

2021 BUDGET GUIDE

ORGANIZATION OF THE ADOPTED BUDGET PLAN

The purpose of this section is to describe the contents of the 2021 Operating and Capital Budgets (Adopted Budget Plan) for the Greater Cleveland Regional Transit Authority (GCRTA, RTA, Authority). This section is an aid for those who wish to analyze the book in detail. The Table of Contents in the beginning of the book and on the tabs in the beginning of each section provide further direction to the reader.

TRANSMITTAL LETTER

The Transmittal Letter is the CEO/General Manager's Executive Letter and an overview of the Authority's operations and finances for the upcoming fiscal year. It includes the Citizens' Summary which explains the revenues, expenditures, staffing, and service indicators. The Transmittal Letter also includes attachments of the Fund Statements and Financial Objectives.

BUDGET GUIDE

In addition to providing an outline of the Adopted Budget Plan, the Budget Guide explains the Authority's Financial and Budgetary policies, including the rationale for their adoption and the way they are implemented and monitored. The Budget Guide also contains a description of the Budget Process, a Budget Calendar, a Profile of the Service Area, and a Glossary of terms used in the Adopted Budget Plan.

FUND BUDGETS

The Fund Budgets section defines the Authority's Fund Structure and the interrelationships between funds. Individual fund statements reflect the trends in revenues, expenditures, ending balances, and transfers between funds over a six-year period. Historical, current, and prospective information is provided. An analysis of the Authority's financial condition is based on these trends.

DEPARTMENT BUDGETS

The Department Budgets present the Adopted Budget Plan by the Operating Budget organizational units. These sections describe the six divisions, their mission, functions, achievements for the past year, priorities for the current year, identified performance measures (RTA targets). Individual department budgets, budget implementation narratives, staffing level summaries, and organizational charts are provided for each department.

CAPITAL IMPROVEMENT PLAN

The Capital Improvement Plan itemizes capital projects approved for 2021 and those planned for 2021 through 2025. This section discusses funding sources, debt limits, capital improvement planning cycle, and the criteria used to establish priorities.

BOARD POLICY GOALS

On October 27, 2020, the RTA Board of Trustees unanimously approved adoption of the Strategic Plan.

The Greater Cleveland Regional Transit Authority (RTA) has partnered with the community to develop a Strategic Plan that will shape the agency to the year 2030. The Strategic Plan provides a guide for enhancing the customer experience and pursuing capital improvements over the next decade. The planning process included several pillar studies, technical analyses, and robust community engagement to build consensus and create a cohesive plan. The study highlights vision, goals, existing conditions, strategy identification, and recommendations. With a geographic focus on Priority Corridors in transit oriented urban areas as well as job hubs across the region, the Strategic Plan points to seven key initiatives to create the framework for the future.

RTA will be customer focused and community engaged in order to drive the region forward. This dual undertaking encapsulates RTA's need to focus on its service to its customers while also leaning into the larger societal conversations across the region. Customer Focused and Community Engaged highlights the individual and shared focus of RTA's vision for the future. Through safe, reliable, integrated, sustainable, and innovative transportation, RTA will deliver access to opportunity for individuals and the entire region over the next decade.

The Authority's leadership has begun incorporating the Strategic Plan's identified focus areas into actionable, administrative initiatives. 2021 is an evolutionary year in which the business plan for implementing the Board's strategic plan will come into focus. It is understood that while business continues under the previous business plan's Mission, Vision, Values, Vital Few Objectives, and other such items, there is a leadership drive to further the Board's adopted strategic plan.

FINANCIAL POLICIES

INTRODUCTION

The Authority adopted a set of financial policies in 1989 relating to its overall finances and particular funds. Over the years, the policies were amended and updated reflecting the growth experienced by GCRTA with the last update on December 15, 2020. The Financial Policies are a part of Part Four- Finance Code of the Board, specifically Chapter 460- Financial Polices; Funds.

Chapter 460 provide a comprehensive framework for the management of the revenues and financial resources of the Authority. They provide guidelines for decision-making by the Board of Trustees and management on how the financial resources of the Authority shall be used to achieve the Authority's mission to provide public transportation services; to meet the obligations of the Authority; and to protect the public interest.

The financial policies cover the following areas: General Fund, Reserve Fund, Capital Improvement Fund, Bond Retirement Fund, Insurance Fund, Supplemental Pension Fund, Law Enforcement Fund, and Investment of Authority Funds

<u>Goal</u>	<u>Value</u>
Operating Ratio	> 25%
Operating Reserve	≥ 1 month
Growth in Cost per Service Hour	≤ rate of inflation
Debt Service Coverage	≥ 1.5
Sales & Use Tax Revenue allocated annually to Capital Improvement	> 10%
Capital Maintenance Outlay to Capital Expansion	75 ≤ ≥ 90%

ALL FUNDS

POLICY STATEMENT: *Current appropriations in each fund are limited to the sum of available cash, encumbered balances, and revenues estimated to be received in the current budget period.*

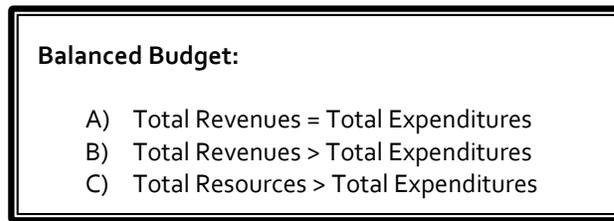


Figure 19

RATIONALE: By law, the budget must be balanced. Expenditures cannot exceed available resources. A balanced budget occurs when one of the following occur:

- A. Total expenditures equal total revenues.
- B. Total expenditures are less than total revenues, called a surplus
- C. Total resources (previous year balance plus current year revenues) are greater than total expenditures.

IMPLEMENTATION: The Board of Trustees (BOT or Board) has adopted other policy goals that go beyond the statutory requirement listed above and requires certain reserves in each fund. The specific requirements are discussed under the appropriate fund policy statement. The following describes the implementation of this policy for the General Fund.

In the General Fund budget for 2021, estimated resources total \$461.8 million (current revenues of \$268.2 million plus an estimated beginning balance of \$133.5 million plus Federal Operating Assistance). Total estimated expenditures for 2021 equal \$332.6 million and are within the estimate of total resources available. The ending balance, \$129.1 million, is nearly 5 times over the one-month reserve financial policy goal by the Trustees for the General Fund. The Board policy goal is considerably more restrictive and more determinate than the legal demand for balanced appropriations.

POLICY STATEMENT: *The Authority's personnel, procurement, and other policies are designed and administered to obtain the maximum value for the funds provided by its constituents.*

RATIONALE: As a public agency, the Authority delivers the services for which its taxpayers and users provide resources. The incentive is not to generate an excessive surplus of funds, but rather, to provide the most extensive and cost-effective level and mix of services possible. When services and operations are well managed and costs are contained, the Authority can provide greater services.

IMPLEMENTATION: 2020 was an unprecedented time in the history of the Authority and the nation. As an essential service in the midst of the Coronavirus (COVID-19) pandemic, GCRTA continued to provide a critical mobility lifeline for the public that connects customers to medical appointments, pharmacies, grocery stores, and essential jobs. Expenses increased to account for personal protective equipment (PPE) purchases for staff and customers, disinfecting equipment and staff time, and loss of ridership. Service was reduced to focus resources to essential routes and adjust to the State's stay at home order during early 2020. Every step of the way, GCRTA has been focused on maximizing resources to ensure maximum value for constituents. Federal assistance of \$112 million in a grant under the Coronavirus Aid Relief, Economic Security (CARES) Act provided needed operating assistance to offset the reduction of passenger fares and sales tax revenue. An available ending balance of \$232 million at the end of FY2020 was carried forward to ensure continued operation. GCRTA plans to continue to utilize available Federal funds for operating expenditures and carrying any available balance to out years to compensate for the effects of the pandemic.

POLICY GOAL: *460.08(a) Achieve the maximum financial return for the Authority consistent with prudent market and credit risks while conforming to applicable State and Federal laws and consistent with the cash flow requirements of the Authority, matching maturities and/or marketability at par, to meet outstanding obligations and financial commitments.*

RATIONALE: Investment income is a material resource for the Authority and makes funds management a priority. Investment decisions should attempt to increase yields without risking the principal or the liquidity position of the organization. In addition, idle cash balances should be invested whenever possible to maximize investment income.

IMPLEMENTATION: Monthly reports summarizing investment transactions and earnings are provided to the Board. The Ohio Depository Act (ORC 135) and the Authority's cash management investment policy allow the Authority to invest various types of financial instruments. As of December 31, 2020, GCRTA's investment portfolio comprised of

- Money Market Account- Average maturity of 4 days
- Key Bank Sweep account- Average maturity of 4 days
- State Treasury Asset Reserve of Ohio (STAR Ohio)- Average maturity of 4 days
- Earnings Credit Rate Account- Average maturity of 4 days
- US Government Securities- Average maturity of 629 days

At the close of FY2020, GCRTA's average yield on its portfolio year to date was 0.88%. This is 24 basis points above the performance standard yield of .64 and .63 basis points above the market average yield of 0.25%. 2021 investment income is budgeted at 2.1 million, due to the CARES Act funding and the Authority carrying larger cash balances through most of 2020.

GENERAL FUND

POLICY STATEMENT: *Program demands require that an adequate resource stream be maintained. The Authority must make the hard decisions required to assure a continued flow of resources.*

RATIONALE: It is the policy of the Authority to take whatever steps are necessary to ensure full and continued funding for the services, programs, and facilities, which the Authority is required or elects to provide. The Authority should actively pursue whatever legitimate revenues it can locate to support the services its constituents demand.

IMPLEMENTATION: Total resources available in the General Fund at the end of FY 2020 totaled \$376.5 million with 27 percent from Federal assistance through the CARES act. It is anticipated that total resources will increase by \$43 million in FY 2021 due to additional federal assistance for pandemic relief and increases in revenue. GCRTA has planned to ensure resources will be available through FY 2023. Sales and Use tax dropped to 65.7 percent of the budgeted revenues due to the pandemic and large portion of federal assistance.

Passenger Fares and ridership have been affected by the challenges posed by COVID-19. Ohio Governor Mike DeWine issued a "Stay at Home" order that began in mid-March 2020 that continued into May. As an essential service, the Authority continued to provide transportation for essential workers and customers. Ridership plummeted in April 2020 due to the Stay at Home order and has slowly been increasing over the summer, but not near pre-pandemic levels. Projections anticipate that ridership will remain near the 50% level in 2021 and not fully recover until well into 2022.

In 2021, Passenger Fares are estimated at \$27.8 million, a nearly 50 percent drop from 2020 budget. Reimbursed Expenditures, the third largest revenue stream for the Authority, consists of reimbursements for Preventive Maintenance, Fuel Tax, and grant-funded labor and material costs. The goal is to keep reimbursed expenditures under \$20 million, enabling more funds to be available for capital projects and maintaining a state of good repair on all assets. With the pandemic's impacts to Passenger Fares, ridership, and Sales Tax base the CARES act and potential other Federal assistance is crucial to enabling the Authority to come through this unprecedented time with little impact to our constituents.

POLICY GOAL: *460.02 (c)(1) The goal for the operating Ratio¹ is to be greater than 25% with a long range objective of having operating revenue cover an increasing proportion of operating expenses.*

RATIONALE: A higher Operating Ratio indicates that the Authority is becoming more self-supporting and less reliant on other sources of income. Additionally, a lower Operating Ratio indicates that customers are paying a lower portion of the operating cost of providing the service.

IMPLEMENTATION: Operating revenues include passenger fares, advertising, concessions, and investment income. Operating Expenses include all expenditures of the General Fund less reimbursed labor, which are charged to and reimbursed by the Capital Program, and transfers to other funds.

As Operating Revenues decrease, and operating expenses are slowly increasing, the Operating Ratio for 2021 is projected to be 12.1 percent. The Operating Ratios for 2022 and 2023 are slowly decreasing with 2022 estimated at 11.5% and 2023 estimated at 11.4%. The pandemic's impact on operating ratio has seen decreased operating revenue (decreased ridership) and increased operating expenses (disinfection, PPE, and labor)

POLICY GOAL: *460.02(c)(2) In order to maintain an adequate fund balance to mitigate current and future risks, the Authority's goal shall be to maintain a general fund balance of at least one month's operating expenses*

RATIONALE: Adequate reserves must be maintained to avoid disruptions in service due to temporary shortages in operating funds or fluctuations in revenue streams or costs. If financial forecast projects the ending balance to be below this level, a plan shall be developed to replenish the fund balance

IMPLEMENTATION: A contingency plan is not necessary at this time based on 2021 budget. This policy goal is expected to be met with a budgeted amount of 5.9 months (~1 month = \$21.8) of operating reserve funding available for 2021. From 2018 to 2019, GCRTA carried between 1.3 to 2.1 months of operating reserve. 6.5 months were available at the end of FY2020. The reason for the dramatic increase was the decreased spending and better than estimated performance of Sales and Use tax. The decrease from 6.5 months at the end of FY20 and 5.9 months budgeted for FY21 is due to transferring funds for the Rail Car replacement program.

POLICY GOAL: *460.02 (c)(3) The goal for growth in the cost of delivering a unit of service (cost per service hour) shall be kept at or below the rate of inflation.*

RATIONALE: As a means of measuring cost containment, direct costs should not be permitted to increase faster than overall price levels.

IMPLEMENTATION: As of the writing of this document, service hours for 2021 are budgeted to remain at the same level as compared to 2020. The Authority is reviewing recommendation made through the Next Gen RTA project. The cost per service hour is budgeted at \$157.4, a 9 percent increase from 2020 estimate.

This policy goal is not expected to be met in 2021, as the Federal Bank of Cleveland stated that the 10-year expected inflation is 1.34 percent in 2021 (going back to levels in 1982). The Authority will have to ensure that Operating expenses are managed throughout the year to mitigate the impact of not meeting this policy goal. .

¹ Operating revenues divided by operating expenses

POLICY GOAL: *460.02(c)(4) Debt service coverage² will be to remain at a minimum of 1.5.*

RATIONALE: The Authority should comfortably support Debt service payments. The excess from general obligations should be used as the measure to not jeopardize the financial condition of the Authority.

IMPLEMENTATION: The debt service coverage measure has traditionally been met and the minimum significantly exceeded since the Authority has used debt sparingly. The goal of the debt service coverage is to be above 1.5. The Debt Service Coverage ratio has been maintained over the 1.5 goal since 2015. The budget for 2021 is projected at 6.91. The debt coverage is projected at 4.51 in 2022 and 2.53 in 2023, still well above the goal.

RESERVE FUND

POLICY GOAL: *460.03(a) A Reserve Fund containing sub-accounts may be established and maintained to protect the Authority from economic downturns*

RATIONALE: The Authority recognizes that there are areas in which dollars much be set aside, or reserved, in order to ensure adequate dollars are available to continue operation and meet its obligations to staff and constituents.

IMPLEMENTATION: Five accounts have been created that make up the Reserve Fund: fuel, compensated absences, hospitalization, 27th pay, and rolling stock. As of FY 2021, the total ending balance is budgeted at \$43.4 million.

POLICY GOAL: *460.03(b)(1) Reserve for Fuel*

RATIONALE: Annual savings resulting when actual expenditures are less than the budgeted line item for fuel may be placed in this sub-account to protect the Authority from a significant and continuing rise in fuel prices

IMPLEMENTATION: From FY 2018 through 2023, GCRTA does not plan to add any additional funds to the Fuel reserve outside of regular investment income. The FY 2021 budgeted balance is \$2.75 million dollars

POLICY GOAL: *460.03(b)(2) Reserve for compensated absences*

RATIONALE: Excess funds for the General Fund may be placed in this sub-account to ensure payment to employees for vacation time that has been earned. This reserve shall not exceed twenty-five percent of the accrued liability for compensated absences

IMPLEMENTATION: : From FY 2018 through 2023, GCRTA does not plan to add any additional funds to the compensated absences fund outside of regular investment income. The FY 2021 budgeted balance is \$3.9 million dollars

POLICY GOAL: *460.03(b)(3) Reserve for hospitalization*

RATIONALE: Excess funds from the General Fund may be placed in this sub-account to protect against substantial cost increases from unfunded mandates or out of the ordinary costs for catastrophic illnesses. The reserve shall not exceed ten percent of annual hospitalization costs

IMPLEMENTATION: From FY 2018 through 2023, GCRTA does not plan to add any additional funds to the hospitalization fund outside of regular investment income. The FY 2021 budgeted balance is \$2.8 million dollars

² Total operating revenue minus operating expenditures, divided by debt service requirements

POLICY GOAL: *460.03(b)(4) Reserve for 27th Payroll Expenses*

RATIONALE: The authority has two different payroll cycles; one cycle for hourly employees and one for salaried employees. Within each cycle, there is an extra pay date (27th payroll expense) that occurs every twelve years. This reserve shall be funded to the best of the Authority's ability in order to plan for this additional payroll expense.

IMPLEMENTATION: The 27th pay for salaried employees occurred in FY2020 requiring a \$1.45 million dollar transfer to the General fund to cover the associated costs. FY21 budgeted balance is \$3.99 million dollars. The hourly employees 27th pay will occur in FY 2025.

POLICY GOAL: *460.03(b)(5) A Rolling Stock replacement fund*

RATIONALE: Account to set aside funds to systematically replace aging revenue vehicles. Funds should be amassed in this replacement fund and then transferred to the Capital Improvement Fund to assist in meeting this major capital requirement.

IMPLEMENTATION: FY 2021 begins the implementation of the Railcar Replacement program and \$49 million dollars is being transferred from the Rolling Stock fund to the Development fund. FY21 budgeted ending balance is \$2.1 million.

CAPITAL IMPROVEMENT FUNDS

POLICY GOAL: *460.04(a) The Capital Improvement Funds shall be used to account for the construction and acquisition of major capital facilities and equipment. It shall include funds to match federal and state grants as well as funds to be used for capital construction and acquisition without the benefit of any grant funding. The Capital Improvement Fund will consist of the RTA Capital Fund and the RTA Development Fund*

RATIONALE: The separation of funds used for day-to-day operations from those employed for capital improvements facilitates the planning process and the management of resources. Capital assets such as facilities, equipment, and vehicles, are essential to the provision of transportation services. Although expensive to sustain, a regular capital investment program lowers operating and capital costs over the long term. The Federal Government funds a substantial portion of capital projects, but the Authority must have adequate local matching funds on hand in order to qualify for FTA grants. State and Federal assistance continues to shrink leaving the Authority to absorb an increasing share of capital expenditures through 100 percent local funds

IMPLEMENTATION: In 2020, the GCRTA Codified Rules and Regulations were updated and included additional clarification defining the capital funds and definition of a capital expenditure (sections b, c, and e below).

POLICY GOAL: *460.04(b) Projects that are locally-funded, smaller and more routine in nature, generally less than one-hundred-fifty thousand dollars (\$150,000) and have a useful life not exceeding five (5) years will primarily be budgeted in the RTA Capital Fund and 460.04(c) The RTA Development Fund will consist of projects that are larger, greater than one-hundred-fifty thousand dollars (\$150,000) and have a useful life greater than five (5) years. These projects can be supported through local, federal, and state funding, of which, federal and state funding may require a local match.*

RATIONALE: The above two sections of the policy clarify what fund is to be used based on the criteria set forth.

IMPLEMENTATION: The Authority has budgeted has combined debt financing and direct allocations of Sales & Use Tax receipts to fulfill its financial commitment to the capital program. In 2021, the Sales Tax Contribution to Capital is budgeted at 19.8 percent. The contribution projected for 2022 and 2023 are both at 10.9 percent.

POLICY GOAL: *460.04(d) The Authority will strive to take advantage of all available state and federal grants and other financing programs for capital improvements, including but not limited to, State of Ohio public transportation*

grants, Federal Highway Administration (FHWA) programs of the Federal Transit Administration (FTA), and the Federal Emergency Management Agency (FEMA)

RATIONALE: Various 'formula' grants are usually allocated to systems based on service or demographic indicators. Discretionary grants are competitive and require the maintenance of positive relationships, solid planning, and well-conceived projects. The Authority strives to maximize grant funding in order to best leverage local funds to maintain a State of Good Repair (SOGR) in its capital assets. Furthermore, as more dollars are needed to support an aggressive Long-Range plan, the Authority will explore and secure other creative and non-traditional revenue sources to meet the needs of its capital program.

IMPLEMENTATION: The limited availability of funding at the Federal, State, and Local levels means the Authority can only focus on the most essential and realistic capital projects during the 2022-2026 CIP development process and continue its focus on SOGR projects. The Authority will continue to aggressively pursue and explore any and all non-traditional funding opportunities under the MAP-21 (Moving Ahead for Progress in the 21st Century) legislation and will continue to focus on improving internal capability to plan, finance, and implement its Capital Improvement Plan. Under the MAP-21, census data and operating statistics are used to determine the distribution of formula grants. Competitive grants such as Urban Transit Program (UTP), Ohio Transit Partnership Program (OTP2), Northeast Ohio Areawide Coordinating Agency Enhanced Mobility Program NOACA 5310, Diesel Emission Reduction Grant (DREG), Congestion Mitigation & Air Quality (CMAQ) can boost the ability to complete SOGR projects and preventive maintenance projects. Complete breakdown of the Capital Improvement Revenue by Source can be found in the Capital Section in the back of the budget book.

POLICY GOAL: *460.04(e) Items that have a useful life in excess of one year and an acquisition cost in excess of five thousand dollars (\$5,000) are considered to be capital expenditures*

RATIONALE: Transit remains a capital-intensive business and continued quality service relies solidly on maintenance of infrastructure and equipment. Investments must anticipate future service requirements and capacity.

IMPLEMENTATION: This policy has been used in the past to develop the annual capital budget. The focus of the Authority's capital program has been on achieving a SOGR through the maintenance, rehabilitation, and replacement or upgrade of existing capital assets rather than on expansion activities. At 100% for the FY 2021 budget, the Authority's emphasis continues to be on maintaining and improving its assets rather than an expansion of the system. This measure is planned to remain at 100 percent through 2023, due to many SOGR capital maintenance projects including the bus improvement program, rail car replacement program, reconstruction of heavy and light rail stations, and track infrastructure projects.

POLICY GOAL: *460.04(f) An amount of at least 10 percent of Sales Tax revenues shall be allocated to capital improvement on an annual basis. This amount shall be allocated directly to the Capital Improvement Fund to support budgeted projects or to the Bond Retirement Fund to support debt service payments*

RATIONALE: Capital assets such as facilities, equipment, and vehicles, are essential to the provision of transportation services. Although expensive to sustain, a regular capital investment program lowers operating and capital costs over the long term. The Federal Government funds a substantial portion of capital projects, but the Authority must have adequate local matching funds on hand in order to qualify for FTA grants. State and Federal assistance continues to shrink leaving the Authority to absorb an increasing share of capital expenditures through 100 percent local funds.

IMPLEMENTATION: The Authority has combined debt financing and direct allocations of Sales & Use Tax receipts to fulfill its financial commitment to the capital program. In 2021, the Sales Tax Contribution to Capital is budgeted at 19.8 percent to assist in the Railcar Replacement Program. The contribution projected for 2022 and 2023 are both at 10.9 percent.

POLICY GOAL: *460.04(g) Recognizing that the capital program requires a critical balance between maintenance of existing assets and expansion efforts, the following policy objective will be used to develop the annual capital*

budget. The goal percent of capital maintenance outlay to capital expansion outlay will be a minimum of 75 percent and maximum of 90 percent.

RATIONALE: Transit remains a capital-intensive business and continued quality service relies solidly on maintenance of infrastructure and equipment. Investments must anticipate future service requirements and capacity.

IMPLEMENTATION: This policy has been used in the past to develop the annual capital budget. The focus of the Authority's capital program has been on achieving a SOGR through the maintenance, rehabilitation, and replacement or upgrade of existing capital assets rather than on expansion activities. At 100% for the FY 2021 budget, the Authority's emphasis continues to be on maintaining and improving its assets rather than an expansion of the system. This measure is planned to remain at 100 percent through 2023, due to many SOGR capital maintenance projects including the bus improvement program, rail car replacement program, reconstruction of heavy and light rail stations, and track infrastructure projects.

BOND RETIREMENT FUND

POLICY GOAL: 460.04(a) *Will be used to provide the funds necessary for the payment of principal and interest on debt obligations* and 4604.04(b) *Each month, sales and use tax revenues in an amount, together with anticipated investment earnings on the amounts deposited, calculated to accumulate sufficient funds to meet the next ensuing principal and interest payments due on the Authority's unvoted general obligation notes and bonds, is deposited in the Bond Retirement Fund. The balance in that Fund will drop to near zero balance once each year in conformance with Federal tax law restrictions on arbitrage earnings*

RATIONALE: It is the intent of the Authority to issue debt in a manner that adheres to State and Federal laws and prudent financial management principles.

IMPLEMENTATION: The Authority has used debt capacity sparingly due to the benefits of Federal and State grant funding. Reductions in these sources of capital support over the years in combination with an aggressive long-range Capital Improvement Program (CIP), has resulted in more frequent use of debt sales as a revenue source for the Authority's capital needs. The principal outstanding debt for the Authority totaled \$106.26 million Sales Tax Revenue bonds at the end of 2020, which will require principal and interest payments of \$16.6 million in 2021. Principal and interest payments are expected to decrease to 14.2 million in 2022 and 2023. GCRTA is considering seeking additional debt issuance in FY 2021 of \$25 million and FY 2023 of \$25 million.

INSURANCE FUND

POLICY GOAL: *The Authority is insured through both self-insurance and purchased insurance. Insurance for property and equipment losses as well as liability is to be purchased on the open Insurance market. The Risk Manager determines the basis for the Insurance Fund structure and coverage levels.*

RATIONALE: The Authority desires to save funds by implementing the most appropriate balance of insurance to solve claims. Sufficient resources must be set aside to provide security against normal business risk, for major property claims, and to purchase specified insurance for these purposes.

IMPLEMENTATION: The General and Insurance Funds provide for the payment of the insurance purchased on the open market. The Insurance Fund was restructured to include a mix of self- and purchased-insurance in 1998. This was a major change from the Authority's previous self-insurance position. For 2021, \$2.6 million is budgeted for Casualty Insurance and Excise tax, claims and liability payments, additional property insurance premiums. For 2021 through 2022, over \$2 million and \$2.6 million is planned each year respectively, for claims outlay and insurance premiums for catastrophic and extraordinary losses.

POLICY STATEMENT: *The minimum balance to be maintained in the Insurance Fund shall be determined by the Risk Manager on an annual basis taking into consideration the balance between self-insurance and purchased-insurance requirements. Upon attaining the required minimum balance, additional funds will be allotted to the Insurance Fund during the annual budgeting process based on the results of periodic actuarial studies of the Fund to assess its sufficiency.*

RATIONALE: The intent is to ensure that reserves and insurance levels are sufficient to cover extraordinary or catastrophic losses. The periodic evaluations will determine the sufficiency of the Fund and the cost-effectiveness of maintaining a self-insurance program versus obtaining coverage externally.

IMPLEMENTATION: Ordinary and routine losses are paid through the Risk Management Department's General Fund Budget, whereas claims and insurance premiums for catastrophic and extraordinary losses are budgeted in the Insurance Fund. The Risk Manager's requirements depend on insurance provider requirements. Currently, the required minimum balance is \$5 million. For FY2021, expenditures are projected at \$2.9 million. If these projections hold true, the ending balance would be \$4.9 million and require a budget amendment to transfer dollars to keep the minimum required balance.

SUPPLEMENTAL PENSION FUND

POLICY STATEMENT: *Every two years, an evaluation, including appropriate actuarial studies, shall be made of the Supplemental Pension Fund to determine the amounts required to meet expected obligations of the Fund. Any additional funds determined to be needed will be allocated during the annual budgeting process of the Authority.*

RATIONALE: A periodic evaluation of the pension amount ensures that the Authority has adequate funds to meet expected obligations.

IMPLEMENTATION: The Supplemental Pension Fund contains assets held in trust for the payment of pension benefits to certain retired employees of the Authority. Provisions of the plan are delineated in the agreement between RTA and the Amalgamated Transit Union (ATU). Because of low levels of investment income earned over the last few years and increasing expenditures, the fund has required transfers from the General Fund to keep the recommended balance.

An actuarial evaluation is performed every two years to assess the adequacy of the fund balance. The previous study was completed in 2018 and the Accounting department is working with actuaries to update the numbers for 2020

The 2021 budget includes a transfer of \$40,000. In 2022 and 2023, transfers of \$40,000 will be needed each year, respectively for the Pension Fund.

DEBT FINANCING

Ohio law permits the Authority to issue both voted and un-voted debt and to levy ad valorem property taxes. Current obligations have not required the use of property taxes for debt service. Debt issuances are subject to three limitations as specified in the Ohio Revised Code and the Ohio Constitution:

1. **RESTRICTION:** Total debt supported by voted and/or un-voted property taxes may not exceed 5 percent of the total assessed valuation of the property within the Authority's territory (Cuyahoga County).

IMPACT: The provision is not currently applicable since debt obligations have not required the use of ad valorem property taxes for debt service payments. Further, the 1.50 mill limitation (based on the county's assessed valuation of \$30.5 billion) is not overly restrictive in view of the Authority's debt requirements.

2. **RESTRICTION:** Annual principal and interest payments on all un-voted general obligation (GO) bonds may not exceed one-tenth of one percent of the total assessed valuation.

IMPACT: Based on the 2021 valuation, the annual debt service capacity of one-tenth of one percent would be \$30.5 million and apply to all debt issued by the Authority.

3. **RESTRICTION:** The total amount of annual debt service on un-voted general obligation (GO) bonds issued by overlapping subdivisions is limited to ten mills of assessed valuation in each political subdivision. Overlapping subdivisions include Cuyahoga County and various municipalities, school districts, and townships within the taxing district.

IMPACT: The ten-mill limit provision pertains to all un-voted debt regardless of the source of payment and historically has been the most restrictive to the Authority. At the end of 2020, bond retirement for the majority of political subdivisions in Cuyahoga County was over the 10-mil limit at 14.05, leaving no room for additional debt issuances within Cuyahoga County. The Authority currently holds an "AA+" rating with S & P and an "Aa1" rating with Moody's.

BUDGET MANAGEMENT PROCESS

INTRODUCTION

As the Authority's resources fluctuated during the COVID-19-driven drop in passenger fare and sales tax revenue, increased emphasis were placed on the budget management process. The following procedures were instituted to strengthen this process:

- The Board of Trustees (BOT) developed a set of financial policies, to guide the development of the budget plan and articulate the Authority's operating guidelines.
- The Authority's performance is measured against the standards established by the BOT.
- A formal budget document is produced (Transmittal Letter), providing clear, timely, and accurate budget information to officials and the public.
- The expenditures are tracked against appropriations and available resources.
- Performance indicators are used to assess the containment of costs and the effectiveness of service delivery.
- The Customer Advisory Committee (CAC) (formerly called the Citizens' Advisory Board) meets monthly to provide the pulse of the community in matters of fare changes, Long Range Plan updates, capital projects, and service changes.

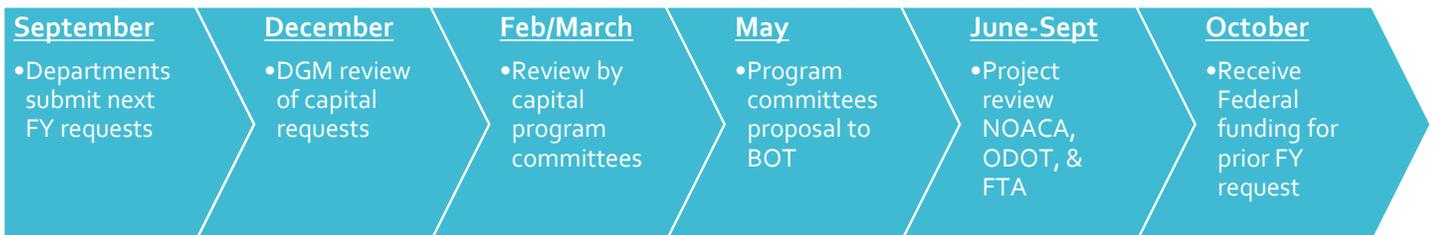
THE BUDGET CYCLE

For the Authority, the fiscal and calendar years coincide. The budget process begins in June with the development of the Tax Budget and in September with the development of the Capital Budget. The Authority prepares a Tax Budget as a valuable tool for estimating budgeted resources and preparing appropriations planning.

Around the same time, a mid-year review of spending patterns and budget variances is conducted. The Capital Budget and the Tax Budget are essential components of the base level appropriations assumed for the succeeding budget cycle. The development of this 'base' budget begins the annual budget process, which proceeds as follows:

- **The Capital Improvement Plan (CIP) cycle** begins in September, 16 months prior to the start of the fiscal year. For example, the CIP cycle starts with departments submitting capital request in September 2020 that would be programmed for the CIP budget in fiscal year 2022.
 - Departments submit capital requests starting in September.
 - All capital requests are due by mid-January.
 - Capital requests are processed and meetings with the Capital Program Working Group (CPWG) begin mid-February. Capital requests are reviewed at the CPWG meetings and ranked according to the Federal Transit Association's (FTA) MAP-21 asset standards.
 - After the CPWG identifies and ranks the top projects, the Capital Program Oversight Committee (CPOC) reviews each of the projects and aligns funding from March through April.
 - In May, the 5-year CIP Resolution and Presentation are completed and presented to the Board of Trustees. A public hearing will be held during the committee meeting.
 - The Board of Trustees will review the Resolution and either approve or reject the Budgeted Fiscal Year for the CIP (the first year out of the 5).
 - If the Board approves the CIP Resolution, the 5-year CIP is submitted by June to the Northeast Ohio Areawide Coordinating Agency (NOACA), Northeast Ohio's Metropolitan Planning Office (MPO). NOACA then submits the CIP to the Ohio Department of Transportation (ODOT) and the Federal Transportation Administration (FTA) for submission in their next fiscal year, beginning October.

Sixteen Month CIP Timeline Highlights from Project Origination to Project Funding



FY=Fiscal Year; DGM=Deputy General Manager; BOT=Board of Trustees; NOACA=Northeast Ohio Area wide Coordinating Agency; ODOT=Ohio Department of Transportation; FTA= Federal Transit Administration

- **The Operating Budget cycle** begins in June with the creation of the Tax Budget
 - The Tax Budget is created to estimate the next fiscal year resources. This provides an opportunity to identify any changes or adjustments in the operating budget and plan for the future fiscal year.
 - In July, the Tax Budget is presented to the Board of Trustees and a public hearing is held. The Board of Trustees will either approve or reject the Tax Budget resolution in late July. If approved, the Authority will submit a copy of the Tax Budget to the Cuyahoga County Auditor and the State Auditor.
 - In August, the Office of Management and Budget (OMB) staff adjusts the budget basis for any nonrecurring costs, contracts, binding commitments, or inflation. The product is called the Base Budget.
 - The Base Budget consists budgets from each of the Divisions and Departments. The Department directors and managers review their base budgets and submit requests for adjustments.
 - New requests are reviewed by OMB and a cost benefit analysis is done, if needed
 - Negotiations are held in mid-September between OMB and the Departments to refine the Base Budget
 - When completed, the Base Budget includes commitments, recurring costs, and any approved new projects and initiatives. This then becomes the CEO/General Managers' Recommended Budget

- The finalized CEO/General Manager’s Recommended Budget:
 - Is the sum of the refined Base Budgets and Adjustments
 - Is limited to estimated available resources
 - Satisfies the Authority’s financial policies to the best extent possible
 - Supports the Authority’s mission and strategic direction as embodied in the Board Policy Goals and outlined in the Strategic Planning Process
- The CEO/General Manager’s Recommended Budget is presented to the Executive Management Team (EMT) in October and presented to the Board of Trustees in November and December. Public hearings are held in November and December
- The review process culminates in the formal adoption of a budget resolution at the December Board Meeting. It is the Trustees’ practice to finalize appropriations before the new fiscal year begins.

Twelve Month Operating Budget Highlights from Tax Budget to Board of Trustees (BOT) Approval



BOT=Board of Trustees; OMB=Office of Management & Budget; CEO=Chief Operating Officer

BUDGET MONITORING AND CONTROL

The Office of Management and Budget monitors revenues and expenses monthly, as well as projects year-end estimates for the Authority’s top two revenues (Passenger Fares and Sales and Use Tax) and the top 3 expenditures (Salaries and Overtime, Payroll Taxes and Fringe Benefits, and Fuel). Quarterly financial reports allow the CEO/General Manager, Secretary-Treasurer, and the Board of Trustees (BOT) to monitor actual performance throughout the year. This report is used to determine if adjustments are needed to realign the budget. Interdepartmental transfers are the main method to adjust the Operating Budget. The Secretary-Treasurer has the authority to transfer appropriations within and between departments, which are reported monthly to the BOT. In rare occasions, an increase to the overall budget appropriation may be needed, which requires BOT approval.

The Secretary-Treasurer also has the authority to upgrade or reclassify staff positions. Positions may be reallocated between departments and divisions, providing the overall staffing level remain at the level approved by the BOT for the budgeted year. This allows the Secretary-Treasurer flexibility in making staff decisions. If an increase in budgeted positions is needed during the year, approval by the BOT would be needed.

BUDGET DEVELOPMENT CALENDAR

January	February	March
<ul style="list-style-type: none"> •O: Finalize Previous Fiscal Year-end •O/C: Finalize Budget Book •O: Encumbrance Roll •O/C: New Fiscal Year begins 	<ul style="list-style-type: none"> •C: Capital Program Working Group (CPWG) Meetings- Capital Improvement Plan (CIP) 	<ul style="list-style-type: none"> •C: Capital Program Oversight Committee (CPOC) Meetings: CIP •O/C: 1st Qtr Ends
April	May	June
<ul style="list-style-type: none"> •O: O/C: Finalize 1st Qtr Projections •C: Legal Notice: CIP & Public Hearing 	<ul style="list-style-type: none"> •C: CIP Presentation to BOT •O/C: Tax Budget Extension 	<ul style="list-style-type: none"> •O: Legal Notice: Tax Budget & Hearing •O/C: 2nd Qtr Ends
July	August	September
<ul style="list-style-type: none"> •O/C: Finalize 2nd Qtr Projections •O/C: Tax Budget presentation to BOT and receive BOT Approval 	<ul style="list-style-type: none"> •O: Upcoming FY Operating Budget Planning Kickoff •C: Future FY + 1 CIP Planning Kickoff 	<ul style="list-style-type: none"> •C: Next FY CIP: Submit requests through Apex •O: RTA Service Plan Due •O: Next FY Base Budget Due •O: Present next FY Base Budget to CEO and EMT •O/C: 3rd Quarter Ends •O: Inventory Roll
October	November	December
<ul style="list-style-type: none"> •O/C: Finalize 3rd Qtr Projections •O/C: Next FY Budget Appeals •O/C: Present Next FY Budget to CEO and EMT •C: Load next FY CIP •O/C: Transmittal Letter 	<ul style="list-style-type: none"> •C: : Future FY + 1 CIP projects due •O: Upcoming FY Budget 1st presentation to BOT and public hearing 	<ul style="list-style-type: none"> •O: Next FY Budget 2nd presentation to BOT and public hearing •C: DMG review of upcoming CIP projects and approval •O: Next FY Budget approved by BOT •O: Load Next FY Budget •O/C: 4th Qtr Ends •O: Inventory Roll

O: Operating C: Capital O/C: Operating & Capital

STRATEGIC PLANNING PROCESS AND MANAGEMENT POLICIES

On October 27, 2020, the RTA Board of Trustees unanimously approved adoption of the Strategic Plan.

The Greater Cleveland Regional Transit Authority (RTA) has partnered with the community to develop a Strategic Plan that will shape the agency to the year 2030. The Strategic Plan provides a guide for enhancing the customer experience and pursuing capital improvements over the next decade. The planning process included several pillar studies, technical analyses, and robust community engagement to build consensus and create a cohesive plan. The study highlights vision, goals, existing conditions, strategy identification, and recommendations. With a geographic focus on Priority Corridors in transit oriented urban areas as well as job hubs across the region, the Strategic Plan points to seven key initiatives to create the framework for the future.



Fiscal year 2021 is a year in transition with lingering uncertainties. As the Authority transitions from adopted Strategic Plan to the business implementation, divisions and departments will move from connection with the previous plan's Mission, Vision, Values, Vital few objectives, and scorecard measurements (as outlined in following pages) to new priorities beginning with the RTArgets (Division level metrics to address RTA identified outcome areas) that are presented for the first time after Division priorities.

Since Performance is an integrated process in every aspect of the organization, the Performance Management measures from the strategic plans has been distributed throughout the divisions and departments.

As RTA moves forward, the RTArgets will shape Division level activities and measure their success. Additional areas of the Board's strategic plan will be carried out through newly developed business plans. The Authority partnered with the community to create a strategic plan that will shape the agency for the next 30 years.

TRANSIT SERVICE PROFILE

GCRTA HISTORY

1800	Stagecoach ran between Cleveland and Painesville
	First Rail Line: Euclid Avenue - Public Square to Wade Park
	Omnibus Service: horse-drawn carriage for large groups
1850	First Street Railway: horse-drawn streetcar downtown to E. 55th
	Suburban Steamlines provide uncoordinated transportation
	1st Commercial Electric Railway in US
1900	Cleveland Electric Railway Co. began
	Cleveland Railway began - Murray Chain-driven "Opera" bus
	Cleveland Rapid Transit System began - Shaker Heights to Downtown
1925	Bus Service began with downtown loop
	Cleveland Rapid Transit system ran to Terminal Tower
	Cleveland Transit System (CTS) began with 3-man transit commission
1950	CTS broke ground for Heavy Rail behind Windermere Car barn
	Heavy Rail service began - Windermere to Terminal Tower to Triskett Station
	Heavy Rail extended to Hopkins Airport - the first rapid service to major airport
1975	CTS and Shaker Lines transferred to Greater Cleveland Regional Transit Authority
	GCRTA began first Police force
	GCRTA integrated operations from Euclid and Garfield Heights
	New complexes opened: Training Center, Rail Complex, Central Bus Maintenance
	Rail District Headquarters and Paratransit Facility opened
	New bus loop service downtown; First Park-N-Ride Facility in Strongsville; Tower City Transit Center opened
	ARTS-in-Transit program begins
	Euclid Park-N-Ride Transit Center opened; Gateway walkway opened connecting Tower City with Gund Arena and Jacobs Field
	Westlake Park-N-Ride opened; Waterfront Line opened; Community Circulators began
	25th Anniversary; Bike Rack pilot program began
2000	New MCI Coaches start service; New Integrated Communications Center (ICC) opened
	Heavy Rail 50th Anniversary; Bus-Only Lanes open in downtown
	New Trolley Service begins
	GCRTA named "Best in North America" by American Public Transit Association (APTA)
	HealthLine begins between downtown, Cleveland Clinic, and University Hospital
	Stephanie Tubbs Jones Transit Center opened; GCRTA participates in "Safe Place"
	Gold Award received for Security
	10-year Strategic Plan created; CSU Line Opens; Cleveland hosts Gay Games; Cleveland chosen for 2016 RNC
	GCRTA receives Silver Award for Partnership for Excellence (TPE); Joe Calabrese, CEO/GM named Public Official of the Year by Governing Magazine; CNG buses begin service
	10-year Strategic Plan updated; Cleveland Monsters win Championship; Cleveland Cavaliers (CAVS) win Championship & Parade; Cleveland hosts 2016 Republican National Convention; Cleveland Indians go to World Series

2017	Received Silver Level award for Sustainability from APTA; VanShare, a vanpool service, begins and by December, 7 van pools were running.
	Sold Harvard and Brooklyn garages, netting nearly \$4.4 million and saving about \$850,000 annually in property maintenance costs.
	Celebrated the 50th Anniversary of rail service to the Airport, and the 10th Anniversary of the HealthLine which is credited with over \$7.5 Billion of related economic
2018	RTA began proactively preparing for a major leadership change with the announced retirement of the long serving CEO.
2019	India Birdsong hired as CEO/General Manager
	Completed upgrades to East 105-Qunicy Red Line Station
	Hosted Major League Baseball All Star Game and Tall Ships Festival
2020	Completed a \$6.4 million track upgrade to the Red Line in May, extending between the West Park Station and the Airport Tunnel, including 3.6 miles of railroad track, replacing 12,275
	Created a corrective action plan was implemented for the S-Curve Retaining Wall, installing 75 steel
	RTA received COVID-19 Coronavirus A Relief Economic Stimulus (CARES) Act dollars for operating expenses. Allowed RTA to continue during global
	RTA made free WIFI accessible on vehicles and at stations for the general public
	RTA installed new radio equipment on all vehicles (buses and trains).
	RTA had Free Fares for election day to support access to those limited by the pandemic

Figure 20

ECONOMIC PROFILE

(U.S. Census Bureau)

The Service Profile depicts the economic and service activity as it impacts the organization on operational and financial levels. The provided information highlights trends regarding items that have direct effect on how RTA develops, supports, and implements services.

Cuyahoga County Profile (2019)			
		Number	Change from prior year
Population	Population	1,235,072	-8,785
	% Change from last Decennial (2010)	-3.5 %	
	Projected 2021 Population	1,209,550	0
	Land Area (sq. miles)	458.3	0
	% Female	52.3 %	0.0 %
	Persons per Sq. Mile	2,695	-105
Race & Ethnicity	% White	62.6 %	-0.4 %
	% Black	29.6 %	0.0 %
	% Hispanic/Latino	5.8 %	+0.2 %
	% Asian/Pacific Islander	2.9 %	+0.1 %
	% American Indian/Alaskan Native	0.3 %	0.0 %
	% Other	4.5 %	+0.2 %
Housing	Avg. persons per Household	2.2	0.0
	# Housing Units	618,792	-513
	% Resident Home Ownership	58.4 %	+0.4 %
	Housing Median Value (owner-occupied)	\$123,900	+\$4,100
Income	Median Household Income	\$48,435	+\$1,715
	% Population under Federal poverty line	18.1 %	-0.2 %
Largest Cities (# of Residents)	Cleveland City	381,009	-2,784
	Parma City	78,103	-648
	Lakewood City	49,678	-422
	Euclid City	46,550	-396
	Strongsville City	44,660	-193
	Cleveland Heights City	43,992	-381
	Westlake City	32,032	-201
	North Olmsted City	31,341	-250
	North Royalton City	30,068	-171
	Garfield Heights City	27,448	-239
Land Usage	Developed/Urbanized	77.0 %	0.0 %
	Bare/Mines	0.2 %	0.0 %
	Forest	18.8 %	0.0 %
	Pasture	1.4 %	0.0 %
	Cropland	0.1 %	0.0 %
	Wetlands	1.1 %	0.0 %
	Open Water	0.4 %	0.0 %

Figure 21

Cuyahoga County Profile (2019)			
Education Resources	Public Schools	275	-3
	Non-Public Schools	190	-4
	4-Year Public Universities	1	0
	2-Year Public Colleges	3	0
	Private Universities & Colleges	6	0
	Public Libraries Branch Libraries	9 72	0 0
Means of Transportation to Work	Drive Alone	79.0 %	-1.2 %
	Carpool	8.3 %	+0.7 %
	Public Transportation	4.3 %	+0.1 %
	Walk	2.5 %	+0.2 %
	Other	1.3 %	+0.1 %
	Work from Home	4.7 %	+0.2 %
Travel Time to Work	Less than 15 minutes	22.9 %	+0.5 %
	15 to 29 minutes	43.2 %	-1.0 %
	30 to 44 minutes	23.2 %	+0.8 %
	45 to 59 minutes	6.3 %	+0.4 %
	60 minutes or more	4.4 %	+0.1 %
Major Employers (Non-Government)	American Greetings	Manufacturer	
	Case Western Reserve University	Education	
	Cleveland Clinic Health System	Health Care	
	Eaton Corp.	Manufacturer	
	Ford Motor Company	Manufacturer	
	KeyCorp	Finance	
	Lincoln Electric Holding Inc	Manufacturer	
	Nestle USA	Manufacturer	
	Parker Hannifin Corp.	Manufacturer	
	Progressive Corp.	Insurance	
	Sherwin Williams Co	Manufacturer	
Swagelok	Manufacturer		
University Hospitals Health System	Health Care		

Figure 22

Data Sources:

U.S. Census Bureau, American Community Survey
Ohio Development Services Agency --Ohio County Profiles

TRENDS OF NORTH EAST OHIO COMPARED TO THE STATE AND NATIONAL AVERAGES

The Population in Cleveland has been steadily decreasing since the 1980s and Cuyahoga County has been decreasing since 2000. In 2018 and 2019, unemployment rates steadily decreased for Cuyahoga County, City of Cleveland, and Ohio compared to national average. Due to the COVID-19 pandemic, unemployment has risen significantly during 2021. Although recent months have shown signs of slow recovery, the Northeast Ohio region appears to have been disproportionately impacted by COVID-19 related layoffs and job severances.

Unemployment Rates - History				
Year	National Avg.	Ohio	Cuyahoga County	City of Cleveland
2010	9.3	9.5	8.5	9.6
2011	8.5	8.0	7.6	8.8
2012	7.9	7.5	6.8	8.1
2013	6.7	6.9	7.0	8.1
2014	5.6	5.2	6.2	6.6
2015	5.0	4.9	5.1	5.7
2016	4.7	5.2	5.4	7.0
2017	4.1	4.5	5.6	5.7
2018	3.9	4.3	4.8	5.2
2019	3.5	4.1	4.2	4.5
2021 Est.	6.9	8.4	11.2	15.1

Source: Bureau of Labor Statistics

Figure 23

Population - Urban Centers						
Year	Cleveland	Akron	Cincinnati	Columbus	Dayton	Toledo
1900	381,768	42,728	325,902	125,560	85,333	131,822
2000	478,403	217,074	331,285	711,470	166,179	313,619
2010	431,363	207,216	333,013	769,360	141,527	316,238
2014	389,521	197,859	298,165	835,957	141,003	281,031
2015	387,812	198,244	298,654	850,044	140,575	279,676
2016	385,809	197,633	298,800	860,090	140,489	278,509
2017	385,525	197,846	301,301	879,170	140,371	276,491
2018	383,793	198,006	302,605	892,533	140,640	274,975
2019 Est.	381,009	197,597	303,940	898,553	140,407	272,779

Source: US Census Bureau

Figure 24

County Population Changes				
	2019 Est.	2010	Diff.	%
Ashtabula	97,241	101,490	-4,249	-4.2%
Cuyahoga	1,235,072	1,280,115	-45,043	-3.5%
Geauga	93,649	93,409	240	0.3%
Lake	230,149	230,050	99	0.0%
Lorain	309,833	301,371	8462	2.8%
Medina	179,746	172,333	7413	4.3%
Portage	162,466	161,425	1041	0.6%
Summit	541,013	541,778	-765	-0.1%

Source: US Census Bureau

Figure 25

NATIONAL TRANSIT TRENDS

The National Transit Database was established by Congress to be the Nation’s primary source of information and statistics on the transit system of the United States. Recipients of grants from the Federal Transit Administration (FTA) are required by statute to submit data to the NTD. The NTD is used to help meet the needs of individual public transportation systems, the US Government, State, and Local governments, and the public for information on which to base public transportation service planning. (www.ntdprogram.gov/ntdprogram/).

The UPT are part of service consumed; the goal of transit service is to transport passengers from one place to another. Operating cost per passenger unit is slightly different than passenger miles traveled. Commuter Rail service, for example, may carry fewer people, but it carries them a consistently longer distance per trip. The opposite is true of Heavy Rail, which carry many people in dense urban settings, but not very far. Below is a comparison of total Cost per Unlinked Passenger Trip for Bus, Heavy Rail, and Light Rail.

National Transit Database statistics are always behind two calendar years for final reporting purposes. For example, 2020 NTD data was not available until the of the 2021 calendar year.

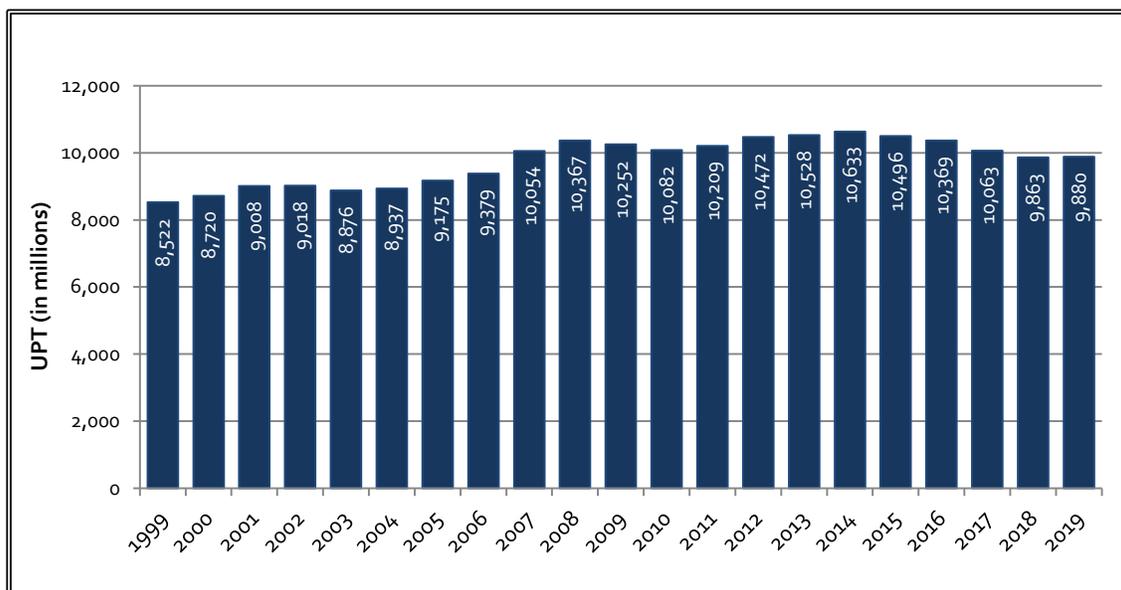
Cost per Unlinked Passenger Trip (by mode):

Year	Bus	BRT*	Heavy Rail	Light Rail
2009	\$ 3.42	\$ -	\$ 1.81	\$ 3.00
2010	\$ 3.58	\$ -	\$ 1.79	\$ 3.28
2011	\$ 4.98	\$ 3.43	\$ 1.83	\$ 3.21
2012	\$ 4.65	\$ 2.27	\$ 1.87	\$ 3.31
2013	\$ 5.25	\$ 2.15	\$ 2.14	\$ 3.46
2014	\$ 3.83	\$ 2.18	\$ 1.96	\$ 3.61
2015	\$ 3.83	\$ 2.41	\$ 2.05	\$ 3.82
2016	\$ 4.34	\$ 2.72	\$ 2.18	\$ 4.05
2017	\$ 4.71	\$ 3.05	\$ 2.28	\$ 4.30
2018	\$ 4.92	\$ 3.53	\$ 2.44	\$ 4.78
2019	\$ 5.27	\$ 3.35	\$ 2.46	\$ 5.14

* NTD TS2.1 - Service Data and Operating Expenses Time-Series by Mode
Operating Expenses per UPT for Bus & Rail National Transit Database

Figure 26

Total Unlinked Passenger Trips (by year):



Source: National Transit Summaries and Trends for the 2017 National Transit Database Report Year

Figure 27

OHIO TRANSIT TRENDS

The 9 Largest Agencies in Ohio as of 2019 – NTD data listed below:

Agency	Service Area Sq. Mi	Pop	Mode	Unlinked Passenger Trips	Annual Passenger Miles	Vehicle Revenue Miles	Vehicles in Max Service	Vehicles Available for Max Service	Spare Ratio (%)
Akron (Metro)	420	541,013	DR	276,461	1,727,830	1,988,974	95	124	23.4
			Bus	5,141,660	23,887,360	4,092,621	117	142	17.6
Canton (SARTA)	581	375,586	DR	158,983	1,353,178	1,268,835	30	35	14.3
			Bus	2,171,556	14,799,713	2,296,131	36	38	5.3
Cincinnati (SORTA)	289	744,901	DR/PT	226,685	2,562,516	1,543,875	46	56	17.9
			Bus	13,244,916	71,291,464	9,409,799	298	356	16.3
			SC/PT	531,592	844,189	94,352	3	5	40.0
Cleveland (GCRTA)	458	1,412,140	DR and DR/PT	576,448	4,594,269	5,375,849	140	180	22.2
			HR	5,666,706	36,529,680	2,488,976	24	40	40.0
			LR	1,484,863	8,974,467	678,107	9	31	71.0
			Bus	21,787,742	91,902,658	12,157,936	255	350	27.1
			RB	2,628,480	6,889,599	512,489	11	21	47.6
			VP	27,586	887,524	184,174	22	22	0.0
Columbus (COTA)	324	1,060,666	Bus	288,690	3,017,345	3,511,803	64	73	12.3
			DR/PT	19,141,454	74,351,660	14,204,174	269	322	16.5
Dayton (GDRTA)	274	559,062	DR	222,955	1,945,931	1,841,978	51	74	31.1
			Bus	7,146,375	45,746,274	5,392,288	117	166	29.5
			TB	2,047,285	8,439,011	832,545	26	27	3.7
Lake County (Laketran)	227	230,514	CB	142,673	3,337,121	328,776	14	22	36.4
			DR	274,177	2,603,432	2,317,833	67	87	23.0
			Bus	291,006	1,709,311	557,987	12	18	33.3
Toledo (TARTA)	142	374,213	Bus	271,051	2,372,230	1,858,529	101	125	19.2
			DR & DR/PT	1,736,208	8,837,093	2,571,102	97	104	6.7
Youngstown (WRTA)	216	238,823	DR	41,580	333,887	359,264	15	20	25.0
			Bus	1,468,265	6,049,251	1,401,138	37	53	30.2
Bus - Fixed Route Bus				TB - Trolley Bus		RB - Rapid Transit Bus			
DR - Demand Response				LR - Light Rail		SC/PT - Street Car - Purchased Transportation			
DR/PT - Demand Response - Purchased Transportation				HR - Heavy Rail		VP - Vanpool			

Figure 28

GLOSSARY

Accrual Accounting – A method of financial accounting where revenues are recorded when earned, however, the revenue does not have to be received in the same reporting period. Similarly, expenditures are recorded as soon as the goods or services are received; the payment of the expenditure does not have to be made in the same reporting period.

Ad Valorem Tax – A tax based on the value (or assessed value) of a property.

Advocacy – Public support for a cause or policy, specifically for public transportation.

Amalgamated Transit Union (ATU) – The largest transit union in North America.

American Bus Benchmarking Group (ABBG) – A consortium of mid-sized bus agencies in North America, est. in 2011 to benchmark performance and share best practices.

American Recovery and Reinvestment Act (ARRA) – An economic stimulus package enacted by the 111th U.S. Congress in February 2009 in response to the Great Recession. The primary objective for ARRA was to save and create jobs; the secondary objectives were to provide temporary relief programs for those impacted by the recession and invest in infrastructure, education, health, and renewable energy.

Americans with Disabilities Act (ADA) – of 1990, requires that public entities, which operate non-commuter fixed route transportation services, also provide complementary Paratransit service for individuals unable to use the fixed route system.

Appropriation – A financial authorization granted by the Board of Trustees to cover expenditures and incur obligations.

Arbitrage – Investment earnings representing the difference between interest paid on bonds and the interest earned on the investments made utilizing bond proceeds.

Assessed Valuation – The value of property against which an ad valorem tax is levied. Valuations are conducted by the County Auditor and reflect a percentage of the true or market value of the property.

Asset Maintenance – This category of capital projects refers to projects where 100 percent of the funding is provided by local sources (versus grant funded sources) and represents expenses incurred to maintain or improve the Authority's assets.

Asset Management – A systematic approach to procuring, operating, maintaining, upgrading or replacing transit assets in a manner that reduces risk and costs while improving operational performance.

Average Cost per [Paratransit] Trip – Average cost to provide Paratransit Services to the ADA community using RTA vehicles and operators or contracted vehicles and operators.

Balanced Budget – The Authority considers the budget balanced when total expenditures equal total revenues. The budget is also balanced in situations where total expenditures are less than total revenues, which is called a surplus. There are also few instances where the Authority might plan to spend fund balances from previous years on one-time or non-routine expenditures, provided the funding from previous years is available. The Authority, however, must have a plan in place to not build ongoing expenditures into this type of funding.

Balanced Scorecard – Tool to measure progress and metrics in performance management.

Base Budget – The total appropriation for maintaining the Authority's daily operations, authorized by the Board of Trustees.

Bond – The written evidence of the debt issued by the Authority. It bears a stated rate of interest and maturity date on which a fixed sum of money plus interest is payable to the holder.

Bond Counsel – A lawyer or law firm, which delivers an opinion regarding the legality of a debt issuance or other matters.

Budget Basis – The starting point for budget deliberations, usually the current budget year appropriation, or the Midyear Review estimate of expenses.

Budget Deficit – Usually, this is a projection of expenditures exceeding appropriations. It is normally determined during a quarterly review. The budget is controlled so that expenditures plus encumbrances should not exceed appropriations.

Bus Rapid Transit (BRT) – A broad term given to transit systems that use buses to provide a service that is of a higher quality than an ordinary bus line. See HealthLine.

CAFR – Comprehensive Annual Financial Report, contains audited financial statements, financial notes, and related materials.

Capital Expenditures – Funds in the Capital Improvement Program are used to account for the acquisition, construction, replacement, repair and renovation of capital facilities, assets, and equipment. Under Routine Capital Fund, local funds are used for the purchase of vehicles and equipment, where each unit has a value of at least \$5,000 and a useful life of greater than a year. Asset Maintenance expenditures are locally funded projects that maintain, repair, or rehabilitate an existing capital asset of the Authority. These projects are of smaller duration, scope, and expense than those indicated in the RTA Development Fund. The duration of these projects is often less than one year with a cost generally not exceeding \$150,000 and a useful life of less than five years. The RTA Development Fund includes both a majority of the larger rehabilitation projects and Authority's Long Range projects. These projects are greater than \$150,000 and have a useful life of more than five years. The RTA Development Fund is primarily, but not exclusively, supported through Federal grant awards.

Capital Improvement Budget – The current year estimated revenues and expenses of construction projects and capital equipment purchases in the Capital Improvement Plan. The Capital Budget includes maintenance and expansion projects that are funded through grants and local sources.

Capital Improvement Plan (CIP) – A five to ten year plan for constructing, acquiring, or maintaining capital assets.

Cash Accounting – A major accounting method that recognizes revenues and expenses at the time physical cash is actually received or paid out.

Cash Deficit – Occurs when a fund is carrying a negative cash balance. This situation typically requires a cash transfer to remedy.

Closed Circuit TV (CCTV) – Video cameras transmit a signal to a specific or limited set of monitors. CCTV is used for surveillance in areas that need security, such as rapid stations, transit facilities, Park-N-Rides, and the airport.

Comprehensive Annual Financial Report – See CAFR

Computer Integrated Transit Maintenance Environment (CITME) – A computer program, created by UltraMain, purchased to assist in modernizing maintenance and inventory operations through management by data.

Congestion Mitigation and Air Quality Improvement Program (CMAQ) – Federal program that provides a flexible funding source to State and local governments for transportation projects and programs to help meet the requirements of the Clean Air Act. Funding is available to reduce congestion and improve air quality for areas that do not meet the National Ambient Air Quality Standards for ozone, carbon monoxide, or particulate matter (nonattainment areas) and for former nonattainment areas that are now in compliance (maintenance areas).

Continual Process Improvement – Measuring efficiency of resources used for process investments.

Controlled-Access Right-of-Way (ROW) – Lanes restricted for a portion of the day for use by transit vehicles and other high occupancy vehicles (HOV).

Coronavirus Aid, Relief, and Economic Security Act (CARES) – Federal act in 2020 to provide initial funding and relief. Transit agencies' operating expenses were supplemented by this act.

Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) – provides further Federal aid in 2021 to States to address the coronavirus pandemic in the US.

Cost Ceiling – A limit on the reimbursed costs for federally supported capital projects.

Cost per Hour of Service – Rate of cost for each hour of revenue service.

Customer Engagement – Customer's investment, commitment or loyalty to RTA's brand and services.

Customer Satisfaction – A measure of how transit services meet or surpass customers' expectations.

Debt Limit – A statutory or constitutional limit on the principal amount of debt that an issuer may incur or have outstanding at one time.

Debt Service – Principal and interest paid on bonds and notes.

Debt Service Coverage – The measure of the Authority's ability to meet annual interest and principal payments on outstanding debts.

Decision Issue – A budget request for new or increased funding of projects or programs, which exceeds base budget requests. Use of decision issues aids the process of allocating financial resources and provides for the comparison and prioritization of existing programs and services relative to the need for new programs and services.

Depreciation – The reduction in value of a capital asset due to use, age, or wear.

Diesel Emissions Reduction Grant (DERG) - Funding is made available through the Ohio Department of Transportation's Federal Highway Administration (FHWA) CMAQ Program federal appropriation fund used for vehicle replacement.

Disadvantaged Business Enterprise (DBE) – A program intended to ensure nondiscrimination in the award and administration of the Authority's programs and contracts.

Displaced Emissions / Displacement – Reduced emissions of private vehicles on a regional or national level through increased use of public transit services.

Door-to-Door Service – Paratransit Service where drivers have been instructed to pick-up and drop-off passengers at the front door of places of residence, at the front door of the apartment buildings in which they live, or front door of destination.

DriveCam – System installed on revenue fleets to monitor driver behaviors, coach unsafe behavior, and reduce accidents and incidents.

Employee Engagement – The emotional and intellectual commitment of an employee, or segment of employees, committed to accomplishing RTA's strategic objectives, mission, and vision.

Employee Injury Rates – Metric monitoring rate of employee injuries or accidents; 1 occurrence per 200,000 hours worked.

Employee Satisfaction – When employees are happy with their workplace and benefits provided by the organization; including incentives, recognition, and events.

Encumbrances – A budgetary technique for recording unperformed contracts for goods and services. Use of encumbrances restricts the balance in each fund so that total commitments (expenditures plus encumbrances) will not exceed appropriations.

Exclusive Right-of-Way (ROW) – Roadway or other right-of-way (ROW) lanes reserved at all times for transit use and / or other high occupancy vehicles (HOV).

Executive Management Team (EMT) – The General Manager’s first level of management, which includes Deputy General Managers and Executive Directors.

Expenditure – An expense that a business incurs as a result of performing its normal business operations.

Family and Medical Leave Act (FMLA) – To grant employees temporary medical leave under certain circumstances.

FAST (Fixing America’s Surface Transportation) Act – A Federal Transportation Act that replaced the MAP-21 Act with in December, 2015. This act continued many of the programs changes included in the MAP-21 legislation including Federal formula calculations, the 2010 Census data in the determination of those formula grants, and incorporation of operating statistics relative to all Transit Agencies as well as provide an increase in Federal funding for needed State of Good Repair projects.

Federal Highway Administration (FHWA) – Supports all of America’s roads and highways and ensures them to be the safest and most technologically up-to-date. Although State, local, and tribal governments own most of the Nation’s highways, the FHWA provides financial and technical support for constructing, improving, and preserving America’s highway system.

Federal Transit Administration (FTA) – Supports a variety of locally planned, constructed, and operated public transportation systems throughout the U.S., including buses, subways, light rail, commuter rail, streetcars, monorail, passenger ferry boats, inclined railways, and people movers.

Financial Vision – Objectives identified to achieve financial stability and fiscal responsibility.

Financial Management System (FMS) – The information system software that houses all financial data and includes the General Ledger, Procurement, and Budget Modules.

Fiscal Responsibility – Commitment to managing financial resources as if they were from our own pocket.

Fiscal Year – The 12-month period that the Authority uses for accounting purposes. The Fiscal Year for the Authority is concurrent with the Calendar Year.

Fixed Guideway (FG) – A separate right-of-way (ROW) for the exclusive use of public transportation vehicles. The Heavy Rail and Light Rail modes operate exclusively on fixed guideway (FG).

Fraternal Order of Police (FOP) – The world's largest organization of sworn law enforcement officers, committed to improving the working conditions of law enforcement officers and the safety of those we serve through education, legislation, information, community involvement, and employee representation.

Full-Time Equivalent (FTE) Position – A part-time position converted to the decimal equivalent of a full-time position based on 2,080 hours per year for 40 hours per week employees.

Functional Testing – Quality assurance testing process of customers used to determine physical ability to use fixed route services.

Fund – A reserve of money set-aside for a specific purpose. The RTA has specific funds set up for Operating (General), Capital, Insurance, Bonds, Pension, and Law Enforcement. There are also reserve funds in place for diesel fuel, compensated absences, hospitalization, and replacement train cars.

Fund Deficit – An excess of expenditures over revenues during a fiscal year. This is not an acceptable condition and must be addressed by transferring revenue to the fund in deficit. See Balanced Budget.

Fund Type – See Fund.

GAAP – Generally Accepted Accounting Principles. These principles are guidelines and rules for use by accountants in preparing financial statements.

General Obligation (GO) Bond – A bond that is secured by the full faith and credit of the Authority. The GCRTA pledges to utilize its taxing power (almost always Sales Tax proceeds) to pay debt service.

Goal – A statement of direction, purpose, or intent based on the needs of the community. A goal is not concerned with a specific achievement in a given time period.

Greenhouse Gas Emissions – Atmospheric gases contributing to the greenhouse effect; includes carbon dioxide, methane, nitrous oxide, and water vapor.

Growth Strategy – Objectives focused on improving Advocacy, Service Usage, and Passenger Satisfaction.

Guideway – A separate right-of-way (ROW) or rail system for the exclusive use of public transportation including the buildings and structures dedicated for the operation of transit vehicles. Includes tunnels, subways, bridges, tracks, and power systems.

HealthLine – A route providing service along Euclid Avenue that is of a higher quality than an ordinary bus line. This service improves transit, as well as supports increased development along Euclid Avenue with links to medical, educational, and cultural centers in Greater Cleveland.

Heavy Rail Vehicle (HRV) – Heavy Rail is a transit mode that is an electric railway with the capacity for a heavy volume of traffic. These vehicles operate on the Red Line, from Cleveland Hopkins Airport to Windermere Rapid Station.

Indirect Costs – The expenses of doing business that are not readily identified with the Authority's transportation, but rather with the general operation of the organization, such as finance, accounting, engineering, legal, and human resources.

Information Technology (IT) Environment – Applications and systems needed to support business operations; impact of systems on efficiencies of an operating environment.

Innovation, Learning, & Growth – Efficiency measures of people investments; mainly Employee Satisfaction and Employee Engagement indicators.

Interactive Voice Response (IVR) – A phone technology that allows a computer to detect voice and touch tones using a normal phone call. The IVR system can respond with pre-recorded or dynamically generated audio to further direct callers on how to proceed.

Interest – The amount paid for the use of money.

Interest Expense – The charges for the use of borrowed capital incurred by the transit agency, including Interest on long term and short-term debt obligations.

Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) – A legislative initiative setting policy guidance and providing funding for highway, transit, and safety programs. It expired in 1998.

Key Transit 2025 – The long-range plan to help guide the future development of public transit in Cuyahoga County, which focuses on bringing RTA's transit infrastructure up to higher standards and encouraging transit-oriented design, or TOD. Related to nationwide efforts towards Smart Growth, TOD encourages locating transit and development in close proximity in order to reduce auto dependency and improve transit access.

Legal Millage Rate – The stated rate, in mills, for levying real and personal property taxes.

Light Rail Vehicle (LRV) – Light Rail is a transit mode that typically is an electric railway with a light volume traffic capacity, compared to Heavy Rail (HR). These vehicles operate on the Blue, Green, and Waterfront Lines.

Management Development Program (MDP) Succession planning program to integrate external talent throughout the organization.

Moving Ahead for Progress in the 21st Century (MAP-21) – A new Federal Transportation Act that replaces the SAFETEA-LU and TEA-21 Acts. This act changed the Federal formula calculations, includes the Census 2010 data in the determination of those formula grants, and incorporates operating statistics relative to all Transit Agencies. This act was replaced by the Fixing America's Surface Transportation Act (FAST) in 2015.

Market Value – The County Auditor's estimate of the true or fair value of real or personal property. In accounting, it is the price that a good or service would command on the open market.

Material Issues – Topics of highest importance in consensus identified by internal and external stakeholders.

Materiality Assessment – Defining the social, economic, and environmental topics that matter most to RTA and RTA's stakeholders.

Miles Between Service Interruptions (MBSI) – Measured by miles; total service delivered before a vehicle breakdown that causes a service interruption.

Mill – The equivalent of \$1 of tax for each \$1,000 of assessed value of real or personal property.

Mixed Traffic Right-of-Way (ROW) – Roadways that have no time restrictions nor restrictions on what type of vehicles may use them.

Mode – A general term for the different kinds of transportation used to transport people.

Next Gen RTA – Name of the RTA wide bus system redesign to be implemented in FY2021

NOACA – Northeast Ohio Areawide Coordinating Agency. It is the federally designated Metropolitan Planning Organization (MPO) for five counties of Northeast Ohio, which include Greater Cleveland and the Lorain area. Its chief functions are to perform long- and short-range transportation planning, transportation-related air quality planning, and areawide water quality management planning, as defined by federal and Ohio mandates.

Notes – Short-term promises to pay specified amounts of money, secured by specific sources of future revenue.

Revenue – The amount of money that a company actually receives during a specific period, usually a year.

Object – A commodity-based expenditure classification which describes articles purchased or services obtained. It represents the lowest degree of expenditure summary and budgetary control.

Objective – Desired output-oriented accomplishments, which can be measured and achieved within a given time frame.

Office of Business Development (OBD) – Engage, support, and assist the local disadvantaged business community to help ensure fair and representative participation in procurement opportunities at RTA and within the community at-large. The primary function of the OBD is to administer RTA’s Disadvantaged Business Enterprise (DBE) Program.

Official Statement – A document prepared by the Authority when issuing debt that gives financial and statistical information to potential investors and others.

Ohio Depository Act – Requires a written investment policy that is approved by the treasurer of a political subdivision or governing board, or by the investing authority of a county, to be on file with the State Auditor. The policy must provide that all entities conducting investment business with a subdivision treasurer or governing board or county investment authority sign the investment policy of that subdivision or county.

Ohio Department of Transportation (ODOT) – State operating and capital subsidies are distributed to the Authority by ODOT.

Ohio Revised Code (ORC) – Governing law for State of Ohio

On-Time Performance – Schedule adherence; ability to deliver service as scheduled.

Ohio Transportation Partnership Program (OTP2) - Competitive grant provided by the Ohio Department of Transportation that fund rural and urban transportation systems in Ohio. The grant provides funding to maintain, sustain, or keep in a good sound state the transit systems in Ohio.

Operating Budget – Current year estimated revenues and expenses that provide for the day-to-day operations of the Authority.

Operating Deficit – The sum of all operating revenues minus operating expenses. See Balanced Budget.

Operating Ratio – A ratio that shows the efficiency of management by comparing operating expenses to fare revenues.

Operating Reserve – The available ending balance. A reserve is maintained as a safeguard to protect the organization in times of cyclical economic downturns and will be replenished as the economy improves. The Board Policy requires at least one month’s operating reserve. RTA recently added three reserves for fuel, medical, and compensated absences.

Outlays – The payments on obligations in the form of cash, checks, the issuance of bonds or notes, or the maturing of interest coupons.

Park-N-Ride – Parking lots owned by the GCRTA to provide rail and/or bus services for all major commuter corridors in Cuyahoga County.

Pass-Thru – A situation where the Authority functions as a channel for the expenditure of funds from another source without authorization to decide the use of the funds.

People Investments – Resources allocated to developing and supporting workforce capabilities.

Performance Management – Culture of continual improvement of transit services, operational processes, and administrative processes; fostered by collecting, sharing, and analysis of data and reported through various mechanisms like TransitStat, Executive Safety Committee, Quarterly Management Meetings, and other forums.

Preventive Maintenance – Regularly performance maintenance on vehicles, equipment, or facilities to reduce probability of failure.

Predictive Maintenance – Defining the condition of assets in order to predict maintenance; cost savings through time-based maintenance best practices.

Preventable Collision Rates – Metric monitoring rate of collisions defined as preventable; 1 occurrence per 100,000 miles.

Principal – The face amount of a bond, which the issuer promises to pay at maturity.

Process Investments – Committing resources to improving priority, value-creation processes.

Program – A group of related activities performed by one or more organizational units for the purpose of accomplishing an objective.

Public Transit Management Academy (PTMA) – RTA program in partnership with Cleveland State University (CSU), which provides leadership development across all workforce segments.

Ratings – Designations used by ratings services to indicate the financial health of the issuers of debt.

Reimbursed Expenditures – Operating fund reimbursements related to: capital grants for force account labor, project expenses, administration, and overhead costs; fuel tax refunds on diesel and gasoline purchases; and Federal and State operating assistance.

Repurchase Agreement – A money market transaction in which one party sells securities to another while agreeing to repurchase those securities at a later date.

Resolution – A legal and public declaration by the Board of Trustees of intent, policy, or authorization. Resolutions are the legislation of the Authority.

Resolution Category – One of two cost categories at which the Board of Trustees controls operating budget expenditures. These include Personnel Services and Other Expenditures.

Revenue Bond – A bond on which the debt service is payable solely from the revenue generated from the operation of the project being financed.

Ridership – Number of people using a transit service, generally aggregated over a given period of time across several modes or services.

Routine Capital – Budgeted expenses for equipment, where the useful life of which is a year or more and the unit cost is at least \$1,000. These expenses are locally, not grant, funded.

Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) – A legislative authorization for transit approved in 2005. It is a six-year initiative, which replaces the expired Transportation Equity Act for the Twenty-First Century (TEA-21).

Senior Transportation Connection (STC) – Founded in 2005, STC is a centralized coordinating unit for senior transportation services in Cuyahoga County. The STC's mission is to provide comprehensive, efficient, and affordable transportation for senior adults in the county.

Service Capacity – The comparison of scheduled miles to actual, delivered miles optimized by available operators and vehicles.

Service Indicator – An output measure showing a statistical workload change or the degree to which program objectives are achieved.

Standard Operating Procedure (SOP) – Methods followed routinely for performance of defined operations or situations.

State Infrastructure Bank (SIB) – A funding initiative administered by the State of Ohio, Department of Transportation. The SIB provides low-cost loans for transportation infrastructure projects.

State of Good Repair (SOGR) – A Federal initiative to identify and maintain the nation’s assets for bus and rail systems. This is essential for delivering safe and reliable transit service to millions of daily riders and one of the FTA’s highest priorities.

Statewide Transportation Improvement Program (STIP) – Ohio’s four-year planning document as required by Title 23 and Title 49 of the United States Code. The STIP identifies all state and local transportation federal highway or federal transit funded projects as well as state funded projects scheduled for some phase of implementation during the fiscal (July 1 to June 30) four-year period. Types of projects include highway, public transit, rail, freight, bicycle and pedestrian.

Strategic Plan – Process outlining RTA’s Vital Few Objectives (VFOs) and prioritized Changed Initiatives (CIs).

Strategy Map – Tool aligning and prioritizing key objectives for implementing the Strategic Plan.

Succession Planning – Program in place to develop future leaders for RTA.

Sustainability – Ability to continue a defined behavior or process indefinitely; maintain availability of natural and human capital for the foreseeable future.

Temporary Assistance for Needy Families (TANF) – Provides grants to states to fund a wide array of benefits and services, primarily to low-income families with children. It is best known for funding cash welfare benefits to needy families with children, but it also is used to fund transportation aid and assistance.

Tax Levy – The total amount to be raised by general property taxes for purposes specified in the Tax Budget.

Threat and Vulnerability Assessment (TVA) – Analyzes all the aspects of security: physical, personnel, information, and communication. It measures the current threat capabilities against emplaced security measures and operating procedures to identify vulnerabilities.

Tons CO₂e – Measure of greenhouse gas impact on climate change as referenced through concentration levels of CO₂.

TransitStat – The Greater Cleveland Regional Transit Authority’s performance monitoring program. It is characterized with frequently scheduled performance monitoring forums, embracing the use of data, statistics, and metrics as a means to exceed customers’ expectations, as well as achieve operational excellence. It is a critical link to achieving high-level performance directed towards the Authority’s Mission, Vision, and Values.

Transportation Equity Act for the Twenty-First Century (TEA-21) – A legislative authorization for transit originally approved in mid-1998. It is a five-year initiative, which originally expired in 2003, but was extended by Congress pending an agreement on new transit legislation. It expired in 2005.

Transportation Improvement Plan (TIP) – The official listing of highway, transit, bikeway, airport, and harbor projects covering a five-year period.

Transportation Review Advisory Council (TRAC) – Created by the Ohio General Assembly in 1997 to bring an open, fair, numbers-driven system to choosing major new transportation projects.

Unlinked Passenger Trip – A one-way ride on a transit vehicle, not including transfers, and despite fare type.

U-Pass (Universal Pass) – offers university students a discounted transportation pass. Currently students at Case Western Reserve University (CWRU), Cleveland State University (CSU), Cleveland Institute of Art, and Cleveland Institute of Music have U-Passes.

Urban Mass Transportation Act (UMTA) of 1964 – As amended, an Act of Congress providing funds to the Authority under various programs:

Section 5309 (formerly Section 3) – A Federal discretionary program directed primarily to those rail modernization and major bus projects that require funding beyond that available under Section 9.

Section 5307 (formerly Section 9) – A Federal formula program which makes resources available to urbanized areas for planning, capital, and operating assistance purposes. Funding allocations are earmarked by Congress.

Title 23 Interstate Transfer Fund – Federal funding which had been made available for alternative projects due to the elimination of Interstate 490 from the Federal Interstate Highway Program. Funding for this program was split between highway and transit projects. Also established by Section 134, Title 23 of the United States Code. All funds have been exhausted at this time.

Vehicle Reliability – Minimize the impact of vehicle defects on On-Time Performance through improved maintenance practices for vehicles and equipment.

Voice of Customer – Process for collecting customer-focused information.

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