

# 2024 Budget Guide

## Organization of the Adopted Budget Plan

The purpose of this section is to describe the contents of the 2024 Operating and Capital Budgets (Adopted Budget Plan) for the Greater Cleveland Regional Transit Authority (GCRTA, RTA, or Authority).

## Transmittal Letter

The Transmittal Letter is the General Manager/Chief Executive Officer's (CEO) Executive Letter, which provides an overview of the Authority's operations, and finances for the upcoming fiscal year. It includes the Citizens' Summary, which explains the revenues, expenditures, staffing, and service indicators. The Transmittal Letter also includes a Budget in Brief, attachments of the Fund Statements, and Financial Objectives.

## Budget Guide

The Budget Guide explains the Authority's Financial and Budgetary policies, including Debt Financing, and the explanation of the policies' adoption, implementation, and monitoring. The Budget Guide also contains a description of the Budget Process, a Budget Calendar, a Profile of the Service Area, and references a Glossary of terms.

## Fund Budgets

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. An analysis of the Authority's financial condition is based on these trends.

## Department Budgets

The Department Budgets present the Adopted Budget Plan for each department. These sections describe the divisions, prior year's achievements, upcoming priorities for the budget year, and the current performance measures (Traction Scorecards). For each department, an overview, connection to the strategic plan, individual budgets, staffing level summaries, and organizational charts are provided.

## Capital Improvement Plan

The Capital Improvement Plan itemizes capital projects approved for 2024 and those planned for 2025 through 2028. This section discusses funding sources, debt limits, capital improvement planning cycle, and the criteria used to establish priorities.

## Board Policy Goals

On October 27, 2020, the RTA Board of Trustees unanimously approved adoption of the [Strategic Plan](#).

The Authority has partnered with the community to develop a Strategic Plan that will shape the agency through the year 2030. The Strategic Plan provides a guide for enhancing the customer experience and pursuing capital improvements over the next decade. The planning process included several pillar studies, technical analyses, and robust community engagement to create a cohesive plan. The study highlights vision, goals, existing conditions, strategy identification, and recommendations. With a geographic focus on Priority Corridors in transit oriented urban areas as well as job hubs across the region, the Strategic Plan points to seven key initiatives to create the framework for the future.

RTA will be customer-focused and community-engaged in order to drive the region forward. This undertaking encapsulates RTA's need to focus on the service to its customers, while considering the larger societal conversations across the region.

Through the Strategic Plan, the CEO initiated a process to establish a clear vision and definition for the success of the Authority. The process engaged a consultant to collaborate with the Executive Management Team to redefine the Mission, Vision, and Success Outcomes for GCRTA and to develop TRACTION, a program to develop and track strategies to improve performance. An update to TRACTION is presented to the Board of Trustees quarterly.

## Financial Policies

The Authority adopted a set of financial policies in 1989 relating to its overall finances and particular funds. Over the years, the policies were amended through the Strategic Plan, reflecting the growth experienced by GCRTA with the last update on December 21, 2021. The Financial Policies are under Part Four- Finance Code of the Board Codified Rules and Regulations, specifically Chapter 460: Financial Policies and Procedures, Funds.

Chapter 460 of the Codified Rules and Regulations provides a comprehensive framework for the management of revenues and financial resources of the Authority. It provides guidelines for decision-making by the Board of Trustees and management on how the financial resources of the Authority shall be used to achieve the Authority's mission to provide public transportation services; to meet the obligations of the Authority; and to protect the public interest.

The financial policies cover the following areas: General Fund, Reserve Fund, Capital Improvement Fund, Bond Retirement Fund, Insurance Fund, Supplemental Pension Fund, Law Enforcement Fund, and investment of Authority's funds. The following goals and priorities are Board approved for the General Fund, Capital Improvement Fund, and Bond Retirement Fund.

<u>Goal</u>	<u>Value</u>
Operating Ratio	> 25%
Operating Ending Balance	Reserve $\geq$ 1 month
Growth in Cost per Service Hour	$\leq$ rate of inflation
Debt Service Coverage	$\geq$ 1.5
Sales & Use Tax Revenue allocated annually to Capital Improvement	$\geq$ 10%
Capital Maintenance Outlay to Capital Expansion	75 $\leq$ $\geq$ 90%

Detailed explanations of these policies are identified in the following policy statements.

## ALL FUNDS

***Policy Goal:*** *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:*** By law, the budget must be balanced. Expenditures cannot exceed available resources. A balanced budget occurs when one of the following occur:

- A. Total expenditures equal total revenues.
- B. Total expenditures are less than total revenues, called a **surplus**
- C. Total resources (previous year balance plus current year revenues) are greater than total expenditures.

***Implementation:*** The Board of Trustees ("BOT" or "Board") has adopted other policy goals that go beyond the statutory requirement listed above and requires certain reserves in each fund. The specific requirements are discussed under the appropriate fund policy statement.

In the General Fund budget for 2024, resources total \$357.5 million (current budgeted revenues of \$335.5 million plus a beginning balance of \$22.1 million). Total budgeted expenditures for 2024 is \$333.8 million, which is within the resources available. The available ending balance of \$23.6 million, represents less than 1.0 month reserve which does not meet the one-month reserve requirement.

***Policy Goal:*** *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 delivers 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 of services possible. When services and operations are well-managed, and costs are contained, the Authority can provide greater services.

***Implementation:*** For the General Fund, the policy limits growth in the cost of providing services (measured by cost per hour of service) to no more than the rate of inflation. This policy goal allows the Authority to maximize the use of its resources and provide the most direct service possible.

The operating expenditures budgeted in the 2024 General Fund, which exclude transfers to other funds, are \$293.6 million, which represents an increase of 4.0% over the 2023 budget and an increase of 5.6% over the 2023 projected expense. The 2024 budget includes an increase in service hours of 2.9% due to increasing demand for Paratransit services. The inflation rate for 2024 is projected to be 2.8%.

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 are also 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.

---

**Policy Goal: 460.09(a) Achieve the maximum financial return for the Authority 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:** Investment income is a material resource for the Authority and makes funds management a priority. Investment decisions should attempt to increase yields without risking the principal or the liquidity position. Idle cash balances will be invested whenever possible to maximize investment income.

**Implementation:** Monthly reports summarizing investment transactions and earnings are provided to the Board. The Ohio Depository Act (ORC 135) and the Authority’s cash management investment policy allow the Authority to invest in various types of financial instruments. As of December 31, 2023, GCRTA’s investment portfolio comprised of:

<b>Financial Instrument</b>	<b>Average Maturity</b>
Money Market Account	4 days
Key Bank Sweep Account	4 days
State Treasury Asset Reserve of Ohio (STAR Ohio)	4 days
Earnings Credit Rate Account	4 days
US Government Securities	604 days

GCRTA’s average yield on its portfolio during 2023 was 4.25%. This is 79 basis points below the performance standard yield of 5.04% and 70 basis points below the market average yield of 4.95%. The 2024 investment income is budgeted at \$6,345,000.

## GENERAL FUND

---

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

**Rationale:** It is the policy of the 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 that its constituents demand.

**Implementation:** Total Revenues in the General Fund at the end of FY 2023 totaled \$299.7 million. Ridership losses due to the COVID pandemic have negatively impacted passenger fare revenue. Ridership at the end of 2023 totaled 18.8 million riders, a 19.0% increase from 2022, but a 30% drop from 2019 (pre-COVID levels). Sales and Use Tax revenue has increased by 23.4%, compared to 2019 levels, mainly due to an increase in on-line sales.

---

**Policy Goal: 460.02 (c)(1) The goal for the Operating Ratio (Operating revenues divided by operating expenses) is to be greater than 25% with a long-range objective of having operating revenue cover an increasing proportion of operating expenses.**

**Rationale:** A higher Operating Ratio indicates that the Authority is becoming more self-supporting and less reliant on other sources of income. A lower Operating Ratio indicates that customers are paying a lower portion of the operating cost.

**Implementation:** Operating Revenues include passenger fares, advertising, concessions, and investment income. Operating Expenses include all expenditures of the General Fund less reimbursed labor, which are charged to and reimbursed by the Capital Improvement Program.

As Operating Revenues decreased due to lost ridership and the COVID pandemic, and as Operating Expenses are increasing, the Operating Ratio for 2024 is projected to be 10.5%. Prior to the pandemic, the Operating Ratio was approximately 17%. The Operating Ratios for 2025 and 2026 are projected at 10.1% and 10.2%, respectively.

---

***Policy Goal: 460.02(c)(2) In order to maintain an adequate fund balance to mitigate current and future risks, the Authority's goal shall be to maintain a general fund balance of at least one month's operating 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. If the financial forecast projects the ending balance to be below this level, a plan shall be developed to replenish the fund balance.

**Implementation:** This policy goal is expected to be met with a budgeted amount of \$24.4 million or approximately one month of operating reserve funding available for 2024. The Authority created a Revenue Stabilization Fund which provides a safety net for the General Fund during economic downturns. The 2024 budget includes a \$30 million transfer from the Revenue Stabilization Fund with a plan for \$35 million in 2025 and \$34 million in 2026 to maintain an adequate balance.

---

***Policy Goal: 460.02 (c)(3) The goal for growth in the cost of delivering a unit of service (cost per service hour) shall be kept at or below the rate of inflation.***

**Rationale:** As a means of measuring cost containment, direct costs should not be permitted to increase faster than overall price levels.

**Implementation:** As of the writing of this document, service hours for 2024 are budgeted at the same level as the 2023 budget. The cost per service hour is budgeted at \$160.99, a 2.6% decrease from 2023.

Inflation has decreased from over 9 percent in mid-2022 to an estimate of 3.4% by the start of 2024 and is forecast to remain between 2.5% and 3% in 2024. The Congressional Budget Office as of December, 2023 forecasts the consumer price index to average 2.5% by year-end 2024. This policy goal is expected to be met in 2024. The Authority will ensure that Operating expenses are managed throughout the year.

---

***Policy Goal: 460.02(c)(4) Debt service coverage (Total operating revenue minus operating expenditures, divided by debt service requirements) will be at a minimum of 1.5.***

**Rationale:** The Authority should comfortably support debt service payments. The excess from general obligations should be used as the measure to not jeopardize the financial condition of the Authority.

**Implementation:** GCRTA completed a debt defeasance in 2021 and paying off approximately \$57.7 million of debt obligations early and provide average savings of \$6.0 million per year through 2026. The Authority has traditionally used debt sparingly, and as a result of the debt defeasance, the debt service coverage goal will be exceeded. The goal of the debt service coverage is to be above 1.5. The Debt Service Coverage ratio has been maintained over the 1.5 goal since 2015. The budget for 2024 is projected at 4.8. The debt coverage is projected at 4.6 in 2025 and 6.0 in 2026, exceeding the goal.

## Reserve Fund

---

***Policy Goal: 460.03(a) A Reserve Fund containing sub-accounts may be established and maintained to protect the Authority from economic downturns.***

**Rationale:** The Authority recognizes that there are areas in which dollars must be set aside, or reserved, in order to ensure adequate dollars are available to continue operation and meet its obligations.

**Implementation:** Six sub-funds have been created that make up the Reserve Fund. These include funding for fuel, compensated absences, hospitalization, 27<sup>th</sup> pay, rolling stock, and revenue stabilization. The ending balance for 2024 is budgeted at \$135.9 million.

---

***Policy Goal: 460.03(b)(1) Reserve for Fuel***

**Rationale:** Annual savings that result when actual expenditures are less than the budgeted line item for fuel may be placed in this sub-account to protect the Authority from a significant and continuing rise in fuel prices.

**Implementation:** From FY 2024 through 2026, GCRTA does not plan to add any additional funds to the Fuel reserve outside of regular investment income. The FY 2024 budgeted balance is \$2.9 million dollars.

---

***Policy Goal: 460.03(b)(2) Reserve for Compensated Absences***

**Rationale:** Excess funds from the General Fund may be placed in this sub-fund to ensure payment to employees for vacation time that has been earned. This reserve shall not exceed twenty-five percent of the accrued liability for compensated absences.

**Implementation:** From FY 2024 through 2026, GCRTA does not plan to add any additional funds to the compensated absences fund outside of regular investment income. The FY 2024 budgeted balance is \$4.1 million dollars.

---

***Policy Goal: 460.03(b)(3) Reserve for Hospitalization***

**Rationale:** Excess funds from the General Fund may be placed in this sub-Fund to protect against any substantial cost increases from unfunded mandates or costs for any catastrophic illnesses. The reserve shall not exceed 10% of annual hospitalization costs.

**Implementation:** From FY 2024 through 2026, GCRTA does not plan to add any additional funds to the hospitalization fund. The FY 2024 budgeted balance is \$2.9 million dollars.

---

***Policy Goal: 460.03(b)(4) Reserve for 27<sup>th</sup> Payroll Expenses***

**Rationale:** The Authority has two different payroll cycles; one for hourly employees and the other for salaried employees. Within each cycle, there is an extra pay date (27<sup>th</sup> payroll expense) that occurs every eleven years.

This reserve shall be funded to the best of the Authority's ability in order to plan for this additional payroll expense.

**Implementation:** The 27<sup>th</sup> pay for salaried employees occurred in FY2020 requiring a \$1.45 million dollar transfer to the General fund to cover the associated costs. The 2024 budget has a \$878,615 transfer from the General Fund and an ending balance of \$7.0 million dollars. The 27<sup>th</sup> pay for hourly employees will occur in FY 2025.

---

***Policy Goal: 460.03(b)(5) A Rolling Stock Replacement Fund***

**Rationale:** Account to set aside funds to systematically replace aging revenue vehicles. Funds should be amassed in this replacement fund and then transferred to the Capital Improvement Fund to assist in meeting this major capital requirement.

**Implementation:** In 2017, the Authority began setting aside funds into the Rolling Stock Replacement Fund. The Rolling Stock Replacement Fund has received transfers of at least \$10 million each year since 2020 with a plan to continue adding \$10 million per year through 2026. In 2021, 439 million dollars was transferred from the Rolling Stock Replacement Fund to the RTA Development Fund with \$10 million transferred in 2022 and 2023 to for the replacement of the aging rail vehicles. A transfer of \$10 million is budgeted in 2024. The ending balance is budgeted at \$0.8 million.

---

***Policy Goal: 460.03(b)(6) Reserve for Revenue Stabilization***

**Rationale:** Account to set aside funds to protect against substantial decreases in revenues. Funds should be amassed in this stabilization fund and then transferred to the General Fund when needed to maintain a one-month ending balance.

**Implementation:** The Board of Trustees established this reserve fund in late 2021 to provide additional resilience to revenue volatility and allow GCRTA to have the resources available to maintain essential services to the community despite revenue fluctuations and economic downturns. Volatility was seen several years ago during the COVID-19 pandemic in Passenger Fare revenue. For FY 2024, the budgeted balance is \$118.1 million. The Revenue Stabilization Fund received transfers of \$85 million in 2021, and \$50 million in 2022. A transfer of \$6.5 million from the Revenue Stabilization fund to the General Fund was planned in 2023 but was not needed. A transfer of \$30.0 million is budgeted in 2024 to ensure a one-month ending balance.

## INSURANCE FUND

***Policy Goal: 460.06(b) 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. The Risk Manager determines the basis for the Insurance Fund structure and coverage levels.***

**Rationale:** The Authority desires to save funds by implementing the most appropriate balance of insurance to address claims. Sufficient resources must be set aside to provide security against business risk, for major property claims, and to purchase specified insurance.

**Implementation:** The General and Insurance Funds provide for the payment of the insurance purchased on the open market. The Insurance Fund includes a mix of self- and purchased- insurance. For 2024, \$3.1 million is

budgeted for Casualty Insurance and Excise tax, claims and liability payments, insurance broker fees, and other related expenditures.

---

***Policy Goal:*** *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 on the results of periodic actuarial studies of the Fund to assess its sufficiency.*

***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.

***Implementation:*** Ordinary and routine losses are paid through the Legal Department's General Fund Budget, whereas claims and insurance premiums for catastrophic and extraordinary losses are budgeted in the Insurance Fund. The Risk Manager's requirements depend on the insurance provider requirements. The required minimum balance is \$5.0 million. For FY2024, expenditures are projected at \$3.1 million. A transfer of \$2.5 million is needed from the General Fund to maintain the \$5.0 million balance. The budgeted ending balance is \$6.1 million and would exceed the policy goal.

## SUPPLEMENTAL PENSION FUND

***Policy Goal: 46o.07(c)*** *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:*** A periodic evaluation 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). The obligations have decreased over time and are projected to remain below \$10,000 per year. The Supplemental Pension Fund has been determined to be adequately funded and no longer requires a transfer from the General Fund under the current ATU agreement.

## LAW ENFORCEMENT FUND

***Policy Goal: 46o.08(b)*** *The expenditure of monies from the Law Enforcement Fund shall be in accordance with the guidelines established by the United States Attorney General on seizure and forfeiture of property and shall be limited to expenditures not otherwise budgeted.*

***Rationale:*** The funds are restricted by state law which prohibits the funds from being used to supplant the budget, and all expenditures of those funds must adhere to legal requirements on purposes and usage.

***Implementation:*** The Law Enforcement Fund had expenditures of \$26,995 in 2023 to purchase vehicles and other non-budgeted items. The 2024 budget provides expenditure authority of \$25,000.



## CAPITAL IMPROVEMENT FUNDS

---

***Policy Goal: 460.04(a) The Capital Improvement Funds shall be used to account for the construction and acquisition of major capital facilities and equipment. It shall include funds to match federal and state grants as well as funds to be used for capital construction and acquisition without the benefit of any grant funding. The Capital Improvement Fund will consist of the RTA Capital Fund and the RTA Development Fund.***

***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. 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 portion of capital projects, but the Authority must have adequate local matching funds available to qualify for federal, state and other financing grants.

***Implementation:*** In 2020, the GCRTA Codified Rules and Regulations were updated and included additional clarification defining the capital funds and definition of a capital expenditure (sections b, c, and e below).

---

***Policy Goal: 460.04(b) Projects that are locally-funded, smaller and more routine in nature, generally less than one-hundred-fifty thousand dollars (\$150,000) and have a useful life not exceeding five (5) years, will primarily be budgeted in the RTA Capital Fund. The RTA Capital Fund and the RTA Development Fund (460.04(c)) are both in the Capital Improvement Fund.***

***Rationale:*** The above policy clarifies that the RTA Capital Fund is the fund used for smaller projects based on the criteria set forth.

***Implementation:*** The RTA Capital Fund is designated for smaller, locally-funded projects in a separate fund from larger projects funded in the RTA Development Fund. The Codified Rules designate separate funds for each to provide clarity between the RTA Capital Fund and the RTA Development Fund. The source of funding for RTA Capital Fund is primarily the Sales & Use Tax transferred from the General Fund. Projects fall into two categories: 1) Routine Capital for the purchase of non-revenue vehicles and small equipment and 2) Asset Maintenance, which includes small rehabilitation projects maintain existing assets.

---

***Policy Goal: 460.04(c) The RTA Development Fund consists of projects that are larger, generally greater than one-hundred-fifty thousand dollars (\$150,000) and have a useful life greater than five (5) years. These projects can be supported through local, federal, and state funding, of which, federal and state funding may require a local match. The RTA Capital Fund (460.04(b)) and the RTA Development Fund are both in the Capital Improvement Fund.***

***Rationale:*** The above section of the policy clarifies which fund within the Capital Improvement Fund is to be used for larger projects based on the criteria set forth.

***Implementation:*** The Codified Rules designate a separate fund for larger projects that have a useful life beyond five years. Projects funded at least in part through State or Federal grants are planned in the RTA Development Fund. The Authority has combined debt financing and direct allocations of Sales & Use Tax receipts to fulfill its local match financial commitment to the capital program. In 2024, the Sales Tax Contribution to Capital is budgeted at 10.0%. The contribution projected for 2024 and 2025 are 10.0% each year.

---

***Policy Goal: 460.04(d) 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, Federal Highway Administration (FHWA) programs of the Federal Transit Administration (FTA), and the Federal Emergency Management Agency (FEMA).***

***Rationale:*** Various 'formula' grants are usually allocated to systems based on service or demographic indicators. Discretionary grants are competitive and require the maintenance of positive relationships, solid planning, and well-conceived projects. The Authority strives to maximize grant funding in order to best leverage local funds to maintain a State of Good Repair (SOGR) in its capital assets. 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 to meet the needs of its capital program.

***Implementation:*** The limited availability of funding at the Federal, State, and Local levels means the Authority can only focus on the most essential and realistic capital projects during the 2025-2029 CIP development process and continue its focus on SOGR projects. The Authority received federal funding of \$130.0 million in 2023 from the Infrastructure Investment and Jobs Act (IIJA) to be used for the Rail Car Replacement Program. The Authority will continue to aggressively pursue and explore any and all non-traditional funding opportunities. Competitive grants such as Urban Transit Program (UTP), Ohio Transit Partnership Program (OTP2), Northeast Ohio Areawide Coordinating Agency Enhanced Mobility Program (NOACA 5310), Diesel Emission Reduction Grant (DERG), and Congestion Mitigation & Air Quality (CMAQ) can boost the ability to complete SOGR projects and preventive maintenance projects. Complete breakdown of the Capital Improvement Revenue by Source can be found in the Capital Section Figure 49.

---

***Policy Goal: 460.04(e) Items that have a useful life in excess of one year and an acquisition cost in excess of five thousand dollars (\$5,000) are considered to be capital expenditures.***

***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.

***Implementation:*** This policy has been used in the past to develop the annual capital budget. The focus of the Authority's capital program has been on achieving a SOGR through the maintenance, rehabilitation, and replacement or upgrade of existing capital assets rather than on expansion activities.

---

***Policy Goal: 460.04(f) An amount of at least 10 percent of Sales Tax revenues shall be allocated to capital improvement 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 portion of capital projects, but the Authority must have adequate local matching funds on hand in order to qualify for FTA grants.

**Implementation:** The Authority has combined debt financing and direct allocations of Sales & Use Tax receipts to fulfill its financial commitment to the capital program. The outstanding debt for the Authority totaled \$34.4 million in Sales Tax Revenue Bonds at the end of 2023. In 2024, the Sales Tax Contribution to Capital is budgeted at 10% to assist in the Capital Improvement Program and to pay debt premiums. The contribution to capital projected for 2025 and 2026 are both at 10%.

---

***Policy Goal: 460.04(g) Recognizing that the capital program requires a critical balance between maintenance of existing assets and expansion efforts, the following policy objective will be used to develop the annual capital budget. The goal percent of capital maintenance outlay to capital expansion outlay will be a minimum of 75% and maximum of 90%.***

**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.

**Implementation:** This policy has been used in the past to develop the annual capital budget. The focus of the Authority's capital program has been on achieving a SOGR through the maintenance, rehabilitation, and replacement or upgrade of existing capital assets rather than on expansion activities. At 100% for the FY 2024 budget, the Authority's emphasis continues to be on maintaining and improving its assets rather than an expansion of the system. This measure is planned at 100% for 2025 and 2026, due to many SOGR capital maintenance projects including the bus improvement program, rail car replacement program, reconstruction of heavy and light rail stations, and track infrastructure projects.

## BOND RETIREMENT FUND

---

***Policy Goal: 460.05(a) Will be used to provide the funds necessary for the payment of principal and interest on debt obligations is deposited in the Bond Retirement Fund.***

**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:** The Authority has issued debt sparingly due to the benefits of Federal and State grant funding. The last debt issuance was made in 2019 for \$30 million. With CARES Act, CRRSAA and ARPA covering operating needs, extra Sales & Use Tax funding was used for a debt defeasance to reduce debt obligations by approximately half and increase financial security. In 2021, GCRTA defeased approximately \$57.7 million of debt. The last of remaining debt is now scheduled to expire in 2030.

---

***Policy Goal: 460.05(b) Each month, Sales and Use Tax revenues in an amount, together with anticipated investment earnings on the amounts deposited, calculated to accumulate sufficient***

*funds to meet the next ensuing principal and interest payments due on the Authority's un-voted general obligation notes and bonds, is deposited in the Bond Retirement Fund. The balance in that Fund will drop to near zero balance once each year in conformance with Federal tax law restrictions on arbitrage earnings.*

**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:** Total outstanding debt for the Authority totaled \$34.4 million in Sales Tax Supported bonds at the end of 2023. Principal and interest payments are budgeted at \$9.5 million per year in 2024 and 2025 and at \$7.6 million in 2026. The ending balance needed in each fiscal year will cover 1/12 of the principal and 1/6 of the interest for the following fiscal year. In FY 2024, the ending balance needed is approximately \$1.0 million.

## Debt Financing

The Authority infrequently issues Sales Tax Supported bonds to meet the Authority's needs. The Bond Retirement fund was set up to meet the annual obligations on the Authority's outstanding debt. The Authority currently holds an "AAA" rating with S & P and an "Aa1" rating with Moody's. More detail on the Bond Retirement fund can be found in the Fund Budgets section.

Ohio law also permits the Authority to issue both voted and un-voted 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. Since the Authority has not had any debt service backed by property tax revenue and has no plans to do so in the foreseeable future, this restriction does not impact the FY 2024 budget.

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

**Impact:** The provision is not currently applicable since debt obligations have not required the use of ad valorem property taxes for debt service payments. Further, the 1.50 mill limitation (based on the county's assessed valuation of \$35.1 billion) is not currently restrictive in view of the Authority's debt requirements.

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

**Impact:** Based on the 2022 valuation, the annual debt service capacity of one-tenth of one percent would be \$35.1 million. The Authority does not have any GO bonds outstanding.

3. **Restriction:** The total amount of annual debt service on un-voted general obligation (GO) bonds issued by overlapping subdivisions is limited to ten mills of assessed valuation in each political subdivision. Overlapping subdivisions include Cuyahoga County and various municipalities, school districts, and townships within the taxing district.

**Impact:** The ten-mill limit provision pertains to all un-voted debt regardless of the source of payment and historically has been the most restrictive to the Authority. The required tax rate in mills for 2023 is less than 7.5 mills.

## Budget Management Process

For the Authority, the fiscal and calendar years coincide. The operating budget process begins in June with the development of the [Tax Budget](#), and in August with the development of the Capital and Operating Budgets. The Authority prepares a Tax Budget as required by the Ohio Revised Code for being a political subdivision of the State of Ohio.

The Capital Budget and the Tax Budget are essential components of the base level appropriations assumed for the succeeding budget cycle. The development of the tax budget begins the annual budget process for both operating and capital.

## Capital Improvement Plan (CIP)

**The Capital Improvement Plan (CIP)** provides a five-year plan to provide for the purchase, maintenance, and improvement of the Authority's capital assets. The CIP cycle begins in August, 14 months prior to the October start of the federal fiscal year and 17 months prior to the January start of the Authority's fiscal year. For example, the CIP cycle starts with departments submitting capital request in September 2023 that would be programmed for the CIP budget in fiscal year 2025.

Process:

- September through November – **Department** submits capital requests.
- February - Capital Program Working Group (**CPWG**) reviews and ranks requests using Federal Transit Administration (FTA) asset management standards. CPWG consists of departments, project managers and Office of Management & Budget (OMB).
- March to April - the Capital Program Oversight Committee (**CPOC**) reviews each of the recommended projects, aligns funding and identifies the priority projects to be implemented in the five-year capital plan. The CPOC consists of Chief Deputy General/CEO, Deputy General Managers and members of OMB.
- May - the 5-year CIP Resolution is presented to the **Board of Trustees** at a public hearing during a committee meeting. The first year out of the five-year CIP budget is approved by Resolution.
- June – the Northeast Ohio Areawide Coordinator Agency (**NOACA**), Northeast Ohio's Metropolitan Planning Office (MPO), submits the five-year CIP to the Ohio Department of Transportation (**ODOT**) and the Federal Transportation Administration (**FTA**) for submission in the next federal fiscal year, beginning the following October.

### 14 Month CIP Timeline Highlights from Project Origination to Project Funding



**The Operating Budget** provides annual funding for the daily operating activities of the Authority.

- The Operating Budget cycle begins in June with the creation of the **Tax Budget**. The Tax Budget is developed to estimate the next fiscal year expenses and receipts. The Tax Budget is presented to the Board of Trustees for approval in July, and a public hearing is held. Once approved, the Authority submits a copy of the Tax Budget to the Cuyahoga County Fiscal Officer and the State Auditor.
- OMB staff adjust the budget basis starting in August for any nonrecurring costs, contracts, binding commitments, or inflation to develop the **Base Budget**, which serves as the starting point for the following year's operating budget development. The Base Budget consists of budgets from each of the Divisions and Departments. The Department directors and managers review their base budgets and submit requests for adjustments. New requests are reviewed by OMB. Discussions are held in mid-September between OMB and the Departments to settle on the Base Budget which includes staffing level, commitments, recurring costs, and recommended initiatives under the direction of the General Manager/CEO.
- The finalized **General Manager/CEO's Recommended Budget** is the sum of the refined Base Budgets and negotiated adjustments. It satisfies the Authority's financial policies and supports the Authority's mission and strategic direction. The General Manager/CEO's Recommended Budget along with the service levels for the next fiscal year is presented to the Executive Management Team (EMT) in October and then presented to the Board of Trustees in November and December. Public hearings are held in November and December.
- The review process culminates in the formal adoption of a budget resolution by the **Board of Trustees** at the December Board Meeting. OMB loads the operating budget for the new fiscal year.

### 12 Month Operating Budget Highlights from Tax Budget to BOT Approval



## Budget Monitoring and Control

OMB monitors all revenues and expenses monthly. The Authority focuses largely on the top two outside revenue sources that support the Operating Expenditures (Passenger Fares and Sales and Use Tax) and the top three expenditures (Salaries/Overtime, Payroll Taxes/Fringe Benefits, and Services/Materials & Supplies) since these are the lion's share of overall financial performance. Quarterly financial reports inform the General Manager/CEO and the Board of Trustees (BOT) on how revenues and expenses are performing compared to the budget throughout the year. This report is used to determine whether adjustments are needed to realign the current year budget and to provide information for future year planning. Interdepartmental transfers are the main method to adjust the Operating Budget. The BOT's General Manager/CEO has the authority to transfer appropriations within and between departments, which are reported monthly to the BOT. An increase to the overall budget appropriation may be needed at times, which requires BOT approval.

The General Manager/CEO has the authority to upgrade or reclassify staff positions. Positions may be reallocated between departments and divisions, providing the overall staffing level remains at the level approved by the BOT for the budgeted year. This allows flexibility in making staff decisions. If an increase in budgeted positions is needed during the year, prior approval by the BOT would be required.

**BUDGET DEVELOPMENT CALENDAR: OPERATING (O) & CAPITAL (C)**

<p><b>January</b></p> <ul style="list-style-type: none"> <li>•O: Finalize Previous Fiscal Year-end</li> <li>•O/C: Finalize Budget Book</li> <li>•O: Encumbrance Roll</li> <li>•O/C: New Fiscal Year begins</li> </ul>	<p><b>February</b></p> <ul style="list-style-type: none"> <li>•C: Capital Program Working Group (CPWG) Meetings-Capital Improvement Plan (CIP)</li> </ul>	<p><b>March</b></p> <ul style="list-style-type: none"> <li>•C: Capital Program Oversight Committee (CPOC) Meetings: CIP</li> </ul>
<p><b>April</b></p> <ul style="list-style-type: none"> <li>•O: O/C: Finalize 1st Qtr Projections</li> <li>•C: Legal Notice: CIP &amp; Public Hearing</li> </ul>	<p><b>May</b></p> <ul style="list-style-type: none"> <li>•C: CIP Presentation to BOT</li> <li>•O/C: Tax Budget Extension</li> </ul>	<p><b>June</b></p> <ul style="list-style-type: none"> <li>•O: Legal Notice: Tax Budget &amp; Hearing</li> </ul>
<p><b>July</b></p> <ul style="list-style-type: none"> <li>•O/C: Finalize 2nd Qtr Projections</li> <li>•O/C: Tax Budget presentation to BOT and receive BOT Approval</li> </ul>	<p><b>August</b></p> <ul style="list-style-type: none"> <li>•O: Upcoming FY Operating Budget Planning Kickoff</li> <li>•C: Future FY + 1 CIP Planning Kickoff</li> </ul>	<p><b>September</b></p> <ul style="list-style-type: none"> <li>•C: Next FY CIP: Submit requests through Apex</li> <li>•O: RTA Service Plan Due</li> <li>•O: Next FY Base Budget Due</li> <li>•O: Present next FY Base Budget to CEO and EMT</li> </ul>
<p><b>October</b></p> <ul style="list-style-type: none"> <li>•O/C: Finalize 3rd Qtr Projections</li> <li>•O/C: Next FY Budget Appeals</li> <li>•O/C: Present Next FY Budget to CEO and EMT</li> <li>•C: Load next FY CIP</li> <li>•O/C: Transmittal Letter</li> </ul>	<p><b>November</b></p> <ul style="list-style-type: none"> <li>•C: : Future FY + 1 CIP projects due</li> <li>•O: Upcoming FY Budget 1st presentation to BOT and public hearing</li> </ul>	<p><b>December</b></p> <ul style="list-style-type: none"> <li>•O: Next FY Budget 2nd presentation to BOT and public hearing</li> <li>•C: DGM review of upcoming CIP projects and approval</li> <li>•O: Next FY Budget approved by BOT</li> <li>•O: Load Next FY Budget</li> <li>•O: Inventory Roll</li> </ul>

**Key:** O: Operating C: Capital O/C: Operating & Capital



## Performance Management

GCRTA utilizes established **Scorecards** for each division, department and the Authority as a whole. These are derived from the Authority's strategic plan, mission and vision, and customer, community, and employee survey data obtained throughout the year. Scorecards are detailed in the Strategic Plan section below and contained within each Division summary page under the Operating Department Budgets section. There are several established programs to allow for improving performance, accountability, and processes through the following initiatives:

**TRACTION** was deployed in 2022 as an update to the TransitStat performance management program that began in 2007. TRACTION utilizes Scorecards to identify performance metrics and goals to improve GCRTA in identified success outcomes. FY 2024 continues the Authority's alignment with strategic plan through the scorecards. TRACTION uses quarterly metrics review and success planning to track monthly progress. The three most important things identified through the 2024 TRACTION process were 1) reduce the operator, mechanic, and transit police vacancies, 2) improve the perception of personal security while waiting/on a bus/train, and 3) increase the vacancy fill rate for non-bargaining positions.

The Authority continues to send employees for **LEAN Six Sigma Certification** in order for employees to implement these tools to identify areas of waste, create efficiencies, and perform Kaizen Events. In 2023, 12 employees earned their Green Belt certification and seven employees attended the introductory Lean Ohio Boot Camp course. GCRTA anticipates sending 15-20 employees through the Boot Camp course and expect to certify 10-15 more employees in Green Belt in 2024.

## Strategic Plan

GCRTA's [Strategic Plan](#) was approved by the BOT in 2020. It establishes a 10-year framework for the future of the Authority. It is a compilation of key highlights and technical information that encompasses five pillar studies that informed the Plan's development and direction:

Pillar Study	Result
Economic Impact	Concluded that RTA has a massive economic impact on the Region and State.
Rail Car	Showed immediate need for procuring new heavy and light rail car fleets that have exceeded their 30-year useful life
Fare Equity	Recommended a variety of ways to promote equity and enhance the customer experience regarding fare payments. These recommendations were incorporated into the plan. 2021 implemented All Day pass fare reduction from \$5.50 to \$5.00
System Redesign	Comprehensive review and redesign of the RTA bus route system. The NextGen redesign was implemented in June 2021.
Financial and Economic Forecast & Operational Review	Identified benchmarks, risks, issues, efficiencies, performance indicators, and revenue sources

Various public involvement opportunities occurred and led to the creation of seven key strategic initiatives that highlight prioritized Plan recommendations and provide a framework for the future.

1. Improve where and when buses travel
2. Improve how streets function (prioritizing transit in street design)
3. Improve how customers pay
4. Improve passenger safety and comfort
5. Engage with emerging technology, data, and new mobility
6. Address funding challenges
7. Partner to support vibrant communities and access to job centers

These seven initiatives provide a framework for the future to provide a guide for enhancing the customer experience and pursuing capital improvements through the year 2030.

## MISSION, VISION, AND VALUES

**Mission:** Connecting the Community

**Vision:** Leading the delivery of safe and creative mobility solutions and community connections

**Values:** Diversity & Inclusion, Ethics and Integrity, Fiscal Responsibility, Innovation, Respect, Responsibility and Accountability, Safety, Service Excellence, and Teamwork.

**Description of Values:** The inclusion of individuals representing more than one: gender, race, sex, national origin, color, religion, socioeconomic stratum, sexual orientation. Better insights and business decisions can be achieved because of inclusion of team members with varied experiences, ideas, cultures, and perspectives. We are dedicated to the highest ethical standards, including uncompromising honesty and integrity in our daily activities. We are committed to manage every taxpayer and customer-generated dollar as if it were coming from our own pocket. Boldly trailblazing on the leading edge of transit industry innovations in equipment, technology, employee development and learning, partnerships, and overall operational impacts. We will treat all members of the RTA family, our customers and the general public with dignity and respect. Every individual is accountable. Meeting our individual responsibilities will ensure that collectively, RTA is a high-performing organization. We will meet all regulations and commitments and continually strive to improve. The safety of our passengers, our employees and the general public is always our top priority. We will provide safe, clean, reliable, on-time, courteous service that our customers and the community will view as outstanding. We believe in teamwork and will foster a spirit of cooperative effort within RTA and with our partners.

---

## SUCCESS OUTCOMES

Living the values, working towards the vision, and ensuring the mission are upheld each day leading GCRTA to define success outcomes in four key areas: (1) customer experience, (2) community impact, (3) employee investment, and (4) financial health. These Success Outcomes will provide measurable, trackable performance outcomes for BOT, staff, customers, and the general public.



# Organizational Scorecard 2024

Success Outcomes	Metric	Definition	FY2024 Performance Goals	Objective
Customer Experience	Net Promoter Score	% Promoters minus % Detractors. On a 0-10 scale of how likely to recommend GCRTA; Promoters are 9-10 and Detractors are 0-6.	21	↑
	Overall Customer Satisfaction	The % of customers who are satisfied or very satisfied with GCRTA	66%	↑
	Personal Safety/Security - Perception	The average % of customer who agree or strongly agree that they feel safe on board the vehicle and safe while waiting for the vehicle	65%	↑
	On-Time Performance - Impression	The % of customers who agree or strongly agree that service is on time	72%	↑
	On-Time Performance - Actual	The % of actual on-time performance (missed trips included?)	85%	↑
	Vehicle Cleanliness - Perception	The % of customer who agree or strongly agree that the vehicles are clean	56%	↑
Community Impact	Perceived Value - Personal Relevance	% of the community who believe GCRTA brings value to them	54%	↑
	Perceived Value - Community Relevance	% of the community who believe GCRTA brings value to the community	90%	↑
	Economy: Ratio of Private Sector Investment to Major Capital Investment	The construction value ratio of development within 1/4 mile of active and recently completed (3yr completion) major capital projects (budget > \$1 M) (3 to 1)	7	↑
	Equity: Capital Dollars Invested in Environmental Justice Zones/Communities	The % of major projects awarded (>1 million) within EJ communities	77%	↑
	Environment: Emissions Reduction	% Reduction of Type I and II emissions per passenger-mile traveled on RTA	8%	↑
Employee Investment	Vacancy fill rate : Operators (Bus, Paratransit, Rail), Mechanics, Transit Police	The % of positions filled for Operators, Mechanics, Transit Police (RTA budget to actual Report)	95%	↑
	Cultivate Internal Talent Pipeline	Increase the proportion/number/percent of internal promotions (compared to external hires) 5% compared to 2023 as a baseline.	23 +5%	↑
	Agencywide Retention Rate	% of employees retained by quarter	90%	↑
	Vacancy fill rate : Non-Bargaining	The % of positions filled for non-bargained positions (RTA budget to actual Report)	95%	↑
	Supervisor Invested in Growth and Success	The % employees that agree or strongly agree that their supervisor is invested in their growth and success	23 +5%	↑
Financial Health	Competitive Capital Grants	Competitive Capital Grant dollars awarded in calendar year 2024	\$35 M	↑
	Operating Expenses	Operating Expenses are at least 5% below budget by year end	5%	↑
	General Fund Transfer to Capital / Rolling Stock Reserve Fund	Transfer to capital and reserve funds (Rolling Stock) above Board Policy	\$10 M	↑
	Operating Expenses per Revenue Hour	Organization's operating expenses divided by sum of: scheduled fixed route bus, scheduled fixed route rail, and paratransit actual revenue hours	\$165.00	↓

The Scorecards (discussed earlier in Performance Management) track data on a monthly basis at the organization, division, and department levels. Performance metrics are reviewed along with the next fiscal year's performance goals and updated as needed starting at the organization level, then filtered down to the division and department levels. Each scorecard can be found in the Division pages of the Department Budget section. Each metric is linked to a different information system that provides updates throughout the year. The current information systems utilized are:

- Customer survey- conducted once per quarter

- Community survey- conducted twice per year
- Employee Survey- conducted once per year
- Financial Data- tracked and provided by the Finance division
- Performance Data- tracked and provided by the division

In FY24, GCRTA will be incorporating The Scorecard performance methodology to individual employee evaluations in an effort to build ownership at the employee level and move the organization to deliver its mission.

In addition to the Scorecards there are individual tactics. A tactic is defined at the beginning (and throughout) the fiscal year. A tactic is an individually focused project or activity tracked monthly that will have a noticeable, measurable impact on success outcomes. GCRTA conducts performance management of the Success Outcomes on a quarterly basis. With the identified information systems, GCRTA is able to rely on regularly updated data (through information systems) to move forward in connection with the strategic plan.

The organizational scorecard was revised slightly from the 2023 scorecard to refine prioritization and adapt to evolving challenges. The results of the 2023 Organizational Scorecard are shown below.



# Organizational Scorecard 2023

Success Outcomes	Metric	Definition	FY2023		Annual 2023
			Performance Goals	Objective	Average or Year End Results
Customer Experience	Net Promoter Score	% Promoters minus % Detractors. On a 0-10 scale of how likely to recommend GCRTA, Promoters are 9-10 and Detractors are 0-6.	29	↑	21
	Overall Customer Satisfaction	The % of customers who are satisfied or very satisfied with GCRTA	84%	↑	63%
	On-Time Performance - Impression	The % of customers who agree or strongly agree that service is on time	77%	↑	69%
	On-Time Performance - Actual	The % of actual on-time performance	85%	↑	83%
	Safe & Secure Riding / Waiting -- Impression	The simple average % of customers who agree or strongly agree that they feel safe on and safe waiting for buses/trains. (average "safe on" and "safe waiting" from the customer experience survey, weighted by ridership)	74%	↑	62%
	Vehicle Cleanliness - Impression	The % of customers who agree or strongly agree that vehicles are clean.	54%	↑	54%
Community Value	Community Perception - Access to Employment	The % of community that agree or strongly agree that GCRTA serves employment centers	50%	↑	38%
	Capital Dollars Invested in Environmental Justice Zones/Communities	The % of major projects awarded (>1 million) within EJ communities	79%	↑	81%
	Transit Oriented Development (TOD) on RTA properties	The number of active TOD projects	4	↑	2
	Ratio of Private Sector Investment to Major Capital Investment	The ratio of private sector capital investment to GCRTA capital investment	7	↑	8.85
Financial Sustainability	General Fund Transfer to Capital/Rolling Stock Reserve Fund	Transfer to capital and reserved fund per board policy.	\$10,000,000	↑	\$10,000,000
	Competitive Capital Grants	Competitive capital grant dollar awarded in calendar year 2023. (CMAQ Year)	\$35,000,000	↑	\$162,486,201
	Operating Ratio : Expense Covered by Own Source Revenue	% of own source revenue (defined as passenger fares, advertising, concessions, investment income, and other revenue)	13%	↑	11.58%
	Cost per Service Hour: Overall Operating Cost/Revenue Hour	Organization's operating cost divided by sum of: scheduled fixed route bus, scheduled fixed route rail, and paratransit actual revenue hours	\$165	↓	\$171.09
Employee Engagement	Vacancy fill rate : Operators (Bus, Paratransit, Rail), Mechanics, Transit Police	The % of positions filled for Operators, Mechanics, Transit Police (RTA budget to actual Report)	Q1: 84% Q2: 87% Q3: 91% Q4: 95%	↑	87%
	Vacancy fill rate : Non-Bargaining	The % of positions filled for non-bargained positions (RTA budget to actual Report)	Q1: 85% Q2: 90% Q3: 95% Q4: 95%	↑	94%
	Agencywide Retention Rate	% of employees retained by quarter	88%	↑	97%
	Supervisor Invested in Growth and Success	The % employees that agree or strongly agree that their supervisor is invested in their growth and success	57%	↑	55%
	Understand How Performance Linked to Organization Success	The % of employees that agree or strongly agree that they understand the vision and direction of GCRTA	71%	↑	72%
	Workforce Net Promoter Score	% Promoters minus % Detractors that recommend GCRTA as a place to work (% Promoter minus % Detractors where promoter are ratings of 9-10, and detractors are rating 1-6)	5	↑	-3

## Transit Service Profile

The History of public transit in Cleveland through 2017 can be found at <http://www.riderta.com/history>. Since 2019, the Authority has:

---

### 2019

- India L. Birdsong Terry hired as CEO/General Manager
- Completed upgrades to East 105-Qunicy Red Line Station
- Hosted Major League Baseball All Star Game and Tall Ships Festival
- Completed a \$6.4 million track upgrade to the Red Line in May, extending between the West Park Station and the Airport Tunnel, including 3.6 miles of railroad track, replacing 12,275 timber cross ties, improving track drainage, adding signal improvements, and repairing the platform at Puritas Station
- Created a corrective action plan was implemented for the S-Curve Retaining Wall, installing 75 steel beam frames along the 300-foot long wall
- Completed five studies ("pillar studies") to provide a comprehensive examination of RTA's operations and impact on the Greater Cleveland and Cuyahoga County community, which provided information used for the new Strategic Plan in 2020

---

### 2020

- RTA received COVID-19 Coronavirus A Relief Economic Stimulus (CARES) Act dollars for operating expenses, which allowed RTA to continue 87% of service during global pandemic and return to 97% of pre-COVID service level by the end of 2020
- RTA made free WIFI accessible on vehicles and at stations for the general public
- RTA installed new radio equipment on all vehicles (buses and trains)
- RTA provided free rides for election day to support access to those limited by the pandemic supported by a grant
- RTA developed a new ten-year Strategic Plan

---

### 2021

- Implementation of NextGen system redesign
- Issued RFP for purchase of new Rail Cars
- TRAC Funds, ODOT awarded GCRTA \$4.2M for light rail rehabilitation
- Heavy Rail received the APTA 2021 Rail COVID-19 Gold Award
- Marketing received a First Place Award in the 2021 Annual APTA AdWheel Awards, "Greater Cleveland RTA's "Holiday Trains" Social Media: Best Marketing and Communications to Support Ridership or Sales
- RTA initiated a Vaccination Incentive Program to encourage its employees to get vaccinated
- RTA received additional Emergency relief funds to assist with operating expenses and decreased passenger revenue under Coronavirus Response & Relief Supplemental Appropriation Act (CRRSA) and American Rescue Plan Act

---

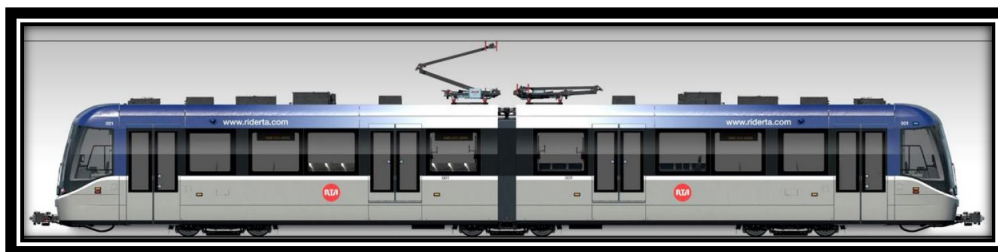
### 2022

- Introduced a new HealthLine fleet
- Signed the Hispanic Promise
- Provided free All-Star Trolley service to support the All-Star games
- Received \$81 million from the Infrastructure Investment and Jobs Act- \$20.3 million annually over the next four years
- Joined the APTA Racial Equality Commitment Pilot Program
- Launched a new mobile ticketing app – Transit with EZfare
- Launched Transit Ambassador and Crisis Intervention Specialists Programs
- Created a Civilian Oversight Committee for independent review and investigation of public complaints of alleged misconduct regarding its Transit Police Department

- Received remaining funds from American Rescue Plan Act
- Introduced Positive Impact Bus Operator Mentoring Program
- Received one of seven 2022 Awards of Excellence in Government Finance from GFOA
- Installed validators on fixed route buses for validation of mobile fares
- Received notice of \$8 million in funding for station improvements
- Received \$3.5 million award from ODOT's Urban Transit Program for six 40-foot CNG buses

## 2023

- Microtransit workforce connector programs launched in Solon, Ohio and the Aerozone Region
- GCRTA selected Siemens Mobility Incorporated as the vendor to replace their aging rail fleet
- GCRTA Board Members approved the selection of Siemens Mobility Inc. and initiated the process to purchase 24 Siemen Model S200 rail cars.
- GCRTA hosts Senator Sherrod Brown and FTA Administrator Nuria Fernandez and other local leaders at their Rail Equipment Building for a special announcement
- Senator Sherrod Brown and FTA Administrator Nuria Fernandez present a \$130 million grant to GCRTA for the Rail Car Replacement Program
- GCRTA and Akron METRO collaborate on new fixed-route bus services from GCRTA's Southgate Transit Center
- Re-opened the Waterfront Line for Cleveland Browns home football games
- GCRTA announced the newly created Community Advisory Committee (CAC)
- GCRTA increased the hourly pay rate for student operators
- GCRTA awarded a \$3.2 million grant from Ohio Department of Transportation (ODOT) to purchase six new compressed natural gas buses
- GCRTA receives Distinguished National Budget Presentation Award from The Government Finance Officers Association (GFOA)
- GCRTA hosts Touch-a-Truck event in Downtown Cleveland Public Square
- GCRTA announced the return of their Civilian Oversight Committee (COC) with new elected members
- GCRTA awarded a \$12.6 million grant from ODOT for use towards their Rail Car Replacement Program
- GCRTA increased the hourly pay rates for full and part-time Operators
- GCRTA welcomes the winter holidays with their month of merry cheer
- GCRTA created and launched EngageRTA, a new online tool on their website that receives and processes requests submitted from members of the communities served by GCRTA



## Glossary

Please visit <http://www.riderta.com/budget/2024> for a complete glossary

Cuyahoga County Profile (2022) <sup>1</sup>			
		Number	Change from prior year
<b>Population</b>	2022 Population	1,249,387	-13,346
	% Change from last Decennial (2020)		-2.3 %
	Projected 2030 Population (change from 2020)	1,154,210	-8.7%
	Land Area (sq. miles)	458.3	0
	% Female	52.0 %	-0.3 %
	Persons per Sq. Mile	2,726	-41
<b>Race &amp; Ethnicity</b>	% White	64.2 %	
	% Black	32.0 %	
	% Hispanic/Latino	6.9 %	
	% Asian/Pacific Islander	4.2 %	
	% American Indian/Alaskan Native	1.0 %	
	% Other	6.2 %	
<b>Housing</b>	Avg. persons per Household	2.18	-0.1
	# Housing Units	615,116	-2,99
	Occupied Housing Units	554,982	-2,590
	% Resident Home Ownership	59.6 %	1.2 %
	Housing Median Value (owner-occupied)	\$186,400	\$20,400
<b>Income</b>	Median Household Income	\$60,736	\$5,604
	% Population under Federal poverty line	16.4 %	-1.1 %
<b>Largest Cities (population)</b>	Cleveland City (county seat)	361,607	(11,017)
	Parma City	79,358	(1,788)
	Lakewood City	49,658	(1,284)
	Euclid City	48,496	(1,196)
	Strongsville City	45,725	(766)
	Cleveland Heights City	44,201	(1,111)
	Westlake City	33,907	(321)
	North Olmsted City	31,724	(718)
	North Royalton City	30,793	(529)
Garfield Heights City	29,072	(709)	
<b>Land Usage<sup>2</sup></b>	Developed/Urbanized	77.0 %	
	Bare/Mines	0.2 %	
	Forest	18.8 %	
	Pasture	1.4 %	
	Cropland	0.1 %	
	Wetlands	1.1 %	
	Open Water	0.4 %	

Figure 17

The Service Profile depicts the economic and service activity as it impacts the organization on operational and financial levels. The provided information highlights trends regarding items that have direct effect on how RTA develops, supports,

<sup>1</sup> 2022 American Community Survey 1-year average unless otherwise indicated.

<sup>2</sup> Last updated 2021



Cuyahoga County Profile (2022)			
		Number	Change from prior year
<b>Education Resources<sup>3</sup></b>	School Districts	31	
	Public Schools	281	
	Non-Public Schools	152	
	4-Year Public Universities	1	
	2-Year Public Colleges	3	
	Private Universities & Colleges	5	
	Public Libraries Branch Libraries	9 68	
<b>Means of Transportation to Work</b>	Drive Alone	70.3 %	1.4 %
	Carpool	6.4 %	-1.0 %
	Public Transportation	2.7 %	0.5 %
	Walk	2.9 %	0.2 %
	Other	1.5 %	-0.1 %
	Work from Home	16.1 %	-1.2 %
<b>Travel Time to Work</b>	Less than 15 minutes	25.4 %	-0.1 %
	15 to 29 minutes	45.7 %	1.5 %
	30 to 44 minutes	20.2 %	2.3 %
	45 to 59 minutes	5.0 %	0.7 %
	60 minutes or more	3.6 %	%
<b>Major Employers<sup>4</sup></b>	Cleveland Clinic Health Foundation	Healthcare provider	
	University Hospitals Health System	Healthcare provider	
	Group Management Services	Staffing and employment services firm	
	Minute Men Cos.	Staffing and employment services firm	
	U.S. Office of Personal Management	Federal government	
	Walmart	Operator of retail supercenters	
	Progressive Corp.	Insurance company	
	Amazon	Online retailer	
	Giant Eagle, Inc.	Multi-format food, fuel & pharmacy retailer	
	Accurate Staffing	Employment agency offering staffing and recruiting	
	State of Ohio	State government	
	Cuyahoga County	County government	
	The Metrohealth System	Healthcare provider	
City of Cleveland	Municipal government		
Summa Health	Healthcare provider		

Figure 18

<sup>3</sup> <https://oeds.ode.state.oh.us/DataExtract>

<sup>4</sup> Cuyahoga County 2022 Annual Information Statement – major employers in northeast Ohio with operations in Cuyahoga County

## Demographics of Riders compared to General Population<sup>5</sup>

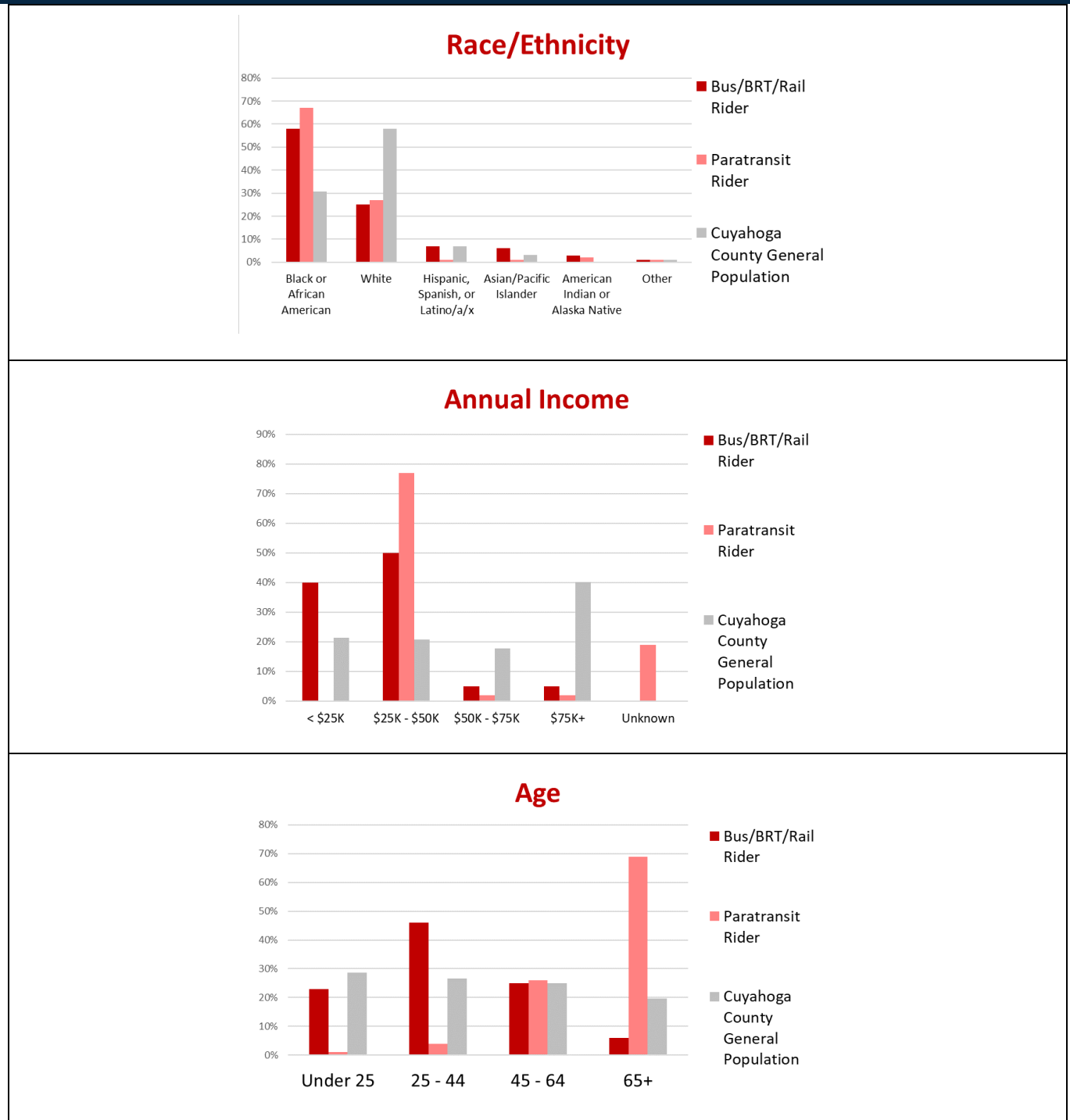


Figure 19

<sup>5</sup> Cuyahoga County General Population data from American Community Survey 2022 – 1-year estimate; Rider data from RTA 2023 Customer Experience Survey

## Trends of Northeast Ohio compared to the State and National Averages

The Population in Cleveland has been steadily decreasing since the 1980s and Cuyahoga County has been decreasing since 2000. Due to the COVID-19 pandemic, unemployment rose significantly during 2020. Unemployment rates have improved since 2020 and dipped below 2019 pre-pandemic levels during 2023.

Population - Urban Centers						
Year	Cleveland	Akron	Cincinnati	Columbus	Dayton	Toledo
1900	381,768	42,728	325,902	125,560	85,333	131,822
2000	478,403	217,074	331,285	711,470	166,179	313,619
2010	431,363	207,216	333,013	769,360	141,527	316,238
2015	387,812	198,244	298,654	850,044	140,575	279,676
2016	385,809	197,633	298,800	860,090	140,489	278,509
2017	385,525	197,846	301,301	879,170	140,371	276,491
2018	383,793	198,006	302,605	892,533	140,640	274,975
2019	381,009	197,597	303,940	898,553	140,407	272,779
2020	372,624	190,469	309,317	905,748	137,644	270,871
2020	367,991	189,347	308,935	906,528	137,571	268,508

Source: US Census Bureau

Figure 20

Unemployment Rates - History			
Year	National Avg.	Ohio	Cuyahoga County
2012	8.1	7.4	6.3
2013	7.4	7.5	6.5
2014	6.2	5.8	5.3
2015	5.3	5.0	4.4
2016	4.9	5.0	5.8
2017	4.4	5.0	4.7
2018	3.9	4.5	4.3
2019	3.7	4.2	3.9
2020	8.1	8.2	8.3
2021	5.4	5.1	4.9
2022	3.6	4.0	4.9
2023 Est.	3.6	3.7	3.2

Source – National & State – Bureau of Labor Statistics; County – Federal Reserve Economic Data

Figure 21

County Population Changes				
County	2022	2010	Diff.	%
Ashtabula	97,014	101,490	-4,476	-4.41%
Cuyahoga	1,249,387	1,280,115	-30,728	-2.40%
Geauga	95,469	93,409	2,060	2.21%
Lake	231,842	230,050	1,792	0.78%
Lorain	316,268	301,371	14,897	4.94%
Medina	183,512	172,333	11,179	6.49%
Portage	161,745	161,425	320	0.20%
Summit	535,882	541,778	-5,896	-1.09%

Source: US Census Bureau

Figure 22

### National Transit Trends

The National Transit Database (<https://www.transit.dot.gov/ntd>) was established by US Congress to be the Nation's primary source of information and statistics on the transit system of the United States. Recipients of grants from the Federal Transit Administration (FTA) are required by statute to submit data to the NTD. The NTD is used to help meet the needs of individual public transportation systems, the US Government, State, and Local governments, and the public for information on which to base public transportation service planning.

Below is a comparison of total Cost per Unlinked Passenger Trip for Bus, Rapid Bus, Heavy Rail, and Light Rail. As the number of trips declined following COVID-19, the cost of providing each trip increased.

National Transit Database statistics are always behind two calendar years for final reporting purposes. For example, 2021 NTD data was not available until the end of the 2022 calendar year.

**Cost of providing each Unlinked Passenger Trip Nationally (by mode):**

	Bus	BRT*	Heavy Rail	Light Rail
2010	\$3.53	\$0.00	\$1.79	\$3.28
2011	\$3.58	\$3.43	\$1.83	\$3.21
2012	\$3.59	\$2.27	\$1.87	\$3.31
2013	\$3.64	\$2.11	\$1.91	\$3.46
2014	\$3.83	\$2.18	\$1.96	\$3.61
2015	\$4.03	\$2.41	\$2.05	\$3.82
2016	\$4.34	\$2.72	\$2.18	\$4.05
2017	\$4.71	\$3.05	\$2.28	\$4.30
2018	\$4.92	\$3.53	\$2.44	\$4.78
2019	\$5.27	\$3.35	\$2.46	\$5.14
2020	\$7.45	\$5.04	\$5.12	\$7.44
2021	\$10.42	\$7.37	\$5.83	\$13.46

Figure 23

**Total Unlinked Passenger Trips Nationally (by year):**

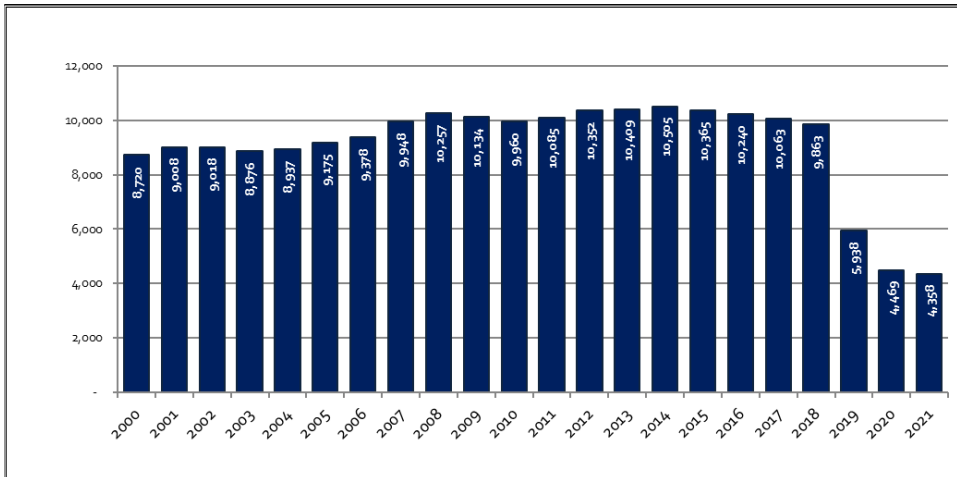


Figure 24

Source: 2021 National Transit Profile Summary- Full Reports (for both tables above)

## Ohio Transit Trends

The 9 Largest Agencies in Ohio as of 2022 – NTD data listed below:

Agency	Service Area Sq.		Mode	Unlinked Passenger Trips	Annual Passenger Miles	Vehicle Revenue Miles	Vehicles in Max Service	Vehicles Available for Max Service	Spare Ratio (%)
	Mi	Pop							
Akron (Metro)	420	541,013	DR & DR/PT	187,405	1,076,447	1,484,375	85	115	35.3
			Bus	3,470,765	13,914,578	3,252,489	97	139	43.3
Canton (SARTA)	581	375,586	DR	168,045	933,540	1,088,938	35	30	16.7
			Bus	1,107,654	8,269,105	2,242,539	36	38	5.6
Cincinnati (SORTA)	289	744,901	DR	130,356	1,727,503	1,243,540	40	56	40.0
			Bus	9,679,228	50,172,812	9,985,241	281	309	10.0
Cleveland (GCRTA)	458	1,412,140	DR & DR/PT	496,221	4,306,895	3,879,412	118	165	39.8
			HR	2,808,149	21,343,112	2,310,279	24	40	66.7
			LR	681,390	3,576,933	546,654	8	29	262.5
			Bus	13,557,430	57,554,644	13,125,384	218	301	38.1
			RB	1,538,423	4,027,505	417,259	7	16	128.6
Columbus (COTA)	336	1,168,779	DR & DR/PT	327,789	2,818,776	3,322,139	85	117	37.6
			Bus	9,947,527	40,192,168	10,338,688	189	321	69.8
Dayton (GDRTA)	274	559,062	DR	158,544	1,319,754	1,351,354	45	73	62.2
			Bus	3,694,674	25,587,892	3,655,349	60	112	86.7
			TB	1,812,863	8,644,576	1,053,601	18	45	150.0
Lake County (Laketran)	227	232,603	CB	56,448	869,642	368,984	13	20	53.8
			DR	222,172	2,049,454	1,895,678	64	97	51.6
			Bus	250,291	1,469,208	952,811	19	27	42.1
Toledo (TARTA)	142	374,213	DR & DR/TX	233,924	1,316,277	1,219,05	85	91	7.1
			Bus	1,737,769	11,083,542	2,239,217	41	49	19.5
Youngstown (WRTA)	331	426,657	DR	40,006	321,248	334,063	16	25	56.3
			Bus	1,290,778	5,318,005	1,923,687	38	51	34.2
Bus - Fixed Route Bus				TB - Trolley Bus	RB - Rapid Transit Bus				
DR - Demand Response				LR - Light Rail	DR/TX - Demand Response - Taxi				
DR/PT - Demand Response - Purchased Transportation				HR - Heavy Rail	VP - Vanpool				

Figure 25

# National Transit Database: Greater Cleveland Regional Transit Profile

1240 W 6TH ST  
CLEVELAND, OH 44113-1302

The Greater Cleveland Regional Transit Authority  
2022 Annual Agency Profile  
NTD ID 50015

### General Information

Urbanized Area Statistics - 2020 Census		Service Consumed		Database Information	
Cleveland, OH	Primary Urbanized Area (UZA)	90,809,089	Annual Passenger Miles (PMT)	Reporter Type:	Full Reporter
714	Square Miles	19,081,613	Annual Unlinked Trips (UPT)	Asset Type:	Tier I (Rail)
1,712,178	Population	61,371	Average Weekday Unlinked Trips	TAM Sponsor NTDID:	
Other UZAs Served:		36,794	Average Saturday Unlinked Trips		
Ohio Non-UZA		27,943	Average Sunday Unlinked Trips		

Service Area Statistics		Service Supplied		Assets	
458.00	Square Miles	20,278,988	Annual Vehicle Revenue Miles (VRM)	Revenue Vehicles	569
1,412,140	Population	1,584,028	Annual Vehicle Revenue Hours (VRH)	Service Vehicles	235
		375	Vehicles Operated in Maximum Service (VOMS)	Facilities	19
		551	Vehicles Available for Maximum Service (VAMS)	Track Miles	68.39
				Lane Miles	17.3

### Financial Information

Sources of Operating Funds Expended		
Directly Generated	\$32,508,000	
Federal Government	\$87,775,371	
Local Government	\$121,085,579	
State Government	\$22,500	
<b>Total Operating Funds Expended</b>	<b>\$241,391,456</b>	
Sources of Capital Funds Expended		
Directly Generated	\$0	
Federal Government	\$17,537,927	
Local Government	\$139,536,588	
State Government	\$9,741,408	
<b>Total Capital Funds Expended</b>	<b>\$166,815,923</b>	
Summary of Operating Expenses (OE)		
Labor	\$172,028,726	71.8%
Materials and Supplies	\$23,852,233	10.0%
Purchased Transportation	\$8,088,894.00	3.4%
Other Operating Expenses	\$35,728,858	14.9%
<b>Total Operating Expenses</b>	<b>\$239,698,711</b>	<b>100.0%</b>
Reconciling OE Cash Expenditures	\$1,692,745	
Purchased Transportation (Reported Separately)	\$0	

### Modal Characteristics

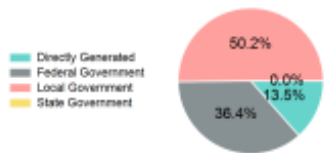
Overview	Vehicles Operated in Maximum Service		Uses of Capital Funds					Total
	Directly Operated	Purchased Transportation	Revenue Vehicles	Systems and Guideways	Facilities and Stations	Other		
Mode								
Heavy Rail	24	0	\$943,366	\$56,792,317	\$723,624	\$293,835	\$58,753,142	\$31,688,645
Light Rail	8	0	\$0	\$30,169,471	\$1,519,174	\$0	\$31,688,645	\$1,389,957
Bus Rapid Transit	7	0	\$1,389,957	\$0	\$0	\$0	\$1,389,957	\$0
Demand Response	55	63	\$0	\$0	\$0	\$0	\$0	\$0
Bus	218	0	\$57,418,826	\$8,621,627	\$6,057,124	\$2,886,602	\$74,984,179	\$0
<b>Total</b>	<b>312</b>	<b>63</b>	<b>\$59,762,149.00</b>	<b>\$95,583,416</b>	<b>\$8,299,922</b>	<b>\$3,180,437</b>	<b>\$166,815,923</b>	

Operating Characteristics	Operating Expenses	Fare Revenues	Total Uses of Capital Funds	Annual Passenger Miles	Annual Unlinked Trips	Annual Vehicle Revenue Miles	Annual Vehicle Revenue Hours	Fixed Guideway Directional Route Miles	Vehicles Available for Maximum Service	Vehicles Operated in Maximum Service		Average Fleet Age in Years
										Spare Vehicles	Percent	
Mode												
Heavy Rail	\$36,027,059	\$3,448,306	\$58,753,142	21,343,111	2,808,149	2,310,279	123,088	38.08	40	24	70.0%	38.0
Light Rail	\$10,264,526	\$1,177,360	\$31,688,645	3,576,933	681,380	546,654	36,678	30.38	29	8	260.0%	41.0
Bus Rapid Transit	\$3,938,564	\$1,192,352	\$1,389,957	4,027,505	1,538,423	417,259	47,472	14.14	16	7	130.0%	7.3
Demand Response	\$40,617,708	\$1,798,459	\$0	4,306,895	496,221	3,879,412	299,278	0.00	165	118	40.0%	4.6
Bus	\$148,850,854	\$21,623,945	\$74,984,179	57,554,645	13,557,430	13,125,384	1,077,512	0.00	301	218	40.0%	6.7
<b>Total</b>	<b>\$239,698,711</b>	<b>\$29,200,422</b>	<b>\$166,815,923</b>	<b>90,809,089</b>	<b>19,081,613</b>	<b>20,278,988</b>	<b>1,584,028</b>	<b>82.00</b>	<b>551</b>	<b>375</b>	<b>46.9%</b>	

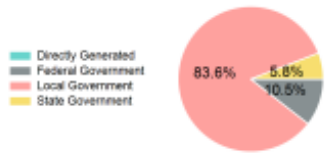
Metrics	Service Efficiency			Service Effectiveness			UPT per Vehicle Revenue Hour
	Operating Expenses per Vehicle Revenue Mile	Operating Expenses per Vehicle Revenue Hour	Mode	Operating Expenses per Passenger Miles Traveled	Operating Expenses per Unlinked Passenger Trip	Unlinked Passenger Trip per Vehicle Revenue Mile	
Mode							
Heavy Rail	\$15.59	\$293	Heavy Rail	\$1.69	\$12.83	1.2	22.8
Light Rail	\$18.78	\$280	Light Rail	\$2.87	\$15.06	1.2	18.6
Bus Rapid Transit	\$9.44	\$83	Bus Rapid Transit	\$0.98	\$2.56	3.7	32.4
Demand Response	\$10.47	\$136	Demand Response	\$9.43	\$81.85	0.1	1.7
Bus	\$11.34	\$138	Bus	\$2.59	\$10.98	1.0	12.6
<b>Total</b>	<b>\$11.82</b>	<b>\$191.32</b>	<b>Total</b>	<b>\$2.64</b>	<b>\$12.56</b>	<b>0.9</b>	<b>12.0</b>

### 2022 Funding Breakdown

#### Operating Funding Sources

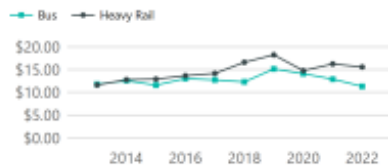


#### Capital Funding Sources



### Metrics - Time Series

#### Operating Expenses per Vehicle Revenue Mile



#### Operating Expenses per Passenger Mile



#### Unlinked Passenger Trip per Vehicle Revenue Mile



### Performance Measure Targets - 2023

#### Performance Measure - Asset - Target % not in State of Good Repair

- Equipment - Automobiles - 70%
- Equipment - Steel Wheel Vehicles - 60%
- Equipment - Trucks and other Rubber Tire Vehicles - 20%
- Facility - Administrative / Maintenance Facilities - 10%
- Facility - Passenger / Parking Facilities - 10%
- Infrastructure - HR - Heavy Rail - 2%
- Infrastructure - LR - Light Rail - 2%
- Rolling Stock - AB - Articulated Bus - 12%
- Rolling Stock - BR - Over-the-road Bus - 12%
- Rolling Stock - BU - Bus - 12%
- Rolling Stock - CU - Cutaway - 8%
- Rolling Stock - HR - Heavy Rail Passenger Car - 100%
- Rolling Stock - LR - Light Rail Vehicle - 100%
- Rolling Stock - MV - Minivan - 75%

Figure 26