

Greater Cleveland Regional Transit Authority

2016 Tax Budget
Office of Management & Budget
7/6/15



Challenges

- 3 Grants Ending (\$5 million)
- Fund Balance Declining
- Total Resources Declining
- Expenses Increasing

Tax Budget History

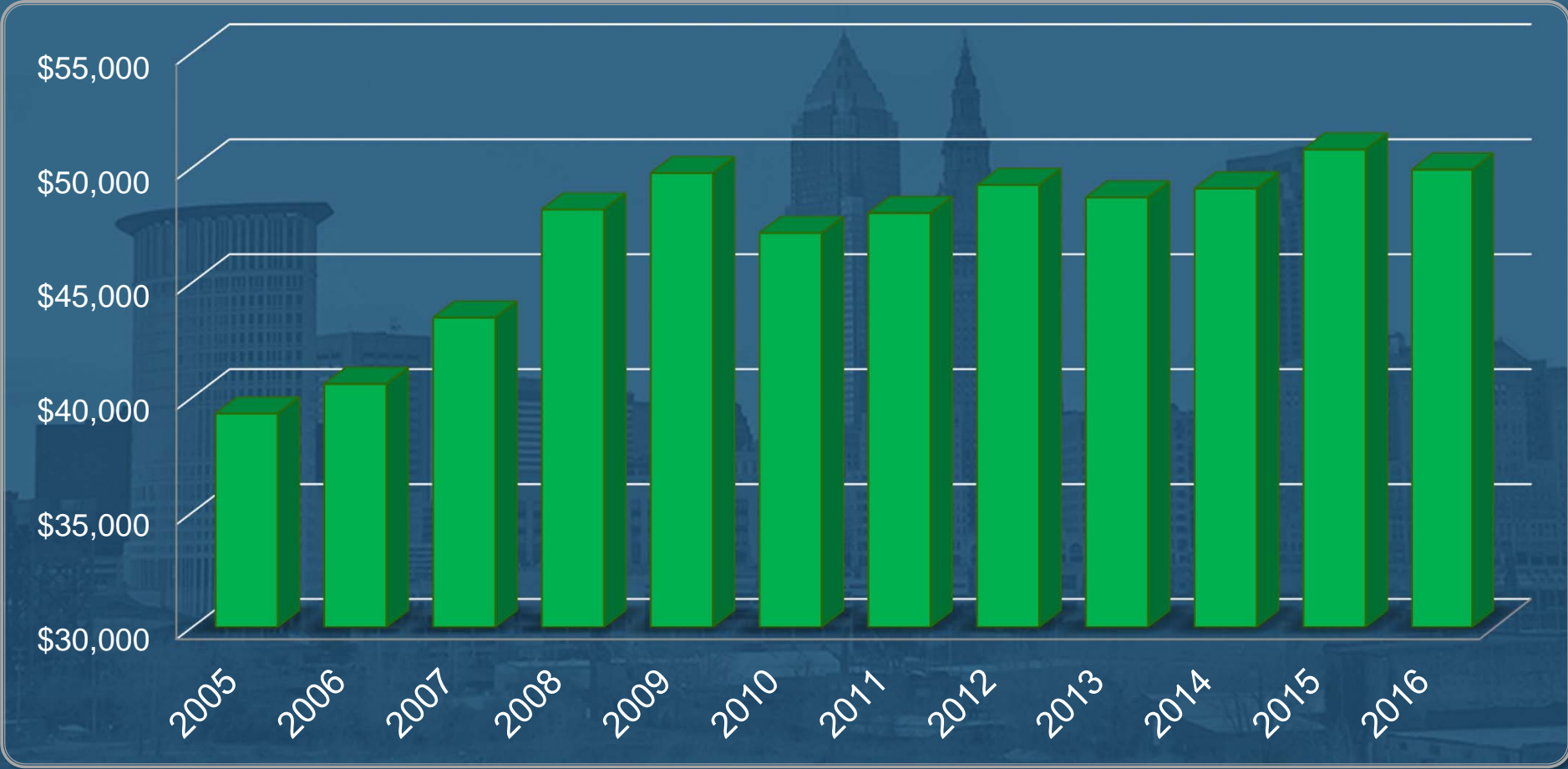
Tax Budget Year	2011	2012	2013	2014	2015	2016
Estimated Revenues	\$251.9M	251.9M	\$263.9M	\$266.0M	\$276.5M	\$284.9M
Total Resources	\$254.1M	277.1M	\$299.4M	\$294.6M	\$301.1M	\$310.0M
Operating Expenses	\$224.3M	228.4M	\$235.8M	\$243.9M	\$253.7M	\$257.6M
Total Expenses	\$257M	264M	\$273.2M	282.1M	\$293.6M	\$299.0M
Ending Balance	(\$2.9M)	13.1M	\$26.3M	\$12.5M	\$7.6M	\$11.0M

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	\$197.1M	3.9%
2015 estimated	\$206.3M	4.7%
2016 Tax Budget	\$211.5M	2.5%

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	\$17.3M
2015 Estimate	\$21.0M
2016 Tax Budget	\$21.0M

General Fund Revenue Analysis

	2013	2014	2015	2016
(in millions)	Actual	Actual	Estimate	Tax Budget
Beginning Balance	40.71	38.39	26.87	25.08
Revenue				
Passenger Fares	48.70	49.09	50.78	49.91
Advertising & Concessions	1.40	1.49	1.22	1.22
Sales & Use Tax	189.63	197.12	206.34	211.50
CMAQ Reimb. HealthLine	0	0	0	0
Operating Assistance - ADA	3.89	4.06	3.13	0
CMAQ Reimbursement - Trolley	1.10	0.70	0.93	0
Access to Jobs Program	2.93	2.47	1.10	0
Investment Income	0.20	0.17	0.19	0.20
Other Revenue	1.18	1.47	1.10	1.10
Reimbursed Expenditures	15.22	17.32	21.00	21.00
Total Revenue	264.25	273.89	285.79	284.92
Total Resources	304.96	312.28	312.66	310.00

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	3.2%
2014	\$181.3M	7.2%
2015 Estimate	\$182.2M	0.5%
2016 Tax Budget	\$187.7M	3.0%

Fuel

- Diesel Fuel

- Fuel Hedging Program

- 2014: \$14.3M

- 2015: \$11.7M

- 2016: \$9.6M

- 2017: \$8.0M

- 2018: \$8.0M

- CNG

- Starting operation 7/2015

- 2015: \$0.4M

- 2016: \$0.8M

- 2017: \$1.2M

- 2018: \$1.3M

General Fund Balance Analysis

	2013	2014	2015	2016
(in millions)	Actual	Actual	Estimate	Tax Budget
Operating Expenditures				
Personnel Services	169.10	181.3	182.2	187.7
Diesel Fuel	13.96	14.34	11.68	9.64
Natural Gas	1.38	0.96	1.41	1.80
Other Expenditures	46.53	51.46	52.75	58.48
Total Operating Expenditures	230.97	248.06	248.02	257.59
Transfer to the Insurance Fund	1.40	0.90	1.50	2.20
Transfer to the Pension Fund	0.10	0.10	0.10	0.10
Transfers to Capital				
Bond Retirement Fund	18.32	20.48	22.27	22.68
Capital Improvement Fund	15.77	15.87	15.69	16.41
Total Transfers to Capital	34.09	36.36	37.97	39.08
Total Expenditures	266.57	285.41	287.59	298.97
Ending Balance	38.39	26.87	25.08	11.03
Reserved Funds	6.90	6.90	0	0
Available Ending Balance	31.49	19.97	25.08	11.03

Operating Budget

- At/Beyond Capacity on Service
 - Personnel
 - Lifts
 - Hours/Miles

Service Capacity Measures

Annual Mileage- Actuals & 2015 Projected					
District	2011	2012	2013	2014	2015
Triskett	6,052,409	6,572,804	6,808,463	6,658,107	7,145,373
Hayden	8,940,853	9,147,207	9,080,755	9,634,661	9,988,304

- Miles per Mechanic at 10% above schedule
- Actual Mileage Increase: Hayden at 38% Triskett at 7%

Capital

- \$30M debt sale in 2015
- \$25M debt sale planned for 2017
- CNG Fueling Stations & Equipment
- CNG Buses
- Rail Projects

Capital

- 2016 – 2020 Capital Projects Funded \$345M
 - Reimbursed Expenses \$100M
 - Force Account Labor, Preventive Maintenance, etc.
- 2016 – 2020 Capital Projects Unfunded \$264M

Tax Budget

	2016	2017	2018
(in millions)	Tax Budget	Plan	Plan
Beginning Balance	24.63	7.57	-5.22
Revenue			
Passenger Fares	49.91	50.27	50.87
Advertising & Concessions	1.22	1.20	1.20
Sales & Use Tax	211.50	216.79	222.21
CMAQ Reimbursement for the Healthline	0	0	0
Operating Assistance - Paratransit Operations	0	0	0
CMAQ Reimbursement - Trolley	0	0	0
Access to Jobs Program	0	0	0
Investment Income	0.20	0.19	0.17
Other Revenue	1.10	1.10	1.10
Reimbursed Expenditures	21.00	21.50	21.50
Total Revenue	284.92	291.05	297.05
Total Resources	310.00	302.07	300.62
Operating Expenditures			
Personnel Services	187.67	191.55	195.56
Diesel Fuel	9.64	7.99	7.99
Natural Gas	1.80	2.29	2.51
Other Expenditures	58.48	59.99	59.54
Total Operating Expenditures	257.59	261.83	265.61
Transfer to the Insurance Fund	2.20	2.10	2.10
Transfer to the Pension Fund	0.10	0.10	0.10
Transfers to Capital			
Bond Retirement Fund	22.68	17.91	18.61
Capital Improvement Fund	16.41	16.56	16.56
Total Transfers to Capital	39.08	34.47	35.18
Total Expenditures	298.97	298.50	302.98
Ending Balance	11.03	3.57	-2.36
Reserved Funds	0	0	0
Available Ending Balance	11.03	3.57	-2.36

2016 Tax Budget Financial Policy Objectives

		Goal	2013 Actual	2014 Actual	2015 Estimate	2016 Tax Budget
Operating Efficiency	Operating Ratio	> 25%	22.0%	20.6%	21.2%	20.0%
	Cost/Hour of Service		\$129.1	\$123.6	\$124.5	\$130.7
	Growth per Year	≤ Rate of Inflation	5.6%	-4.2%	0.7%	4.9%
	Operating Reserve (Months)	≥ 1 month	2.0	1.3	1.2	0.5
Capital Efficiency	Debt Service Coverage	> 1.5	2.73	2.37	2.14	1.46
	Sales Tax Contribution to Capital	10% - 15%	18.0%	18.4%	18.4%	18.5%
	Capital Maintenance to Expansion	75% - 90%	84.1%	95.7%	97.1%	94.2%



Strategic Objectives

- Maintaining 30-day Operating Reserve
- Funding for Capital Needs
- Declining Operating Ratio – Fare Increase ??
- Reducing Service Level ??

Questions

Greater Cleveland Regional Transit Authority

