

Greater Cleveland Regional Transit Authority

2015 Tax Budget
Office of Management & Budget
7/1/14



Challenges

- Declining Sales Tax
- 3 Grants Ending (\$6 million)
- Fund Balance Declining
- Total Resources Declining
- Expenses Increasing

Tax Budget History

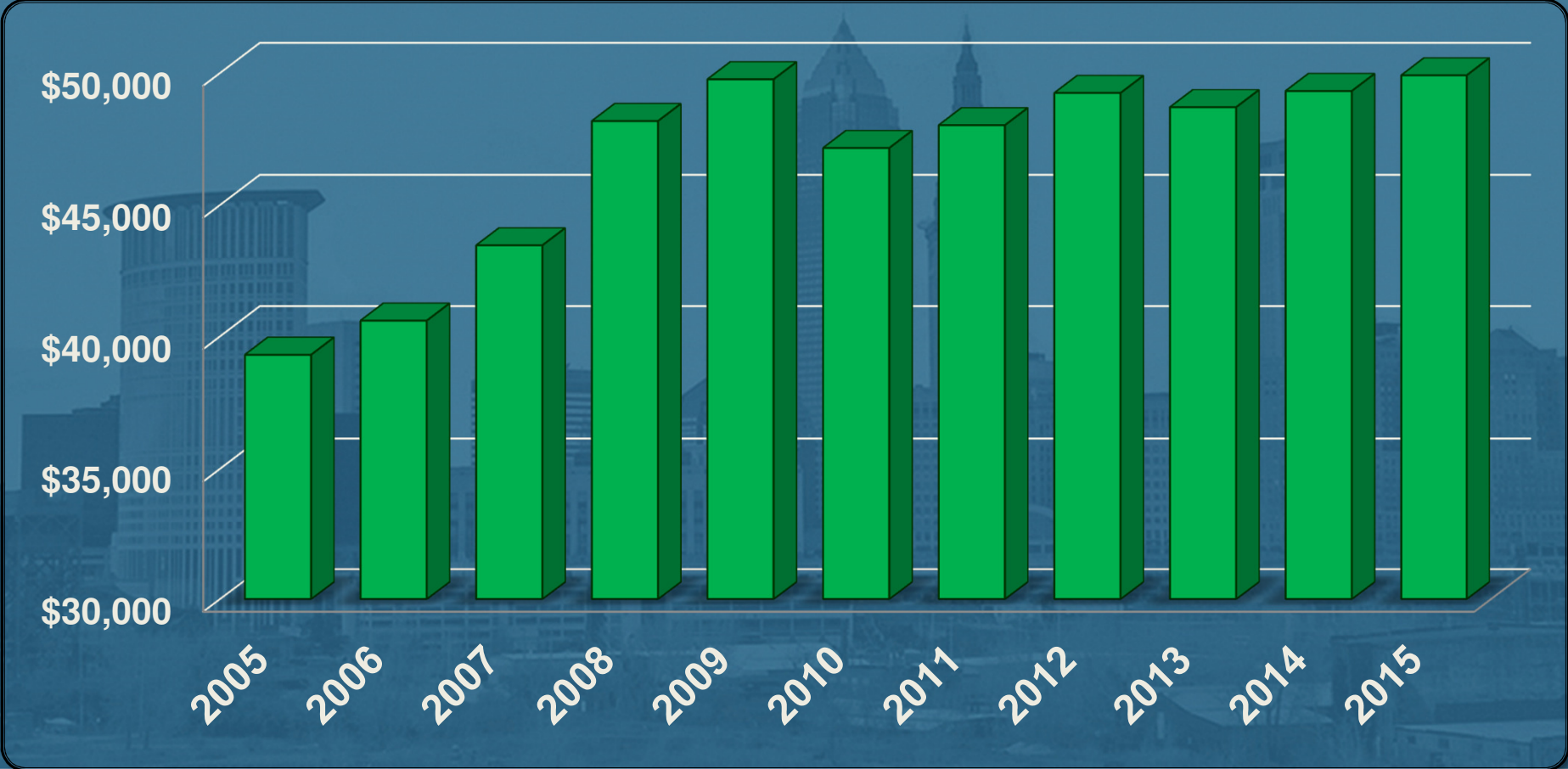
Tax Budget Year	2010	2011	2012	2013	2014	2015
Estimated Revenues	\$258.2M	\$251.9M	251.9M	\$263.9M	\$266.0M	\$276.5M
Total Resources	\$259.5M	\$254.1M	277.1M	\$299.4M	\$294.6M	\$301.1M
Operating Expenses	\$242.1M	\$224.3M	228.4M	\$235.8M	\$243.9M	\$253.7M
Total Expenses	\$275.8M	\$257M	264M	\$273.2M	282.1M	\$293.6M
Ending Balance	(\$16.3M)	(\$2.9M)	13.1M	\$26.3M	\$12.5M	\$7.6M

Sales & Use Tax

Sales & Use Tax (Year)	Amount	%
2009	\$154.6M	-10.9%
2010	\$163.2M	5.6%
2011	\$173.2M	6.1%
2012	\$181.2M	4.6%
2013	\$189.6M	4.6%
2014 Estimate	\$194.2M	2.4%
2015 Tax Budget	\$198.5M	2.2%

Passenger Fare Revenue

(in Thousands)



Reimbursed Expenditures

- Preventive Maintenance
- Force Account Labor
- Fuel Reimbursement
- Past & Future

Year	Amount
2009	\$33.5M
2010	\$39.2M
2011	\$25.6M
2012	\$17.0M
2013	\$15.2M
2014 Estimate	\$17.8M
2015 Tax Budget	\$20.5M

General Fund Revenue Analysis

	2012	2013	2014	2015
(in millions)	Actual	Actual	Estimate	Tax Budget
Beginning Balance	36.38	38.24	34.25	24.63
Revenue				
Passenger Fares	49.24	48.70	49.31	49.91
Advertising & Concessions	1.38	1.40	1.30	1.20
Sales & Use Tax	181.22	189.63	194.23	198.51
CMAQ Reimb. HealthLine	2.13	0	0	0
Operating Assistance - ADA	3.13	3.89	4.13	3.13
CMAQ Reimbursement - Trolley	0	0.95	0.95	0.95
Access to Jobs Program	1.71	2.93	2.29	1.10
Investment Income	0.20	0.20	0.23	0.23
Other Revenue	0.97	1.18	1.3	1.00
Reimbursed Expenditures	16.96	15.22	17.76	20.50
Total Revenue	256.93	264.09	271.50	276.51
Total Resources	293.30	302.33	305.75	301.14

Personnel Expenditures

Personnel Exp. (Year)	Amount	%
2009	\$176.6M	2.1%
2010	\$157.0M	-11.1%
2011	\$154.9M	-1.3%
2012	\$163.8M	5.7%
2013	\$169.1M	3.3%
2014 Estimate	\$174.5M	6.6%
2015 Tax Budget	\$183.7M	8.6%

Fuel

- Diesel Fuel

- Fuel Hedging Program
- 2014: \$14.2 million
- 2015: (375K) gallons
- 2016: (1.3M) gallons
- 2017: (1.5M) gallons

- CNG

- Buses start operation July 1, 2014
- 2015: (\$463K)
- 2016: (\$2.0M)
- 2017: (\$3.0M)

General Fund Balance Analysis

	2012	2013	2014	2015
(in millions)	Actual	Actual	Estimate	Tax Budget
Operating Expenditures				
Personnel Services	163.78	169.10	174.50	183.65
Diesel Fuel	12.63	13.96	14.21	13.44
Other Expenditures	46.54	47.92	53.89	56.56
Total Operating Expenditures	222.94	230.98	242.60	253.65
Transfer to the Insurance Fund	1.00	1.40	2.10	2.10
Transfer to the Pension Fund	0.10	0.10	0.10	0.10
Transfers to Capital				
Bond Retirement Fund	19.39	18.32	20.15	22.90
Capital Improvement Fund	11.64	17.28	16.17	14.82
Total Transfers to Capital	31.02	35.60	36.32	37.72
Total Expenditures	255.67	268.08	281.12	293.57
Ending Balance	38.24	34.25	24.63	7.57
Brookpark Lightning Strike Reserve Funds	1.10	0	0	0
Rolling Stock Reserve Funds	7.00	0	0	0
Reserved Funds	6.84	6.90	6.90	6.90
Available Ending Balance	23.30	27.35	17.73	0.67

Capital

- \$40M debt sale
- CNG Fueling Stations & Equipment
- CNG Buses
- Rail Projects

Tax Budget

	2015	2016	2017
(in millions)	Tax Budget	Budget	Budget
Beginning Balance	24.63	7.57	-5.22
Revenue			
Passenger Fares	49.91	50.50	51.11
Advertising & Concessions	1.20	1.20	1.20
Sales & Use Tax	198.51	202.87	207.34
CMAQ Reimbursement for the Healthline	0	0	0
Operating Assistance - Paratransit Operations	3.13	0	0
CMAQ Reimbursement - Trolley	0.95	0.85	0
Access to Jobs Program	1.10	0	0
Investment Income	0.23	0.25	0.28
Other Revenue	1.00	1.00	1.00
Reimbursed Expenditures	20.50	23.00	23.00
Total Revenue	276.51	279.68	283.92
Total Resources	301.14	287.25	278.70
Operating Expenditures			
Personnel Services	183.65	186.58	189.56
Diesel Fuel	13.44	10.88	10.08
Other Expenditures	56.56	55.11	55.18
Total Operating Expenditures	253.65	252.57	254.82
Transfer to the Insurance Fund	2.10	2.30	2.50
Transfer to the Pension Fund	0.10	0.10	0.10
Transfers to Capital			
Bond Retirement Fund	22.90	23.68	17.82
Capital Improvement Fund	14.82	13.83	14.42
Total Transfers to Capital	37.72	37.50	32.24
Total Expenditures	293.57	292.47	289.66
Ending Balance	7.57	-5.22	-10.96
Brookpark Lightning Strike Reserve Funds	0	0	0
Rolling Stock Reserve Funds	0	0	0
Reserved Funds	6.90	6.90	6.90
Available Ending Balance	0.67	-12.12	-17.86

2015 Tax Budget Financial Policy Objectives

		Goal	2012 Actual	2013 Actual	2014 Estimate	2015 Tax Budget
Operating Efficiency	Operating Ratio	> 25%	23.0%	22.0%	21.1%	20.4%
	Cost/Hour of Service		\$123.4	\$129.1	\$121.0	\$125.2
	Growth per Year	≤ Rate of Inflation	-7.7%	4.6%	-6.3%	3.5%
	Operating Reserve (Months)	≥ 1 month	2.1	1.8	1.2	0.4
Capital Efficiency	Debt Service Coverage	> 1.5	2.77	2.53	2.24	1.36
	Sales Tax Contribution to Capital	10% - 15%	17.1%	18.8%	18.7%	19.0%
	Capital Maintenance to Expansion	75% - 90%	97.9%	86.1%	93.5%	92.5%



Strategic Objectives

- Mitigate Downward Trend
- Improvement Costs
- Operating vs. Capital
- Review Budget for Next 4 Months:
 - Increase Revenue
 - Cut Expenses

Questions

Greater Cleveland Regional Transit Authority

