

2022 TRANSMITTAL LETTER

To: Rev. Charles P. Lucas, President
and Members, Board of Trustees

Date: November 16, 2021

From: India L. Birdsong
General Manager, Chief Executive Officer

Subject: Transmittal Letter & Proposed
FY 2022 Budget

EXECUTIVE SUMMARY

Attached is the General Manager, Chief Executive Officer's proposed 2022 Budget. The Authority has made strategic decisions to improve operational efficiencies while continuing to provide quality of service to its customers and our community.

This past year has been an unprecedented time in the history for the Authority and the nation. As an essential service in the midst of the COVID-19 pandemic, GCRTA continued to provide a critical mobility lifeline for the public. It became more apparent than ever that GCRTA provides a vital public service that connects customers to medical appointments, pharmacies, grocery stores, and essential jobs. Our staff rallied to be there when the community needed us most, and continues to do so through the pandemic.

Even prior to the first confirmed case of COVID-19 in Ohio, the Authority made quick decisions needed to ensure that our buses and trains were sanitized daily and the employees were protected with masks, gloves, and hand sanitizer. We purchased the latest technology in the battle against the virus, the Moonbeam 3, that uses ultraviolet rays to quickly disinfect the inside of the vehicle or areas that house electronic equipment. Since then, our staff has volunteered their time to make face coverings, assemble personal protective equipment (PPE) kits with goggles, gloves, sanitizers and disinfecting wipes. Thousands of additional facemasks were distributed to front-line workers and customers.

In June 2021, the Authority implemented recommendations of the completed System Redesign Study. The system was evaluated for recommended improvements under various funding and budget scenarios in order to cost effectively address service frequency and coverage goals for all riders. Online surveys and public engagement sessions were held over the past two years to facilitate feedback on all the scenarios. The NextGen redesigned network began June 13, 2021 and provided greater frequency and connectivity with more cross-town routes within the Cleveland area. The Authority is projecting ridership to increase by 1% in 2022 as the economy continues to improve and the NextGen service is fully implemented.

The Authority collaborated with Tri-C to be a Community Training & Development Job Hub. The training partnership aims to increase workforce stability in the transportation industry by creating employment pipelines for residents, giving them more opportunities to join the RTA family for not only the financial rewards but also becoming a part of a team driven by our mission of "Connecting the Community". The Job Hub will address training and workforce development opportunities, as well as offer current employees the opportunity to grow their skill set. Additionally, it will focus on recruiting new employees and enhancing leadership teams. The Community Training and Development Job Hub partnership model aligns with Tri-C's current Access Center framework, which makes education and workforce service accessible to the communities most in need. Current

Tri-C Access Centers include Esperanza, Olivet Housing and Community Development Corporation, and MetroHealth Medical Center.

A part of its financial sustainability efforts, the Authority used approximately \$60 million of its sales tax revenue to retire a portion of its outstanding debt. This will save the Authority about \$3 million each year. Through the defeasance, 9 years of scheduled debt payments will be eliminated, saving about \$14 million each year for that period. These savings will be used for operating and/or capital needs.

Despite the pandemic, this year has been a time of progress and accomplishment for the Authority. The Authority remains committed to replacing its aging rail fleet, recapitalization of the rail infrastructure and investing in our communities. During 2021, the Authority:

- Received approximately \$67 million in a grant under the Coronavirus Response & Relief Supplemental Appropriations Act (CRRSAA) and \$136 million grant under the American Rescue Plan (ARP) for operating assistance to offset the reduction of passenger fare revenue and additional cleaning/sanitizing costs and personal protective equipment (PPE).
- Completed the Viaduct Bridge rehabilitation on the Red Line.
- Completed the Blue/Green Line trunk line, between Buckeye-Woodhill and Shaker Square, repairs.
- Completed the Rail Car Study.
- Started the procurement of the rail cars. The replacement will be one car that will run on both sets of tracks (heavy rail and light rail) and infrastructure upgrades.
- Continued the reconstruction of tracks 10 & 13 in Tower City.
- Completed the rehabilitation of light rail trunk line tracks from Kinsman to Buckeye-Woodhill Station and ballast renewal.
- Completed construction on E. 79th Street Red Line Station.
- Completed the ten year Capital Strategic Plan.
- Continued Wi-Fi Hot Spots at a number of stations, including Stephanie Tubbs Jones Transit Center, East 55th, Southgate, Cedar-University Rapid Station and bus waiting area, Windermere Transit Center and Tower City. These Wi-Fi Hot Spots will provide free Wi-Fi to our customers and enable students to log into their school sessions for virtual classrooms during the COVID pandemic.
- Started the construction of the CNG fueling station at Triskett.
- Completed the replacement of the radios and on-board computer equipment on buses and trains.
- Supported the NFL Draft that was held in Cleveland in April.

2022 PROPOSED BUDGET IN BRIEF

The Proposed FY 2022 Budget supports the daily operating activities of the Authority. The following pages discuss the assumptions used in developing the Proposed FY 2022 Budget.

INFLATION

The inflation expectations from the Federal Reserve Bank of Cleveland (Cleveland Fed) for the next 10 years is to drop between 1.59% and 2% by the end of 2022 and remain there. Moody's Analytics recently posted that their outlook over the next few years is consistent with the Cleveland Fed. Kiplinger is projecting that the GDP will increase by 4.5% in 2022. On-going shortages of raw materials and computer chips, as well as slower supply chain deliveries are expected to continue in 2022.

INTEREST RATES

The Federal Reserve Bank forecasts the federal funds rate to increase from 2.2% at the beginning of 2022 to a high of 3.5% by year-end. Moody's Analytics expects the economy to be near full employment by early 2023 and expects interest rates to remain below 4% through 2022. Kiplinger is estimating that interest rates will increase to about 4% in 2022.

Revenues

The COVID-19 pandemic presented additional challenges in 2021 regarding ridership and filling vacant positions. The Authority received a grant for \$67.4 million from the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) and was awarded a grant for \$136.0 million through the American Rescue Plan (ARP), of which \$54.8 million was drawn down in 2021 and the remainder to be drawn in 2022.

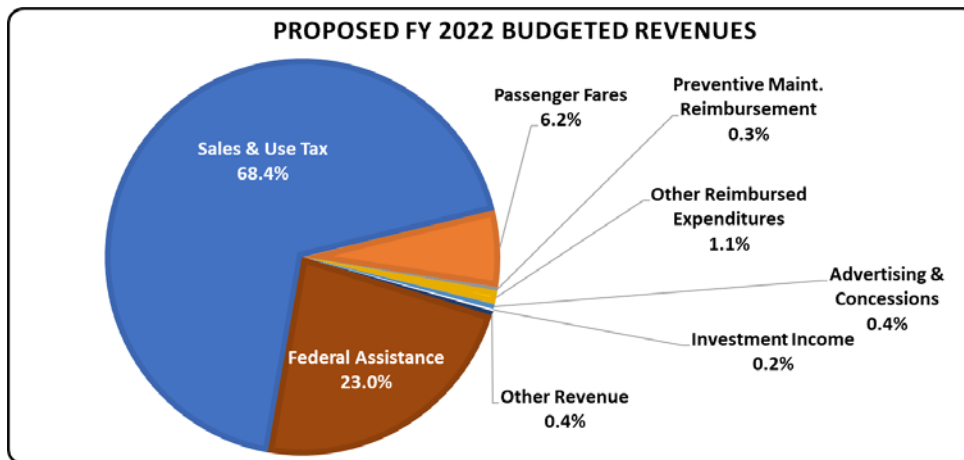


Figure 1

Sales Tax and Passenger Fares are the Authority's primary sources of revenue. In 2022, Sales Tax is budgeted as 68.4% of total revenue. Passenger Fares, which normally cover about 15% of total revenues, is budgeted as 6.2%, as ridership fell due to the COVID pandemic and an increase in telecommuting.

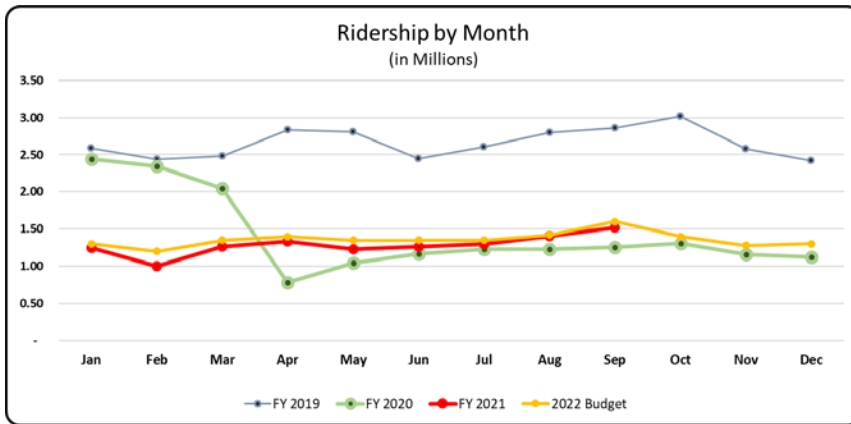


Figure 2

Total ridership in 2020 was 46.3% below 2019 levels. The first two months of 2020 were pre-pandemic, whereas all of 2021 is post-pandemic. Ridership in 2021 through September is down 14.6%, compared to 2020, and down 51.6% compared to 2019 levels. Ridership continued to increase slowly through September, compared to 2020. Total ridership is estimated to end the year at approximately 16.1 million, a decrease of 6.2% compared to 2020. Ridership for 2022 is

budgeted at 16.3 million riders, an increase of 1% compared to 2021.

As students returned to in-class learning for the 2021-2022 school year, ridership increased in August and September of 2021. A new contract was signed with Cleveland Metropolitan School District (CMSD) for the 2021-2022 school year for students to use RTA to get to school. U Pass agreements were also signed with several colleges and universities as in-school learning was reestablished, although not up to pre-pandemic levels.

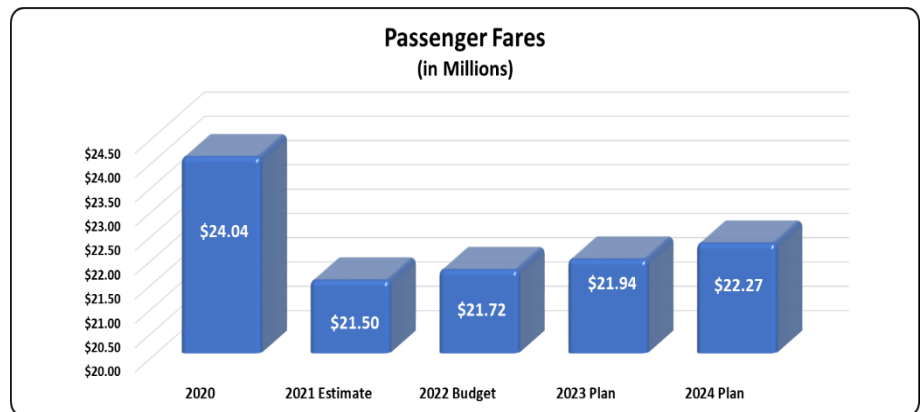


Figure 3

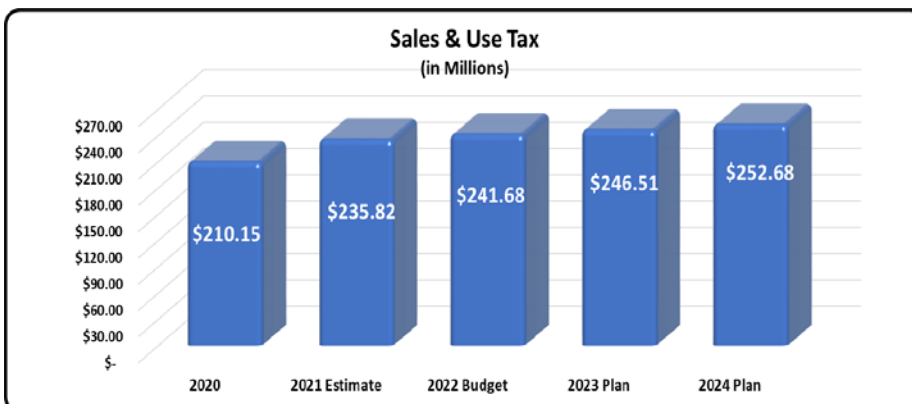


Figure 4

Sales & Use Tax is the largest source of revenue for the Authority. The Authority receives 1.0% of Sales & Use Tax revenue collected in Cuyahoga County.

Sales tax revenue rebounded better than expected, mainly due to the individual and family Federal stimulus checks distributed in April 2020,

December 2020, and March 2021. Through October 2021, sales tax is up 13.5%, compared to 2020. This is mainly due to increases in auto and watercraft sales (23.0%), on-line sales (44.9%), and liquor sales (16.4%). On-line

sales is expected to continue to rise in 2022. With the increase in price of computer chips and other essential materials, motor vehicle and watercraft sales are expected to only increase slightly in 2022. Sales tax is budgeted to increase by 2% in 2022 and 2023, and by 2.5% in 2024.

Advertising & Concessions is composed of two subcategories: advertising and naming rights. The naming rights includes Cleveland Clinic Foundation and University Hospitals for the HealthLine and area shelters; Cleveland State University for the CSU Line; MetroHealth for MetroHealth Line; Cuyahoga Community College (Tri-C) for E. 34th Rapid Transit Station; Huntington Bank and Bryant & Stratton College for HealthLine Shelters.

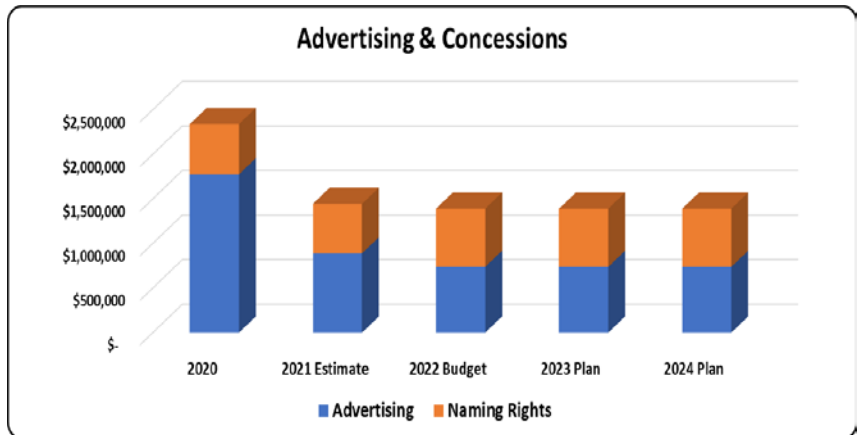


Figure 5

The Advertising & Concessions category is budgeted at \$1.4 million in 2022 and has decreased by about \$700,000 due to the pandemic. We project the Advertising & Concessions revenue at the same level in 2023 and 2024.

Investment income is budgeted at \$600,000 in 2022, due to the low interest rates despite the Authority carrying larger cash balances through most of 2020 and 2021.

Preventive Maintenance (PM) reimbursements for FY 2021 were \$8.5 million. The Authority made a strategic decision to transfer all PM reimbursements for FY 2021 to RTA Development Fund in order to fund much-needed budgeted but unfunded projects. The PM Reimbursement for FY 2022 through 2024 was reduced to \$1 million for grant close-outs and the formula grants will be used for unfunded or under-funded projects. Other reimbursed expenditures include fuel tax reimbursements and force account labor reimbursements. Other Revenue is budgeted at \$1.5 million for 2022 and the subsequent years through 2024. Other Revenue includes various miscellaneous receipts from contractors, hospitalization, claim reimbursements, rent, and salvage sales.

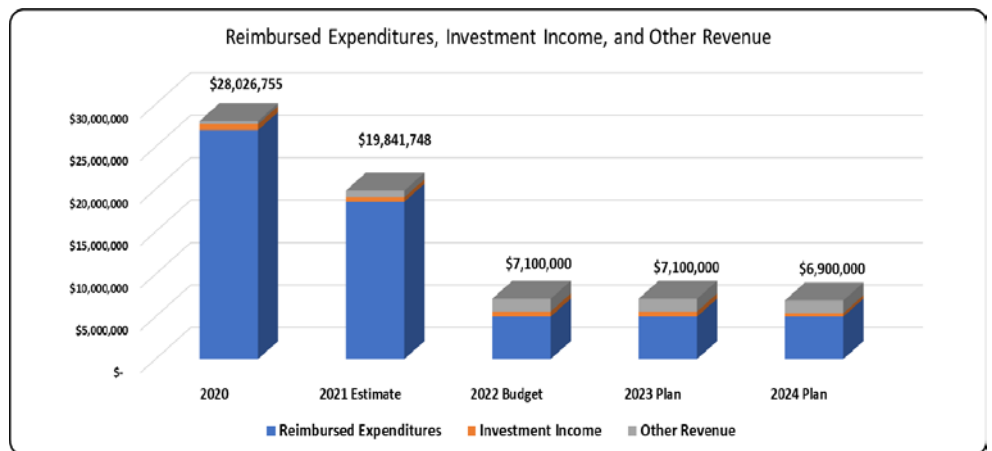


Figure 6

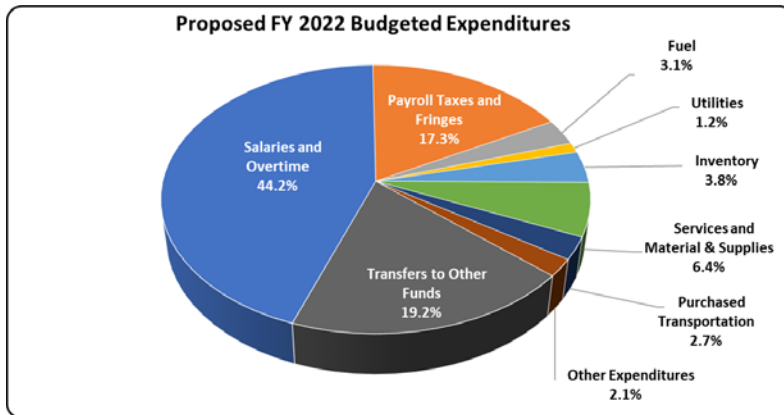


Figure 7

The total expenditures for FY 2022 are budgeted at \$339.9 million. This includes \$274.8 million for the Operating Budget and \$65.1 million for transfers to other funds.

Total personnel costs, which includes salaries, overtime, payroll taxes, and fringe benefits, represent over 61% of the operating budget.

Fuel and utilities total 4.3% of the operating budget. Fuel includes diesel, CNG, propulsion power, propane, and gasoline.

Utilities include water/sewer, electricity and natural gas for the facilities, as well as telephone and internet services.

Services, Materials, and Inventory include all service and maintenance contracts, office supplies, materials, inventory, and supplies for the upkeep of the buildings, stations, and vehicles. These categories represent 10.2% of the operating budget. Purchased Transportation represents expense for the third party contractors for ADA Paratransit services. This represents 2.7% of the operating budget. Other expenditures include workers' compensation costs, insurance premiums, claims payments, travel and training costs, and tuition reimbursement expenses. The Other Expenditures category represents 2.1% of the total operating budget. The last category, Transfers to Other Funds, includes transfers for specific set-asides that are required by various policies and sound financial management. This category totals 19.2% of the total expenditures for FY 2022.

Salaries and overtime represent the largest portion of the expenditures, at 44.2%. This includes wage increases for all employees, covering ATU and FOP union employees, as well as non-bargaining employees.

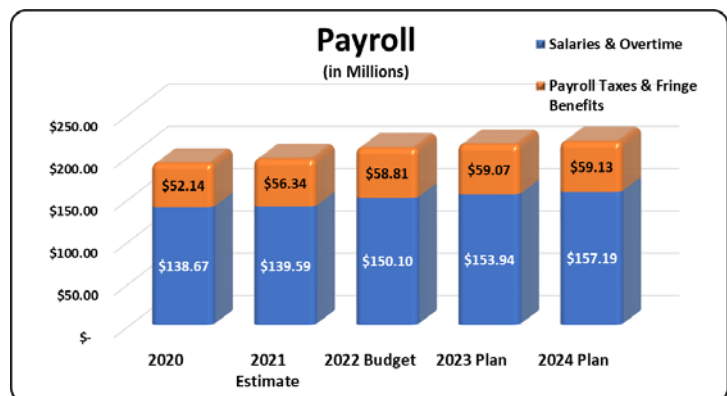


Figure 8

Payroll Taxes and Fringes are the second largest category, at 17.3%, or \$58.8 million. An 8% increase was budgeted for hospitalization and prescription costs for FY 2022 as health care claims have increased over the past 2 years.

Payroll is budgeted for 2,372 positions for FY 2022. This is an increase from FY 2021 by 18 positions. These include 9 laborers, 1 Bus/Rail Operator Trainer, 1 Dispatcher, 2 Human Resources Generalist positions, and 5 Administrative positions.

Of the 2,372 positions, 83.5% are within the 2 unions (Amalgamated Transit Union and Fraternal Order of Police). The remaining 16.5% are non-bargaining positions

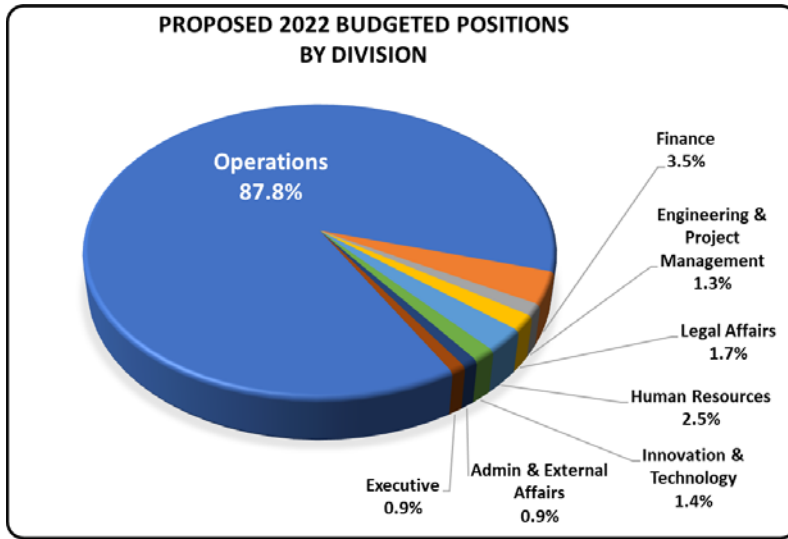


Figure 9

The Operations Division holds the majority of the positions in the Authority. These positions include bus and rail operators, mechanics, service supervisors, janitorial and facilities staff, service planning, and a variety of other positions to keep our buses, trains, facilities, and right-of-way in operation and suitable working condition.

The remaining divisions are administrative in nature and support the operations of the Authority, through engineering, finance, analysts, human resource staff, lawyers, and executive personnel. In 2021, two new Divisions were added: Innovation & Technology, and Administration & External

Affairs. Departments and sections of other departments were shifted into these two new Divisions to align with the CEO’s vision for the future.

The Energy Price Risk Management program has helped to stabilize one of the Authority’s most volatile expenses, diesel fuel. The diesel fuel usage has decreased over the past several years due to implementing more CNG buses into service and retiring the older diesel buses. The Authority placed 25 new CNG buses into its fleet in 2021 and is expecting 20 CNG buses, 16 articulated buses for the HealthLine, 13 Paratransit cut-aways, and 10 25-foot Paratransit buses to be delivered in 2022. The total fuel cost for FY 2022 is budgeted at \$10.5 million. This includes diesel, CNG, propane, gasoline, and propulsion power for the trains.

Utility costs are budgeted at \$4.2 million for FY 2022. This category includes natural gas and electricity for facilities, water/sewer, telephone, and internet expenses. The Authority has reduced electricity costs by re-negotiating a contract in 2021, which maintained fixed costs through the next 3 years. Natural gas commodity costs are locked in through mid-2022. A new contract will be negotiated by mid-year.

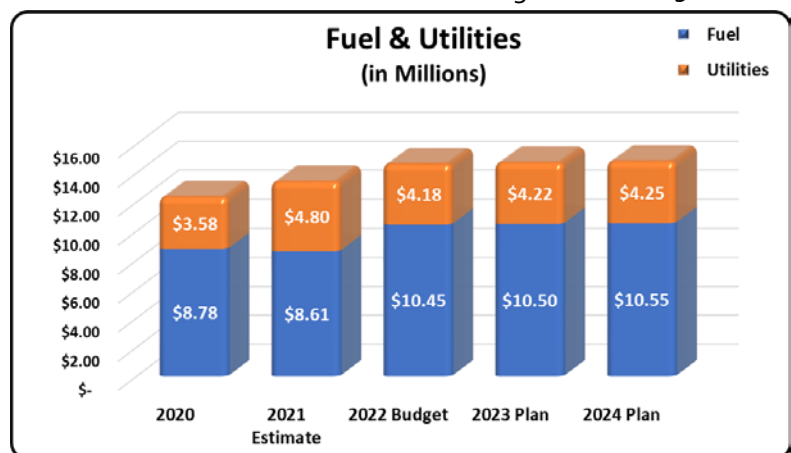


Figure 10

The main categories in Services, Materials & Supplies and Inventory are maintenance and other contracts, advertising costs, equipment and supplies for the upkeep of facilities, equipment, and vehicles. Inventory is budgeted at \$13.1 million for FY 2022. The Supply Chain Management section of Fleet Management has helped the Authority maintain parts for the predictive and preventive maintenance repairs and other repairs of revenue fleets. In 2021, Supply Chain Management has also maintained an inventory for the supplies and equipment for cleaning and sanitizing, personal protective equipment, and other equipment needed during the COVID pandemic. The predictive maintenance program began in 2015 where vehicles are serviced based on a proactive maintenance program, which ensures greater reliability of our bus and rail fleets. Services, Materials & Supplies are budgeted at \$21.9 million and include maintenance and other contractual services and purchases. These purchases include smaller items and one-time purchases not covered under the Inventory program.

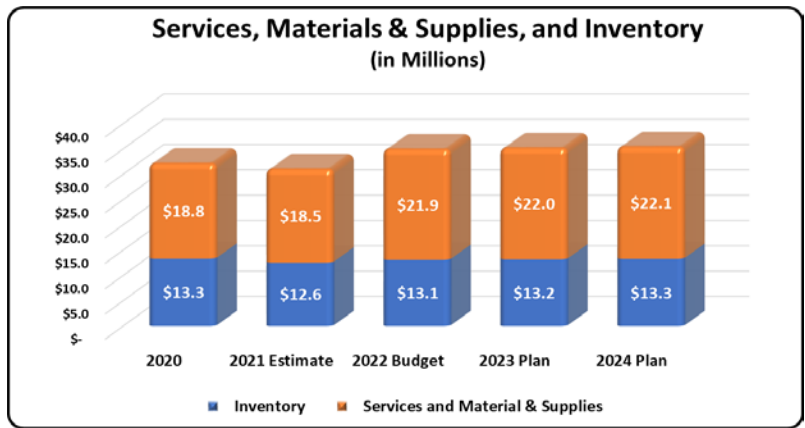


Figure 11

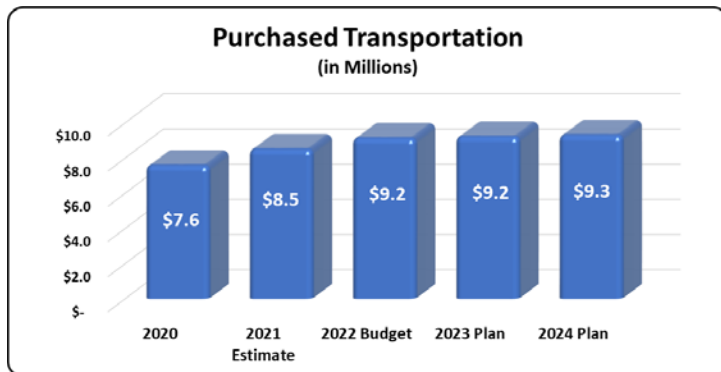


Figure 12

Purchased transportation is budgeted at \$9.2 million for FY 2022. This includes the ADA/Paratransit trips. The Authority entered into three new contracts in June 2019 with Provide-A-Ride, Senior Transportation Connection (STC), and GC Logistics. These contracts include a tablet for operators, which displays rolling-90 minutes of trips, a connected dispatch system, and a united training program.

The Other Expenditure category includes workers' compensation costs, purchased insurance premiums, travel and training expenses, and other miscellaneous expenses. This category is budgeted at \$7.1 million for FY 2022. Nationally and internationally, insurance premiums have increased in part due to the increased number of natural disasters and global COVID-19 pandemic.

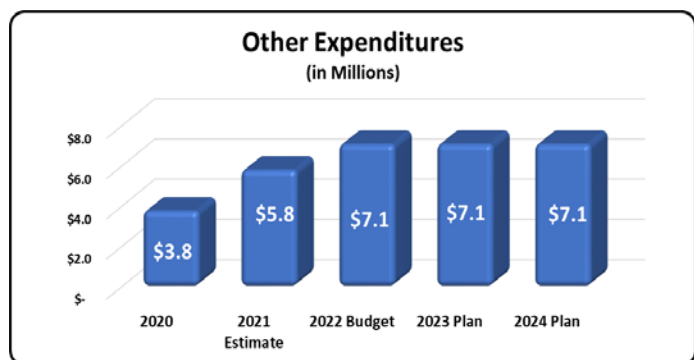


Figure 13

Transfers to Other Funds are set-asides for specific needs required by various policies. Total transfers to other funds are budgeted at \$53.6 million for FY 2022. The transfer to the Bond Retirement Fund is for debt service on the Authority’s outstanding debt.

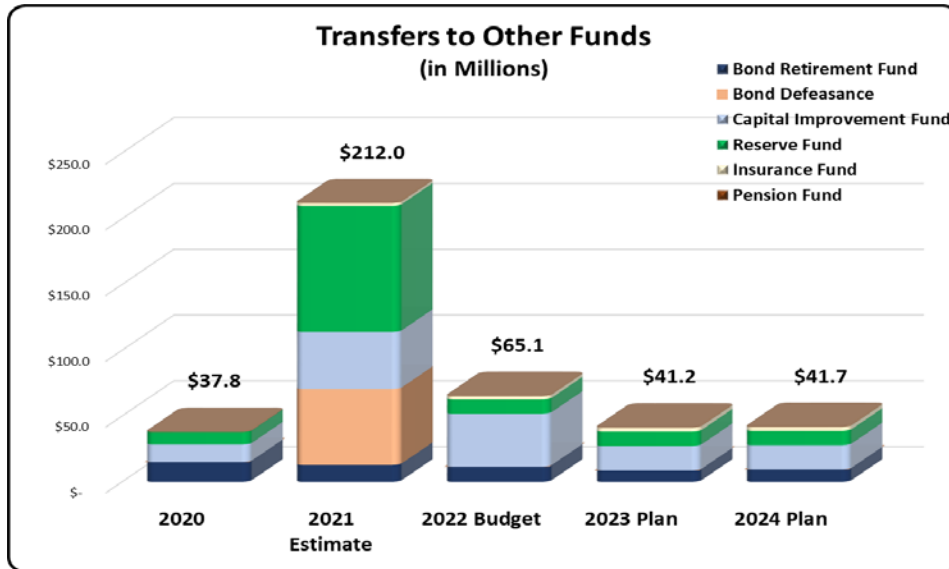


Figure 14

The transfer to the Capital Improvement Fund is to cover the 100% locally funded capital projects in the RTA Capital Fund, and local matches for most grant-funded projects in the RTA Development Fund. The total contribution to capital is budgeted at \$51.7 million and includes the transfers to the Capital Improvement Fund and Bond Retirement Fund. The Authority made a strategic decision in 2021 to repurpose all PM reimbursement for unfunded and under-funded capital projects. For 2022, the PM reimbursement is only budgeted at \$1.0 million for use when closing grants.

A \$2.5 million transfer to the Insurance Fund is budgeted in FY 2022. This transfer is to cover expected expenses and to maintain the \$5 million required balance. A transfer of \$10.9 million is budgeted to the Reserve Fund for 1/12th of the 27th pay for hourly and salary employees and \$10 million for the replacement of the rail cars. In 2021, an additional \$85 million is expected to be transferred in December to the Reserve Fund for the Revenue Stabilization Account. A \$40,000 transfer is budgeted for the Supplemental Pension Fund to maintain the recommended balance.

SERVICE LEVELS

2022 Budgeted Service Levels By Mode								
Compared to 2021 Budgeted Service Levels by Mode								
Service Mode	Service Hours				Service Miles			
	2021 Budget	2022 Budget	Variance	Percent Variance	2021 Budget	2022 Budget	Variance	Percent Variance
Rail								
Heavy Rail (Red)	143,000	143,000	0	0.0%	2,600,000	2,600,000	0	0.0%
Light Rail (Blue/Green)	53,336	53,336	0	0.0%	756,852	756,852	0	0.0%
Rail Total	196,336	196,336	0	0.0%	3,356,852	3,356,852	0	0.0%
Bus								
Bus Total	1,255,020	1,255,020	0	0.0%	15,066,089	15,066,089	0	0.0%
Sub-Total Bus & Rail	1,451,357	1,451,357	0	0.0%	18,422,941	18,422,941	0	0.0%
Paratransit								
In-House	167,110	167,110	0	0.0%	2,368,900	2,368,900	0	0.0%
Contract	214,739	214,739	0	0.0%	3,128,614	3,128,614	0	0.0%
Sub-Total Paratransit	381,849	381,849	0	0.0%	5,497,514	5,497,514	0	0.0%
Total	1,833,206	1,833,206			23,920,455	23,920,455		

Figure 15

The Authority implemented the NextGen service in June 2021, in response to the System Redesign Pillar Study. This service provides customers greater frequency of service with greater connectivity. Additionally, NextGen provides more cross-town routes allowing customers more access to all Cuyahoga County has to offer. No service changes are projected for FY 2022.

2022 Budget Financial Policy Goals							
		Goal	2020 Actual	2021 Estimate	2022 Budget	2023 Plan	2024 Plan
Operating Efficiency	Operating Ratio	≥ 25%	11.0%	9.2%	8.7%	8.6%	8.5%
	Cost per Service Hour		\$195.9	\$152.7	\$164.8	\$167.5	\$169.7
	Growth per Year	≤ Rate of Inflation	49.7%	-3.0%	4.7%	1.6%	1.3%
	Operating Reserve (Months)	≥ 1 month	6.5	3.3	3.7	1.8	1.0
Capital Efficiency	Debt Service Coverage	≥ 1.5	9.72	3.18	9.03	6.55	4.54
	Sales Tax Contribution to Capital	≥ 10%	13.5%	47.8%	21.3%	11.0%	11.0%
	Capital Maintenance to Expansion	75% - 90%	100.0%	100.0%	100.0%	100.0%	100.0%

Figure 16

An **Operating Ratio** of at least 25% is required by the Board. This efficiency ratio compares operating revenues (passenger fares, advertising, and investment income) to operating expenses. With ridership down by over 50% due to the COVID pandemic, the Operating Ratio is budgeted at 8.7% for FY 2022. The Authority is not likely to meet this goal in FY 2022 or the near future. Although in-person learning has started again with the 2021-2022 school year, some schools have continued the virtual learning and many businesses have their employees either partially or permanently telecommuting.

An **Operating Reserve** of at least 1 month (30 days) is required to cover any unforeseen or extraordinary fluctuations. With a 3.7-month Operating Reserve budgeted for FY 2022, the Authority is well prepared through FY 2024. The assistance from the CARES Act, CRRSAA, and ARP have helped the Authority to adjust to the reduced ridership due to the pandemic.

The **Growth per Year** is the change in the cost per hour of revenue service from one year to the next. This growth rate is to be kept at or below the level of inflation (around 2%). This efficiency ratio shows the cost of delivering a unit of service compared to the prior year. Operating expenses are increasing for FY 2022 by 4.7% compared to estimated expenses in FY 2021 and service levels have not changed.

Debt Service Coverage is a ratio measuring the Authority’s ability to meet annual interest and principal payments on outstanding debts. With the increased ending balance due to the assistance from the Federal stimulus funding and a defeasance of approximately \$57.5 million in bonds, the Debt Service Ratio is budgeted at 9.03 for FY 2022.

Current Board policy requires that a minimum of 10% of Sales & Use Tax revenue be applied to the capital needs of the Authority. These funds are used to meet the Authority’s annual debt service payments, provide the local match for grant-funded projects, and fund routine capital and asset maintenance projects. An additional \$25

million will be transferred in 2022 for unfunded and under-funded capital projects. At 21.3%, the **Sales Tax Contribution to Capital** for FY 2022 will be met.

The Board recognized that an emphasis must be made to maintain the Authority’s existing capital assets. **The Capital Maintenance to Expansion** is to be maintained between 75% and 90%. At 100% for the FY 2022 budget, the Authority’s emphasis continues to be on maintaining and improving its assets rather than an expansion of the system.

CAPITAL IMPROVEMENT PLAN

2022 - 2026 AMENDED COMBINED CAPITAL IMPROVEMENT PLAN						
Combined Budget Authority						
PROJECT CATEGORY	2022 Budget	2023 Plan	2024 Plan	2025 Plan	2026 Plan	2022-2026
Bus Garages	\$700,000	\$3,525,000	\$3,400,000	\$0	\$0	\$7,625,000
Bus Improvement Program	\$21,300,000	\$21,066,750	\$21,066,750	\$21,066,750	\$21,066,750	\$105,567,000
Equipment & Vehicles	\$7,499,620	\$7,171,104	\$4,259,076	\$4,210,160	\$7,237,612	\$30,377,572
Facilities Improvements	\$18,780,000	\$16,715,000	\$13,580,000	\$13,080,350	\$14,986,000	\$77,141,350
Other Projects	\$5,837,500	\$2,637,500	\$2,637,500	\$21,637,500	\$21,637,500	\$54,387,500
Preventive Maint./Oper. Reimb.	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$11,500,000	\$15,500,000
Rail Projects	\$31,750,000	\$30,550,000	\$39,400,000	\$34,000,000	\$30,500,000	\$166,200,000
Rail Car Replacement Program	\$39,467,500	\$21,982,500	\$41,892,500	\$41,804,650	\$21,450,000	\$166,597,150
Transit Centers	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$1,500,000
TOTALS	\$126,634,620	\$104,947,854	\$127,535,826	\$137,099,410	\$128,677,862	\$624,895,572

Figure 17

The Capital Improvement Plan (CIP) for 2022-2026 was approved by the Board of Trustees on May 25, 2021. The CIP provides for the purchase, maintenance, and improvement of the Authority’s capital assets through a programmed allocation of available financial resources. The capital assets of the Authority are varied and include such items as buses, rail cars, rail right-of-way infrastructure, facilities, equipment, non-revenue vehicles, and other capital assets needed to support the on-going operations of the Authority. The life cycle of these capital assets extends over a period of years and effective capital improvement planning provides the framework for scheduling improvements based on the availability of resources, the condition of assets, and the priorities among submitted capital projects. The capital-intensive nature of public transportation makes long-term financial planning, as well as effective implementation and completion of programmed capital projects on a timely basis, indispensable. On December 21, 2021, the CIP for 2022-2026 will be presented to the Board of Trustees to be amended. An additional \$24 million will be needed for the purchase of Rail Cars in 2022. This amendment will increase the 2022 CIP from \$102.6 million to \$126.6 million.

In 2021, a strategic decision was made to transfer the preventive maintenance reimbursement to capital and use the funding toward needed but unfunded and under-funded capital projects. The Authority’s priorities include replacement of rail vehicles, maintenance and repair of rail infrastructure, including tracks, signals, bridges, and substations. Financial resources are allocated through a comprehensive capital project review process, which prioritizes funding of requested capital projects. It continues to maintain the focus of the Authority’s long-term

capital strategic plan, as well as reflect on existing and future financial and operational constraints facing the Authority.

The FY 2022-2026 capital expenditures are predicated on year-to-date outlays, obligations, and projected commitments, as well as the approved 5-year Capital Improvement Plan. Projected grant revenues include current, as well as expected traditional and non-traditional grant awards and are based on a continuation of current FAST Act funding levels. Over the next 10 years, the Authority’s capital program will continue to focus on various State of Good Repair (SOGR) projects throughout the system. These include the on-going bus replacement program, rail car purchases, rehabilitation of light rail track and rail infrastructure of signal and overhead catenary, and various facility improvements and upgrades.

ATTACHMENT A					
General Fund Balance Analysis					
	2020	2021	2022	2023	2024
	Actual	Projection	Budget	Plan	Plan
Beginning Balance	41,577,395	133,581,757	70,311,993	84,802,987	42,543,640
Revenue					
Passenger Fares	24,044,664	21,504,518	21,719,563	21,936,759	22,265,810
Advertising & Concessions	2,337,735	1,195,086	1,390,000	1,390,000	1,390,000
Sales & Use Tax	210,147,468	238,221,615	242,986,048	247,845,769	252,802,684
Federal Operating Assistance - CARES Act	111,977,170	0	0	0	0
Fed. Operating Assistance - CRRSAA	0	67,416,467	0	0	0
Fed. Operating Assistance - ARP	0	54,815,088	81,199,333	0	0
Investment Income	698,786	629,377	600,000	500,000	400,000
Other Revenue	364,250	820,840	1,500,000	1,500,000	1,500,000
Reimbursed Expenditures	26,963,719	18,781,731	5,000,000	5,000,000	5,000,000
Transfer from Reserve Fund (Revenue Stabilization)	0	0	0	0	21,500,000
Total Revenue	376,533,792	403,384,722	354,394,944	278,172,528	304,858,494
Total Resources	418,111,187	536,966,479	424,706,937	362,975,516	347,402,134
Operating Expenditures					
Salaries and Overtime	138,668,611	139,592,476	150,098,342	153,942,642	157,185,991
Payroll Taxes and Fringes	52,142,719	56,338,143	58,810,762	59,069,422	59,128,342
Fuel (Diesel, CNG, Prop. Pwr., Gas)	8,780,650	8,609,709	10,451,419	10,500,604	10,550,148
Utilities	3,576,407	4,800,076	4,179,636	4,215,440	4,251,602
Inventory	13,341,465	12,557,773	13,100,000	13,200,000	13,300,000
Services and Material & Supplies	18,809,509	18,464,154	21,866,701	21,983,615	22,113,583
Purchase Transportation	7,599,160	8,520,258	9,150,000	9,235,000	9,320,850
Other Expenditures	3,783,813	5,817,403	7,100,010	7,103,503	7,100,413
Total Operating Expenditures	246,702,334	254,699,992	274,756,870	279,250,226	282,950,929
Transfers to (from) Other Funds					
Transfer to (from) the Insurance Fund	0	2,100,000	2,500,000	3,000,000	3,000,000
Transfer to (from) the Pension Fund	50,000	45,000	40,000	40,000	40,000
Transfers to Reserve Fund	10,878,615	95,878,615	10,878,615	10,878,615	10,878,615
Transfers from the Reserve Fund	(1,450,000)	0	0	0	0
Transfers to (from) Capital					
Bond Retirement Fund	14,950,956	12,771,515	11,500,000	8,647,930	9,396,959
Bond Defeasance	0	57,760,505	0	0	0
Capital Improvement Fund	13,397,525	43,398,859	40,228,465	18,615,105	18,411,336
Total Transfers to (from) Capital	28,348,481	113,930,879	51,728,465	27,263,035	27,808,295
Total Transfers to (from) Other Funds	37,827,096	211,954,494	65,147,080	41,181,650	41,726,910
Total Expenditures	284,529,430	466,654,486	339,903,950	320,431,876	324,677,839
Available Ending Balance	133,581,757	70,311,993	84,802,987	42,543,640	22,724,295

ATTACHMENT B

2022 Budget Financial Policy Goals							
		Goal	2020 Actual	2021 Estimate	2022 Budget	2023 Plan	2024 Plan
Operating Efficiency	Operating Ratio	≥ 25%	11.0%	9.2%	8.7%	8.6%	8.5%
	Cost per Service Hour		\$195.9	\$152.7	\$164.8	\$167.5	\$169.7
	Growth per Year	≤ Rate of Inflation	49.7%	-3.0%	4.7%	1.6%	1.3%
	Operating Reserve (Months)	≥ 1 month	6.5	3.3	3.7	1.8	1.0
Capital Efficiency	Debt Service Coverage	≥ 1.5	9.72	3.18	9.03	6.55	4.54
	Sales Tax Contribution to Capital	≥ 10%	13.5%	47.8%	21.3%	11.0%	11.0%
	Capital Maintenance to Expansion	75%- 90%	100.0%	100.0%	100.0%	100.0%	100.0%

Capital Improvement Fund Balance Analysis					
	2020 Actual	2021 Projection	2022 Budget	2023 Plan	2024 Plan
Beginning Balance	44,377,784	32,437,292	35,851,198	67,795,937	82,563,482
Revenue					
Transfer from General Fund	13,397,525	43,398,859	40,228,465	18,615,105	18,411,336
Transfer from Reserve Fund	0	49,000,000	10,000,000	10,000,000	10,000,000
Investment Income	1,079,699	265,000	265,000	265,000	765,000
Federal Capital Grants	42,000,277	92,633,201	97,949,296	80,698,696	88,283,460
CARES Act / CRRSAA Assistance	111,977,170	67,416,467	0	0	0
ARP Assistance	0	54,815,088	81,199,333	0	0
State Capital Grants	2,702,681	10,464,375	10,136,598	10,136,598	1,384,658
Debt Service Proceeds	0	0	0	0	0
Other Revenue	12,800	0	0	0	0
Total Revenue	171,170,152	317,992,990	239,778,692	119,715,399	118,844,454
Total Resources	215,547,936	350,430,282	275,629,890	187,511,336	201,407,936
Expenditures					
Capital Outlay	71,133,474	191,174,752	126,634,620	104,947,854	127,535,826
Capital Outlay - CARES Act / CRRSAA	111,977,170	67,416,467	0	0	0
ARP Assistance	0	54,815,088	81,199,333	0	0
Other Expenditures	0	1,172,777	0	0	0
Total Expenditures	183,110,644	314,579,084	207,833,953	104,947,854	127,535,826
Available Ending Balance	32,437,292	35,851,198	67,795,937	82,563,482	73,872,110

ATTACHMENT D					
Bond Retirement Fund Balance Analysis					
	2020	2021	2022	2023	2024
	Actual	Projection	Budget	Plan	Plan
Beginning Balance	7,145,347	5,946,363	2,228,878	1,988,678	1,263,158
Revenue					
Transfer from General Fund	14,950,956	12,771,515	11,500,000	8,647,930	9,396,959
Transfer from General Fund - Defeasance	0	57,760,505	0	0	0
Transfer from RTA Development Fund	0	0	0	0	0
Investment Income	107,770	135,000	135,000	100,000	100,000
Bond Premium Proceeds	0	0	0	0	0
Other Revenue	0	0	0	0	0
Total Revenue	15,058,726	70,667,020	11,635,000	8,747,930	9,496,959
Reconciling Journal Entry	0	0	0	0	0
Total Resources	22,204,073	76,613,382	13,863,878	10,736,608	10,760,117
Expenditures					
Debt Service					
Principal	10,560,000	11,345,000	9,535,000	7,610,000	7,995,000
Interest	5,697,710	5,279,000	2,338,700	1,861,950	1,481,450
Other Expenditures	0	57,760,505	1,500	1,500	1,500
Total Expenditures	16,257,710	74,384,505	11,875,200	9,473,450	9,477,950
Ending Balance	5,946,363	2,228,878	1,988,678	1,263,158	1,282,167

ATTACHMENT E					
Insurance Fund Balance Analysis					
	2020	2021	2022	2023	2024
	Actual	Projection	Budget	Plan	Plan
Beginning Balance	7,808,801	5,827,793	5,482,178	5,024,178	5,041,178
Revenue					
Investment Income	177,397	35,000	35,000	35,000	35,000
Transfer from General Fund	0	2,100,000	2,500,000	3,000,000	3,000,000
Transfer from RTA Development Fund	0	0	0	0	0
Other Revenue	0	0	0	0	0
Total Revenue	177,397	2,135,000	2,535,000	3,035,000	3,035,000
Total Resources	7,986,198	7,962,793	8,017,178	8,059,178	8,076,178
Expenditures					
Claims and Premium Outlay	2,158,405	2,480,615	2,993,000	3,018,000	3,018,000
Other Expenditures	0	0	0	0	0
Total Expenditures	2,158,405	2,480,615	2,993,000	3,018,000	3,018,000
Ending Balance	5,827,793	5,482,178	5,024,178	5,041,178	5,058,178

ATTACHMENT F
Supplemental Pension Fund Balance Analysis

	2020 Actual	2021 Projection	2022 Budget	2023 Plan	2024 Plan
Beginning Balance	1,376,779	1,288,956	1,289,956	1,285,956	1,284,956
Revenue					
Investment Income	13,704	14,000	14,000	14,000	14,000
Transfer from General Fund	50,000	45,000	40,000	40,000	40,000
Total Revenue	63,704	59,000	54,000	54,000	54,000
Total Resources	1,440,483	1,347,956	1,343,956	1,339,956	1,338,956
Expenditures					
Benefit Payments	151,527	58,000	58,000	55,000	55,000
Transfer to the General Fund	0	0	0	0	0
Other Expenditures	0	0	0	0	0
Total Expenditures	151,527	58,000	58,000	55,000	55,000
Reconciling Journal Entry	0	0	0	0	0
Ending Balance	1,288,956	1,289,956	1,285,956	1,284,956	1,283,956

ATTACHMENT G
Law Enforcement Fund Balance Analysis

	2020 Actual	2021 Projection	2022 Budget	2023 Plan	2024 Plan
Beginning Balance	65,164	57,550	59,550	56,550	53,550
Revenue					
Law Enforcement Revenue	12,571	20,000	20,000	20,000	20,000
Law Enforcement Training Revenue	0	0	0	0	0
Investment Income	422	2,000	2,000	2,000	2,000
Other Revenue	0	0	0	0	0
Total Revenue	12,993	22,000	22,000	22,000	22,000
Total Resources	78,157	79,550	81,550	78,550	75,550
Expenditures					
Capital & Related Items	20,607	20,000	25,000	25,000	25,000
Training	0	0	0	0	0
Total Expenditures	20,607	20,000	25,000	25,000	25,000
Reconciling Journal Entry	0	0	0	0	0
Ending Balance	57,550	59,550	56,550	53,550	50,550

ATTACHMENT H
Reserve Fund Balance Analysis

	2020	2021	2022	2023	2024
	Actual	Projection	Budget	Plan	Plan
Beginning Balance	41,473,850	52,898,078	100,401,693	101,905,308	103,183,923
Revenue					
Investment Income	1,895,613	625,000	625,000	400,000	200,000
Transfer from GF for Compensated Absences	0	0	0	0	0
Transfer from GF for Fuel	0	0	0	0	0
Transfer from GF for Hospitalization	0	0	0	0	0
Transfer from GF for Rolling Stock Reserve	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Transfer from GF for 27th Pay	878,615	878,615	878,615	878,615	878,615
Transfer from GF for Revenue Stabilization	0	85,000,000	0	0	0
Other Revenue	100,000	0	0	0	0
Total Revenue	12,874,228	96,503,615	11,503,615	11,278,615	11,078,615
Total Resources	54,348,078	149,401,693	111,905,308	113,183,923	114,262,538
Expenditures					
Transfer to General Fund (Compensated Absences)	0	0	0	0	0
Transfer to General Fund (Fuel)	0	0	0	0	0
Transfer to General Fund (Hospitalization)	0	0	0	0	0
Transfer to RTA Development Fund (Rolling Stock)	0	49,000,000	10,000,000	10,000,000	10,000,000
Transfer to General Fund (27th Pay - 2024)	1,450,000	0	0	0	0
Transfer to General Fund (Revenue Stabilization)	0	0	0	0	21,500,000
Total Expenditures	1,450,000	49,000,000	10,000,000	10,000,000	31,500,000
Ending Balance	52,898,078	100,401,693	101,905,308	103,183,923	82,762,538
Rolling Balances					
Compensated Absences	3,831,458	3,876,728	3,932,554	3,947,990	3,955,643
Fuel	2,703,802	2,735,748	2,775,144	2,786,037	2,791,437
Hospitalization	2,768,042	2,800,747	2,841,079	2,852,230	2,857,759
Rolling Stock	40,542,474	2,021,490	2,453,810	2,463,442	2,468,217
27th Pay: Salary: 2020 / Hourly 2025	3,052,302	3,966,980	4,902,721	5,800,580	6,690,438
Revenue Stabilization	0	85,000,000	85,000,000	85,333,643	63,999,044
Total	52,898,078	100,401,693	101,905,308	103,183,923	82,762,538

All Funds Balance Analysis

	2020	2021	2022	2023	2024
	Actual	Projection	Budget	Plan	Plan
Beginning Balance	143,825,121	232,037,790	215,625,446	262,859,594	235,933,887
Revenue					
Passenger Fares	24,044,664	21,504,518	21,719,563	21,936,759	22,265,810
Sales & Use Tax	210,147,468	238,221,615	242,986,048	247,845,769	252,802,684
Federal	42,000,277	92,633,201	97,949,296	80,698,696	88,283,460
CARES Act / CRRSAA	111,977,170	67,416,467	0	0	0
ARP		54,815,088	81,199,333	0	0
State	2,702,681	10,464,375	10,136,598	10,136,598	1,384,658
Investment Income	3,973,391	1,705,377	1,676,000	1,316,000	1,516,000
Other Revenue	29,791,075	20,817,657	7,910,000	7,910,000	7,910,000
Debt Service Proceeds	0	0	0	0	0
Total Revenue	424,636,726	507,578,298	463,576,838	369,843,822	374,162,612
Total Resources	568,461,847	739,616,087	679,202,284	632,703,417	610,096,498
Expenditures					
Personnel Services	190,811,330	195,930,619	208,909,104	213,012,064	216,314,333
Fuel (Diesel, CNG, Prop. Pwr., Gas)	8,780,650	8,609,709	10,451,419	10,500,604	10,550,148
Utilities	3,576,407	4,800,076	4,179,636	4,215,440	4,251,602
Inventory	13,341,465	12,557,773	13,100,000	13,200,000	13,300,000
Services & Materials	18,809,509	18,464,154	21,866,701	21,983,615	22,113,583
Purchased Transportation	7,599,160	8,520,258	9,150,000	9,235,000	9,320,850
Other Expenditures	6,114,352	67,309,300	10,177,510	10,203,003	10,199,913
Capital Outlay	71,133,474	191,174,752	126,634,620	104,947,854	127,535,826
Debt Service	16,257,710	16,624,000	11,873,700	9,471,950	9,476,450
Total Expenditures	336,424,057	523,990,641	416,342,690	396,769,530	423,062,705
Available Ending Balance	232,037,790	215,625,446	262,859,594	235,933,887	187,033,793

Since the Transmittal Letter was approved by the BOT in November 2021, to maintain the integrity of the original submission, the Transmittal Letter was kept in the original presentation. Two amendments occurred after approval of the Transmittal Letter.

Fiscal Year 2021

In December 2021, the BOT authorized an amendment to increase the overall appropriations budget for Fiscal Year 2021 by \$85 million to be transferred to the Reserve Fund. The transfer was for the Revenue Stabilization sub-fund.

Fiscal Year 2022

In December 2021, the BOT authorized an amendment to the FY2022 Capital Improvement Fund budget to increase the overall appropriation by \$34.2 million in order to establish the proper budget authority to cover rail car purchases (\$24 million), rehabilitation of Tower City East Portal (\$5.2 million), and Hayden District roof replacement (\$5.0 million).