

PUBLIC HEARING

Greater Cleveland Regional Transit Authority 2018 Budget Tuesday November 21, 2017

This is the initial public hearing for the Proposed 2018 Budget for the Greater Cleveland Regional Transit Authority.

The 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 Tuesday, November 7, 2017. In addition, notice was posted in the first floor lobby of the Authority's Main Office Building.

In developing the proposed Budget we have attempted to maintain our financial health while providing effective public transportation. Our financial status and end-of-year fund balances have been maintained over the last several years and we will continue to work towards achieving a long-term sustainable financial position. The main concern for the upcoming budget year and the five year financial forecast is the removal of the Medicaid Managed Health Care providers from the Sales & Use Tax base with an annual loss of \$20 million.

Some highlights of the 2018 Budget are as follows:

- The General Fund budget request includes total expenditures of \$300 million against estimated revenues of \$282 million resulting in a budget deficit of \$18 million. This also includes \$10 million from the State in assistance for the loss of the removal of the Medicaid Managed Health Care providers from the Sales and Use Tax base. There is no forecasted assistance in 2019 going forward.
- The 2018 budget and financial forecast assume current staffing and service levels.
- As we discussed last week, the 2018 budget and financial forecast is not sustainable. Therefore, we will be making modifications to this and will present the modifications and the amended 2018 budget and financial forecast to the Board of Trustees in the first quarter of 2018.