

RISK MANAGEMENT/WORKER'S COMP TRUST FUND BOARD MEETING

May 28, 2019 6:00 PM – 6:30 PM Mesquite Conference Room, 2nd Floor City Hall

Agenda

Items:

1. Call to Order – Chairman Bryan Kilgore
2. Proposal: To transfer \$1.5 million from the Risk Management Trust Fund to the Workers' Comp Trust Fund in FY2019. The City began FY2019 with a \$5.2 million fund balance in the Risk Management Trust Fund, and that fund balance is projected to grow by fiscal year-end. These funds are in reserve and use of these reserves requires review from the board of trustees. These funds are not part of the budget which we went over at the last meeting.
 - a. Pros: The transfer will allow us to immediately meet the State's Industrial Commission's requirement for self-insured Worker's Compensation funds, and thus not have to secure a surety bond. The current cost of the required bond is approximately \$3,000 a year, which must be renewed every fiscal year.
 - b. Cons: None, the fund transfer does not jeopardize the Risk Management fund and saves the taxpayers. Normally the Risk Management Trust holds approximately \$3 million in reserves but since these funds are held and invested, and with favorable interest on investments and the reduction of claims to the City, the fund has been able to grow. If we transfer a portion to the Workers' Compensation fund (which is newly started and has no funds built up) it would immediately secure the WC Fund to State standards and we would not have to wait a couple of years for that fund to build up.
3. Vote on Proposal
4. Adjournment

