

Greater Cleveland Regional Transit Authority

Office of Management & Budget

Operating Budget and Financial
Forecast Presentation

Capital Budget Amendments

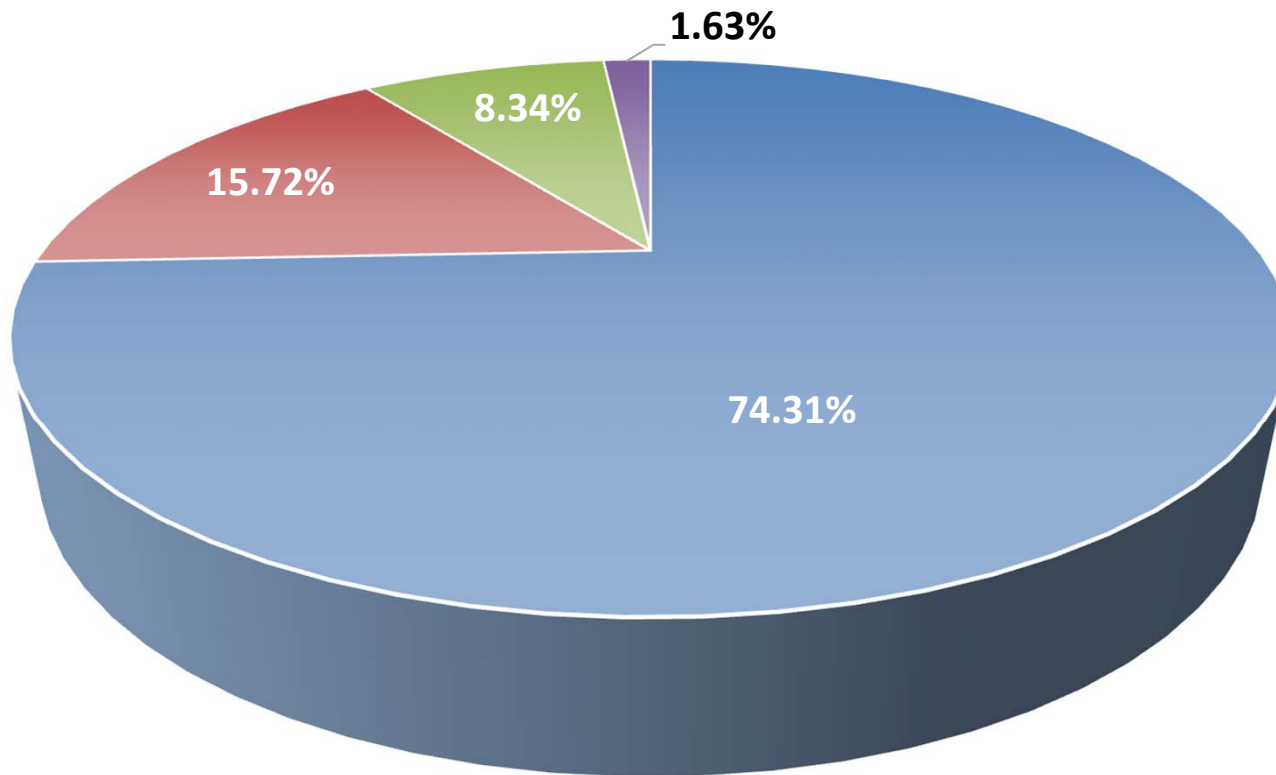
Finance Committee – Nov 14, 2017



Remaining Schedule

- November 14 – Presentation to Finance Committee
- November 21 – Public Hearing
- December 19- Second Presentation to the Finance Committee/Public Hearing
- December 19 – Anticipated approval of the 2018 Budget by the BOT

Revenue Sources



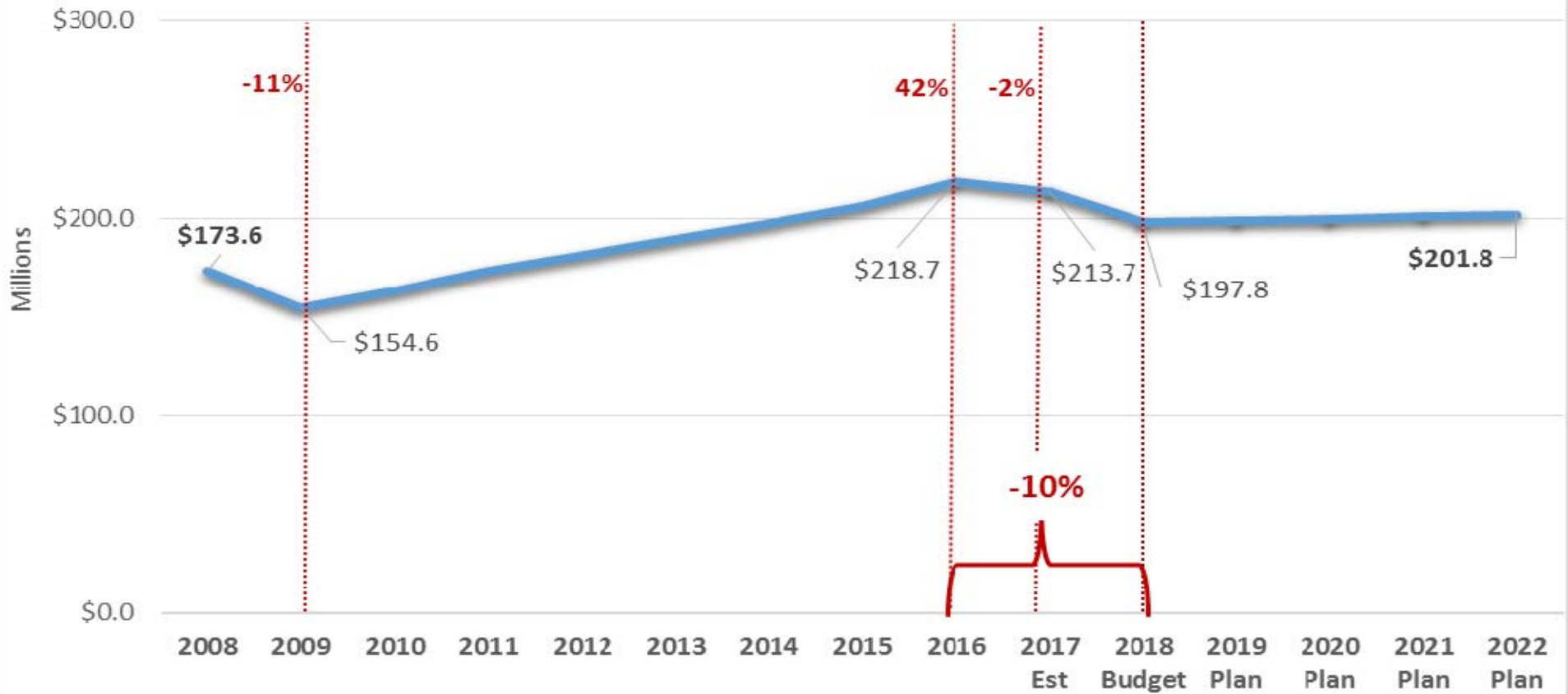
■ Sales and Use Tax ■ Passenger Fares ■ Reimbursed Expenditures ■ Other Revenue



MCO Sales Tax - Impact

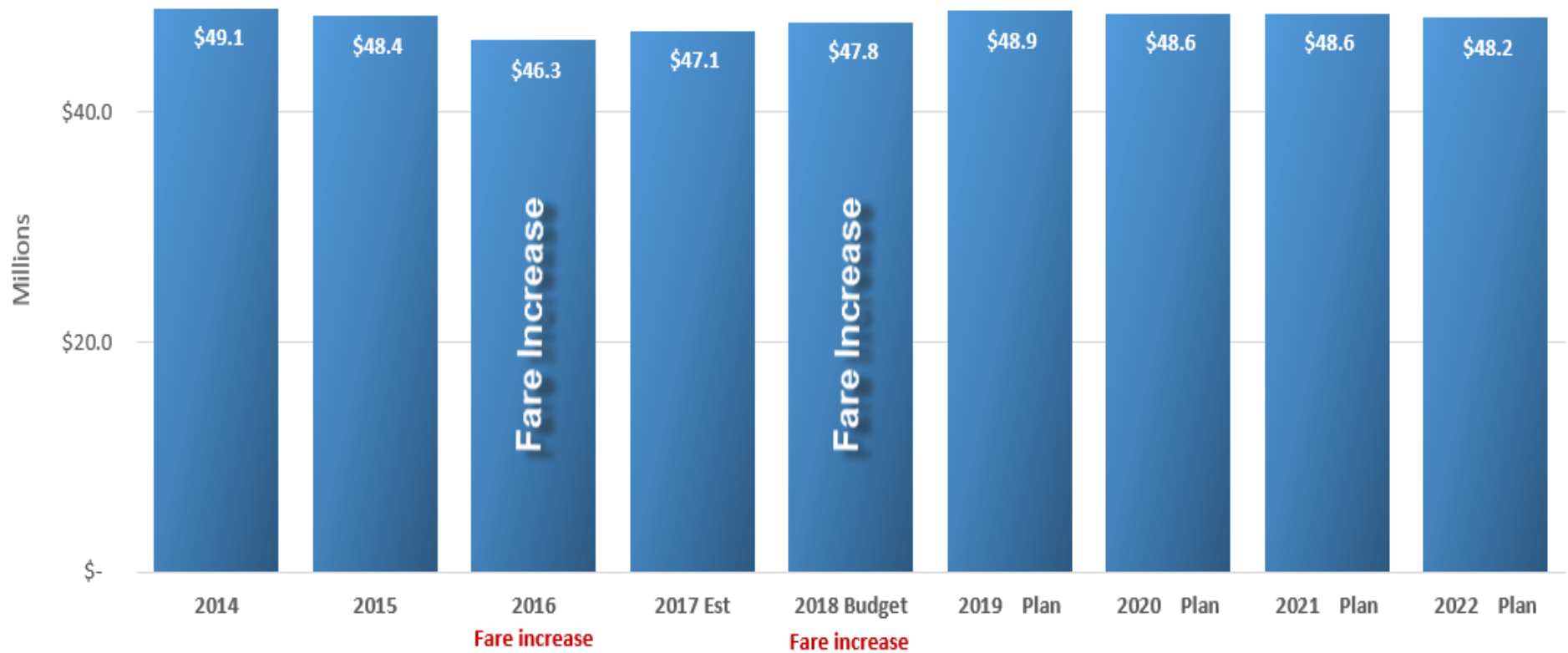
- 7% of operating/general fund revenue
- Approx. 160-200 positions

Sales & Use Tax Revenue



Passenger Fare Revenue

Passenger Fare Revenue
(in Millions)



2018 Budget – Action

- Bus Fare
 - \$2.50  \$2.75

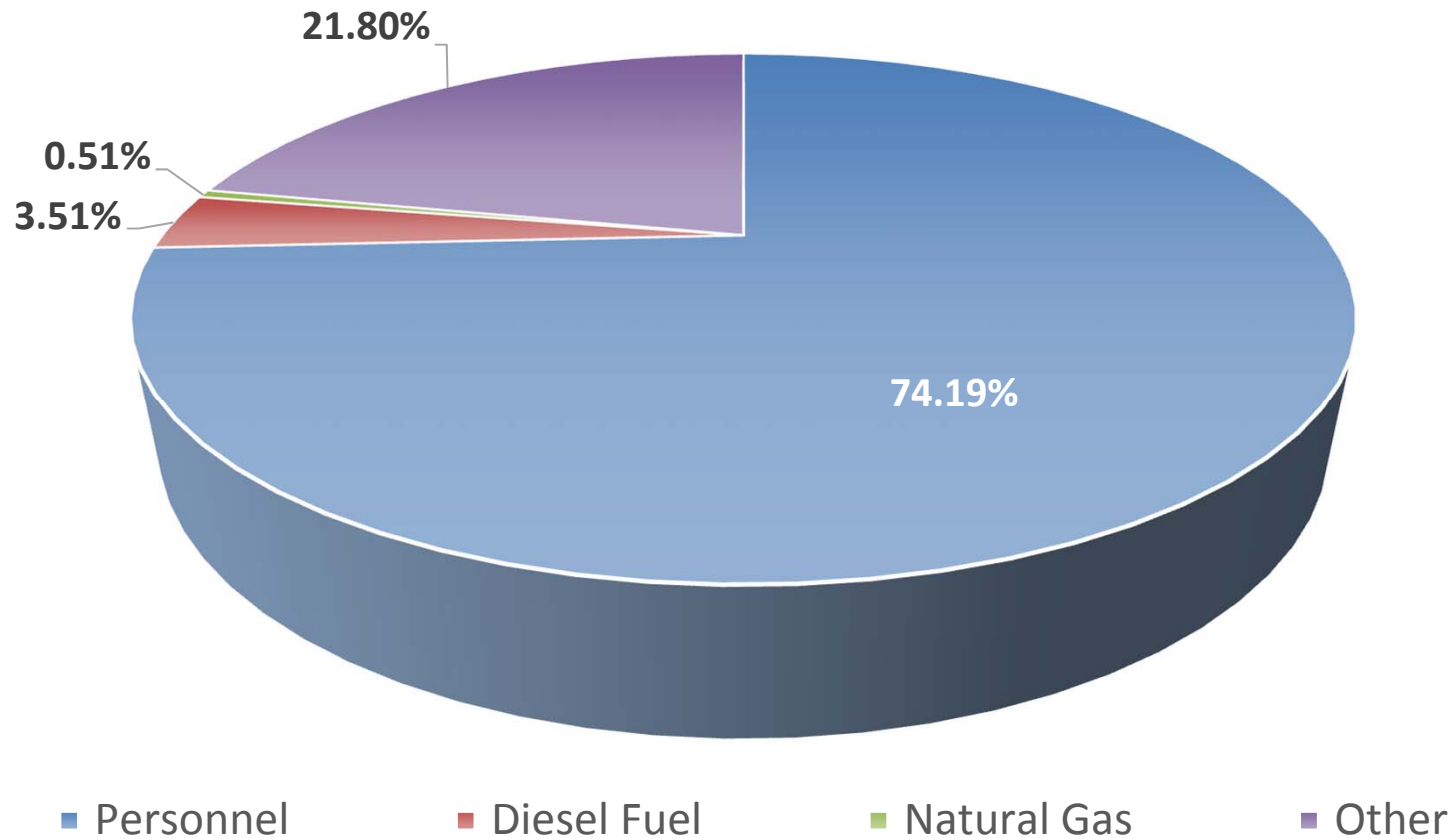
General Fund Revenues

	2016 Actual	2017 Estimate	2018 Budget	2019 Plan	2020 Plan	2021 Plan	2022 Plan
Revenue							
Passenger Fares	46,279,344	47,103,978	47,843,114	48,861,774	48,615,022	48,613,807	48,249,811
Advertising & Concessions	2,860,267	1,660,000	2,095,000	2,162,000	2,230,000	2,297,000	2,364,000
Sales & Use Tax	218,749,851	213,693,355	197,793,912	198,782,882	199,776,796	200,775,680	201,779,558
Revenue from Medicaid Transition Fund	0	10,034,083	10,034,083	0			
Trolley Assistance	0	640,000	640,000	640,000			
Investment Income	42,156	217,987	110,000	90,000	90,000	70,000	70,000
Other Revenue	1,888,060	2,100,000	1,550,000	1,450,000	1,400,000	1,400,000	1,400,000
Reimbursed Expenditures	24,560,024	22,201,800	22,075,000	22,075,000	22,075,000	22,075,000	22,075,000
Total Revenue	294,379,702	297,651,203	282,141,109	274,061,656	274,826,818	275,871,487	276,578,369

Similar to 2014 Actual Revenues



Expenditure Uses - Operating

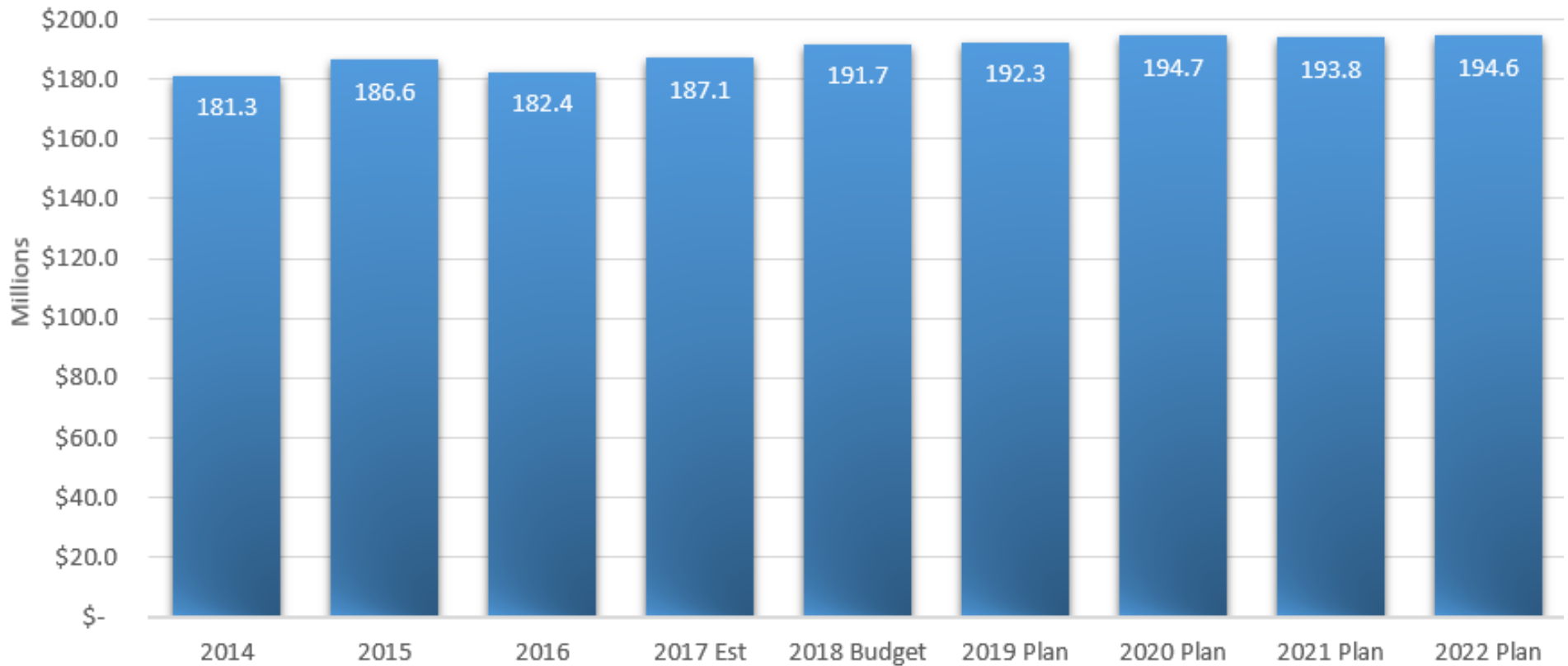


Expenditure Uses - Transfers

- To Capital Funds
- To Reserve Fund

Personnel Costs

Personnel (In Millions)



2018 Budget Personnel

2017 Budgeted Positions	2332.25
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Operations		1.50
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Operators FT	(4.00)	
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Operators PT	3.00	
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Mechanics / Maintenance	0.50	
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Service / Support	2.00	
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Administrative Staff		-1.25
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HR-Business Analyst / MDP	(1.00)	
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Marketing Positions	(1.25)	
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OMB Positions	1.00	
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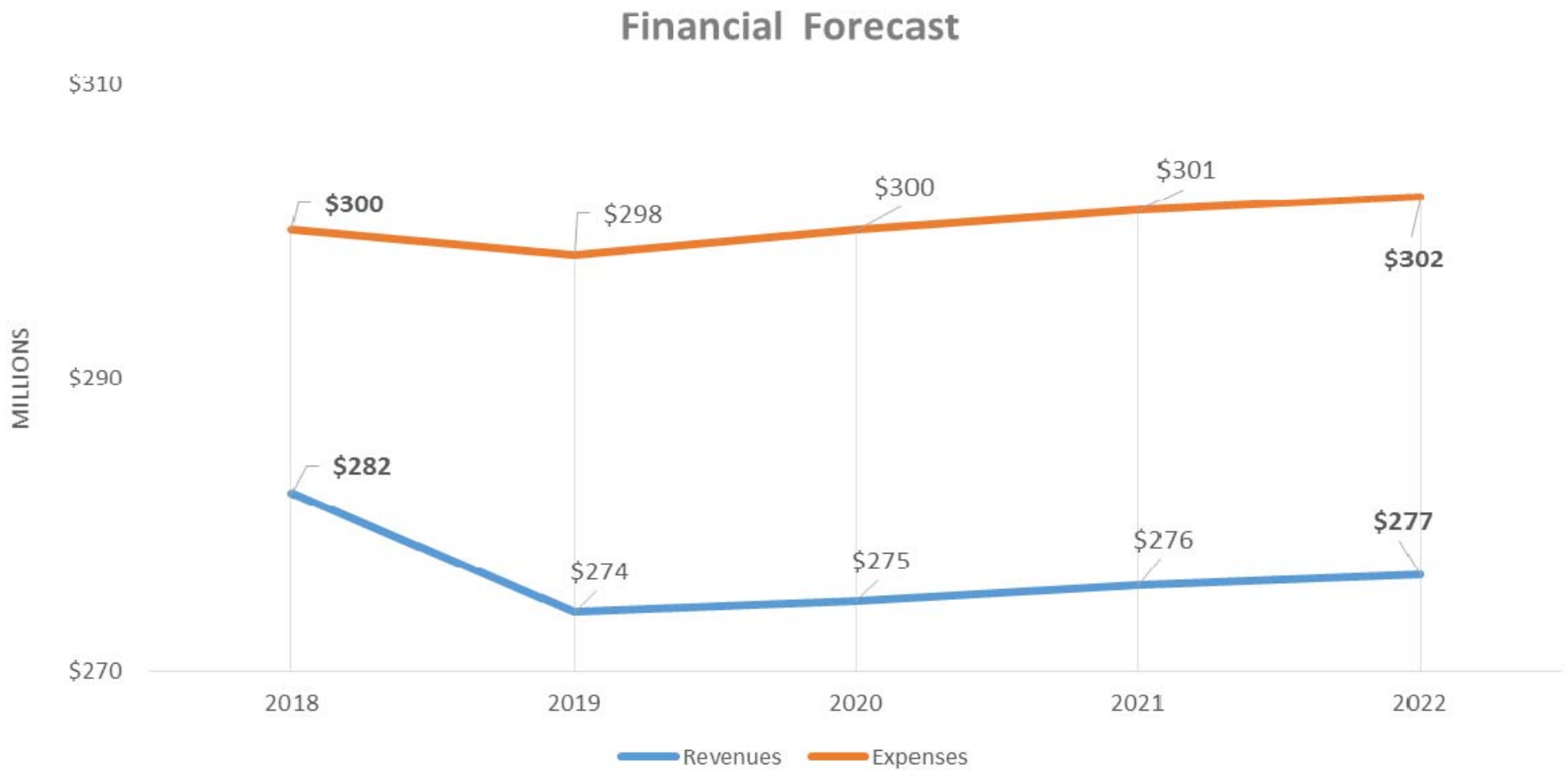
2018 Budgeted Positions	2332.50
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Net Increase (Decrease)	0.25
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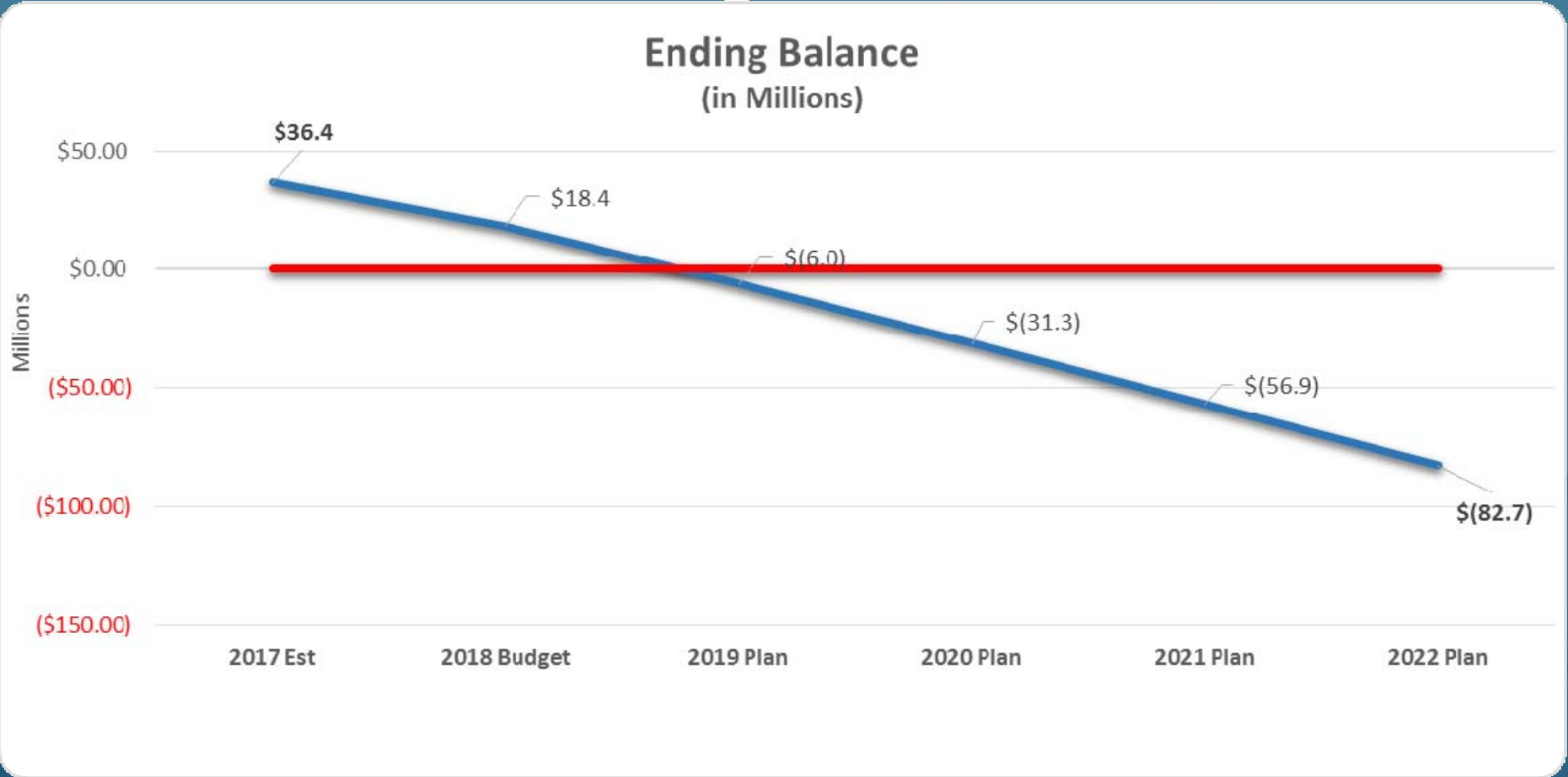
General Fund Expenditures

	2016 Actual	2017 Estimate	2018 Budget	2019 Plan	2020 Plan	2021 Plan	2022 Plan
Operating Expenditures							
Salaries and Overtime	134,370,484	136,237,188	138,358,462	138,344,129	139,838,915	138,588,492	138,706,794
Fringe Benefits	48,074,083	50,876,550	53,331,694	53,967,904	54,821,882	55,244,430	55,893,452
Diesel Fuel	8,627,383	6,596,987	5,887,000	5,769,260	5,653,875	5,597,336	5,541,363
Natural Gas	1,246,088	1,956,545	1,985,000	1,986,114	1,987,229	1,988,345	1,989,461
Other Expenditures	53,600,135	51,274,126	60,097,571	59,844,145	60,333,852	60,064,187	60,138,315
Total Operating Expenditures	245,918,172	246,941,396	259,659,727	259,911,552	262,635,752	261,482,789	262,269,385
Transfer to the Insurance Fund	500,000	2,400,000	2,250,000	2,200,000	2,200,000	2,200,000	2,100,000
Transfer to the Pension Fund	100,000	75,000	60,000	60,000	55,000	55,000	50,000
Transfers to Capital							
Bond Retirement Fund	21,887,562	17,045,783	18,865,474	16,603,865	17,891,282	18,249,054	17,621,881
Capital Improvement Fund	9,472,060	10,571,331	11,933,343	12,586,877	11,309,855	13,598,221	14,426,089
Total Transfers to Capital	31,359,622	27,617,114	30,798,817	29,190,742	29,201,137	31,847,275	32,047,970
Transfers to Reserve Fund	0	17,554,922	7,368,662	7,119,025	6,021,421	5,878,615	5,878,615
Total Expenditures	277,877,794	294,588,432	300,137,206	298,481,319	300,113,310	301,463,679	302,345,970

Financial Forecast



Ending Balance



Eye Towards 2019

- Taskforce Initiatives
- Staffing
- Other Expenses

Eye Towards 2019

- Present plan for BOT approval
- Present amended 2018 budget/financial forecast
 - 1st Quarter 2018

Previous Budget Reductions

- Overall Reduction of Approx. 700 Employees
 - Since 2000
- Consolidation of Four Operating Facilities
- Service Reductions
- Furloughs

Key Takeaways

- 2018
 - Diminished Revenue Sources
- 2019 – Forward
 - Further Diminished Revenues
 - Limited/No Growth/”New Normal”
 - 2014 Levels

Questions

Greater Cleveland Regional Transit Authority



Proposed Changes – 2017 Capital Budget

- \$2.9 M increase to RTA Development Fund project budget authority for 6 40Ft. CNG Buses (DERG Grant)

Proposed Changes – 2018 Capital Budget

- Board Approved August 15, 2017
 - \$84M
- Proposed Changes = \$32M

Proposed Changes – 2018 Capital Budget

- \$6.53 M – (9) 45-Ft Diesel Commuter Coaches **(UTP, Formula Award)**
- \$3.05 M – 40-Ft CNG Buses **(CMAQ Award)**
- \$12.83 M – Upgrade CAD/AVL Communication System **(Non-Formula Award)**
- \$710,000 – Van Aken/Warrensville Substation Replacement **(Formula Award)**

Proposed Changes – 2018 Capital Budget

- \$6.82 M – West 117th – West Park Track Rehab **(OTP3 Award)**
- \$2.0 M – Rail Car Study **(Reserve Fund 100% Local)**

Benefits

- Advance State of Good Repair projects
- Enable Bus Purchases
- Continued Major Track Rehab – Red Line
- Upgrade of CAD/AVL Communication System
- Allow Utilization of Reserve Fund for Rail Car Study
- **Leverage Grant Funds**

Questions

Greater Cleveland Regional Transit Authority

