

RESOLUTION NO. 2006-131

AUTHORIZING THE GENERAL MANAGER TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT WITH SCHOOL DISTRICTS ESTABLISHING AN ALTERNATE FARE STRUCTURE FOR STUDENT FARECARDS

WHEREAS, the Greater Cleveland Regional Transit Authority provides public transportation that facilitates travel by students to and from school; and

WHEREAS, pursuant to Resolution No. 2006-78, the Greater Cleveland Regional Transit Authority has increased fares; and

WHEREAS, to avoid an undue hardship on school districts and to improve the cash flow for the Authority, the RTA has developed an alternate fare structure for school districts who meet certain criteria; and

WHEREAS, this criteria involves the minimum purchase of one million tickets per school year and the prepayment of such tickets prior to the beginning of each school year.

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

Section 1. That effective August 1, 2006, the General Manager/Secretary Treasurer is authorized to enter into an intergovernmental agreement with the school districts to charge the following student fares:

<u>School Year</u>	<u>Cost Per Ride</u>
2006-2007	\$1.00
2007-2008	\$1.10
2008-2009	\$1.25
2009-2010	\$1.35

Section 2. That this resolution shall become effective immediately upon its adoption.

Adopted: July 18, 2006

President

Attest: _____
CEO, General Manager/Secretary-Treasurer



Greater Cleveland Regional Transit Authority
STAFF SUMMARY AND COMMENTS

AUTHORIZING THE GENERAL MANAGER TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT WITH SCHOOL DISTRICTS ESTABLISHING AN ALTERNATE FARE STRUCTURE FOR STUDENT FARECARDS	Resolution No.: 2006-131
	Date: July 13, 2006
	Initiator: OMB
ACTION REQUEST: <input type="checkbox"/> Approval <input type="checkbox"/> Review/Comment <input type="checkbox"/> Information Only <input type="checkbox"/> Other _____	

- 1.0 PURPOSE/SCOPE: The proposal includes offering volume discounts for advance purchase and payment of the school district's tickets for each school year. This proposal will relieve some of the budgetary impact on schools, while improving cash flow and accounts receivables activity for RTA.
- 2.0 DESCRIPTION/JUSTIFICATION: This proposal is a result of discussions with the Cleveland Municipal School District, who is currently the Authority's single largest volume buyer of tickets, generating nearly \$2 million in annual revenue. During the public comment period for the recent fare increase, CMSD expressed concern regarding the proposed increases to student fares, as well as the timing of the increases in relationship to their budget development cycle. Being sensitive to their concerns, and recognizing that other school districts may have the same issues, RTA staff developed some options that would be a win-win for both parties.
- 3.0 PROCUREMENT BACKGROUND: Does Not Apply.
- 4.0 DBE/AFFIRMATIVE ACTION BACKGROUND: Does Not Apply.
- 5.0 POLICY IMPACT: The historic partnership between the various school districts and RTA has benefited both parties for many years, and has offered great value to students traveling to and from school. This proposal will allow RTA to continue to provide economical public transportation to students as well as promote ridership of public transportation.
- 6.0 ECONOMIC IMPACT: The discounts will result in less revenue for the Authority, but will ensure advance payment and improved cash flow, as well as encourage volume purchases.
- 7.0 ALTERNATIVES: Rejection of this action would result in hardship for the school districts and even lead to the discontinuance of utilizing public transportation for student transport.
- 8.0 RECOMMENDATION: It is recommended that this resolution be approved
- 9.0 ATTACHMENTS: None.

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

CEO, General Manager/Secretary-Treasurer