

RESOLUTION NO. 2017-116

TO AMEND RESOLUTION NO. 2017-016 TO PROVIDE FOR AN INCREASE IN THE TRANSFER FROM THE GENERAL FUND TO THE RESERVE FUND IN THE AMOUNT OF \$8,352,007

WHEREAS, it is in the best interest of the Greater Cleveland Regional Transit Authority ("Authority") to amend its Reserve Fund accounts; and

WHEREAS, amending the Reserve Fund accounts will help to protect the Authority from future economic downturns, as well as significant increases in fuel and hospitalization costs, to financially plan for payment of earned vacation hours when an employee separates or retires, to establish a method to account for future budget years with 27 pay periods, and to begin the process to accumulate sufficient funds to replace the Authority's aging rail fleet; and

WHEREAS, by Resolution No. 2016-116, adopted December 20, 2016, \$426,583 was appropriated in the 2017 budget from the Rolling Stock Reserve Fund; and

WHEREAS, Resolution No. 2017-15, adopted on March 21, 2017, amended the Financial Policies and Code of Rules and Regulations of the Authority to establish a 27<sup>th</sup> payroll expense in the Reserve Fund account; and

WHEREAS, Resolution No. 2017-16, adopted on March 21, 2017, increased the appropriation to the Reserve Fund in the amount of \$8,776,432; and

WHEREAS, Resolution No. 2017-16 established that the "Rolling Stock Reserve Fund" be renamed as the "Reserve Fund"; and

WHEREAS, increasing the Fiscal Year 2017 transfer to the Reserve Fund in the amount of \$8,352,007 will allow for greater protection of the Authority against economic downturns; and

WHEREAS, on December 19, 2017, the Finance Committee of the Board of Trustees reviewed and discussed the proposed increased transfer from the 2017 General Fund budget to the Reserve Fund and recommended its approval by Board on December 19, 2017.

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

Section 1. That the appropriations for the current expenses and other expenditures of the Greater Cleveland Regional Transit Authority, during the period of January 1, 2017 through December 31, 2017 ("Fiscal Year 2017"), as set forth in Resolution No. 2017-016, adopted by the Board on March 21, 2017, is hereby amended as follows:


**AMENDED 2017 RESERVE FUND APPROPRIATIONS**


	CURRENT 2017	AMENDED 2017	ADDITION
RESERVE FUND TRANSFER	APPROPRIATION	APPROPRIATION	
Diesel Fuel	\$1,656,966	\$2,454,922	\$797,956
Compensated Absences	944,484	1,900,000	955,516
Hospitalization	906,617	1,800,000	893,383
27th Pay	694,848	1,400,000	705,152
Rolling Stock	5,000,000	10,000,000	5,000,000
	<u>\$9,202,915</u>	<u>\$17,554,922</u>	<u>\$8,352,007</u>

Section 2. That all other provisions of Resolution 2017-016, not otherwise amended, shall remain in full force and effect.

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

Adopted: December 19, 2017

  
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President

Attest:   
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CEO, General Manager/Secretary-Treasurer



Greater Cleveland Regional Transit Authority  
**STAFF SUMMARY AND COMMENTS**

TITLE/DESCRIPTION: TO AMEND RESOLUTION NO. 2017-016 TO PROVIDE FOR AN INCREASE IN THE TRANSFER FROM THE GENERAL FUND TO THE RESERVE FUND IN THE AMOUNT OF \$8,352,007	Resolution No.: 2017 - 116
	Date: December 14, 2017
	Initiator: Office of Mgt. & 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 authorize an amendment to increase the Fiscal Year 2017 General Fund transfer to the Reserve Fund by \$8,352,007, which will allow for greater protection of the Authority against economic downturns.
- 2.0 DESCRIPTION/JUSTIFICATION: The proposed amendment to increase the 2017 transfer to the Reserve Fund is requested to help protect the Authority from future economic downturns, as well as significant increases in fuel and hospitalization costs, to financially plan for payment of earned vacation hours when an employee separates or retires, to establish a method to account for future budget years with 27 pay periods, and to begin the process to accumulate sufficient funds to replace the Authority's aging rail fleet.
- 3.0 PROCUREMENT BACKGROUND: Does not apply.
- 4.0 DBE/AFFIRMATIVE ACTION BACKGROUND: Does not apply.
- 5.0 POLICY IMPACT: The proposed amendment will increase transfers to the Reserve Fund, as established by Resolution 2016-116 and amended by Resolution 2017-015 to add the 27<sup>th</sup> payroll expenses, and by Resolution 2017-016, for fuel costs, compensated absences, hospitalization costs, 27<sup>th</sup> payroll expenses, and for the replacement of rail car rolling stock.
- 6.0 ECONOMIC IMPACT: The proposed amendment will increase the total transfer to the Reserve Fund from the Fiscal Year 2017 General Fund by \$8,352,007, which will enable the Authority to be better prepared for economic downturns and cost increases as specified in the Reserve Funds.
- 7.0 ALTERNATIVES: Modify or not approve the budget amendment as proposed. This will prevent the Authority from setting aside funds in support of its strategic plan.
- 8.0 RECOMMENDATION: The proposed amendment to the Fiscal Year 2017 General Fund Budget was presented to and reviewed by the Finance Committee on November 14, 2017 and December 19, 2017. It was recommended for approval by the Board on December 19, 2017. It is recommended that the Board adopt the proposed amendment to the Fiscal Year 2017 General Fund transfer to the Reserve Fund.
- 9.0 ATTACHMENTS: None.

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