

RESOLUTION NO. 2010-43

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

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

WHEREAS, pursuant to Resolution No. 2006-131, the General Manager was authorized to enter into an intergovernmental agreement with School Districts establishing an alternate fare structure for student farecards; and

WHEREAS, pursuant to Resolution No. 2010-019 the rates of fares to be charged by the GCRTA were amended; and

WHEREAS, to avoid an undue hardship on the school districts and to improve the cash flow for the Authority, the GCRTA has developed an alternate fare structure for school districts which meet certain criteria, specifically the purchase of \$1,000,000 or more of student farecards per year and the issuance of picture identification cards to students; and

WHEREAS, it is in the best interest of the Authority to enter into an intergovernmental agreement with the school districts for the 2010-2013 school years; and

WHEREAS, the Cleveland Metropolitan School District, the Authority's largest volume buyer of student farecards, has agreed to make the initial payment of \$3,000,000.00 to the GCRTA, prior to August 31st of each school year.

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

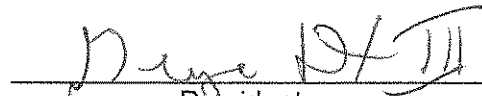
Section 1. That effective August 1, 2010, the General Manager/Secretary Treasurer is authorized to enter into an intergovernmental agreement with school districts to charge the following student fares:

<u>School Year</u>	<u>Cost Per Ride</u>
2010-2011	\$1.40
2011-2012	\$1.50
2012-2013	\$1.60

Section 2. That fares for students not covered by these intergovernmental agreements remain as stated in Resolution No. 2010-019.

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

Adopted: June 22, 2010



President

Attest:



CEO, General Manager/Secretary-Treasurer



Greater Cleveland Regional Transit Authority
STAFF SUMMARY AND COMMENTS

TITLE/DESCRIPTION: AUTHORIZING INTERGOVERNMENTAL AGREEMENTS WITH SCHOOL DISTRICTS FOR THE SALE OF STUDENT FARECARDS	Resolution No.: 2010-43
	Date: June 17, 2010
	Initiator: Revenue and Office of Management & Budget
ACTION REQUEST: <input checked="" type="checkbox"/> Approval <input type="checkbox"/> Review/Comment <input type="checkbox"/> Information Only <input type="checkbox"/> Other _____	

1.0 **PURPOSE/SCOPE:** The Intergovernmental Agreement will allow volume discounts for advanced purchase and payment of student farecards for each school year. The advance purchase and payment will relieve some of the budgetary impact on the schools, as well as improve cash flow and accounts receivables activity for the GCRTA.

2.0 **DESCRIPTION/JUSTIFICATION:** The proposed intergovernmental agreement with school districts will allow for discounted rates provided the school districts meet certain criteria.

This proposal is a result of discussions with the Cleveland Metropolitan School District (CMSD), the Authority's largest volume buyer of student farecards, generating \$3 million in annual revenue for the GCRTA. Being sensitive to the financial concerns of the CMSD and recognizing that other school districts may have similar concerns, GCRTA 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:** Authorization of the Intergovernmental Agreement will allow GCRTA to continue to provide economical public transportation to students as well as promote ridership of public transportation.

The historic partnership between CMSD and GCRTA has benefited both parties for many years, and this partnership has offered great value to students traveling to and from school.

6.0 **ECONOMIC IMPACT:** The discounts may result in less revenue for the Authority, but will ensure advanced 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 could lead to the possible discontinuation of using 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