

THE CORPORATION OF THE VILLAGE OF MONTROSE

BYLAW #626

A BYLAW TO ESTABLISH AN INSURANCE CONTINGENCY RESERVE

WHEREAS the section 188 of the *Community Charter* authorizes Council to establish reserve funds for specified purposes, and

WHEREAS Council deems it to be in the interest of the municipality's financial stability to establish an insurance contingency reserve,

BE IT THEREFORE RESOLVED that the Council of the Village of Montrose in open meeting assembled, enact as follows:

SHORT TITLE

1. (1) This Bylaw may be cited as the "INSURANCE CONTINGENCY RESERVE BYLAW."

PURPOSE

2. (1) The purpose of this reserve is to provide a source of funds to cover the deductible share relating to a municipal liability or property loss insurance claim.
- (2) This reserve shall be a fully funded reserve maintained in a dedicated and interest-bearing account.

FUNDING

3. (1) The initial funding for this reserve shall be ten thousand dollars (\$10,000), to be drawn from the Village accumulated surplus.
- (2) Interest earned by this reserve account shall accrued to, and be retained in the reserve account.
- (3) When the balance in this reserve at year end in any year is less than ten thousand dollars (\$10,000), provisions shall be included in the following fiscal year to restore this reserve to its minimum level of ten thousand dollars (\$10,000).

DRAWS

4. (1) Draws from this reserve shall be limited to amounts deducted by the insurer from liability or property loss claims.
- (2) Draws from this reserve shall be subject to approval by Council resolution.

ENACTMENT

5. (1) The provisions of this Bylaw are severable and the invalidity of any part of this Bylaw shall not affect the validity of the remainder of this Bylaw.
- (2) This Bylaw shall come into full force and effect on the passing thereof January.

READ A FIRST TIME
READ A SECOND TIME
READ A THIRD TIME
RECONSIDERED AND FINALLY ADOPTED

this 18th day of January, 2005
this 18th day of January, 2005
this 18th day of January, 2005
this 1st day of February, 2005

Mayor

Clerk

Certified a true copy of Bylaw #626, as adopted

Clerk