

RESOLUTION NO. 2019-100

TO AMEND THE FISCAL YEAR 2019 REVENUES AND APPROPRIATIONS FOR THE GENERAL FUND, AS ADOPTED IN RESOLUTION NO. 2018-119 AND AMENDED IN RESOLUTION NO. 2019-034, TO PROVIDE FOR AN INCREASE IN THE APPROPRIATION TO THE INSURANCE FUND IN THE AMOUNT OF \$1,100,000

WHEREAS, the Authority maintains an Insurance Fund to protect the Authority against catastrophic or extraordinary losses, and must maintain a minimum balance based on the recommendation of the Director of Risk Management; and

WHEREAS, an insurance premium for catastrophic coverage came due and settlements of significant claims were reached after the preparation of the 2019 Budget, which were higher than what was budgeted; and

WHEREAS, a transfer of \$1,100,000 must be made to pay the insurance premium and claim settlements from the Insurance Fund and maintain the recommended ending balance; and

WHEREAS, funds for this action are budgeted in the Insurance Fund; and

WHEREAS, the Board of Trustees adopted the 2019 Appropriation Budget on December 18, 2018 through Resolution No. 2018-119, and amended the 2019 Appropriation Budget on March 26, 2019 through Resolution No. 2019-034; and

WHEREAS, it is in the best interest of the Authority to increase the appropriation to the Insurance Fund by \$1,100,000 for the payment of insurance premiums and claims settlements.

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

Section 1. That the 2019 Appropriation Budget is hereby amended as follows:

INSURANCE FUND

	Current 2019 Appropriation	Amended 2019 Appropriation	Increase
22 Risk Management Premium & Claims Outlay	\$7,014,000	\$8,114,000	\$1,100,000

Section 2. That all other provisions of Resolution Nos. 2018-119 and 2019-034, not otherwise amended, shall remain in full force and effect.

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

Adopted: September 24, 2019


President

Attest: 
Interim Secretary-Treasurer




Greater Cleveland Regional Transit Authority
STAFF SUMMARY AND COMMENTS

TITLE/DESCRIPTION: TO AMEND THE FISCAL YEAR 2019 REVENUES AND APPROPRIATIONS FOR THE GENERAL FUND, AS ADOPTED IN RESOLUTION NO. 2018-119 AND AMENDED IN RESOLUTION NO. 2019-034 TO PROVIDE FOR AN INCREASE IN THE APPROPRIATION IN THE INSURANCE FUND IN THE AMOUNT OF \$1,100,000	Resolution No.: 2019- 100
	Date: September 19, 2019
	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 for the Fiscal Year (FY) 2019 Budget for the expenditures under the Insurance Fund.
- 2.0 **DESCRIPTION/JUSTIFICATION:** The Insurance Fund provides resources to protect the Authority against catastrophic or extraordinary losses. An insurance premium for catastrophic coverage came due and settlements of significant claims were reached after the preparation of the 2019 Budget, which were higher than what was budgeted. The proposed transfer of \$1,100,000 to the Insurance Fund will pay for the insurance premium and claim settlements and maintain the recommended ending balance. The 2019 Budget was approved by the Board of Trustees through Resolution No. 2018-119 on December 18, 2018. The 2019 Amended Budget was approved by the Board of Trustees through Resolution No. 2019-034 on March 26, 2019.
- 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 transfer and expenditure appropriation to the Insurance Fund, as established by Resolution No. 2018-119 and amended by Resolution No. 2019-034.
- 6.0 **ECONOMIC IMPACT:** The proposed amendment will increase the appropriation to the Insurance Fund by \$1,100,000 from the current amount of \$7,014,000 to the amended amount of \$8,114,000.
- 7.0 **ALTERNATIVES:** Modify or not approve the budget amendment as proposed. This will prevent the Authority from paying premiums and claim settlements, which could have negative legal and financial consequences.
- 8.0 **RECOMMENDATION:** It is recommended that the Board approve the amendment to the FY 2019 amended budget to increase the appropriation in the Insurance Fund by \$1,100,000.
- 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