

Code of Regulations Update

December 19, 2017

Greater Cleveland Regional Transit Authority



Chapter 420 Debt Policies

- Add new language in Section 420.01(c):
 - Authority analyzes alternative methods of financing and selects the method that complies with the Authority's legal authority and is in the best interest of the Authority.

Chapter 420 Debt Policies

- Move language from Chapter 460 relating to debt policies to Chapter 420:
 1. 420.03(c) –debt limitations
 2. 420.04(d) – conditions for use of debt financing
 3. 420.17(b) – security for debt service on general obligation bonds

Chapter 420 Debt Policies

- Clarify Section 420.12
 - Arbitrage rebate calculations will be performed once debt proceeds are depleted to zero, in accordance with the federal tax code and IRS regulations.

Chapter 460 Financial Policies

- Change policies in Section 460.02(c) to goals
 - Operating ratio
 - General fund balance; plan to replenish
 - Growth in the cost of delivering a unit of service
 - Debt service coverage

Chapter 460 Financial Policies

- Remove the 15% cap in Section 460.03(d) for the amount of sales tax revenues allocated to capital improvement.
- Retain the 10% minimum.

Chapter 460 Financial Policies

- Remove obsolete language regarding the Insurance Fund from Section 460.05(f).
- Expand the list in Section 460.08(b) of instruments in which the Authority may invest, in accordance with the ORC.

Recommendation

Staff requests that the Committee of the Whole recommend these provisions to the Board of Trustees for approval.



QUESTIONS?

Greater Cleveland Regional Transit Authority

