

# 2018 TRANSMITTAL LETTER

**To:** George F. Dixon III, President,  
and Members, Board of Trustees

**Date:** November 14, 2017

**From:** Joseph A. Calabrese, CEO  
General Manager / Secretary-Treasurer



**Subject:** 2018 Transmittal Letter

## EXECUTIVE SUMMARY

I am again pleased to report that 2017 was yet another successful year at the GCRTA. Once again the Authority was highly recognized on a national and international level for its best-in-class accomplishments. In 2017 we continued focusing on enhanced communications with our employees and our customers, and continued to deliver on our established mission, vision and values. We also sustained our quest for continual improvement of the Authority's operations through the ISO 14001 certifications at the two Bus Districts. The predictive maintenance program has improved the quality of our capital assets, which has also increased the quality of our bus service and on-time performance. In 2017, the predictive maintenance program was implemented in the Rail District.

As the GCRTA continues to effectively manage its financial resources, we continued our efforts throughout the year to invest in capital projects to improve the state-of-good-repair of our capital assets. Some highlights were the delivery of 16 CNG buses, 29 diesel buses, and a pending contract for the purchase of 33 additional 40-ft CNG buses, to be delivered fourth quarter of FY 2018. Phase 3 for the Light Rail Crossings at Courtland Blvd., Kenmore Rd. and Onaway Road was completed, construction at two ADA accessible stations located at Lee Rd/Shaker Green Line Station and Shaker/Warrensville Station have been finalized, various track bridge projects to rehabilitate East Boulevard, East 81<sup>st</sup> & 83<sup>rd</sup> Street and East 92<sup>nd</sup> Track Bridge are complete, and track work for Track 8 at Tower City Center has been finalized for regular operations. With these and other capital improvement projects currently underway, there can be little doubt that RTA is investing in the future of our region and public transportation system.

As we work hard every day, it is gratifying to see our progress through improvements in the dependability of our bus and rail services, in our continuing progress to improve the quality of our capital assets, and in our efforts to communicate with and to meet the needs of our customers. Many individuals and organizations are recognizing the contribution we make to our community and our industry and recently, Cleveland was named the best city in the country for visitors to go car-free, in large part due the public transportation services provided by the GCRTA.

During 2017, the GCRTA:

- Received Gold recognition level in the Baldrige Award for Excellence
- Received the Smart Business 2017 Customer Service Award
- George Dixon, RTA's Board President for 25 years, honored by Crain's Cleveland Business in the Board Chairman category at the C-Suites Gala
- Received the 2017 Moving Us Forward Infrastructure Award from the Campus District Board
- Received the GFOA Distinguished Budget Presentation Award for the 28<sup>th</sup> consecutive year
- Received the GFOA Achievement for Excellence in Financial Reporting Award (29<sup>th</sup> consecutive year)
- Opened the MetroHealth Line, serving the W 25<sup>th</sup> Street corridor and southern suburban communities
- Started the 5<sup>th</sup> Public Transit Management Academy with Cleveland State University
- Implemented the Rider Rewards Program and RTACLE app
- Implemented the VanShare van pooling program in partnership with vRide

The following pages discuss the General Fund revenue and expenditure assumptions incorporated into the 2018 budgets. The proposed budgets support the daily operating activities of the Authority, will help to improve the quality of its service delivery, and continues the path towards achieving a state of good repair in the capital assets of the Authority. The decrease of receipts from the Authority's largest source of revenue, Sales & Use Tax, provides reason for concern.

As it currently stands, due to Federal requirements Medicaid managed care organizations (MCOs) were removed from the Sales & Use Tax base effective July 1, 2017. The State moved all managed care organizations to the insurance tax, which will supplant the State's revenue for each year going forward, but provided no solution for the 88 counties and 8 transit authorities that levy sales tax. After much deliberation, the State budgeted assistance for one year (4<sup>th</sup> Quarter 2017 and the first 3 Quarters of 2018) only for the 8 transit authorities but provided no aid for the loss of revenues in 2019 or beyond. Policy Matters Ohio recently stated that public transit ridership in Ohio is the 14<sup>th</sup> largest in the United States, however, Ohio only contributes \$0.63 per capita, the eight lowest in the nation. The article continues with the results of a Transit Needs Study from 2015, which recommended that Ohio increase public transit investment to \$120 million per year and reach \$185 million per year by 2025. This recommendation has yet to be seen.

It is important to note that this impact was also felt by approximately eight other states which have successfully addressed this loss by applying their sales tax to all MHC providers, and not just the portion that was traditionally paid for by Medicaid. Unless the State of Ohio takes action to correct the problem, the loss of sales tax receipts will cost the Authority approximately \$20 million per year.

The revenues projected for 2017 assume the loss of the MMHC providers in July, but as receipts of these revenues lag three months, the impact will be in the 4<sup>th</sup> Quarter. The State communicated the amount of aid each transit authority would receive in 2017 (\$5.1 million for the Authority) and in 2018 (\$15.0 million) in the 1<sup>st</sup> Quarter. On November 1, 2017, the Authority received \$10.0 million, half of the State's budgeted assistance. The second half is expected after the start of the new year. The Authority is identifying other sources of revenue and developing action plans to reduce operating expenditures.

The Board of Trustees' first review of the proposed 2018 – 2022 Capital Improvement Plan (CIP) took place on August 1, 2017 and subsequently authorized the 2018 Capital Budget Appropriations on August 15, 2017 allowing the Authority's Capital program to be better aligned with the Federal fiscal calendar. The Finance Committee will hear issues on the Operating Budget and amended 2017 and 2018 Capital budgets at a meeting on November 14, 2017. A Public Hearing will be held on November 21, 2017 at 9:00 AM to review the 2018 Operating Budget, 2017 amended Capital Budget, and the 2018 Amended Capital Budget. On December 19, 2017, the Finance Committee is expected to make a recommendation to the full Board of Trustees to adopt the proposed 2018 Operating and Other Funds Budgets. Adoption will be considered at the December 19, 2017 Board Meeting.

The Operating Budget includes resources to fund rail, bus, paratransit, and vanpool services and includes a pilot program for Uber and Lyft services for Paratransit. The approved 2018 Capital Budget provides resources for the on-going replacement, rehabilitation, and/or maintenance of equipment and facilities. In preparing the 2018 Operating and Other Funds Budgets, staff developed Fund Balance Analysis statements for each major fund group, which summarize projected financial activity and ending balances. The Finance and Operations Committees will review major revenue and expenditure assumptions and trends, financial policy objectives, service and employment levels, and strategic initiatives. The capital projects included in the 2018 – 2022 Capital Improvement Plan (CIP) were reviewed and approved on August 15, 2017. A request to amend the 2017 and 2018 Capital budgets will be made in November 2017.

The 2018 appropriation for operating expenditures totals \$259.7 million, a decrease of \$7.8 million compared to the \$267.5 million appropriated for 2017. Based on Sales & Use Tax Revenue and Passenger Fare in 2017, relative to 2016, no wage increases were budgeted for 2018 for ATU, FOP, or non-bargaining employees. The FOP contract expired in February 2017 and the ATU contract expired in August 2017, both unions are currently negotiating new contracts. The Operating Budget includes \$138.4 million for salaries and overtime and \$53.3 million for fringe benefit resources needed to fund 2,332.5 positions.

The establishment, execution, and management of the annual Operating Budget has an impact on the Capital Budget. A strategic objective has been to maintain grant-funded preventive maintenance reimbursements to the Operating Budget at or below \$20 million. This in turn provides additional funding for the Authority's capital program to maintain and improve its capital assets required for a public transportation entity of this size and to meet the State of Good Repair requirements of the new Transportation Legislation – Fixing America's Surface Transportation Act (FAST Act).

To reach and maintain a SOGR over the next five years, the Authority will need to replace its CAD/AVL Radio System, identify funding for approximately 100 large bus fleets, install a CNG fueling station at the Triskett Garage, continue its aggressive track reconstruction program, meet the remaining ADA Key Station deadlines, reconstruct various track bridges, improve rail signalization and the overhead catenary system, as well as replace equipment at the end of its useful life.

A looming financial challenge over the next decade will be the need to replace the Authority's aging Heavy Rail and Light Rail fleets at a combined cost estimated at \$280 million. The Authority must continue to focus on state of good repair maintenance, rehabilitation and construction projects and the need to provide customers with safe and reliable service. That strategy will become increasingly difficult if Operating Reserves are not maintained at the 30 day goal and near impossible without additional funding to replace the Sales & Use Tax issue.

Over the last ten years, RTA has gone through at least three economic cycles with a fourth now underway as the sales tax base has been reduced. At the same time, RTA is continuing to execute its strategic plan and is continuing its efforts to improve the reliability of service delivery through the implementation of a predictive maintenance program that represents a paradigm shift in bus maintenance from reacting to a problem to identifying potential problems and proactively addressing them before they occur.

## STRATEGIC APPROACH TO THE BUDGET

In developing the budget as well as developing the business strategy, the Authority derives its direction from the five Policy Goals identified by the Board of Trustees. These Goals, along with the Authority's Mission Statement, are shown below.

## GCRTA MISSION

*RTA provides safe, reliable, clean and courteous public transportation.*

## BOARD POLICY GOALS

- I. **CUSTOMER FOCUS:** Provide safe, high-quality service to all customers and support our employees in that endeavor.
- II. **EXPAND AND REORGANIZE SERVICE:** Expand and reorganize service to retain our current riders and attract new riders by providing service that meets customer and community needs.
- III. **PREPARE FOR THE FUTURE:** Prepare for the future by forging new partnerships and strengthening existing ones with the public and private sectors to establish policies, funding, innovations, and technologies that support cost-effective public transportation.
- IV. **IMPROVE FINANCIAL HEALTH:** Improve the agency's financial health through efficient use of resources and the pursuit of new and innovative revenue sources.
- V. **PROVIDE COMMUNITY BENEFITS:** Provide social, economic, and environmental benefits to the community through system improvements and increase community awareness of these contributions.

From 2007 to 2011, the business planning efforts were forced to highlight only two of the five policy goals as most critical: **Customer Focus** and **Improve Financial Health**. After 2011, the improved financial status allowed GCRTA to focus on **Preparing for the Future** and **Providing Community Benefits**. In an effort to more effectively transition the strategic planning focus into the 2018 budgeting process, the evaluation of requests and the allocation of funding for 2018 initiatives were linked to the business plan and most directly to these four policy goals. Based on the current economic conditions, **Expansion** cannot be a priority at this time. Rather **Maintaining and Reorganizing** service to retain the base and attract new customers is objective.

In addition, RTA conducted a strategic planning initiative in the summer of 2014 and 2016 with SWOT exercises and analyses conducted with ten groups totaling over 120 people, including the Board of Trustees and the Citizens Advisory Board. Planning retreats were held with the Executive Management Team and Board participation. The retreats resulted in an updated Strategic Plan with nine Vital Few Objectives and ten Change Initiatives for execution over the next 18 months. The Mission, Vision, and Values were reviewed, adopted and are now in deployment. These are listed on the following page.




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**MISSION:** TO PROVIDE SAFE, RELIABLE,  
CLEAN AND COURTEOUS PUBLIC  
TRANSPORTATION

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**VISION:**

**We Will Be:**

- The transportation mode of choice
- Recognized as a transportation industry leader with first-class image
- An employer of choice in Northeast Ohio
- A champion for sustainability

**We Will Have:**

- A sustainable financial position with controlled expenses and a minimum 30-day operating reserve
- An increasing impact in the region by improving efficiency and the coordination of services

**We Will:**

- Upgrade and manage technology systems with increased efficiency to best serve our customers
- Achieve an infrastructure and vehicle state-of-good-repair (SOGR) with an effective asset management system
- Fund, plan, coordinate, execute, and deliver quality projects on time and on budget
- Continually improve the quality of our services and enhance the value of RTA to our community

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**VALUES:**



REVENUES

The 2018 budget projects \$282.1 million in General Fund revenue and total resources of \$318.5 million. This is a \$12.4 million decrease in total resources compared to the 2017 year-end estimate. This decrease is a result of the state’s removal of Medicaid Managed Care Organizations (MCOs) from the sales tax base, implemented in July 2017.

The chart to the right shows the percentage of each revenue stream for 2018. Sales & Use Tax has remained above 70 percent of total revenue, although not as strong as in prior years, showing a continued reliance on this revenue stream. Passenger Fares is 17.0 percent of total revenue and has been slowly increasing due to the fare increases implemented in 2016, 2017, and again in 2018. Reimbursed expenditures, which includes grant-funded and preventive maintenance reimbursements to the Operating Budget, is the third largest source of revenue, at 7.8 percent of total revenue for 2018.

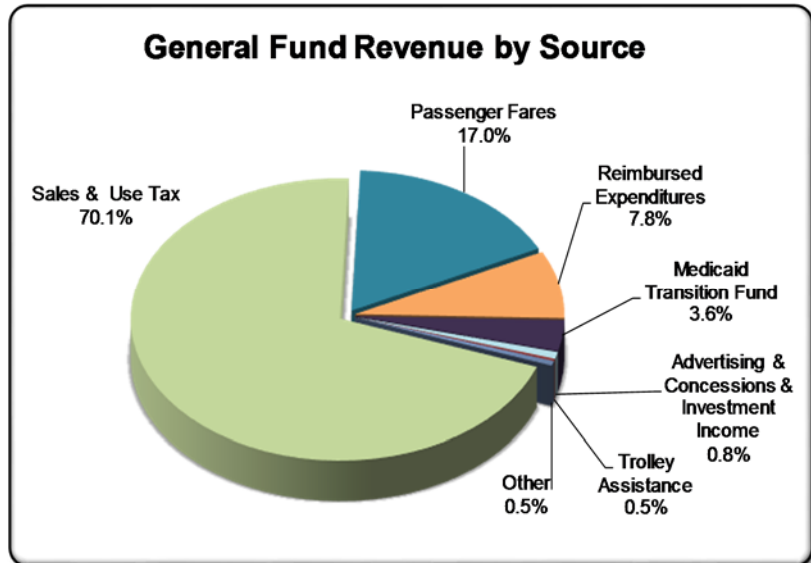


Figure 3

The key to any budget is a realistic estimate of revenues to support operations. This is particularly true of a public entity such as a transportation authority, which can only provide the level of service that revenues will support. The General Fund Balance Analysis included as Attachment A, after the Transmittal Letter, presents the 2018 Operating Budget in summary. The specific assumptions and calculations for the revenues included there are as follows:

PASSENGER FARES

\$47.8 MILLION

RATIONALE:

Ridership has continued to decline over the past several years. As fuel prices remain low, choice riders are opting to drive to work rather than take public transit. The 2018 Budget includes an increase in base fare from \$2.50 to \$2.75, starting August 2018. Operating expenses for Paratransit service continue to rise. Consequently, an annualized fare increase for Paratransit service from \$2.75 to \$3.00 per trip is included, starting August 2018. RTA is permitted to charge twice the fixed route rate for Paratransit services. Currently, the Paratransit fare could be \$5.00.

**SALES & USE TAX REVENUE**

\$197.8 MILLION

**RATIONALE:**

Over the past several years Sales & Use Tax collections have been fairly steady. The 2017 projection at the end of the third quarter was \$213.7 million, a 2.3 percent decrease from 2016 actual receipts, mainly due to Medicaid MCOs being removed from the tax base as of July 1, 2017. There is a 3-month lag time between when the receipts are paid and when the Authority receives the revenue. Sales tax paid in July 2017 would have been received by the Authority in October 2017. The budget for 2018 projects Sales & Use Tax to decrease by an additional 7.4 percent, due to the annualization of the sales tax base. The Federal Government mandated Ohio Legislatures to comply with new regulations by June 30, 2017, prohibiting the taxing of a subset of Managed Care Organizations (MCOs). The State removed the Medicaid MCOs from the sales tax base and put all MCO receipts in the insurance tax, supporting the State’s revenues, but diminishing revenues for the 88 counties and transit authorities that levy sales tax.

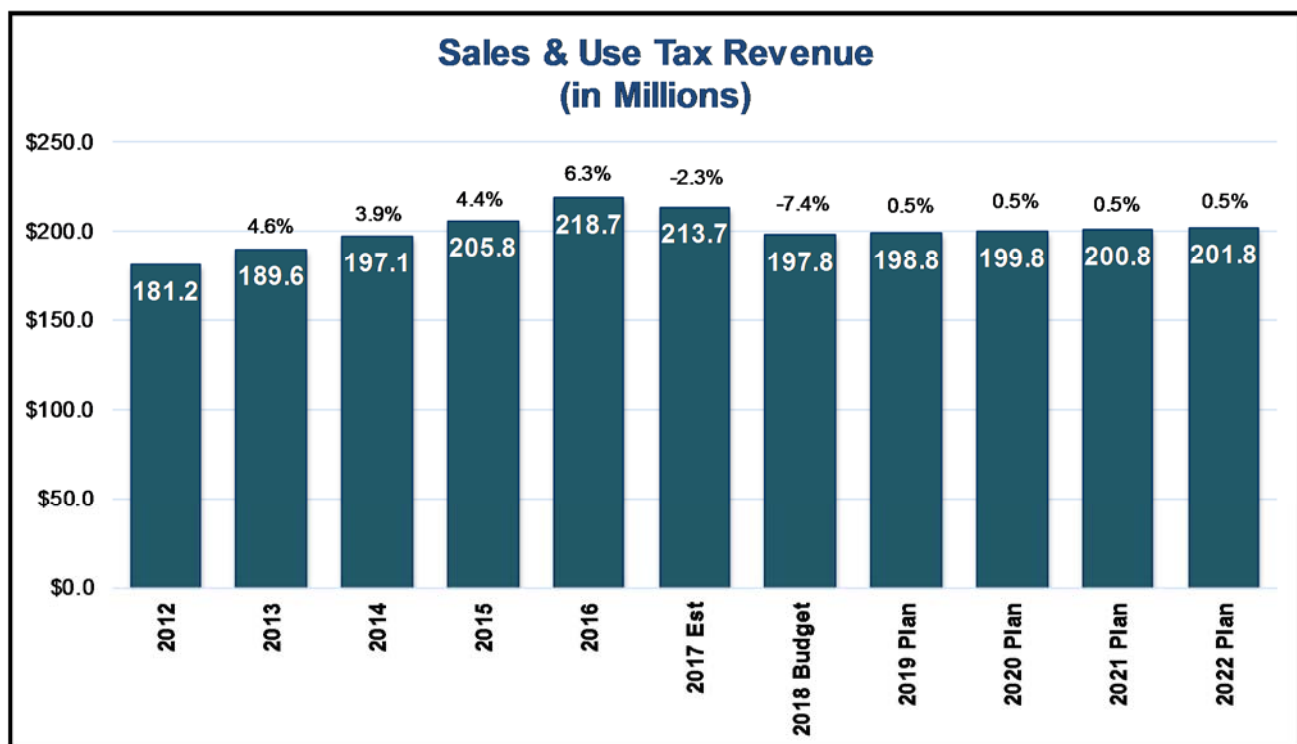


Figure 4

**ADVERTISING & CONCESSIONS**

\$2.1 MILLION

ADVERTISING CONTRACT	\$1.28 M
CONCESSIONS & NAMING RIGHTS	\$0.82 M
<b>TOTAL</b>	<b>\$2.10 M</b>

**RATIONALE:**

The Advertising and Concessions Category consists of two subcategories. The first is the current advertising contract. For 2018, the advertising contract is budgeted at \$1.28 million. The second subcategory is the naming rights for the HealthLine, Cleveland State Line, and Metro Health Line and concessions that will net the Authority about \$820,000. Advertising revenues for 2017 are projected at \$1.7 million by year end.



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**INVESTMENT INCOME**

\$110 THOUSAND

**RATIONALE:**

For 2017, the Investment Income is projected at \$218 thousand by year-end as interest rates remain low, but the ending balance is increasing. Through the Third Quarter 2017, the Authority has received 0.46 percent interest return on its investments. Income from this source is budgeted at \$110 thousand for 2018.

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**OTHER REVENUE**

\$12.2 MILLION

MEDICAID TRANSITION FUND

\$10.0M

TROLLEY ASSISTANCE

\$ 0.6M

OTHER REVENUE

\$ 1.6M

TOTAL

\$12.2M

**RATIONALE:**

These other sources of revenue include the state's one-time assistance for the loss of Medicaid receipts from the sales tax base. The state required all transit authorities receiving this funding to create a separate Medicaid Transition Fund for the receipts and then the authorities could transfer the receipts when needed. A total of \$20.1 million was scheduled to be received in 2 payments. The first payment of \$5.1 million was scheduled to be received by November 1, 2017, with the remaining \$15.0 million be received between January and February 2018. The Authority received \$10.0 million on November 1, 2017. The remaining \$10.1 million will be received after the new year.

To help fund the continuation of the C-Line and Nin-Twelve Trolleys, additional funding is being sought from area businesses to sponsor the Trolleys. RTA is seeking 80 percent funding, or \$640,000, from the community and the remaining 20 percent will be maintained by the Authority. This funding is due to be received from the Downtown Cleveland Alliance in the 4<sup>th</sup> Quarter 2017 for the 2017 budget and is expected to receive the same amount of funding in 2018.

Other receipts include contractor and hospitalization claim reimbursements, rent, salvage sales, and identification card proceeds, among other miscellaneous receipts. The amounts received from these sources have fluctuated over the years, mainly due to one-time settlements and reimbursements. Total other revenue is budgeted at \$1.6 million for 2018.

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**REIMBURSED EXPENDITURES**

\$22.1 MILLION

PREVENTIVE MAINTENANCE REIMBURSEMENTS

\$20.0M

FUEL TAX REIMBURSEMENT

\$ 1.1M

REIMBURSED LABOR &amp; MATERIAL

\$ 1.0M

TOTAL

\$22.1M

**RATIONALE:**

Reimbursed Expenditures category includes reimbursements for Preventive Maintenance (PM), fuel tax, grant-funded reimbursements for employee's time spent working on capital projects, as well as other Federal and State reimbursements. For 2018, Reimbursed Expenditures are budgeted at \$22.1 million. Preventive Maintenance at \$20.0 million, \$1.1 million for fuel tax reimbursements, and \$1.0 million for force account labor and other reimbursements. For the out-years, \$22.1 million is budgeted each year for Reimbursed Expenditures. Increasing PM Reimbursement would, in turn, lower available funding for capital projects and increase the difficulty of achieving and maintaining a state of good repair.



## EXPENDITURES

Operating Expenditures for the 2018 budget include the appropriation and expenditure changes as described below. As with revenues, expenditures are estimated not only for the 2018 Budget Year, but also for the four consecutive out-years to assist with long-term planning. The General Fund Balance Analysis projections include those out-years to demonstrate the impacts of various items contained in the 2018 Budget (collective bargaining agreements, service changes, contract changes, as well as requirements of the Capital Improvement Plan, etc.).

The chart on page 10 summarizes the budgeted expenditures for 2018 and highlights the various areas of cost increases included in the proposed Operating Budget.

Compensation Issues include the wage and fringe benefit payments consistent with current collective bargaining agreements with the ATU and FOP, vacancy replenishments, as well as costs associated with health care and the Ohio Public Employee Retirement System (OPERS). Both union contracts ended in 2017 and negotiations for both contracts are currently under way.

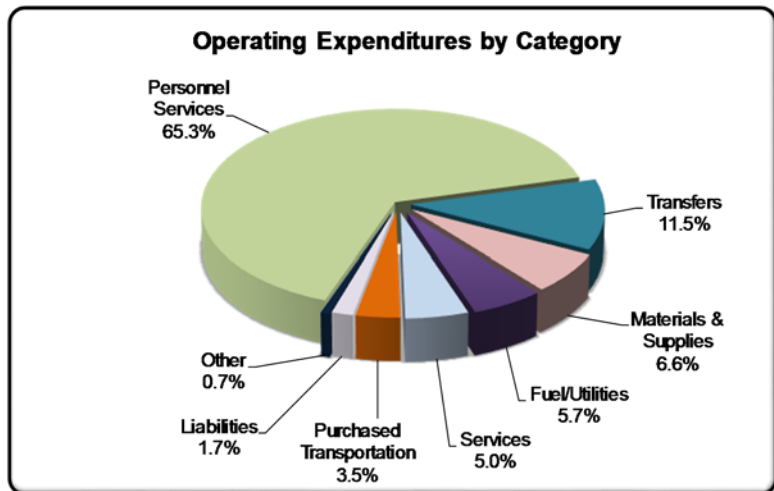


Figure 5

Health Care and prescription costs for 2018 are projected to increase slightly compared to 2017 levels. The employee contribution for health care coverage is 14 percent. Employees can receive a one-percent discount if they complete a physical and another one percent discount if they are non-smokers. Those employees who complete both received a 2 percent credit on their health care contribution. In the contract, co-pays and deductibles have been increased due to family size and employee monthly payments decreased. This action makes employees more involved in their own care. It will also help avoid penalty payments in the future under the Affordable Care Act.

Fuel costs have been stabilized through the Energy Price Risk Management Program. For 2018, diesel is currently hedged at an average price of \$1.64/gal. For 2019, diesel costs are currently 51 percent hedged. Utility Cost Reduction Measures have been implemented, and will continue to result in significant cost savings for the Authority. An electrical supply contract was secured in April 2016 for the period of June 2017 through May 2019. The rate contracted for the supply of electricity resulted in 5.3 percent lower electrical supply expenses in 2017, but the lower supply costs were offset by increases in transmission charges. The 2018 budget for electricity is \$2.6 million.

The Natural Gas supply was contracted through 2019. Compressed Natural Gas for the CNG buses had an average pre-tax and credit cost of \$0.98/Diesel Gallon Equivalent (DGE) and after tax and credit costs of

\$0.42/DGE. Natural Gas and CNG costs are budgeted at \$2.0 million for 2018, a minimal increase from 2017 estimated costs.

Maintenance and service contracts were reviewed for requirements and service needs and budgeted based upon the contracts. For 2017, total contracts are projected to be \$3.6 million under budgeted levels. The 2018 budget has contracts increasing by \$2.5 million, compared to 2017 projections. Further analysis on the maintenance and service contracts is currently being done, which will determine a more accurate budget level. Inventory costs are increasing by \$1.7 million due to the bus and rail predictive maintenance programs. Purchased Transportation is increasing by \$1.8 million due to current contractual obligations. A new pilot program for ADA transportation is being initiated to help control costs.

<b>Areas of Expenditure Growth 2018 Budget</b>			
<b>2017 Projected Operating Expenses</b>		<b>\$246,941,396</b>	
<b>Personnel</b>		<b>\$ 4,576,419</b>	<b>2.4%</b>
Salaries & Overtime	\$ 2,121,274		
Health Care/Prescription Fringe Benefits	\$ 2,455,145		
<b>Fuel / Utilities</b>		<b>\$ 433,586</b>	<b>2.7%</b>
Diesel Fuel	\$ (709,987)		
Natural Gas & CNG	\$ 28,455		
Propulsion Power	\$ 244,573		
Electricity	\$ 273,002		
Telephone	\$ 326,564		
Other Utilities	\$ 270,979		
<b>Service Opportunities</b>		<b>\$ 6,615,014</b>	<b>17.7%</b>
Maintenance Contracts & Services	\$ 2,542,760		
Inventory	\$ 1,685,020		
Tires & Tubes	\$ 3,971		
Other Services & Supplies	\$ 620,402		
Purchased Transportation	\$ 1,762,861		
<b>Other</b>		<b>\$ 1,093,314</b>	<b>17.9%</b>
Liabilities	\$ 581,658		
Training	\$ 282,530		
Miscellaneous	\$ 229,126		
<b>Expenditure Growth</b>		<b>\$ 12,718,332</b>	<b>5.2%</b>
<b>2018 Budgeted Operating Expenditures</b>		<b>\$259,659,728</b>	

Figure 6

As seen in figure 6 to the right, total operating costs are budgeted to increase by \$12.7 million, compared to 2017 projected expenses. Figure 7, below, shows the 2018 Operating Budget in comparison to the 2017 Operating Budget. The 2018 Operating Budget is \$7.8 million below budgeted levels in 2017.

DESCRIPTION	2017 BUDGET	2017 ESTIMATE	2018 BUDGET	2018 Budget vs. 2017 Budget	% Difference
SALARIES & OVERTIME	\$ 143,299,425.86	\$ 136,237,187.56	\$ 138,358,461.83	\$ (4,940,964.03)	-3.45%
FRINGE BENEFITS	\$ 53,207,855.15	\$ 50,876,549.56	\$ 53,331,694.48	\$ 123,839.33	0.23%
SERVICES	\$ 15,178,579.90	\$ 11,668,647.41	\$ 14,564,755.32	\$ (613,824.58)	-4.04%
MATERIAL & SUPPLIES	\$ 19,819,382.50	\$ 17,325,282.70	\$ 19,281,327.89	\$ (538,054.61)	-2.71%
FUEL/UTILITIES	\$ 19,037,080.94	\$ 16,249,743.99	\$ 16,683,329.58	\$ (2,353,751.36)	-12.36%
LIABILITIES	\$ 5,634,776.50	\$ 4,410,975.06	\$ 4,992,633.00	\$ (642,143.50)	-11.40%
PURCHASED TRANSPORTATION	\$ 8,950,040.00	\$ 8,470,687.40	\$ 10,233,548.00	\$ 1,283,508.00	14.34%
OTHER	\$ 2,368,273.46	\$ 1,702,321.19	\$ 2,213,976.95	\$ (154,296.51)	-6.52%
<b>TOTAL</b>	<b>\$ 267,495,414.31</b>	<b>\$ 246,941,394.87</b>	<b>\$ 259,659,727.05</b>	<b>\$ (7,835,687.26)</b>	<b>-2.93%</b>

Figure 7

## TRANSFER TO THE INSURANCE FUND

The Insurance Fund has a required minimum fund balance of \$5.0 million and is used to account for resources to protect the Authority against future catastrophic or extraordinary losses. The Authority is self-insured in all areas except personal property and equipment. Expenditures in the Insurance Fund are used for extraordinary claims and insurance premiums over \$100,000. With the increase in safety measures, claims have declined significantly and the budgeted transfer of \$1.2 million for 2016 was reduced to \$500,000. For 2017, a transfer of \$2.4 million will be needed to maintain the \$5.0 million level and to cover projected insurance premiums and claims payments. In 2018, a transfer of \$2.3 million is budgeted to cover insurance premiums and projected claim payments. For 2019 through 2022, transfers are planned each year to cover estimated costs and maintain the \$5.0 million level. Continued safety actions may allow these amounts to be lowered in the future.

## TRANSFER TO THE SUPPLEMENTAL PENSION FUND

The Supplemental Pension Fund was established for payments of benefits relating primarily to certain retired employees of the Authority and predecessor transit systems. Since 1986, the Pension Fund has also been used to account for funds on deposit with the Ohio Public Employees Deferred Compensation Board. The Authority has no control over these funds, but is required to account for them in a trust. The 2018 budget estimates that the Supplemental Pension Fund will need transfers of \$60,000. For the out-years, 2019 through 2022, additional transfers are planned in order to maintain the necessary balance within this fund as identified in a bi-annual actuarial study.

## TRANSFERS TO CAPITAL

In past years this measure, calculated as a percentage of Sales & Use Tax revenue, has remained well above the Board goal of a maximum of 15 percent due to the significant decrease in Sales and Use Tax revenue that occurred in 2009 and the inclusion of a number of capital grants to reimburse Operating Expenses, which required a local match.

As Sales & Use Tax revenue recovered, this measure has fluctuated over the years. Between 2011 and 2015, General Fund Transfer to Capital grew from \$31.0 million to \$38.1 million. In 2016, the transfers for capital totaled \$31.4 million, or 14.3 percent of Sales & Use Tax revenue. Local funds are transferred to the capital program to provide the local match for preventive maintenance expenditures and for other locally funded state of good repair projects that are ineligible to fund with debt service. For 2017, total transfer to capital was budgeted at \$32.6 million, or 15.0 percent. The \$30 million debt issuance scheduled for 2017 was postponed until 2018, which decreased the transfer to a projected \$27.6 million, or 12.3 percent. Overall, the projected 2017 combined transfer to capital is close to \$5.0 million below budget.

The transfer to capital for 2018 is \$30.8 million, or 14.8 percent. This amount includes the \$30 million debt issuance, locally funded capital projects, local match needed for RTA Development Fund projects, and the \$18.9 million transfer to the Bond Retirement Fund for debt service payments associated with existing debt service.

For 2019 and 2020, the transfers to capital will decrease slightly, to 14.7 percent and 14.6 percent, respectively, as the impact of the loss of revenue from the Sales & Use Tax is felt. In 2020 and 2022, debit issuances of \$25 million each are planned. The high level of this measure continues to highlight the difficulty created by increased capital and debt service needs in times of constrained revenue.

## EMPLOYMENT LEVEL ANALYSIS

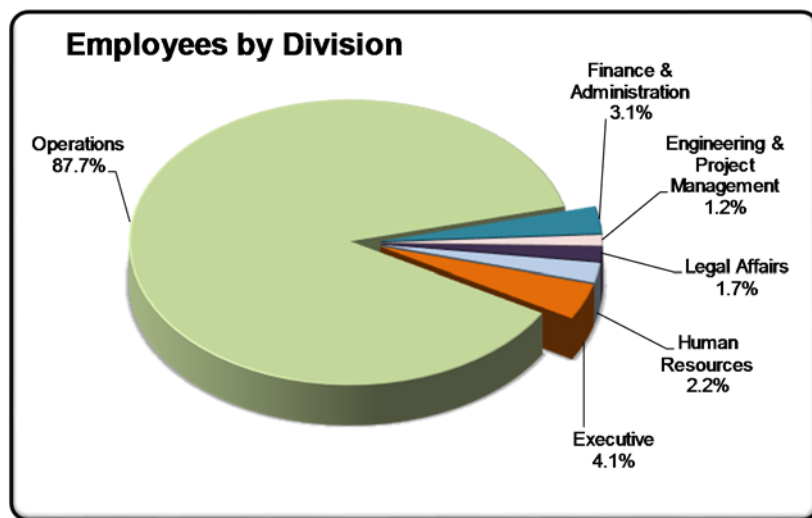


Figure 8

The 2018 Budget reflects staffing of 2,332.5, an overall increase of 0.25 FTE compared to the 2017 budget.

The pie chart to the left represents the relative employment levels within each division.

A 3 percent service reduction was annualized in 2017, which reduced 31 Operator positions. Safety initiatives have increased over the past several years and the focus will continue in 2018 due to increased State safety oversight for rail. A part-time position was included in the 2017 budget to

accommodate these needs and remains in the 2018 budget. The Safety Awareness Coordinator audits operators to ensure they are using safe practices. As Operators continue to think "Safety", preventable incidents decrease. One of the Authority's VFOs (Vital Few Objectives) is to decrease preventable incidents, the need for this position is substantiated. For the 2018 budget, full-time operators were reduced by 4 FTEs and part-time operators increased by 3 FTEs, with a net decrease of 1 FTE. Mechanics, maintenance personnel, and service/support personnel increased by 2.5 FTEs, one of which was due to reinstatement of a position after a grievance hearing, and another position was reinstated after a temporary transfer for a Business Analyst/MDP position. On the administrative side, a total of 1.25 FTEs will decrease. The Business Analyst/MDP position and two marketing positions will be removed and a part-time marketing intern will be added. A Manager of Organizational Excellence and a Project Specialist positions will be added to OMB to help oversee the increased performance programs of the Authority and a Budget Management Analyst position will be removed, in trade for the manager position. Overall, this is only an increase of 0.25 FTE from the 2017 budgeted positions.

## SERVICE LEVELS

Service hours and miles have increased slowly over the years. Since 2015, however, ridership has slowly dropped as gas prices have remained low and choice riders elected to drive rather than take public transit. A plan was proposed in 2015 to decrease service but was postponed until August 2016. A 3 percent service reduction was annualized in 2017 for bus and rail modes. Paratransit ridership has decreased, which decreased total service miles. The average length of the trips has steadily increased, which has increased total service hours as it is taking longer to complete each trip. For 2018, a 3 percent service reduction is planned for bus and rail. For Paratransit, as the ridership decreases but the average length of trips are

increasing, the Authority is focusing more of the longer trips on the contractors and maintaining the shorter trips in-house. A new pilot program for Paratransit is planned for 2018 using Uber and Lyft. The VanShare van pool program, which began in 2017, is very successful and will continue in 2018.

<b>2018 Budgeted Service Levels By Mode</b>								
<b>Compared to 2017 Budgeted Service Levels by Mode</b>								
Service Mode	Service Hours				Service Miles			
	2017 Budget	2018 Budget	Variance	Percent Variance	2017 Budget	2018 Budget	Variance	Percent Variance
<b>Rail</b>								
Heavy Rail (Red)	147,000	143,000	(4,000)	-2.7%	2,700,000	2,600,000	(100,000)	-3.7%
Light Rail (Blue/Green)	59,000	57,000	(2,000)	-3.4%	830,000	800,000	(30,000)	-3.6%
<b>Rail Total</b>	<b>206,000</b>	<b>200,000</b>	<b>(6,000)</b>	<b>-2.9%</b>	<b>3,530,000</b>	<b>3,400,000</b>	<b>(130,000)</b>	<b>-3.7%</b>
<b>Bus</b>								
<b>Bus Total</b>	<b>1,340,000</b>	<b>1,300,000</b>	<b>(40,000)</b>	<b>-3.0%</b>	<b>16,000,000</b>	<b>15,600,000</b>	<b>(400,000)</b>	<b>-2.5%</b>
<b>Sub-Total Bus &amp; Rail</b>	<b>1,546,000</b>	<b>1,500,000</b>	<b>(46,000)</b>	<b>-3.0%</b>	<b>19,530,000</b>	<b>19,000,000</b>	<b>(530,000)</b>	<b>-2.7%</b>
<b>Paratransit</b>								
In-House	194,712	162,299	(32,413)	-16.6%	2,738,814	2,170,368	(568,446)	-20.8%
Contract	208,392	243,449	35,057	16.8%	2,971,976	3,255,552	283,576	9.5%
<b>Sub-Total Paratransit</b>	<b>403,104</b>	<b>405,748</b>	<b>2,644</b>	<b>0.7%</b>	<b>5,710,790</b>	<b>5,425,920</b>	<b>(284,870)</b>	<b>-5.0%</b>
<b>Van Pool Program</b>	12,000	12,000	-	0.0%	300,000	300,000	-	0.0%
	<b>12,000</b>	<b>12,000</b>	<b>-</b>	<b>0.0%</b>	<b>300,000</b>	<b>300,000</b>	<b>-</b>	<b>0.0%</b>

Figure 9

## POLICY COMPLIANCE

The discussion in this section focuses on the financial status of GCRTA as it relates to the Authority's basic adopted financial policy objectives. These objectives represent trends or indicators that should be analyzed as they relate to long-range financial implications for the organization. These financial policy objectives were amended in August 2011 and again in March 2017. The financial policies or trends, as outlined in Attachment B, are applied to the following areas:

### OPERATING EFFICIENCY

An **OPERATING RATIO** of at least 25 percent is the policy goal. This ratio will not meet the objective for 2017, at 19.9 percent, as ridership has decreased over the past several years. The 2017 Budget includes a fare increase and a 3 percent service reduction. Base fare were increased from \$2.25 to \$2.50 in 2016, and an additional Paratransit fare increase is budgeted from \$2.50 to \$2.75 in August 2017. As gasoline prices continue to remain low, choice riders are opting to drive rather than use public transit. The Operating expenses continue to increase at a higher rate than operating revenues. For 2018, the Operating Ratio is budgeted at 19.3 percent. RTA will need to control expenses throughout the year in order to end the year with a ratio above 20 percent.

The **COST PER HOUR OF SERVICE** is to be maintained at or below the level of inflation (under 2 percent for 2018 per the Cleveland Fed). For 2018, budgeted operating costs are increasing by 5.2 percent, compared to the 2017 estimate. Service hours are scheduled to decrease by 3 percent. The cost per hour of service for 2018 is budgeted at \$133.3, a 6.2 percent increase over 2017 estimates. This objective will not be met.

The goal that is most easily understood and tracked is the **ONE-MONTH OPERATING RESERVE**. This objective requests the Authority should have a year-end balance equal to one month's operating costs (1.0). The Operating Reserve objective is projected to be met again in 2017 at 1.8-months. For 2018, a one-month operating reserve is equal to \$21.6 million. With a budgeted ending balance of \$18.4 million, 0.9-months reserve, the Authority will not meet this measure but it will be close.

## CAPITAL EFFICIENCY

The goal for the **DEBT SERVICE COVERAGE** ratio is to be above 1.5. A debt issuance was budgeted for 2017 but postponed until 2018, which increased the Debt Service Coverage to an estimated 4.20. At a budgeted 2.33 in 2018 this objective will be met. With the Medicaid MCOs being removed from the tax base, Sales & Use Tax receipts will decline by 7.4 percent in 2018. Receipts are projected to increase minimally in 2019 through 2022 and a \$25 million debt issuance is planned in 2020 and 2022.

Another financial goal is to contribute a minimum of 10 percent and up to a maximum of 15 percent of Sales Tax revenue to capital. This indicator includes both the direct contributions to capital and the amount "set-aside" in the General Fund for debt service. The **CONTRIBUTION TO CAPITAL** has been below the maximum of 15 percent in 2016 and estimated at 12.3 percent in 2017.

The financial contributions to the capital programs support 100 percent locally funded capital projects, provide the local match for projects funded by grants, and funds the Authority's debt service requirements. The contribution to capital is budgeted at 14.8 percent in 2018, again below the 15 percent maximum level.

The budgeted ratio of 94.3 percent in 2018 for **CAPITAL MAINTENANCE OUTLAY TO CAPITAL EXPANSION** is above the Board Policy goal of between 75 percent and 90 percent due to a large number of State of Good Repair (SOGR) capital maintenance projects including the bus improvement program, reconstruction of heavy and light rail stations, and track infrastructure projects. It will remain above the 90.0 percent maximum for the out years as the focus of the Authority's capital program remains on the maintenance, rehabilitation, and the replacement and/or upgrade of existing capital assets, rather than on expansion projects.

In 2018, only two of the six objectives will be met due to constrained revenue. The major factors include the increase in operating expenses, the reduction in Sales & Use Tax receipts due to the removal of the Medicaid MCOs from the tax base, and the growing demand in capital projects to maintain a state of good repair.

The Authority has been able to improve internal processes over the past six years and reduce costs to enable shifts of financial resources to address many SOGR capital projects. The Authority must continue to maintain a balance between operating and capital funds to stay successful and develop plans to address the significant challenges it will face in the upcoming years.

## END OF YEAR RESERVE FUNDS

RTA has made a decision to reduce grant funded preventive maintenance reimbursements to the Operating Budget and redirect those funds to increase Capital expenditures. Transit is a capital-intensive business and the Authority addressed some of the capital needs to ensure a state of good repair. Operating costs are rising and are budgeted at \$259.7 million for 2018 with a budgeted ending balance for of \$18.4 million. If the GCRTA



is to remain financially sustainable in the future, a 30-day operating reserve must be met while maintaining PM reimbursement under \$20.0 million is going to become increasingly difficult.

A transfer to the Rolling Stock Reserve Fund is budgeted at \$5 million to reserve a percentage of the year-end balance for future purchases of revenue vehicles. This fund will help to create the local match needed for revenue vehicle purchases. A transfer for Compensated Absences is budgeted at \$0.94 million for 2018 to help cover the liability costs each year. As hospitalization and prescription costs increase a transfer for Hospitalization Reserve is budgeted at \$0.73 million to cover up to 10 percent of annual hospitalization costs. Every 12 years a 27<sup>th</sup> pay is expensed due to the pay cycles. To help cover these costs, a transfer of \$0.69 million is budgeted, or 1/12 of annual pay costs. In total, a transfer of \$7.4 million is budgeted to the Reserve Fund to help protect the Authority from economic downturns or cover unforeseen or extraordinary expenses.

## CAPITAL IMPROVEMENT PLAN

The Capital Improvement Plan (CIP) for 2018-2022 was originally approved by the Board in August 2016. As adopted it and the pending budget appropriation to the adopted CIP budget for 2018, 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.

As in previous years, additional financial resources continue to be needed to meet the needs of maintaining the Authority's capital assets in a State of Good Repair (SOGR). In recent budget years, due to the improved financial conditions of the Authority additional funds were supplied to the capital program by strategically reducing grant funded Preventive Maintenance (PM) reimbursements to the Operating Budget and directing more resources towards capital asset improvements. The Authority has also aggressively pursued all eligible competitive grant awards for identified, but unfunded SOGR projects. These awards have provided funding for track and station reconstruction projects, bus replacement purchases, and a recent competitive grant award of \$11.6 million will fund the replacement and upgrade of the Authority's Radio/CAD/AVL systems.

The allocation of capital funds and budget authority continues to target a significant number of SOGR projects throughout the Authority. Financial resources for capital projects are allocated through a capital review process that prioritizes both budgeted, unfunded capital projects as well as consideration of new capital projects. It maintains the focus of the Authority's capital program on achieving and maintaining a SOGR throughout the system as it continues to reflect existing and future projected financial and operational constraints facing the Authority. The challenges are many- to maintain its bus fleets in a SOGR, the Authority should replace 30-35 buses per year at an annual cost of \$17.5 million, while at the same time it needs to complete the reconstruction of rail stations to meet ADA key station standards, its rail infrastructure, facilities, bridges, and in the near future identify possible funding sources to replace its rail fleets.

The Authority's capital projects are grouped in the proposed 2018 – 22 Capital Improvement Plan, including the proposed budget appropriation amendment, shown on the following page.



**Proposed AMENDED 2018 - 2022 CAPITAL IMPROVEMENT PLAN  
Combined Budget Authority**

PROJECT CATEGORY	2018 Budget	2019 Plan	2020 Plan	2021 Plan	2022 Plan	2018-2022
Bus Garages	\$2,400,000	\$5,450,000	\$0	\$0	\$0	\$7,850,000
Bus Improvement Program	\$20,627,160	\$14,736,275	\$30,438,135	\$37,920,154	\$12,365,750	\$116,087,474
Equipment & Vehicles	\$21,102,719	\$8,900,832	\$6,015,219	\$4,892,000	\$5,770,000	\$46,680,770
Facilities Improvements	\$2,172,000	\$14,451,861	\$9,801,000	\$6,925,456	\$9,346,287	\$42,696,604
Other Projects	\$2,272,250	\$2,273,750	\$2,273,750	\$2,275,250	\$2,275,250	\$11,370,250
Preventive Maint./Oper. Reimb.	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$100,000,000
Rail Projects	\$47,068,127	\$7,415,719	\$18,402,868	\$17,707,081	\$15,650,000	\$106,243,795
Transit Centers	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$1,500,000
<b>TOTALS</b>	<b>\$115,942,256</b>	<b>\$73,528,437</b>	<b>\$87,230,972</b>	<b>\$90,019,941</b>	<b>\$65,707,287</b>	<b>\$432,428,893</b>

Figure 10

**CONCLUSION**

GCRTA has managed well over the past six years. With diminished revenues and resources going forward, increasing operating costs are going to make it difficult to end with a 30-day balance. The 2018 budget includes a \$0.25 fare increase, to be implemented in August 2018. Difficult decisions lie ahead in 2018 through 2019 in order to mitigate a significant decrease in revenues due to Medicaid services being removed from the Sales & Use Tax base. As in the past, the GCRTA will take the necessary actions as the budgeted operating reserve falls.

GCRTA must continue to decrease expenses, improve its operational efficiencies and effectiveness to provide quality service and meet its commitments to its customers, while at the same time, it must maintain the necessary funds sustain operations and keep its infrastructure in a state of good repair. The proposed 2018 General Fund and the Other Fund Budgets achieve that goal, but at the same time indicate that significant financial issues lay ahead in the upcoming years.

## ADDENDUM – MARCH 2018

Due to the budget deficit of \$18M for 2018 as a result of the MCO tax base loss, the Office of Management and Budget revised the General Fund budget increased Reimbursed Expenditure Revenue by \$0.6 million, reduced Operating Expenses by \$5.7 million, and reduced Transfers by \$2.0 million. On March 27, 2018, the Board of Trustees approved the 2018 Amended General Fund budget. The amendments to this budget are summarized below:

### REVENUES

PASSENGER FARES		\$42.8 MILLION	
	ORIGINAL	AMENDED	
ORIGINAL BUDGET	\$47.8M	\$42.8M	
REVISION		(\$5.0M)	

#### RATIONALE:

Due to continual declining ridership trends, a decision was made to delay the scheduled 2018 fare increase. Passenger fare revenue for 2018 was reduced by approximately \$5 million. At this time, it is uncertain if or when the fare increase will be executed.

REIMBURSED EXPENDITURES		\$22.7 MILLION	
	ORIGINAL	AMENDED	
PREVENTIVE MAINTENANCE REIMBURSEMENTS	\$20.0M	\$20.6M	
FUEL TAX REIMBURSEMENT	\$ 1.1M	\$ 1.1M	
REIMBURSED LABOR & MATERIAL	\$ 1.0M	\$ 1.0M	
TOTAL	\$22.1M	\$22.7M	
REVISION		\$ 0.6M	

#### RATIONALE:

Reimbursed expenditures, specifically under preventive maintenance, were increased by \$600,000. Additional funding was available through the Medina Pass Thru.

OTHER REVENUE		\$17.3 MILLION	
	ORIGINAL	AMENDED	
MEDICAID TRANSITION FUND	\$10.0M	\$15.1M	
TROLLEY ASSISTANCE	\$ 0.6M	\$ 0.6M	
OTHER REVENUE	\$ 1.6M	\$ 1.6M	
TOTAL	\$12.2M	\$17.3M	
REVISION		\$ 5.1M	

#### RATIONALE:

Additional \$5.0M funding was received from the State of Ohio in January 2018 for the loss of Medicaid Managed Care funding. This additional funding was included in the amended 2018 Budget. In 2017, the State removed Medicaid Managed Care from the Sales and Use Tax base. This change was made effective July 1, 2017. Total annualized revenue loss is projected at \$20.0M.

## EXPENDITURES

	ORIGINAL	AMENDED
SALARIES AND OVERTIME	\$138.4M	\$138.1M
FRINGE BENEFITS	\$ 53.3M	\$ 53.5M
DIESEL FUEL	\$ 5.9M	\$ 5.0M
NATURAL GAS	\$ 2.0M	\$ 1.9M
<u>OTHER EXPENDITURES</u>	<u>\$ 60.1M</u>	<u>\$ 55.5M</u>
TOTAL	\$259.7M	\$254.0M
REVISION		(\$5.7M)

### RATIONALE:

Operating expenses were reduced by \$5.7M to total \$254M. No positions were eliminated. Vacant positions were held at 0.25 percent filled for the year and overtime was reduced. Fringe Benefits went up slightly due to higher than expected health claims received in the first quarter. Diesel Fuel and Natural Gas/CNG was reduced by \$1.0M, collectively. Other expenditures, which includes services, contracts, supplies, inventory, claims, purchased transportation, and travel/training, were reduced by \$4.6M.

## TRANSFERS TO CAPITAL

	ORIGINAL	AMENDED
TRANSFER TO CAPITAL IMPROVEMENT FUND	\$11.9M	\$9.9M
REVISION		(\$2.0M)

### RATIONALE:

Transfers to capital was reduced by \$2M. The RTA Development Fund consists of grant funding through awards and grants from the Federal Government, State, or local sources. Additionally, local funding through Sales & Use Tax revenue or debt issuances is also available in the Development Fund for the local match requirements for each of the grants or awards. Currently, the Authority has some local match funding currently in the RTA Development Fund and the total budgeted transfer of \$11.9 million is not needed. Through the 2018 Amended Budget, the transfer to capital was lowered by \$2.0 million.

## TRANSFERS TO RESERVE FUND

	ORIGINAL	AMENDED
FUEL RESERVE	\$0.00M	\$0.00M
COMPENSATED ABSENCES	\$0.94M	\$0.94M
HOSPITALIZATION	\$0.73M	\$0.73M
ROLLING STOCK REPLACEMENT	\$5.00M	\$0.00M
<u>27<sup>TH</sup> PAY</u>	<u>\$0.69M</u>	<u>\$0.69M</u>
TOTAL	\$7.37M	\$2.37M
REVISION		(\$5.0M)

### RATIONALE:

The transfer to the Rolling Stock Reserve Fund originally budgeted at \$5 million was eliminated to reserve a percentage of the year-end balance for future purchases of revenue vehicles. Due to the budget adjustments and modifications above, the Authority was able to reduce the budget deficit from an original amount of \$18M to \$4M

## General Fund Balance Analysis

	2016 Actual	2017 Estimate	2018 Budget	2019 Plan	2020 Plan	2021 Plan	2022 Plan
<b>Beginning Balance</b>	<b>16,822,906</b>	<b>33,324,814</b>	<b>36,387,585</b>	<b>18,391,488</b>	<b>-6,028,176</b>	<b>-31,314,668</b>	<b>-56,906,860</b>
<b>Revenue</b>							
Passenger Fares	46,279,344	47,103,978	47,843,114	48,861,774	48,615,022	48,613,807	48,249,811
Advertising & Concessions	2,860,267	1,660,000	2,095,000	2,162,000	2,230,000	2,297,000	2,364,000
Sales & Use Tax	218,749,851	213,693,355	197,793,912	198,782,882	199,776,796	200,775,680	201,779,558
Revenue from Medicaid Transition Fund	0	10,034,083	10,034,083	0	0	0	0
Federal Operating Assistance - Various	0	0	0	0	0	0	0
Trolley Sponsorship	0	640,000	640,000	640,000	640,000	640,000	640,000
Investment Income	42,156	217,987	110,000	90,000	90,000	70,000	70,000
Other Revenue	1,888,060	2,100,000	1,550,000	1,450,000	1,400,000	1,400,000	1,400,000
Reimbursed Expenditures	24,560,024	22,201,800	22,075,000	22,075,000	22,075,000	22,075,000	22,075,000
<b>Total Revenue</b>	<b>294,379,702</b>	<b>297,651,203</b>	<b>282,141,109</b>	<b>274,061,656</b>	<b>274,826,818</b>	<b>275,871,487</b>	<b>276,578,369</b>
<b>Total Resources</b>	<b>311,202,608</b>	<b>330,976,017</b>	<b>318,528,694</b>	<b>292,453,143</b>	<b>268,798,642</b>	<b>244,556,819</b>	<b>219,671,509</b>
<b>Operating Expenditures</b>							
Salaries and Overtime	134,370,484	136,237,188	138,358,462	138,344,129	139,838,915	138,588,492	138,706,794
Fringe Benefits	48,074,083	50,876,550	53,331,694	53,967,904	54,821,882	55,244,430	55,893,452
Diesel Fuel	8,627,383	6,596,987	5,887,000	5,769,260	5,653,875	5,597,336	5,541,363
Natural Gas	1,246,088	1,956,545	1,985,000	1,986,114	1,987,229	1,988,345	1,989,461
Other Expenditures	53,600,135	51,274,126	60,097,571	59,844,145	60,333,852	60,064,187	60,138,315
<b>Total Operating Expenditures</b>	<b>245,918,172</b>	<b>246,941,396</b>	<b>259,659,727</b>	<b>259,911,552</b>	<b>262,635,752</b>	<b>261,482,789</b>	<b>262,269,385</b>
<b>Transfer to the Insurance Fund</b>	<b>500,000</b>	<b>2,400,000</b>	<b>2,250,000</b>	<b>2,200,000</b>	<b>2,200,000</b>	<b>2,200,000</b>	<b>2,100,000</b>
<b>Transfer to the Pension Fund</b>	<b>100,000</b>	<b>75,000</b>	<b>60,000</b>	<b>60,000</b>	<b>55,000</b>	<b>55,000</b>	<b>50,000</b>
<b>Transfers to Capital</b>							
Bond Retirement Fund	21,887,562	17,045,783	18,865,474	16,603,865	17,891,282	18,249,054	17,621,881
Capital Improvement Fund	9,472,060	10,571,331	11,933,343	12,586,877	11,309,855	13,598,221	14,426,089
<b>Total Transfers to Capital</b>	<b>31,359,622</b>	<b>27,617,114</b>	<b>30,798,817</b>	<b>29,190,742</b>	<b>29,201,137</b>	<b>31,847,275</b>	<b>32,047,970</b>
<b>Transfers to Reserve Fund</b>	<b>0</b>	<b>17,554,922</b>	<b>7,368,662</b>	<b>7,119,025</b>	<b>6,021,421</b>	<b>5,878,615</b>	<b>5,878,615</b>
<b>Total Expenditures</b>	<b>277,877,794</b>	<b>294,588,432</b>	<b>300,137,206</b>	<b>298,481,319</b>	<b>300,113,310</b>	<b>301,463,679</b>	<b>302,345,970</b>
<b>Ending Balance</b>	<b>33,324,814</b>	<b>36,387,585</b>	<b>18,391,488</b>	<b>-6,028,176</b>	<b>-31,314,668</b>	<b>-56,906,860</b>	<b>-82,674,461</b>
<b>Reserved Funds</b>	<b>8,776,432</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Available Ending Balance</b>	<b>24,548,382</b>	<b>36,387,585</b>	<b>18,391,488</b>	<b>-6,028,177</b>	<b>-31,314,669</b>	<b>-56,906,861</b>	<b>-82,674,462</b>

**ATTACHMENT A**  
**General Fund Balance Analysis**

	2015	2016	2017	2018	2019	2020	2021	2022
	Actual	Actual	Actual	Amended Budget	Plan	Plan	Plan	Plan
<b>Beginning Balance</b>	<b>27,116,140</b>	<b>16,822,906</b>	<b>33,324,814</b>	<b>34,869,398</b>	<b>30,289,326</b>	<b>18,181,218</b>	<b>-3,426,022</b>	<b>-32,311,159</b>
<b>Revenue</b>								
Passenger Fares	48,419,211	46,279,344	45,436,326	42,855,419	41,007,478	40,597,835	39,541,391	38,738,563
Advertising & Concessions	1,442,677	2,860,267	2,389,856	2,095,000	2,162,000	2,230,000	2,297,000	2,364,000
Sales & Use Tax	205,843,321	218,749,851	213,718,145	197,793,912	198,782,882	199,776,796	200,775,680	201,779,558
State Aid from MCO Loss	0	0	10,034,083	15,134,083	3,100,000	0	0	0
Federal Operating Assistance - Various	4,579,048	0	0	0	0	0	0	0
Trolley Sponsorship	0	0	0	640,000	640,000	640,000	640,000	640,000
Investment Income	153,534	42,156	260,016	110,000	90,000	90,000	70,000	70,000
Other Revenue	1,254,771	1,888,060	1,990,027	1,550,000	1,450,000	1,400,000	1,400,000	1,400,000
Reimbursed Expenditures	19,720,588	24,560,024	22,782,104	22,685,000	27,075,000	22,075,000	22,075,000	22,075,000
<b>Total Revenue</b>	<b>281,413,150</b>	<b>294,379,702</b>	<b>296,610,557</b>	<b>282,863,414</b>	<b>274,307,360</b>	<b>266,809,631</b>	<b>266,799,071</b>	<b>267,067,121</b>
<b>Total Resources</b>	<b>308,529,290</b>	<b>311,202,608</b>	<b>329,935,371</b>	<b>317,732,812</b>	<b>304,596,686</b>	<b>284,990,849</b>	<b>263,373,048</b>	<b>234,755,962</b>
<b>Operating Expenditures</b>								
Salaries and Overtime	134,377,598	134,370,739	135,514,105	138,059,596	136,558,184	138,284,256	136,873,373	137,038,173
Fringe Benefits	52,231,192	48,073,828	51,553,465	53,549,663	54,097,735	54,923,727	55,412,376	56,094,836
Diesel Fuel	10,804,133	8,627,383	6,535,532	4,966,000	4,817,020	4,672,509	4,532,334	4,396,364
Natural Gas	1,506,113	1,944,917	1,874,683	1,871,000	1,873,675	1,876,359	1,879,051	1,881,753
Other Expenditures	53,062,118	52,901,306	52,241,152	55,519,748	55,999,087	56,682,463	57,006,184	57,473,406
<b>Total Operating Expenditures</b>	<b>251,981,154</b>	<b>245,918,173</b>	<b>247,718,937</b>	<b>253,966,007</b>	<b>253,345,701</b>	<b>256,439,313</b>	<b>255,703,318</b>	<b>256,884,533</b>
<b>Transfer to the Insurance Fund</b>	<b>1,500,000</b>	<b>500,000</b>	<b>2,400,000</b>	<b>2,250,000</b>	<b>2,200,000</b>	<b>2,200,000</b>	<b>2,200,000</b>	<b>2,100,000</b>
<b>Transfer to the Pension Fund</b>	<b>100,000</b>	<b>100,000</b>	<b>75,000</b>	<b>60,000</b>	<b>60,000</b>	<b>55,000</b>	<b>55,000</b>	<b>50,000</b>
<b>Transfers to Capital</b>								
Bond Retirement Fund	22,615,956	21,887,562	17,045,783	18,865,474	16,603,865	17,891,282	18,249,054	17,621,881
Capital Improvement Fund	15,509,273	9,472,060	10,271,331	9,933,343	12,086,877	10,809,855	13,598,221	14,426,089
<b>Total Transfers to Capital</b>	<b>38,125,229</b>	<b>31,359,622</b>	<b>27,317,114</b>	<b>28,798,817</b>	<b>28,690,742</b>	<b>28,701,137</b>	<b>31,847,275</b>	<b>32,047,970</b>
<b>Transfers to Reserve Fund</b>	<b>0</b>	<b>0</b>	<b>17,554,922</b>	<b>2,368,662</b>	<b>2,119,025</b>	<b>1,021,421</b>	<b>5,878,615</b>	<b>5,878,615</b>
<b>Total Expenditures</b>	<b>291,706,383</b>	<b>277,877,794</b>	<b>295,065,973</b>	<b>287,443,486</b>	<b>286,415,468</b>	<b>288,416,871</b>	<b>295,684,208</b>	<b>296,961,118</b>
<b>Ending Balance</b>	<b>16,822,906</b>	<b>33,324,814</b>	<b>34,869,398</b>	<b>30,289,326</b>	<b>18,181,218</b>	<b>-3,426,022</b>	<b>-32,311,159</b>	<b>-62,205,156</b>
<b>Reserved Funds</b>	<b>0</b>	<b>8,776,432</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Available Ending Balance</b>	<b>16,822,906</b>	<b>24,548,382</b>	<b>34,869,398</b>	<b>30,289,326</b>	<b>18,181,217</b>	<b>-3,426,023</b>	<b>-32,311,160</b>	<b>-62,205,157</b>
Passenger Fare & Sales Tax % Change	3.27%	4.23%	-2.22%	-7.14%	-0.36%	0.24%	-0.02%	0.08%
Operating Expenses % Change	1.58%	-2.41%	0.73%	2.52%	-0.24%	1.22%	-0.29%	0.46%
Revenues - Expenses (millions)	(\$10.29)	\$16.50	\$19.10	(\$2.21)	(\$9.99)	(\$20.59)	(\$23.01)	(\$24.02)

ATTACHMENT B

**2018 Budget  
Financial Policy Goals**

		Goal	2015 Actual	2016 Actual	2017 Actual	2018 Amended Budget	2019 Plan	2020 Plan	2021 Plan	2022 Plan
Operating Efficiency	Operating Ratio	> 25%	19.9%	20.1%	19.5%	17.8%	17.1%	16.8%	16.4%	16.1%
	Cost/Hour of Service		\$140.0	\$135.1	\$132.4	\$139.3	\$142.5	\$148.0	\$151.3	\$155.9
	Growth per Year	< Rate of Inflation	13.1%	-3.5%	-2.0%	5.2%	2.3%	3.8%	2.3%	3.0%
	Operating Reserve (Months)	> 1 month	0.8	1.6	1.7	1.4	0.9	-0.2	-1.5	-2.9
Capital Efficiency	Debt Service Coverage	> 1.5	1.78	2.50	4.11	2.69	2.25	0.87	-0.45	-2.18
	Sales Tax Contribution to Capital	10% - 15%	18.5%	14.3%	12.2%	13.5%	14.2%	14.4%	15.9%	15.9%
	Capital Maintenance to Expansion	75% - 90%	98.9%	96.3%	97.3%	94.3%	94.5%	94.5%	94.5%	94.5%
Reserved Funds	Fuel Reserve Funds	Fuel Budget less Annual Expenditures	\$0.00	\$0.00	\$2.45	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Compensated Absences Reserve Funds	< 25% of Accrued Liability	\$0.00	\$0.00	\$1.90	\$0.94	\$0.69	\$0.00	\$0.00	\$0.00
	Hospitalization Reserve Funds	< 10% of Annual Hospitalization Costs	\$0.00	\$0.00	\$1.80	\$0.73	\$0.73	\$0.14	\$0.00	\$0.00
	27th Pay	1/12th of Annual 27th Pay Costs	\$0.00	\$0.00	\$1.40	\$0.69	\$0.69	\$0.88	\$0.88	\$0.88
	Rolling Stock Replacement Funds	≥ \$5,000,000 per year	\$0.00	\$0.00	\$10.00	\$0.00	\$0.00	\$0.00	\$5.00	\$5.00

ATTACHMENT C  
**Capital Improvement Fund Balance Analysis**

	2015	2016	2017	2018	2019	2020	2021	2022
	Actual	Actual	Actual	Amended Budget	Plan	Plan	Plan	Plan
<b>Beginning Balance</b>	<b>25,434,449</b>	<b>44,613,977</b>	<b>33,111,619</b>	<b>21,435,743</b>	<b>35,544,643</b>	<b>11,805,197</b>	<b>19,737,210</b>	<b>6,220,129</b>
<b>Revenue</b>								
Transfer from General Fund	15,509,273	9,472,060	10,271,331	9,933,343	12,086,877	10,809,855	13,598,221	14,426,089
Transfer from General Fund		0	0	2,000,000	0	0	0	0
Investment Income	207,421	286,670	326,189	270,000	260,000	260,000	260,000	260,000
Federal Capital Grants	75,819,587	47,732,909	48,455,538	48,766,900	63,757,536	66,137,500	64,157,980	45,360,163
State Capital Grants	534,487	110,699	0	1,384,658	1,384,658	1,384,658	1,384,658	1,384,658
Debt Service Proceeds	30,000,000	0	0	30,000,000	0	25,000,000	0	25,000,000
Other Revenue	9,000	0	329,920	0	0	0	0	0
<b>Total Revenue</b>	<b>122,079,768</b>	<b>57,602,338</b>	<b>59,382,978</b>	<b>92,354,901</b>	<b>77,489,071</b>	<b>103,592,013</b>	<b>79,400,860</b>	<b>86,430,910</b>
<b>Total Resources</b>	<b>147,514,216</b>	<b>102,216,315</b>	<b>92,494,597</b>	<b>113,790,643</b>	<b>113,033,714</b>	<b>115,397,210</b>	<b>99,138,070</b>	<b>92,651,039</b>
<b>Expenditures</b>								
Capital Outlay	102,900,240	69,104,696	71,058,854	78,246,000	101,228,517	95,660,000	92,917,941	67,140,787
Other Expenditures	0	0	0	0	0	0	0	0
<b>Total Expenditures</b>	<b>102,900,240</b>	<b>69,104,696</b>	<b>71,058,854</b>	<b>78,246,000</b>	<b>101,228,517</b>	<b>95,660,000</b>	<b>92,917,941</b>	<b>67,140,787</b>
<b>Available Ending Balance</b>	<b>44,613,977</b>	<b>33,111,619</b>	<b>21,435,743</b>	<b>35,544,643</b>	<b>11,805,197</b>	<b>19,737,210</b>	<b>6,220,129</b>	<b>25,510,252</b>



**ATTACHMENT D**  
**RTA Development Fund Balance Analysis**

	2015	2016	2017	2018	2019	2020	2021	2022
	Actual	Actual	Actual	Amended Budget	Plan	Plan	Plan	Plan
<b>Beginning Balance</b>	<b>23,911,529</b>	<b>42,499,967</b>	<b>30,037,486</b>	<b>20,136,261</b>	<b>34,446,074</b>	<b>10,724,006</b>	<b>18,670,419</b>	<b>5,155,871</b>
<b>Revenue</b>								
Debt Service Proceeds	30,000,000	0	0	30,000,000	0	25,000,000	0	25,000,000
Transfer from RTA Capital Fund	11,649,255	5,334,255	6,844,255	6,934,255	8,984,255	7,684,255	10,434,255	10,684,255
Transfer from the Reserve Fund	0	0	0	2,000,000	0	0	0	0
Investment Income	185,574	260,886	284,557	250,000	240,000	240,000	240,000	240,000
Federal Capital Grants	75,819,587	47,732,909	48,455,538	48,766,900	63,757,536	66,137,500	64,157,980	45,360,163
State Capital Grants	534,487	110,699	0	1,384,658	1,384,658	1,384,658	1,384,658	1,384,658
Other Revenue	9,000	0	329,920	0	0	0	0	0
<b>Total Revenue</b>	<b>118,197,903</b>	<b>53,438,749</b>	<b>55,914,270</b>	<b>89,335,813</b>	<b>74,366,449</b>	<b>100,446,413</b>	<b>76,216,893</b>	<b>82,669,076</b>
<b>Total Resources</b>	<b>142,109,432</b>	<b>95,938,716</b>	<b>85,951,756</b>	<b>109,472,074</b>	<b>108,812,523</b>	<b>111,170,419</b>	<b>94,887,312</b>	<b>87,824,947</b>
<b>Expenditures</b>								
Capital Outlay	99,609,466	65,901,230	65,815,495	75,026,000	98,088,517	92,500,000	89,731,441	63,440,787
Other Expenditures	0	0	0	0	0	0	0	0
<b>Total Expenditures</b>	<b>99,609,466</b>	<b>65,901,230</b>	<b>65,815,495</b>	<b>75,026,000</b>	<b>98,088,517</b>	<b>92,500,000</b>	<b>89,731,441</b>	<b>63,440,787</b>
<b>Ending Balance</b>	<b>42,499,967</b>	<b>30,037,486</b>	<b>20,136,261</b>	<b>34,446,074</b>	<b>10,724,006</b>	<b>18,670,419</b>	<b>5,155,871</b>	<b>24,384,160</b>

ATTACHMENT E  
**RTA Capital Fund Balance Analysis**

	2015	2016	2017	2018	2019	2020	2021	2022
	Actual	Actual	Actual	Amended Budget	Plan	Plan	Plan	Plan
<b>Beginning Balance</b>	<b>1,522,919</b>	<b>2,114,010</b>	<b>3,074,133</b>	<b>1,299,482</b>	<b>1,098,570</b>	<b>1,081,191</b>	<b>1,066,791</b>	<b>1,064,257</b>
<b>Revenue</b>								
Transfer from General Fund	15,509,273	9,472,060	10,271,331	9,933,343	12,086,877	10,809,855	13,598,221	14,426,089
Investment Income	21,847	25,784	41,632	20,000	20,000	20,000	20,000	20,000
Other Revenue	0	0	0	0	0	0	0	0
<b>Total Revenue</b>	<b>15,531,120</b>	<b>9,497,844</b>	<b>10,312,963</b>	<b>9,953,343</b>	<b>12,106,877</b>	<b>10,829,855</b>	<b>13,618,221</b>	<b>14,446,089</b>
<b>Total Resources</b>	<b>17,054,039</b>	<b>11,611,854</b>	<b>13,387,096</b>	<b>11,252,825</b>	<b>13,205,446</b>	<b>11,911,046</b>	<b>14,685,012</b>	<b>15,510,347</b>
<b>Expenditures</b>								
Asset Maintenance	1,415,840	1,020,521	2,322,492	1,600,000	1,510,000	1,550,000	1,471,500	1,900,000
Routine Capital	1,874,934	2,182,945	2,920,867	1,620,000	1,630,000	1,610,000	1,715,000	1,800,000
Other Expenditures	0	0	0	0	0	0	0	0
Transfer to RTA Development Fund	11,649,255	5,334,255	6,844,255	6,934,255	8,984,255	7,684,255	10,434,255	10,684,255
<b>Total Expenditures</b>	<b>14,940,029</b>	<b>8,537,721</b>	<b>12,087,614</b>	<b>10,154,255</b>	<b>12,124,255</b>	<b>10,844,255</b>	<b>13,620,755</b>	<b>14,384,255</b>
<b>Ending Balance</b>	<b>2,114,010</b>	<b>3,074,133</b>	<b>1,299,482</b>	<b>1,098,570</b>	<b>1,081,191</b>	<b>1,066,791</b>	<b>1,064,257</b>	<b>1,126,092</b>

**ATTACHMENT F**  
**Bond Retirement Fund Balance Analysis**

	2015	2016	2017	2018	2019	2020	2021	2022
	Actual	Actual	Actual	Amended Budget	Plan	Plan	Plan	Plan
<b>Beginning Balance</b>	<b>1,775,685</b>	<b>2,273,404</b>	<b>2,112,464</b>	<b>2,299,936</b>	<b>2,039,020</b>	<b>2,209,343</b>	<b>2,201,919</b>	<b>2,190,726</b>
<b>Revenue</b>								
Transfer from General Fund	22,615,956	21,887,562	17,045,783	18,865,474	16,603,865	17,891,282	18,249,054	17,621,881
Investment Income	1,419	13,906	58,691	2,500	2,500	2,500	2,500	2,500
Other Revenue	0	5,262	0	0	0	0	0	0
<b>Total Revenue</b>	<b>22,617,375</b>	<b>21,906,730</b>	<b>17,104,474</b>	<b>18,867,974</b>	<b>16,606,365</b>	<b>17,893,782</b>	<b>18,251,554</b>	<b>17,624,381</b>
<b>Reconciling Journal Entry</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Resources</b>	<b>24,393,060</b>	<b>24,180,134</b>	<b>19,216,938</b>	<b>21,167,910</b>	<b>18,645,385</b>	<b>20,103,125</b>	<b>20,453,473</b>	<b>19,815,107</b>
<b>Expenditures</b>								
Debt Service								
Principal	16,320,000	16,430,000	11,615,000	12,952,453	10,697,751	11,584,204	12,396,373	11,461,171
Interest	5,799,656	5,637,670	5,302,002	6,174,937	5,736,791	6,315,502	5,864,874	6,265,319
Other Expenditures	0	0	0	1,500	1,500	1,500	1,500	1,500
<b>Total Expenditures</b>	<b>22,119,656</b>	<b>22,067,670</b>	<b>16,917,002</b>	<b>19,128,890</b>	<b>16,436,042</b>	<b>17,901,206</b>	<b>18,262,747</b>	<b>17,727,990</b>
<b>Ending Balance</b>	<b>2,273,404</b>	<b>2,112,464</b>	<b>2,299,936</b>	<b>2,039,020</b>	<b>2,209,343</b>	<b>2,201,919</b>	<b>2,190,726</b>	<b>2,087,117</b>

**ATTACHMENT G**  
**Insurance Fund Balance Analysis**

	2015	2016	2017	2018	2019	2020	2021	2022
	Actual	Actual	Actual	Amended Budget	Plan	Plan	Plan	Plan
<b>Beginning Balance</b>	<b>6,274,522</b>	<b>6,734,850</b>	<b>5,263,076</b>	<b>6,074,641</b>	<b>6,030,161</b>	<b>6,051,161</b>	<b>6,080,161</b>	<b>6,096,161</b>
<b>Revenue</b>								
Investment Income	44,853	62,584	59,172	35,000	35,000	35,000	35,000	35,000
Transfer from General Fund	1,500,000	500,000	2,400,000	2,250,000	2,200,000	2,200,000	2,200,000	2,100,000
<b>Total Revenue</b>	<b>1,544,853</b>	<b>562,584</b>	<b>2,459,172</b>	<b>2,285,000</b>	<b>2,235,000</b>	<b>2,235,000</b>	<b>2,235,000</b>	<b>2,135,000</b>
<b>Total Resources</b>	<b>7,819,375</b>	<b>7,297,434</b>	<b>7,722,248</b>	<b>8,359,641</b>	<b>8,265,161</b>	<b>8,286,161</b>	<b>8,315,161</b>	<b>8,231,161</b>
<b>Expenditures</b>								
Claims and Premium Outlay	1,084,525	2,034,358	1,647,607	2,329,480	2,214,000	2,206,000	2,219,000	2,206,000
Other Expenditures	0	0	0	0	0	0	0	0
<b>Total Expenditures</b>	<b>1,084,525</b>	<b>2,034,358</b>	<b>1,647,607</b>	<b>2,329,480</b>	<b>2,214,000</b>	<b>2,206,000</b>	<b>2,219,000</b>	<b>2,206,000</b>
<b>Ending Balance</b>	<b>6,734,850</b>	<b>5,263,076</b>	<b>6,074,641</b>	<b>6,030,161</b>	<b>6,051,161</b>	<b>6,080,161</b>	<b>6,096,161</b>	<b>6,025,161</b>

ATTACHMENT H  
**Supplemental Pension Fund Balance Analysis**

	2015	2016	2017	2018	2019	2020	2021	2022
	Actual	Actual	Actual	Amended Budget	Plan	Plan	Plan	Plan
<b>Beginning Balance</b>	<b>1,227,680</b>	<b>1,268,518</b>	<b>1,311,956</b>	<b>1,333,767</b>	<b>1,338,667</b>	<b>1,343,567</b>	<b>1,345,467</b>	<b>1,347,267</b>
<b>Revenue</b>								
Investment Income	8,875	12,508	10,588	9,900	9,900	9,900	9,800	9,900
Transfer from General Fund	100,000	100,000	75,000	60,000	60,000	55,000	55,000	50,000
<b>Total Revenue</b>	<b>108,875</b>	<b>112,508</b>	<b>85,588</b>	<b>69,900</b>	<b>69,900</b>	<b>64,900</b>	<b>64,800</b>	<b>59,900</b>
<b>Total Resources</b>	<b>1,336,555</b>	<b>1,381,026</b>	<b>1,397,544</b>	<b>1,403,667</b>	<b>1,408,567</b>	<b>1,408,467</b>	<b>1,410,267</b>	<b>1,407,167</b>
<b>Expenditures</b>								
Benefit Payments	68,037	69,070	63,777	65,000	65,000	63,000	63,000	61,000
Other Expenditures	0	0	0	0	0	0	0	0
<b>Total Expenditures</b>	<b>68,037</b>	<b>69,070</b>	<b>63,777</b>	<b>65,000</b>	<b>65,000</b>	<b>63,000</b>	<b>63,000</b>	<b>61,000</b>
Reconciling Journal Entry	0	0	0	0	0	0	0	0
<b>Ending Balance</b>	<b>1,268,518</b>	<b>1,311,956</b>	<b>1,333,767</b>	<b>1,338,667</b>	<b>1,343,567</b>	<b>1,345,467</b>	<b>1,347,267</b>	<b>1,346,167</b>

ATTACHMENT I  
**Law Enforcement Fund Balance Analysis**

	2015	2016	2017	2018	2019	2020	2021	2022
	Actual	Actual	Actual	Amended Budget	Plan	Plan	Plan	Plan
<b>Beginning Balance</b>	<b>296,216</b>	<b>257,133</b>	<b>109,110</b>	<b>26,958</b>	<b>93,988</b>	<b>94,018</b>	<b>94,048</b>	<b>94,078</b>
<b>Revenue</b>								
Law Enforcement Revenue	9,040	0	95,945	20,000	0	0	0	0
Law Enforcement Training Revenue	0	22,180	27,500	0	0	0	0	0
Investment Income	60	37	815	30	30	30	30	30
Other Revenue	0	50,694	0	55,000	0	0	0	0
<b>Total Revenue</b>	<b>9,100</b>	<b>72,911</b>	<b>124,260</b>	<b>75,030</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>30</b>
<b>Total Resources</b>	<b>305,316</b>	<b>330,044</b>	<b>233,370</b>	<b>101,988</b>	<b>94,018</b>	<b>94,048</b>	<b>94,078</b>	<b>94,108</b>
<b>Expenditures</b>								
Capital & Related Items	48,183	198,754	146,582	8,000	0	0	0	0
Training	0	22,180	59,830	0	0	0	0	0
<b>Total Expenditures</b>	<b>48,183</b>	<b>220,934</b>	<b>206,412</b>	<b>8,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Reconciling Journal Entry	0	0	0	0	0	0	0	0
<b>Ending Balance</b>	<b>257,133</b>	<b>109,110</b>	<b>26,958</b>	<b>93,988</b>	<b>94,018</b>	<b>94,048</b>	<b>94,078</b>	<b>94,108</b>

ATTACHMENT J  
**Reserve Fund Balance Analysis**

	2015	2016	2017	2018	2019	2020	2021	2022
	Actual	Actual	Actual	Amended Budget	Plan	Plan	Plan	Plan
<b>Beginning Balance</b>	0	0	0	17,624,278	18,042,940	20,211,965	21,284,386	27,214,001
<b>Revenue</b>								
Investment Income	0	0	69,356	50,000	50,000	51,000	51,000	51,000
Transfer from General Fund	0	0	17,554,922	2,368,662	2,119,025	1,021,421	5,878,615	5,878,615
<b>Total Revenue</b>	0	0	17,624,278	2,418,662	2,169,025	1,072,421	5,929,615	5,929,615
<b>Total Resources</b>	0	0	17,624,278	20,042,940	20,211,965	21,284,386	27,214,001	33,143,616
<b>Expenditures</b>								
Transfer to General Fund (Compensated Absen	0	0	0	0	0	0	0	0
Transfer to General Fund (Fuel)	0	0	0	0	0	0	0	0
Transfer to General Fund (Hospitalization)	0	0	0	0	0	0	0	0
Transfer to RTA Development Fund (Rolling Str	0	0	0	2,000,000	0	0	0	0
Transfer to General Fund (27th Pay - 2024)	0	0	0	0	0	0	0	0
<b>Total Expenditures</b>	0	0	0	2,000,000	0	0	0	0
<b>Ending Balance</b>	0	0	17,624,278	18,042,940	20,211,965	21,284,386	27,214,001	33,143,616



ATTACHMENT K  
**Medicaid Sales & Use Tax Transition Account**

	2015 Actual	2016 Actual	2017 Actual	2018 Amended Budget	2019 Plan	2020 Plan	2021 Plan	2022 Plan
<b>Beginning Balance</b>	0	0	0	0	0	0	0	0
<b>Revenue</b>								
Investment Income	0	0	0	0	0	0	0	0
State	0	0	10,034,083	15,134,083	3,100,000	0	0	0
<b>Total Revenue</b>	0	0	10,034,083	15,134,083	3,100,000	0	0	0
<b>Total Resources</b>	0	0	10,034,083	15,134,083	3,100,000	0	0	0
<b>Expenditures</b>								
Transfer to General Fund (Revenue)	0	0	10,034,083	15,134,083	3,100,000	0	0	0
<b>Total Expenditures</b>	0	0	10,034,083	15,134,083	3,100,000	0	0	0
<b>Ending Balance</b>	0	0	0	0	0	0	0	0

**ATTACHMENT L**  
**All Funds Balance Analysis**

	2015	2016	2017	2018	2019	2020	2021	2022
	Actual	Actual	Actual	Amended Budget	Plan	Plan	Plan	Plan
<b>Beginning Balance</b>	<b>62,124,691</b>	<b>71,970,788</b>	<b>75,233,039</b>	<b>83,664,721</b>	<b>93,378,745</b>	<b>59,896,469</b>	<b>47,317,168</b>	<b>10,851,202</b>
<b>Revenue</b>								
Passenger Fares	48,419,211	46,279,344	45,436,326	42,855,419	41,007,478	40,597,835	39,541,391	38,738,563
Sales & Use Tax	205,843,321	218,749,851	213,718,145	197,793,912	198,782,882	199,776,796	200,775,680	201,779,558
Federal	75,819,587	47,732,909	48,455,538	48,766,900	63,757,536	66,137,500	64,157,980	45,360,163
State	4,192,965	110,699	10,034,083	17,158,741	5,124,658	2,024,658	2,024,658	2,024,658
Investment Income	416,162	417,861	784,827	477,430	447,430	448,430	428,330	428,430
Other Revenue	23,356,646	29,386,487	27,615,352	26,405,000	30,687,000	25,705,000	25,772,000	25,839,000
Debt Service Proceeds	30,000,000	0	0	30,000,000	0	25,000,000	0	25,000,000
<b>Total Revenue</b>	<b>388,047,891</b>	<b>342,677,151</b>	<b>346,044,271</b>	<b>363,457,402</b>	<b>339,806,984</b>	<b>359,690,219</b>	<b>332,700,039</b>	<b>339,170,372</b>
<b>Total Resources</b>	<b>450,172,583</b>	<b>414,647,939</b>	<b>421,277,310</b>	<b>447,122,123</b>	<b>433,185,729</b>	<b>419,586,688</b>	<b>380,017,208</b>	<b>350,021,574</b>
<b>Expenditures</b>								
Personnel Services	186,608,790	182,444,567	187,067,570	191,609,259	190,655,919	193,207,983	192,285,749	193,133,009
Diesel Fuel	10,804,133	8,627,383	6,535,532	4,966,000	4,817,020	4,672,509	4,532,334	4,396,364
Natural Gas	1,506,113	1,944,917	1,874,683	1,871,000	1,873,675	1,876,359	1,879,051	1,881,753
Other Expenditures	54,262,863	55,225,668	54,158,948	57,923,728	58,279,587	58,952,963	59,289,684	59,741,906
Capital Outlay	102,900,240	69,104,696	71,058,854	78,246,000	101,228,517	95,660,000	92,917,941	67,140,787
Debt Service	22,119,656	22,067,670	16,917,002	19,127,390	16,434,542	17,899,706	18,261,247	17,726,490
<b>Total Expenditures</b>	<b>378,201,795</b>	<b>339,414,901</b>	<b>337,612,589</b>	<b>353,743,377</b>	<b>373,289,260</b>	<b>372,269,519</b>	<b>369,166,006</b>	<b>344,020,310</b>
<b>Available Ending Balance</b>	<b>71,970,788</b>	<b>75,233,039</b>	<b>83,664,721</b>	<b>93,378,745</b>	<b>59,896,469</b>	<b>47,317,168</b>	<b>10,851,202</b>	<b>6,001,265</b>

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