Date: May 8, 2019

To: ITP Board

From: Dina Reed, Deputy CEO of Finance and Administration

Subject: LINE OF CREDIT FACILITY

ACTION REQUESTED

Board approval for the CEO to execute a line or lines of credit in a cumulative amount not exceeding $10 million dollars with a $1 million dollar sublimit and on such terms and conditions that are customary for such loan(s).

BACKGROUND

It is the intent to enter into a no-fee line of credit with a bank with which we have an established banking relationship to provide this financial facility. The costs would be interest on the line of credit that is drawn on an as-needed short-term basis. It is also the intent that The Rapid would draw on the line of credit for temporary cash flow needs to protect operations and capital projects or in the event of a delay in reimbursement of grant (federal or state) funds.

As part of this facility, the request for the $1 million sublimit is to provide an option for the bank to support other collateral requirements of The Rapid. Currently, The Rapid has $250,000 of required cash collateral posted with our insurance company. The bank will provide collateral on behalf of The Rapid to the insurance company and eliminate the need for the non-interest bearing cash collateral with the insurance company.

BOARD OF THE
INTERURBAN TRANSIT PARTNERSHIP
RESOLUTION NO._____

RESOLUTION AUTHORIZING EXECUTION OF DOCUMENTS

At a meeting of the Board of Directors of the Interurban Transit Partnership ("ITP"), County of Kent, State of Michigan, held on _____, 2019, at _____ __.m., prevailing Eastern Time.

PRESENT: _____
_____

ABSENT: _____

The following preamble and resolution were offered by _____ and supported by _____:

WHEREAS, the Interurban Transit Partnership ("ITP") is a public transportation authority subject to the provisions of the Public Transportation Authority Act ("Act 196"), 1986 PA 196, MCL 124.451 *et seq.*; and

WHEREAS, pursuant Section 14(e) of Act 196, ITP may accept grants, loans, or contributions from the federal government or any of its agencies, the state, or other public or private agencies to be used for any of the purposes of Act 196, and to do any and all things within its express or implied powers necessary or desirable to secure that financial or other aid or cooperation in the carrying out of any of the purposes of Act 196; and

WHEREAS, the Board of ITP ("Board") may determine that it is in the best interests and welfare of ITP to enter into a loan with a financial institution by obtaining a line of credit; and

WHEREAS, the Board has adopted bylaws to govern the operation of the Board; and

WHEREAS, pursuant to Article II, Section 2.7, the Chief Executive Officer (CEO) of the ITP shall perform any duties directed by the Board; and

WHEREAS, pursuant to Article IV, Section 4.3, the Board may authorize the CEO or any officer, agent or employee, to enter into any contract or execute any instrument in the name and on behalf of the Authority and further, that the authorization may be general or confined to specific instances, including the power and right to bind the Authority by any contract or engagement or to pledge its credit or to render it liable for any purpose or in any amount; and

WHEREAS, the Board has determined that the CEO or his or her designee, including but not limited to the Deputy Chief Executive Officer of Finance and Administration, shall perform specific duties regarding the line of credit as specifically directed by the Board in this Resolution.

NOW, THEREFORE, BE IT RESOLVED, by the Board of the Interurban Transit Partnership that:

1. The Board has the authority to authorize the CEO to enter into a line of credit loan arrangement and authorizes the CEO or his or her designee, including but not limited to the Deputy Chief Executive Officer of Finance and Administration, to enter into such line of credit or lines of credit in a cumulative amount not exceeding $10 million dollars with a $1 million dollar sublimit and on such terms and conditions that are customary for such a loans.

2. The Board further authorizes the CEO or his or her designee, including but not limited to the Deputy Chief Executive Officer of Finance and Administration, to execute any document necessary to obtain and administer the line or lines of credit; provided the cumulative amount of such line or lines of credit do not exceed the limitation imposed by paragraph 1 of this Resolution and further provided the terms and conditions of any such line or lines of credit are reasonable and customary for such loan.

3. All resolutions and parts of resolutions that are in conflict with the provisions of this Resolution are rescinded.

AYES: ITP Board Members: _____

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NAYS: ITP Board Members: _____

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RESOLUTION DECLARED ADOPTED.

STATE OF MICHIGAN)
)ss
COUNTY OF KENT)

I, the Secretary of the Board of the Interurban Transit Partnership, hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Board of the Interurban Transit Partnership, County of Kent, State of Michigan, at a meeting held on May 15, 2019, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, as amended, and that the minutes of said meeting were kept and will be or have been made available as required by said Open Meetings Act.

_____
Robin Crothers, Secretary
Board of the Interurban Transit Partnership