Citizens Summary

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

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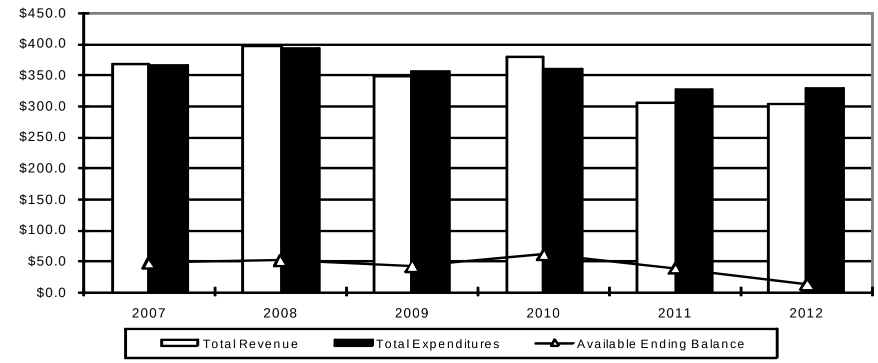
All Funds Analysis

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 27th 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
Total Revenue	**$367.8**	**$397.6**	**$347.8**	**$379.2**	**$305.5**	**$304.2**
Total Resources	$413.3	$444.0	$398.3	$420.7	$365.9	$342.7
Total Expenditures	**$366.9**	**$393.5**	**$356.8**	**$360.3**	**$327.4**	**$329.9**
Available Ending Balance	**$46.4**	**$50.5**	**$41.5**	**$60.4**	**$38.5**	**$12.8**

Figure CS-1: All Funds Balance Analysis

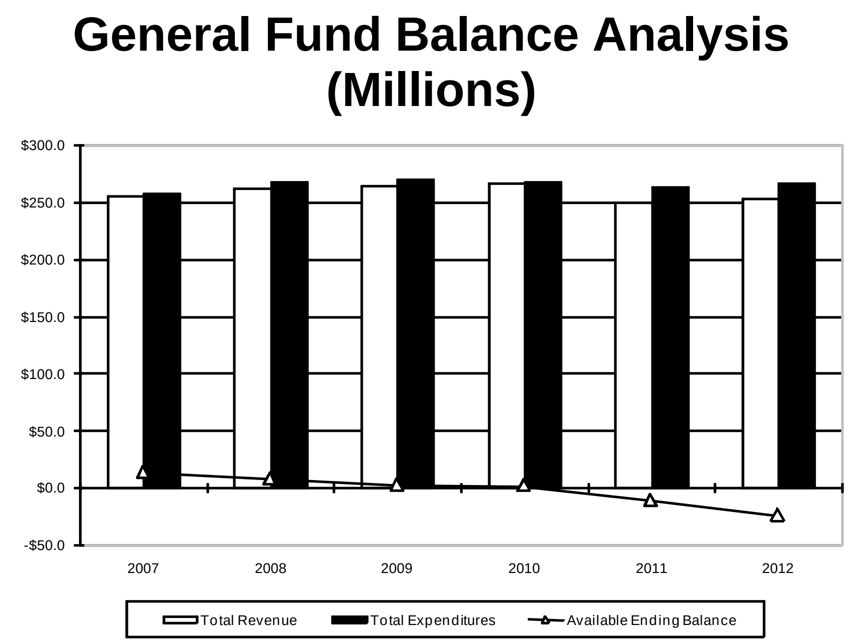
Budget Highlights

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.



	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
Total Revenue	**$255.4**	**$262.1**	**$264.5**	**$266.6**	**$249.8**	**$253.3**
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
Total Expenditures	**$257.2**	**$267.8**	**$270.0**	**$267.2**	**$263.0**	**$266.2**
Available Ending Balance	**$14.0**	**$8.4**	**$2.9**	**$2.3**	**-$10.9**	**-$23.8**

Figure CS-2: General Fund Balance Analysis

Citizens Summary

Budget Highlights

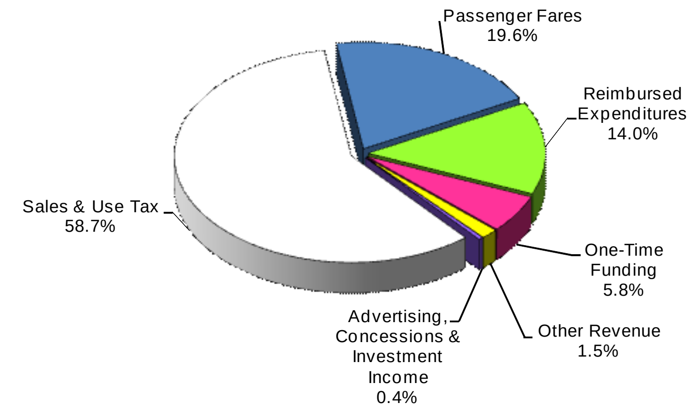
General Fund Analysis, cont.

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 1st 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 &	$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
Total Revenue	**$255.4**	**$261.6**	**$264.5**	**$266.6**	**$249.8**	**$253.3**

Figure CS-3: General Fund Revenue by Source

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
REVENUES						
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
EXPENDITURES						
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%
DEBT STRUCTURES						
Debt Service Coverage	1.81	1.32	1.14	1.06	0.41	-0.15
CAPITAL OUTLAY						
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

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.

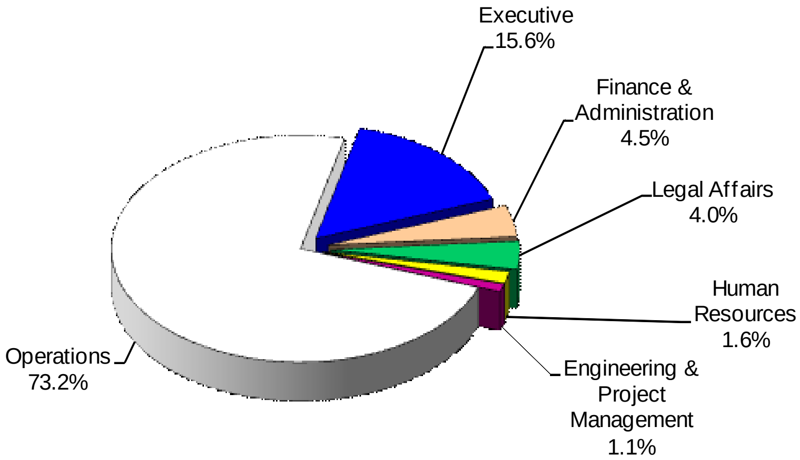
At the summary level, Figure CS-6 presents budgets by summary object classes. In the **Department Budgets** chapter, these cost categories are used for detailing each department's spending authorization. In 2010, Personnel Services accounts for 63.5 percent of the budget, nearly the same as it did last 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

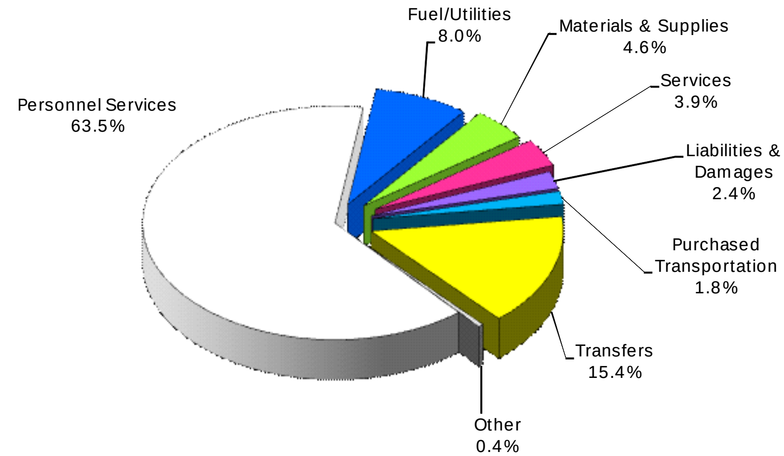
General Fund Expenditures by Division (Millions)



	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 Manageme	$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
Total	**$257.1**	**$267.8**	**$270.0**	**$259.2**	**$262.9**	**$266.7**

Figure CS-5: General Fund Expenditures by Division

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
Total	**$257.1**	**$267.8**	**$270.0**	**$267.2**	**$262.9**	**$266.7**

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

General Fund Expenditures

By Division

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 THRUS	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
	DIVISION TOTALS	**$ 199,519,294**	**$ 204,763,858**	**$ 204,451,965**	**$ 189,650,566**	**$ 193,419,927**	**$ 195,267,725**

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
	DIVISION TOTALS	**$ 10,272,008**	**$ 10,991,729**	**$ 10,631,860**	**$ 11,571,882**	**$ 11,670,374**	**$ 11,769,906**

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
	DIVISION TOTALS	**$ 3,493,909**	**$ 3,601,801**	**$ 2,815,596**	**$ 2,768,222**	**$ 2,777,120**	**$ 2,786,124**

General Fund Expenditures
By Division

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
	DIVISION TOTALS	$ 9,528,937	$ 9,668,415	$ 9,639,484	$ 10,423,684	$ 10,558,274	$ 10,695,040

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
	DIVISION TOTALS	$ 3,507,397	$ 3,956,583	$ 4,117,049	$ 4,309,178	$ 4,350,309	$ 4,390,731

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
	DIVISION TOTALS	$ 30,823,365	$ 34,789,557	$ 38,378,847	$ 40,429,302	$ 40,106,053	$ 41,779,679

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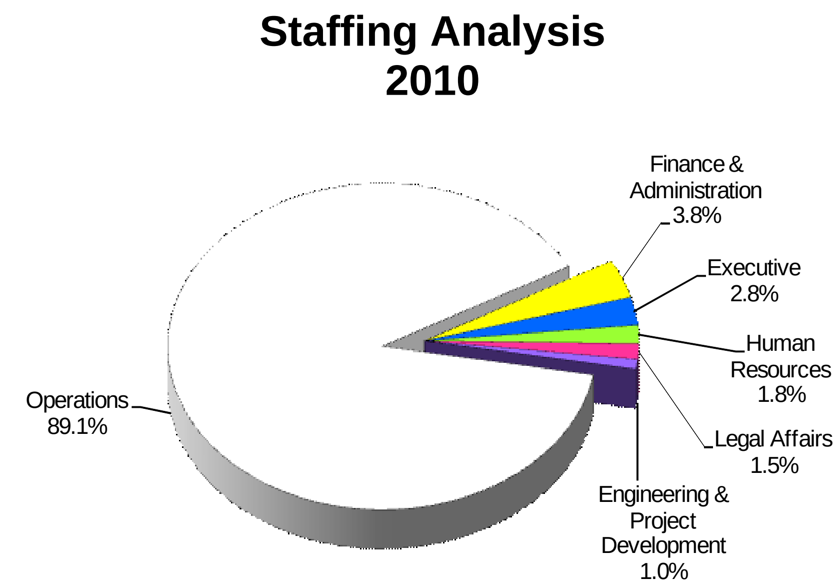
Staffing Analysis

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.



	2008	2009	2010
Operations	2,394	2,305	2,206
Finance & Administration	109	98	95
Engineering & Project Development	35	24	24
Legal Affairs	40	39	38
Human Resources	41	41	45
Executive	74	70	69
Total	**2,693**	**2,577**	**2,477**

Figure CS-7: Staffing Analysis

STAFFING LEVEL COMPARISONS

Authorized Staffing Level by Division

	2008	2009	2010	Variance 2010 - 2009
OPERATIONS				
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)
TOTALS	**2,394**	**2,305**	**2,206**	**(99)**
FINANCE & ADMINISTRATION				
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
TOTALS	**109**	**98**	**95**	**(3)**
ENGINEERING & PROJECT MANAGEMENT				
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)
TOTALS	**35**	**24**	**24**	**0**

LEGAL AFFAIRS				
SAFETY	6	6	6	0
LEGAL	15	15	15	0
RISK MANAGEMENT	19	18	17	(1)
TOTALS	**40**	**39**	**38**	**(1)**
HUMAN RESOURCES				
HUMAN RESOURCES	10	13	15	2
LABOR & EMPLOYEE RELATIONS	6	5	6	1
TRAINING & EMPLOYEE DEVELOPMENT	25	23	24	1
TOTALS	**41**	**41**	**45**	**4**
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
TOTALS	**74**	**70**	**69**	**(1)**
GRAND TOTAL	**2,693**	**2,577**	**2,477**	**(100)**

Citizens Summary

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 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**.

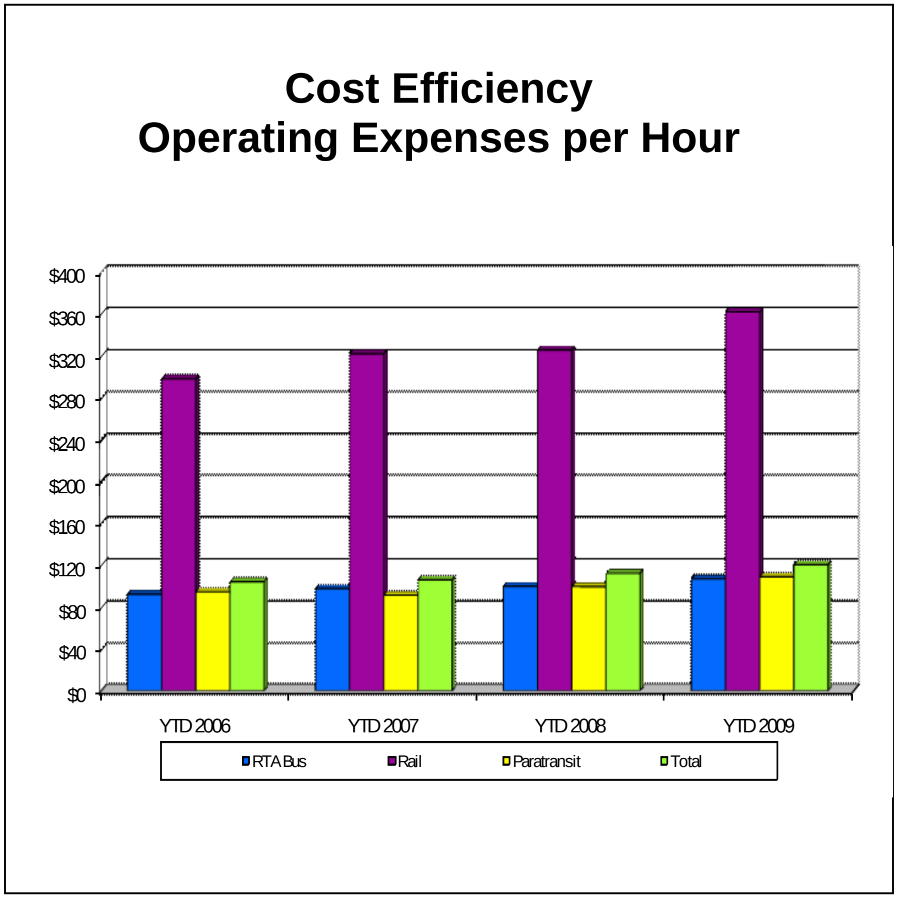
Service Indicators

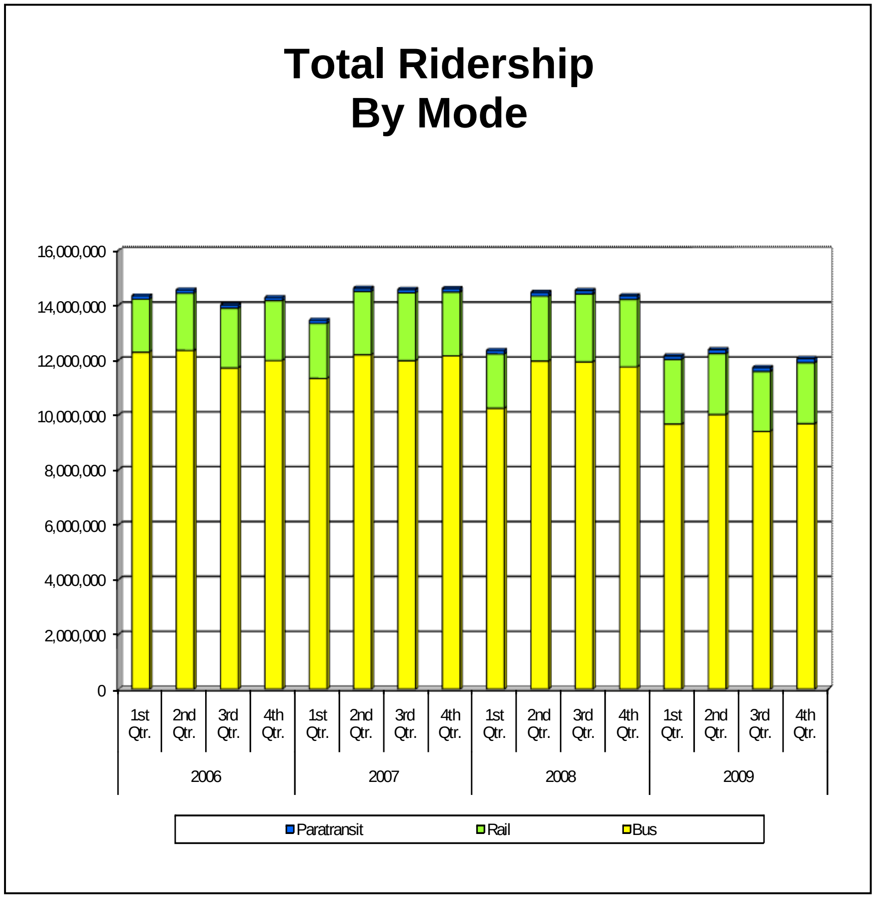
The **Transmittal Letter** provided a discussion of ridership trends and the anticipated impact of service efficiencies in 2010. The next page presents graphs on cost efficiency and ridership by mode over the last four years. The 2010 Budget continues efforts to better match service levels with customer 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





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

- BOARD OF TRUSTEES
  - INTERNAL AUDIT — *Anthony Garofoli*
  - EXECUTIVE — CEO, GENERAL MANAGER/ SECRETARY-TREASURER — *Joseph Calabrese*
    - OFFICE OF EXTERNAL AFFAIRS — *Taras Szmagala*
    - MARKETING & COMMUNICATIONS — *Stephen Bitto*
    - OFFICE OF MGMT. & BUDGET — *Gale Fisk*
    - OPERATIONS DIVISION — *Michael York*
      - TRANSIT POLICE — *John Joyce*
      - SERVICE MANAGEMENT — *Alan Erenrich*
      - SERVICE QUALITY — *Floun'say Caver*
      - FLEET MANAGEMENT — *Douglas Seger*
      - DISTRICT MANAGEMENT — *Michael Hargrove*, *Melvin Clark*, *Kevin Vest*, *Dennis Rehfuss*, *William Eltrich*
    - FINANCE & ADMINISTRATION DIVISION — *Loretta Kirk*
      - OFFICE OF BUSINESS DEVELOPMENT — *Steven Sims*
      - ACCOUNTING — *Glenn Hendrix*
      - INFORMATION TECHNOLOGY — *Hamid Manteghi*
      - SUPPORT SERVICES — *Carol Thomas*
      - PROCUREMENT — *Frank Polivka*
      - REVENUE — *Scott Uhas*
    - ENGINEERING & PROJECT MANAGEMENT DIVISION — *Michael Schipper*
      - PROJECT SUPPORT — *Larry DiLoreto*
      - PROGRAMMING & PLANNING — *Maribeth Feke*
      - ENGINEERING & PROJECT DEVELOPMENT — *Joseph Shaffer*
    - LEGAL AFFAIRS DIVISION — *Sheryl King Benford*
      - SAFETY — *Pamela McCombe*
      - LEGAL — *Kathleen Minahan*, *Kenneth Banks*, *Edward Opett*
      - RISK MANAGEMENT — *Judy Lincoln*
    - HUMAN RESOURCES DIVISION — *Bruce E. Hampton*
      - HUMAN RESOURCES — *Bruce E. Hampton*
      - LABOR & EMPLOYEE RELATIONS — *Scott Ferraro*
      - TRAINING & EMPLOYEE DEVELOPMENT — *Robert Baggs*

Citizens Summary
Profile of Service Area (Cuyahoga County)

AREA & TRANSPORTATION STATISTICS:	
Registered Motor Vehicles (2009)	1,058,471
Registered Passenger Cars (2009)	869,877
Mean Travel Time (in minutes)	24.4
Square Miles	458.49
Municipalities	57
Townships	2
School Districts	33
Colleges and Universities	8
Largest City	Cleveland
Miles of County & Municipal Maintained Roads	1020

POPULATION:	1990 Census	2000 Census
Total Population	1,412,140	1,393,978
Percent Minorities	28.4%	34%
Percent Over Age 64	15.70%	15.60%
Percent Under Age 25	33.30%	32.90%
Persons per Square Mile	3,081	3,040
Total Households	563,243	571,457
Population Per Household	2.46	2.39
Median Household Income	$35,749	$36,754
Per Capita Money Income	$14,912	$15,067

CUYAHOGA COUNTY LEADING SOCIO/ECONOMIC INDICATORS BY YEAR:

	2004	2005	2006	2007	2008	2009
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%

OVERVIEW OF 2009:

- In 2009, assessed valuation in Cuyahoga County decreased from $31.9 million in 2008 to $29.6 million.
- Sales tax has consistently decreased over a short period time. Year-end 2009 collections for sales tax were 10.9% lower than 2008.
- 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.

OUTLOOK FOR 2010-2012:

- 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.
- 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.
- Leading economic indicators suggest that employment will increase at a steady pace toward the end of 2010 and into 2011 and national unemployement will remain moderately high close to 10%. This region's economy will conintue to be sluggish compared to the National growth.

Downtown Cleveland

Rapid Transit & Connecting Routes

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