



2014 Budget Development

Presented by:
Gale Fisk – Executive Director - OMB

November 12, 2013



2014 Budget Schedule

- Finance Committee Meeting Nov. 12, 2013
- Public Hearing Nov. 19, 2013
- Finance Committee Meeting Dec. 3, 2013
- Public Hearing Dec. 3, 2013
- Board Meeting – Adoption Dec. 17, 2013



2013 Budget- Revenues

	2013 Budget	2013 Estimate	Variance
Beginning Balance	34,946,382	38,235,140	3,288,758
Revenue			
Passenger Fares	51,264,397	48,585,275	-2,679,122
Advertising & Concessions	1,100,000	1,630,000	530,000
Sales & Use Tax	185,289,807	189,225,299	3,935,492
CMAQ Reimbursement for 2012 Trolleys	1,500,000	950,000	-550,000
Operating Assistance - Paratransit Operations	3,089,000	3,889,000	800,000
Ohio Elderly Fare Assistance	0	0	
Access to Jobs Program	2,074,440	3,214,000	1,139,560
Investment Income	200,000	210,000	10,000
Other Revenue	1,000,000	1,000,000	0
Reimbursed Expenditures	15,500,000	13,500,825	-1,999,175
Weekly Shopper Service	0	0	
Total Revenue	261,017,644	262,203,574	1,185,930
Total Resources	295,964,026	300,438,714	4,474,688



2013 Budget- Expenditures

	2013 Budget	2013 Estimate	Variance
Operating Expenditures			
Personnel Services	173,228,548	171,657,813	-1,570,735
Diesel Fuel	13,835,135	13,977,752	142,617
Other Expenditures	50,586,914	46,787,828	-3,799,086
Total Operating Expenditures	237,650,597	232,423,393	-5,227,204
Short Term Notes Payment	0	0	0
Transfer to the Insurance Fund	1,400,000	1,400,000	0
Transfer to the Pension Fund	100,000	100,000	0
Transfers to Capital			
Bond Retirement Fund	18,324,392	18,324,392	0
Capital Improvement Fund	21,270,044	17,770,044	-3,500,000
Total Transfers to Capital	39,594,436	36,094,436	-3,500,000
Total Expenditures	278,745,033	270,017,829	-8,727,204
Ending Balance	17,218,993	30,420,885	13,201,892
Brookpark Lightning Strike Reserve	0	0	0
Rolling Stock Replacement Funds	6,000,000	0	-6,000,000
Reserved Funds	7,202,000	6,900,000	-302,000
Supplemental Transfer to Capital Imp.	0	0	0
Available Ending Balance	4,016,992	23,520,885	19,503,893



2013 Sales Tax

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY
SALES AND USE TAXES
ACTUAL RECEIPTS THROUGH OCTOBER 2013

MONTH RECEIVED	2012 ACTUAL	2013 ESTIMATE	2013 ACTUAL	2013 VERSUS 2012 MONTH % CHANGE	2013 ACTUAL VERSUS 2013 MONTHLY ESTIMATE	2012 YTD ACTUAL	2013 YTD ESTIMATE	2013 YTD ACTUAL	2013 VERSUS 2012 YTD % CHANGE	2013 YTD % EST VARIANCE
JANUARY	\$14,287,958	\$14,547,974	\$15,066,994	5.45%	3.57%	\$14,287,958	\$14,547,974	\$15,066,994	5.45%	3.57%
FEBRUARY	\$14,519,004	\$14,783,225	\$14,435,414	(0.58%)	(2.35%)	\$28,806,962	\$29,331,199	\$29,502,409	2.41%	0.58%
MARCH	\$18,658,361	\$18,997,911	\$19,098,369	2.36%	0.53%	\$47,465,322	\$48,329,110	\$48,600,778	2.39%	0.56%
APRIL	\$13,179,592	\$13,419,438	\$13,478,691	2.27%	0.44%	\$60,644,915	\$61,748,548	\$62,079,469	2.37%	0.54%
MAY	\$13,989,193	\$14,243,772	\$13,474,700	(3.68%)	(5.40%)	\$74,634,108	\$75,992,320	\$75,554,169	1.23%	(0.58%)
JUNE	\$15,724,850	\$16,011,015	\$17,463,306	11.06%	9.07%	\$90,358,958	\$92,003,335	\$93,017,475	2.94%	1.10%
JULY	\$14,353,651	\$14,614,863	\$15,753,604	9.75%	7.79%	\$104,712,609	\$106,618,198	\$108,771,080	3.88%	2.02%
AUGUST	\$15,390,307	\$15,670,384	\$16,139,261	4.87%	2.99%	\$120,102,916	\$122,288,582	\$124,910,341	4.00%	2.14%
SEPTEMBER	\$16,800,205	\$17,105,940	\$17,626,259	4.92%	3.04%	\$136,903,121	\$139,394,522	\$142,536,600	4.11%	2.25%
OCTOBER	\$14,796,865	\$15,066,142	\$15,859,555	7.18%	5.27%	\$151,699,986	\$154,460,664	\$158,396,154	4.41%	2.55%
NOVEMBER	\$15,139,067	\$15,414,572								
DECEMBER	\$14,380,198	\$15,414,572								
TOTAL	\$181,219,251	\$185,289,808								

\$185,289,800 —→ \$189,225,299

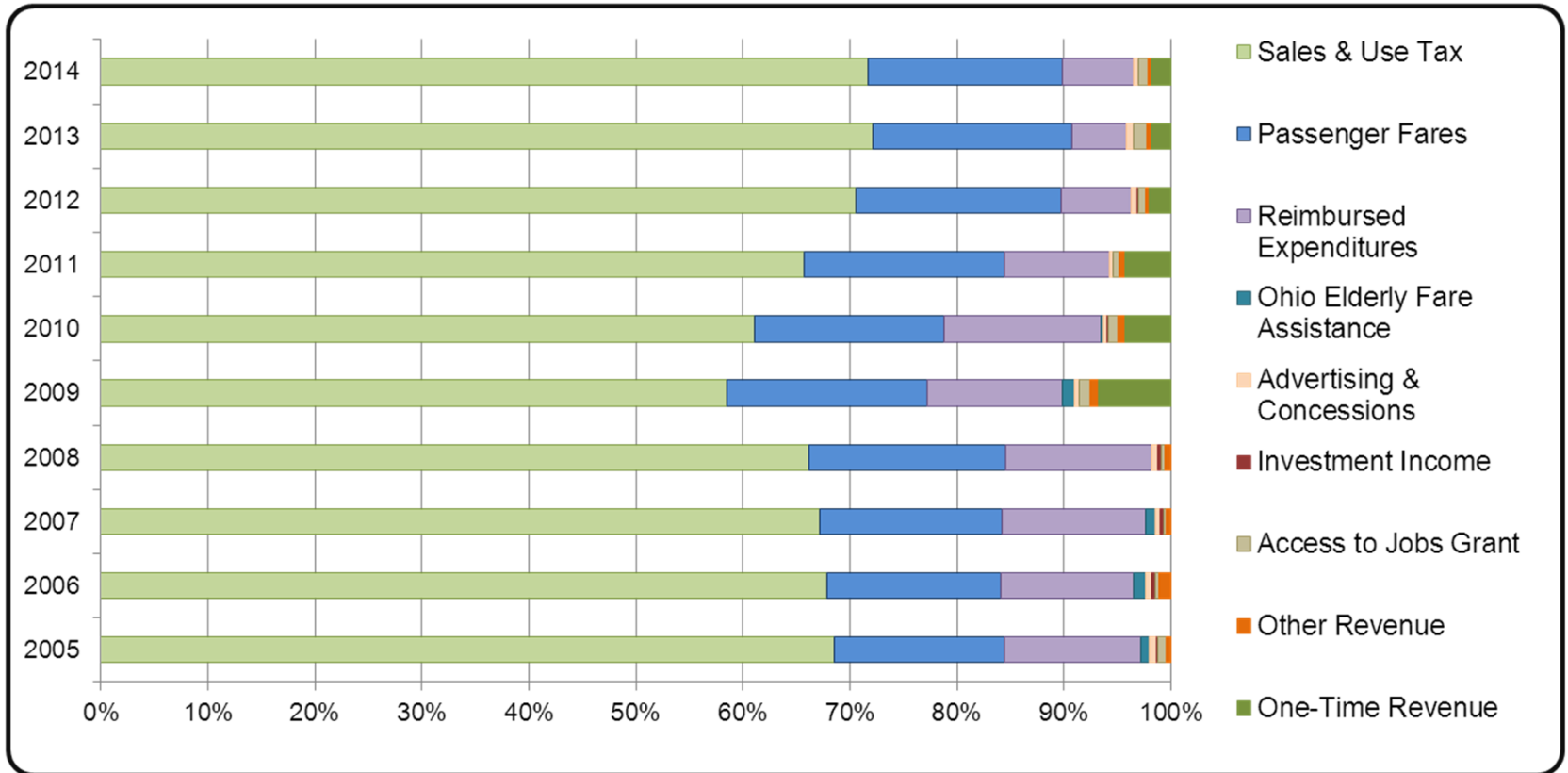


2013 Financial Policy Objectives

2013 Base Budget					
Financial Policy Objectives					
		Goal	2012 Actual	2013 Budget	2013 Estimate
Operating Efficiency	Operating Ratio	> 25%	23.0%	22.3%	21.9%
	Cost/Hour of Service		\$123.4	\$131.9	\$121.9
	Growth per Year	≤ Rate of Inflation	-7.7%	5.2%	-1.2%
	Operating Reserve (Months)	≥ 1 month	2.1	0.9	1.6
Capital Efficiency	Debt Service Coverage	> 1.5	2.77	1.71	2.35
	Sales Tax Contribution to Capital	10% - 15%	17.1%	21.4%	19.1%
	Capital Maintenance to Expansion	75% - 90%	97.9%	96.3%	86.1%
End of Year Reserved Funds	Fuel Reserve Funds	Fuel Budget less Annual Expenditures	\$2.65	\$3.01	\$2.71
	Compensated Absences Reserve Funds	< 25% of Accrued Liability	\$2.25	\$2.25	\$2.25
	Hospitalization Reserve Funds	< 10% of Annual Hospitalization Costs	\$1.94	\$1.94	\$1.94
	Rolling Stock Reserve Funds	Savings in Operating Funds	\$7.00	\$6.00	\$0.00



2005 - 2014 Revenue





2014 Budget- Revenue

	2014 Budget
Beginning Balance	30,420,885
Revenue	
Passenger Fares	49,314,054
Advertising & Concessions	1,000,000
Sales & Use Tax	194,083,536
Operating Assistance - ARRA Federal Grants	0
Short Term Notes	0
CMAQ Reimbursement for the Healthline	0
Operating Assistance - Paratransit Operations	3,889,000
Ohio Elderly Fare Assistance	0
State Funding Fuel Initiative	0
CMAQ Reimbursement - Trolley	950,000
Access to Jobs Program	2,340,000
Investment Income	225,000
Other Revenue	1,000,000
Reimbursed Expenditures	18,000,000
Total Revenue	270,801,590
Total Resources	301,222,475



2014 Budget- Expenditures

	2014 Budget
Operating Expenditures	
Personnel Services	179,270,617
Diesel Fuel	14,182,500
Other Expenditures	54,344,693
Total Operating Expenditures	247,797,810
Short Term Notes Payment	0
Transfer to the Insurance Fund	2,100,000
Transfer to the Pension Fund	100,000
Transfers to Capital	
Bond Retirement Fund	20,754,392
Capital Improvement Fund	16,121,505
Total Transfers to Capital	36,875,897
Total Expenditures	286,873,707
Ending Balance	14,348,768
Brookpark Lightning Strike Reserve Funds	0
Rolling Stock Replacement Funds	0
Reserved Funds	6,900,000
Available Ending Balance	7,448,767



2014 Budget - Expenditures

Division	Expenditures	% of Total	
OPERATIONS	\$203,452,621	70.9%	
FINANCE & ADMINISTRATION	\$7,762,706*	2.7%	*IT (\$4,206,605)
ENGINEERING	\$3,437,810	1.2%	
LEGAL	\$10,570,802	3.7%	
EXECUTIVE	\$16,785,265*	5.9%	*ITS \$6,373,315
HUMAN RESOURCES	\$5,788,605	2.0%	
TRANSFERS	\$39,075,897	13.6%	
TOTAL	\$286,873,707	100%	

2013 -2014 Comparison



	2013 Budget	2013 Estimate	2014 Budget
Beginning Balance	34,946,382	38,235,140	30,420,885
Revenue			
Passenger Fares	51,264,397	48,585,275	49,314,054
Advertising & Concessions	1,100,000	1,630,000	1,000,000
Sales & Use Tax	185,289,807	189,225,299	194,083,536
Operating Assistance - Paratransit Operations	3,089,000	3,889,000	3,889,000
Operating Assistance - Trolley Operations	1,500,000	950,000	950,000
Access to Jobs Program	2,074,440	3,214,000	2,340,000
Investment Income	200,000	210,000	225,000
Other Revenue	1,000,000	1,000,000	1,000,000
Reimbursed Expenditures	15,500,000	13,500,000	18,000,000
Total Revenue	261,017,644	262,203,574	270,801,590
Total Resources	295,964,026	300,438,714	301,222,475

2013 -2014 Comparison



	2013 Budget	2013 Estimate	2014 Budget
Operating Expenditures			
Personnel Services	173,228,548	171,657,813	179,270,617
Diesel Fuel	13,835,135	13,977,752	14,182,500
Other Expenditures	50,586,914	46,787,828	54,344,693
Total Operating Expenditures	237,650,597	232,423,393	247,797,810
Transfer to the Insurance Fund	1,400,000	1,400,000	2,100,000
Transfer to the Pension Fund	100,000	100,000	100,000
Transfers to Capital			
Bond Retirement Fund	18,324,392	18,324,392	20,754,392
Capital Improvement Fund	21,270,044	17,770,044	16,121,505
Total Transfers to Capital	39,594,436	36,094,436	36,875,897
Total Expenditures	278,745,033	270,017,829	286,873,707
Ending Balance	17,218,993	30,420,885	14,348,768
Rolling Stock Replacement Funds	6,000,000	0	0
Reserved Funds	7,202,000	6,900,000	6,900,000
Available Ending Balance	4,016,992	23,520,885	7,448,767



2014 Variance – Growth In Expenditures

Areas of Expenditure Growth 2014 Budget

2013 Projected Operating Expenses		\$232,423,393	
Compensation Issues		\$ 7,493,602	4.37%
Hourly & Salary Labor Increase	\$ 6,017,045		
Fringe Benefits	\$ 1,476,557		
Fuel / Utilities		\$ 3,229,517	15.55%
Diesel Fuel	\$ 204,748		
Propulsion Power	\$ 1,141,296		
Other Utilities	\$ 1,883,473		
Service Opportunities		\$ 2,608,019	8.42%
Purchased Transportation	\$ 547,455		
Services	\$ 2,317,880		
Materials & Supplies	\$ 820,184		
Inventory	\$(1,077,500)		
Administration Changes		\$ 2,043,279	22.34%
ITS Department	\$ 1,134,668		
Liabilities	\$ 112,685		
Other (Net)	\$ 795,926		
Expenditure Growth		\$ 15,374,417	6.61%
2014 Budgeted Operating Expenditures		\$247,797,810	



2014 Service Levels

2014 Budgeted Service Levels By Mode Compared to 2013 Budgeted Service Levels by Mode

Service Mode	Service Hours				Service Miles			
	2013 Budget	2014 Budget	Variance	Percent Variance	2013 Budget	2014 Budget	Variance	Percent Variance
Rail								
Heavy Rail(Red)	132,400	123,300	(9,100)	-6.9%	2,599,200	2,661,800	62,600	2.4%
Light Rail(Blue/Green)	63,200	59,200	(4,000)	-6.3%	876,400	880,400	4,000	0.5%
Total Rail	195,600	182,500	(13,100)	-6.7%	3,475,600	3,542,200	66,600	1.9%
Bus								
RTA	1,296,500	1,403,300	106,800	8.2%	15,755,300	16,690,500	935,200	5.9%
Van Pool	29,000	29,000	0	0.0%	640,000	640,000	0	0.0%
Total Bus	1,325,500	1,432,300	106,800	8.1%	16,395,300	17,330,500	935,200	5.7%
Paratransit								
In-House	207,937	201,632	(6,305)	-3.0%	3,103,021	2,893,823	(209,198)	-6.7%
Contract	160,335	176,831	16,496	10.3%	2,422,575	2,498,622	76,047	3.1%
Total Paratransit	368,272	378,463	10,191	2.8%	5,525,596	5,392,445	(133,151)	-2.4%
Grand Totals	1,889,372	1,993,263	103,891	5.5%	25,396,496	26,265,145	868,649	3.4%

	2013 Budgeted	2014 Budget	Variance	Percent Variance	2013 Budgeted	2014 Budget	Variance	Percent Variance
Van Pool	29,000	29,000	-	0.0%	640,000	640,000	-	0.0%
TMO's	-	-	-	-	-	-	-	-
	29,000	29,000	-	0.0%	640,000	640,000	-	0.0%



2014 Personnel

2014 Budget		
2013 Original Budget		2,302.5
Operations		26
Operators	29	
Movement of Positions to ITS	-3	
Service / Support		8
Electrical Equipment Mechanics	6	
Security Technicians	2	
Administrative Staff		12
ITS Department	9	
Movement of Positions to ITS	-1	
Key Positions	4	
2014 Budget		2,348.5
Net Increase (Decrease)		46.0

2014 -2016 Comparison



	2014 Budget	2015 Budget	2016 Budget
Beginning Balance	30,420,885	14,348,768	4,674,394
Revenue			
Passenger Fares	49,314,054	50,053,765	50,804,571
Advertising & Concessions	1,000,000	1,000,000	1,000,000
Sales & Use Tax	194,083,536	198,353,374	202,717,148
CMAQ Reimbursement for 2012 Trolleys			
Operating Assistance - Paratransit Operations	3,089,000	3,089,000	3,089,000
CMAQ Reimbursements - Trolley	950,000	850,000	0
Access to Jobs Program	2,340,000	1,595,494	0
Investment Income	225,000	250,000	275,000
Other Revenue	1,000,000	1,000,000	1,000,000
Reimbursed Expenditures	18,000,000	20,500,000	23,000,000
Total Revenue	270,801,590	276,691,633	281,885,719
Total Resources	301,222,475	291,040,401	286,560,113

2014 -2016 Comparison



	2014 Budget	2015 Budget	2016 Budget
Operating Expenditures			
Personnel Services	179,270,617	178,785,940	181,761,853
Diesel Fuel	14,182,500	14,253,413	14,324,680
Other Expenditures	54,344,693	54,454,393	54,636,844
Total Operating Expenditures	247,797,810	247,493,745	250,723,376
Short Term Notes Payment	0	0	0
Transfer to the Insurance Fund	2,100,000	2,700,000	2,650,000
Transfer to the Pension Fund	100,000	100,000	100,000
Transfers to Capital			
Bond Retirement Fund	20,754,392	21,574,686	22,347,495
Capital Improvement Fund	16,121,505	14,497,576	14,010,086
Total Transfers to Capital	36,875,897	36,072,262	36,357,581
Total Expenditures	286,873,707	286,366,007	289,830,957
Ending Balance	14,348,768	4,674,394	-3,270,844
Brookpark Lightning Strike Reserve Funds	0	0	0
Rolling Stock Replacement Funds	0	0	0
Reserved Funds	6,900,000	6,900,000	6,900,000
Available Ending Balance	7,448,767	-2,225,607	-10,170,845



2014 Financial Policy Objectives

2014 Base Budget Financial Policy Objectives							
		Goal	2012 Actual	2013 Estimate	2014 Budget	2015 Budget	2016 Budget
Operating Efficiency	Operating Ratio	> 25%	23.0%	21.9%	20.5%	20.9%	20.9%
	Cost/Hour of Service		\$123.4	\$121.9	\$123.6	\$122.2	\$122.6
	Growth per Year	≤ Rate of Inflation	-7.7%	-1.2%	1.4%	-1.1%	0.3%
	Operating Reserve (Months)	≥ 1 month	2.1	1.6	0.7	0.2	-0.2
Capital Efficiency	Debt Service Coverage	> 1.5	2.77	2.35	1.69	1.22	0.86
	Sales Tax Contribution to Capital	10% - 15%	17.1%	19.1%	19.0%	18.2%	17.9%
	Capital Maintenance to Expansion	75% - 90%	97.9%	86.1%	94.0%	72.8%	72.8%
End of Year Reserved Funds	Fuel Reserve Funds	Fuel Budget less Annual Expenditures	\$2.65	\$2.71	\$2.71	\$2.71	\$2.71
	Compensated Absences Reserve Funds	< 25% of Accrued Liability	\$2.25	\$2.25	\$2.25	\$2.25	\$2.25
	Hospitalization Reserve Funds	< 10% of Annual Hospitalization Costs	\$1.94	\$1.94	\$1.94	\$1.94	\$1.94
	Rolling Stock Reserve Funds	Savings in Operating Funds	\$7.00	\$0.00	\$0.00	\$0.00	\$0.00



Comments / Questions