

RESOLUTION NO. 2021-74

AMENDING APPROPRIATIONS FOR THE CURRENT EXPENSES AND OTHER EXPENDITURES FOR THE GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY, AS ADOPTED IN RESOLUTION NOS. 2020-101, 2021-019 AND 2021-064 AND INCREASING THE APPROPRIATION TO THE GENERAL FUND BY \$3,100,000

WHEREAS, the Authority has both legal and managerial requirements to establish the revenues to be received for the upcoming fiscal year, including all taxes, user fees, and other types of revenues, as well as estimates of all expenditures or outlays for the operation of this public transportation system in the fiscal year to be paid or met from said revenue; and

WHEREAS, in order to meet those requirements, a budget for the Greater Cleveland Regional Transit Authority for the fiscal year beginning January 1, 2021 and ending December 31, 2021 ("FY 2021") was prepared; and

WHEREAS, health care claims and prescription costs have increased in the first half of 2021, compared to 2020. An additional \$3.0 million is needed to cover health care and prescription costs through the end of the year; and

WHEREAS, the Authority received \$1.9 million in settlement of a claim for compound drug fraud. An additional \$1.1 million is needed to reach the \$3.0 million level needed to cover the increase in health care and prescription costs; and

WHEREAS, the Operating Expenditures will increase by \$3.0 million from \$262.5 million to \$265.5 million; and

WHEREAS, the Insurance Fund is used to protect the Authority against future catastrophic or extraordinary losses, as the Authority is self-insured in all areas except personal property and equipment; and

WHEREAS, an additional \$100,000 is needed to maintain the recommended ending balance of \$5.0 million. The total transfer to the Insurance Fund will increase to \$2.1 million; and

WHEREAS, the Board of Trustees adopted the FY 2021 General Fund Budget on December 15, 2020 through Resolution No. 2020-101 and amended it on February 16, 2021 through Resolution No. 2021-019 and on June 29, 2021 through Resolution No. 2021-064; and

WHEREAS, the Operational Planning & Infrastructure Committee of the Board of Trustees reviewed and discussed the proposed increase to the FY 2021 General Fund Budget on July 13, 2021 and recommended its approval by the Board on July 27, 2021.

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 Authority, during the period of January 1, 2021 through December 31, 2021 ("Fiscal Year 2021"), as set forth in Resolution No. 2020-101, adopted by the Board on December 15, 2020 and in Resolution No. 2021-019, adopted by the Board on February 16, 2021, and in Resolution No. 2021-064, adopted by the Board on June 29, 2021, are hereby amended as follows:

Amended General Fund Balance Analysis

	2020	2021	2021
	Actual	Budget	Amended Budget
Beginning Balance	41,577,395	133,581,757	133,581,757
Revenue			
Passenger Fares	24,044,664	27,814,100	27,814,100
Advertising & Concessions	2,337,735	1,803,916	1,803,916
Sales & Use Tax	210,147,468	215,720,056	215,720,056
Federal Operating Assistance - CARES Act/CRRSAA	111,977,170	60,000,000	67,416,467
Federal Operating Assistance - ARP	0	0	68,007,211
Investment Income	698,786	2,069,958	2,069,958
Other Revenue	364,250	1,348,918	1,348,918
Reimbursed Expenditures	26,963,719	19,413,919	19,413,919
Total Revenue	376,533,792	328,170,867	403,594,545
Total Resources	418,111,187	461,752,624	537,176,302
Operating Expenditures			
Salaries and Overtime	138,668,611	143,376,531	143,376,531
Payroll Taxes and Fringes	52,142,719	54,276,628	57,276,628
Fuel (Diesel, CNG, Prop. Pwr., Gas)	8,780,650	8,182,600	8,182,600
Utilities	3,576,408	5,614,454	5,614,454
Inventory	13,341,465	13,100,000	13,100,000
Services and Material & Supplies	18,809,509	21,157,429	21,157,429
Purchase Transportation	7,599,160	9,850,000	9,850,000
Other Expenditures	3,783,813	6,928,856	6,928,856
Total Operating Expenditures	246,702,334	262,486,498	265,486,498
Transfers to (from) Other Funds			
Transfer to (from) the Insurance Fund	0	2,000,000	2,100,000
Transfer to (from) the Pension Fund	50,000	45,000	45,000
Transfers to Reserve Fund	10,878,615	10,878,615	10,878,615
Transfers from the Reserve Fund	(1,450,000)		
Transfers to (from) Capital			
Bond Retirement Fund	14,950,956	75,835,408	75,835,408
Capital Improvement Fund	13,397,525	43,398,859	43,398,859
Total Transfers to (from) Capital	28,348,481	119,234,267	119,234,267
Total Transfers to (from) Other Funds	37,827,096	132,157,882	132,257,882
Total Expenditures	284,529,430	394,644,380	397,744,380
Available Ending Balance	133,581,757	67,108,244	139,431,922

Section 2. That all other provisions of the appropriations for the current expenses and other expenditures of the Authority, during Fiscal Year 2021, as set forth in Resolution Nos. 2020-101, 2021-019 and 2021-064, not otherwise amended, shall remain in full force and effect.

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

Adopted: July 27, 2021



 President

Attest: 

 Secretary-Treasurer



TITLE/DESCRIPTION: AMENDING APPROPRIATIONS FOR THE CURRENT EXPENSES AND OTHER EXPENDITURES FOR THE GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY, AS ADOPTED IN RESOLUTION NOS. 2020-101, 2021-019 AND 2021-064 AND INCREASING THE APPROPRIATION TO THE GENERAL FUND BY \$3,100,000	Resolution No.: 2021-74
	Date: July 22, 2021
	Initiator: Office of Management & 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 appropriations in the General Fund for increases in payroll taxes and fringe benefits for health care expenses and in the transfer to the Insurance Fund to maintain the recommended \$5.0 million balance.

- 2.0 **DESCRIPTION/JUSTIFICATION:** The proposed amendment will authorize an increase in the operating budget for Fiscal Year (“FY”) 2021 by \$3.0 million. Over the past six months, health care and prescription costs have increased, compared to the same period in 2020.

 The Authority received a settlement of a claim for compound drug fraud of \$1.9 million. An additional \$1.1 million will be needed to reach the \$3.0 million level needed to cover the increase in health care and prescription costs.

 An additional \$100,000 transfer to the Insurance Fund is needed to maintain the recommended \$5.0 million ending balance in the Insurance Fund.

- 3.0 **PROCUREMENT BACKGROUND:** Does not apply.

- 4.0 **DBE/AFFIRMATIVE ACTION BACKGROUND:** Does not apply.

- 5.0 **POLICY IMPACT:** The FY 2021 Budget provides for the revenues and expenditures of the Authority. The increased appropriation to the operating budget will enable the Authority to cover the increase in health care claims and prescription costs and the transfer to the Insurance Fund will enable the Authority to maintain the recommended \$5.0 million balance.

- 6.0 **ECONOMIC IMPACT:** This amendment will increase the operating budget by \$3.0 million and the transfer to the Insurance Fund by \$100,000.

- 7.0 **ALTERNATIVES:** Modify or not approve the budget amendment as proposed. This would prevent the Authority from paying health care and prescription costs in the Operating Budget and maintain the recommended \$5.0 million balance in the Insurance Fund.

- 8.0 **RECOMMENDATION:** The proposed 2021 Amended General Fund Budget has been reviewed at the July 13, 2021 Operational Planning & Infrastructure Committee and is recommended for adoption. It is recommended that the Board approve the proposed FY 2021 Amended General Fund Budget as proposed herein.

9.0 ATTACHMENTS: None

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



General Manager, Chief Executive Officer