

RESOLUTION NO. 2016-68

AMENDING CHAPTER 464, "PROTECTION AGAINST INTERNAL LOSSES OF PUBLIC ASSETS" OF THE CODIFIED RULES AND REGULATIONS OF THE GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY

WHEREAS, pursuant to Resolution No. 1989-176, the Board of Trustees the Authority codified the resolutions establishing its policies and procedures; and

WHEREAS, over the years, many of the resolutions have been amended; and

WHEREAS, at the present time, the Authority deems it necessary to review, revise and update the codified rules and regulations; and

WHEREAS, the Authority has conducted a review and determined that certain portions of Chapter 464, "Protection Against Internal Losses of Public Assets," must be revised.

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

Section 1. That Section 464.01 is hereby deleted in its entirety.

Section 2. That Section 464.02 is hereby renumbered as 464.01.

Section 3. That Section 464.03 is hereby deleted in its entirety.

Section 4. That Section 464.04 is hereby renumbered as 464.02 and amended to read as follows:

464.02 POLICY PROVISIONS.

(a) The Authority shall acquire protection against internal losses of public assets due to acts by employees of the Authority, in such amounts and for such employees as may be deemed appropriate to protect the public funds and property entrusted unto the Authority and to comply with the requirements of Ohio law.

(b) The form of protection to be acquired against internal losses shall be determined by the CEO, General Manager/Secretary-Treasurer consistent with the needs of the Authority, judicious expenditure of available financial resources and the exercise of good business judgment.

(c) Protection coverage in the form deemed most beneficial to the Authority shall be obtained from a highly reputable underwriting company with sufficient resources, experience and professional rating as to afford a reasonable expectation of indemnification in the event of an act or acts of an employee for which coverage is provided.

(d) On acquiring internal loss protection, whether by bonding, insurance or any other

appropriate surety means, the Authority, or its designated broker of record, shall conform to the general requirement for obtaining competitive quotations pursuant to Ohio Revised Code Chapter 306.

(e) The employee, who may be defined by name or position, to be covered by the Authority's internal loss protection, shall include the CEO, General Manager/Secretary-Treasurer, any employee designated by statute and any other employee designated by the Board of Trustees or the CEO, General Manager/Secretary-Treasurer. Amounts of coverage shall be as specified by statute, where applicable, and as determined to be appropriate in all other instances.

(f) Notwithstanding the above, the CEO, General Manager/Secretary-Treasurer shall obtain a surety bond to and in favor of the Authority in the penal sum of one hundred thousand dollars (\$100,000.00), and such bond shall be conditioned upon the faithful performance of the duties of the office.

(g) The cost of the protection coverages provided for herein, including the cost of any surety bonds, shall be paid by the Authority.

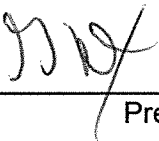
Section 4. That Section 464.05 is hereby renumbered as 464.03 and amended to read as follows:

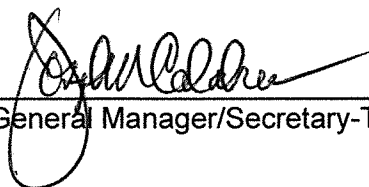
464.03 PERIODIC REVIEW AND AMENDMENT.

Adequacy of the Authority's internal loss protection coverage shall be reviewed on a yearly basis, and changes shall be made to the coverage provided as may be deemed to be in the public interest. Amendments shall be made in accordance with the Bylaws of the Greater Cleveland Regional Transit Authority.

Section 5. That this resolution shall become effective immediately upon its adoption.

Adopted: August 16, 2016

  
\_\_\_\_\_  
President

Attest:   
\_\_\_\_\_  
CEO, General Manager/Secretary-Treasurer



TITLE/DESCRIPTION:  AMENDING CHAPTER 464, "PROTECTION AGAINST INTERNAL LOSSES OF PUBLIC ASSETS" OF THE CODIFIED RULES AND REGULATIONS OF THE GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY	Resolution No.: 2016- 68
	Date: August 11, 2016
	Initiator: Legal
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 resolution will amend Chapter 464 of the Codified Rules and Regulations ("Code") of the Greater Cleveland Regional Transit Authority.
- 2.0 DESCRIPTION/JUSTIFICATION: The Policies and Procedures of the Board of Trustees were codified in 1989, pursuant to Resolution 1989-176. The code book has been updated periodically. It is now time for a comprehensive review and update so that the updated Code will conform to the current structure and operations of the Authority.  
  
 Sections 464.01 and 464.03 are being deleted to clarify the intent of the chapter. The proposed amendment to Section 464.03 requires amendments to be made in accordance with the GCRTA Bylaws.
- 3.0 PROCUREMENT BACKGROUND: Does not apply.
- 4.0 AFFIRMATIVE ACTION/DBE BACKGROUND: Does not apply.
- 5.0 POLICY IMPACT: Adoption of the resolution will result in a clear, accurate and current policy.
- 6.0 ECONOMIC IMPACT: Does not apply.
- 7.0 ALTERNATIVES: Not adopting this resolution. Not adopting this resolution would result in Chapter 464 remaining out of date.
- 8.0 RECOMMENDATION: It is recommended that this resolution be adopted.
- 9.0 ATTACHMENTS: Redline copy of revisions to Chapter 464.

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

  
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 CEO, General Manager/Secretary-Treasurer

## CHAPTER 464

### Protection Against Internal Losses of Public Assets

~~464.01~~ ~~Adoption and implementation.~~

464.021 Purpose and scope.

~~464.03~~ ~~Legal authority.~~

464.024 Policy provisions.

464.035 Periodic review and amendment.

### CROSS REFERENCES

Crime prevention and security - see 49 U.S.C.A. 1620

Embezzlement of public funds disqualifies for public office -  
see Ohio Const. Art. II, Sec. 5

Theft - see Ohio R.C. 2913.02

Theft in office - see Ohio R.C. 2921.41

Prima-facie evidence of embezzlement - see Ohio R.C. 2945.64

Powers of Board of Trustees: rules and regulations – see Ohio R.C.  
306.34

Powers and duties of the Authority – see Ohio R.C. 306.35

Internal audit policies and procedures - see ADM. Ch. 262

Security/RTA Police Department - see ADM. Ch. ~~298~~280

Debt policies - see FIN. Ch. 420

Duties of Secretary-Treasurer: bond; deposit and disbursement of  
funds – see Ohio R.C. 306.42

General Manager/Secretary – Treasurer – Bylaws, Article II, Section  
8

~~464.01~~ ~~ADOPTION AND IMPLEMENTATION.~~

~~(a) The policy on protection against internal losses of public assets, as set forth in this chapter, is hereby adopted as official policy of the Authority.~~

~~(b) The General Manager/Secretary Treasurer of the Authority is hereby authorized to undertake the necessary actions to implement this policy.  
(Res. 1989-21. Passed 2-21-89.)~~

464.012 PURPOSE AND SCOPE.

The policy described in this chapter is designed to afford protection to the Authority against internal losses of public assets resulting from acts by employees whose responsibilities require access to monetary or other resources of significant value, and for protection against loss through acts of fraud by employees.  
(Res. 1989-21. Passed 2-21-89.)

~~464.03~~ ~~LEGAL AUTHORITY.~~

~~The legal authority for the adoption and implementation of the provisions of this chapter is Article II, Section 8, of the Bylaws (General Manager and Secretary-Treasurer) and Ohio R.C. Chapter 306, and, more specifically, the following sections:~~

~~306.34 Powers of board of trustees; rules and regulations~~

~~306.35 Powers and duties of authority~~

~~306.42 Duties of secretary-treasurer; bond; deposit and disbursement of funds~~

~~(Res. 1989-21. Passed 2-21-89.)~~

**464.024 POLICY PROVISIONS.**

(a) The Authority shall acquire protection against internal losses of public assets due to acts by employees of the Authority, in such amounts and for such employees as may be deemed appropriate to protect the public funds and property entrusted unto the Authority and to comply with the requirements of Ohio law.

(b) The form of protection to be acquired against internal losses shall be determined by the CEO, General Manager/Secretary-Treasurer consistent with the needs of the Authority, judicious expenditure of available financial resources and the exercise of good business judgment.

(c) Protection coverage in the form deemed most beneficial to the Authority shall be obtained from a highly reputable underwriting company with sufficient resources, experience and professional rating as to afford a reasonable expectation of indemnification in the event of an act or acts of an employee for which coverage is provided.

(d) On acquiring internal loss protection, whether by bonding, insurance or any other appropriate surety means, the Authority, or its designated broker of record, shall conform to the general requirement for obtaining competitive quotations pursuant to Ohio Revised Code ~~C.~~ Chapter 306.

(e) The employee, who may be defined by name or position, to be covered by the Authority's internal loss protection, shall include the CEO, General Manager/Secretary-Treasurer, any employee designated by statute and any other employee designated by the Board of Trustees or the CEO, General Manager/Secretary-Treasurer. Amounts of coverage shall be as specified by statute, where applicable, and as determined to be appropriate in all other instances.

(f) Notwithstanding the above, the CEO, General Manager/Secretary-Treasurer shall obtain a surety bond to and in favor of the Authority in the penal sum of one hundred thousand dollars (\$100,000.00), and such bond shall be conditioned upon the faithful performance of the duties of the office.

(g) The cost of the protection coverages provided for herein, including the cost of any surety bonds, shall be paid by the Authority.  
(Res. 1989-21. Passed 2-21-89. Res. 2016-XXX. Passed 8-XX-16.)

464.035 PERIODIC REVIEW AND AMENDMENT.

~~(a)~~ Adequacy of the Authority's internal loss protection coverage shall be reviewed on a yearly basis, and changes shall be made to the coverage provided as may be deemed to be in the public interest. Amendments shall be made in accordance with the Bylaws of the Greater Cleveland Regional Transit Authority.

~~(b)~~ Amendments or revisions to these policies can be initiated or proposed by any member of the Board of Trustees or by the CEO, General Manager/Secretary-Treasurer of the Authority at any time.

~~(c)~~ Proposed amendments or revisions to these policies shall be subject to review and study by the Legal Committee of the Board of Trustees. The Committee will make recommendations on any proposed amendment or revision to the Board. The Board of Trustees must approve any amendment or revision by majority vote, as defined in the Bylaws, before such amendment or revision will become official policy of the Authority.

(Res. 1989-21. Passed 2-21-89. Res. 2016-XXX. Passed 8-XX-16.)