

# Revision to the Financial Policies and 2017 General Fund Appropriations

Presentation to the  
Finance Committee  
RTA Board of Trustees  
March 7, 2017



Greater Cleveland Regional Transit Authority



# Why Financial Policies?

- Best Practice
- Promotes long term perspective
- Bond Ratings
  - Moody's – Aa1
  - S&P - AAA
- Strategic Plan
  - Fiscal Responsibility



# Current Policy

- Section 3.5 and 3.6 (Reserve Funds)
  - Fuel Reserve
  - Hospitalization Reserve
  - Compensated Absences Reserve
  - Rolling Stock (Rail) Reserve



# Proposed Updated Policy

- Establish a New Reserve Fund
  - 27<sup>th</sup> payroll expense



# Request from Finance Committee

- Request the following to go on the BOT Agenda for March 21:
  - Amend current financial policies
  - Amend 2017 general fund appropriations
    - Allow for transfers to these reserve funds
    - Initial \$8.7M in transfers





# Transfers to Reserve

- Fuel Reserve - \$1.2M
- Compensated Absences - \$945K
- Hospitalization Reserve - \$906K
- Rolling Stock (Rail) - \$5M
- 27<sup>th</sup> Payroll Expense - \$695K



# Questions?

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