

Minutes

RTA Operating Budget Public Hearing
10:00 a.m., November 13, 2018

Committee Members: Lucas (Acting Chair), Elkins, Joyce, Moss and Serrano

Other Board Members: Bibb, Clough, McCall

Not present: Welo

Also Present: Benford, Bitto, Blout, Brooks-Williams, Brown, Calabrese, Caver, Ciesla, Cranford, Dancy, Dangelo, Davis, Draper, Faith, Feliciano, Ferraro, Fields, Flannery, Ford, Garofoli, Gautam, Gay, Gray, Harris, Jaszczak, Johnson, Jones, Kinnear, Lewis, Loh, Macko, McGrady, Palagyi, Pickett, Pinkney, Ponder, Reglus, Schipper, Schnear, Scott, Shaffiff, Smith, Stocking, Stover, Sutula, Togher, Vukmanic, Weil, Wiehe, Wilson, Winn, Worley-Bell, Young, Zeller.

This is the initial public hearing for the 2019 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 October 25, 2018. In addition, notice was posted in the first floor lobby of the Authority's Main Office Building.

In developing the proposed 2019 budget we attempted to maintain financial health, while providing quality service to our customers. The Authority has managed well over the last several years. Strategic decisions have been made to create efficiencies, strengthen our financial position, and enhance service. The highlights for the Proposed 2019 Budget are as follows:

- The General Fund budget request includes expenditures of \$286.3 million against estimated revenue of \$277.7 million. Expenditures are projected to be \$6.7 million less than the 2018 3rd Quarter estimate. The total expenditures include \$254.5 million in operating expenditures, \$15.2 million for debt service, \$11.9 million for capital improvements, \$50,000 to the pension fund, \$2.7 million to the insurance fund, and \$2.0 million for the reserve fund.
- Salaries and overtime costs are budgeted at \$3.1 million above estimated 2018 expenditures. The increase comes from a projected 1.5% wage increase and union step increases for employees. No reductions in positions were made and the proposed 2019 budget includes 2,333.5 FTEs. No significant service changes are planned in the proposed 2019 budget.
- 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 \$88 million from 2008 through 2017. We expect to add to that total in 2018 and again in 2019. RTA continues the journey for continuous improvement through the Environmental and Sustainability Management System (ESMS) ISO 14001 multi-district submission in 2019 and The Partnership for Excellence application to be submitted in late 2019 against the Baldrige Criteria.
- Solid management and effective budget execution has allowed RTA to improve its financial position and maintain a 30-day ending balance. The revenue required to support both the operating and capital budgets continues to pose challenges. We need to identify creative ways to further reduce costs and increase traditional and non-traditional revenues. We have made strategic moves over the past few years to ensure the Board and staff have the time to make those decisions.

There will be another public hearing at the Dec. 4 committee meeting.

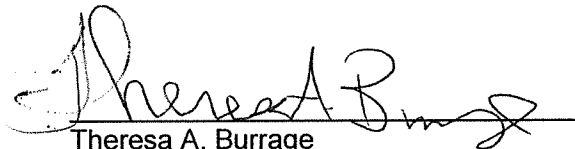
Public Comments

1. Chris Stocking – Cleveland, OH - He is the chair of Clevelanders for Public Transit. Revenue from passenger fares went down from \$45.4 million to \$42.9 million. He asked why revenue did not increase from the fare increase. He believe it's a myth that ridership is down due to low gas prices. Even though ridership has improve from the original projections, it's still on track for record low ridership. The State can't be relied on anymore. COTA redesigned their system instead of raising fares. He likes that RTA is doing a similar study. The MCO loss was known as early at 2015-2016. There needs to be a plan. A rail car he was on was down for an hour. A Waterfront Line train he wanted to take was a no show.
2. Rev. Pamela M. Pinkney-Butts – Cleveland, OH – She is the founder of Global Engagement to Dissolve Violence Against Women and Children. She thanked Dr. McCall for her work. She would like the program restored to provide free passes to people leaving jail. She asked for a letter to give to the faith community for collaboration purposes.
3. Loh – Cleveland, OH – Planning is key with the budget. She ask that Mr. Bibb give input on the questions presented to the public in the studies. Make sure the budget is friendly to the future of RTA riders and employees.
4. George Zeller – Cleveland, OH – He has testified on the budget for the last two decades. There was a delay in the November sales tax because of the Veteran's Day holiday. Low gas prices is not the main reason and not the only reason that ridership is down. It's down because fares were raised. A formula is used to determine ridership decline when fares are raised. Also service cuts have driven down ridership. He is testifying in favor of the budget.

Rev. Lucas adjourned the public meeting at 10:15 a.m.



Floun'say R. Caver, Ph.D., Interim CEO
General Manager/Secretary/Treasurer



Theresa A. Burrage
Executive Secretary