

RESOLUTION NO. 2015-20

APPROVING THE REFUNDING OF THE SERIES 2007 LEASE OBLIGATIONS AND AMENDING RESOLUTION NO. 2015-16 WHICH AUTHORIZED THE ISSUANCE, SALE AND DELIVERY OF SALES TAX SUPPORTED BONDS FOR THE PURPOSE OF (I) PAYING A PORTION OF THE COSTS OF CAPITAL IMPROVEMENTS TO THE AUTHORITY'S TRANSPORTATION SYSTEM AND (II) REFUNDING PRIOR BONDS IN A TOTAL AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$100,000,000 TO BE ISSUED IN ONE OR MORE SERIES ON A TAX-EXEMPT AND/OR TAXABLE BASIS; (III) AUTHORIZING A SECOND AMENDMENT TO THE TRUST AGREEMENT WITH THE HUNTINGTON NATIONAL BANK; (IV) AUTHORIZING A PLEDGE OF AND LIEN ON THE SALES TAX REVENUES TO SECURE THE AUTHORITY'S INDEBTEDNESS; AND (V) REGARDING OTHER MATTERS RELATED TO SUCH SALE OF SALES TAX SUPPORTED BONDS

WHEREAS, on February 17, 2015, the Board of Trustees adopted Resolution No. 2015-16, which authorized the issuance of Sales Tax Supported Bonds for the purpose of (i) making certain capital improvements to the Authority's transportation system defined in Resolution No. 2015-16, as the Series 2015 Project and to finance a portion, in an amount not to exceed \$32,000,000, of the costs of the Series 2015 Project by issuing sales tax supported bonds of the Authority (the "New Money Bonds") pursuant to its authority under Revised Code Chapters 133 and 306; and (ii) advance refunding all or a portion of the Series 2004 Bonds, the Series 2006 Bonds, the Series 2008A Bonds, the Series 2008B Bonds and the Series 2012 Bonds, which will result in debt service cost savings which will accrue to the benefit of this Authority, by issuing sales tax supported bonds of the Authority pursuant to its authority under Revised Code Chapters 133 and 306, (the "Refunding Bonds") to be in one or more series, as tax-exempt or taxable bonds and, together with the New Money Bonds, in an aggregate amount not to exceed \$100,000,000, which includes both the New Money Bonds and the Refunding Bonds; and

WHEREAS, Resolution No. 2015-16, did not authorize the refunding of the Master Tax-Exempt Lease/Purchase Agreement dated October 16, 2007 (the "Master Lease Purchase Agreement") by and between Key Government Finance, Inc., and the Authority which lease proceeds were issued in the principal amount of \$25,000,000 (the "Series 2007 Lease Obligations") which Series 2007 Lease Obligations made certain capital improvements to the Authority's transportation system including the new automated fare collection system and other costs necessary for the completion of the installation of such system (the "Series 2007 Lease Project"); and

WHEREAS, this Board of Trustees desires to refund all or a portion of the Series 2007 Lease Obligations, which will result in additional debt service cost savings that will accrue to the benefit of the Authority, in addition to refunding all or a portion of the Series 2004 Bonds, the Series 2006 Bonds, the Series 2008A Bonds, the Series 2008B Bonds and the Series 2012 Bonds.

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

Section 1. That Section 2 of Resolution No. 2015-16, is hereby amended as follows (such additions appearing in underlined text):

Section 2. That the Series 2015 Bonds shall be issued for the purposes aforesaid. That the Series 2015 Bonds shall be designated as "Sales Tax Supported Capital Improvement and Refunding Bonds, Series 2015," or such other designation as set forth in a certificate executed by the Secretary-Treasurer setting forth any terms relating to the issuance of the Series 2015 Bonds which are not specified in this Resolution (the "Certificate of Award"). The Prior Bonds to be refunded from the proceeds of the Series 2015 Bonds shall be designated by the Secretary-Treasurer in the Certificate of Award to be executed following the sale of the Series 2015 Bonds and shall consist of those Series 2004 Bonds, Series 2006 Bonds, the Series 2007 Lease Obligations, Series 2008A Bonds, Series 2008B Bonds, and/or Series 2012 Bonds that can be refunded (and thereby deemed no longer Outstanding) with the proceeds of the Series 2015 Bonds, the refunding of which Prior Bonds (which Prior Bonds definition shall also include the Series 2007 Lease Obligations) will enable the Authority, in the judgment of the Secretary-Treasurer, based on the written advice of Public Financial Management, Inc., as financial advisor to the Authority (the "Financial Advisor"), to obtain net present value debt service savings with respect to the Prior Bonds, which net present value debt service savings shall meet the Authority's debt policy threshold. The Prior Bonds shall be called for redemption or retired on the date or dates specified in the Certificate of Award. The redemption dates so specified shall be the dates required under the Internal Revenue Code of 1986, as amended (the "Code") for compliance with Section 149(d) of the Code and other applicable federal tax laws, as necessary."

Section 3. The Board of Trustees hereby grants the authority to the Secretary-Treasurer to issue the Refunding Bonds (which Refunding Bonds shall also include the Series 2007 Lease Obligations) at a later date, in any event no later than December 31, 2015, without the need for additional authorization from this Board of Trustees, so long as the issuance of the Refunding Bonds results in a debt service savings to the Authority.

Section 4. That all other provisions of Resolution No. 2015-16 not specifically amended herein shall remain in full force and effect.

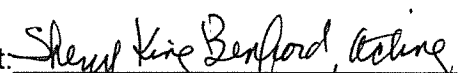
Section 5. That it is found and determined that all formal actions of this Board of Trustees concerning and relating to the adoption of this Amendment to Resolution No. 2015-16 were adopted in an open meeting of this Board of Trustees, and that all deliberations of this Board of Trustees and of any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with the law, including Section 121.22 of the Ohio Revised Code.

Section 6. That this Amendment to Resolution No. 2015-16 shall take effect immediately upon its adoption.

Adopted: March 9, 2015



President

Attest: 
General Manager/Secretary-Treasurer

CERTIFICATE

I hereby certify that the foregoing is a true and correct copy of Amendment to Resolution No. 2015-20 adopted on the ____ day of _____, 2015 and that a copy thereof was certified to the Fiscal Officer of Cuyahoga County, Ohio on _____, 2015.

General Manager/Secretary-Treasurer

RECEIPT

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

By: _____

Fiscal Officer
Cuyahoga County, Ohio

Dated: _____, 2015

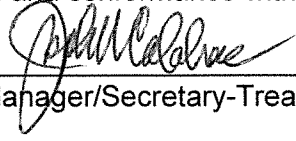


Greater Cleveland Regional Transit Authority
STAFF SUMMARY AND COMMENTS

TITLE/DESCRIPTION: APPROVING THE REFUNDING OF THE SERIES 2007 LEASE OBLIGATIONS AND AMENDING RESOLUTION NO. 2015-16	Resolution No.: 2015 - 20
	Date: March 6, 2015
	Initiator: Cash Management
ACTION REQUEST: <input 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 Resolution No. 2015-16 to include the Master Tax-Exempt Lease/Purchase Agreement dated October 16, 2007 by and between Key Government Finance, Inc., and the Authority for capital improvements to the Authority's transportation system including the new automated fare collection system ("Series 2007 Lease") in the transaction that was authorized in Resolution No. 2015-16. Resolution No. 2015-16 allowed for the issuance of sales tax supported bonds to finance certain capital improvements and to refinance a portion of the Authority's General Obligation Bonds, Series 2004, and Series 2006, and Series 2008A, and Series 2008B, and Series 2012 Sales Tax Revenue Bonds for a not to exceed total of \$100,000,000.
- 2.0 DESCRIPTION/JUSTIFICATION: Including the Series 2007 Lease in the transaction will result in additional debt service cost savings.
- 3.0 PROCUREMENT BACKGROUND: Does not apply.
- 4.0 DBE/AFFIRMATIVE ACTION BACKGROUND: Does not apply.
- 5.0 POLICY IMPACT: The bonds are being issued within the constraints of the Greater Cleveland Regional Transit Authority's Financial and Debt Policies. The sale of Series 2015 Sales Tax Supported Bonds for the purpose of capital improvements and refunding bonds and the lease is contingent on favorable present value savings.
- 6.0 ECONOMIC IMPACT: The addition of the Series 2007 Lease in the refunding will allow the Authority to take advantage of more favorable rates which will reduce debt service. The amount of debt service savings realized is dependent on market conditions at the time of sale.
- 7.0 ALTERNATIVES: Rejection of this resolution will prevent the Authority from including the Series 2007 Lease in the advance refunding, resulting in the Authority not realizing a possible debt service savings that the refunding would provide.
- 8.0 RECOMMENDATION: It is recommended that the resolution be approved to pursue the opportunity to lower the Authority's debt service costs.
- 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