

2015 Budget Development

Presented by:
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November 18, 2014

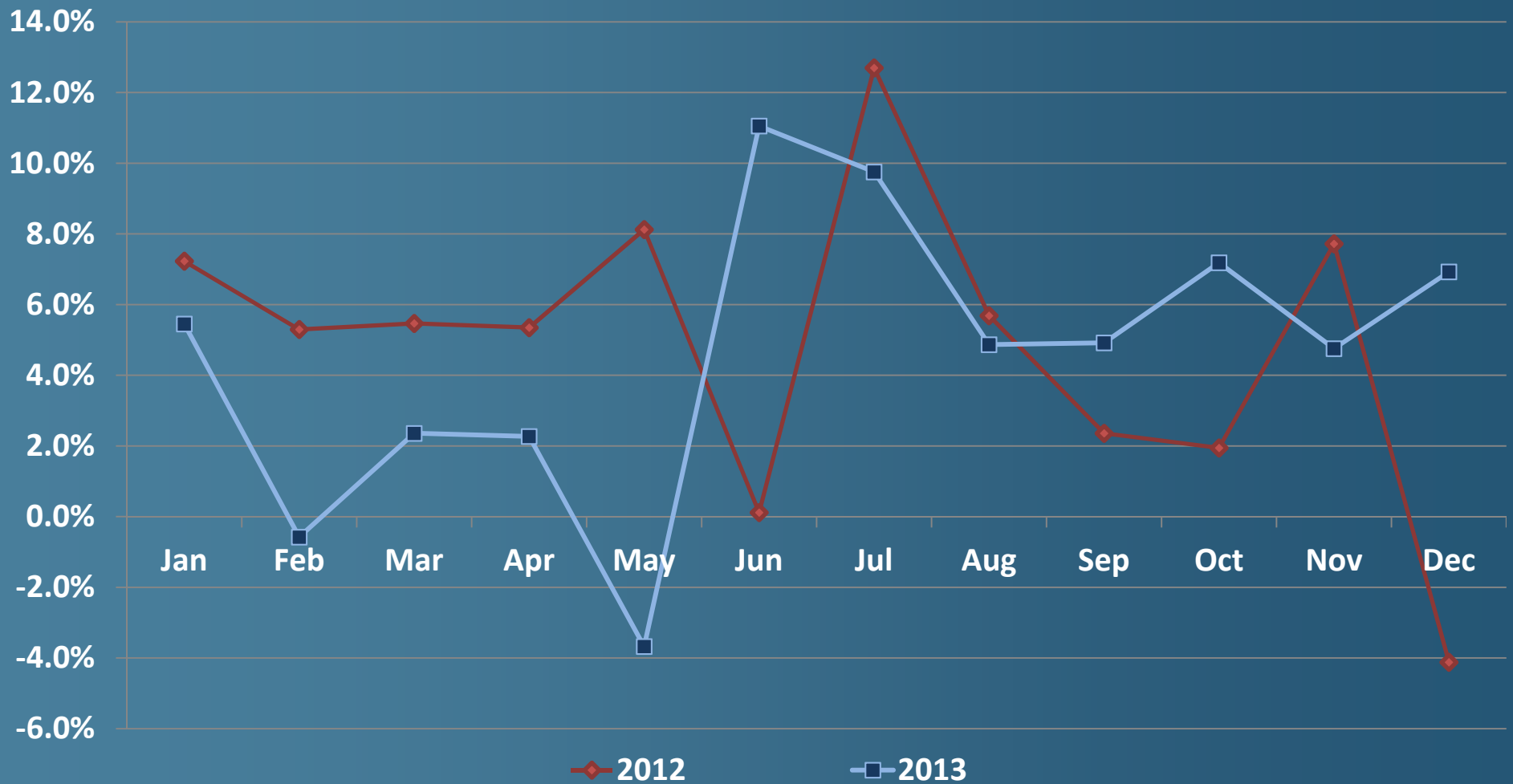


2015 Budget Schedule

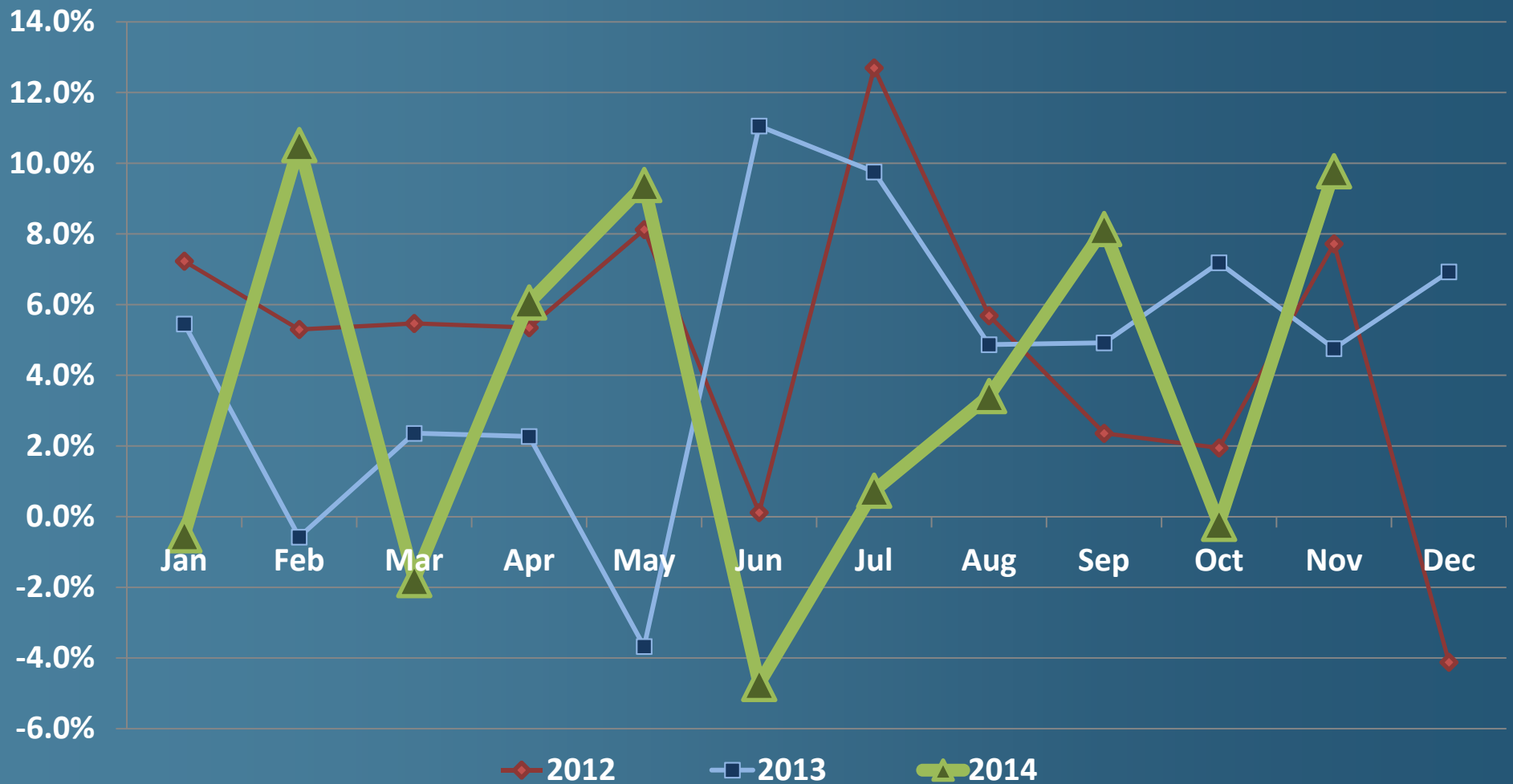
- Finance Committee Meeting Nov. 18, 2014
- Public Hearing Dec. 2, 2014
- Finance Committee Meeting Dec. 2, 2014
- Public Hearing Dec. 16, 2014
- Board Meeting – Adoption Dec. 16, 2014



Sales & Use Tax Comparison



Sales & Use Tax Comparison



2014 Budget- Revenues

General Fund Balance Analysis

	2014 Budget	2014 Estimate	Variance
Beginning Balance	30,420,885	36,295,022	5,874,137
Revenue			
Passenger Fares	49,314,054	49,314,054	0
Advertising & Concessions	1,000,000	1,350,000	350,000
Sales & Use Tax	194,083,536	194,415,153	331,617
CMAQ Reimbursement for the Healthline	0	0	0
CMAQ Reimbursement for 2012 Trolleys	950,000	950,000	0
Operating Assistance - Paratransit Operations	3,889,000	4,132,736	243,736
Access to Jobs Program	2,340,000	2,292,733	(47,267)
Investment Income	225,000	225,000	0
Other Revenue	1,000,000	1,440,000	440,000
Reimbursed Expenditures	18,000,000	17,756,264	(243,736)
Total Revenue	270,801,590	271,875,940	1,074,350
Total Resources	301,222,475	308,170,962	6,948,487

2014 Budget- Expenditures

General Fund Balance Analysis

	2014 Budget	2014 Estimate	Variance
Operating Expenditures			
Personnel Services	179,270,617	178,556,180	(714,437)
Diesel Fuel	14,182,500	14,504,860	322,360
Other Expenditures	54,344,693	48,950,765	(5,393,928)
Total Operating Expenditures	247,797,810	242,011,806	(5,786,004)
Transfer to the Insurance Fund	2,100,000	1,400,000	(700,000)
Transfer to the Pension Fund	100,000	100,000	0
Transfers to Capital			
Bond Retirement Fund	20,754,392	20,480,914	(273,478)
Capital Improvement Fund	16,121,505	15,874,745	(246,760)
Total Transfers to Capital	36,875,897	36,355,659	(520,238)
Total Expenditures	286,873,707	279,867,465	(7,006,242)
Ending Balance	14,348,768	28,303,497	13,954,729
Brookpark Lightning Strike Reserve	0	0	0
Rolling Stock Reserve Funds	0	0	0
Reserved Funds	6,900,000	6,900,000	0
Available Ending Balance	7,448,768	21,403,497	13,954,729

2015 Budget Actions

Tax Budget	\$7.2 M
Beginning Budget	\$5.0 M
Audit & Reconciliation (2010 – 2013)	<u>\$2.0 M</u>
	\$7.0 M
Insurance Fund	\$0.7 M
Travel Reduction (25%)	
Other Reduction	\$1.5 M
Service Reduction	\$0.5 M
10 Admin Positions – Vacancy	<u>\$0.9 M</u>
	\$10.6 M
PM Reimbursement	<u>\$2.5 M</u>
	\$13.1 M



2014 -2015 Comparison

	2014 Budget	2014 Estimate	2015 Budget
Beginning Balance	30,420,885	36,295,022	28,303,497
Revenue			
Passenger Fares	49,314,054	49,314,054	49,905,823
Advertising & Concessions	1,000,000	1,350,000	1,220,000
Sales & Use Tax	194,083,536	194,415,153	198,692,286
Operating Assistance - Paratransit Operations	3,889,000	4,132,736	3,125,000
Paratransit Management			300,000
Operating Assistance - Trolley Operations	950,000	950,000	950,000
Access to Jobs Program	2,340,000	2,292,733	1,098,518
Investment Income	225,000	225,000	225,000
Other Revenue	1,000,000	1,440,000	1,100,000
Reimbursed Expenditures	18,000,000	17,756,264	23,050,000
Total Revenue	270,801,590	271,875,940	279,666,627
Total Resources	301,222,475	308,170,962	307,970,125



2014 -2015 Comparison

	2014 Budget	2014 Estimate	2015 Budget
Operating Expenditures			
Personnel Services	179,270,617	178,556,180	182,772,756
Diesel Fuel	14,182,500	14,504,860	13,440,000
Other Expenditures	54,344,693	48,950,765	58,903,126
Total Operating Expenditures	247,797,810	242,011,806	255,115,882
Transfer to the Insurance Fund	2,100,000	1,400,000	1,500,000
Transfer to the Pension Fund	100,000	100,000	100,000
Transfers to Capital			
Bond Retirement Fund	20,754,392	20,480,914	22,615,956
Capital Improvement Fund	16,121,505	15,874,745	15,532,963
Total Transfers to Capital	36,875,897	36,355,659	38,148,919
Total Expenditures	286,873,707	279,867,465	294,864,801
Ending Balance	14,348,768	28,303,497	13,105,324
Reserved Funds	6,900,000	6,900,000	0
Available Ending Balance	7,448,768	21,403,497	13,105,323



2015 Budget Financial Policy Objectives

		Goal	2014 Estimate	2015 Budget
Operating Efficiency	Operating Ratio	> 25%	21.2%	20.2%
	Cost/Hour of Service		\$120.7	\$126.0
	Growth per Year	≤ Rate of Inflation	-6.5%	4.4%
	Operating Reserve (Months)	≥ 1 month	1.4	0.6
Capital Efficiency	Debt Service Coverage	> 1.5	2.44	1.59
	Sales Tax Contribution to Capital	10% - 15%	18.7%	19.2%
	Capital Maintenance to Expansion	75% - 90%	93.5%	92.5%

2015 Financial Policy Objectives



2015 Variance – Growth In Expenditures

Areas of Expenditure Growth 2015 Budget

2014 Projected Operating Expenses		\$242,011,806	
Compensation Issues		\$ 5,096,576	2.85%
Hourly & Salary Labor Increase	\$ 3,974,631		
Fringe Benefits	\$ 1,121,945		
Fuel / Utilities		\$ 378,984	1.59%
Diesel Fuel	\$(1,064,860)		
Propulsion Power	\$ (38,388)		
Natural Gas	\$ 545,405		
Other Utilities	\$ 936,827		
Service Opportunities		\$ 7,293,794	21.96%
Purchased Transportation	\$ 685,293		
Services	\$ 4,154,661		
Materials & Supplies	\$ 883,498		
Inventory	\$ 1,427,549		
NAPA Contract	\$ 142,793		
Administration Changes		\$ 334,722	5.18%
10 Administrative Positions (Held)	\$ (880,000)		
Liabilities	\$ 530,795		
Other (Net)	\$ 683,927		
Expenditure Growth		\$ 13,104,076	5.41%
2014 Budgeted Operating Expenditures		\$255,115,881	

2015 Service Levels

2015 Budgeted Service Levels By Mode Compared to 2014 Budgeted Service Levels by Mode

Service Mode	Service Hours				Service Miles			
	2014 Budget	2015 Budget	Variance	Percent Variance	2014 Budget	2015 Budget	Variance	Percent Variance
Rail								
Heavy Rail(Red)	123,300	130,800	7,500	6.1%	2,661,800	2,468,100	(193,700)	-7.3%
Light Rail(Blue/Green)	59,200	60,200	1,000	1.7%	880,400	880,600	200	0.0%
Total Rail	182,500	191,000	8,500	4.7%	3,542,200	3,348,700	(193,500)	-5.5%
Bus								
RTA	1,403,300	1,394,900	(8,400)	-0.6%	16,690,500	16,874,500	184,000	1.1%
Van Pool	29,000	0	(29,000)	-100.0%	640,000	0	(640,000)	-100.0%
Total Bus	1,432,300	1,394,900	(37,400)	-2.6%	17,330,500	16,874,500	(456,000)	-2.6%
Paratransit								
In-House	201,632	187,568	(14,064)	-7.0%	2,893,823	2,608,228	(285,595)	-9.9%
Contract	176,831	206,048	29,217	16.5%	2,498,622	2,840,416	341,794	13.7%
Total Paratransit	378,463	393,616	15,153	4.0%	5,392,445	5,448,644	56,199	1.0%
Grand Totals	1,993,263	1,979,516	(13,747)	-0.7%	26,265,145	25,671,844	(593,301)	-2.3%

2015 Personnel

2015 Budget		
2014 Original Budget		2,348.5
Operations		-14
Reduction of Bus Operators	-11	
Movement of Positions for IT/System Positions	-3	
Service / Support		8
Temporary Positions for HRV Interior Overhaul	5	
Systems Admin/Specialist Positions	3	
Administrative Staff		2
Marketing position PT to FT	0.5	
Temporary Safety Awareness Coordinator	0.5	
Wellness Coordinator	1	
2015 Budget		2,344.5
Net Increase (Decrease)		(4.0)

2015 Budget- Revenue

General Fund Balance Analysis

	2014 Estimate	2015 Budget	2016 Plan	2017 Plan
Beginning Balance	36,295,022	28,303,497	13,105,324	-1,145,186
Revenue				
Passenger Fares	49,314,054	49,905,823	50,504,693	51,110,749
Advertising & Concessions	1,350,000	1,220,000	1,200,000	1,200,000
Sales & Use Tax	194,415,153	198,692,286	203,063,517	207,530,914
CMAQ Reimbursement - Healthline	0	0	0	0
Operating Assistance - Paratransit Operations	4,132,736	3,125,000	2,125,000	2,125,000
Paratransit Management	0	300,000	300,000	300,000
CMAQ Reimbursement - Trolley	950,000	950,000	0	0
Access to Jobs Program	2,292,733	1,098,518	0	0
Investment Income	225,000	225,000	250,000	275,000
Other Revenue	1,440,000	1,100,000	1,100,000	1,100,000
Reimbursed Expenditures	17,756,264	23,050,000	23,000,000	23,000,000
Total Revenue	271,875,940	279,666,627	281,543,210	286,641,663
Total Resources	308,170,962	307,970,125	294,648,534	285,496,477

2015 Budget- Expenditures

General Fund Balance Analysis

	2014 Estimate	2015 Budget	2016 Plan	2017 Plan
Operating Expenditures				
Personnel Services	178,556,180	182,772,756	186,879,434	189,873,943
Diesel Fuel	14,504,860	13,440,000	10,880,000	10,080,000
Natural Gas	1,292,600	1,506,000	2,291,000	2,510,000
Other Expenditures	47,658,165	57,397,126	55,879,599	56,294,654
Total Operating Expenditures	242,011,806	255,115,882	255,930,033	258,758,597
Transfer to the Insurance Fund	1,400,000	1,500,000	2,400,000	2,500,000
Transfer to the Pension Fund	100,000	100,000	100,000	100,000
Transfers to Capital				
Bond Retirement Fund	20,480,914	22,615,956	22,515,007	17,131,593
Capital Improvement Fund	15,874,745	15,532,963	14,848,680	14,620,654
Total Transfers to Capital	36,355,659	38,148,919	37,363,687	31,752,247
Total Expenditures	279,867,464	294,864,801	295,793,720	293,110,844
Ending Balance	28,303,497	13,105,324	-1,145,186	-7,614,368
Brookpark Lightning Strike Reserve Funds	0	0	0	0
Rolling Stock Reserve Funds	0	0	0	0
Reserved Funds	6,900,000	0	0	0
Available Ending Balance	21,403,497	13,105,323	-1,145,187	-7,614,369

Comments / Questions

