

2022 Budget Guide

Organization of the Adopted Budget Plan

The purpose of this section is to describe the contents of the 2022 Operating and Capital Budgets (Adopted Budget Plan) for the Greater Cleveland Regional Transit Authority (GCRTA, RTA, or 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 initial page of each section provide further direction to the reader.

Transmittal Letter

The Transmittal Letter is the General Manager/CEO's Transmittal Letter, 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 a Budget in Brief, attachments of the Fund Statements, and Financial Objectives.

Budget Guide

The Budget Guide explains the Authority's Financial and Budgetary policies, including Debt Financing, and the explanation of the policies' adoption, implementation, and monitoring. 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.

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. Historical, current, and prospective information are provided. An analysis of the Authority's financial condition is based on these trends.

Department Budgets

The Department Budgets present the Adopted Budget Plan for each department. These sections describe the divisions, prior year's achievements, upcoming priorities for the budget year, and the current performance measures (RTargets). For each department, overview, connection to the strategic plan, individual budgets, staffing level summaries, and organizational charts are provided.

Capital Improvement Plan

The Capital Improvement Plan itemizes capital projects approved for 2022 and those planned for 2023 through 2026. 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 the adoption of the Authority's Strategic Plan.

The Greater Cleveland Regional Transit Authority 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 create a cohesive plan. The studies highlight vision, goals, existing conditions, strategy identification, and recommendations. With a geographic focus on the 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. These are discussed further in the Performance Management section.

As always, 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. RTA will continue to deliver, and work to improve access to opportunity for individuals and the region through safe, reliable, integrated, sustainable, and innovative transportation.

In January of 2020, the CEO initiated a process to establish a clear vision and definition for the success of the Authority. The process engaged a consultant to collaborate with the Executive Management Team to redefine the Mission, Vision and Success Outcomes for GCRTA.

Financial Policies

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 21, 2021. The Financial Policies are a part of Part Four- Finance Code of the Board Codified Rules and Regulations, specifically Chapter 460- Financial Policies and Procedures; Funds.

Chapter 460 provides a comprehensive framework for the management of revenues and financial resources of the Authority. It provides 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%

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.*

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.

In the General Fund budget for 2022, estimated resources total \$424.7 million (current revenues of \$354.4 million plus an estimated beginning balance of \$70.3 million including Federal Operating Assistance). Total estimated expenditures for 2022 is \$339.9 million, which is within the estimated resources available. The available ending balance of \$84.8 million, represents a 3.7 month reserve which is over the one-month reserve (after the debt defeasance of \$57.5 million).

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 of services possible. When services and operations are well-managed, and costs are contained, the Authority can provide greater services.

Implementation: GCRTA implemented NEXT GEN on June 13, 2021, a system redesign to cost effectively increase frequency and connectivity for all riders. The NEXT GEN redesign used input from several pillar studies and extensive community engagement to redesign routes for increased frequency and connectivity for transit users. Online surveys as well as public engagement sessions provided feedback on different funding models and scenarios to determine how best to maximize frequency and coverage. After much feedback from the community, including business and civic leaders, stakeholders and residents, riders made it clear that they are interested in a balance of frequency and coverage, slightly favoring frequency. Most riders now have shorter wait times during the week and require fewer transfers, and more bus lines run seven days a week. NEXT GEN provides better connections between the urban core and regional job hubs, including educational and health care institutions such as MetroHealth Hospital, Cleveland Clinic, and University Hospitals.

Policy Goal: 460.09(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. Idle cash balances will 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, 2021, GCRTA's investment portfolio comprised of:

- Money Market Account- Average maturity of 3 days
- Key Bank Sweep account- Average maturity of 3 days
- State Treasury Asset Reserve of Ohio (STAR Ohio)- Average maturity of 3 days
- Earnings Credit Rate Account- Average maturity of 3 days
- US Government Securities- Average maturity of 807 days

GCRTA's average yield on its portfolio during 2021 was 0.22%. This is 14 basis points above the performance standard yield of .08 and 21 basis points above the market average yield of 0.01%. 2022 investment income is budgeted at \$600,000.

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 that its constituents demand.

Implementation: Total resources available in the General Fund at the end of FY 2021 are estimated to total \$536.9 million. It is anticipated that total resources will increase to \$424.7 million in FY 2022. A debt defeasance of approximately \$57.7 million during 2021 reduced GCRTA's debt obligations with average savings of \$3.1 million per year through 2026 to provide long-term financial stability. By advancing the debt service repayment schedule from 2039 to 2030, GCRTA will see savings for 9 years of approximately \$126 million. Sales and Use tax totals 68.4% of the budgeted revenues due to the pandemic impacting fare revenue and federal assistance. The Sales and Use tax increased between 2020 and 2021 by approximately \$29 million or 14 percent due to the strong economy and federal stimulus tax credits.

Passenger Fares and ridership have been impacted by COVID-19. As an essential service, the Authority continued to provide transportation for essential workers and customers. Ridership dropped by roughly half during 2020, and by the end of 2021, almost half the ridership lost during 2020 had returned. Passenger Fares

are estimated at \$21.7 million. This assumes that ridership will stay at approximately 60-70% of pre-pandemic levels through 2022.

Policy Goal: 460.02 (c)(1) *The goal for the Operating Ratio (Operating revenues divided by operating expenses) 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 more self-supporting and less reliant on other sources of income. A lower Operating Ratio indicates that customers are paying a lower portion of the operating cost.

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 due to lost ridership and low market interest rates, and as Operating expenses are slowly increasing, the Operating Ratio for 2022 is projected to be 8.7 percent. The Operating Ratios for 2023 and 2024 are slowly decreasing with 2023 estimated at 8.6% and 2024 estimated at 8.5%.

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: This policy goal is expected to be met with a budgeted amount of \$84.8 million or 3.7 months (~1 month = \$22.9) of operating reserve funding available for 2022. Federal assistance, including CARES, CRRSAA, and ARP, enables GCRTA to sustain the decrease in passenger fares while maintaining nearly 4 months of operating reserve for the future. The decrease in adequate fund balance from 3.7 months at the end of FY 2022 and 1.8 planned in FY 2023 is due to the unfunded Federal Operating Assistance.

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 2022 are budgeted to remain at the same level as compared to 2021. The Authority implemented the NextGen service in June 2021. The cost per service hour is budgeted at \$164.8, an 8 percent increase from 2021 estimate.

Inflation in 2021 escalated to a forty year high at 6.9 percent. This policy goal is not expected to be met in 2022, as the Federal Bank of Cleveland stated that the 10-year expected inflation is 1.75 percent in 2022 (going back to levels in 1982). The Authority will ensure that Operating expenses are managed throughout the year to mitigate the impact of not meeting this policy goal.

Policy Goal: 460.02(c)(4) Debt service coverage (Total operating revenue minus operating expenditures, divided by debt service requirements) 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: GCRTA completed a debt defeasance in 2021 using approximately \$60 million to pay debt obligations early and provide average savings of \$3.1 million per year through 2026. The Authority has traditionally used debt sparingly, and following the debt defeasance, the debt service coverage goal will be exceeded. The goal of the debt service coverage is to be above 1.5. This is measured by subtracting operating expenditures from total operating revenues then dividing by debt service requirements. The Debt Service Coverage ratio has been maintained over the 1.5 goal since 2015. The budget for 2022 is projected at 9.03. The debt coverage is projected at 6.55 in 2023 and 4.54 in 2024, 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 must be set aside, or reserved, in order to ensure adequate dollars are available to continue operation and meet its obligations.

Implementation: Six accounts have been created that make up the Reserve Fund: fuel, compensated absences, hospitalization, 27th pay, rolling stock, and revenue stabilization. Budgeted for FY 2022 the total projected ending balance is \$101.9 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 2022 through 2024, GCRTA does not plan to add any additional funds to the Fuel reserve outside of regular investment income. The FY 2022 budgeted balance is \$2.75 million.

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 2022 through 2024, GCRTA does not plan to add any additional funds to the compensated absences fund outside of regular investment income. The FY 2022 budgeted balance is \$3.9 million.

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 2022 through 2024, GCRTA does not plan to add any additional funds to the hospitalization fund outside of regular investment income. The FY 2022 budgeted balance is \$2.8 million.

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. The 2022 budget has a \$878,615 transfer from the General fund and an ending balance of \$4.9 million . The hourly employee 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 began the implementation of the Railcar Replacement program and \$49 million was transferred from the Rolling Stock fund to the Development fund, a part of the Capital Improvement Fund. FY 2022 budgeted transfer to the program is \$10 million with a projected ending balance of \$2.5 million.

Policy Goal: 460.03(b)(6) Reserve for Revenue Stabilization

Rationale: Account to set aside funds to protect against substantial decreases in revenues. Funds should be set aside in this stabilization fund and then transferred back to the General Fund when needed to maintain a one-month ending balance.

Implementation: The Board of Trustees established this reserve fund in late 2021 to provide additional resilience to revenue volatility and allow GCRTA to have the resources available to maintain essential services to the community despite revenue fluctuations. Volatility was seen several years ago when State tax changes severely impacted the Authority's Sales and Use Tax Revenues and more recently, fare revenue decreases during the COVID-19 pandemic. FY 2022 budgeted balance is \$85 million..

INSURANCE FUND

Policy Goal: 460.06(b) 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 business risk, for major property claims, and to purchase specified insurance.

Implementation: The General and Insurance Funds provide for the payment of the insurance purchased on the open market. The Insurance Fund includes a mix of self- and purchased-insurance. For 2022, \$2.9 million is

budgeted for Casualty Insurance and Excise tax, claims and liability payments, additional property insurance premiums, and other related expenditures.

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. The required minimum balance is \$5.0 million. For FY2022, expenditures are projected at \$2.9 million. The budgeted ending balance is \$5.0 million and would maintain the policy goal.

SUPPLEMENTAL PENSION FUND

Policy Statement: *460.07(c) 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, in odd-numbered years, to assess the adequacy of the fund balance. The study was completed in 2021. In order to meet need, from 2022 through 2024 transfers of \$40,000 will be needed each year, respectively for the Pension Fund.

LAW ENFORCEMENT FUND

Policy Statement: *460.08(b) The expenditure of monies from the Law Enforcement Fund shall be in accordance with the guidelines established by the United States Attorney General on seizure and forfeiture of property, and shall be limited to expenditures not otherwise budgeted.*

Rationale: The funds are restricted by federal law, and all expenditures of those funds must adhere to legal requirements on purposes and usage.

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. The RTA Capital Fund and the RTA Development Fund (460.04(c)) are both in the Capital Improvement Fund.*

Rationale: The above policy clarifies which fund is to be used based for smaller projects based on the criteria set forth.

Implementation: The fund is designated for smaller, locally-funded projects in a separate fund from larger projects that are funded in the Development Fund. The Codified Rules designate separate funds for each to provide clarity.

Policy Goal: 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. The RTA Capital Fund (460.04(b)) and the RTA Development Fund are both in the Capital Improvement Fund.*

Rationale: The above two sections of the policy clarify which fund within the Capital Improvement Fund is to be used for which types of projects based on the criteria set forth.

Implementation: The Codified Rules designates a separate fund for larger projects that have a useful life beyond five years. The Authority has combined debt financing and direct allocations of Sales & Use Tax receipts to fulfill its financial commitment to the capital program. In 2022, the Sales Tax Contribution to Capital is budgeted at 21.3 percent. The contribution projected for 2023 and 2024 are both at 11.0 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 2023-2027 CIP development process and continue its focus on SOGR projects. The Authority received federal funding of \$15.0 million in 2020 from the Build Grant to be used for the Rail Car Replacement Program. The Authority will continue to aggressively pursue and explore any and all non-traditional funding opportunities under the Infrastructure Investment and Jobs Act. This Act created the Bipartisan Infrastructure Law that enacted \$108 billion for public transportation focused on four key priorities: safety, modernization, climate, and equity. 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 (DERG), 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.

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.

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 2022, the Sales Tax Contribution to Capital is budgeted at 21.3 percent to assist in the Railcar Replacement Program. The contribution projected for 2023 and 2024 are both at 11.0 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 2022 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 2024, 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: *460.05(a) Will be used to provide the funds necessary for the payment of principal and interest on debt obligations is deposited in the Bond Retirement Fund.*

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. GCRTA used \$60 million in 2021 for a debt defeasance to significantly reduce debt obligations and increase financial security.

Policy Goal: *460.05(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 un-voted 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 completed a debt defeasance in 2021, using \$60 million to pay debt early, provide annual savings averaging \$3.1 million per year through 2026, and advance the bond repayment

scheduled end from 2039 to 2030. Debt service savings over 9 years total approximately \$126 million. The principal outstanding debt for the Authority totaled \$47.5 million Sales Tax Revenue bonds at the end of 2021. It will require principal and interest payments of \$11.9 million in 2022. Principal and interest payments are expected to decrease to 9.5 million in 2023 and 2024.

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. Since the Authority has not had any debt service backed by property tax revenue in recent years and has no plans to do so in the foreseeable future, this restriction does not impact the 2022 budget.

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 \$34.8 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 \$34.8 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. The Authority currently holds an "AAA" rating with S & P and an "Aa1" rating with Moody's.

Budget Management Process

The Authority operates on a calendar year basis. The budget process begins in June with the development of the Tax Budget and in September with the development of the Capital and Operating Budgets. The Authority prepares a Tax Budget as a subdivision of the State of Ohio. The tax budget is 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 the tax budget begins the annual budget process for both operating and capital.

Capital Improvement Plan (CIP)

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 2021 that would be programmed for the CIP budget in fiscal year 2023.

- Departments submit capital requests starting in September for upcoming years.
- All capital requests are due by mid-January.
- Capital requests are processed and meetings with the Capital Program Working Group (CPWG) begin mid-February. The CPWG consists of departments and OMB.
 - Capital requests are reviewed at the CPWG meetings and ranked according to the Federal Transit Association's (FTA) asset management 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. The CPOC consists of Deputy General Managers and OMB.
- 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 the following October.

16 Month CIP Timeline Highlights from Project Origination to Project Funding



Operating Budget

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 adjust 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, as needed
- Further discussions 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 initiatives.
 - This then becomes the General Manager/CEOs' Recommended Budget
- The finalized General Manager/CEO's Recommended Budget:
 - Is the result 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 General Manager/CEO'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.

12 Month Operating Budget Highlights from Tax Budget to BOT Approval



Budget Monitoring and Control

The Office of Management and Budget monitors all revenues and all expenses monthly. The Authority focuses on the 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) since these are the lion's share of overall financial performance. Quarterly financial reports inform the General Manager/CEO and the Board of Trustees (BOT) in monitoring 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. Transfers of appropriation are reported to the BOT within 30 days pursuant to the resolution adopting the 2022 budget (R2021-112). Increases to the overall budget appropriation require prior BOT approval.

The General Manager/CEO 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 required.

BUDGET DEVELOPMENT CALENDAR: OPERATING (O) & CAPITAL (C)

<p>January</p> <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 	<p>February</p> <ul style="list-style-type: none"> •C: Capital Program Working Group (CPWG) Meetings-Capital Improvement Plan (CIP) 	<p>March</p> <ul style="list-style-type: none"> •C: Capital Program Oversight Committee (CPOC) Meetings: CIP •O/C: 1st Qtr Ends
<p>April</p> <ul style="list-style-type: none"> •O: O/C: Finalize 1st Qtr Projections •C: Legal Notice: CIP & Public Hearing 	<p>May</p> <ul style="list-style-type: none"> •C: CIP Presentation to BOT •O/C: Tax Budget Extension 	<p>June</p> <ul style="list-style-type: none"> •O: Legal Notice: Tax Budget & Hearing •O/C: 2nd Qtr Ends
<p>July</p> <ul style="list-style-type: none"> •O/C: Finalize 2nd Qtr Projections •O/C: Tax Budget presentation to BOT and receive BOT Approval 	<p>August</p> <ul style="list-style-type: none"> •O: Upcoming FY Operating Budget Planning Kickoff •C: Future FY + 1 CIP Planning Kickoff 	<p>September</p> <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
<p>October</p> <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 	<p>November</p> <ul style="list-style-type: none"> •C: : Future FY + 1 CIP projects due •O: Upcoming FY Budget 1st presentation to BOT and public hearing 	<p>December</p> <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

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

Performance Management

GCRTA recently established **RTArgets** for each division and the Authority as a whole. These are derived from the strategic plan and mission/vision/values. RTArgets are detailed in the Strategic Plan section. Along with new tools, there are several established programs to allow for improving performance, accountability, and processes through the following initiatives:

TransitStat was deployed in 2007 and is the performance management program characterized with performance monitoring forums, embracing the use of data, statistics, and metrics as a means to achieve operational excellence and exceed customers' expectations. FY 2022 continues the Authority's alignment with strategic plan through the scorecards.

Problem Identification & Corrective Action (PICA) & Cost Savings Initiative (CSI) began as an Operations change initiative over 20 years ago and was introduced to the rest of the Authority as **CSI** in early 2018. PICA focuses on 'quick fixes' that have an immediate return and improvement. CSI initiatives are longer term changes involving cost-benefit analysis and savings tracking over a period of time to ensure benefits occur.

The Authority continues to encourage its employees for **LEAN Six Sigma Yellow, Green and Black Belt Certification** in order for employees to implement these tools to identify areas of waste, create efficiencies, and perform Kaizen Events.

Strategic Plan

GCRTA's [Strategic Plan](#) was approved by the BOT in 2020. It establishes a 10 year framework for the future of the Authority. It is a compilation of key highlights and technical information that encompasses five pillar studies that informed the Plan's development and direction:

Pillar Study	Result
Economic Impact	Concluded that RTA has a massive economic impact on the Region and State.
Rail Car	Showed immediate need for procuring new heavy and light rail car fleets that have exceeded their 30-year useful life
Fare Equity	Recommends a variety of ways to promote equity and enhance the customer experience regarding fare payments. These recommendations were incorporated into the plan. 2021 implemented All Day pass fare reduction from \$5.50 to \$5.00
System Redesign	Comprehensive review and redesign of the RTA bus route system. The NextGen redesign was implemented in June 2021.
Financial and Economic Forecast & Operational Review	Identified benchmarks, risks, issues, efficiencies, performance indicators, and revenue sources

Various public involvement opportunities occurred and led to the creation of seven key strategic initiatives that highlight prioritized Plan recommendations and provide a framework for the future.

1. Improve where and when buses travel
2. Improve how streets function (prioritizing transit in street design)
3. Improve how customers pay
4. Improve passenger safety and comfort
5. Engage with emerging technology, data, and new mobility
6. Address funding challenges
7. Partner to support vibrant communities and access to job centers

These seven initiatives provide a framework for the future to provide a guide for enhancing the customer experience and pursuing capital improvements through the year 2030.

UPDATED MISSION, VISION, AND VALUES

From the plan, the CEO initiated a consultant to collaborate with the Executive Management Team (EMT) to assist in defining the Mission, Vision, Values, and Success Outcomes for GCRTA (called RTArgets). This process followed an industry best practice organized to follow a Why (mission and vision), What (Success Outcomes), How (work plan, milestones, budget) and Who (performance, metrics, and monitoring) methodology.

The consultant facilitated workshops and conducted one-on-one interviews with the EMT, Department heads, BOT interviews, and select administrative staff.

Updated Mission: Connecting the Community

Updated Vision: Leading the delivery of safe and creative mobility solutions and community connections

Updated Values: Safety, Ethics & Integrity, Service Excellence, Fiscal Responsibility, Teamwork, Responsibility & Accountability, and Respect.

Description of Values: The safety of our passengers, our employees and the general public is always our top priority. We are dedicated to the highest ethical standards, including uncompromising honesty and integrity in our daily activities. We will provide safe, clean, reliable, on-time, courteous service that our customers and the community will view as outstanding. We are committed to manage every taxpayer and customer-generated dollar as if it were coming from our own pocket. We believe in teamwork and will foster a spirit of cooperative effort within RTA and with our partners. Every individual is accountable. Meeting our individual responsibilities will ensure that collectively, RTA is a high-performing organization. We will meet all regulations and commitments and continually strive to improve. We will treat all members of the RTA family, our customers and the general public with dignity and respect.

SUCCESS OUTCOMES (RTARGETS)

Living the values, working towards the vision, and ensuring the mission are upheld each day leading GCRTA to define success outcomes in four key areas: (1) customer experience, (2) community value, (3) financial sustainability, and (4) employee engagement.

These Success Outcomes, or RTargets, will provide measurable, trackable performance outcomes for BOT, staff, customers, and the general public.

Success Outcomes	Information System	Measurement Tools	Success Definition
Customer Experience	Net Promoter Score	Customer Survey	5% improvement over baseline
Community Value	Community Value Score	Community Survey & Data	10% improvement over baseline
Financial Sustainability	Operating & Capital Performance	Financial Reporting	\$0 deficit for the Available Ending Balances shown on three year budget projections while reducing the amount of Unfunded Capital Projects by \$10 million each year
Employee Engagement	Employee Engagement	Employee Engagement Survey	10% improvement over baseline

Scorecards have been developed at the organization and division level with success definitions to ensure department applicability and participation. Each scorecard can be found in the Division pages of the Department Budget section.

In FY22, additional scorecards will be developed at the department and individual level. The development of departmental scorecards provides an opportunity to cascade organizational results to the department and eventually to the individual level through individual performance scorecards. This direct link of the individual to the organization’s Success Outcomes builds ownership at the employee level to help the organization deliver its mission.

The outcomes defined in these future scorecards will articulate how GCRTA will deliver the activities that achieve the organization’s definition of success by defining the tactics to be deployed that work towards achieving the Success Outcomes, utilizing the existing repository and practices for key performance indicators (KPIs) available to GCRTA, developing and introducing new KPIs to help drive excellence in delivering success, and informing budget and investment priorities for future budget making.

It is GCRTA best practice for the organization to conduct performance management of the Success Outcomes on a quarterly cadence. The goal is to shift from performance measurement (tracking metrics) to performance management (informed decisions). TransitStat will be the vehicle in which the division and organization scorcards are reviewed providing invaluable input into proactive strategies and tactics that drive customer driven success.

Future phases of the Success Outcomes will integrate outputs from the Strategic Plan’s five pillar studies, including current key performance indicators assuring a thorough and complete execution of this exciting vision for the success of GCRTA.

Transit service profile

The History of public transit in Cleveland through 2017 can be found at <http://www.riderta.com/history>. Since 2017, the Authority has:

2018

- Proactively prepared for a leadership change with the announced retirement of the long serving CEO.

2019

- India Birdsong hired as CEO/General Manager
- Completed upgrades to East 105-Quincy Red Line Station
- Hosted Major League Baseball All Star Game and Tall Ships Festival
- 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 timber cross ties, improving track drainage, adding signal improvements, and repairing the platform at Puritas Station
- An action plan was implemented for the S-Curve Retaining Wall, installing 75 steel beam frames along the 300-foot long wall

2020

- RTA received COVID-19 Coronavirus A Relief Economic Stimulus (CARES) Act dollars for operating expenses. Allowed RTA to continue 87% of service during global pandemic
- 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

2021

- Implementation of NextGen system redesign
- Issued RFP for purchase of new Rail Cars
- Legislature approved RTA to apply & receive TRAC Funds
- Heavy Rail received the APTA 2021 Rail COVID-19 Gold Award
- Marketing received a First Place Award in the 2021 Annual APTA AdWheel Awards, "Greater Cleveland RTA's Holiday Trains" Social Media: Best Marketing and Communications to Support Ridership or Sales
- RTA initiates a Vaccination Incentive Program to help reach community immunity among employees

Glossary

Please visit <http://www.riderta.com/budget/2022> for a complete glossary

Economic Profile

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 & 2020)			
		Number	Change from prior year
Population	Population	1,264,817	+29,745
	% Change from last Decennial (2010)	-1.2 %	
	Projected 2021 Population	1,209,550	0
	Land Area (sq. miles)	457.1	-1.2
	% Female	52.3 %	0.0 %
	Persons per Sq. Mile	2,767	+72
Race & Ethnicity	% White	56.8 %	-5.8 %
	% Black	28.9 %	-0.7 %
	% Hispanic/Latino	6.6 %	+0.8 %
	% Asian/Pacific Islander	3.5 %	+0.6 %
	% American Indian/Alaskan Native	0.1 %	-0.2 %
	% Other	4.1 %	-0.4 %
Housing	Avg. persons per Household	2.1	-0.1
	# Housing Units	615,825	-2,967
	% Resident Home Ownership	58.4 %	+0.4 %
	Housing Median Value (owner-occupied)	\$128,000	+\$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	372,624	-8,385
	Parma City	81,146	+3,043
	Lakewood City	50,942	+1,264
	Euclid City	49,692	+3,142
	Strongsville City	46,491	+1,831
	Cleveland Heights City	45,312	+1,320
	Westlake City	34,228	+2,196
	North Olmsted City	32,442	+1,101
	North Royalton City	31,322	+1,254
Garfield Heights City	29,781	+2,333	
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 18

Cuyahoga County Profile (2019 & 2020)			
		Number	Change from prior year
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	9	0
	Branch Libraries	72	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 %
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		

Data Sources:
U.S. Census Bureau
Ohio Development Services Agency --Ohio County Profiles

Figure 19

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. Due to the COVID-19 pandemic, unemployment rose significantly during 2020. Unemployment rates have improved significantly during 2021 returning the region close to pre-pandemic rates.

Unemployment Rates - History				
Year	National Avg.	Ohio	Cuyahoga County	City of Cleveland
2010	9.3	9.5	7.6	9.6
2011	8.5	8.0	6.7	8.8
2012	7.9	7.4	6.3	8.0
2013	6.7	6.9	6.5	8.4
2014	5.6	5.2	5.3	6.7
2015	5.0	4.9	4.4	5.7
2016	4.7	5.3	5.8	7.3
2017	4.1	4.6	4.7	5.9
2018	3.9	4.4	4.3	5.3
2019	3.6	4.3	3.9	4.8
2020	6.7	5.6	8.3	11.2
2021 Est.	4.8	5.4	4.9	6.5

Source: Bureau of Labor Statistics Figure 20

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	381,009	197,597	303,940	898,553	140,407	272,779
2020	372,624	190,469	309,317	905,748	137,644	270,871

Source: US Census Bureau

Figure 21

County Population Changes				
County	2020	2010	Diff.	%
Ashtabula	97,574	101,490	-3,916	-3.9%
Cuyahoga	1,264,817	1,280,115	-15,298	-1.2%
Geauga	95,397	93,409	1988	2.1%
Lake	232,603	230,050	2553	1.1%
Lorain	312,964	301,371	11593	3.8%
Medina	182,470	172,333	10137	5.9%
Portage	161,791	161,425	366	0.2%
Summit	540,428	541,778	-1350	-0.2%

Source: US Census Bureau

Figure 22

National Transit Trends

The National Transit Database (<https://www.transit.dot.gov/ntd>) 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.

Below is a comparison of total Cost per Unlinked Passenger Trip for Bus, Heavy Rail, and Light Rail.

Cost per Unlinked Passenger Trip (by mode):

	Bus	BRT*	Heavy Rail	Light Rail
2009	\$3.37	\$0.00	\$1.81	\$3.00
2010	\$3.53	\$0.00	\$1.79	\$3.28
2011	\$3.58	\$3.43	\$1.83	\$3.21
2012	\$3.59	\$2.27	\$1.87	\$3.31
2013	\$3.64	\$2.11	\$1.91	\$3.46
2014	\$3.83	\$2.18	\$1.96	\$3.61
2015	\$4.03	\$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
2020	\$7.45	\$5.04	\$5.12	\$7.44

Figure 23

Total Unlinked Passenger Trips (by year):

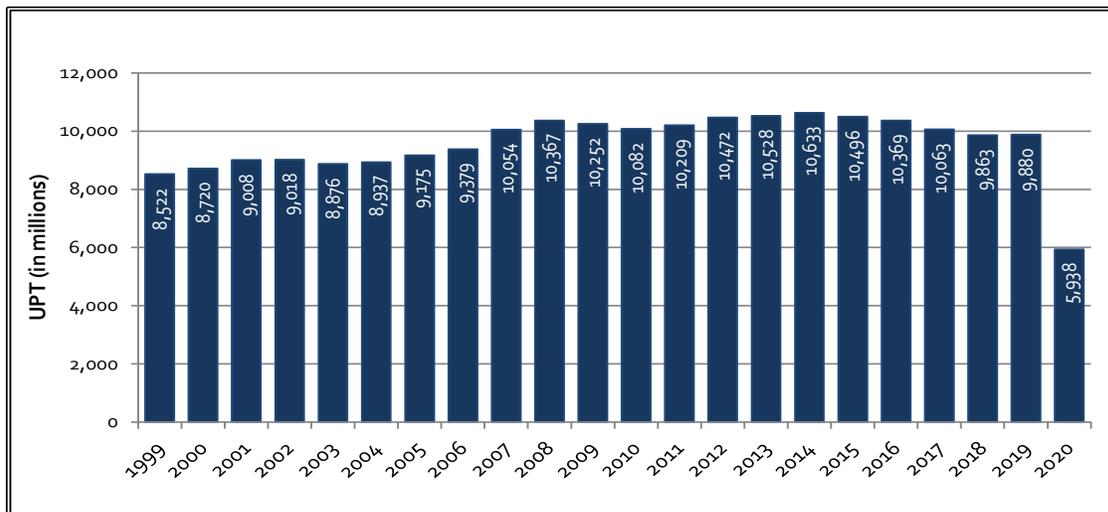


Figure 24

Source: NTD TS2.1 - Service Data and Operating Expenses Time-Series by Mode

Ohio Transit Trends

The 9 Largest Agencies in Ohio as of 2020 – 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	171,341	983,730	1,341,639	93	112	20.4
			Bus	3,128,383	13,977,760	3,363,548	117	142	21.4
Canton (SARTA)	581	375,586	DR	92,110	687,362	912,651	30	35	16.7
			Bus	1,242,691	8,535,013	2,148,565	36	38	5.6
Cincinnati (SORTA)	289	744,901	DR/PT	102,269	903,035	820,469	46	56	21.7
			Bus	7,315,465	41,086,546	8,172,528	284	356	25.4
Cleveland (GCRTA)	458	1,412,140	DR and DR/PT	326,219	2,536,247	2,581,450	132	170	28.8
			HR	2,638,201	18,361,515	2,434,523	16	40	150.0
			LR	589,245	2,065,735	573,726	6	32	433.3
			Bus	11,846,793	51,619,308	11,615,033	254	350	37.8
			RB	1,462,001	4,106,941	477,588	10	21	110.0
Columbus (COTA)	336	1,160,165	DR/PT	169,856	1,942,776	2,232,231	70	90	28.6
			Bus	10,322,492	40,149,895	10,703,310	268	322	20.2
Dayton (GDRTA)	274	559,062	DR	149,449	1,225,318	1,316,003	46	74	60.9
			Bus	4,462,605	33,805,776	5,222,227	117	145	23.9
			TB	1,449,350	7,112,313	1,027,204	31	45	45.2
Lake County (Laketran)	227	230,514	CB	43,815	1,024,692	333,279	14	18	28.6
			DR	158,796	1,442,778	1,657,414	67	101	50.8
			Bus	221,543	1,301,138	626,645	17	20	17.7
Toledo (TARTA)	142	374,213	DR & DR/PT	165,668	1,119,572	1,182,888	92	104	13.0
			Bus	1,001,383	5,096,939	1,754,317	107	109	1.9
Youngstown (WRTA)	331	426,657	DR	37,722	302,908	327,199	21	26	23.8
			Bus	884,557	3,644,375	1,409,550	35	53	51.4
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 25

National Transit Database: Greater Cleveland Regional Transit Profile

<http://www.riderta.com/>
 1240 W 6Th St
 Cleveland, Oh 44113-1302

The Greater Cleveland Regional Transit Authority
 2020 Annual Agency Profile

General Information

Urbanized Area Statistics - 2010 Census
 Cleveland, OH
 772 Square Miles
 1,780,673 Population
 25 Pop. Rank out of 498 UZAs

Other UZAs Served
 0 Ohio Non-UZA

Service Consumption
 78,689,746 Annual Passenger Miles (PMT)
 16,862,459 Annual Unlinked Trips (UPT)
 53,572 Average Weekday Unlinked Trips
 32,881 Average Saturday Unlinked Trips
 24,155 Average Sunday Unlinked Trips

Database Information
 NTDID: 50015
 Reporter Type: Full Reporter
 Asset Type: Tier I (Rail)
 Sponsor NTDID:

Service Area Statistics
 458 Square Miles
 1,412,140 Population

Service Supplied
 17,682,320 Annual Vehicle Revenue Miles (VRM)
 1,413,367 Annual Vehicle Revenue Hours (VRH)
 418 Vehicles Operated in Maximum Service (VOMS)
 613 Vehicles Available for Maximum Service (VAMS)

Assets
 Revenue Vehicles 624
 Service Vehicles 222
 Facilities 145
 Track Miles 139.24
 Lane Miles 2.46

Modal Characteristics

Modal Overview	Vehicles Operated in Maximum Service		Uses of Capital Funds					Total
	Directly Operated	Purchased Transportation	Revenue Vehicles	Systems and Guideways	Facilities and Stations	Other		
Demand Response	63	69	\$2,431,992	\$0	\$0	\$0	\$2,431,992	
Heavy Rail	16	-	\$2,630,353	\$46,361,666	\$19,196,626	\$0	\$68,188,645	
Light Rail	6	-	\$155,478	\$19,223,210	\$298,244	\$0	\$19,676,932	
Bus	254	-	\$35,793,048	\$2,994,380	\$13,195,080	\$1,485,934	\$53,468,442	
Bus Rapid Transit	10	-	\$46,457	\$0	\$0	\$0	\$46,457	
Total	349	69	\$41,057,328	\$68,579,256	\$32,689,950	\$1,485,934	\$143,812,468	

Operation Characteristics

Mode	Operating Expenses	Fare Revenues	Capital Funds	Annual Passenger Miles	Annual Unlinked Trips	Annual Vehicle Revenue Miles	Annual Vehicle Revenue Hours	Fixed Guideway Directional Route Miles	Vehicles Available for Maximum Service	Vehicles Operated in Maximum Service	Percent Spare Vehicles	Average Fleet Age in Years*
Demand Response	\$42,495,654	\$1,445,187	\$2,431,992	2,536,247	326,219	2,581,450	194,165	0.0	170	132	28.8%	3.3
Heavy Rail	\$36,034,506	\$3,682,948	\$68,188,645	18,361,515	2,638,201	2,434,523	128,034	38.1	40	16	150.0%	36.0
Light Rail	\$11,662,694	\$1,052,721	\$19,676,932	2,065,735	589,245	573,726	40,747	30.4	32	6	433.3%	39.0
Bus	\$164,052,964	\$18,633,518	\$53,468,442	51,619,308	11,846,793	11,615,033	996,755	0.0	350	254	37.8%	7.0
Bus Rapid Transit	\$5,551,941	\$1,380,409	\$46,457	4,106,941	1,462,001	477,588	53,666	14.1	21	10	110.0%	13.5
Total	\$259,797,759	\$26,194,763	\$143,812,468	78,689,746	16,862,459	17,682,320	1,413,367	82.6	613	418	31.6%	

Performance Measures

Mode	Service Efficiency		Service Effectiveness			
	Operating Expenses per Vehicle Revenue Mile	Operating Expenses per Vehicle Revenue Hour	Operating Expenses per Passenger Mile	Operating Expenses per Unlinked Passenger Trip	Unlinked Trips per Vehicle Revenue Mile	Unlinked Trips per Vehicle Revenue Hour
Demand Response	\$16.46	\$218.86	\$16.76	\$130.27	0.1	1.7
Heavy Rail	\$14.80	\$281.44	\$1.96	\$13.66	1.1	20.6
Light Rail	\$20.33	\$286.22	\$5.65	\$19.79	1.0	14.5
Bus	\$14.12	\$164.59	\$3.18	\$13.85	1.0	11.9
Bus Rapid Transit	\$11.62	\$103.45	\$1.35	\$3.80	3.1	27.2
Total	\$14.69	\$183.81	\$3.30	\$15.41	1.0	11.9



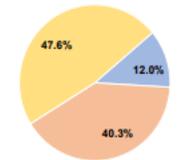
Notes:
 *Demand Response - Taxi (DT) and non-dedicated fleets do not report fleet age data.

Financial Information

Sources of Operating Funds Expended

Fares and Directly Generated	\$31,825,963	12.0%
Local Funds	\$106,844,457	40.3%
State Funds	\$0	0.0%
Federal Assistance	\$126,178,812	47.6%
Total Operating Funds Expended	\$264,849,232	100.0%

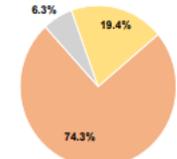
Operating Funding Sources



Sources of Capital Funds Expended

Fares and Directly Generated	\$0	0.0%
Local Funds	\$106,833,277	74.3%
State Funds	\$9,010,385	6.3%
Federal Assistance	\$27,968,806	19.4%
Total Capital Funds Expended	\$143,812,468	100.0%

Capital Funding Sources



Summary of Operating Expenses (OE)

Labor	\$201,231,750	77.5%
Materials and Supplies	\$24,180,213	9.3%
Purchased Transportation	\$5,602,004	2.2%
Other Operating Expenses	\$28,783,792	11.1%
Total Operating Expenses	\$259,797,759	100.0%
Reconciling OE Cash Expenditures	\$5,051,473	
Purchased Transportation (Reported Separately)	\$0	

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