

RESOLUTION NO. 2004 - 21

AMENDING RESOLUTION NO. 2003-185 TO PROVIDE FOR AN INCREASE IN THE APPROPRIATION IN THE INSURANCE FUND IN THE AMOUNT OF \$83,918.

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

WHEREAS, the proposals from various underwriters were received, a decision was made to purchase a fourteen-month policy, and the premium for terrorist coverage has increased, resulting in higher than expected premiums;

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. 2003-185 be and it is hereby amended as follows:

INSURANCE FUND

	<u>CURRENT 2004</u> <u>APPROPRIATION</u>	<u>AMENDED 2004</u> <u>APPROPRIATION</u>	<u>INCREASE</u>
22 RISK MANAGEMENT			
Payment of claims & Premiums.	\$1,181,000	\$1,264,918	\$83,918

Section 2. That Resolution No. 2003-185 shall remain unchanged in all other respects.

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

Adopted: February 17, 2004


Vice President

Attest: 
CEO, General Manager/Secretary-Treasurer



Greater Cleveland Regional Transit Authority
STAFF SUMMARY AND COMMENTS

L-2

TITLE/DESCRIPTION: AMENDING RESOLUTION NO. 2003-185 TO PROVIDE FOR AN INCREASE IN THE APPROPRIATION IN THE INSURANCE FUND IN THE AMOUNT OF \$83,918.	Resolution No.: 2004 -
	Date: February 10, 2004
	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 2004 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. The proposals from various underwriters were received, a decision was made to purchase a fourteen-month policy, and the premium for terrorist coverage increased, resulting in higher than expected premiums. It has been determined that the Insurance Fund is the most appropriate place for this cost increase; therefore an amendment to the 2004 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 \$1,181,000 to the new amended budget of \$1,264,918.
- 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