

PUBLIC HEARING

Greater Cleveland Regional Transit Authority Proposed FY 2019 Budget Tuesday, December 4, 2018

This is the second public hearing for the 2019 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 of this Authority. Public notice of this hearing was made by the publication of a legal advertisement in the Cleveland Plain Dealer on October 25, 2018. In addition, notice was posted in the first floor lobby of the Authority's Main Office Building.

In developing the proposed 2019 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 2019 Budget are as follows:

- The General Fund budget request includes expenditures of \$286.3 million against estimated revenue of \$277.7 million. Total expenditures are projected to be \$6.7 million less than the 2018 3rd Quarter estimate. The total expenditures include \$254.5 million in operating expenses, \$15.2 million for debt service, \$11.9 million for capital improvements, \$50,000 to the pension fund, \$2.7 million to the insurance fund, and \$2.0 million for the reserve fund.
- Salaries and overtime costs are budgeted \$3.1 million above estimated 2018 expenditures. The increase comes from a projected 1.5% wage increase and union step increases for employees. No reductions in positions were made and the proposed 2019 budget includes 2,333.5 FTEs. No significant service changes are planned in the proposed 2019 budget.
- RTA will continue to strive to increase productivity and efficiency through TransitStat, the Authority's data driven performance management initiative, and the journey for continuous improvement.
- The Authority will submit the multi-district Environmental and Sustainability Management System (ESMS) ISO 14001 in 2019 and The Partnership for Excellence application will be submitted in late 2019 against the Baldrige Criteria.
- Solid management and effective budget execution has allowed RTA to improve its financial position and maintain a 30-day ending balance. The revenue required to support both the operating and capital budgets continues to pose challenges. We need to identify creative ways to further reduce costs and increase traditional and non-traditional revenues. We have made strategic moves over the past few years to ensure the Board and staff have the time to make those decisions.