

RESOLUTION NO. 2006-98

AMENDING RESOLUTION NO. 2005-168 TO PROVIDE FOR AN INCREASE IN THE APPROPRIATION IN THE INSURANCE FUND IN THE AMOUNT OF \$141,000.

WHEREAS, the Greater Cleveland Regional Transit Authority has an insurance fund that includes both self-insurance and purchased insurance; and

WHEREAS, casualty insurance is beneficial for the Authority; and

WHEREAS, Resolution 2005-168, the 2006 appropriation resolution, budgeted for payment of excess casualty insurance for twelve months, and;

WHEREAS, it was deemed beneficial for the Authority to purchase a fifteen-month excess casualty insurance policy; and

WHEREAS, Resolution No. 2006-75 authorized the purchase of excess casualty insurance for a period of fifteen (15) months; and

WHEREAS, payment was made for purchase of the excess casualty insurance for fifteen (15) months; and

WHEREAS, this payment exceeded the balance available in the Insurance Fund that was established by Resolution 2005-168 by One Hundred Forty-One Thousand Dollars (\$141,000.00); and

WHEREAS, it is necessary to ratify the General Manager's authorization of the payment of the additional sum of One Hundred Forty-One Thousand Dollars (\$141,000.00) and to amend Resolution No. 2005-168 to increase the appropriation for the Insurance Fund by One Hundred Forty-One Thousand Dollars (\$141,000.00).

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

Section 1: That the Board of Trustees of the Greater Cleveland Regional Transit Authority hereby ratifies the General Manager's authorization of the payment of the additional sum of One Hundred Forty-One Thousand Dollars (\$141,000.00) for excess casualty insurance.

Section 2: That Resolution No. 2005-168 be and it is hereby amended as follows:

INSURANCE FUND

	<u>CURRENT 2006 APPROPRIATION</u>	<u>AMENDED 2006 APPROPRIATION</u>	<u>INCREASE</u>
22 RISK MANAGEMENT			
Payment of claims & Premiums.	\$1,494,000	\$1,635,000	\$141,000

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Section 3. That Resolution No. 2005-168 shall remain unchanged in all other respects.

Section 4. That this resolution shall become effective immediately upon its adoption.

Adopted: _____, 2006 _____
President

Attest: _____
CEO, General Manager/Secretary-Treasurer



Greater Cleveland Regional Transit Authority
STAFF SUMMARY AND COMMENTS

TITLE/DESCRIPTION: AMENDING RESOLUTION NO. 2005-168 TO PROVIDE FOR AN INCREASE IN THE APPROPRIATION IN THE INSURANCE FUND IN THE AMOUNT OF \$141,000.	Resolution No.: 2006-98
	Date: June 14, 2006
	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 2006 Appropriation Budget for the expenditures under the Insurance Fund.
- 2.0 DESCRIPTION/JUSTIFICATION: Casualty insurance premiums are necessary to support Risk Management activities related to purchased insurance coverage through the Insurance Fund. Various proposals from the underwriter were received; a decision was made to purchase a fifteen-month policy, 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 2006 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 Fund.
- 5.0 ECONOMIC IMPACT: This resolution recognizes the increase in the estimate of expenditures out of the Insurance Fund from the original budget of \$1,494,000 to the new amended budget of \$1,635,000.
- 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