

RESOLUTION NO. 1976-96

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 March 19, 1976, 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 \$15,000, 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: April 6, 1976



President

Attest: 

Secretary-Treasurer

ERNST & ERNST

UNION COMMERCE BUILDING

CLEVELAND, OHIO 44115

EXHIBIT "A"

March 19, 1976

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

Dear Mr. Lahman:

As we have discussed, we are continuing to provide consulting assistance to RTA in the area of contracted transit services. The effort which we outlined in our letter of August 29, 1975, for which we billed you \$12,000, is essentially completed. The necessary follow-on work which is outlined in our letter of October 21, 1976, is partially completed as follows:

1. Our assistance to Brecksville Road, Euclid, Garfield Heights, Maple Heights, and North Olmsted in preparing initial cost reimbursement reports has been completed. We have been requested, however, to provide additional assistance, both to the systems themselves and to RTA in developing a Contract Compliance Review Program for use by RTA personnel, independent accountants, State Examiners, and UMTA.
2. Our work in developing special studies of school helper service in Garfield Heights, Maple Heights, and North Olmsted is essentially complete. The only missing ingredient is the driver count information being taken for the entire month of February. As soon as this is available, we will complete our analysis and prepare our report.
3. Our assistance in developing cost reimbursement report formats for Cleveland-Lorain and Lakefront Trailways was substantially complete until the Board policy relating to negotiations with these systems was referred to a new task force for further consideration. Our participation to date in this area has been considerably more time-consuming than we had initially anticipated. However, our involvement in negotiations is now complete, as of the date of this letter, unless either system negotiates a cost reimbursement contract.

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4. Our review of the system with the State Examiners has been completed. There are certain elements that may require further review with UMTA.

Beyond the additional effort we have been asked to perform in the above areas, we have proceeded into other tasks at your request:

1. Preparation of a seminar on indirect central service cost allocation for Euclid, Maple Heights, and North Olmsted. While much of the conduct of the seminar will fall on Don Sheppard, we have taken the responsibility for developing the agenda and making sure that the participants receive maximum value for time spent.
2. Review of central service cost allocation plans, up to a maximum of one day of consulting time per city.

We estimate that the effort required to complete the requested tasks, including effort expended to date, could run as high as an additional \$15,000 beyond the \$18,000 fee estimated in our letter of October 21.

We appreciate the opportunity to be of further service to RTA. Please direct any questions in this letter to John Baker.

Sincerely,

