compensation Action Plan with a focus on strengthening and expanding the Return to Work Program by formation of a formal Return to Work Committee, contracting with a Nurse Case Manager as Return to Work Coordinator, and increasing the number of Transitional Work positions available in Districts and require their participation.
- Adhere to all deadlines and requirements of the Section 111 Mandatory Medicare Reporting by monitoring the use of GCRTA's data reporting to ISO and the querying/reporting process done by the Account Designee.
- Finalize effort to provide RMIS access to districts thereby eliminating redundant data entry and eliminating need for obsolete InMagic software.
- Updated Claims/Litigation Procedures Draft and share with new Deputy General Counsel. Legal/Claims Interaction bullets drafted by Deputy General Counsel and incorporate into final document and distributed throughout legal and claims.
- Update Workers Compensation procedures and finalize Return-to-Work Coordinated Manual in accordance with all activities occurring with TransitStat, Worker's Compensation Action Plan, and Return-to-Work Coordinator.
- Negotiate best terms and conditions available in the marketplace and most cost-effective renewal of GCRTA insurance programs including casualty, property and public officials' liability.
- Develop an interface between Accounting and Claims to automate the entry of check numbers into Riskmaster for third party payments.

	<b>2007 Actual</b>	<b>2008 Actual</b>	<b>2009 Actual</b>	<b>2010 Budget</b>
<b><u>THIRD PARTY LIABILITY CLAIMS</u></b>				
Total Occurrences in Calendar Year	3,287	3,038	2,749	3,182
Total # Claims in Calendar Year	1,114	1,308	1,210	1,140
Average Cost per Claim (excluding large losses)	\$1,643	\$2,219	\$2,454	\$1,857
	<b>2007 Actual</b>	<b>2008 Actual</b>	<b>2009 Actual</b>	<b>2010 Budget</b>
<b><u>WORKERS' COMPENSATION</u></b>				
Total # of Claims in Calendar Year	320	359	256	334
Average Cost per Employee (excluding large costs)	\$972	\$1,123	\$1,039	\$1,005
Average Cost per Claim (excluding large losses)	\$8,094	\$7,718	\$9,750	\$7,817

**GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY  
TABLE OF ORGANIZATION  
LEGAL AFFAIRS DIVISION  
RISK MANAGEMENT DEPARTMENT  
#22**





# STAFFING LEVEL COMPARISONS

## DEPARTMENT: 22 - RISK MANAGEMENT

<b>JOB CLASS</b>	<b>JOB TITLE</b>	<b>APPROVED 2008</b>	<b>APPROVED 2009</b>	<b>APPROVED 2010</b>	<b>2010-2009 VARIANCE</b>
301	ADMINISTRATIVE ASSISTANT	2	2	2	0
303	CLAIMS CLERK	1	1	0	(1)
322	WORKERS' COMPENSATION INVESTIGATOR	1	1	1	0
404	ADMINISTRATIVE ASSISTANT	1	1	1	0
603	CLAIMS INVESTIGATOR	3	3	3	0
23	ADMINISTRATIVE ASSISTANT	1	1	1	0
25	RISK ANALYST I	1	1	1	0
26	RISK ANALYST II	1	1	1	0
26	ASSISTANT CLAIMS MANAGER ADVISOR	1	0	0	0
26	SENIOR LITIGATION ANALYST	1	1	1	0
26	SENIOR ADJUSTER	0	1	0	(1)
26	WORKERS' COMP & DISABILITY CLAIMS EXAMINER	3	3	2	(1)
27	MANAGER - CLAIMS	1	0	1	1
27	MANAGER - WORKERS' COMPENSATION & INSURANCE	1	1	1	0
30	DIRECTOR - RISK MANAGEMENT	1	1	1	0
	PART-TIME RETURN TO WORK COORDINATOR	0	0	1	1
<b>DEPARTMENT TOTALS</b>		<b>19</b>	<b>18</b>	<b>17</b>	<b>(1)</b>

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## Division - Human Resources

### **Division Summary**

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Human Resources

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Labor & Employee Relations

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Training & Employee Development

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# DIVISION SUMMARY

## HUMAN RESOURCES

Bruce E. Hampton, Deputy General Manager

### Mission Statement

The Human Resources Division provides personnel services, benefits, compensation, labor and employee relations, training, and employee development to support the Authority.

### General Description

The Human Resources Division is responsible for the organization, coordination and administration of labor and employee relations; recruitment, compensation and benefits of personnel; training and employee development; and medical and wellness programs, as well as ensuring equal opportunities in the Authority's employment practices.

### 2009 Achievements

- Continued Positive Discipline and Labor Relations training for supervisors and new employees.
- Continued to enhance Wellness Initiatives for all GCRTA employees to improve employee's health and reduce health care costs and purchased blood pressure machines for all locations to assist with monitoring blood pressure issues.
- Implemented Oracle Standard Benefits, a benefit management system that allows web-based employee self-service for benefits. The application was created to follow the RTA business rules, which will decrease time spent on

manual processing such as removing ineligible dependents, COBRA notifications, and manual tracking. The online enrollment has reduced paper required for open enrollments; eliminated hours spent processing, filing, and organizing paper forms, and reduced errors. The Oracle Standard benefits system will allow us a stronger validation system and the ability to invoice employees who are on the plan and have missed payroll deductions.

- Implemented Kronos Workforce Central 6.0. The upgraded version adds features for tighter security control.
- Continued Positive Discipline and Labor Relations training for supervisors and new employees.
- Continued to enhance Wellness Initiatives for all GCRTA employees to improve employee's health and reduce health care costs and purchased blood pressure machines for all locations to assist with monitoring blood pressure issues.
- Implemented the HR Business Partner model as part of HR reorganization plans to include the expansion of individual HR job responsibilities to provide prompt, efficient and personalized service to the Operating Districts.
- Host site for the National Transit Institute (NTI) "Transit Trainers' Workshop" held October 25-28, 2009. One Hundred and Seventy (170) Transit Professionals including Safety, Training & Human Resources from all over the country.

# DIVISION SUMMARY

## HUMAN RESOURCES

Bruce E. Hampton, Deputy General Manager

### 2009 Achievements (cont.)

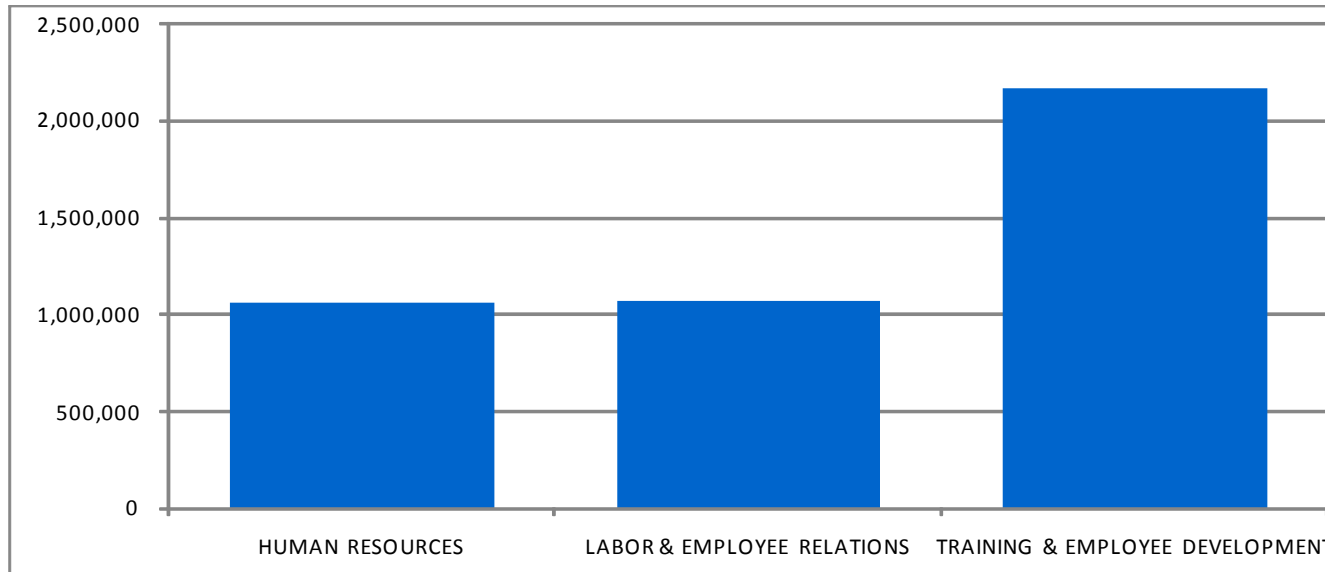
- Initiated a Left-Hand-Turn (LHT) Campaign to address proper left hand turn procedures. Training, Safety, and Operations collaborated to address this safety issue. A 'Blitz' was conducted at all Operating Districts with all Operators, and new standard operating procedures were developed. On-Street Observations, Ride-Along, and audits were completed to insure compliance for the Training Initiative.
- Developed and implemented a comprehensive Training Records Management System Data Base and a Sunday Business Systems (SBS). Data base includes Rail Transportation, and Maintenance Records; Bus, Transportation & Maintenance Records; Management/Supervisory Records; Safety Records; External Training Records; and Tuition Reimbursement Records.
- Continue to track, monitor attendance trends, and comply with revised Family Medical Leave Act; thereby reducing absence duration and lowering employer cost.
- Continue with enhancements of Oracle Standard Benefits and Employee Self-Service modules to provide decision support information for employees and managers in an accurate and timely fashion.
- Continue Positive Discipline and Labor Relations supervisory training.
- Continue the development of the HR Business Partner model to include the expansion of individual HR job responsibilities to provide prompt, efficient and personalized service to the Operating Districts.

### 2010 Priorities

- Continue the development of long-term strategic planning to continue to lower healthcare costs, and optimize benefits design and wellness activities.
- Prepare for and negotiate fair, but cost effective labor agreements with the Fraternal Order of Police (FOP).
- Implementation of a new collective bargaining agreement with the ATU Local 268.
- Expand the Diversity Awareness Training Program to the Operating Districts. Program Instructors will provide monthly training schedules to accommodate Operating District Diversity Training Program needs.
- Continue to develop and implement a comprehensive Training Plan/Design to address the training needs of the Rail Operating District (Rail Equipment, Power & Way, Facilities, Transportation).

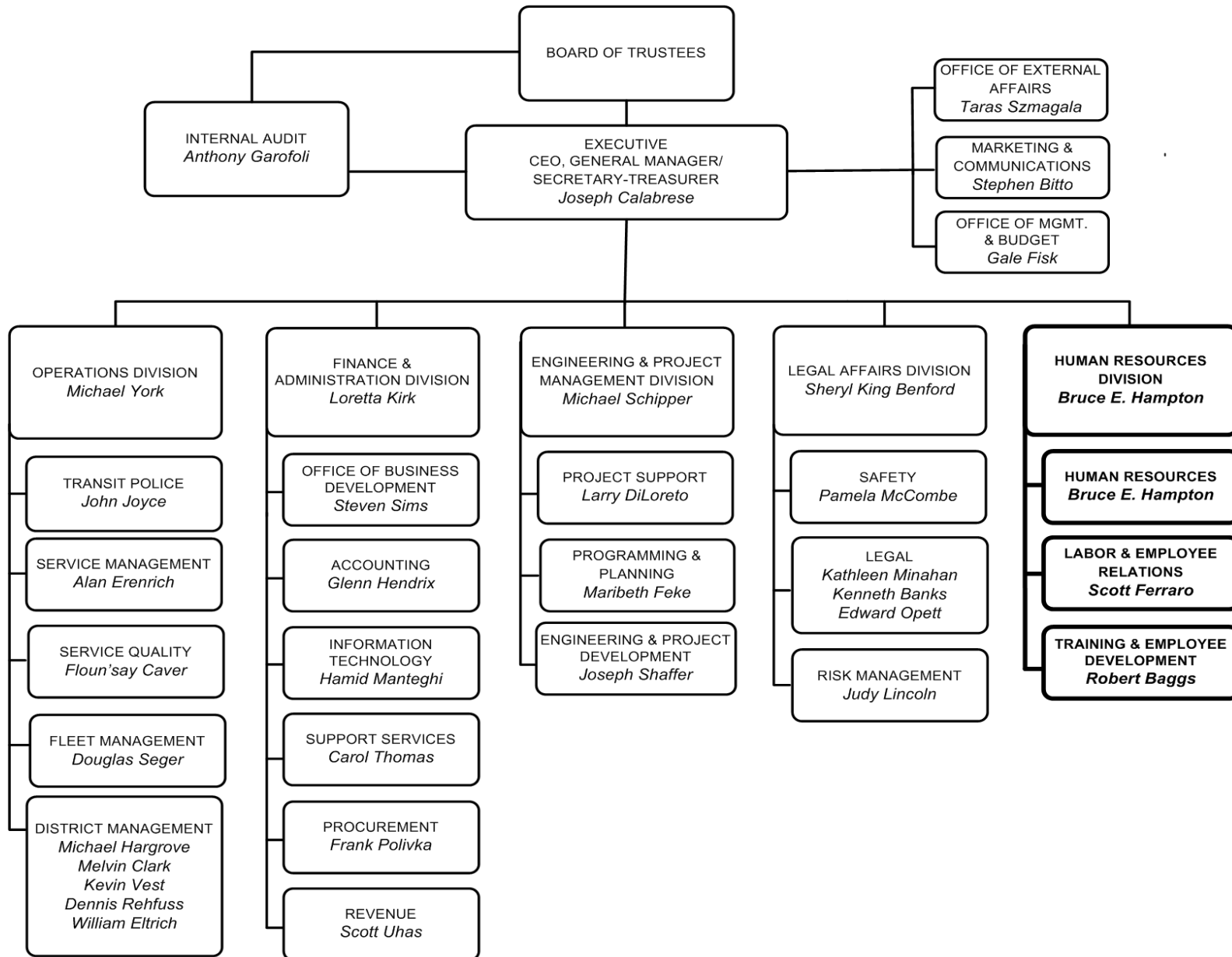
# 2010 OPERATING BUDGET SUMMARY

## Division 5 – Human Resources



Dept. #	Description	2007 Actual	2008 Actual	2009 Actual	2010 Budget	2011 Estimate	2012 Estimate
14	HUMAN RESOURCES	843,975	1,052,602	938,471	1,063,052	1,072,762	1,082,576
18	LABOR & EMPLOYEE RELATIONS	662,181	849,927	1,061,317	1,073,715	1,083,876	1,092,999
30	TRAINING & EMPLOYEE DEVELOPMENT	2,001,240	2,054,054	2,117,260	2,172,411	2,193,671	2,215,157
<b>DIVISION TOTALS</b>		<b>\$ 3,507,397</b>	<b>\$ 3,956,583</b>	<b>\$ 4,117,049</b>	<b>\$ 4,309,178</b>	<b>\$ 4,350,309</b>	<b>\$ 4,390,731</b>

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY  
 TABLE OF ORGANIZATION  
 AS OF 2010 BUDGET ADOPTION



# DEPARTMENTAL STAFFING ANALYSIS

## Authorized Staffing Level by Division

### HUMAN RESOURCES

HUMAN RESOURCES	10	13	15	2
LABOR & EMPLOYEE RELATIONS	6	5	6	1
TRAINING & EMPLOYEE DEVELOPMENT	25	23	24	1
<b>TOTALS</b>	<b>41</b>	<b>41</b>	<b>45</b>	<b>4</b>



# 2010 OPERATING BUDGET SUMMARY

## Department 14 – Human Resources

BRUCE E. HAMPTON, DEPUTY GENERAL MANAGER - HUMAN RESOURCES

The Human Resources Department is responsible for providing management for the Authority's employee recruitment and staffing functions, benefits administration, human resources information systems and the Employee Service Center.

OBJECT		2007 Actual	2008 Actual	2009 Actual	2010 Budget	2011 Estimate	2012 Estimate
CLASS	DESCRIPTION						
501200	HOURLY EMPLOYEES	98,168	145,117	68,648	66,000	66,660	67,327
501300	LABOR - SALARIED EMPLOYEES	482,319	553,457	564,212	577,454	583,228	589,061
501310	OVERTIME - SALARIED EMPLOYEES	0	(3)	0	0	0	0
502000	FRINGE BENEFITS	184,622	235,746	225,726	252,148	255,174	258,236
503000	SERVICES	9,863	44,500	34,500	117,000	117,000	117,000
503020	ADVERTISING FEES	39,703	44,408	31,865	25,000	25,250	25,503
503049	TEMPORARY HELP	13,409	13,588	0	0	0	0
504000	MATERIAL & SUPPLIES	11,615	13,208	7,977	20,200	20,200	20,200
509000	MISCELLANEOUS EXPENSES	4,277	2,580	5,544	5,250	5,250	5,250
<b>DEPT TOTAL</b>		<b>843,975</b>	<b>1,052,602</b>	<b>938,471</b>	<b>1,063,052</b>	<b>1,072,762</b>	<b>1,082,576</b>

# Department Budgets

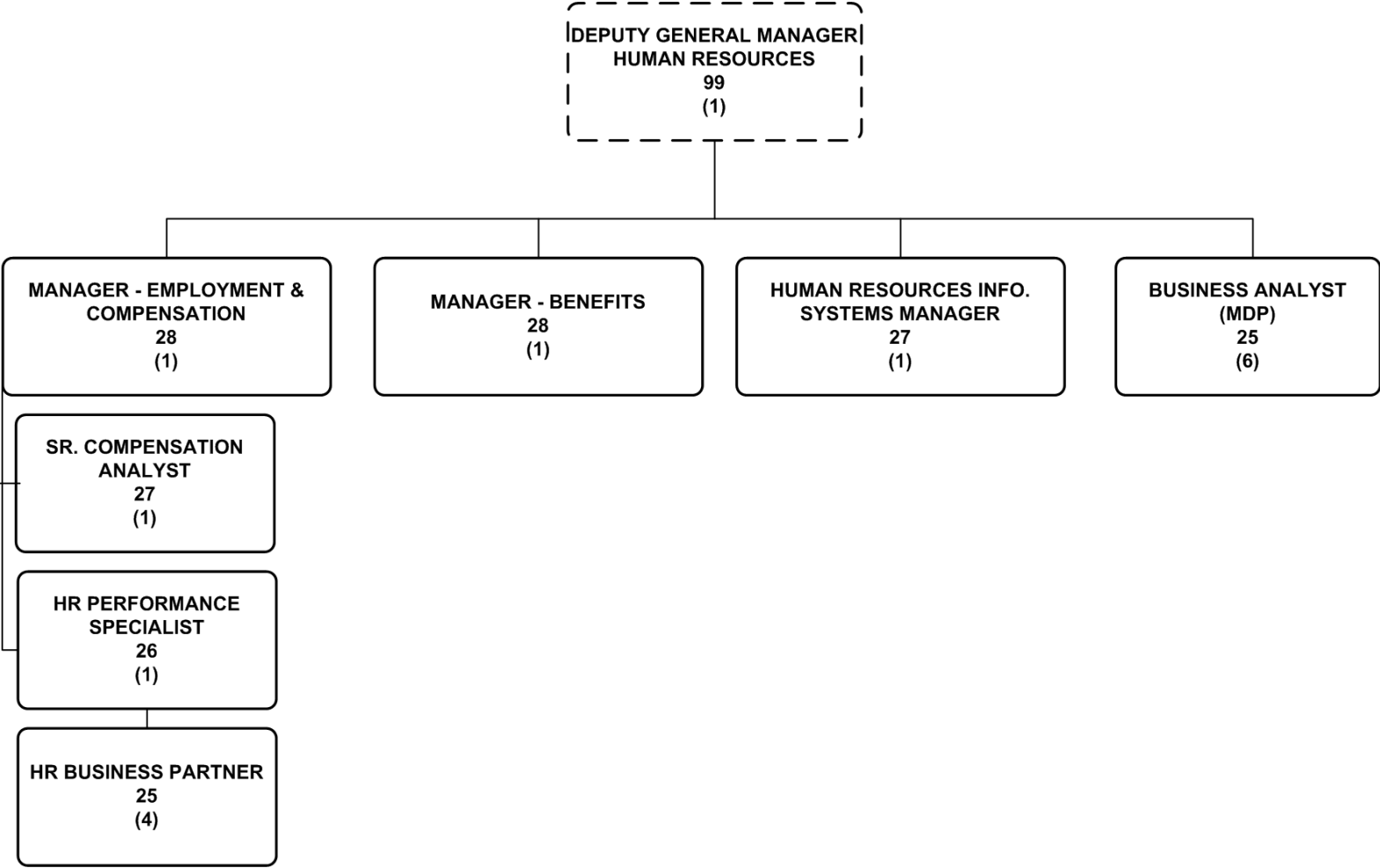
## 2010 Budget Implementation

### Department 14 – Human Resources

- Continued development of a long-term strategic plan to continue to lower healthcare costs, and optimize benefits design and wellness activities.
- Continued development of the HR Business Partner Model to include the expansion of individual HR job responsibilities, to provide prompt, efficient and personalized service to the Operating Districts.
- Continue to partner with directors, managers, and supervisors to implement succession planning activities that prepare employees to fill future leadership positions (e.g. Management Development Program, Future Leaders Club).
- Continued development and monitoring of Oracle system security plan and enhancing Quality Assurance metrics.
- Provide training series for Oracle HRMS users in the areas of Oracle Discoverer and Oracle Standard Benefits.
- Continue to enhance recruitment initiatives within positions that are identified as underutilized and/or non-traditional positions for minorities.

	<b>2007 Actual</b>	<b>2008 Actual</b>	<b>2009 Estimate</b>	<b>2010 Budget</b>
Total Number of Requested Positions	114	160	140	100
Total Number of Filled Positions	248	200	108	70

**GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY**  
**TABLE OF ORGANIZATION**  
**HUMAN RESOURCES DIVISION**  
**HUMAN RESOURCES DEPARTMENT**  
**#14**



# STAFFING LEVEL COMPARISONS

## DEPARTMENT: 14 - HUMAN RESOURCES\*

<b>JOB CLASS</b>	<b>JOB TITLE</b>	<b>APPROVED 2008</b>	<b>APPROVED 2009</b>	<b>APPROVED 2010</b>	<b>2010-2009 VARIANCE</b>
23	HUMAN RESOURCES ASSISTANT I	4	0	0	0
24	HUMAN RESOURCES ASSISTANT	0	2	0	(2)
25	HR BUSINESS PARTNER	1	1	2	1
25	HR BUSINESS PARTNER	1	1	1	0
25	HR BUSINESS PARTNER	0	1	1	0
25	BUSINESS ANALYST (MDP)	0	4	6	2
26	HR PERFORMANCE SPECIALIST	0	0	1	1
27	HRIS MANAGER	1	1	1	0
27	SENIOR COMPENSATION ANALYST	1	1	1	0
28	MANAGER - EMPLOYMENT & RECRUITMENT	1	1	1	0
28	MANAGER - BENEFITS	1	1	1	0
<b>DEPARTMENT TOTALS</b>		<b>10</b>	<b>13</b>	<b>15</b>	<b>2</b>

# 2010 OPERATING BUDGET SUMMARY

## Department 18 – Labor & Employee Relations

SCOTT FERRARO, DIRECTOR

The mission of the Labor & Employee Relations Department is to build and support the continuous relationship between labor unions and the Authority. The Department also administers the Occupational Health & Wellness programs of the Authority to enhance attendance and the well-being of all employees.

OBJECT							
CLASS	DESCRIPTION	2007 Actual	2008 Actual	2009 Actual	2010 Budget	2011 Estimate	2012 Estimate
501300	LABOR - SALARIED EMPLOYEES	298,010	332,841	315,744	330,017	333,317	336,650
502000	FRINGE BENEFITS	57,009	81,330	86,942	129,323	130,875	132,445
502070	UNEMPLOYMENT COMPENSATION	76,534	160,461	443,529	380,000	385,309	389,528
503000	SERVICES	225,323	273,151	204,456	229,500	229,500	229,500
504000	MATERIAL & SUPPLIES	776	641	865	600	600	600
509000	MISCELLANEOUS EXPENSES	4,530	1,504	9,781	4,275	4,275	4,275
<b>DEPT TOTAL</b>		<b>662,181</b>	<b>849,927</b>	<b>1,061,317</b>	<b>1,073,715</b>	<b>1,083,876</b>	<b>1,092,999</b>

# Department Budgets

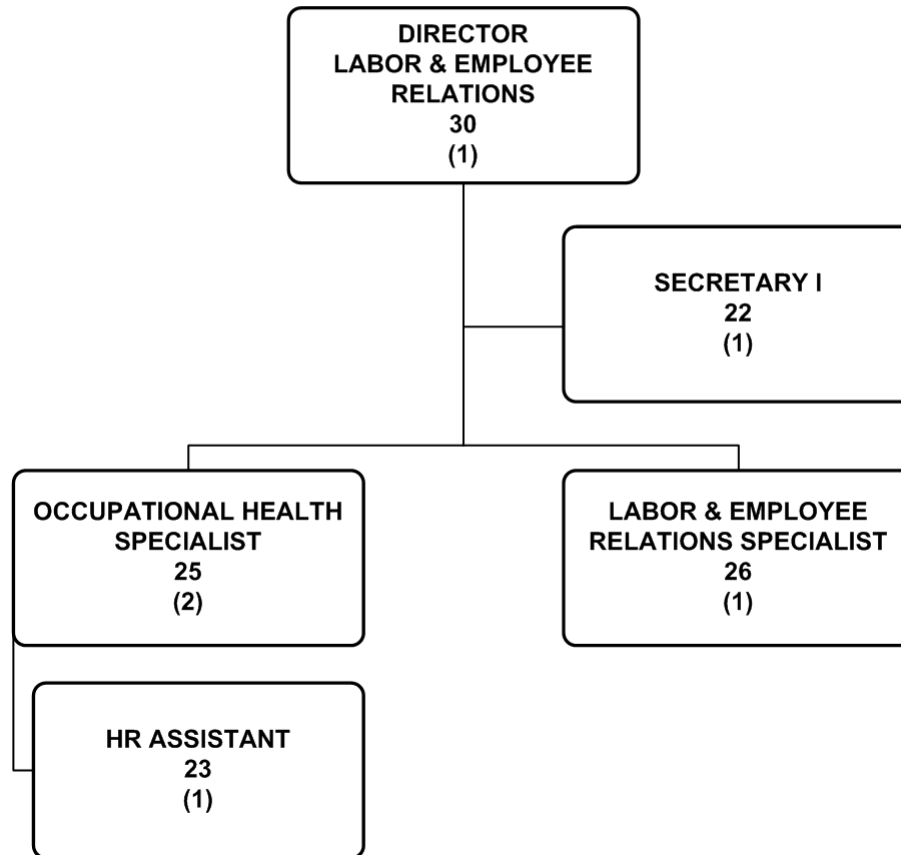
## 2010 Budget Implementation

### Department 18 – Labor & Employee Relations

- Provide advice, training, and counsel to managers, supervisors and employees on discipline, grievances, policies, contracts and labor laws.
- Implementation of the ATU contract in 2010.
- Contract preparation for negotiations with FOP in 2010.
- Serve as Fourth Step Grievance Hearing Officer.
- Administer unemployment compensation benefit process and monitor funds budgeted for this purpose.
- Process biennial exams that have expired for operators.
- Perform alcohol tests on at least 10% of safety sensitive pool.
- Continue performance management under the Positive Discipline Policy.
- Chair or facilitate various Labor Management committees.
- Administer Drug & Alcohol policies and process all FMLA requests.
- Implement wellness initiatives.
- Assist departments in tracking employee attendance through HR business partners to ensure compliance with policies.

	<b>2007 Actual</b>	<b>2008 Actual</b>	<b>2009 Estimate</b>	<b>2010 Budget</b>
Number of Fourth Step Grievance Hearings Held	40	47	75	75
Number of Labor Management Committees	9	9	9	9
Number of Discipline Actions Approved	66	114	100	110
Total Number of Drug & Alcohol Tests	2,636	2,200	2,300	2,300
FMLA Requests Processed	1,030	1,100	900	1,000
Unemployment Claims Processed	74	153	165	180

**GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY  
TABLE OF ORGANIZATION  
HUMAN RESOURCES DIVISION  
LABOR & EMPLOYEE RELATIONS DEPARTMENT  
#18**



# STAFFING LEVEL COMPARISONS

## DEPARTMENT: 18 - LABOR AND EMPLOYEE RELATIONS\*

JOB CLASS	JOB TITLE	APPROVED 2008	APPROVED 2009	APPROVED 2010	2010-2009 VARIANCE
22	SECRETARY I	1	1	1	0
22	HUMAN RESOURCES CLERK	1	0	0	0
25	OCCUPATIONAL HEALTH SPECIALIST	1	1	2	1
24	HUMAN RESOURCES ASSISTANT I	0	0	1	1
26	LABOR & EMPLOYEE RELATIONS SPECIALIST	1	1	1	0
28	MANAGER - OCCUPATIONAL HEALTH	1	1	0	(1)
30	DIRECTOR - LABOR AND EMPLOYEE RELATIONS	1	1	1	0
<b>DEPARTMENT TOTALS</b>		<b>6</b>	<b>5</b>	<b>6</b>	<b>1</b>



# 2010 OPERATING BUDGET SUMMARY

## Department 30 – Training & Employee Development

ROBERT BAGGS, DIRECTOR

The mission of the Training & Employee Development Department is to provide growth and development opportunities for all GCRTA employees by improving their skills, knowledge and abilities in support of the Authority's goals.

OBJECT		2007 Actual	2008 Actual	2009 Actual	2010 Budget	2011 Estimate	2012 Estimate
CLASS	DESCRIPTION						
501300	LABOR - SALARIED EMPLOYEES	1,366,419	1,434,964	1,437,192	1,446,016	1,460,476	1,475,081
501310	OVERTIME - SALARIED EMPLOYEES	28,096	4,467	14,211	0	0	0
502000	FRINGE BENEFITS	443,311	473,347	523,942	566,645	573,445	580,326
502148	TUITION REIMBURSEMENT	43,240	54,065	37,977	50,000	50,000	50,000
503000	SERVICES	12,645	10,185	6,375	31,700	31,700	31,700
503049	TEMPORARY HELP	(1,340)	0	0	0	0	0
504000	MATERIAL & SUPPLIES	15,142	9,846	5,458	17,300	17,300	17,300
509000	MISCELLANEOUS EXPENSES	93,727	67,180	92,104	60,750	60,750	60,750
<b>DEPT TOTAL</b>		<b>2,001,240</b>	<b>2,054,054</b>	<b>2,117,260</b>	<b>2,172,411</b>	<b>2,193,671</b>	<b>2,215,157</b>

# Department Budgets

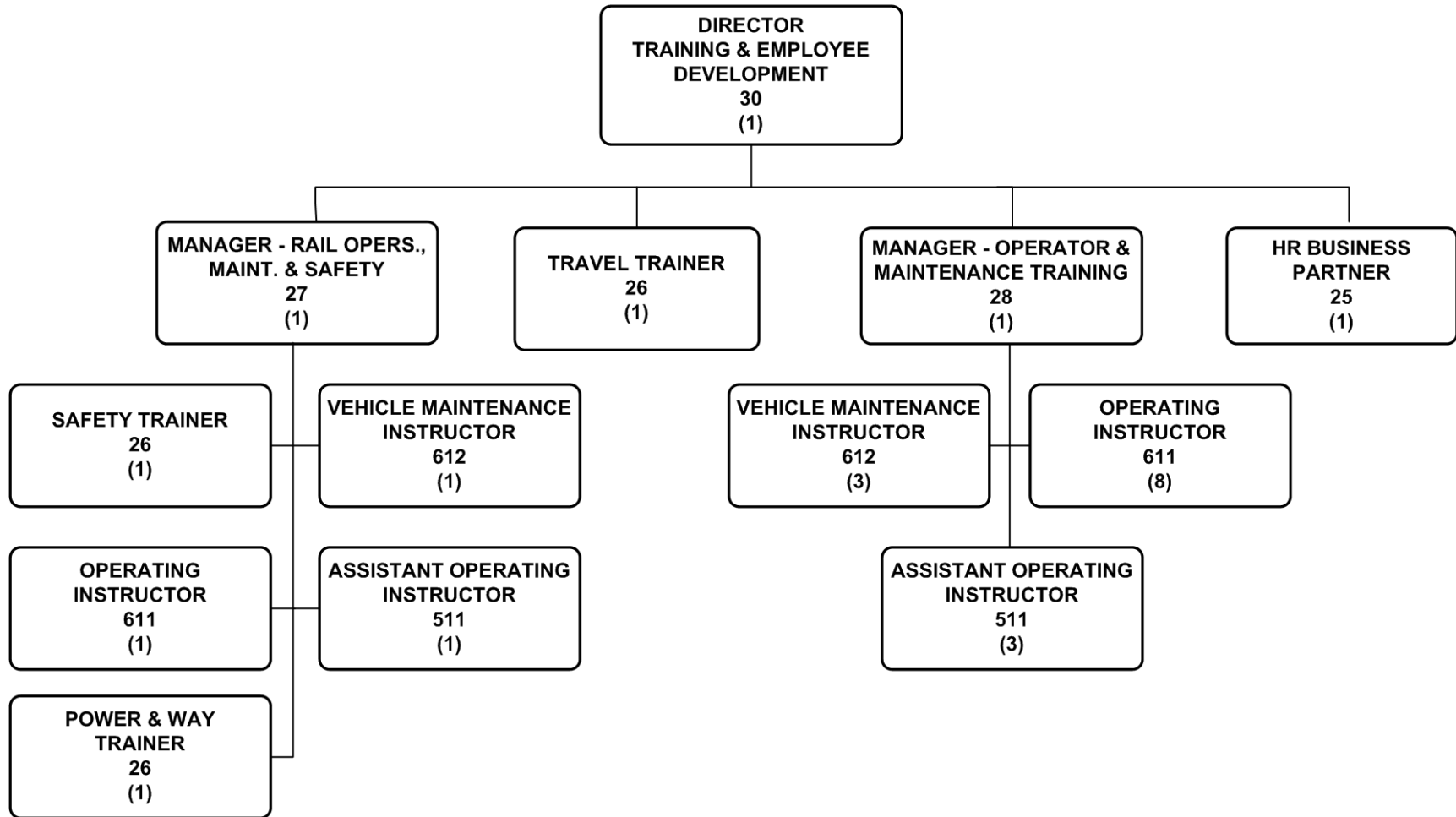
## 2010 Budget Implementation

### Department 30 – Training & Employee Development

- Provide growth and development opportunities for all employees.
- Implement the new Employee Orientation Program (including Safety Training).
- Continue to implement the Biennial Bus Recertification Program and the Rail ReQualification Program.
- Continue the implementation of a comprehensive Safety Training Program for the Authority.
- Continue the implementation of Quality Customer Service.
- Develop and provide training for Rail Standard Operating Procedures (SOP's) and implement Rail Operator Training.
- Monitor Bus-On-Shoulder Initiative.
- Implement the Emergency Operating Plan (EOP) and Terrorist Activity Recognition Reaction (TARR) for the Authority.
- Develop the conversion of Peoplesoft.
- Maintain Training Records to a Training Administrator database.
- Establish a comprehensive training program for Facilities Maintenance, janitorial services, and Power & Way Departments.
- Implement a comprehensive training program for Central Rail Maintenance employees.
- Implement New Fare Training for operators.

	<b>2006 Actual</b>	<b>2007 Actual</b>	<b>2008 Estimate</b>	<b>2009 Budget</b>
Operators Trained	3,700	3,700	3,700	3,700
Maintenance Employees Trained	2,500	2,500	2,500	2,500
Safety Training	800	2,400	2,400	2,400

**GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY  
TABLE OF ORGANIZATION  
HUMAN RESOURCES DIVISION  
TRAINING & EMPLOYEE DEVELOPMENT DEPARTMENT  
#30**



# STAFFING LEVEL COMPARISONS

## DEPARTMENT: 30 - TRAINING & EMPLOYEE DEVELOPMENT

<b>JOB CLASS</b>	<b>JOB TITLE</b>	<b>APPROVED 2008</b>	<b>APPROVED 2009</b>	<b>APPROVED 2010</b>	<b>2010-2009 VARIANCE</b>
404	ADMINISTRATIVE ASSISTANT	1	1	0	(1)
511	ASSISTANT OPERATING INSTRUCTOR	5	4	4	0
512	ASSISTANT VEHICLE MAINTENANCE INSTRUCTOR	1	0	0	0
611	OPERATING INSTRUCTOR	9	9	9	0
612	VEHICLE MAINTENANCE INSTRUCTOR	3	4	4	0
25	HR BUSINESS PARTNER	0	0	1	1
26	EMPLOYEE DEVELOPMENT & TRAINING SPECIALIST	1	0	0	0
26	TRAVEL TRAINER	0	0	1	1
26	SAFETY TRAINER	2	2	1	(1)
26	POWER & WAY/RAIL TRAINER	0	0	1	1
27	MANAGER - RAIL OPS., MAINTENANCE, & SAFETY	1	1	1	0
28	MANAGER - OPERATOR & MAINTENANCE TRAINING	1	1	1	0
30	DIRECTOR - TRAINING & EMPLOYEE DEVELOPMENT	1	1	1	0
<b>DEPARTMENT TOTALS</b>		<b>25</b>	<b>23</b>	<b>24</b>	<b>1</b>

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## Division - Executive

<b>Division Summary</b>	<b>DB - 141</b>
Executive	DB - 148
Secretary/Treasurer - Board of Trustees	DB - 152
Internal Audit	DB - 156
Marketing & Communications	DB - 160
Office of Management & Budget	DB - 164
Fund Transfers	DB - 168

# DIVISION SUMMARY

## EXECUTIVE

**Joseph A. Calabrese, CEO/General Manager and Secretary-Treasurer**

### **Mission Statement**

To plan, execute and manage the efficient and effective delivery of quality public transportation services to the residents of Greater Cleveland.

### **General Description**

The Executive Division is responsible for the overall management of the organization, including strategic leadership, finance, operations, human resources, marketing, media and government relations, planning, project management and engineering.

### **2009 Achievements**

The focus of RTA's business plan is to enhance customer service, improve our image, strengthen financial resources and increase ridership.

### **Enhance Customer Service**

- Marked first anniversary for the HealthLine, our state-of-the-art Bus Rapid Transit (BRT) service. Ridership was up 48 percent after one year. The service continues to attract international attention.
- Continued the light-rail vehicle (LRV) fleet rehabilitation.
- Continued the heavy-rail vehicle (HRV) fleet rehabilitation.

- Met agency goal for customer satisfaction – only one complaint in the “Ride Happy or Ride Free” program per 28,927 riders.
- Used federal stimulus funds to begin construction of rail stations at Puritas and East 55<sup>th</sup> Street and the new Stephanie Tubbs Jones Transit Center on the east side of downtown.
- Began or continued design work for stations at Brookpark, Buckeye-Woodhill, University Circle, Mayfield and Lee-Van Aken.
- Worked with the City of Shaker Heights to extend the Blue Line across a congested intersection of Chagrin Blvd.
- Added articulated buses to two popular West Side routes.
- Added proof-of-payment systems to the Red Line.
- Proposed new weekly shopper service for customers who depended on Community Circulators for their needs.

### **Improve Our Image**

- Continued the “Smile and Ride Free” promotion for the downtown trolley service through a partnership with Dollar Bank.

# DIVISION SUMMARY

## EXECUTIVE

### Joseph A. Calabrese, CEO/General Manager and Secretary-Treasurer

- Continued to nurture positive relationships with elected officials, civic leaders and the media.

#### Strengthen Financial Resources

- Continued to lobby hard in both Columbus and Washington, D.C. for additional revenue sources.
- Ended fiscal year 2009 with a balanced budget, despite the depressed economy. Implemented a fare increase and a 5 percent service reduction in September. Salaried staff took a 3 percent wage reduction in June. Reduced our workforce by 104 positions.
- Implemented an Energy Price Risk Management program at the beginning of 2009 to help to significantly reduce fuel costs. One hundred percent (100%) of RTA's diesel fuel needs have been hedged for 2010 and costs budgeted at \$9.4 million, a savings of about \$8 million over the previous year. RTA's fuel is 86 percent hedged for 2011 at a projected cost of \$11.3 million.
- Met agency goal for industrial safety – .93 preventable accidents per 100,000 revenue miles.
- Continued use of "TransitStat" – an operational efficiency tool – helped RTA save more than \$12 million in the areas

of Workers' Compensation, electricity usage, energy retrofits, revenue collection, fuel hedging, safety, and customer service.

- Met agency goal for industrial safety -- 11.6 on-the-job injuries per 200,000 hours.
- Reduced the bus fleet size from 760 to 506, through better fleet management and a reduction in service levels between 2000 and 2009.

#### Increase Ridership

- For the second straight year, RTA's Paratransit service for the disabled had zero denials.
- Increased the number of companies in Commuter Advantage from 445 to 505 – a 500 percent increase since 2003. Participants increased from 10,359 to 11,261 – up more than 200 percent since 2003. This generated \$8.78 million in annual program revenue, up from \$6.4 million in 2007.



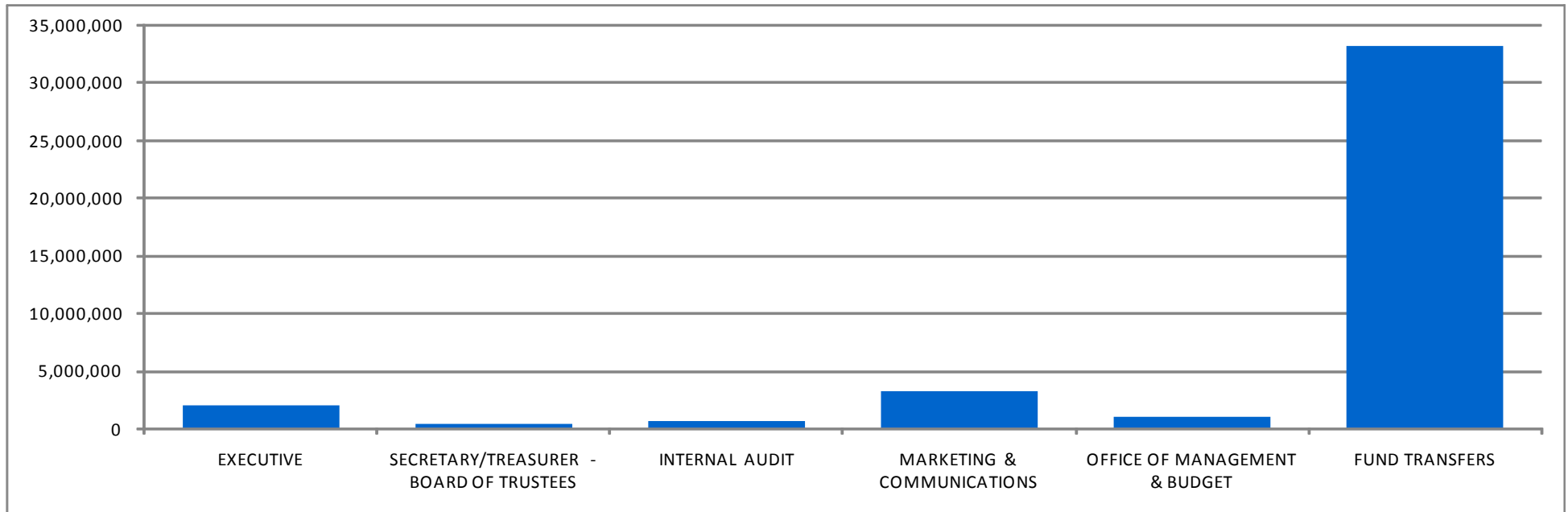
## 2010 Priorities

- Continue to improve service quality for all RTA customers, including:
  - On-Time Performance
  - Reliability
  - Customer Satisfaction
  - Safety
- Investigate additional strategies to increase our productivity and efficiency.
- Successfully move forward several important capital projects, such as Rapid Station upgrades, and Park-N-Ride expansions.
- Deliver a creative marketing plan to promote the value of RTA to maximize ridership.
- Continue our positive relationship with civic leaders, elected officials and the media.
- Develop and implement a strategy to increase state funding of transit in the state biennium budget and capture available discretionary dollars at both the state and federal levels.
- Special focus on increasing the cleanliness of RTA facilities and vehicles.

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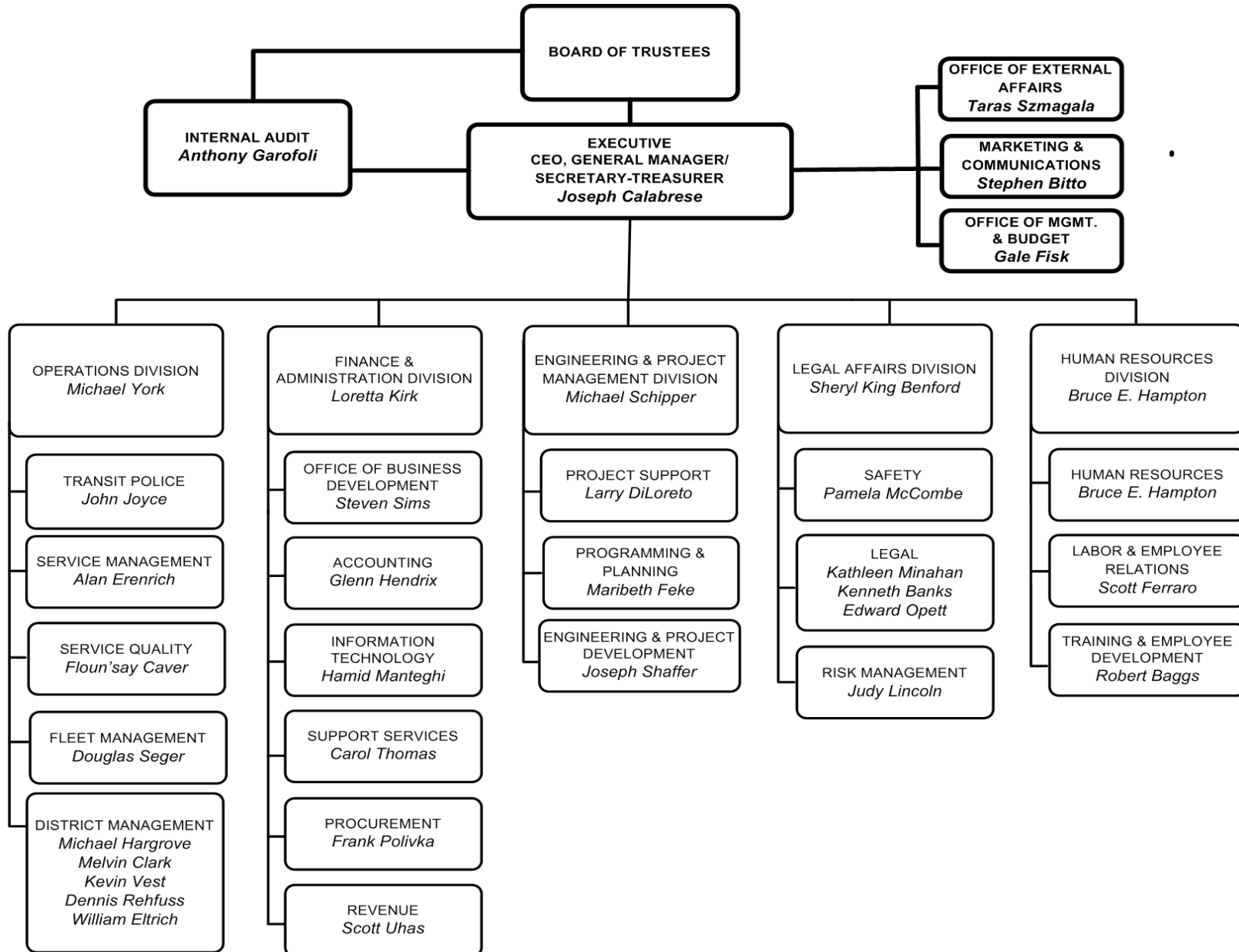
# 2010 OPERATING BUDGET SUMMARY

## Division 6 – Executive



Dept. #	Description	2007 Actual	2008 Actual	2009 Actual	2010 Budget	2011 Estimate	2012 Estimate
12	EXECUTIVE	2,323,694	2,047,612	1,925,824	2,018,067	2,024,102	2,030,208
16	SECRETARY/TREASURER - BOARD OF TRUSTEES	298,660	291,048	276,547	343,008	343,444	343,886
19	INTERNAL AUDIT	599,494	588,893	613,142	665,875	667,990	670,129
53	MARKETING & COMMUNICATIONS	3,073,524	3,133,287	3,158,400	3,186,607	3,216,312	3,246,329
67	OFFICE OF MANAGEMENT & BUDGET	946,179	908,886	907,773	1,004,789	1,008,581	1,011,912
99	FUND TRANSFERS	23,581,814	27,819,832	31,497,162	33,210,956	32,845,625	34,477,214
<b>DIVISION TOTALS</b>		<b>\$ 30,823,365</b>	<b>\$ 34,789,557</b>	<b>\$ 38,378,847</b>	<b>\$ 40,429,302</b>	<b>\$ 40,106,053</b>	<b>\$ 41,779,679</b>

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY  
TABLE OF ORGANIZATION  
AS OF 2010 BUDGET ADOPTION



# DEPARTMENTAL STAFFING ANALYSIS

## Authorized Staffing Level by Division

**EXECUTIVE**

EXECUTIVE	13	13	12	(1)
SECRETARY/TREASURER - BOARD OF TRUSTEES	11	11	11	0
INTERNAL AUDIT	7	7	7	0
MARKETING & COMMUNICATIONS	33	30	29	(1)
OFFICE OF MANAGEMENT & BUDGET	10	9	10	1
<b>TOTALS</b>	<b>74</b>	<b>70</b>	<b>69</b>	<b>(1)</b>

# 2010 OPERATING BUDGET SUMMARY

## Department 12 – Executive

JOSEPH A. CALABRESE, CEO / GENERAL MANAGER & SECRETARY-TREASURER

Under the direction of the CEO/General Manager, it is the responsibility of the Executive staff to implement the policies and mandates established by the GCRTA Board of Trustees and to develop and work towards the achievement of the Authority's goals and objectives.

OBJECT							
CLASS	DESCRIPTION	2007 Actual	2008 Actual	2009 Actual	2010 Budget	2011 Estimate	2012 Estimate
501300	LABOR - SALARIED EMPLOYEES	1,602,558	1,390,521	1,282,198	1,283,289	1,283,289	1,283,289
501300	MERIT POOL - LABOR SALARIED EMP'S.	0	0	0	0	0	0
502000	FRINGE BENEFITS	525,281	467,133	478,563	502,878	508,913	515,019
502000	MERIT POOL FRINGES	0	0	0	0	0	0
503000	SERVICES	(394)	10,175	3,003	6,200	6,200	6,200
503049	TEMPORARY HELP	0	0	12,663	0	0	0
504000	MATERIAL & SUPPLIES	2,328	3,333	1,990	2,700	2,700	2,700
509000	MISCELLANEOUS EXPENSES	193,921	176,449	147,407	223,000	223,000	223,000
<b>DEPT TOTAL</b>		<b>2,323,694</b>	<b>2,047,612</b>	<b>1,925,824</b>	<b>2,018,067</b>	<b>2,024,102</b>	<b>2,030,208</b>

# Department Budgets

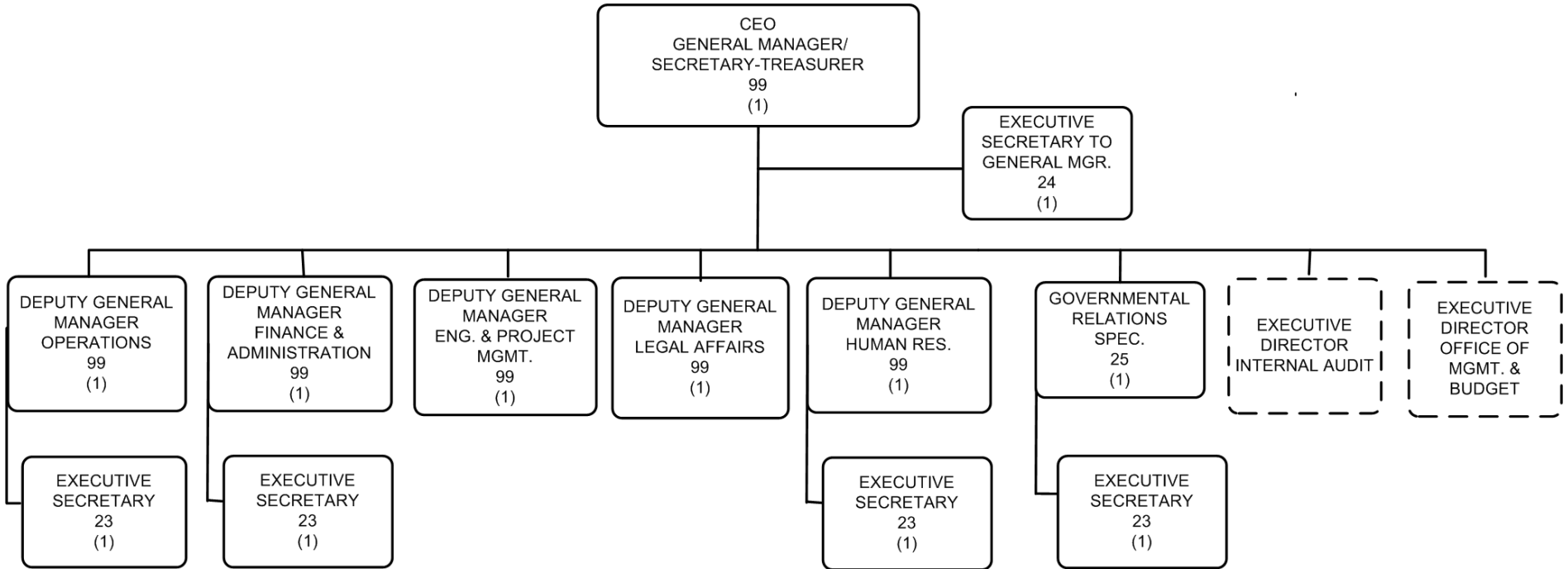
## 2010 Budget Implementation

### Department 12 – Executive

- Implement policies and procedures to maintain critical services while addressing significant decreases in funding.
- Maximize ridership.
- Continue sales-focus transition of the Authority.
- Achieve revenue increase in passenger fares.
- Achieve performance improvements in safety.
- Achieve performance improvements in number of miles between service interruptions.
- Achieve performance improvements in on-time performance.
- Achieve decrease in employee-unscheduled absences.
- Continue improvements in the efficiency and quality of our existing
- Continue culture change efforts with focus on identifying efficiencies and better practices to improve customer service.
- Promote policies at the local, state and federal levels that support transit.
- Develop and implement a strategy to bring discretionary dollars at both state and federal levels to the GCRTA.
- Support increases of transit dollars during budget cycles at both the state and federal levels.
- Develop strong working relationships with elected officials at the local, state, and federal levels.
- Cultivate contacts with civic, business, and community leaders and groups.

	<b>2007 Actual</b>	<b>2008 Actual</b>	<b>2009 Actual</b>	<b>2010 Budget</b>
Ridership	57,322,600	57,977,574	49,872,964	47,900,000
Percent Change Prior Year	0.1%	1.14%	-14%	-3.96%
Pass Revenue	43,467,210	48,173,966	49,757,085	52,315,718
% Change	N/A	10.83	3.29%	5.14%

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY  
 TABLE OF ORGANIZATION  
 EXECUTIVE DIVISION  
 EXECUTIVE DEPARTMENT  
 #12





# STAFFING LEVEL COMPARISONS

## DEPARTMENT: 12 - EXECUTIVE

<b>JOB CLASS</b>	<b>JOB TITLE</b>	<b>APPROVED 2008</b>	<b>APPROVED 2009</b>	<b>APPROVED 2010</b>	<b>2010-2009 VARIANCE</b>
23	EXECUTIVE SECRETARY	4	4	4	0
23	SECRETARY TO GENERAL MANAGER	1	1	1	0
25	GOVERNMENTAL RELATIONS SPECIALIST (PT)	1	1	1	0
31	EXECUTIVE DIRECTOR - EXTERNAL AFFAIRS	1	1	0	(1)
999	DEPUTY GENERAL MANAGER	5	5	5	0
999	CEO/GENERAL MANAGER AND SECRETARY-TREASURER	1	1	1	0
<b>DEPARTMENT TOTALS</b>		<b>13</b>	<b>13</b>	<b>12</b>	<b>(1)</b>

# 2010 OPERATING BUDGET SUMMARY

## Department 16 – Secretary/Treasurer – Board of Trustees

JOSEPH A. CALABRESE, CEO / GENERAL MANAGER & SECRETARY-TREASURER

The mission of the appointed Board of Trustees is to establish the policies and mandates that direct the Authority's ongoing goals and objectives. Additionally, the Secretary-Treasurer is responsible for the preservation of the Authority's records, safeguarding of its assets and the cash investment program of the Authority.

OBJECT							
CLASS	DESCRIPTION	2007 Actual	2008 Actual	2009 Actual	2010 Budget	2011 Estimate	2012 Estimate
501300	LABOR - SALARIED EMPLOYEES	82,586	86,821	86,249	92,759	92,759	92,759
502000	FRINGE BENEFITS	25,817	28,135	30,429	36,349	36,785	37,227
503000	SERVICES	154,910	152,200	146,131	181,600	181,600	181,600
504000	MATERIAL & SUPPLIES	404	135	0	1,500	1,500	1,500
509000	MISCELLANEOUS EXPENSES	34,944	23,757	13,739	30,800	30,800	30,800
<b>DEPT TOTAL</b>		<b>298,660</b>	<b>291,048</b>	<b>276,547</b>	<b>343,008</b>	<b>343,444</b>	<b>343,886</b>

# Department Budgets

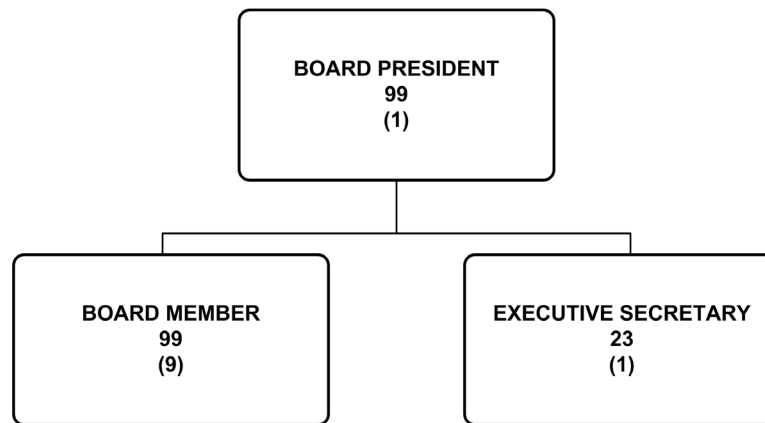
## 2010 Budget Implementation

### Department 16 – Secretary/Treasurer – Board of Trustees

- Continue legislative and policy-making role; achievement of key policy goals for the Authority and development of policies that result in quality, cost-effective services that meet the needs of residents and visitors to the Greater Cleveland area.
- Secure and complete independent outside audit of the Authority.
- Enforce policies on governance and demand accountability from management and staff.
- Achieve the maximum rate of return on investments consistent with policy guidelines.

	<b>2007 Actual</b>	<b>2008 Actual</b>	<b>2009 Actual</b>	<b>2010 Budget</b>
RTA Annual Yield on Investments	5.10%	2.93%	1.06%	.50%

**GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY  
TABLE OF ORGANIZATION  
EXECUTIVE DIVISION  
SECRETARY/TREASURER - BOARD OF TRUSTEES  
#16**



# STAFFING LEVEL COMPARISONS

## DEPARTMENT: 16 - SECRETARY/TREASURER - BOARD OF TRUSTEES

<b>JOB CLASS</b>	<b>JOB TITLE</b>	<b>APPROVED 2008</b>	<b>APPROVED 2009</b>	<b>APPROVED 2010</b>	<b>2010-2009 VARIANCE</b>
23	EXECUTIVE SECRETARY	1	1	1	0
999	BOARD MEMBER	10	10	10	0
<b>DEPARTMENT TOTALS</b>		<b>11</b>	<b>11</b>	<b>11</b>	<b>0</b>

# 2010 OPERATING BUDGET SUMMARY

## Department 19 – Internal Audit

ANTHONY GAROFOLI, EXECUTIVE DIRECTOR

Internal Audit is an independent, objective assurance & consulting activity designed to add value & improve the Authority's operations. It helps the Authority accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

OBJECT							
CLASS	DESCRIPTION	2007 Actual	2008 Actual	2009 Actual	2010 Budget	2011 Estimate	2012 Estimate
501300	LABOR - SALARIED EMPLOYEES	429,991	418,971	429,625	449,666	449,666	449,666
502000	FRINGE BENEFITS	136,149	145,674	154,314	176,209	178,324	180,463
503000	SERVICES	16,000	9,000	21,330	13,500	13,500	13,500
504000	MATERIAL & SUPPLIES	3,460	1,215	264	1,500	1,500	1,500
509000	MISCELLANEOUS EXPENSES	13,893	14,033	7,609	25,000	25,000	25,000
<b>DEPT TOTAL</b>		<b>599,494</b>	<b>588,893</b>	<b>613,142</b>	<b>665,875</b>	<b>667,990</b>	<b>670,129</b>

# Department Budgets

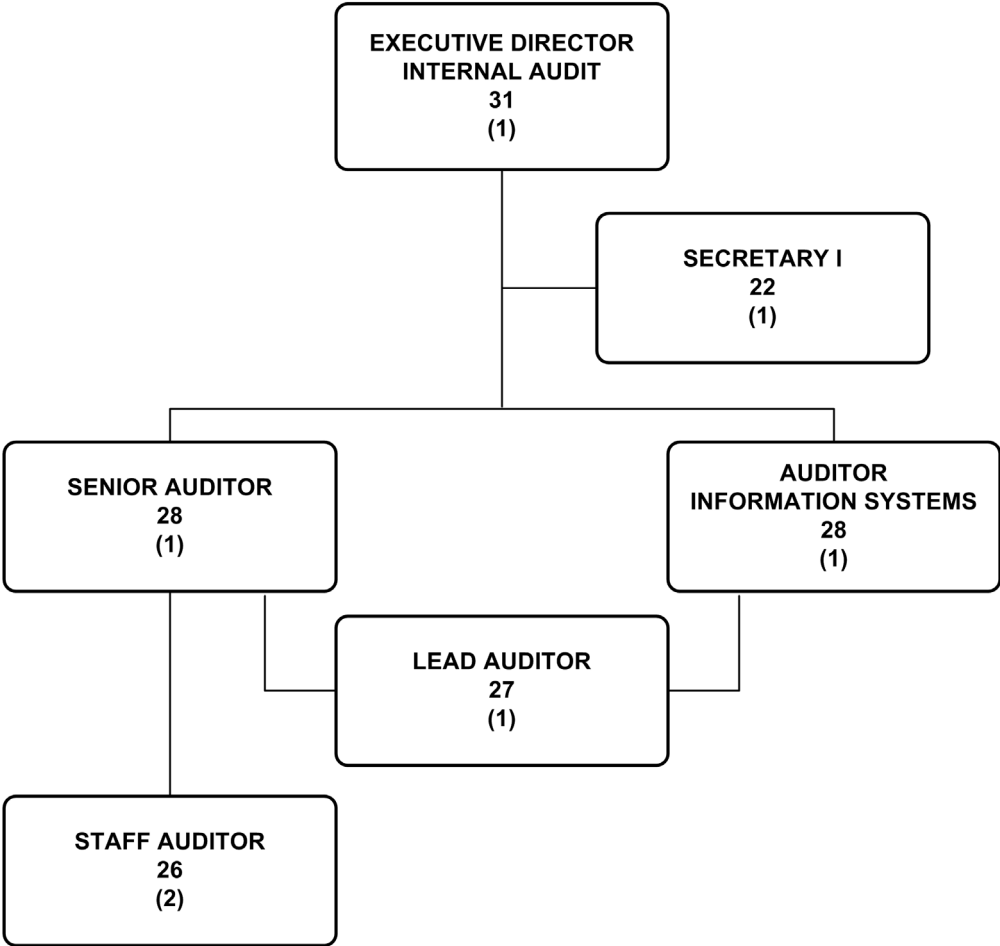
## 2010 Budget Implementation

### Department 19 – Internal Audit

- Coordinate and assist with various external audits of the Authority.
- Provide resources to any special requests and/or emerging issues.
- Perform Health Care Benefits Audits.
- Perform contract and grant closeout audits.
- Perform Fare Collection and Operational Audits to appraise the operational effectiveness.
- Perform construction contract audits funded through the American Recovery and Reinvestment Act.
- Implement a Continuous Audit Program.
- Perform Information Systems audits.
- Perform Bus purchase contract audits and compliance with Buy America Program grants.
- Perform vehicle purchase audit in compliance with the FTA Buy America Regulations.
- Evaluate the Information Technology Governance Program.
- Participate in the GCRTA TransitStat Program.

	<b>2007 Actual</b>	<b>2008 Actual</b>	<b>2009 Actual</b>	<b>2010 Budget</b>
Number of Audits Planned	50	50	51	56
Number of Audits Completed	46	45	46	48
Percentage of Time Budgeted for Audits	92%	90%	90%	90%

**GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY  
TABLE OF ORGANIZATION  
EXECUTIVE DIVISION  
INTERNAL AUDIT DEPARTMENT  
#19**





# STAFFING LEVEL COMPARISONS

## DEPARTMENT: 19 - INTERNAL AUDIT

<b>JOB CLASS</b>	<b>JOB TITLE</b>	<b>APPROVED 2008</b>	<b>APPROVED 2009</b>	<b>APPROVED 2010</b>	<b>2010-2009 VARIANCE</b>
22	SECRETARY I	1	1	1	0
26	STAFF AUDITOR	3	2	2	0
27	LEAD AUDITOR	0	1	1	0
28	INFORMATION SYSTEMS AUDITOR	1	1	1	0
28	SENIOR AUDITOR	1	1	1	0
31	EXECUTIVE DIRECTOR of INTERNAL AUDIT	1	1	1	0
<b>DEPARTMENT TOTALS</b>		<b>7</b>	<b>7</b>	<b>7</b>	<b>0</b>

# 2010 OPERATING BUDGET SUMMARY

## Department 53 – Marketing & Communications

STEPHEN BITTO, DIRECTOR

The mission of the Marketing & Communications Department is to direct the overall marketing strategies of the Authority, to coordinate & communicate transit issues to the general public and media, and to support and enhance customer relationships.

OBJECT		2007 Actual	2008 Actual	2009 Actual	2010 Budget	2011 Estimate	2012 Estimate
CLASS	DESCRIPTION						
501300	LABOR - SALARIED EMPLOYEES	1,531,130	1,487,740	1,436,284	1,523,396	1,538,630	1,554,016
501310	OVERTIME - SALARIED EMPLOYEES	11,596	28,705	13,876	7,000	7,000	7,000
502000	FRINGE BENEFITS	519,457	498,906	528,920	599,711	606,908	614,190
503000	SERVICES	91,202	198,760	408,989	296,900	296,900	296,900
503020	ADVERTISING FEES	880,781	877,590	699,948	727,500	734,775	742,123
504000	MATERIAL & SUPPLIES	19,266	17,387	18,747	23,500	23,500	23,500
509000	MISCELLANEOUS EXPENSES	20,092	24,199	53,398	8,600	8,600	8,600
509080	DISTRICT COUNCIL	0	0	(1,761)	0	0	0
<b>DEPT TOTAL</b>		<b>3,073,524</b>	<b>3,133,287</b>	<b>3,158,400</b>	<b>3,186,607</b>	<b>3,216,312</b>	<b>3,246,329</b>

# Department Budgets

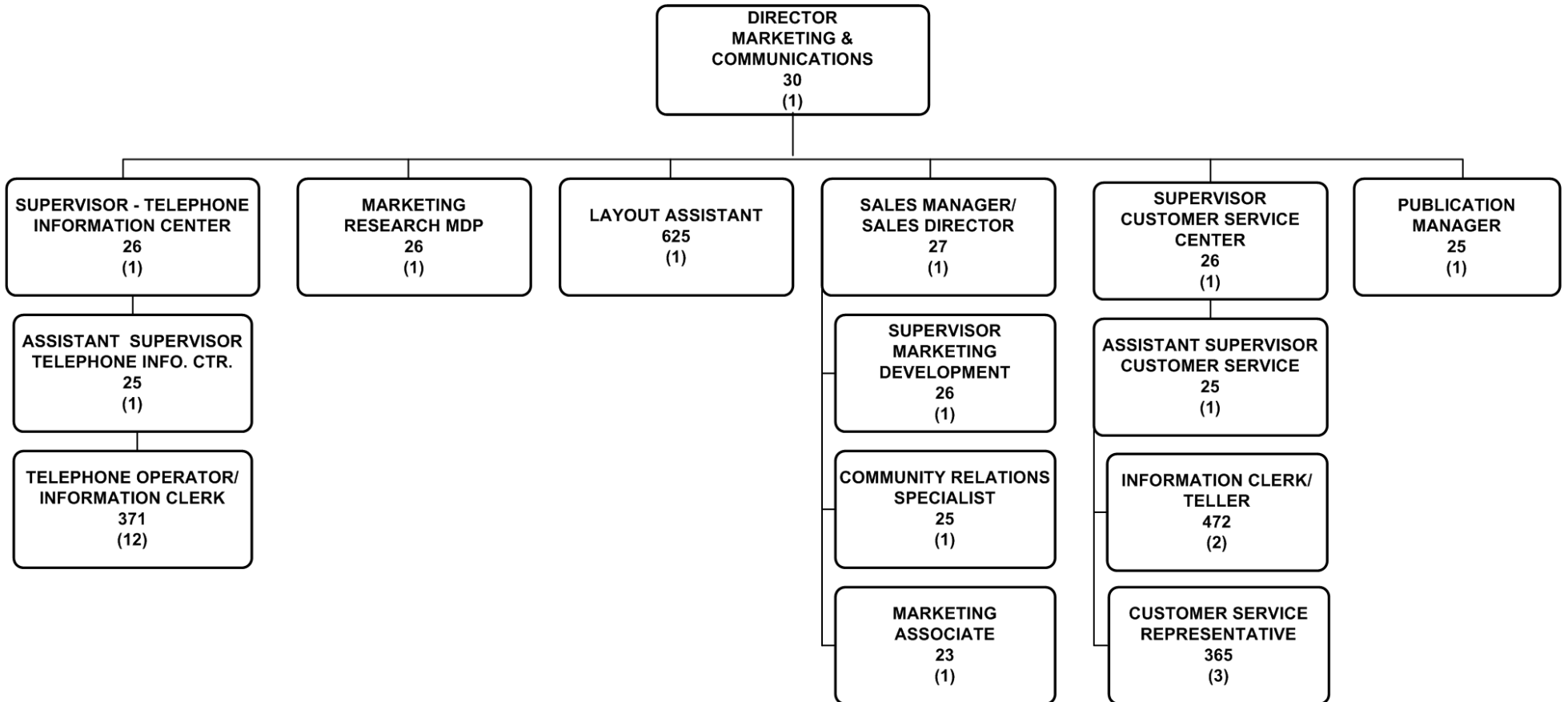
## 2010 Budget Implementation

### Department 53 – Marketing & Communications

- Develop a fully-integrated communication strategy to enhance the community’s awareness of the Authority’s brand and product line.
- Solicit, establish, and expand relationships with Commuter Advantage clients.
- Develop strategies to increase utilization of the Authority’s existing service package, targeting the rapid transit system, Park-N-Ride facilities and trolley lines.
- Establish and maintain U-Pass relationships with local colleges and universities.
- Develop a media relations program to present the Authority as a progressive, fiscally-responsible organization.
- Maximize revenue sources including transit advertising, asset sponsorships, and on-site vending opportunities.
- Establish and nurture relationships with transit coalition partners, including business and community leaders and elected officials.
- Develop an integrated marketing program to promote the use of the HealthLine.

	<b>2007 Actual</b>	<b>2008 Actual</b>	<b>2009 Actual</b>	<b>2010 Budget</b>
Answerline Calls Processed	1,250,000	1,250,000	1,000,000	1,000,000
New Commuter Advantage Relationships	60	50	60	60
Ridership Solicitation Programs	24	20	20	15
ADA / Senior Presentations	36	30	24	24
Neighborhood Outreach Activities	30	30	30	30
U-Pass Relationships	4	4	5	6
Newsletters Produced	45	48	48	46

**GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY  
TABLE OF ORGANIZATION  
EXECUTIVE DIVISION  
MARKETING & COMMUNICATIONS DEPARTMENT  
#53**



# STAFFING LEVEL COMPARISONS

## DEPARTMENT: 53 - MARKETING AND COMMUNICATIONS

JOB CLASS	JOB TITLE	APPROVED 2008	APPROVED 2009	APPROVED 2010	2010-2009 VARIANCE
301	ADMINISTRATIVE ASSISTANT	1	0	0	0
365	CUSTOMER SERVICE REPRESENTATIVE	4	4	3	(1)
371	TELEPHONE OPERATOR / INFORMATION CLERK	12	12	12	0
472	INFORMATION CLERK / TELLER	3	2	2	0
625	LAYOUT ASSISTANT	1	1	1	0
23	ADA TRAVEL TRAINER	0	1	0	(1)
23	MARKETING ASSOCIATE	0	1	1	0
25	PUBLICATION MANAGER	1	1	1	0
25	COMMUNITY RELATIONS SPECIALIST	2	1	1	0
25	ASSISTANT SUPERVISOR - TELEPHONE INFO. CENTER	1	1	1	0
25	ASSISTANT SUPERVISOR - CUSTOMER SERVICE CENTER	1	1	1	0
26	SUPERVISOR - MARKETING DEVELOPMENT	1	1	1	0
26	SUPERVISOR - TELEPHONE INFORMATION CENTER	1	1	1	0
26	SUPERVISOR - CUSTOMER SERVICE CENTER	1	1	1	0
26	MARKETING RESEARCH MDP	0	0	1	1
26	LONG RANGE PLANNER	1	0	0	0
27	SALES MANAGER / SALES DIRECTOR	1	1	1	0
27	MANAGER - MEDIA RELATIONS	1	0	0	0
30	DIRECTOR - MARKETING & COMMUNICATIONS	1	1	1	0
<b>DEPARTMENT TOTALS</b>		<b>33</b>	<b>30</b>	<b>29</b>	<b>(1)</b>

# 2010 OPERATING BUDGET SUMMARY

## Department 67 – Office of Management & Budget

GALE W. FISK, EXECUTIVE DIRECTOR

The mission of the Office of Management & Budget is to effectively allocate the Authority's resources, to provide organizational and strategic leadership & consultation services for the CEO / General Manager and the Board of Trustees and to provide management consulting services to all departments on behalf of the CEO / General Manager.

OBJECT		2007 Actual	2008 Actual	2009 Actual	2010 Budget	2011 Estimate	2012 Estimate
CLASS	DESCRIPTION						
501300	LABOR - SALARIED EMPLOYEES	684,900	612,038	627,487	698,766	698,766	698,766
502000	FRINGE BENEFITS	214,613	202,655	225,496	273,823	277,109	280,434
503000	SERVICES	39,500	84,000	50,987	19,000	19,500	19,500
503020	ADVERTISING FEES	175	299	165	600	606	612
504000	MATERIAL & SUPPLIES	408	1,182	549	900	900	900
509000	MISCELLANEOUS EXPENSES	6,583	8,712	3,089	11,700	11,700	11,700
<b>DEPT TOTAL</b>		<b>946,179</b>	<b>908,886</b>	<b>907,773</b>	<b>1,004,789</b>	<b>1,008,581</b>	<b>1,011,912</b>

# Department Budgets

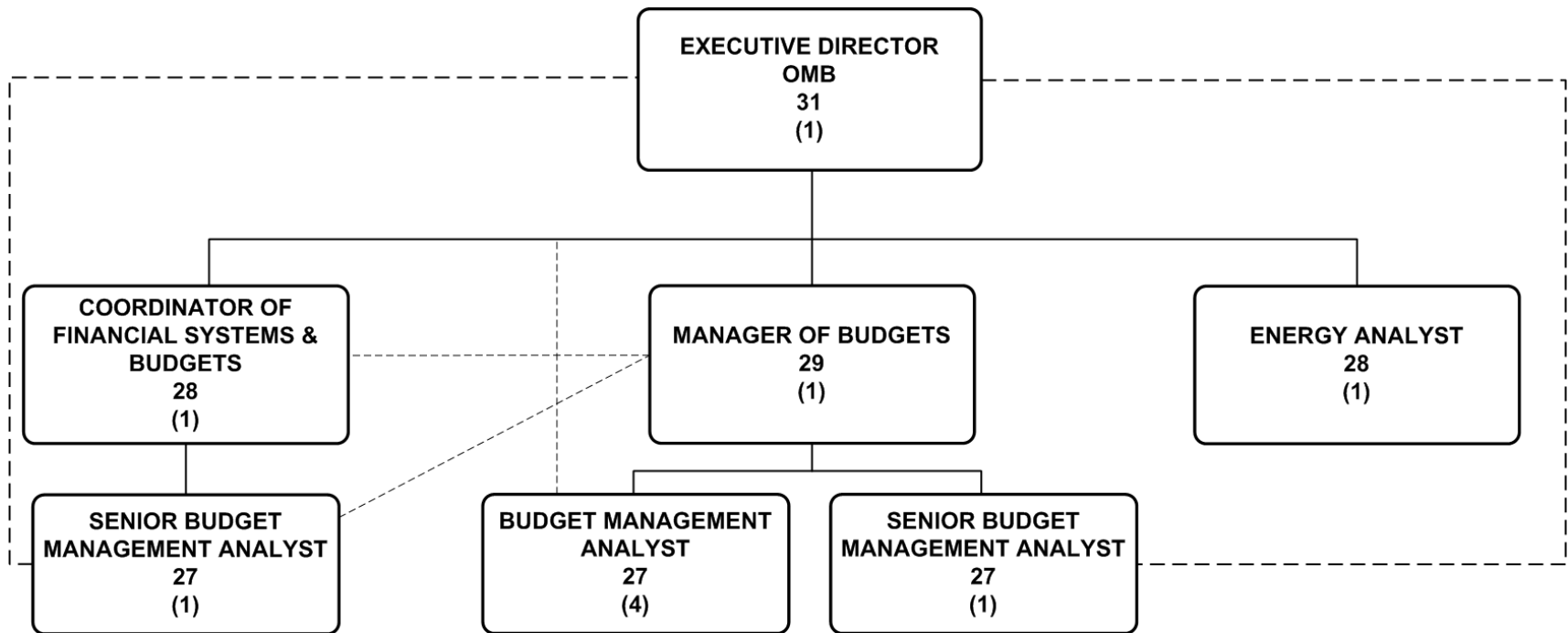
## 2010 Budget Implementation

### Department 67 – Office of Management & Budget

- Implement Authority-wide management initiatives as directed by the CEO.
- Continue to develop Authority-wide Management Consulting Plan.
- Coordinate 2010 budget development process and produce an Adopted Budget Plan in a particularly difficult recession.
- Continue development of mechanisms to better monitor and control spending against the budget.
- Continue to implement new Budget Development System which is compatible with our Financial Management System and utilizes the most current technology and financial practices.
- Continue to re-prioritize the capital program and coordinate the funding/system implications.
- Lead the National Transit Database reporting and submittal.
- Continue to develop and implement operations analyses to improve cost effectiveness of service delivery.
- Continue and expand TransitStat program to improve processes, enhance service and further reduce costs.
- Execute the Energy Price Risk Management Program to control and stabilize Diesel Fuel Costs.
- Continue to develop methodology for ridership counts.
- Develop plans and methodologies to reduce cost of utilities over next two years.
- Investigate and develop proposal for a more regional approach to transit in northeast Ohio.

	2007 Actual	2008 Actual	2009 Actual	2010 Budget
Quarterly Management Reports Produced	4	4	4	4
FTA Financial Status Reports Prepared	4	4	4	4
Cost Allocation Plans Produced	1	1	1	1
National Transit Database Reports Prepared	1	1	1	1
# of Management Consulting Products Completed	3	3	3	3
Operating Budget Variances:				
Revenues over/(under)	(1.37%)	(1.15%)	(3.55%)	.3%
Expenditures over/(under)	(4.1%)	(1.13%)	(2.89%)	(1.20%)

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY  
TABLE OF ORGANIZATION  
EXECUTIVE DIVISION  
OFFICE OF MANAGEMENT & BUDGET  
#67





# STAFFING LEVEL COMPARISONS

## DEPARTMENT: 67 - OFFICE OF MANAGEMENT & BUDGET

JOB CLASS	JOB TITLE	APPROVED 2008	APPROVED 2009	APPROVED 2010	2010-2009 VARIANCE
27	BUDGET MANAGEMENT ANALYST	3	3	4	1
27	SENIOR BUDGET MANAGEMENT ANALYST	3	2	2	0
28	ENERGY ANALYST	0	0	1	1
28	COORDINATOR OF FINANCIAL SYSTEMS & BUDGETS	1	1	1	0
29	MANAGER OF BUDGETS	2	2	1	(1)
31	EXECUTIVE DIRECTOR - OFFICE OF MGMT. AND BUDGET	1	1	1	0
<b>DEPARTMENT TOTALS</b>		<b>10</b>	<b>9</b>	<b>10</b>	<b>1</b>

DEPT: 99 - FUND TRANSFERS

OBJECT CLASS	DESCRIPTION	2007 Actual	2008 Actual	2009 Actual	2010 Budget	2011 Estimate	2012 Estimate
510065	TRANSFERS TO/FROM PENSION FUND	100,000	100,000	100,000	100,000	100,000	100,000
510075	TRANSFERS TO / FROM RTA CAPITAL	6,825,687	10,100,882	10,550,000	10,982,788	10,968,149	10,959,571
510085	TRANSFERS TO / FROM BOND RETIREMENT	15,456,127	14,718,950	17,327,162	18,428,168	19,027,476	20,617,643
510190	TRANSFERS TO / FROM INSURANCE FUND	1,200,000	2,900,000	3,520,000	3,700,000	2,750,000	2,800,000
<b>DEPT TOTAL</b>		<b>23,581,814</b>	<b>27,819,832</b>	<b>31,497,162</b>	<b>33,210,956</b>	<b>32,845,625</b>	<b>34,477,214</b>

## Capital Improvement Plan

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### Capital Improvement Plan

What is the Authority's plan for maintaining, repairing and replacing its fleet of bus and rail vehicles, bus garages, rail stations and track and other equipment and how will these capital improvements be financed? The **Capital Improvement Plan** presents a five-year look at capital improvements and discusses funding sources, but primarily focuses on 2010 activity. The detailed list of proposed capital improvement projects is provided, in addition to a discussion of the impact of the 2010 Capital Improvement Plan on the Operating Budget and the Authority's current outstanding debt obligations.

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# 2010 - 2014 Capital Improvement Plan

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## Introduction

The GCRTA Capital Improvement Plan (CIP) relates to the process of maintaining, replacing, or upgrading the Authority's capital assets. Capital assets are properties such as buses, rail cars, facilities, and equipment, the life of which extends over a period of years. Due to the size of the expenditures involved and the length of time required to complete them, the CIP covers a five-year period.

The capital-intensive nature of the Authority's operations makes long-term financial planning indispensable. Effective services depend on the maintenance and upkeep of transportation vehicles, rail infrastructure, passenger stations, maintenance facilities, and other Authority assets. When the conditions of these assets is not maintained & are allowed to deteriorate, maintenance and operating costs increase, ridership declines, and the eventual cost of replacement or rehabilitation multiplies.

Capital improvement planning facilitates the process of maintaining these assets and provides a framework for scheduling improvements based on the availability of resources, the condition of assets, and priorities between projects.

## Organization of the Capital Improvement Plan

This chapter contains the 2010-2014 Capital Improvement Plan. The first year of the plan reflects the 2010 Capital Improvement Budget, which is the guide for approved 2010 capital projects. The following four years of the CIP outlines planned long-term capital plans of the Authority. Projects and budget amounts included in the four-year plan are subject to change in future CIPs based on financial circumstances or changes in project time lines.

A summary of the Authority's capital assets helps to put these projects into perspective. The size, age, and service requirements of the bus and rail fleets support plans such as the on-going Bus Improvement Program and the two Rail Vehicle overhaul projects for the light and heavy rail fleets. Similarly, the age, purpose, and maintenance history of the RTA's facilities provide a basis for reconstruction and rehabilitation decisions.

This chapter also describes the planning process for the capital program, including the method for establishing budget appropriation authority. It explains the chain of events involved and its relationship to the development of the Transportation Improvement Program (TIP). During this process, the Capital Improvement Financial Policies and Criteria help focus the plan on the priority areas that guide decision-making during the capital improvement process.

# 2010 - 2014 Capital Improvement Plan

## Organization of the Capital Improvement Plan (continued)

The Financial Capacity section explains Federal, State, and Local funding sources and debt management as it relates to the Authority. It also discusses the impact of capital investment decisions on the operating budget.

The final section is devoted to the details of the 2010 Capital Improvement Budget and the overall 2010 - 2014 Capital Improvement Plan. RTA Capital Fund projects are ordered by department and project number, while the RTA Development Fund projects are organized by project category and reflect specific funding sources, which support those projects.

## Capital Assets

The principal share of the Authority's capital expenditures has been invested in operating service facilities, light and heavy rail systems & infrastructure, and revenue vehicle fleets. The relative age of the Authority's primary facilities, including their history in terms of original in-service dates, rehabilitations, and additions are shown in Figure CIP-1. These facilities and others are briefly discussed between pages CIP-3 and CIP-5.

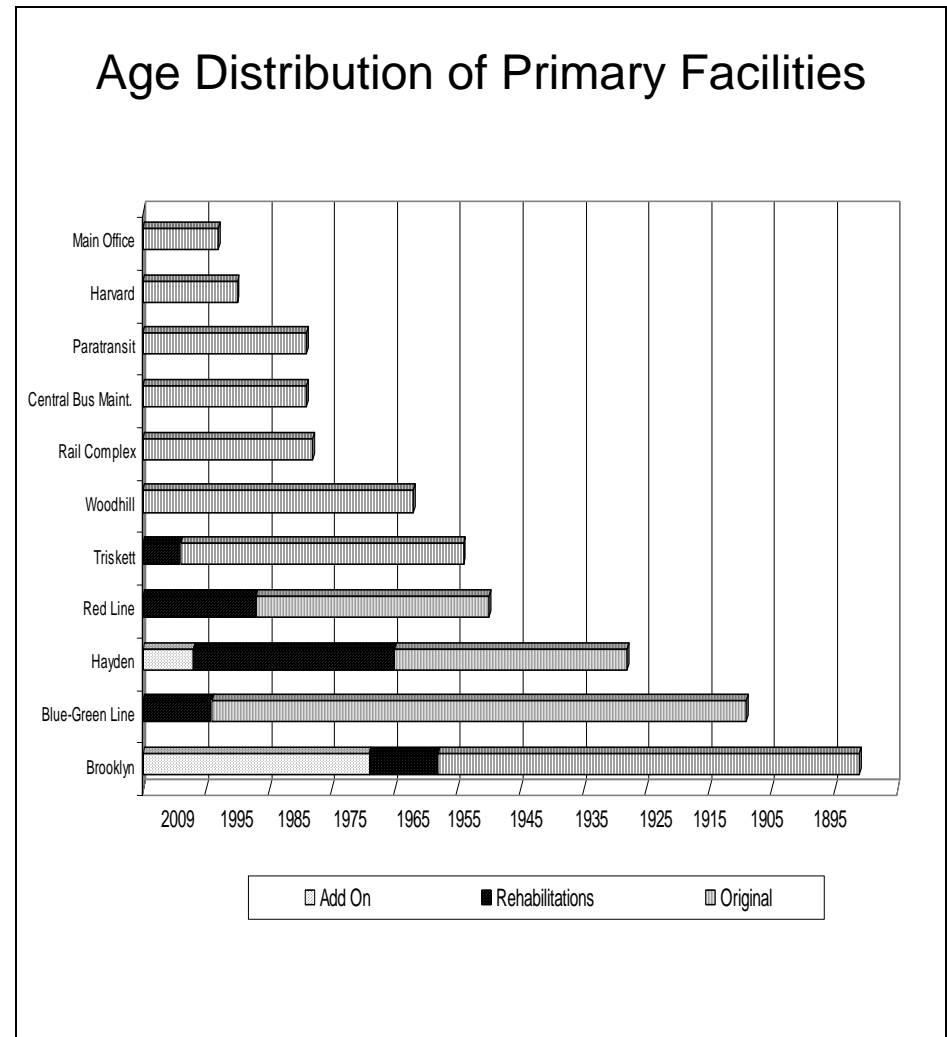


Figure CIP-1: Age Distribution of GCRTA Primary Facilities

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# 2010 - 2014 Capital Improvement Plan

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## Capital Assets (continued)

### Facilities

#### **Central Bus Maintenance Facility**

The Central Bus Maintenance Facility (CBM), located at 2500 Woodhill Road, was put into service in 1983 and houses a remanufacturing division, diagnostic center, general bus service & maintenance area, and central stores.

#### **Bus District Garage Facilities**

The Authority has three active bus district garages:

1. **Triskett**, 13405 Lakewood Heights Boulevard – originally put into service in 1958 at this location; a new replacement garage opened in 2005.
2. **Hayden**, 1661 Hayden Avenue – originally constructed in 1932 with additions in 1952 and 1968. A total rehabilitation of this garage was completed in 1998.
3. **Harvard**, 2501 Harvard Avenue – This garage was put into service in 1995.

#### **Brooklyn Facility**

The Brooklyn Garage, built in 1895 with building additions in both 1955 and 1969, remained in service as a bus facility until 2003. At present, its use is limited to Transit Police and K-9 training exercises.

#### **Woodhill Facility**

The Woodhill garage opened in 1966 as a bus garage and remained in service until 1998. It is currently in use as a training facility and houses the bus simulator and the Authority's Print Shop operations.

#### **Paratransit Facility**

The Paratransit Facility, located at 4601 Euclid Avenue, was completed in 1983 and houses all Paratransit functions including scheduling, dispatching, and both revenue and non-revenue vehicle repairs. A planned 18-month rehabilitation project began on this facility in late 2009.

#### **Rail District Complex**

The Rail District Complex, located at 6200 Grand Avenue, was put into service between 1982 and 1983. It houses Rail Headquarters, the Central Rail Maintenance Facility, which handles all mechanical, body, and electrical repairs for the rail fleet, the Central Rail Service Building, and the RTA Rail Yards. It is also the location of the Authority's Transit Police Headquarters.

#### **Main Office Building**

The Main Office Building, a renovated warehouse in the downtown Cleveland Warehouse District, located at 1240 West Sixth Street, opened in September of 1997. This facility houses the administrative functions of the Authority and the Authority's Communication Center.

#### **Customer Service Centers**

The GCRTA has two Customer Service Centers located at the Tower City Rapid Station Rotunda in downtown Cleveland and on the first floor of the GCRTA Main Office Building.

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# 2010 - 2014 Capital Improvement Plan

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## Capital Assets (continued)

### Park-N-Ride Lots

An objective of the GCRTA is to provide rail and/or bus Park-N-Ride services for all major commuter corridors in Cuyahoga County. As such, the GCRTA provides approximately 8,350 parking spaces at 21 of its rapid stations and operates five bus Park-N-Ride lots in Berea, Brecksville, Rocky River, Strongsville, and Westlake with more than 1,200 parking spaces combined. An expansion project, adding 250 additional parking spaces at the Westlake Park-N-Ride Lot, was delayed in 2009, but will be under construction in 2010.

### Passenger Shelters

There are approximately 1,450 shelters for the system's 8,500 bus stops. The Authority's Bus Passenger Shelter Program Policy prescribes the purchase of various types of bus shelters on a regular basis to replace shelters no longer serviceable or at high volume bus stops. The program's goal is to provide new glass shelters at all bus stops, which meet the Program's criteria.

### Transit Centers

Transit Centers are facilities that provide heated customer waiting areas and roadways to allow several bus routes to meet and transfer passengers. RTA has five Transit Centers in Westgate (Fairview Park), Euclid, North Olmsted, Southgate (Maple Heights), and Parmatown, with more than 900 parking spaces. Planned activities for 2010 include on-going construction work on the Stephanie Tubbs Jones Transit Center (formerly the East Side Transit Center) located downtown near the Cleveland State University campus.

## Rail System

### Right-of-Way

RTA owns 65 miles of rail lines (32.5 miles of joint rail), which are used for the operation of its rapid transit system. Twenty-seven miles are light rail and thirty-eight miles are heavy rail. The right-of-way includes bridges, 52 passenger stations, 17 power substations, overhead catenary wires, signals, and associated rail infrastructure.

### Bridges/Tunnels

The GCRTA is responsible for the maintenance and inspection of 63 track bridges owned within its right-of-way. This includes four station bridges, eight highway bridges, nine service/access bridges, one transit tunnel, five fly-over bridges on the Red Line, and a  $\frac{3}{4}$  mile long viaduct bridge over the Cuyahoga River. In addition, the GCRTA has joint responsibility for inspecting and maintaining the substructures of 100 city and county highway bridges that span the rail tracks. A majority of these bridges were built before 1930 and now require major repairs.

Since 2000, 14 track bridges and 6 street bridges, including the re-opened Abbey Avenue Bridge, have been rehabilitated or completely replaced. A project to rehabilitate four track bridge crossings (eight bridges) went into construction in mid-2008 and will be completed in early 2010. During 2010, rehabilitation work on the Light Rail Trunk Line Bridge and demolition of the Rockefeller Bridge will begin, as well as a continuation of engineering & design work for a project to rehabilitate the Red Line tunnel going into the Airport Station.

The 2010-14 CIP provides for engineering & design services and/or rehabilitation work on five track bridges, including construction work in 2010 for the Light Rail Trunk Line Bridge between the East 55<sup>th</sup> Street Station and Shaker Square.

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# 2010 - 2014 Capital Improvement Plan

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## Capital Assets (continued)

### The Red Line

The RTA's Heavy Rail (HR) or Red Line runs on joint tracks for 19 miles from its eastern terminal at the Louis Stokes Station at Windermere, located in East Cleveland, through the Tower City Station in downtown Cleveland to its western terminal at Cleveland Hopkins International Airport. There are 18 stations along the line, eight east of downtown, one at Tower City in downtown Cleveland, and nine west of downtown. Fifteen of the Red Line stations were originally constructed between 1954 & 1958. The remaining three, including the Line's western terminal at the Cleveland Hopkins Airport, were put into service in 1967.

With the recent opening of the reconstructed West 117<sup>th</sup> Street Station, the GCRTA has completely renovated or reconstructed seven of the Red Line stations since 2000. In 2009, reconstruction work began on the Puritas Red Line and East 55<sup>th</sup> Street Red/Blue/Green Lines Stations and replacement of the Westpark Substation was completed.

Scheduled 2010 projects along the Red Line include continuation of projects begun in 2009. This includes engineering & design work; both for reconstructing the Cedar-University and East 120<sup>th</sup>/Mayfield Road Stations and for the reconstruction of the West Side S-Curve track section located between the West Boulevard & West 117<sup>th</sup> Street Stations. The budgeted \$7.2 million to reconstruct the S-Curve is included in scheduled 2010 work, but this is dependent upon identifying additional funding. Otherwise, this project will be delayed until 2011 or 2012.

### The Blue and Green Lines

The Blue and Green Lines comprise the RTA's Light Rail (LR) system. The lines run on joint track from the downtown Tower City station east to Shaker Square, where they separate. From there, the Blue Line follows Van Aken Boulevard to its termination at Warrensville Center Road, while the Green Line travels along Shaker Boulevard and terminates at Green Road.

Most of the 13.5-mile LR lines were built between 1913 and 1920, with the exception of a 2.2-mile Waterfront Line extension that was added in 1996. The Authority's light rail system has 35 stations, including three it shares with the Red Line on the east side at Tower City and the East 34<sup>th</sup>/Campus and East 55<sup>th</sup> Street Stations. The entire light rail system, including tracks, infrastructure, and stations was rebuilt between 1980 and 1984.

In 2010, scheduled projects include replacement of the Fairhill Substation, continuation of an on-going program to reconstruct light rail crossings on the Blue & Green lines, begin reconstruction of the Woodhill Station, and initiate engineering & design work to upgrade the LR signals between East 79<sup>th</sup> Street and Shaker Square.

### Tower City Station

Tower City Station, formerly the Cleveland Union Terminal, is the only downtown station for both the heavy (Red Line) and light rail (Blue & Green Lines) systems. Originally constructed and opened in 1930 for passenger rail service, the station was modified in 1955 to accommodate heavy rail service on the Red Line. It was then was rehabilitated in 1981 and then completely reconstructed in the late eighties, reopening in 1990 as a part of the multi-use Tower City Center complex.



# 2010 - 2014 Capital Improvement Plan

## Capital Assets (continued)

### Revenue Vehicle Fleets

#### **Conventional Buses**

There were 490 vehicles in the GCRTA bus fleet at the end of 2009. The Authority's fleet included 404 40-foot transit buses; 23 40-foot commuter buses; 20 60-foot articulated hybrid rapid transit vehicles (RTVs); 17 60-foot articulated diesel buses, 9 45-foot commuter buses; 8 30-foot Trolley buses; 6 29-foot circulator buses; and 3 60-foot articulated diesel RTVs. All Compressed Natural Gas (CNG) vehicles are retired. The average bus vehicle age was 6.3 years at the end of 2009. All buses fifteen years old or older are retired (FTA defines the useful life of a bus to be the lesser of 12 years or 500,000 miles). The fleet age distribution is shown in Figure CIP-2.

The Authority's goal is to replace 1/14 of its fleet every year and to accommodate any increases in peak vehicle requirements. A regular replacement program will:

1. Lower maintenance costs
2. Improve fleet reliability
3. Distribute maintenance efforts more evenly
4. Reduce the Authority's vulnerability to large groups of bus defects
5. Prevent one-time large purchases

### Age Distribution of Bus Fleet

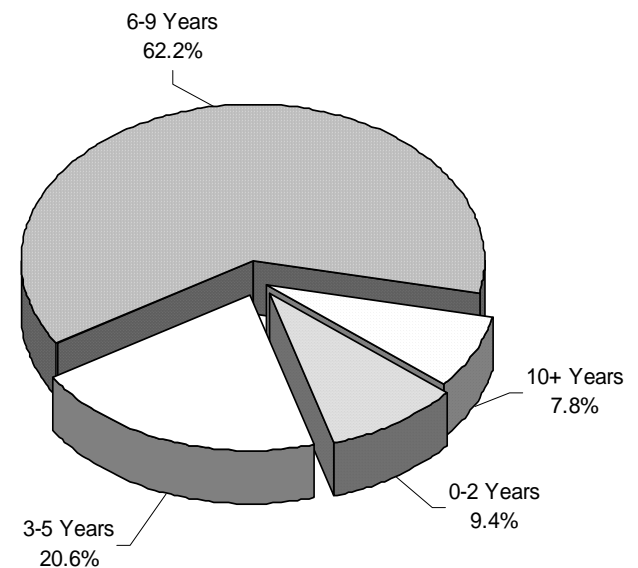


Figure CIP-2: Age Distribution of Bus Fleet

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# 2010 - 2014 Capital Improvement Plan

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## Capital Assets (continued)

In 2009, the Authority put 17, 60-foot articulated buses into service on one of the most populated routes on the west side and three additional RTV-BRT style buses for the HealthLine to meet increases in ridership. Plans for 2010 include putting into service six 40-foot commuter coaches ordered in 2009. All GCRTA buses are compliant with the Americans with Disabilities Act (ADA) and, with the exception of the trolleys and RTVs, are equipped with bicycle racks.

### Paratransit Buses

The GCRTA's Paratransit Program transports senior citizens and disabled persons on an advanced-reservation basis. Currently, there are 80 ADA compliant, wheelchair-equipped buses in the Paratransit fleet. At the end of 2009, forty-seven (47) of the fifty-seven (57) Paratransit vehicles on order, including seven vehicles with longer wheelbases to address our jitney service, were delivered with the remaining vehicles expected in early 2010.

In 1991, the Board adopted a policy to provide for the integration of fixed rail and bus services with Paratransit services into a network of services comparable to that available to the general public. This policy is designed to attain full system accessibility and provide compliance with ADA and U.S. Department of Transportation Regulations.

### Rail Vehicles

RTA leases 108 heavy and light rail vehicles for its rail operations. The average age of the Authority's combined rail fleet at the end of 2009 was 27 years. The mid-life overhaul of the Authority's Light Rail (LR) Vehicle fleet is nearing completion at the end of 2009 and the Heavy Rail (HR) Vehicle fleet mid-life overhaul is currently well underway. Both projects were initiated to economically extend the useful life of the Authority's rail vehicle fleets approximately 12 years beyond their normal expected operating life of 25 to 30 years. The cost of a new heavy or light rail vehicle is between \$1.5 and \$3.0 million, while a mid-life rehabilitation of the vehicle, costs are much less.

There are 60 active Tokyu Heavy Rail vehicles, purchased in 1984 and 1985, which operate on the Red Line. The peak service requirements for the Red Line, occur during rush hours, are 21 cars, while special events require an increase to 32 cars.

The 48 active Breda Light Rail vehicles, acquired between 1981 and 1983, run on the Blue, Green, and Waterfront Lines. Vehicle requirements for peak rush hour service are 17 cars, and 26 cars for peak special event services.

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# 2010 - 2014 Capital Improvement Plan

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## Capital Improvement Planning Cycle

The Capital Improvement Planning Cycle is longer than the operating budget process due to the preparation, scope, and cost involved with the projects. Grant-funded projects must be identified well in advance of execution so that applications can be filed and approved. Furthermore, construction projects must be preceded by preliminary engineering & design work to determine the scope and specifications of the project.

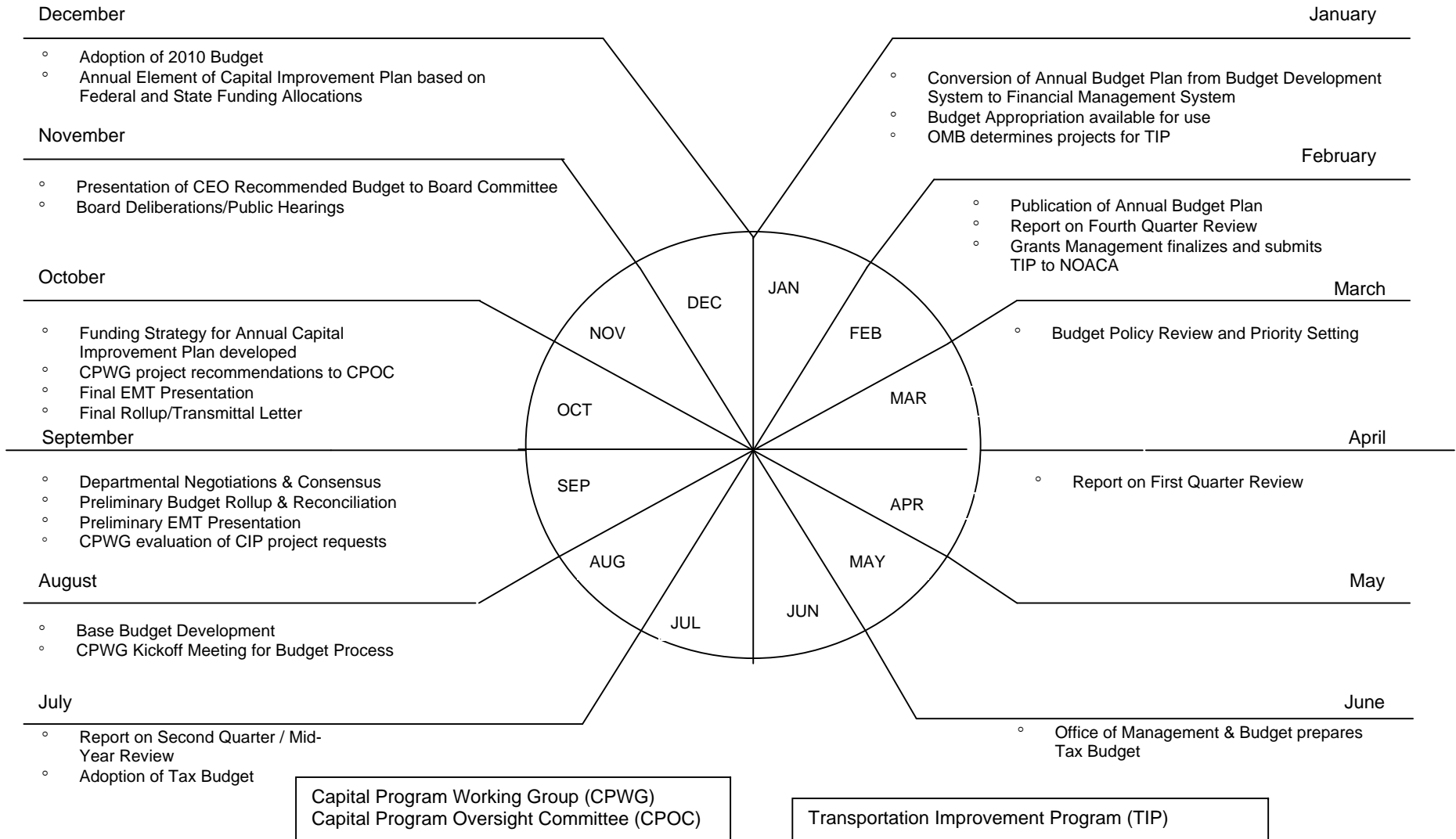
The following Calendar of Events, on page CIP-9, depicts the normal Capital Improvement and TIP planning cycles. The cycle begins in May when the Office of Management and Budget reviews the budgeting policies and sets the parameters for the Capital Budget. Simultaneously, departments use the previous year's Capital Improvement Plan as a starting point to assess the condition of assets and operating priorities. In July, the Office of Management and Budget (OMB) presents the Board of Trustees with resource estimates and economic assumptions for the coming fiscal year in the Tax Budget.

In July, a comprehensive mid-year review is done to assess the status of the current year's Capital Improvement Budget. This process involves notification to various departments regarding data requirements and resource projects for the upcoming budget. A more detailed set of instructions is provided to the departments in August including a review of the information required for the budget process to capture Capital Budget requests.

In September and October, OMB staff reviews budget requests for consistency with capital improvement criteria, funding availability, the Long Range Plan, the Transportation Improvement Plan (TIP), and the annual strategic planning process. Furthermore, projects are ranked in accordance to RTA's priority areas (see page CIP 13) to help refine the list. The Capital Program Oversight Committee (CPOC), formed to develop and monitor the Capital program, meets to review budget parameters and requests. After initial meetings with the Deputy General Managers at the division level and with the General Manager and the Executive Management Team at the organizational level, the Recommended Operating and Capital Budgets are finalized.

The proposed Capital Improvement Plan is initially presented to the Board of Trustees' Finance Committee in November. Outstanding issues are resolved in anticipation of the public hearings and the December Board of Trustees meeting at which time it approves the budget for the upcoming year.

# 2010 - 2014 Capital Improvement Plan



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# 2010 - 2014 Capital Improvement Plan

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## Transportation Improvement Program

The planning cycle for grant-funded projects includes the development of the Transportation Improvement Program (TIP). The TIP documents transportation-related capital projects within the region for which Federal funding will be requested. Projects must appear in the TIP to receive funding consideration. The Northeast Ohio Area-wide Coordinating Agency (NOACA) is responsible for bi-annually preparing the four-year plan for this area. The GCRTA completes the transit component of the plan.

The GCRTA Long-Range Plan and its related five-year Strategic Plan guides the TIP and the Capital Improvement Plan (CIP). These plans, the latter of which is under development, will articulate the types of services and markets the Authority expects to serve.

Preparation of the TIP begins in August when departments request revisions to the previous year's CIP. The Budget Calendar of Events reflects the TIP process and how it corresponds to the Capital Improvement planning cycle. Based on the requests received in August, the budget year's annual projects are prioritized and, in turn, are submitted to the Capital Program Oversight Committee (CPOC) for review and approval. In December, the annual capital budget and list of projects is further defined depending on funding allocations for the new Federal fiscal year.

In addition to finalizing the annual projects, the adopted CIP is incorporated into the next four-year TIP, which is developed in December and January. The Board then approves the Transit Improvement Program for submittal to NOACA.

## Appropriations

The budget process culminates when the Board approves the budget and establishes appropriation authority. With respect to the Capital Budget, appropriation authority varies depending on which of the two Capital Improvement Funds, either the RTA Capital or RTA Development Fund supports the project.

The RTA Capital Fund supports 100 percent locally funded projects. Generally, these projects are less than \$150,000, have a useful life of less than 5 years, and are routine in nature. Both Routine Capital and Asset Maintenance projects are funded through this account. Routine Capital projects are for the acquisition of non-revenue vehicles and other equipment. Asset Maintenance projects include rehabilitation and construction projects that are smaller in scope to repair and maintain the Authority's existing facilities.

The RTA Development Fund includes capital projects with a value greater than \$150,000, those that have a useful life greater than five years, and includes the large rehabilitation and expansion projects of the Authority. All grant-funded projects are accounted for in the RTA Development Fund. Projects in this Fund are supported through a combination of Federal and State of Ohio grants, debt service and 100 percent local funds.

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# 2010 - 2014 Capital Improvement Plan

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## Appropriations (continued)

Budget appropriation authority for both RTA Capital and RTA Development Fund projects are normally established when the Board of Trustees approves the annual budget. For the 2010 Budget Year, the Board adopted a temporary budget in December and approved the 2010 annual budget in February 2010. The Board also approves grant applications and the acceptance of awards, which commits the Authority to providing matching funds when grant funds are drawn. Once approved, the Authority may draw against the grant until the project is completed or the time limit on the grant has expired. Grant awards can only fund projects specified in the application unless the Federal Transit Administration (FTA) or grantor agency approves an amendment.

## Capital Improvement Financial Policies

The Board of Trustees has established a set of financial policies to ensure that adequate funds are invested in maintaining the Authority's long-term capital assets. These policies, which are highlighted in the Budget Guide, are used as goals for planning and controlling. They are as follows:

- An amount equivalent to at least 10 percent of sales tax revenues shall be allocated to the Capital Improvement Fund on an annual basis.
- Capital Improvement Funds shall be used to account for the construction and acquisition of major capital facilities, vehicles, and equipment.
- The percent of capital maintenance outlay to capital expansion outlay will be a minimum of 33 percent and a maximum of 67 percent.
- The Authority will strive to take advantage of all available Federal and State grants and other financing programs for capital improvements.

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# 2010 - 2014 Capital Improvement Plan

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## Capital Improvement Criteria

Similar to what occurred during development of the operating budget, capital budget requests for the 2010 – 2014 period far exceeded available resources. As a result, established guidelines are used to prioritize projects. The following criteria provide a basis for preliminary capital investment decisions:

- **The value and useful life of the capital asset**
  - To be included in the Capital Improvement Plan, the asset must have a value of \$5,000 or more and have a useful life exceeding one year. If financed by debt, the useful life should exceed the term of the bond.
- **The availability of resources to fund the Capital Improvement, including grant resources**
  - The availability of grant resources against which local funds can be leveraged greatly enhances the likelihood of approval.
- **The age and condition of the capital asset**
  - Assets that are older and in poor condition generally rank higher on the rehabilitation or replacement list. Specific vehicle rehabilitation or replacement programs have been established for buses, rail cars, and non-revenue vehicles.
- **The relative cost to the Authority for the benefit obtained**
  - Benefits may be measured in terms of avoided cost or the ability of the improvement to recover the capital investment within a given period.
- **Value engineering considerations with regard to the scheduling/order of projects**
  - The relationship between projects is an important consideration in the scheduling of construction projects. For example, major rehabilitation to a bridge on a rail line might coincide with a track rehabilitation to achieve economies and avoid a duplication of effort.

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# 2010 - 2014 Capital Improvement Plan

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## Priority Areas

In addition to these criteria, all capital projects must relate to one of the following priority areas to be considered for approval. Capital projects, which address multiple priority areas, have a greater likelihood of approval.

During this planning cycle, priority areas were defined as:

- **Ridership** – Maintaining current riders and attracting new customers
- **Health and Safety** – Ensuring the physical well-being of the Authority's customers, employees, and the general public
- **State of Good Repair** – Maintaining the Authority's current 'core business' through investments in projects which are necessary in order to operate the existing infrastructure or add an additional dimension/mode to existing systems
- **Technologies/Efficiencies** – Instituting improvements which can produce operating efficiencies and make better use of resources or implementing projects which minimize additional operating expenses
- **Environmental Impact** – Investing in equipment, adapting facilities or enhancing service infrastructure to support overall environmental benefits such as improved air quality

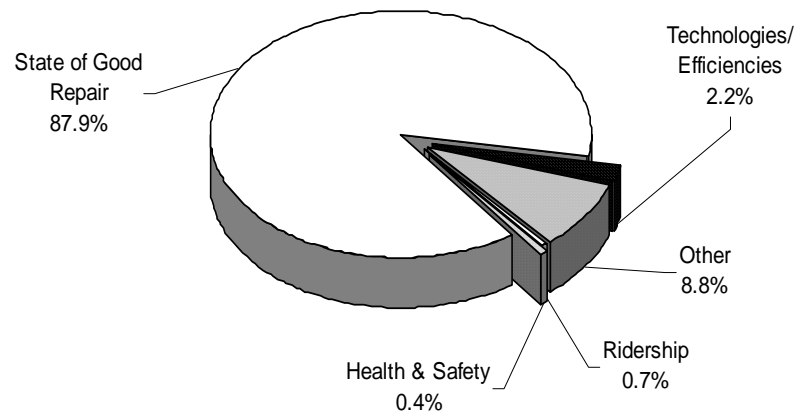
- **Mandates** – Ensuring compliance with Federal and State mandates such as the Clean Air Act and Americans with Disabilities Act
- **Transit Oriented Development** – Investing in projects that stimulate the development of current property with opportunities for private investment, increased revenue and ridership and encouraging partnerships with other organizations

Figure CIP-3, on the following page, reflects the distribution of approved 2010 Capital Improvement projects. The largest portion of the 2010 Capital Budget, \$63.4 million or 87.9 percent, is for the State of Good Repair category. This is followed by the Other Projects category with \$6.3 million, or 8.8 percent. The remaining categories make up the balance of the budgeted capital projects.



# 2010 - 2014 Capital Improvement Plan

2010 Capital Projects by Priority Area  
(Millions)



Priority Area	2010	2011	2012	2013	2014	2010-14
Ridership	\$0.49	\$19.05	\$7.73	\$34.59	\$22.71	\$84.57
Health & Safety	\$0.30	\$0.30	\$0.31	\$0.19	\$0.19	\$1.27
State of Good Repair	\$63.36	\$73.20	\$59.35	\$74.33	\$67.53	\$337.77
Technologies/Efficiencies	\$1.61	\$0.20	\$0.20	\$0.20	\$0.20	\$2.41
Other	\$6.31	\$1.00	\$1.00	\$1.01	\$1.01	\$10.33
<b>Total</b>	<b>\$72.07</b>	<b>\$93.74</b>	<b>\$68.59</b>	<b>\$110.32</b>	<b>\$91.64</b>	<b>\$436.36</b>

Figure CIP-3: Capital Projects by Priority Area

## Financial Capacity

The nature of public transit requires that the Authority pursue a capital-intensive budget. The Authority's capacity to support its ongoing CIP depends on the availability of governmental grants, local matching funds, and the ability to issue bonds. In the 1980's and early 1990's, the RTA favored a pay-as-you-go method, maximizing the benefits of Federal and State grant programs, and used debt financing sparingly. In recent years, however, this strategy was adjusted to meet the financial needs of an aggressive Capital Improvement Program.

At the end of 2009, the Authority will have a combined \$163.1 million in outstanding debt among six debt issues. They are, along with their original amounts, \$20.9 million issued in 2001, \$17.5 million in refunded bonds from 2002, \$67.2 million in 2004, \$38.5 million issued in 2006, and \$35.0 million of bonds and \$27.4 million of refunded bonds issued in 2008.

In addition to determining the method of financing, capital investment decisions should take into account a project's impact on operating costs. If a new facility is built, the operating budget must be capable of supporting any additional costs or be positioned to take advantage of efficiencies.

# 2010 - 2014 Capital Improvement Plan

## Financial Capacity (continued)

### Federal Sources

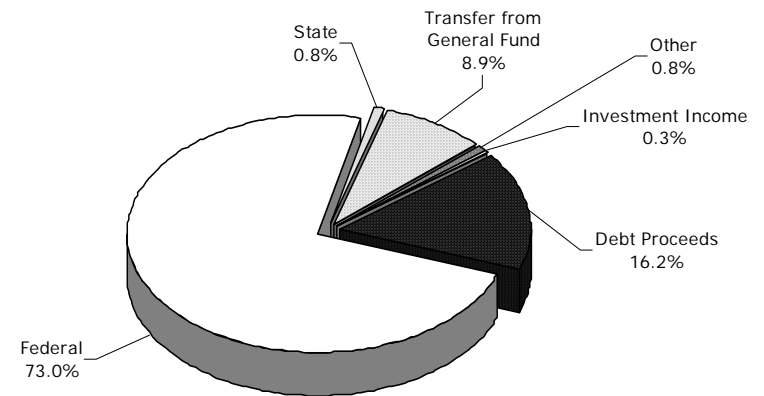
As reflected in Figure CIP-4, Federal grants are expected to provide approximately 73.0 percent of total revenue during the 2010 budget year. Close to 75 percent of the capital projects will be financed by Federal grants over the five year CIP. The three major Federal grant programs normally require participation in the form of a local match, though Federal stimulus funds, awarded to the Authority through the American Recovery & Reinvestment Act (ARRA) program in 2009, do not require a local match. Federal grant programs were modified by the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA), and confirmed by both the Transportation Equity Act for the Twenty First Century (TEA-21) and the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) adopted in 2005. They are described below.

### **Section 5307 (Formerly Section 9)**

Capital grants are provided under Section 5307 of the Urban Mass Transportation Act of 1964. Resources are allocated to urban areas according to a formula and are matched on an 80 percent Federal, 20 percent local basis. The State may contribute up to one-half of the local match.

Section 5307 grant awards totaled \$32.6 million in 2009, \$31.7 million in 2008 and \$41.4 million in 2007. The expected 2010 allocation for the Cleveland Urbanized Area is \$33.3 million which includes funds for preventive maintenance, payment of the fare collection lease, two Information Technology projects, and passenger amenities including passenger shelters & public art.

### Capital Improvement Revenue By Source (Millions)



	2007 Actual	2008 Actual	2009 Actual	2010 Budget	2011 Estimate	2012 Estimate
Transfer from General Fund	\$6.80	\$10.07	\$10.55	\$10.98	\$10.68	\$10.47
Investment Income	\$0.94	\$1.74	\$0.27	\$0.33	\$0.43	\$0.43
Federal (Including ARRA)	\$74.30	\$86.11	\$73.65	\$90.05	\$52.99	\$48.18
State	\$8.53	\$9.37	\$9.16	\$0.97	\$0.97	\$0.96
Debt Proceeds	\$0.00	\$35.50	\$0.00	\$20.00	\$0.00	\$0.00
Capital Lease	\$25.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other	\$2.80	\$1.84	\$0.00	\$1.00	\$1.00	\$1.00
<b>Total</b>	<b>\$118.37</b>	<b>\$144.63</b>	<b>\$93.63</b>	<b>\$123.33</b>	<b>\$66.06</b>	<b>\$61.03</b>

Figure CIP-4: Capital Improvement Revenue by Source

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# 2010 - 2014 Capital Improvement Plan

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## Financial Capacity (continued)

### Section 5309 (Formerly Section 3)

Section 5309 assistance has historically been distributed at the Federal Transit Administration's (FTA) discretion on a 75 percent Federal, 25 percent local basis. The ISTEA increased the Federal participation to 80 percent and instituted a four-tier formula to allocate Section 5309 Rail Modernization grants. This process has remained the same in the recent SAFETEA-LU legislation. Section 5309 bus grants continue to be awarded at the discretion of the FTA.

With the 20 percent local match included, Section 5309 grants totaled \$36.0 million in 2009 including \$17.2 million for various rail projects and \$18.8 million of discretionary earmarks for buses, three Intermodal stations along Euclid Avenue, and fare collection equipment. This amount compares with \$36.0 million in 2008, \$23.8 million in 2007, \$52.4 million in 2006, and \$52.7 million in 2005.

The Authority's 2010 apportionment for Section 5309 funds totals \$18.0 million of rail modernization funds and an estimated \$2.0 million of discretionary bus funds. These funds will be used to reimburse preventive maintenance costs, fund the Heavy Rail Vehicle Overhaul Project, and various infrastructure, substation, & track bridge rehabilitation projects, and for the rehabilitation of a Light Rail substation.

In 2009, \$45.7 million of additional Federal Grant funding, on a 100% Federal and 0% local basis was made available to the GCRTA through ARRA.

By the end of 2009, the Authority had been awarded \$33.6 of the \$45.7 million and the remaining amount was received in early 2010. Also expected in 2010 is a \$2.26 million award of 100% Federal funds from the Transportation Investment Generating Economic Recovery (TIGER) program. These funds will be used to improve the energy efficiency of bus & rail facilities owned by the Authority. The Authority has also submitted a request for \$5.0 of Congestion Mitigation Air Quality (CMAQ) funds on a bi-annual basis beginning in 2010.

### State Sources

The State can contribute up to one-half of the local match portion of the Federal grant programs. The Ohio Department of Transportation (ODOT) administers these funds. In the past, the State contributed in this form, however, the State is now trending towards larger contributions, which are project-specific rather than matches. In 1995 and 1996, the State provided more than \$20 million to help fund the Waterfront Line construction. In 1998, funding was provided in the form of a loan through the State Infrastructure Bank to be used for the rehabilitation of the Viaduct Bridge. In 2003, ODOT provided \$4.8 million for the Triskett Bus Garage Rehabilitation Project. In 2008, GCRTA received \$1.8 million from ODOT's new discretionary program to be used towards the purchase of up to three articulated Rapid Transit Vehicles (RTVs).

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# 2010 - 2014 Capital Improvement Plan

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## **Financial Capacity (continued)**

In the 2009 State Fiscal Year (SFY), GCRTA received \$804,029 from the Urban Transit Program (UTP) formula grant. This followed the \$782,000 the Authority received in 2008 from the UTP. In 2010, the allocation from the Urban Transit Program is \$1.24 million for preventive maintenance in the Authority's capital program.

### **Local Sources**

The Capital Improvement Budget requires local resources to support the match for some grant-funded projects as well as to support 100 percent locally funded projects in both the RTA Capital and RTA Development Funds. In 2010, local support for the capital program is comprised of \$11.0 million transferred from the General Fund (first component of the Sales Tax Contribution to Capital) and \$325,000 from interest earnings. Furthermore, \$19.5 million is budgeted in the Bond Retirement Fund to cover the debt service payments from previous debt issues and a planned \$20.0 million issuance in 2010 all of which are used to support the local portion of capital projects.

# 2010 - 2014 Capital Improvement Plan

## Debt Management

Although major capital improvements are mostly funded by Federal and State capital grants, the Authority is required to pay a percentage of most grant-funded projects from its own local sources. Debt sales are used for this purpose as well as to pay for 100 percent locally funded major projects. General Obligation (G.O.) bonds were last issued in 2008 for \$35.0 million in new debt and \$27.4 million in refunding bonds. All of the Authority's current outstanding debt will mature by December 2027. The nearly \$163.1 million balance of outstanding bonds at the end of 2009, along with a loan from the State Infrastructure Bank (SIB) with a remaining balance of \$3.0 million, will require principal and interest payments of \$18.1 million in 2010.

### Debt Limitations

As a regional transit authority, Ohio law permits the Authority to issue both unvoted and voted general obligation bonds. In the past, only unvoted general obligation bonds have been issued. As the name implies, unvoted debt is issued without the vote of the electorate, within the limitations provided under State law. General obligation bonds are secured by a pledge of the 'full faith and credit' of the Authority which is backed by the power to levy and collect ad valorem property taxes. Current debt obligations have not required the use of ad valorem property taxes to pay debt service but have been supported by the Authority's other revenue sources.

## Outstanding G.O. Debt Service & SIB Loan & Annual Debt Service Payments (Millions)

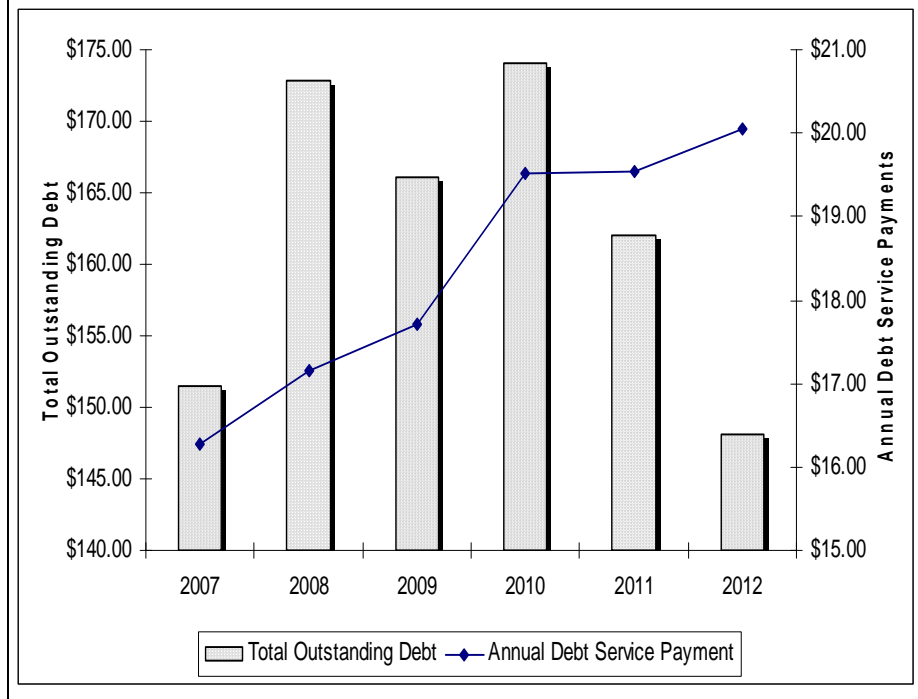


Figure CIP-5: Outstanding G.O. Debt Service & SIB Loan and Annual Debt Service Payments

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# 2010 - 2014 Capital Improvement Plan

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## Debt Management (continued)

There are three limitations, which relate to the Authority's ability to issue debt:

- I. Section 306.40 of the Ohio Revised Code limits the principal amount of bonds, which are supported by property taxes to five percent of the assessed valuation within the Authority's territory. The assessed valuation of property within Cuyahoga County applicable to the GCRTA at the end of 2009 decreased to \$29.6 billion, a decrease of 7.2 percent when compared to the end of 2008. This limits the amount of available debt to \$1.48 billion. This limitation is not currently very restrictive to the Authority in view of the large dollar limit and its applicability only to debt supported by property taxes.
- II. The second limitation, also contained in Section 306.40 of the Ohio Revised Code, restricts annual principal and interest payments on the Authority's unvoted general obligation bonds to one-tenth of one percent (0.1 percent) of the assessed valuation. Based on the assessed valuation of nearly \$29.6 billion, annual debt servicing capacity would be close to \$29.6 million. This provision applies to all debt issued by the Authority and is the most restrictive of the limitations, though it exceeds current debt payment levels.
- III. The third constraint derives from both the Ohio Constitution and the Ohio Revised Code. Article XII, Section 11, of the Constitution requires that any political subdivision incurring debt must provide for the levying of taxes sufficient to pay principal and interest on that debt. Section 2 of the same Article and Section 5705.02 of the Ohio Revised Code limits to ten mills (one mill equals \$1 of tax for each \$1,000 of assessed valuation) for the amount of taxes that may be levied without a vote of the citizens.

This 'indirect' limit on unvoted debt prohibits the county and all political subdivisions from jointly levying property taxes above ten mills without a vote of the people. Thus, the ability of the Authority to issue unvoted general obligation debt is 'shared' with overlapping political subdivisions. As these entities issue debt subject to the 10-mill limitation, the amount of room available for other subdivisions' debt is reduced. Political subdivisions include Cuyahoga County, various municipal corporations, school districts, and townships within the taxing district.

# 2010 - 2014 Capital Improvement Plan

## Debt Management (continued)

With all the outstanding debt issued as of year-end 2009, 10.32 of the 10-mill limitation will be in use (based on the 2009 collection year), leaving 0.00 mills for additional debt issuances. The used portion is distributed among the various public entities as follows:

City of Cleveland	8.0234 mills
Cuyahoga County	1.0963
GCRTA	0.5867
<u>Berea School District</u>	<u>0.6135</u>
<b>Total</b>	<b>10.3199 mills</b>

Since the Authority's total annual debt service is limited to 1.0 mill, based on the direct limitation described in section II, on page CIP-19, the Authority could issue approximately \$80 million of unvoted debt assuming a 20-year maturity and a 4.5 percent interest rate. The ability to issue more debt is limited though, under the third constraint, in that the total outstanding debt issued as of year-end 2009 by various public entities within the County is over the unvoted ten-mill limit.

## Operating Impacts

One of the benefits of considering the Operating and Capital Budgets concurrently is the ability to gauge the impact of Capital Improvement decisions on the Operating Budget. The 2010 Capital Improvement Budget will affect the 2010 Operating Budget in the following ways:

- The Trustees' commitment to contribute a portion of sales tax revenues to the Capital Improvement Fund transfers resources that could be used to support operations (\$11.0 million in 2010).
- Continuing challenges with intergovernmental assistance, in tandem with increased capital requirements, has and will continue to place pressure on the General Fund to contribute escalating amounts to the Capital Improvement Fund in the future, further reducing the amount available for operating expenditures.
- Decisions to issue additional debt for capital projects will result in debt service payments of nearly \$19.5 million in 2010, requiring a General Fund transfer of \$18.4 million. Anticipated debt issues in future years will continue to increase this payment, however at a slower growth rate.
- The delivery of 20 60-foot articulated RTVs in 2009 and the delivery of 57 Paratransit vehicles in late 2009 and early 2010 will improve bus fleet reliability and reduce maintenance costs as older buses are taken out of service.

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# 2010 - 2014 Capital Improvement Plan

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## Operating Impacts (continued)

- Some Operating Budget expenditures, including personnel costs within the Engineering & Project Development Department and other Authority departments, are incurred in support of ongoing activities within capital projects. These costs are reimbursed to the General Fund as revenue from the RTA Development Fund. In 2010, this activity will result in nearly \$4.5 million in reimbursements to the General Fund, most of which is grant funded and the remainder locally funded.
- In the ten fiscal years covering 2000 thru 2009, \$216.6 million of capital grants were used to reimburse the Annual Operating Budgets for preventive maintenance activities rather than for planned capital projects to maintain, improve, or replace the Authority's capital assets. The 2010 Capital Budget includes an additional \$27.2 million of budget authority for this purpose, again reducing the availability of funding for the Capital Program and continuing the process of deferring planned projects.
- The completion of the Light Rail Vehicle Overhaul project, in tandem with the on-going Heavy Rail Vehicle Overhaul project and other projects to maintain and improve the rail infrastructure, will continue to improve rail fleet and service delivery reliability and, in turn, reduce maintenance costs incurred in the operating budget.
- Daily activities within the Operating Budget in 2010 are supported by the \$2.2 million appropriated to capital projects contained in the RTA Capital Fund. These projects include the smaller (<\$150,000), routine capital purchases and facilities maintenance activities and are supported by local funds from the Sales & Use Tax.



# 2010 - 2014 Capital Improvement Plan

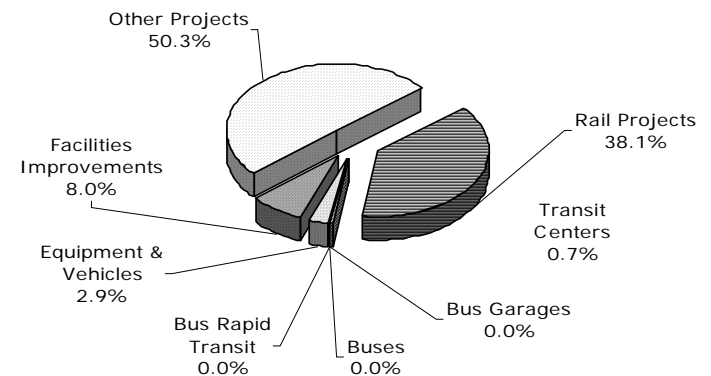
## Project Categories

The 2010–2014 Capital Improvement Plan (CIP) totals \$436.4 million. Projects included in the CIP are sorted into eight major project categories – Bus Garages, Buses, Bus Rapid Transit, Equipment & Vehicles, Facilities Improvements, Other Projects, Rail Projects, and Transit Centers.

As reflected in Figure CIP-6, the Other Projects category totals 50.3 percent, or \$36.3 million, of the entire 2010 Capital Budget. It includes \$27.3 million for Capitalized Operating Expenses - the single largest capital project not only in 2010, but also in every year included within the 2010-2014 CIP. Projects to address the Rail Systems infrastructure, with \$27.4 million, or 38.1 percent, of 2010 budget authority, is the next largest category included in the 2010 CIP. The remaining budget authority consists of various Facilities Improvements projects with \$5.8 million, or 8.1 percent, projects for Equipment & Vehicles with \$2.1 million, or 2.8 percent, and Transit Centers with \$492,000, or 0.7 percent.

The largest category over the five-year period is the Other Projects category, which includes reimbursements for preventive maintenance expenses at \$159.8 million, or 36.6 percent of the entire CIP. The Rail Projects category, which includes \$49.1 million for a proposed extension of the Blue Line, is the second largest category within the total five-year CIP of \$155.5 million, or 35.6 percent. The Bus Improvement Program at \$57.8 million, or 13.3 percent, Transit Centers with \$36.1 million, or 8.3 percent, Facilities Improvements at \$21.5 million, or 4.9 percent, and Equipment & Vehicle purchases at \$5.6 million, or 1.3 percent are the remaining categories that make up the difference. The Bus Garage and Bus Rapid Transit Categories have no scheduled projects in the 2010-14 CIP.

## 2010 Capital Projects by Category (Millions)



	2010	2011	2012	2013	2014	2010 - 14
Bus Garages	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Buses	\$0.00	\$0.10	\$10.21	\$21.35	\$26.16	\$57.82
Bus Rapid Transit	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Equipment & Vehicles	\$2.07	\$0.75	\$0.88	\$1.01	\$0.93	\$5.64
Facilities Improvements	\$5.80	\$5.45	\$1.74	\$4.87	\$3.68	\$21.53
Other	\$36.26	\$30.94	\$30.95	\$30.84	\$30.84	\$159.82
Rail Projects	\$27.45	\$39.30	\$19.44	\$39.67	\$29.62	\$155.48
Transit Centers	\$0.49	\$17.20	\$5.38	\$12.59	\$0.41	\$36.07
<b>Total</b>	<b>\$72.07</b>	<b>\$93.74</b>	<b>\$68.59</b>	<b>\$110.32</b>	<b>\$91.64</b>	<b>\$436.36</b>

Figure CIP-6: Capital Projects by Category

# 2010 - 2014 Capital Improvement Plan

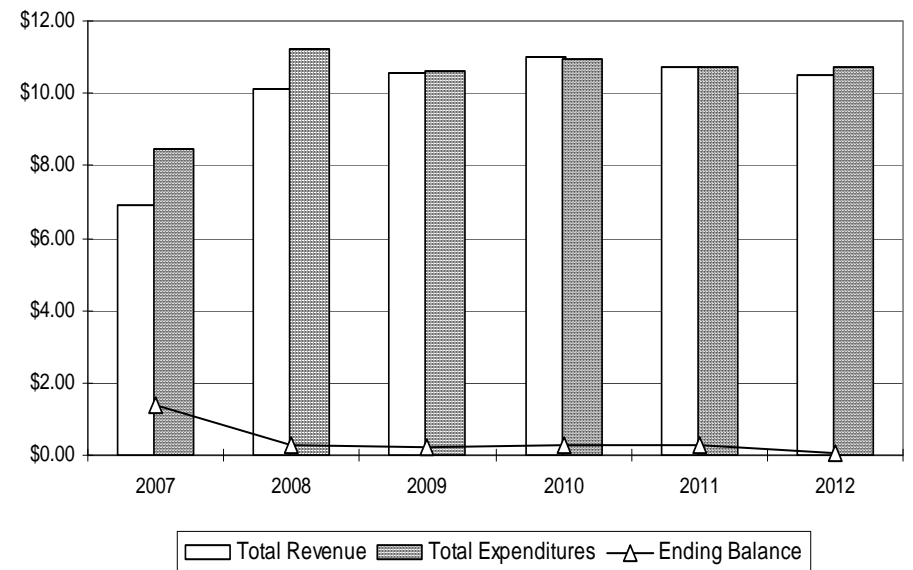
## RTA Capital Fund

The RTA Capital Fund is a smaller fund for capital projects and includes more routine expenditures. Projects within this fund are generally less than \$150,000 and have a useful life not exceeding five years. Items included in RTA Capital Fund are segregated into two types: Routine Capital, which includes the acquisition of non-revenue vehicles and small equipment, and Asset Maintenance, which cover small rehabilitation projects to maintain the Authority's existing assets. The RTA Capital Fund is 100 percent locally funded, almost exclusively through sales tax contributions by way of a transfer from the Operating Budget.

Figure CIP-7 presents the fund balance analysis for the RTA Capital Fund. The sales tax 'set aside', as corresponding transfer from the General Fund to RTA Capital began in 1989, is the only source of revenue into this fund other than investment income. In 2010, transfers from the General Fund are estimated at \$11.0 million, or approximately 7.0 percent of expected sales tax revenues along with anticipated investment income of just \$1,500. These amounts, in combination with a planned \$18.4 million transfer from the Operating Budget to the Bond Retirement Fund, bring the total commitment to Capital to nearly \$29.4 million or 18.8 percent of the projected 2010 sales tax revenue.

Total 2010 budgeted expenditures or cash flows of over \$10.9 million include \$1.4 million for Asset Maintenance projects, \$1.0 million for Routine Capital purchases and an \$8.5 million transfer into the RTA Development Fund. The estimated 2010 ending balance of \$256,671, is comparable to the \$197,782 balance at year-end 2009 and \$270,264 at the end of 2008, but significantly less than the \$1.4 million at the end of 2007 and in earlier years.

## RTA Capital Fund Balance Analysis (Millions)



	2007 Actual	2008 Actual	2009 Actual	2010 Budget	2011 Estimate	2012 Estimate
Beginning Balance	\$2.90	\$1.37	\$0.27	\$0.20	\$0.26	\$0.26
<b>Total Revenue</b>	<b>\$6.92</b>	<b>\$10.13</b>	<b>\$10.55</b>	<b>\$10.98</b>	<b>\$10.73</b>	<b>\$10.51</b>
Total Resources	\$9.82	\$11.51	\$10.82	\$11.18	\$10.98	\$10.77
<b>Total Expenditures</b>	<b>\$8.45</b>	<b>\$11.24</b>	<b>\$10.62</b>	<b>\$10.93</b>	<b>\$10.73</b>	<b>\$10.73</b>
<b>Ending Balance</b>	<b>\$1.37</b>	<b>\$0.27</b>	<b>\$0.20</b>	<b>\$0.26</b>	<b>\$0.26</b>	<b>\$0.05</b>

Figure CIP-7: RTA Capital Fund Balance Analysis

## RTA Capital Fund Balance Analysis

	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Budget	2011 Budget	2012 Budget
<b>Beginning Balance</b>	3,451,793	2,899,226	1,374,346	270,264	197,782	256,671	259,363
<b>Revenue</b>							
Transfer from General Fund	7,140,207	6,825,687	10,065,882	10,550,000	10,982,788	10,678,092	10,464,721
Investment Income	166,058	96,409	65,557	370	1,500	50,000	50,000
Other Revenue	0	0	0	0	0	0	0
<b>Total Revenue</b>	<b>7,306,265</b>	<b>6,922,096</b>	<b>10,131,439</b>	<b>10,550,370</b>	<b>10,984,288</b>	<b>10,728,092</b>	<b>10,514,721</b>
<b>Total Resources</b>	<b>10,758,058</b>	<b>9,821,322</b>	<b>11,505,785</b>	<b>10,820,634</b>	<b>11,182,071</b>	<b>10,984,763</b>	<b>10,774,084</b>
<b>Expenditures</b>							
Asset Maintenance	1,233,421	1,394,482	1,630,502	1,197,531	1,400,000	1,400,000	1,450,000
Routine Capital	1,625,411	2,052,494	2,004,137	1,079,267	1,050,000	1,100,000	1,100,000
Other Expenditures	0	0	0	0	0	0	0
Transfer to RTA Development Fund	5,000,000	5,000,000	7,600,882	8,346,054	8,475,400	8,225,400	8,175,400
<b>Total Expenditures</b>	<b>7,858,832</b>	<b>8,446,976</b>	<b>11,235,521</b>	<b>10,622,852</b>	<b>10,925,400</b>	<b>10,725,400</b>	<b>10,725,400</b>
<b>Ending Balance</b>	<b>2,899,226</b>	<b>1,374,346</b>	<b>270,264</b>	<b>197,782</b>	<b>256,671</b>	<b>259,363</b>	<b>48,684</b>

# 2010 - 2014 Capital Improvement Plan

## RTA Capital Fund (continued)

### Routine Capital Projects

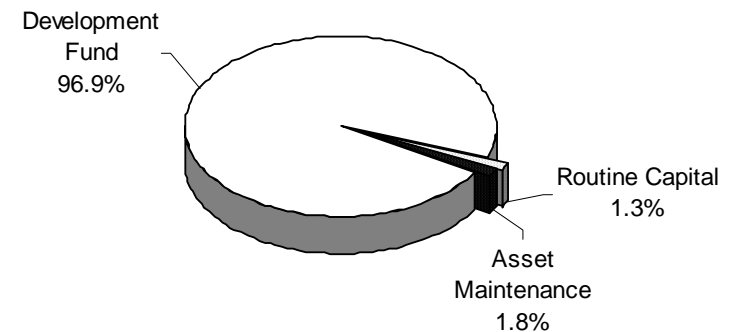
This category includes the purchase of vehicles and equipment, where each unit has a value of at least \$5,000 and a useful life greater than one year. Furthermore, these items are generally less than \$150,000 and have a useful life of five years or less. Thus, budget appropriation for routine capital projects are approved annually.

As indicated in Figure CIP-8, the budget appropriation for Routine Capital projects accounts for \$0.95 million, or 1.3 percent, of the 2010 Capital Improvement Budget. The decrease in budget appropriation, relative to prior years, for both Routine Capital and the following Asset Maintenance projects is a direct result of the downturn in Sales & Use Tax Revenue and the need to cover increasing debt service costs.

The greatest portion of Routine Capital projects is within the Operations Division, which has \$440,000, or 46.5 percent of the total dollars appropriated for this purpose. The Fleet Management Department, which is responsible for the non-revenue vehicle program, has the largest single department appropriation for Routine Capital purchases in 2009 with \$230,000.

The following page highlights the major routine capital projects funded in the 2010 Capital Improvement Budget. As mentioned previously, due to the downturn in Sales & Use Tax Revenue most amounts represent a decrease in budget appropriation when compared to previous years.

### 2010 Capital Improvement Projects by Funding Type (Millions)



	2010	2011	2012	2013	2014	2010-2014
Routine Capital	\$0.95	\$1.05	\$1.18	\$1.32	\$1.24	\$5.73
Asset Maintenance	\$1.30	\$1.40	\$1.40	\$1.55	\$1.45	\$7.10
Development Fund	\$69.82	\$91.29	\$66.01	\$107.45	\$88.95	\$423.53
<b>Total</b>	<b>\$72.07</b>	<b>\$93.74</b>	<b>\$68.59</b>	<b>\$110.32</b>	<b>\$91.64</b>	<b>\$436.36</b>

Figure CIP-8: Capital Improvement Projects by Funding Type

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# 2010 - 2014 Capital Improvement Plan

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## RTA Capital Fund (continued)

- Fleet Management Department projects total \$230,000. Most of this amount, \$200,000, is for the purchase of various non-revenue vehicles including support & Transit Police vehicles. An equipment pool of \$30,000 for various shop tools and equipment is also included in this Department's Routine Capital budget.
- An Authority-wide Systems Development Pool project is included at \$200,000 in the Information Technologies Department budget.
- Various capital project-related fees of \$187,850 have been budgeted in the Executive Department.
- An Authority-wide securities improvement pool of \$175,000 has been included in the Transit Police Department Budget.
- Funding for the Rail District totals \$25,000 for the replacement & purchase of various shop tools and equipment.
- In 2010, a contingency amount of \$100,000 has been included for emergency routine capital purchases.
- A total of \$17,500 has been budgeted in the Support Services Department for furniture and office equipment purchases.

**GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY  
2010-2014 CAPITAL IMPROVEMENT PLAN  
RTA CAPITAL FUND**

**ROUTINE CAPITAL**

DEPARTMENT / PROJECT NAME	PROJECT NUMBER	2010	2011	2012	2013	2014	TOTALS 2010-2014
<b><u>12 EXECUTIVE</u></b>							
NOACA Dues	49120199	57,750	60,800	64,000	67,500	70,000	320,050
Build-up Greater Cleveland Dues	49120299	44,100	46,400	48,700	51,150	53,000	243,350
Outside Legal Services - Legislative Review	49120399	86,000	86,000	86,000	86,000	86,000	430,000
		<b>187,850</b>	<b>193,200</b>	<b>198,700</b>	<b>204,650</b>	<b>209,000</b>	<b>993,400</b>
<b><u>31 PARATRANSIT DISTRICT</u></b>							
Paratransit District Equipment Pool	47310109	10,000	10,000	10,000	10,000	10,000	50,000
		<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>50,000</b>
<b><u>32 RAIL DISTRICT</u></b>							
Rail District Equipment Pool	47320199	25,000	25,000	25,000	25,000	25,000	125,000
		<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>125,000</b>
<b><u>34 TRANSIT POLICE</u></b>							
Security Improvements Pool	44340199	175,000	175,000	185,000	185,000	185,000	905,000
		<b>175,000</b>	<b>175,000</b>	<b>185,000</b>	<b>185,000</b>	<b>185,000</b>	<b>905,000</b>
<b><u>35 SERVICE MANAGEMENT</u></b>							
Passenger Vans for Job Access Program	46350199	0	50,000	0	52,000	0	102,000
		<b>0</b>	<b>50,000</b>	<b>0</b>	<b>52,000</b>	<b>0</b>	<b>102,000</b>
<b><u>39 FLEET MANAGEMENT</u></b>							
NRVIP - Transit Police Vehicles	46390199	0	0	0	0	0	0
NRVIP - Support Vehicles	46390299	200,000	250,000	350,000	400,000	400,000	1,600,000
NRVIP - Heavy-Duty Vehicles	46390399	0	0	0	0	0	0
Fleet Management District Equipment Pool	47390199	30,000	30,000	30,000	30,000	30,000	150,000
		<b>230,000</b>	<b>280,000</b>	<b>380,000</b>	<b>430,000</b>	<b>430,000</b>	<b>1,750,000</b>

**GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY  
2010-2014 CAPITAL IMPROVEMENT PLAN  
RTA CAPITAL FUND**

**ROUTINE CAPITAL**

DEPARTMENT / PROJECT NAME	PROJECT NUMBER	2010	2011	2012	2013	2014	TOTALS 2010-2014
<b><u>46 HAYDEN DISTRICT</u></b> Hayden District Equipment Pool	45460179	0	0	60,000	90,000	60,000	210,000
		<b>0</b>	<b>0</b>	<b>60,000</b>	<b>90,000</b>	<b>60,000</b>	<b>210,000</b>
<b><u>61 INFORMATION SYSTEMS</u></b> Systems Development Pool	42610199	200,000	200,000	200,000	200,000	200,000	1,000,000
		<b>200,000</b>	<b>200,000</b>	<b>200,000</b>	<b>200,000</b>	<b>200,000</b>	<b>1,000,000</b>
<b><u>62 SUPPORT SERVICES</u></b> Office Equipment/Furniture Replacement Pool	43620199	17,500	17,500	20,000	20,000	20,000	95,000
		<b>17,500</b>	<b>17,500</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>95,000</b>
<b><u>67 OFFICE OF MANAGEMENT &amp; BUDGET</u></b> Routine Capital Contingency	49990159	100,000	100,000	100,000	100,000	100,000	500,000
		<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>500,000</b>
<b>TOTAL ROUTINE CAPITAL</b>		<b>945,350</b>	<b>1,050,700</b>	<b>1,178,700</b>	<b>1,316,650</b>	<b>1,239,000</b>	<b>5,730,400</b>

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# 2010 - 2014 Capital Improvement Plan

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## RTA Capital Fund (continued)

### Asset Maintenance Projects

Asset Maintenance projects are locally funded projects that maintain, repair, or rehabilitate an existing capital asset of the Authority. These include projects of smaller scope, duration, and expense than those included in the RTA Development Fund. The duration of these projects is often less than one year with the cost generally not exceeding \$150,000 and a useful life of less than five years.

The 2010 budget appropriation for Asset Maintenance projects is \$1.3 million, representing 1.8 percent of the 2010 Capital Improvement Budget (see Figure CIP-8). Again, the decrease in this amount, relative to past year's budgets is a result of declining revenue from the Sales & Use Tax. The largest portion of these projects, \$950,000, or 73.1 percent, is within the Engineering and Project Development Department, which coordinates larger construction-related routine improvements. This is followed by the Service Management Department with \$250,000, or 19.2 percent, of all Asset Maintenance projects. The remaining amount of \$100,000 is budgeted in an emergency contingency project for asset maintenance.

Some highlights of 2010 Asset Maintenance projects include:

- A total of \$410,000 has been budgeted to maintain passenger facilities. This amount is allocated to the Engineering and Project Development Department (\$300,000) and the Service Management Department (\$110,000).

- To maintain the Authority's operating facilities, a total of \$490,000 of budget authority has been provided in 2010. This amount is allocated between the Engineering and Project Development Department (\$380,000) and the Service Management Department (\$110,000).
- Authority-wide ADA-related projects are included in the Engineering and Project Development Department budget for \$120,000.
- Bridge Maintenance, Bus Pad Replacement projects are budgeted at \$50,000 and \$40,000 respectively, in the Engineering and Project Development Department budget.
- A sum of \$40,000 has been appropriated for Track Maintenance within the Engineering and Project Development Department.
- A contingency for emergency or unanticipated asset maintenance projects has been budgeted for \$100,000.



**GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY  
2010-2014 CAPITAL IMPROVEMENT PLAN  
RTA CAPITAL FUND**

<b>ASSET MAINTENANCE</b>							
<b>DEPARTMENT / PROJECT NAME</b>	<b>PROJECT NUMBER</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>TOTALS 2010-2014</b>
<b><u>35 SERVICE MANAGEMENT</u></b>							
Passenger Facilities Maintenance Pool	32355099	110,000	110,000	130,000	130,000	130,000	610,000
Administration Facilities Maintenance Pool	32355199	30,000	30,000	40,000	40,000	40,000	180,000
Operating Facilities Maintenance Pool	32355299	110,000	110,000	130,000	130,000	130,000	610,000
		<b>250,000</b>	<b>250,000</b>	<b>300,000</b>	<b>300,000</b>	<b>300,000</b>	<b>1,400,000</b>
<b><u>39 FLEET MANAGEMENT</u></b>							
Central Bus Maint. Lift Rebuilds/Replacements	47395099	0	100,000	0	100,000	0	200,000
		<b>0</b>	<b>100,000</b>	<b>0</b>	<b>100,000</b>	<b>0</b>	<b>200,000</b>
<b><u>80 ENGINEERING &amp; PROJECT DEV.</u></b>							
Bridge Maintenance Pool	20805099	50,000	50,000	50,000	50,000	50,000	250,000
Track Maintenance Pool	23805099	40,000	40,000	40,000	40,000	40,000	200,000
Facilities - ADA Projects	32805099	120,000	120,000	120,000	120,000	120,000	600,000
Passenger Facilities Maintenance Pool	32805199	300,000	300,000	310,000	330,000	330,000	1,570,000
Operating Facilities Maintenance Pool	32805299	380,000	380,000	420,000	450,000	450,000	2,080,000
Bus Pad Replacement Pool	33805099	40,000	40,000	40,000	40,000	40,000	200,000
Authority-Wide Sign Replacement	47805099	20,000	20,000	20,000	20,000	20,000	100,000
		<b>950,000</b>	<b>950,000</b>	<b>1,000,000</b>	<b>1,050,000</b>	<b>1,050,000</b>	<b>5,000,000</b>
<b><u>99 OFFICE OF MANAGEMENT &amp; BUDGET</u></b>							
Asset Maintenance Contingency	49995059	100,000	100,000	100,000	100,000	100,000	500,000
		<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>500,000</b>
<b>TOTAL ASSET MAINTENANCE</b>		<b>1,300,000</b>	<b>1,400,000</b>	<b>1,400,000</b>	<b>1,550,000</b>	<b>1,450,000</b>	<b>7,100,000</b>
<b>RTA CAPITAL FUND TOTAL</b>		<b>2,245,350</b>	<b>2,450,700</b>	<b>2,578,700</b>	<b>2,866,650</b>	<b>2,689,000</b>	<b>12,830,400</b>

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# 2010 - 2014 Capital Improvement Plan

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## RTA Development Fund

The Authority's Capital Improvement Funds are used to account for the acquisition, construction, replacement, repair, and renovation of major capital facilities and equipment. The RTA Development Fund includes both a majority of the larger rehabilitation and expansion projects and the Authority's Long Range projects. Generally, RTA Development Fund projects must be greater than \$150,000 and have a useful life of greater than five years. This Fund is primarily supported through grants.

Federal Capital grants require that local match funds be set aside and available for Capital Improvement projects. During the budget process, local match requirements are reviewed and resources provided through sales tax contributions transferred from the RTA Capital Fund, debt sales, and interest income.

In 2005, 2006, and 2007 \$5.0 million was transferred from the RTA Capital Fund to the RTA Development Fund to cover the local match for the Capitalized Operating Expenses (C.O.E.) project and to cover other expenses within the fund not covered by other revenue sources. This increased to \$7.6 million in 2008 and again in 2009 to \$8.4 million. It will grow to \$8.5 million in 2010 and then slightly decrease to \$8.2 million in each of the following years primarily due to an expected decrease in the Authority's ability to draw C.O.E. Recent debt services include a \$25.0 million bond issue in 2006, followed by a \$35.0 million bond issue in 2008. Interest income has varied over the years due to fluctuations in the fund balance with \$325,000 expected in 2010, followed by a small increase to \$375,000 in the following years.

Figure CIP-9, on the following page, presents the fund balance analysis for the RTA Development Fund. In 2007, the balance slightly increased to \$22.8 million due to proceeds from a \$25.0 million capital lease that offset an increase in capital activities. It again increased to \$33.5 million in 2008, primarily due to proceeds from a \$35.0 million bond issuance, but again was drawn down to \$30.5 million in 2009 as proceeds began to be drawn down by capital activities. A planned debt service of \$20.0 million in 2010 is expected to increase the fund balance to \$50.3 million in 2010, followed by a downturn in the fund balance in both 2011 and 2012 due to anticipated capital activities.

Federal funding resources flow into the Authority through the FTA Grant funds. When grant-funded capital improvements are made, funds are paid to the Authority from the Federal Government via wire transfer. Payments to vendors are then paid from the Authority and the assets acquired are accounted for in the capital funds. A similar process is in place to draw down State grant funds.

As reflected in the fund balance statement on page CIP-35, various funding sources including but not limited to Federal grants of \$59.2 million, ARRA grants of \$30.8 million, and a planned debt service of \$20.0 million will help support expected outlays of \$100.4 million in 2010. Please note that the Fund Balance Analysis is presented on a cash basis and attempts to estimate the actual flow of revenue and expenditures. Thus, expenditure estimates differ from the levels presented in the Capital Improvement Project lists, which are based on the establishment of budget appropriation authority.

# 2010 - 2014 Capital Improvement Plan

## RTA Development Fund (continued)

### RTA Development Fund Projects

In 2010, the combined budget appropriation for RTA Development Fund projects accounts for most, 96.9 percent, or \$69.8 million, of the entire 2010 Capital Improvement Budget. The listing of projects within this fund is based upon the establishment of budget appropriation authority and includes projects that may have already received grant-funding, projects in the application stage, projects included in the Transportation Improvement Program (TIP), larger projects supported by 2010 local funds, or projects without an identified funding source. The following highlights some of the larger programmed RTA Development Fund Capital Improvement Projects in 2010.

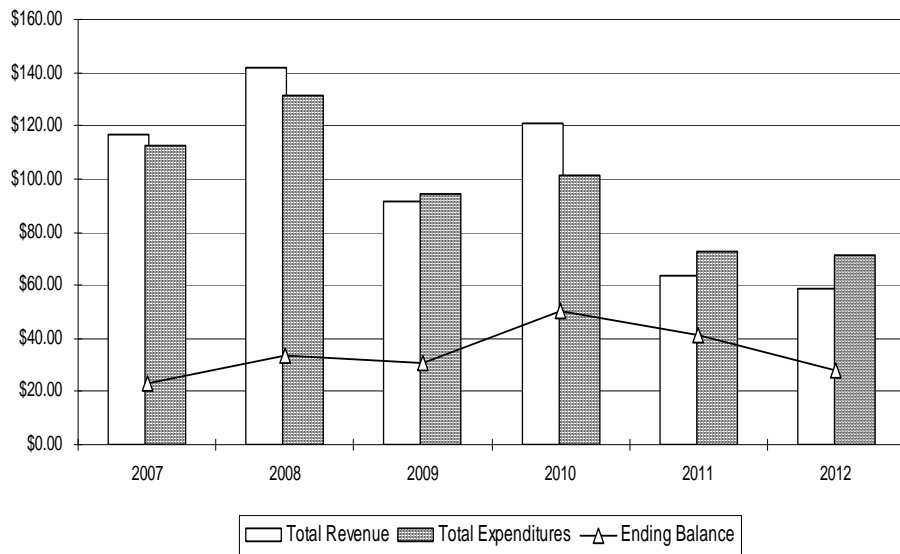
#### Bus Garages - \$0.0 million

There is no bus garage project included within the 2010-14 CIP. The last bus garage rehabilitation/reconstruction scheduled, the Paratransit Garage, was included in the 2008 Capital Budget. The Garage is currently under construction with a scheduled completion date in late 2010.

#### Bus/Paratransit Improvement Programs - \$0.0 million

There is no planned bus purchase scheduled for the 2010 budget year. Programmed bus purchases, included in the out-years of the 2010-14 CIP, will be re-evaluated and/or revised to account for any changes in service levels that may occur before their scheduled year.

## RTA Development Fund Balance Analysis (Millions)



	2007 Actual	2008 Actual	2009 Actual	2010 Budget	2011 Estimate	2012 Estimate
Beginning Balance	\$18.78	\$22.84	\$33.49	\$30.51	\$50.26	\$41.06
<b>Total Revenue</b>	<b>\$116.51</b>	<b>\$142.06</b>	<b>\$91.43</b>	<b>\$120.82</b>	<b>\$63.55</b>	<b>\$58.69</b>
Total Resources	\$135.29	\$164.90	\$124.91	\$151.33	\$113.82	\$99.75
<b>Total Expenditures</b>	<b>\$112.45</b>	<b>\$131.42</b>	<b>\$94.41</b>	<b>\$101.06</b>	<b>\$72.76</b>	<b>\$71.49</b>
<b>Ending Balance</b>	<b>\$22.84</b>	<b>\$33.49</b>	<b>\$30.51</b>	<b>\$50.26</b>	<b>\$41.06</b>	<b>\$28.26</b>

Figure CIP-9: RTA Development Fund Balance Analysis

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# 2010 - 2014 Capital Improvement Plan

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## RTA Development Fund (continued)

### **Bus Rapid Transit (BRT) - \$0.0 million**

The HealthLine, formerly the Euclid Corridor Transportation Project (ECTP), is the only budgeted project within this category. It opened for service in the fourth quarter of 2008. At present, no further budget appropriations will be required as the remaining punch-list items were substantially complete by the end of the 2009 Fiscal Year and final closeout of the project will be in 2010.

### **Equipment & Vehicles - \$1.4 million**

There are two Information Technology projects included for 2010 in this category. A replacement for the Authority's Midas, or Operator Dispatch System, for \$1.05 million and approximately \$350,000 to cover estimated costs associated with an upgrade of the Authority's Oracle, or Financial Management System.

### **Facilities Improvements - \$4.6 million**

This category includes projects to rehabilitate or replace bridges and other system-wide facilities owned by the Authority. There are four projects included for the 2010 Budget Year in this category. This includes construction work to rehabilitate the Light Rail Trunk Line Bridge at \$2.35 million and \$2.26 million of TIGGER, or ARRA, funded projects to improve the Authority's energy use at various bus and rail facilities.

### **Other Projects - \$35.9 million**

The major project included within this category is the largest single project, both within the 2010 Budget Year, as well as over the five

years of the 2010-14 CIP. Capitalized Operating Expenses, with a budget appropriation of \$27.3 million, makes up nearly 39.0 percent of the entire RTA Development Fund appropriation for the upcoming 2010 Budget Year. Other budgeted projects within this category in 2010 include \$3.46 million for the reimbursement of Paratransit Operating Expenses, \$1.86 million for possible JARC, or reverse commute, funds from ARRA, a fare collection equipment lease payment of \$2.4 million, contingency projects for force account labor, and project administration costs, each at \$300,000, and an on-going planning study for \$120,000.

### **Rail Projects- \$27.4 million**

The Rail Projects category is the most diverse category within the RTA Development Fund. It includes rail station rehabilitation & construction projects, vehicle rehabilitations, signalization & electrical work, and on-going rail infrastructure & track rehabilitation projects.

Major budgeted 2010 projects within this category include \$5.5 million for on-going work on the Heavy-Rail Vehicle Overhaul project, \$2.8 million to replace the Fairhill Substation, \$2.1 million for the third year of the program to reconstruct various Light-Rail crossings, and \$1.7 million for an on-going rail infrastructure program.

Three projects that total a combined \$14.9 million are included in the 2010 CIP as "alternative" projects. They are included in the CIP, but will only be done if alternative or non-traditional funding sources can be identified. This includes \$7.2 million for the reconstruction of the S-Curve on the Authority's Red Line between the West Boulevard and W. 117<sup>th</sup> Street Stations, \$5.7 million for a larger scale reconstruction project on the Airport Tunnel at the west end of the Red Line, and \$2.0 million of preliminary construction work on the Brookpark Station. The remaining budget is spread in smaller amounts over other projects included within this category.

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# 2010 - 2014 Capital Improvement Plan

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## RTA Development Fund (continued)

### Transit Centers / Bus Loops - \$492 thousand

There are two projects included for the 2010 Budget Year. The first is \$397,000 for various passenger enhancements at bus and rail facilities and the second is \$95,000 for preliminary work on a proposed West Side Transit Center.

### Transit 2025 Long Range Plan

The purpose of the Long Range Plan of the Authority is to support its Mission and Policy goals. The plan accomplishes this by providing a guide for developing a balanced, multi-modal transit system that meets the mobility needs of Cuyahoga County residents and all visitors safely, efficiently, and cost-effectively.

The original plan was drafted in 1998. RTA updated the plan in 2004 to reflect the existing system's state of repair; the future plans of key stakeholders, and the economic conditions of the region. In 2008, RTA initiated an update of the Long Range Plan, titled the "GCRTA Strategic Plan" that will be completed in 2010.

The updated GCRTA Strategic Plan will provide focus on strategic initiatives from 2010 – 2015. The goals of the Plan are to help determine the course of projects and services within GCRTA that can result in the increase of ridership, increase in revenues, and bring the system into a state of good repair while being grounded in the economic and the financial reality of public transportation funding in Northeast Ohio.

The existing Key Transit 2025 project elements include:

- Completing the recently opened HealthLine / Euclid Corridor Transportation Project and exploring additional Bus Rapid Transit projects in other major travel corridors;
- Completing the Transit Center Network;
- Initiating Transit-Oriented Development Projects;
- Implementing the Transit Waiting Environment Program; and
- Reconstructing various Rapid Transit Stations as part of the FTA Key Station requirement agreement.

The GCRTA Strategic Plan, now in development, will review these goals and develop objectives that will support them.

## RTA Development Fund Balance Analysis

	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Budget	2011 Budget	2012 Budget
<b>Beginning Balance</b>	<b>9,366,610</b>	<b>18,784,966</b>	<b>22,837,466</b>	<b>33,485,254</b>	<b>30,508,300</b>	<b>50,263,847</b>	<b>41,061,638</b>
<b>Revenue</b>							
General Obligation Debt Proceeds	25,003,289	0	35,472,559	0	20,000,000	0	0
Transfer from RTA Capital Fund	5,000,000	5,000,000	7,600,882	8,346,054	8,475,400	8,225,400	8,175,400
Investment Income	1,112,118	844,393	1,672,096	271,990	325,000	375,000	375,000
Federal Capital Grants	71,849,886	74,319,702	86,109,609	65,807,459	59,227,000	45,901,244	48,176,409
ARRA Federal Capital Grants	0	0	0	7,840,623	30,823,088	7,084,988	0
State Capital Grants	6,011,798	8,532,391	9,370,685	9,162,154	968,147	968,147	960,000
Capital Lease	0	25,000,000	0	0	0	0	0
Other Revenue	500,000	2,810,906	1,837,731	0	1,000,000	1,000,000	1,000,000
<b>Total Revenue</b>	<b>109,477,091</b>	<b>116,507,392</b>	<b>142,063,562</b>	<b>91,428,280</b>	<b>120,818,635</b>	<b>63,554,779</b>	<b>58,686,809</b>
<b>Total Resources</b>	<b>118,843,701</b>	<b>135,292,358</b>	<b>164,901,028</b>	<b>124,913,534</b>	<b>151,326,935</b>	<b>113,818,626</b>	<b>99,748,447</b>
<b>Expenditures</b>							
Capital Outlay	99,198,421	109,944,506	128,830,215	93,705,234	100,363,088	72,306,988	71,037,000
Other Expenditures	0	2,000,000	472,559	0	0	0	0
Transfer to Bond Retirement Fund	860,314	510,386	2,113,000	700,000	700,000	450,000	450,000
<b>Total Expenditures</b>	<b>100,058,735</b>	<b>112,454,892</b>	<b>131,415,774</b>	<b>94,405,234</b>	<b>101,063,088</b>	<b>72,756,988</b>	<b>71,487,000</b>
<b>Ending Balance</b>	<b>18,784,966</b>	<b>22,837,466</b>	<b>33,485,254</b>	<b>30,508,300</b>	<b>50,263,847</b>	<b>41,061,638</b>	<b>28,261,447</b>

**GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY  
2010 - 2014 CAPITAL IMPROVEMENT PLAN  
RTA DEVELOPMENT FUND**

**FUNDING SOURCE**

CATEGORY / PROJECT NAME	PROJECT NUMBER	2010	2011	2012	2013	2014	TOTALS 2010-2014
<b><u>RAIL PROJECTS</u></b>							
<b><u>ELECTRICAL SYSTEM</u></b>							
Substation Replacement - West 117th Street TBD	21800160	0	0	130,000	3,220,130	0	3,350,130
	3,350,130						
Substation Replacement - West 65th Street TIP TBD	21800190	114,000	2,900,000	0	0	0	3,014,000
	114,000						
	2,900,000						
Substation Replacement - East 120th Street TBD	21800240	0	0	0	143,000	3,236,000	3,379,000
	3,379,000						
Sectionalize Tower City Catenary System TBD	21800260	0	0	0	30,000	600,000	630,000
	630,000						
Substation Replacement - Fairhill Avenue TIP	21800290	2,790,000	0	0	0	0	2,790,000
	2,790,000						
Second Independent Feed for E. 55th Street Substation TBD	21800360	0	0	0	60,000	1,860,000	1,920,000
	1,920,000						
Substation Replacement - Puritas Avenue TBD	21800390	0	122,000	3,212,130	0	0	3,334,130
	3,334,130						
<b>Sub-Total - Electrical System</b>		<b>2,904,000</b>	<b>3,022,000</b>	<b>3,342,130</b>	<b>3,453,130</b>	<b>5,696,000</b>	<b>18,417,260</b>

**GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY  
2010 - 2014 CAPITAL IMPROVEMENT PLAN  
RTA DEVELOPMENT FUND**

**FUNDING SOURCE**

CATEGORY / PROJECT NAME	PROJECT NUMBER	2010	2011	2012	2013	2014	TOTALS 2010-2014
<b><u>RAIL PROJECTS - Cont.</u></b>							
<b><u>TRACK REHABILITATION</u></b>							
Rail Infrastructure Program	23320190	1,750,000	1,500,000	1,500,000	1,500,000	1,500,000	7,750,000
Federal Grant		1,500,000					
TIP		1,500,000					
TBD		4,750,000					
S-Curve Reconstruction on Heavy Rail Line	23800170	7,230,000	0	0	0	0	7,230,000
TBD		7,230,000					
Airport Tunnel Rehabilitation	23800180	5,650,000	0	0	0		5,650,000
TBD		5,650,000					
Light Rail Crossings Improvements	23800190	2,115,000	2,170,000	0	0	0	4,285,000
TIP		2,115,000					
TBD		2,170,000					
<b>Sub-Total - Track Rehabilitation</b>		<b>16,745,000</b>	<b>3,670,000</b>	<b>1,500,000</b>	<b>1,500,000</b>	<b>1,500,000</b>	<b>24,915,000</b>
<b><u>RAIL STATION REHABILITATION</u></b>							
Lee Road/Van Aken Blvd. LRV Station Rehabilitation	24570240	0	3,925,000	100,000	0	0	4,025,000
TBD			4,025,000				
Woodhill Road LRV Station Rehabilitation	24800220	195,000	0	0	0	0	195,000
TIP		100,000					
TBD		95,000					
East 116th Street LRV Station Rehabilitation	24800370	0	665,000	3,925,000	75,000	0	4,665,000
TBD			4,665,000				
Mayfield Road HRV Station	24570140	50,000	10,256,250	150,000	50,000	0	10,506,250
TIP		50,000					
TBD		10,456,250					



**GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY  
2010 - 2014 CAPITAL IMPROVEMENT PLAN  
RTA DEVELOPMENT FUND**

<b>FUNDING SOURCE</b>							
<b>CATEGORY / PROJECT NAME</b>	<b>PROJECT NUMBER</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>TOTALS 2010-2014</b>
<b><u>RAIL PROJECTS - Cont.</u></b>							
University Circle HRV Station Rehabilitation TIP 25,000 Federal Earmark 2,000,000 TBD 11,510,000	24570160	25,000	13,210,000	250,000	50,000	0	13,535,000
Brookpark Road HRV Station Rehabilitation TBD 14,090,000	24800260	2,000,000	0	0	12,090,000	0	14,090,000
<b>Sub-Total - Rail Station Rehabilitation</b>		<b>2,270,000</b>	<b>28,056,250</b>	<b>4,425,000</b>	<b>12,265,000</b>	<b>0</b>	<b>47,016,250</b>
<b><u>TRAIN CONTROL / SIGNAL SYSTEM</u></b>							
Light Rail (LR) Signal Upgrade - East 79th Street to Shaker Square TIP 0 TBD 8,095,000	26800240	0	0	7,820,000	150,000	125,000	8,095,000
<b>Sub-Total - Train Control / Signal System</b>		<b>0</b>	<b>0</b>	<b>7,820,000</b>	<b>150,000</b>	<b>125,000</b>	<b>8,095,000</b>
<b><u>RAIL VEHICLE FLEET</u></b>							
Tokyu Car (HRV) Overhaul Federal Grant 5,521,250 TIP 2,404,750	47291550	5,526,000	2,400,000	0	0	0	7,926,000
<b>Sub-Total - Rail Vehicle Fleet</b>		<b>5,526,000</b>	<b>2,400,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7,926,000</b>
<b><u>RAIL EXPANSION</u></b>							
Blue Line Extension TIP 0 TBD 49,100,000	34800190	0	2,150,000	2,350,000	22,300,000	22,300,000	49,100,000
<b>Sub-Total - Rail Expansion</b>		<b>0</b>	<b>2,150,000</b>	<b>2,350,000</b>	<b>22,300,000</b>	<b>22,300,000</b>	<b>49,100,000</b>
<b>TOTAL - RAIL PROJECTS</b>		<b>27,445,000</b>	<b>39,298,250</b>	<b>19,437,130</b>	<b>39,668,130</b>	<b>29,621,000</b>	<b>155,469,510</b>

**GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY  
2010 - 2014 CAPITAL IMPROVEMENT PLAN  
RTA DEVELOPMENT FUND**

**FUNDING SOURCE**

CATEGORY / PROJECT NAME	PROJECT NUMBER	2010	2011	2012	2013	2014	TOTALS 2010-2014
<b><u>TRANSIT CENTERS</u></b>							
<b><u>BUS SHELTERS</u></b>							
Passenger Shelters	28540110	0	345,000	0	345,000	0	690,000
TIP	345,000						
TBD	345,000						
<b>Sub-Total - Bus Shelters</b>		<b>0</b>	<b>345,000</b>	<b>0</b>	<b>345,000</b>	<b>0</b>	<b>690,000</b>
<b><u>TRANSIT WAITING ENVIRONMENT</u></b>							
Transit Waiting Environment Program	30570160	0	225,000	0	225,000	0	450,000
TIP	450,000						
Passenger Enhancements	30570180	397,000	0	405,000	0	410,000	1,212,000
Federal Grant: Enhancements	397,000						
TBD	815,000						
<b>Sub-Total - Transit Waiting Environment</b>		<b>397,000</b>	<b>225,000</b>	<b>405,000</b>	<b>225,000</b>	<b>410,000</b>	<b>1,662,000</b>
<b><u>TRANSIT CENTERS</u></b>							
Mayfield / Highland Heights Transit Center	30570230	0	2,125,000	50,000	3,590,000	0	5,765,000
TIP	5,765,000						
Brecksville Transit Center	30570540	0	2,155,000	3,375,000	25,000	0	5,555,000
TIP	5,555,000						
West Side Transit Center	30570640	95,000	1,245,000	1,550,000	8,400,000	0	11,290,000
TBD	95,000						
TIP	11,195,000						
Clifton Transit Enhancement Program	61800190	0	11,100,000	0	0	0	11,100,000
TIP	11,100,000						
<b>Sub-Total - Transit Centers</b>		<b>95,000</b>	<b>16,625,000</b>	<b>4,975,000</b>	<b>12,015,000</b>	<b>0</b>	<b>33,710,000</b>
<b>TOTAL - TRANSIT CENTERS/SHELTERS</b>		<b>492,000</b>	<b>17,195,000</b>	<b>5,380,000</b>	<b>12,585,000</b>	<b>410,000</b>	<b>36,062,000</b>

**GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY  
2010 - 2014 CAPITAL IMPROVEMENT PLAN  
RTA DEVELOPMENT FUND**

**FUNDING SOURCE**

CATEGORY / PROJECT NAME	PROJECT NUMBER	2010	2011	2012	2013	2014	TOTALS 2010-2014
<b><u>FACILITIES IMPROVEMENTS</u></b>							
<b><u>BRIDGE REHABILITATION</u></b>							
Track Bridge Rehabilitation - East Boulevard TIP	20800150	0	1,820,000	0	0	0	1,820,000
			1,820,000				
Track Bridges Rehabilitation - E. 81st & 83rd Streets TIP	20800160	0	448,000	100,000	3,418,500	0	3,966,500
			448,000				
TBD			3,518,500				
Track Bridge Rehabilitation - CSX & East 92nd Street TBD	20800170	0	0	335,000	0	2,325,000	2,660,000
			2,660,000				
Track Bridge Rehabilitation - Light Rail Trunk Line Federal Grant	20800190	2,350,000	0	0	0	0	2,350,000
			2,350,000				
Track Bridge Rehabilitation - Mayfield Road TBD	20800340	0	1,882,500	0	0		1,882,500
			1,882,500				
<b>Sub-Total - Bridge Rehabilitation</b>		<b>2,350,000</b>	<b>4,150,500</b>	<b>435,000</b>	<b>3,418,500</b>	<b>2,325,000</b>	<b>12,679,000</b>
<b><u>System-Wide Facilities</u></b>							
Bus Facilities Lighting Upgrades Federal - TIGER Grant	32800100	1,292,400	0	0	0	0	1,292,400
			1,292,400				
Rail Facilities & Lighting Upgrades Federal - TIGER Grant	32800110	536,600	0	0	0	0	536,600
			536,600				
Woodhill Service Building Roof Federal - TIGER Grant	32800190	428,000	0	0	0	0	428,000
			428,000				
<b>Sub-Total - System-Wide Facilities</b>		<b>2,257,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,257,000</b>
<b>TOTAL - FACILITIES IMPROVEMENTS</b>		<b>4,607,000</b>	<b>4,150,500</b>	<b>435,000</b>	<b>3,418,500</b>	<b>2,325,000</b>	<b>14,936,000</b>

**GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY  
2010 - 2014 CAPITAL IMPROVEMENT PLAN  
RTA DEVELOPMENT FUND**

**FUNDING SOURCE**

<b><u>BUSES</u></b>								
<b><u>BUS IMPROVEMENT PROGRAM</u></b>								
Bus Improvement Program	10390100	0	0	8,200,000	21,350,000	26,160,000	55,710,000	
TIP	0							
TBD	55,710,000							
<b>Sub-Total - Bus Improvement Program</b>		<b>0</b>	<b>0</b>	<b>8,200,000</b>	<b>21,350,000</b>	<b>26,160,000</b>	<b>55,710,000</b>	
<b><u>PARATRANSIT IMPROVEMENT PROGRAM</u></b>								
Paratransit Bus Improvement Program	12390280	0	95,000	2,010,000	0	0	2,105,000	
TIP	95,000							
TBD	2,010,000							
<b>Sub-Total - Paratransit Improvement Program</b>		<b>0</b>	<b>95,000</b>	<b>2,010,000</b>	<b>0</b>	<b>0</b>	<b>2,105,000</b>	
<b>TOTAL-BUSES</b>		<b>0</b>	<b>95,000</b>	<b>10,210,000</b>	<b>21,350,000</b>	<b>26,160,000</b>	<b>57,815,000</b>	
<b><u>EQUIPMENT &amp; VEHICLES</u></b>								
<b><u>Mgt. Information System</u></b>								
Oracle Upgrade to Version 12	42610100	350,000	0	0	0	0	350,000	
TIP	350,000							
Operator Dispatch System	42610180	1,060,000	0	0	0	0	1,060,000	
TIP	1,060,000							
<b>Sub-Total - Mgt. Information System</b>		<b>1,410,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,410,000</b>	
<b>TOTAL - EQUIPMENT &amp; VEHICLES</b>		<b>1,410,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,410,000</b>	

**GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY  
2010 - 2014 CAPITAL IMPROVEMENT PLAN  
RTA DEVELOPMENT FUND**

**FUNDING SOURCE**

**OTHER PROJECTS**

Force Account Labor For Grants TBD	1,500,000	49101240	300,000	300,000	300,000	300,000	300,000	1,500,000
Project Administration For Grants TBD	1,500,000	49111520	300,000	300,000	300,000	300,000	300,000	1,500,000
Paratransit Operating Expenses Reimbursement TBD	3,456,000	49310100	3,456,000	0	0	0	0	3,456,000
TSA - Canine Teams Transit Security Grant	360,000	49340290	120,000	120,000	120,000	0	0	360,000
JARC - ARRA Federal Grant - ARRA	1,863,000	49350100	1,863,000	0	0	0	0	1,863,000
Planning Studies Non-Traditional Grant TIP	120,000 480,000	49570170	120,000	120,000	120,000	120,000	120,000	600,000
Fare Collection Equipment Lease Federal Grant TIP	3,640,500 8,494,500	49650180	2,427,000	2,427,000	2,427,000	2,427,000	2,427,000	12,135,000
Capitalized Operating Expenses Federal Grant TIP	27,284,000 109,136,000	51670190	27,284,000	27,284,000	27,284,000	27,284,000	27,284,000	136,420,000

<b>TOTAL - OTHER PROJECTS</b>	<b>35,870,000</b>	<b>30,551,000</b>	<b>30,551,000</b>	<b>30,431,000</b>	<b>30,431,000</b>	<b>157,834,000</b>
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<b>TOTAL RTA DEVELOPMENT FUND</b>	<b>69,824,000</b>	<b>91,289,750</b>	<b>66,013,130</b>	<b>107,452,630</b>	<b>88,947,000</b>	<b>423,526,510</b>
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<b>TOTAL RTA CAPITAL FUND (Page CIP-30)</b>	<b>2,245,350</b>	<b>2,450,700</b>	<b>2,578,700</b>	<b>2,866,650</b>	<b>2,689,000</b>	<b>12,830,400</b>
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<b>GRAND TOTAL CAPITAL IMPROVEMENT PLAN</b>	<b>72,069,350</b>	<b>93,740,450</b>	<b>68,591,830</b>	<b>110,319,280</b>	<b>91,636,000</b>	<b>436,356,910</b>
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Greater Cleveland Regional Transit Authority  
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Cleveland, Ohio 44113-1331

[rideRTA.com](http://rideRTA.com)