

PUBLIC HEARING

Greater Cleveland Regional Transit Authority 2014 Budget Tuesday, December 3, 2013

This is the second and final public hearing for the 2014 Proposed Budget for the Greater Cleveland Regional Transit Authority.

This proposed budget has been made available for public inspection for at least 10 days in the Office of Management & Budget of this Authority. Public notice of this hearing was made by the publication of a legal advertisement in the Cleveland Plain Dealer on November 8, 2013. In addition, notice was posted in the first floor lobby of the Authority's Main Office Building.

Our overall mission of providing effective public transportation and superior customer service, while maintaining financial health, guided the development of the 2014 Budget. Our financial status has been significantly improved over the last four years. Consequently, end of year balances have been significantly improved. The highlights for the 2014 Budget are as follows:

- The General Fund budget request includes expenditures of \$286.8 million against estimated revenue of \$270.8 million. The \$16.0 million difference between revenue and expense will be made up from the \$30.4 million fund balance projected to be carried forward from 2013. Expenditures are projected to be \$10.7 million more than the 2013 Budget. The total expenditures include \$247.8 million in operating expenditures, \$20.7 million debt service, \$16.1 million in earmarked sales tax receipts for capital improvements, \$100,000 to the pension fund and \$2.1 million to the insurance fund.
- Personnel costs are budgeted \$15.4 million above projected 2013 costs. The increase comes from a projected 3% wage increase for ATU, FOP and Salaried Non-Bargaining Personnel, the addition of 46 positions and increased fringe benefit costs. The wage increase is tied to the increase in sales tax and fare revenue from 2013. Total positions funded are 2,348 compared to 2,302 in 2013.
- RTA will continue to strive to increase productivity and efficiency. TransitStat, the Authority's data driven performance management initiative, has reduced costs by more than \$48 million from 2008 through 2012. We expect to add to that total in 2013. RTA has joined The Partnership for Excellence and intends to pursue Baldrige Criteria in its continuous improvement journey.
- Solid management and effective budget execution has allowed RTA to improve its financial position for the last four years. Those same budget execution principles will be continued in 2014.