

AGENDA SUMMARY ITEM

Agenda Item #: C- 13

Agenda Item: Approval and authorization to establish a Self-Funded Insurance Stabilization Reserve and transfer \$6,000,000 of excess Unassigned General Fund Balance to the Self-Funded Insurance Stabilization Reserve.

The Human Resources & Risk Management Department went out to bid for the Village’s Property, Casualty, and Workers’ Compensation insurances as a result of the challenges the Village faced with its Property coverage renewal last year. After evaluation of the bids and our options, there was a large savings for the Village to consider self-insuring its Wind/Named Storm coverage. Establishing the Self-Funded Insurance Stabilization Reserve will help mitigate the risk exposure of self-insurance by committing \$6,000,000 of the Unassigned General Fund Balance.

Recommended Action:

Staff recommends that the Village Council approve and authorize the establishment of the Self-Funded Insurance Stabilization Reserve and commit \$6,000,000 of Unassigned General Fund Balance to the Self-Funded Insurance Stabilization Reserve.

Initiator	Village Manager Approval	Agenda Date	Village Council Action
Sharon Almeida Finance Director		9/19/2024	

RESOLUTION NO. 24-22

A RESOLUTION OF THE VILLAGE COUNCIL OF THE VILLAGE OF ROYAL PALM BEACH, FLORIDA, ESTABLISHING A SELF-FUNDED INSURANCE STABILIZATION RESERVE TO COVER COSTS ASSOCIATED WITH THE RISK EXPOSURE OF SELF-INSURANCE RELATED TO WIND/NAMED STORM DAMAGE TO VILLAGE ASSETS; AND AUTHORIZING THE TRANSFER OF EXCESS UNASSIGNED GENERAL FUND BALANCE TO THE SELF-FUNDED INSURANCE STABILIZATION RESERVE.

WHEREAS, the Village of Royal Palm Beach desires to maintain adequate insurance coverage and mitigate against the increased costs of property insurance as it relates to wind/named storm coverage; and

WHEREAS, due to rising costs in property insurance related to wind/named storm coverage, the Village is in need of a stabilization reserve to cover the costs associated with the risk exposure of self-insurance for wind/named storm coverage; and

WHEREAS, the Village of Royal Palm Beach maintains Unassigned General Fund Balance Reserves; and

WHEREAS, said reserves may be committed by the Village Council; and

WHEREAS, the Village Council finds that establishing a Self-Funded Insurance Stabilization Reserve and committing reserves serves a valid public purpose.

NOW THEREFORE, BE IT RESOLVED BY THE VILLAGE COUNCIL OF THE VILLAGE OF ROYAL PALM BEACH, FLORIDA, THAT:

Section 1. The Village of Royal Palm Beach hereby establishes a Self-Funded Insurance Stabilization Reserve (“Insurance Stabilization Reserve”) for the purpose of reducing the cost of the property insurance premium and mitigating the risk exposure of self-insurance related to wind/named storm damage to Village assets.

Section 2. The Village Council authorizes the transfer of \$6,000,000 from the General Fund Unassigned Fund Balance to the Insurance Stabilization Reserve.

Section 3. The Village Council shall have the sole authority to approve increases or decreases from the Insurance Stabilization Reserve.

Section 4. This Resolution shall take effect immediately upon adoption by the Village Council.

PASSED AND ADOPTED this 19th day of September, 2024.

ATTEST:

Mayor Fred Pinto
Village of Royal Palm Beach

Diane DiSanto, Village Clerk