

Bill No. 335
2023

By-law No. A.-_____

A by-law to establish the Self Insurance Reserve Fund and to repeal By-law No. A.-5929-208 being "A by-law to establish a reserve fund known as the Self Insurance Reserve Fund".

WHEREAS subsection 5(3) of the *Municipal Act, 2001*, S.O. 2001, C.25, as amended, provides that a municipal power shall be exercised by by-law;

AND WHEREAS section 9 of the *Municipal Act, 2001*, S.O. 2001, C.25, as amended, provides a municipality with the capacity, rights, powers and privileges of a natural person for the purpose of exercising its authority;

AND WHEREAS subsection 10(1) of the *Municipal Act, 2001*, S.O. 2001 C.25, as amended, provides that a municipality may provide any service or thing that the municipality considers necessary or desirable for the public;

AND WHEREAS subsection 10(2) of the *Municipal Act, 2001*, S.O. 2001, C.25, as amended, provides that a municipality may pass by-laws respecting the financial management of the municipality (paragraph 3) and services or things that the municipality is authorized to provide under subsection 10(1) (paragraph 7);

AND WHEREAS it is desirable to establish reserve funds to provide for Contingencies/Stabilization & Risk Management of The Corporation of the City of London and its Agencies, Boards and Commissions, as required;

NOW THEREFORE the Municipal Council of The Corporation of the City of London enacts the following:

1. A reserve fund is hereby established entitled the "Self Insurance Reserve Fund" (hereinafter called the "Fund").
2. The monies standing in the Fund shall be expended, pledged or applied only for the purposes of:
 - a) The funding of expenditures within the deductibles of any City insurance policies;
 - b) The funding of expenditures relative to claims in any area of risk that the City has decided to self-insure;
 - c) The funding of claims-related expenditures relative to amounts in excess of any City insurance policies;
 - d) The funding of expenditures for investigations, outside legal counsel, or adjusting costs relative to those items in (a), (b), or (c) above;
 - e) The funding of contracted actuarial reviews of reserve fund levels as required from time to time, or
 - f) The funding of additional insurance-related expenditures as approved by the Municipal Council.

The City Treasurer shall pay all sums required from this Reserve Fund on the direction of the Manager III, Risk Management or their designate in accordance only with items 2 (a) to (f) above.

3. Contributions to the Fund shall be deposited by the City Treasurer or designate and consist of:
 - i. Municipal Council approved tax supported multi-year budget contributions;
 - ii. Municipal Council approved annual surplus contributions, if any;

- iii. Any funds raised specifically for the Self Insurance Reserve Fund
- iv. Contributions in accordance with Council approved policies, if any; and
- v. Other non-tax supported contributions as approved by The City Treasurer, and/or Municipal Council.

4. The Manager III, Risk Management or designate may retain and instruct legal counsel on behalf of the City to protect and defend the City's interest with respect to claims falling under this by-law in accordance with the risk management policies of the Corporation.

6. The Manager III, Risk Management, or designate may settle or instruct legal counsel to settle claims falling under this by-law in accordance with the overall purposes of the reserve fund and the risk management practices of the Corporation.

7. The City Treasurer or designate may deposit the monies standing in the Fund into a special bank account or into a consolidated bank account into which are deposited the monies raised for other funds, and the earnings derived from the monies so deposited shall accrue to and form part of the Fund.

8. The City Treasurer, or designate, may invest the monies standing in the Fund in such securities as are permitted under subsection 418(1), of the *Municipal Act*, 2001, S.O. 2001, C.25, as amended, and in so doing, may consolidate the monies standing in the Fund with other funds that the City may hold from time to time provided that any earnings derived from the monies standing in the Fund shall be accrued to and form part of the Fund as permitted under sections 418(3) and 418(4) of the *Municipal Act*, 2001, S.O. 2001, C.25, as amended.

9. Notwithstanding that provision may not be made by the Municipal Council in the budget estimates of the current or any subsequent year for contributions or drawdowns to the Fund, it shall continue and be maintained, and the Municipal Council shall always be taken as considering the Fund as necessary so long as this by-law continues in force.

10. By-Law No. A.-5929-208 being "A by-law to establish a reserve fund known as the Self Insurance Reserve Fund", as amended, passed by Municipal Council on June 27, 2005, is hereby repealed.

11. This By-law shall come into force and effect on the date it is passed subject to the provisions of PART VI.1 of the *Municipal Act*, 2001.

PASSED in Open Council on September 26, 2023, subject to the provisions of PART VI.1 of the *Municipal Act*, 2001.

Josh Morgan
Mayor

Michael Schulthess
City Clerk

First Reading – September 26, 2023
Second Reading – September 26, 2023
Third Reading – September 26, 2023