

RESOLUTION NO. 2003 - 175

AMENDING RESOLUTIONS NOs. 2002-199 and 2003-033 TO PROVIDE FOR AN INCREASE IN THE APPROPRIATION IN THE INSURANCE FUND IN THE AMOUNT OF \$750,000.

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

WHEREAS, the GCRTA must pay a claim settlement which was not budgeted as it was not finalized until after the preparation of the 2003 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 Resolution Nos. 2002-199 and 2003-033 be hereby amended as follows:

INSURANCE FUND

	<u>CURRENT 2003 APPROPRIATION</u>	<u>AMENDED 2003 APPROPRIATION</u>	<u>INCREASE</u>
22 RISK MANAGEMENT DEPARTMENT			
Claims & Premium Outlay.	\$1,260,000	\$2,010,000	\$750,000

Section 2. That Resolution Nos. 2002-199 and 2003-033 shall remain unchanged in all other respects.

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

Adopted: November 24, 2003

President

Attest:

CEO, General Manager/Secretary-Treasurer



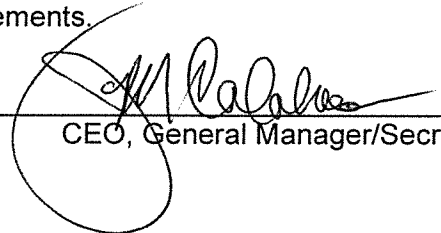
Greater Cleveland Regional Transit Authority
STAFF SUMMARY AND COMMENTS

R-2

TITLE/DESCRIPTION: AMENDING RESOLUTION NOS. 2002-199 and 2003-033 TO PROVIDE FOR AN INCREASE IN THE APPROPRIATION IN THE INSURANCE FUND IN THE AMOUNT OF \$750,000.	Resolution No.: 2003 - 175
	Date: November 13, 2003
	Initiator: Office of Management and Budget
ACTION REQUEST: X Approval Review/Comment Information Only Other _____	

- 1.0 PURPOSE/SCOPE: This action will amend the 2003 Appropriation Budget for the expenditures under the Insurance Fund.
- 2.0 DESCRIPTION/JUSTIFICATION: A claim requires a payment in the amount of \$750,000 of which all must be paid in 2003. Settlement was reached after the preparation of the 2003 Budget and so this amount was not budgeted; therefore an amendment to the 2003 appropriation is required.
- 3.0 PROCUREMENT BACKGROUND: Does not apply.
- 4.0 AFFIRMATIVE ACTION/DBE BACKGROUND: Does not apply.
- 5.0 POLICY IMPACT: This action is consistent with the policy guidelines for use of the Insurance Fund.
- 6.0 ECONOMIC IMPACT: This resolution recognizes the increase in the estimate of expenditures out of the Insurance Fund from the amended budget of \$1,260,000 to the new amended budget of \$2,010,000. Since this will take the Insurance Fund ending balance below the \$7.5 million minimum requirement, a transfer from the General Fund will be required to support this fund for this expenditure.
- 7.0 ALTERNATIVES: Not approve the action as proposed. The Board could direct that the costs associated with the claim 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