

RESOLUTION NO. 2002 -36

AMENDING RESOLUTION NO. 2001-195 TO PROVIDE FOR AN INCREASE IN THE APPROPRIATION IN THE INSURANCE FUND IN THE AMOUNT OF \$461,000.

WHEREAS, GCRTA has an Insurance fund that includes both self-insurance and purchased insurance; and

WHEREAS, the current insurance market has been negatively impacted by September 11 and as a result, the GCRTA must pay premiums which are significantly higher than originally budgeted for 2002;

WHEREAS, funds for this action are available in the Insurance Fund; and

WHEREAS, the General Manager recommends that the Insurance Fund be used to absorb these costs;

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

Section 1: That Resolution No. 2001-195 be and it is hereby amended as follows:

INSURANCE FUND

	<u>CURRENT 2002 APPROPRIATION</u>	<u>AMENDED 2002 APPROPRIATION</u>	<u>INCREASE</u>
22 RISK MANAGEMENT			
Payment of claims & premiums.	\$659,000	\$1,120,000	\$461,000

Section 2. That Resolution No. 2001-195 shall remain unchanged in all other respects.

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

Adopted: February 26, 2002

George F. N. III
President

Attest: [Signature]
CEO, General Manager/Secretary-Treasurer



Greater Cleveland Regional Transit Authority
STAFF SUMMARY AND COMMENTS

TITLE/DESCRIPTION: AMENDING RESOLUTION NO. 2001-195 TO PROVIDE FOR AN INCREASE IN THE APPROPRIATION IN THE INSURANCE FUND IN THE AMOUNT OF \$461,000.	Resolution No.: 2002 - 36
	Date: February 22, 2002
	Initiator: Financial Planning & Budgeting
ACTION REQUEST: X Approval <input type="checkbox"/> Review/Comment <input type="checkbox"/> Information Only <input type="checkbox"/> Other _____	

- 1.0 PURPOSE/SCOPE: This action will amend the 2002 Appropriation Budget for the expenditures under the Insurance Fund.
- 2.0 DESCRIPTION/JUSTIFICATION: Insurance premiums are necessary to support Risk Management activities related to purchased insurance coverage through the Insurance Fund. Although the premiums were budgeted, the impact of September 11 has affected the insurance market in a negative fashion resulting in higher premiums. It has been determined that the Insurance Fund is the most appropriate place for this cost increase; therefore an amendment to the 2002 appropriation is required.
- 3.0 PROCUREMENT BACKGROUND: Does not apply
- 4.0 POLICY IMPACT: This action is consistent with the policy guidelines for use of the insurance funds.
- 5.0 ECONOMIC IMPACT: This resolution recognizes the increase in the estimate of expenditures out of the Insurance Fund from the original budget of \$659,000 to the new amended budget of \$1,120,000. Since this will take the Insurance Fund ending balance below the \$5.0 million minimum requirement, a transfer from the General Fund will be required to support this fund.
- 6.0 ALTERNATIVES: Not approve the action as proposed. The Board could direct that the costs associated with the insurance premiums be paid out of another fund. Or, the Board could direct that no action be taken which could have negative legal and financial consequences.
- 7.0 RECOMMENDATION: It is recommended that the Board adopt as proposed.
- 8.0 ATTACHMENTS: No Attachments.

Recommended and certified as appropriate to the availability of funds, legal form and conformance with the Procurement requirements.

CEO, General Manager/Secretary-Treasurer