

RESOLUTION NO. 2021-108

AMENDING SECTION 460.03 OF THE CODIFIED RULES AND  
REGULATIONS OF THE GREATER CLEVELAND REGIONAL  
TRANSIT AUTHORITY

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

WHEREAS, the Authority has conducted a review and determined that Section 460.03, Reserve Fund should be updated to add a sub-account to the Authority's Reserve Fund to provide for a reserve to protect against substantial decreases in revenues.

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

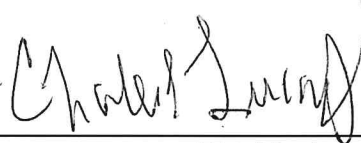
Section 1. That Section 460.03, Reserve Fund is hereby enacted to read as specified in Attachment A hereto.

Section 2. That the Board of Trustees hereby waives the fourteen-day period provided for in Article XI, Section 2 of the Bylaws.

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

Attachment: A. Section 460.03, Reserve Fund

Adopted: December 21, 2021



\_\_\_\_\_  
President

Attest:

  
\_\_\_\_\_  
Secretary-Treasurer

#### **460.03 RESERVE FUND.**

(a) A Reserve Fund containing sub-accounts may be established and maintained to protect the Authority from economic downturns.

(b) The Reserve Fund sub-accounts and criteria for management and balances are below.

- (1) Reserve for fuel: Annual savings resulting when actual expenditures are less than the budgeted line item for fuel may be placed in this subaccount to protect the Authority from a significant and continuing rise in fuel prices.
- (2) Reserve for compensated absences: Excess funds from the General Fund may be placed in this sub-account to ensure payment to employees for vacation time that has been earned. This reserve shall not exceed twenty-five percent of the accrued liability for compensated absences.
- (3) Reserve for hospitalization: Excess funds from the General Fund may be placed in this sub-account to protect against substantial cost increases from unfunded mandates or out of the ordinary costs for catastrophic illnesses. The reserve shall not exceed ten percent of annual hospitalization costs.
- (4) Reserve for 27th payroll expense: The authority has two different payroll cycles; one cycle for hourly employees and one for salaried employees. Within each cycle, there is an extra pay date (27th payroll expense) that occurs every twelve years. This reserve shall be funded to the best of the Authority's ability in order to plan for this additional payroll expense.
- (5) A Rolling Stock Replacement Fund account may be established to set aside funds to systematically replace aging revenue vehicles. Funds should be amassed in this replacement fund and then transferred to the Capital Improvement Fund to assist in meeting this major capital requirement.
- (6) Reserve for Revenue Stabilization: Excess funds from the General Fund may be placed in this sub-account to protect against substantial decreases in revenues. Funds should be amassed in this stabilization fund and then transferred to the General Fund when needed to maintain a one-month ending balance.

(Res. 2020-97. Passed 12-15-20. Res. 2021-XX. Passed 12-XX-21.)



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| TITLE/DESCRIPTION:<br><br>AMENDING SECTION 460.03 OF THE CODIFIED RULES AND REGULATIONS OF THE GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY                                            | Resolution No.:<br><b>2021-108</b> |
|                                                                                                                                                                                        | Date:<br>December 16, 2021         |
|                                                                                                                                                                                        | Initiator:<br>Finance              |
| ACTION REQUEST:<br><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 Section 460.03, Reserve Fund 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 is now undergoing a comprehensive review and update so that the Code will conform to the current structure and operations of the Authority. The proposed amendment adds a sub-account to the Authority's Reserve Fund to provide for a reserve to protect against substantial decreases in revenues.
- 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 provide for the Authority to maintain a reserve to protect against substantial decreases in revenue.
- 6.0 ECONOMIC IMPACT: Does not apply.
- 7.0 ALTERNATIVES: Not adopting this resolution. Not adopting this resolution would result in a policy that does not allow for the Authority to maintain a reserve to protect against substantial decreases in revenues.
- 8.0 RECOMMENDATION: This resolution was discussed at the December 7, 2021 Committee of the Whole meeting and recommended for consideration by the full Board of Trustees. It is recommended that this resolution be adopted.
- 9.0 ATTACHMENT:     A. Red-line of proposed amendments to Section 460.03

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

  
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General Manager, Chief Executive Officer

## ATTACHMENT A TO STAFF SUMMARY

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(Res. 2020-97. Passed 12-15-20. [Res. 2021-XX. Passed 12-XX-21.](#))