

Greater Cleveland Regional Transit Authority

Amended Operating Budget and
Financial Forecast

Operational Planning and
Infrastructure Committee

March 6, 2018



Budget ReCap

- MCO sales tax elimination results in \$20 million annual budget loss to RTA.
 - \$55,000 per day loss in revenue



2018 Approved Financial Forecast (Millions)

	2018 Approved Budget	2019 Plan	2020 Plan	2021 Plan	2022 Plan
Beginning Balance	34.9	16.9	-7.6	-32.8	-58.4
Sales & Use Tax	197.8	198.8	199.8	200.8	201.8
Revenue from Medicaid Transition Fund	10.0				
Passenger Fares	47.8	48.9	48.6	48.6	48.2
Reimbursed Expenditures	22.1	22.1	22.1	22.1	22.1
All Other Revenue	4.4	4.3	4.4	4.4	4.4
Total Revenue	282.1	274.1	274.8	275.9	276.6
Total Resources	317.0	291.0	267.2	243.1	218.1
Personnel Expenses	191.7	192.3	194.7	193.8	194.6
Diesel & Natural Gas	7.8	7.8	7.6	7.6	7.5
Other Expenses	60.1	60.0	60.3	60.1	60.1
Transfers	40.5	38.5	37.5	40.0	40.1
Total Expenditures	300.1	298.6	300.1	301.5	302.3
Available Ending Balance	16.9	-7.6	-32.8	-58.4	-84.2

Significant Developments

- State agrees to provide “soft-landing” support of \$28 million, in one time payments.
- RTA finishes 2017, \$24 million to the good of budget.
 - Continued Strong Management Practices
 - Gives RTA some “breathing room”.

Significant Developments

- Spring 2018 Service Change on March 11
 - Connects More workers with jobs
 - Increase some headways on 15 of 52 routes
 - No Routes are being cut
 - Lower ridership conditions
 - Off-Peak and Peak Service Hours
- Reduces annual expenses by \$4 million

Proposed Budget Amendments

- RTA will reduce its Capital Appropriation
 - \$5,500,000 in 2019
 - \$500,000 in 2020
- No General Fund Revenue into Rail Car Replacement Fund for 2018 -2020, but net proceeds from Harvard and Brooklyn sales deposited into fund

Proposed Budget Amendments

- Non Personnel Expenses
 - Reduced by approximately \$5M in 2018
- Personnel
 - Cut 40 staff positions
 - Institute mandatory and voluntary non-paid furloughs
 - Reduces employees' pay in 2018 and 2019

Other Adjustments

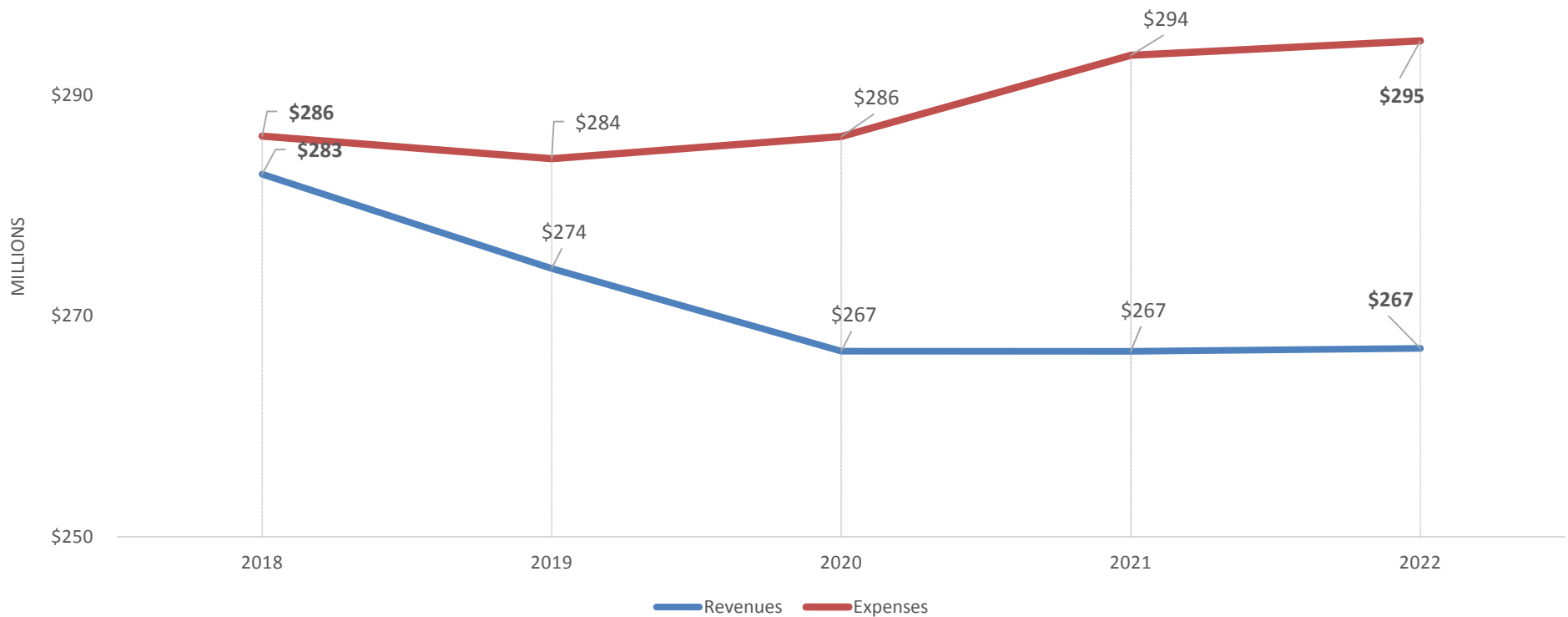
- No Planned Service Reductions through 2018
- Defer August 2018 fare increase
 - Conduct a fare study
 - Concern on impact to low income customers
 - Look for a partner to assist in the process
- Continue Kids Ride Free Summer Program
 - June 3 thru August 11

Proposed 2018 Financial Forecast (Millions)

	2018 Proposed Budget	2019 Plan	2020 Plan	2021 Plan	2022 Plan
Beginning Balance	34.9	31.4	21.4	2.0	-24.9
Sales & Use Tax	197.8	198.8	199.8	200.8	201.8
Revenue from Medicaid Transition Fund	15.1	3.1			
Passenger Fares	42.9	41.0	40.6	39.5	38.7
Reimbursed Expenditures	22.7	27.1	22.1	22.1	22.1
All Other Revenue	4.4	4.3	4.4	4.4	4.4
Total Revenue	282.9	274.3	266.8	266.8	267.0
Total Resources	317.7	305.7	288.2	268.8	242.1
Personnel Expenses	190.5	188.5	191.1	190.2	191.1
Diesel & Natural Gas	6.8	6.7	6.5	6.4	6.3
Other Expenses	55.5	56.0	56.7	57.0	57.5
Transfers	33.5	33.1	32.0	40.0	40.1
Total Expenditures	286.3	284.3	286.3	293.6	295.0
Available Ending Balance	31.4	21.4	2.0	-24.9	-52.8

Proposed Financial Forecast

Proposed Financial Forecast



Actions moving forward

- Advocate for a permanent replacement of funding loss
 - Options being studied at several levels
 - Look to a new governor for support
- Continue to study ways to further reduce costs
 - Millions already saved through Transit-Stat

Innovative Programs Underway

- Pilot Programs in 2018
 - Paratransit Pilot Program with Lyft
 - Could reduce costs/ride from \$40.00 to \$14.00
 - MicroTransit Pilot Program with Transloc
 - Route deviated fixed route service
 - Scenario Planning

Key Takeaways

- Budget Stability
 - Through 2019
- Service Stability
- Buys Time
 - Advocacy/Support
 - Potential additional cost reductions

Study and Document RTA's Return On Investment

- Economic Impact Study
 - How important is RTA to our region?
- What would Cleveland Be Like Without RTA?
 - The community must ask that question



Route Alignment Changes

Effective March 11, 2018

Presentation to
Operational Planning & Infrastructure Committee
RTA Board of Trustees
March 6, 2018

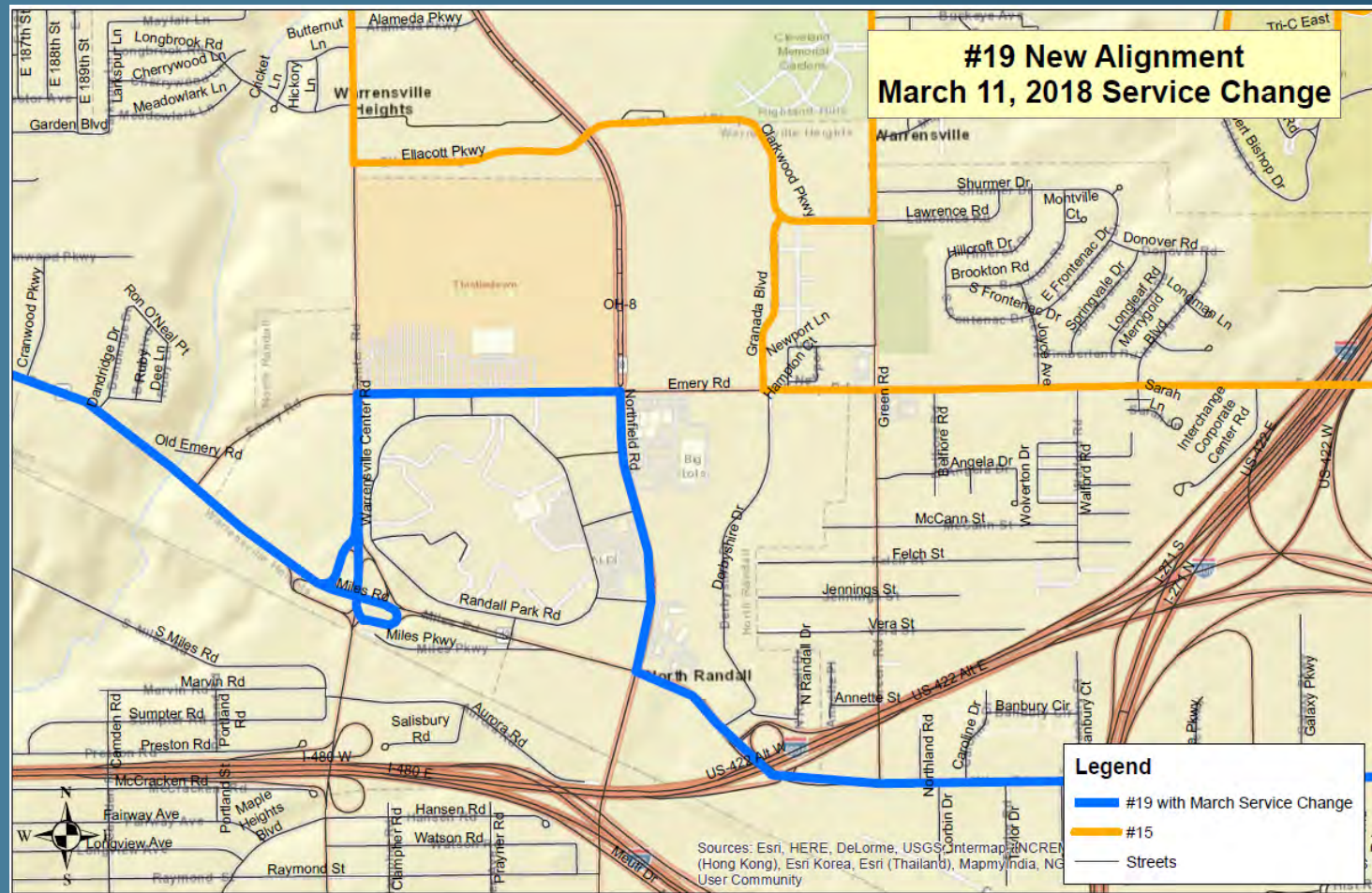


Why Adjust Route Alignments?

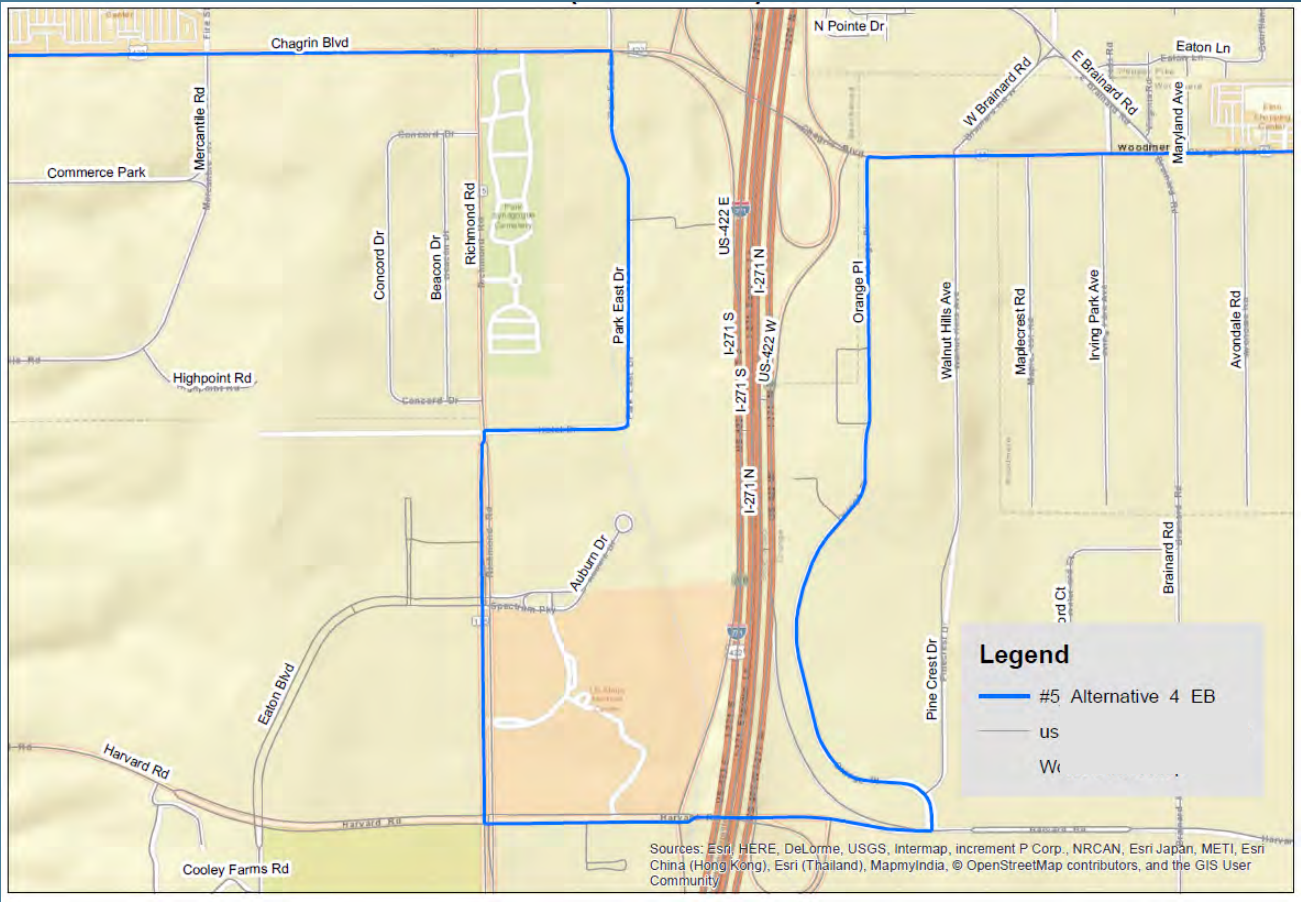
Job Sites, Ridership, and Traffic Conditions

- Amazon Distribution Center @ former Randall Mall
- Retail & medical jobs NE corner of I-271/Harvard
- Opportunity to improve service to Tri-C East
- Euclid Park-N-Ride + Babbitt + Bratenahl = bus load
- Superior Bus Lanes beat Prospect Ave. congestion

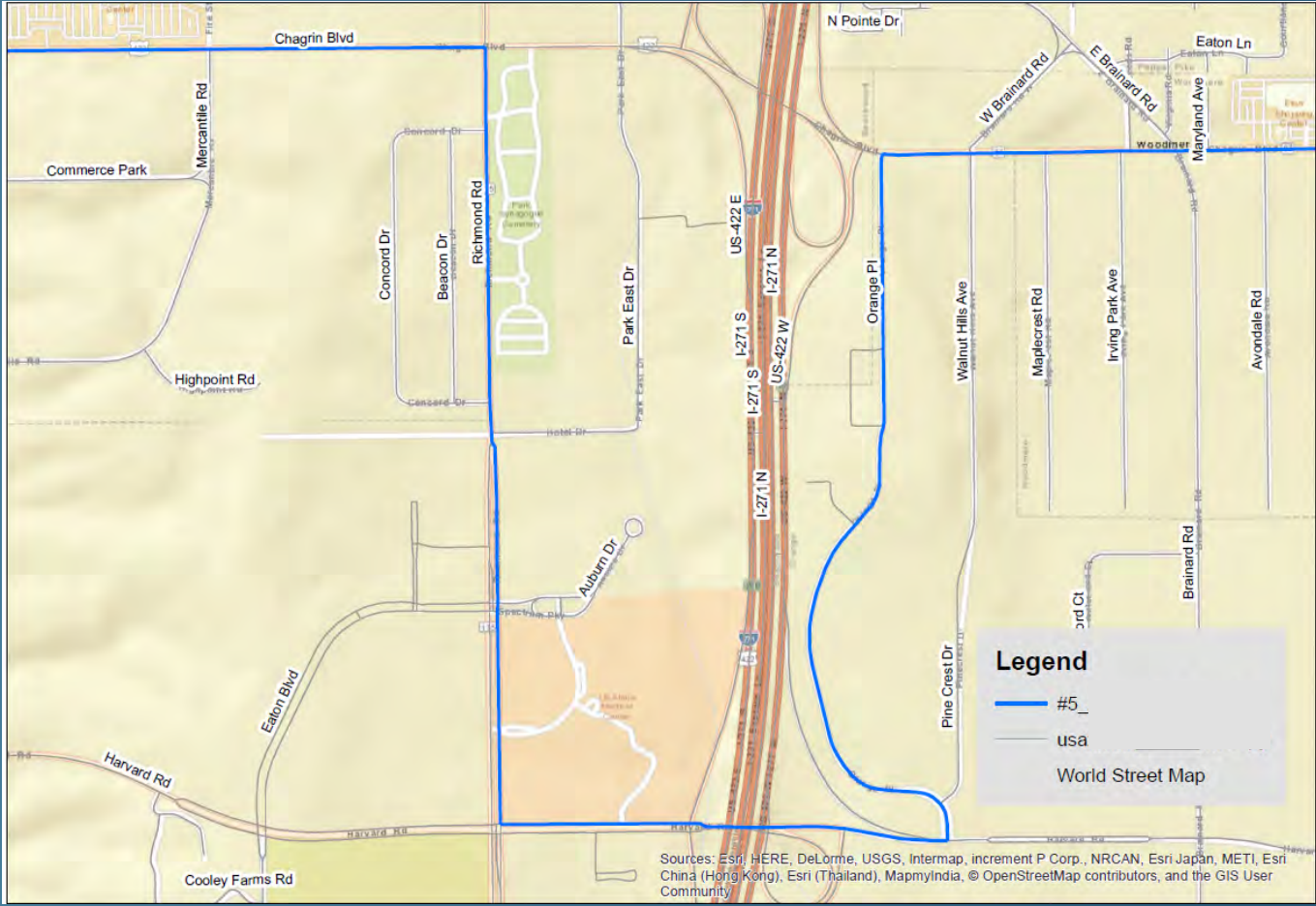
#19 Realign for Amazon & link to #41



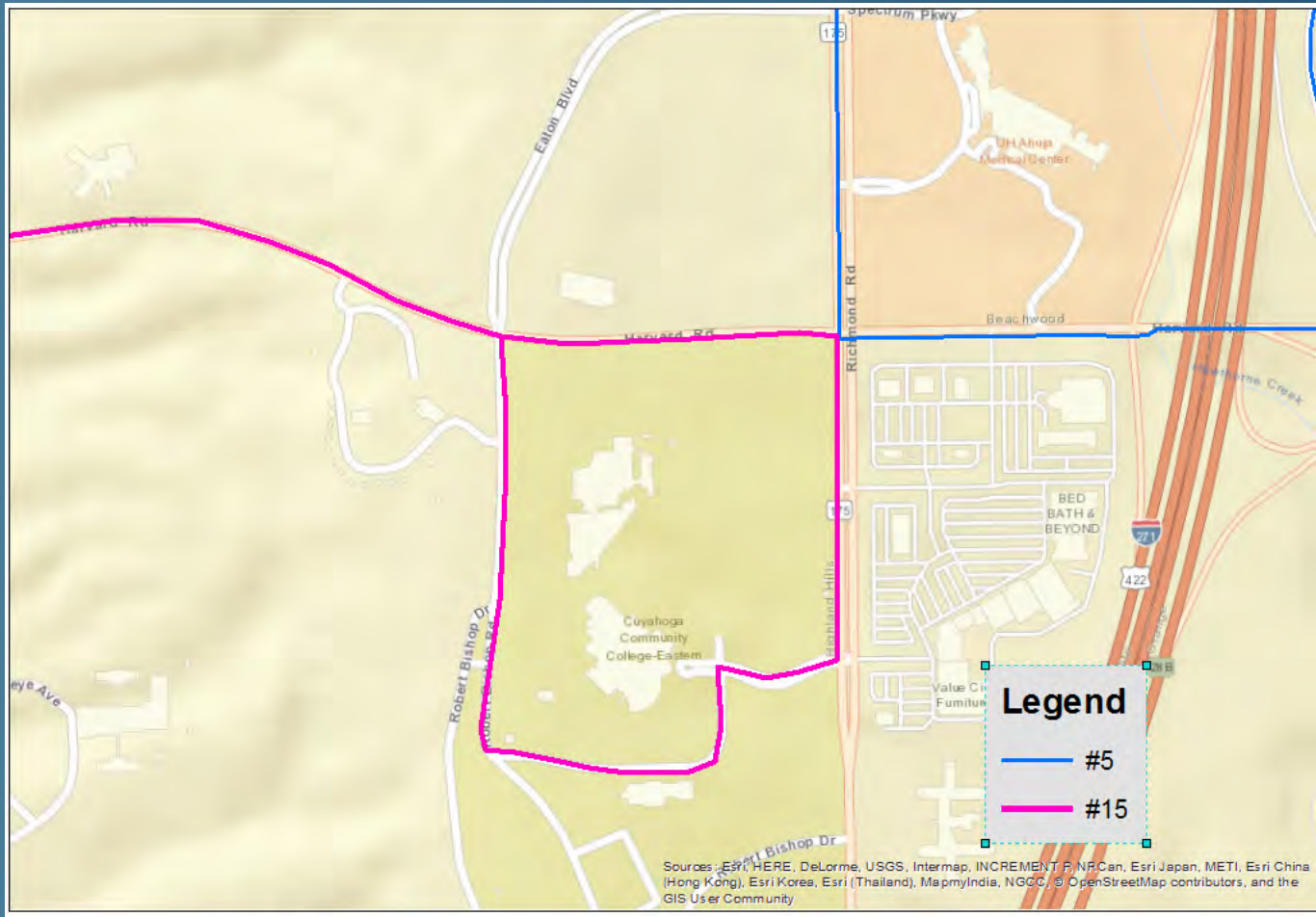
#5 Add Medical & Retail Jobs & Tri-C



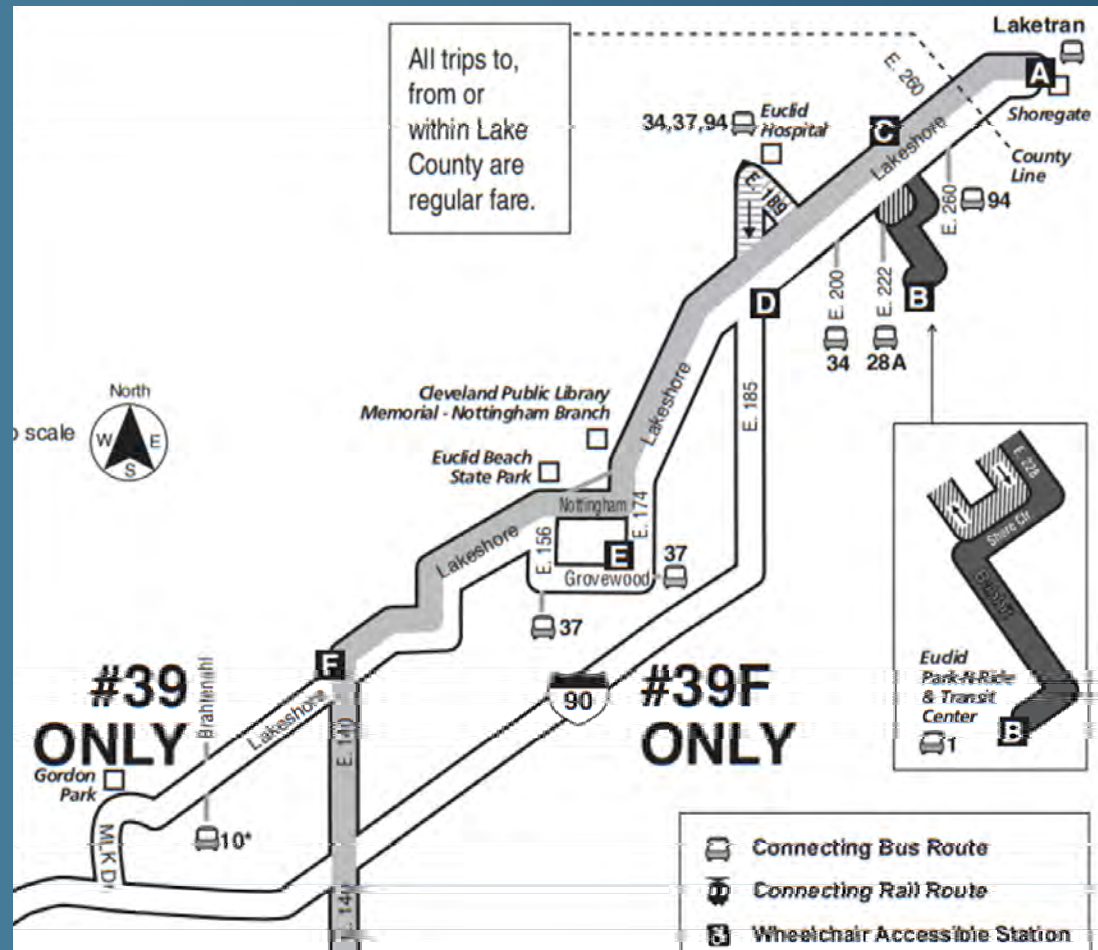
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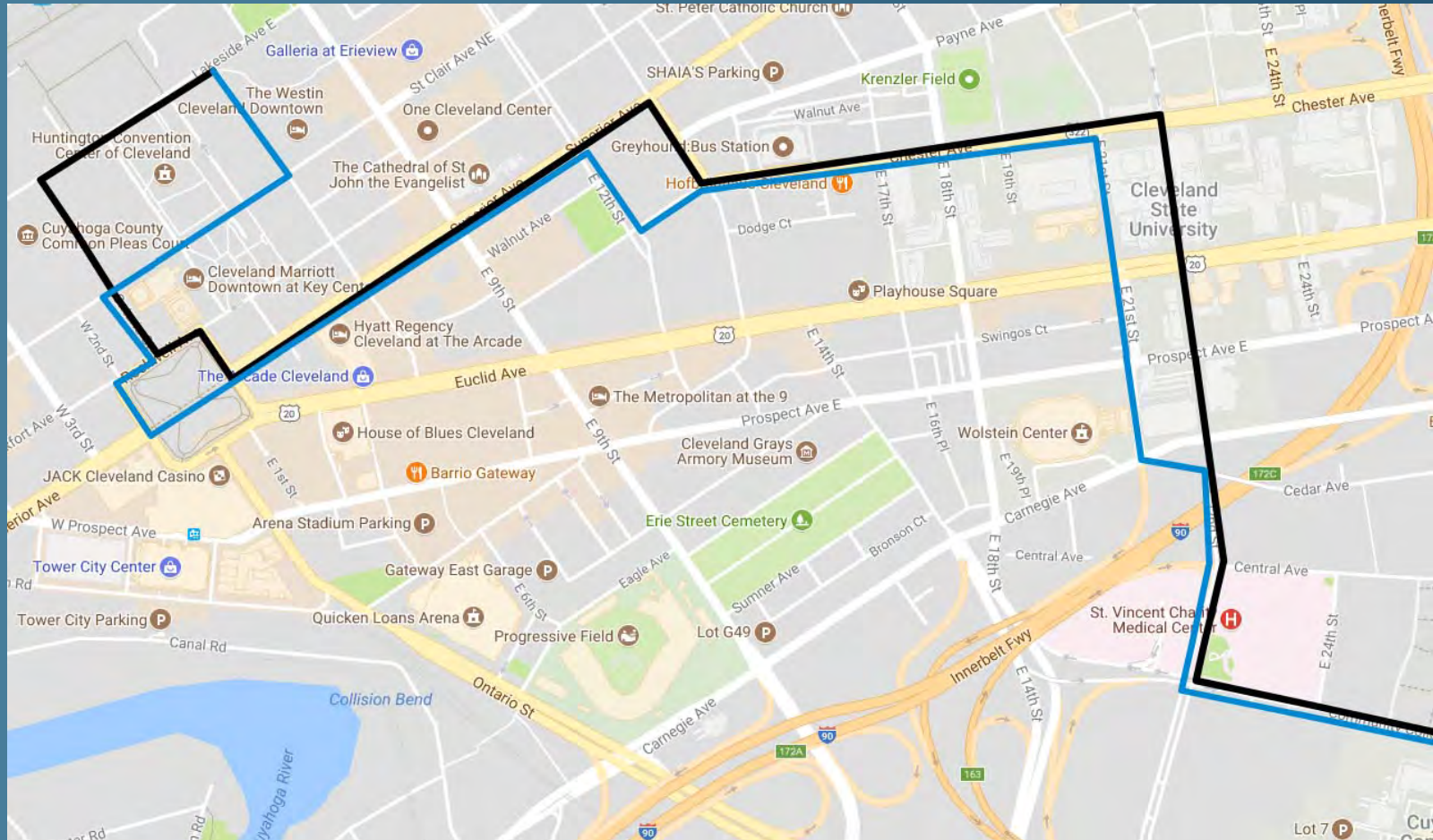
#15 Refocus on Tri-C East



#39 Euclid PNR-Babbitt-Bratenahl



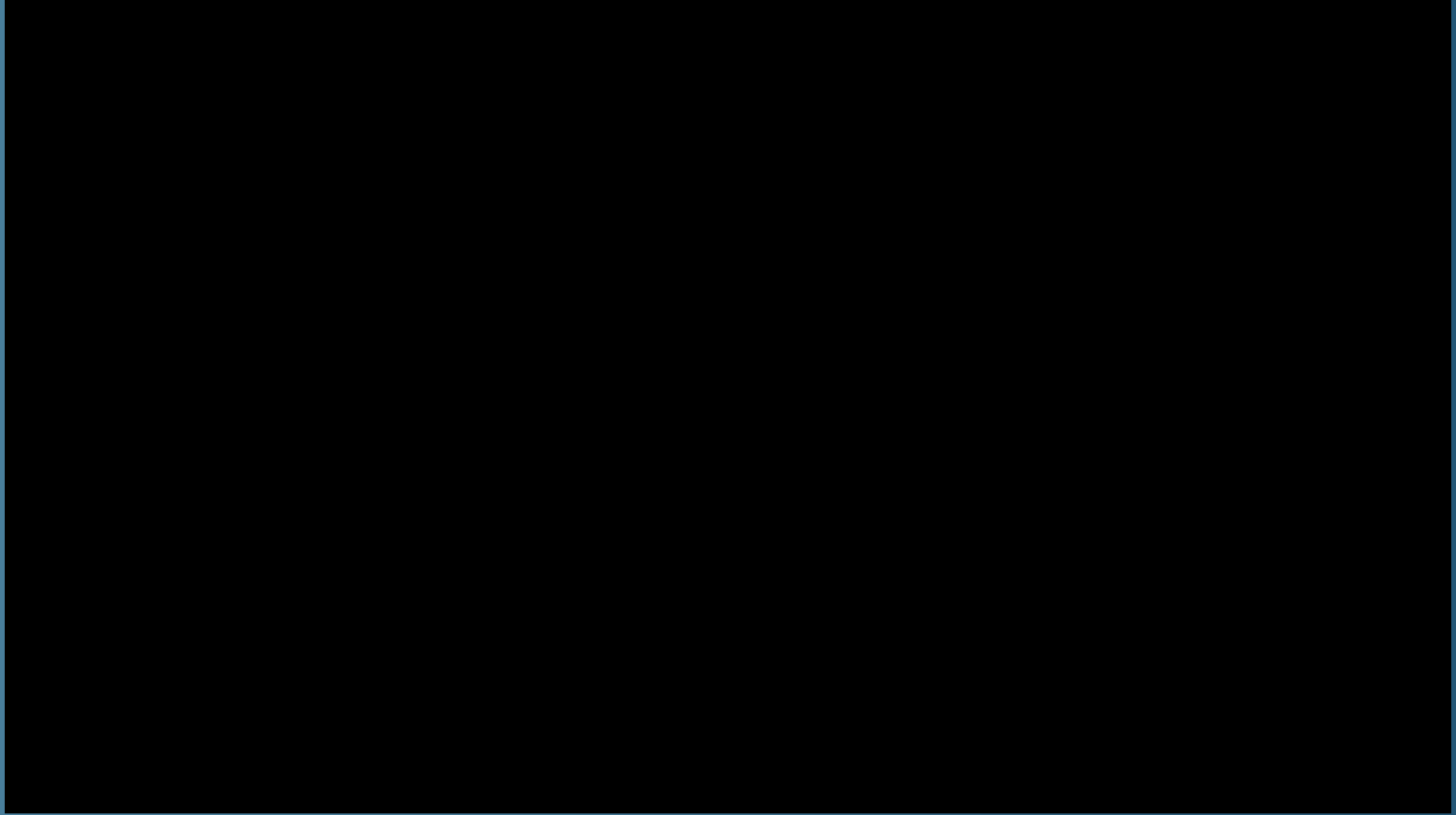
#14 & #15 to use Superior Bus Lanes



Key Questions for Greater Cleveland

- What would Cleveland Be Like Without RTA?





Request from Committee

- Request the amended 2018 budget for BOT approval at the March 27th Board meeting



Questions?

