

RESOLUTION NO. 2012-34

A RESOLUTION TO AMEND RESOLUTION NO. 1980-376, AS AMENDED AND SUPPLEMENTED BY RESOLUTION NO. 1981-18 AND RESOLUTION 2001-177, TO PROVIDE FOR THE REVISION OF THE DEFINITION OF "INDEBTEDNESS" OF THE AUTHORITY

WHEREAS, the Greater Cleveland Regional Transit Authority (the "Authority") adopted Resolution No. 1980-376 on November 5, 1980, as amended and supplemented by Resolution No. 1981-18 adopted by the Authority on January 20, 1981 and further amended and supplemented by Resolution No. 2001-177 adopted by the Authority on December 4, 2001 (collectively, the "Prior Resolution"), to provide for the orderly accumulation of funds to pay the debt service on certain bonds and notes of the Authority; and

WHEREAS, the Authority now determines it to be necessary to amend the Prior Resolution to revise the definition of "Indebtedness" provided therein.

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

Section 1. That Section 1a. of the Prior Resolution, is hereby amended to read in its entirety as follows:

"Section 1. For purposes of this resolution, the following terms shall have the following meaning:

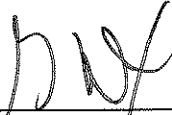
a. Indebtedness. The term "Indebtedness" shall mean (i) any general obligation bonds and any notes in anticipation of such bonds issued by the Authority pursuant to Section 306.40, and as provided in Chapter 133 of the Revised Code without a vote of the electors residing within the territorial boundaries of the Authority, (ii) any money borrowed in anticipation of the collection of current revenues, and any notes issued therefor, pursuant to Section 306.49 and as provided in Section 133.30 of the Revised Code, and (iii) any revenue bonds issued by the Authority pursuant to Section 306.37 of the Revised Code, including sales tax supported bonds issued under Chapter 133 of the Revised Code. The term "Indebtedness" shall not include (i) any bonds or notes in anticipation of such bonds issued by the Authority pursuant to a vote of the electorate within its territorial boundaries, pursuant to and as provided in Section 306.40 and Chapter 133 of the Revised Code, or (ii) any notes issued by the Authority, pursuant to Section 306.49 and as provided in Section 5705.193 of the Revised Code, in anticipation of the collection of the proceeds of a tax levy authorized by a vote of the electors within its territorial boundaries.

Only the defined Indebtedness shall be subject to the procedures set forth herein."


Section 2. It is found and determined that all formal actions of this Board concerning and relating to the adoption of this resolution were adopted in an open meeting of this Board, and that all deliberations of this Board and of any committees that resulted in such formal action, were in meetings open to the public, in compliance with all legal requirements; including Section 121.22 of the Ohio Revised Code.

Section 3. This resolution shall become effective immediately upon its adoption, and the requirements contained herein for the deposit of moneys in the Bond Retirement Fund maintained by a trustee for the benefit of the Authority shall be applicable to all Indebtedness of the Authority.

Adopted: April 17, 2012



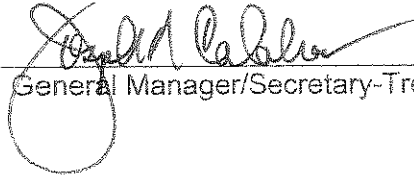
President

Attest: 

CEO / General Manager/Secretary-Treasurer

CERTIFICATE

I hereby certify that the foregoing is a true and correct copy of a Resolution adopted on the 17 day of April 2012 and that a copy thereof was certified to the County Auditor of Cuyahoga County, Ohio on April, 2012.



CEO, General Manager/Secretary-Treasurer

RECEIPT

The undersigned hereby acknowledges receipt this day of a certified copy of the foregoing Resolution.

County Auditor
Cuyahoga County, Ohio

Dated: _____, 2012




Greater Cleveland Regional Transit Authority
STAFF SUMMARY AND COMMENTS

TITLE/DESCRIPTION: AMENDING THE DEFINITION OF "INDEBTEDNESS" OF THE AUTHORITY	Resolution No.: 2012-34
	Date: April 12, 2012
	Initiator: Cash Management
ACTION REQUEST: X Approval Review/Comment Information Only Other _____	

- 1.0 PURPOSE/SCOPE: The purpose of the resolution is to amend the definition of indebtedness of the Authority to include sales tax supported bonds.
- 2.0 DESCRIPTION/JUSTIFICATION: The Authority desires to change the definition of indebtedness to include sales tax revenue bonds for the purpose of setting aside periodic deposits to the Bond Retirement Fund for future debt payments.
- 3.0 PROCUREMENT BACKGROUND: Does not apply.
- 4.0 AFFIRMATIVE ACTION/DBE BACKGROUND: Does not apply.
- 5.0 POLICY IMPACT: The Authority desires to issue Sales Tax Supported bonds, which are not currently included in the Authority's definition of indebtedness. The Authority may also desire to issue Sales Tax Supported Bonds in the future. This resolution amends the prior resolution to include Sales Tax Supported Bonds in the definition of "Indebtedness" which will allow for sales tax supported bonds to be issued now and in the future.
- 6.0 ECONOMIC IMPACT: This change is needed to ensure the Authority will be authorized to issue Sales Tax Supported bonds, and receive favorable interest rates.
- 7.0 ALTERNATIVES: Rejection of this resolution will prevent the Authority from meeting its budgeted capital improvement goals and eliminate the current opportunity to sell bonds and to refund a portion of the Series 2004 General Obligation Bonds, the Series 2006 General Obligation Bonds, and the Series 2008A General Obligation Bonds, resulting in the Authority not realizing a possible debt service savings that the refunding would provide.
- 8.0 RECOMMENDATION: A presentation on the sale of the Sales Tax Bonds and the amendment to the definition of indebtedness is planned for the April 17, 2012 Finance Committee meeting.

It is recommended that this resolution be adopted.
- 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