

R2021-08-04
Resolution Establishing a
Self-Insurance/ Catastrophic Loss
Reserve Fund



Creating a Reserve for Self-insurance and Catastrophic Loss Retention

Self-insurance/Catastrophic reserve established annually to reflect claims outstanding from risk management and estimable and presumed liability on open legal cases through the attorney general's office. The amount in this reserve is reported to the Department of Public Safety annually.

An element of this reserve will fund a catastrophic loss reserve for vanpool claims over existing insurance coverage. The funding of catastrophic loss reserve may be funded by vanpool fees and will be used to mitigate large claims.



Existing UTA Reserves

Reserve	Description	Amount
<u>General Operating Reserve</u> <i>To be used as a working capital account.</i>	Funded at a level equal to at least twelve percent (12%) of the Authority's budgeted operating expense.	\$58,788,000
<u>Service Stabilization Reserve</u> <i>To be used to avoid service reductions due to extraordinary circumstances.</i>	Funded at a level equal to three percent (3%) of the Authority's budgeted operating expense.	\$ 9,796,000
<u>Bond Reserves</u> <i>To be used for the payment of debt service in the event that UTA fails to make scheduled bond principal and interest payments.</i>	Bond reserves funded at a level required by bond covenants.	\$29,551,000
<u>Capital Replacement Reserve</u> <i>To be used for capital repair or replacement costs due to extraordinary circumstances.</i>	Equal to one percent (1%) of the property, facilities, and equipment cost as reported in the comprehensive annual financial report.	\$44,338,000
<u>Debt Reduction Reserve</u> <i>Captures annual cash savings from bond refundings for early debt retirement.</i>	Primary function is to retire outstanding bonds but with advance notice to the Board, it may be used to supplement the General Operating Reserve.	\$30,000,000



Questions?

