

ORDINANCE NO. 010- 84

AN ORDINANCE AUTHORIZING
THE CTA'S SUBMITTAL OF A CLAIM
TO BORROW FROM THE REGIONAL
TRANSPORTATION AUTHORITY 'S
LOSS FINANCING PLAN

WHEREAS, The Chicago Transit Authority ("Authority") was named a defendant in the case of Maria Guadalupe Gutierrez, Guardian of the Estate of Adrian Palomares, a disabled person, plaintiff, vs. Kimberly K. Peebles, individually and as agent and employee of Chicago Transit Authority, and the Chicago Transit Authority, a municipal corporation, defendants, in the Circuit Court of Cook County, Illinois, case No. 2007 L 6620 ("Gutierrez lawsuit"); and

WHEREAS, The Chicago Transit Board approved settlement of the Gutierrez lawsuit on March 10, 2010, in the amount of Eleven Million Dollars (\$11,000,000) ("Settlement Amount"); and

WHEREAS, The Circuit Court approved the settlement and the Gutierrez lawsuit was dismissed with prejudice pursuant to the Court's order entered on April 15, 2010; and

WHEREAS, Settlement releases have been executed and the Authority has paid the Settlement Amount; and

WHEREAS, Pursuant to the terms of the Articles of Agreement of the Loss Financing Plan dated October 1, 1986, Pace, Metra, the RTA and the Authority established a loss financing plan which would permit borrowing by each participating entity above certain retained limits for damages and losses arising out of specific risks ("LFP"); and

WHEREAS, The Authority's self-insured retention under the LFP is Two Million Five Hundred Thousand Dollars (\$2,500,000); and

WHEREAS, Staff recommends borrowing Eight Million Five Hundred Thousand Dollars (\$8,500,000) from the LFP; and

WHEREAS, Annual repayments of the borrowed funds plus interest will be required; and

WHEREAS, Such repayments will equal a minimum of the amount borrowed plus interest or Three Million Five Hundred Thousand Dollars (\$3,500,000), whichever is less; now, therefore:

ORDINANCE NO. 010-84
(Continued) -2

BE IT ORDAINED BY THE CHICAGO TRANSIT BOARD
OF THE CHICAGO TRANSIT AUTHORITY:

SECTION 1. The Chicago Transit Board of the Chicago Transit Authority hereby authorizes submittal of a claim to borrow Eight Million Five Hundred Thousand Dollars (\$8,500,000) from the Regional Transportation Authority Loss Financing Plan.

SECTION 2. Repayment of the borrowed funds will be in accordance with the payment terms outlined in the Loss Financing Plan Agreement.

SECTION 3. The General Counsel and Authority's Loss Financing Plan Fund Advisor are hereby authorized and directed to take such action as they deem necessary to process this claim.

APPROVED:

PASSED:

Chairman

Assistant Secretary

August 11, 2010

August 11, 2010