



2007 Tax Budget

Greater Cleveland
Regional Transit Authority

Presented by:
Office of Management & Budget
(OMB)



Proposed Schedule for 2007 Budget Deliberations and Adoption

<u>Tax Budget</u>	<u>Date</u>
Presentation of 2007 Tax Budget to the Finance Committee	July 11, 2006
Public Hearing on Tax Budget	July 11, 2006
BOT Adoption of Tax Budget	July 18, 2006
<u>CEO Recommended Budget</u>	<u>Date</u>
Presentation of Recommended 2007 Budget to the Finance Committee	Nov. 7, 2006



Proposed Schedule for 2007 Budget Deliberations and Adoption

Additional Budget Deliberations Date

- Finance Committee Meeting
(Following Regular Board Meeting) Nov. 21, 2006
- Regular Finance Committee Meeting & Public Hearing Dec. 5, 2006
- Finance Committee Meeting
(Prior to Regular Board Meeting) & Public Hearing Dec. 19, 2006
- Adoption of 2007 Budget
(Regular Board Meeting) Dec. 19, 2006



What is the Tax Budget?

- Estimate of Resources
- O.R.C. Requirement
- Good Fiscal Practice
- Sets Stage For Budget Development Process

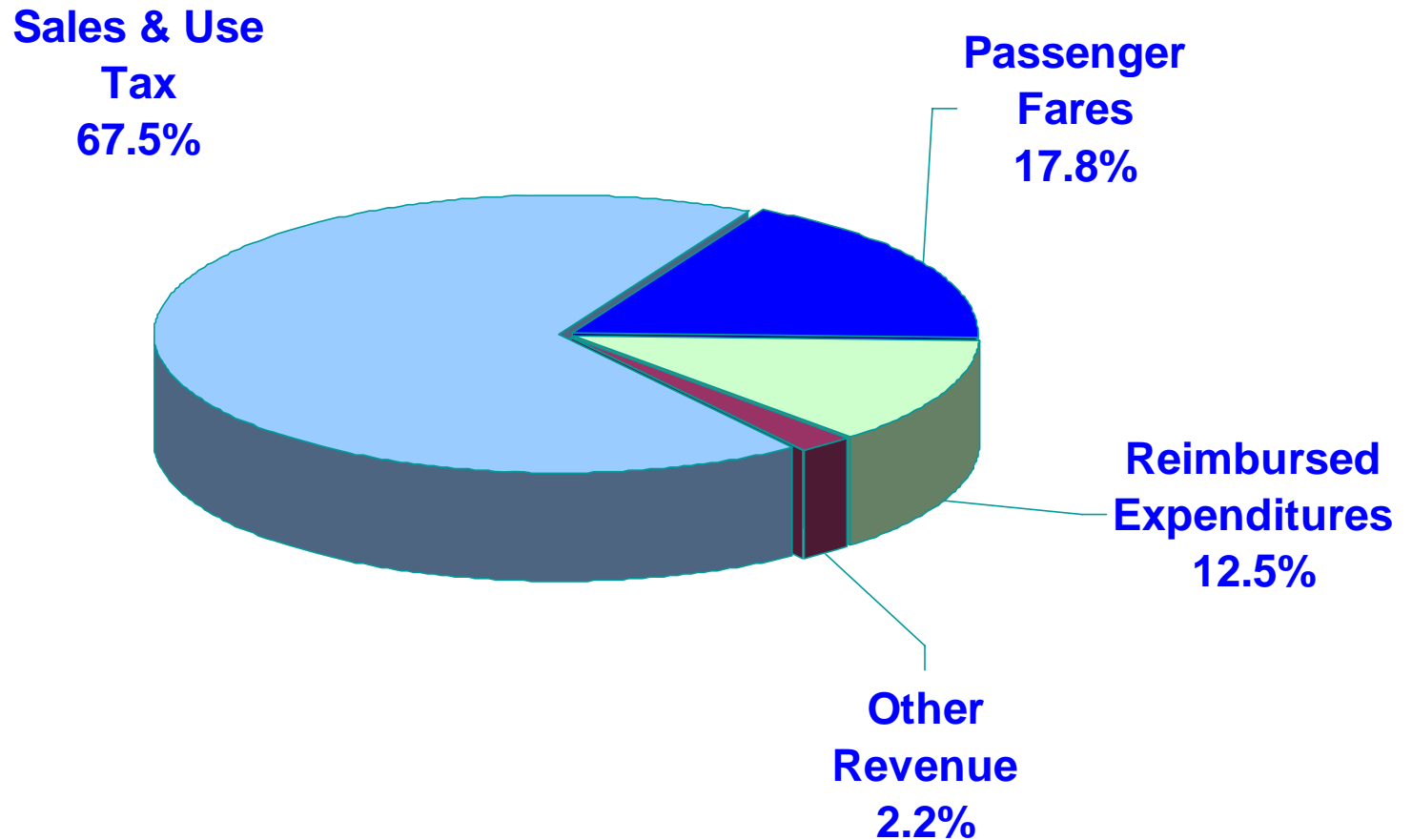


Economic Assumptions

	<u>2006</u>	<u>2007</u>
■ Inflation	3.6-4.7%	3.0-3.8%
■ Fed Funds Rate	4.5-5.5%	5.25-5.75%



General Fund Revenue By Source





Revenue Assumptions

	<u>2006</u>	<u>2007</u>
■ Sales Tax	\$175.1M	\$180.4M
● Rate of Growth	3.6%	3.0%
■ Passenger Fares	\$43.4M	\$47.7M
● Rate of Growth	10.5%	9.9%
■ Reimbursed Exp.	\$30.5M	\$33.4M
● Rate of Growth	-2.9%	9.5%



Revenue Assumptions

	<u>2006</u>	<u>2007</u>
■ Access to Jobs	\$1.9M	\$1.8M
■ Advertising & Concessions	\$1.1M	\$1.2M
■ Other Revenue	\$1.0M	\$1.0M
■ State Assistance	\$1.5M	\$1.5M
■ Investment Income	\$650K	\$500K



Operating Expenditures

	<u>2006</u>	<u>2007</u>
■ Personnel Svcs.	\$175.6M	\$180.1M
Rate of Growth	7.1%	2.6%
■ Other Expenditures	\$61.8M	\$67.0M
● Rate of Growth	11.5%	8.3%
■ Total	\$237.4M	\$247.1M
● Rate of Growth	8.2%	4.1%



Other Funds

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



Financial Trends

	2006	2007	GOAL
REVENUES:			
Operating Ratio	19.4%	20.3%	>25%
Fare Subsidy (Net Cost) Per Passenger	\$3.28	\$3.45	<\$2.52
Average Fare	\$0.75	\$0.84	
EXPENDITURES:			
Operating Reserve (Months)	0.6	0.4	>1.0
Overhead Cost vs. Total Cost	12.6%	12.4%	<15%
Cost/Hour of Service (< inflation rate)	\$102.78	\$103.58	<\$106.69
Growth	8.0%	0.8%	3.0%
DEBT STRUCTURES:			
Debt Service Coverage	1.70	1.43	1.5
CAPITAL OUTLAY:			
Sales Tax Contribution to Capital	12.4%	12.5%	10-15%
Capital Maintenance to Expansion	55.6%	50.2%	33-67%



Questions & Answers

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