

RESOLUTION NO. 2011-92

AMENDING RESOLUTION NO. 2010-093 TO PROVIDE FOR AN INCREASE IN THE APPROPRIATION IN THE BOND RETIREMENT FUND IN THE AMOUNT OF \$666,084

WHEREAS, GCRTA has a Bond Retirement Fund; and

WHEREAS, the annual appropriation for the Bond Retirement Fund was authorized for Fiscal Year 2011 pursuant to Resolution No. 2010-093; and

WHEREAS, the GCRTA pre-paid the outstanding balance owed on a State Infrastructure Bank loan and that pre-payment was not included in the 2011 Budget; and

WHEREAS, funds for this action will be available in the Bond Retirement Fund through an increased Transfer from the General Fund; and

WHEREAS, the General Manager/Secretary-Treasurer recommends that the budget for the Bond Retirement Fund be adjusted for these additional 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. 2010-093 be hereby amended as follows:

BOND RETIREMENT FUND

	<u>CURRENT 2011 APPROPRIATION</u>	<u>AMENDED 2011 APPROPRIATION</u>	<u>INCREASE</u>
Debt Service	\$11,816,510	\$13,189,510	\$1,373,000
Interest	\$ 7,472,985	\$ 6,766,069	\$ (706,916)
Other	\$ 5,000	\$ 5,000	\$ 0
Total Expenditures	\$19,294,495	\$19,960,579	\$ 666,084

Section 2. That Resolution No. 2010-093 shall remain the same in all other respects.

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

Adopted: October 18, 2011



President

Attest: 

CEO, General Manager/Secretary-Treasurer



Greater Cleveland Regional Transit Authority
STAFF SUMMARY AND COMMENTS

TITLE/DESCRIPTION: AUTHORIZING AN AMENDMENT TO PROVIDE FOR AN INCREASE IN THE APPROPRIATION IN THE BOND RETIREMENT FUND AMOUNT: \$666,084	Resolution No.: 2011-92
	Date: October 13, 2011
	Initiator: Office of Management and 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: This action will amend the 2011 Appropriation for the expenditures under the Bond Retirement Fund.
- 2.0 DESCRIPTION/JUSTIFICATION: The Authority initiated a pre-payment of the outstanding balance on a State Infrastructure Bank loan to lower its outstanding total debt service by \$2.46 million and to reduce its annual debt service payments by \$660,686 annually in Fiscal Years 2012, 2013 and 2014. The cost of \$2.5 million is offset by the deferral of planned debt sale in FY 2011 and the budgeted annual payment for the SIB Loan resulting in a projected net increase in costs of \$666,084 within the Bond Retirement Fund. The decision to pre-pay the SIB loan was reached after preparation of the 2011 Budget and after receiving five months of sales & use tax receipts for the current year; therefore, an amendment to the 2011 Bond Retirement Fund appropriation is required. The intent of this action is to place the Authority in an even stronger financial position.
- 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 Bond Retirement Fund.
- 6.0 ECONOMIC IMPACT: This resolution recognizes the increase in the estimate of expenditures out of the Bond Retirement Fund from the current appropriation of \$19,294,495 to \$19,960,579. An increase in the Transfer from the General Fund to the Bond Retirement Fund of \$666,084 will be needed to cover the projected increase in expenditures within the Bond Retirement Fund. Savings achieved within current General Fund appropriations will cover the increase in the Transfer amount.
- 7.0 ALTERNATIVES: To not approve the action as proposed, which could have negative legal and financial consequences.
- 8.0 RECOMMENDATION: It is recommended that the Board approve the proposed amendment to increase the appropriation of the Bond Retirement Fund by \$666,084 for the current fiscal year.
- 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