

RESOLUTION NO. 1975-99

A RESOLUTION PROVIDING FOR RETAINING CERTAIN
ACCOUNTING AND FINANCIAL CONSULTING SERVICES
OF ERNST & ERNST

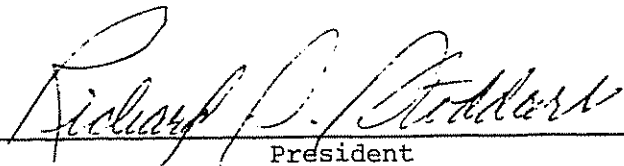
BE IT RESOLVED by the Board of Trustees of the Greater Cleveland
Regional Transit Authority, Cuyahoga County, Ohio:

Section 1. That the Greater Cleveland Regional Transit Authority hereby retains the services of the accounting firm of Ernst & Ernst, such services to be in connection with implementation of the cost reimbursement provisions of contracts and proposed contracts with operators of publicly-owned and privately-owned mass transit systems in Cuyahoga County, as such services are more fully described in the proposal of Ernst & Ernst dated October 21, 1975 attached hereto and marked "Exhibit A". In rendering such services, as an independent contractor and in an accountant-client relationship, said firm shall not exercise any administrative direction on behalf of this Authority in the formulation of public policy, expenditure of public funds, enforcement of laws, rules and regulations of the State, any county, or cities or of this Authority, or the execution of public trusts.

Section 2. That said accounting firm shall be paid for its services for the purpose stated in Section 1 just and reasonable compensation in an amount now estimated not to exceed \$18,000, and may be reimbursed for actual out-of-pocket expenses (including, but not limited to, long-distance telephone and duplicating expenses) incurred in rendering such services, from funds appropriated, or that may be appropriated, by the Authority from time to time for such purpose.

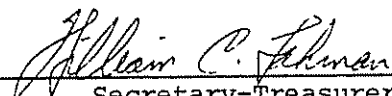
Section 3. That this resolution shall become effective immediately upon its adoption.

Adopted: October 28, 1975



President

Attest:



Secretary-Treasurer

ERNST & ERNST

UNION COMMERCE BUILDING

CLEVELAND, OHIO 44115

October 21, 1975

Mr. William C. Lahman
Secretary-Treasurer
Greater Cleveland Regional
Transit Authority
1404 East Ninth Street
Cleveland, Ohio 44114

Dear Mr. Lahman:

We are pleased to propose our consulting services to assist you further in implementing the cost reimbursement provisions of your contracts and pending contracts with suburban transit companies.

Specifically, our services will include the following tasks:

1. Assisting Brecksville Road, Euclid, Garfield Heights, Maple Heights, and North Olmsted with their first month of cost allocation. This task includes revisions in the cost reporting forms to accommodate the specific needs of each system. After cost allocation reports for the first month have been completed, we will assist each system in preparing cost reporting forms and procedures for reporting cost allocations for subsequent months.
2. Developing procedures for conducting "special studies" of school helper service in Garfield Heights, Maple Heights, and if necessary, North Olmsted. The objective of these special studies will be to estimate the amount of difference, if any, between the cost of those segments of scheduled service routes that are designed to transport children to schools and the revenues from school children for such service. The purpose will be to estimate how much additional expense RTA would incur if it were to designate such service as "scheduled" or "contract" versus "school".

Mr. William C. Lahman

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October 21, 1975

3. Assisting you in developing and implementing a cost identification system for Cleveland-Lorain Coach line and, if necessary, BIC Bus Line. This assistance would include development of reporting forms and assistance to the contractor(s) in reporting their first month of costs.
4. Reviewing the cost allocation systems with local representatives of the State Auditor's office and with the audit branch of UMTA in Washington.

Our project director for these task will be John H. Baker, Manager in our Cleveland Office.

We estimate that our fee for the four tasks will not exceed \$18,000, including travel expenses for our representatives to meet with UMTA in Washington. We also estimate that, given your authorization to proceed by October 28, we could complete these tasks by November 30, 1975.

We appreciate the opportunity to be of further service to RTA.

Very truly yours,

