

RESOLUTION NO. 2002 - 185

AMENDING RESOLUTIONS NO. 2001-195, 2002-36, 2002-65, 2002-94, AND 2002-146 TO PROVIDE FOR AN INCREASE IN THE APPROPRIATION IN THE INSURANCE FUND IN THE AMOUNT OF \$255,000.

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

WHEREAS, the GCRTA must pay a claim settlement and brokerage fees which were not budgeted as it was not finalized until after the preparation of the 2002 budget; and

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 Resolutions No. 2001-195, 2002-36, 2002-65, 2002-94 AND 2002-146 be and they are hereby amended as follows:

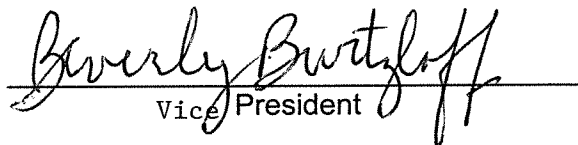
INSURANCE FUND

	<u>CURRENT 2002 APPROPRIATION</u>	<u>AMENDED 2002 APPROPRIATION</u>	<u>INCREASE</u>
22 RISK MANAGEMENT			
Payment of claims & premiums.	\$1,971,775	\$2,226,775	\$255,000

Section 2. That Resolutions No. 2001-195, 2002-36, 2002-65, 2002-94 AND 2002-146 shall remain unchanged in all other respects.

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

Adopted: November 18, 2002


Vice President

Attest: 
CEO, General Manager/Secretary-Treasurer



TITLE/DESCRIPTION: AMENDING RESOLUTIONS NO. 2001-195, 2002-36, 2002-65, 2002-94 AND 2002-146 TO PROVIDE FOR AN INCREASE IN THE APPROPRIATION IN THE INSURANCE FUND IN THE AMOUNT OF \$255,000.	Resolution No.: 2002 - 185
	Date: November 4, 2002
	Initiator: Office of Management & Budget
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. This is the fifth amendment to the 2002 Appropriation.
- 2.0 DESCRIPTION/JUSTIFICATION: Settlement was reached in a case in lieu of trial because exposure would have been significantly higher otherwise. The settlement requires a payment in the amount of \$150,000 of which all must be paid in 2002. Settlement was reached after the preparation of the 2002 Budget and so this amount was not budgeted; therefore an amendment to the 2002 appropriation is required. Broker services are necessary to facilitate Risk Management and Insurance Fund Analyses. These services require a payment in the amount of \$105,000. The total appropriation to the Insurance Fund will be \$255,000.
- 3.0 PROCUREMENT BACKGROUND: Does not apply
- 4.0 DBE / AFFIRMATIVE ACTION BACKGROUND: Does not apply.
- 5.0 POLICY IMPACT: This action is consistent with the policy guidelines for use of the insurance funds.
- 6.0 ECONOMIC IMPACT: This resolution recognizes the increase in the estimate of expenditures out of the Insurance Fund from the original budget of \$659,000 and the current amended budget of \$1,971,775 to the new amended budget of \$2,226,775. Since this will take the Insurance Fund ending balance further below the current \$5.0 million minimum requirement, a transfer from the General Fund will be required to support this fund for these expenditures.
- 7.0 ALTERNATIVES: Not approve the action as proposed. The Board could direct that the costs associated with the claims settlement be paid out of another fund. Or, the Board could direct that no action be taken which could have negative legal and financial consequences.
- 8.0 RECOMMENDATION: It is recommended that the Board adopt as proposed.
- 9.0 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