

PUBLIC HEARING

Greater Cleveland Regional Transit Authority Proposed FY 2020 Budget Tuesday, November 12, 2019

This is the initial public hearing for the 2020 Proposed Budget for the Greater Cleveland Regional Transit Authority.

This proposed budget has been made available for public inspection for at least 10 days in the Office of Management & Budget. Public notice of this hearing was made by the publication of a legal advertisement in the Cleveland Plain Dealer on October 29, 2019. In addition, notice was posted in the first floor lobby of the Authority's Main Office Building.

In developing the proposed 2020 budget we attempted to maintain financial health, while providing quality service to our customers. The Authority has managed well over the last several years. Strategic decisions have been made to create efficiencies, strengthen our financial position, and enhance service. The highlights for the Proposed 2020 Budget are as follows:

- The General Fund budget request includes expenditures of \$295.8 million against estimated revenue of \$283.6 million. The total expenditures include \$262.2 million in operating expenditures, \$27.1 million for debt service and capital improvements, \$50,000 to the pension fund, \$2.0 million to the insurance fund, and \$5.9 million for the reserve fund (Rolling Stock Replacement and 27th Pay).
- Sales & Use Tax, the Authority's largest source of revenue, is budgeted at \$215.4 million, a 2% increase over 2019 3rd Quarter estimated revenue. Ridership has continued to decrease, so Passenger Fares, the Authority's 2nd largest source of revenue is budgeted at \$41.4 million, a 4% decrease over 2019 estimates.
- Salaries and overtime costs are budgeted \$143.7 million, which includes a projected 2.5% wage increase for all employees. No reductions in positions were made and the proposed 2020 budget includes 2,333 FTEs. No significant service changes are planned in the proposed 2020 budget.
- We look forward to implementing the recommendations from the 5 Pillar Studies and create the next 10-year Strategic Plan.
- Solid management and effective budget execution has allowed RTA to improve its financial position and maintain a 30-day ending balance. The 2020 Proposed Budget has an estimated ending balance of \$25.0 million, a 1.1-month reserve.