



Office of the City Clerk
BOARDS, COMMITTEES & COMMISSIONS

SELF INSURANCE TRUST FUND
BOARD OF TRUSTEES (TRUST)

CREATED BY:

Ordinance 10904, adopted June 28, 2011 (with Declaration of Trust for the City of Tucson, Arizona Self-Insured Trust Fund)
Tucson City Charter, Chapter 18, Sections 18-1 through 18-10

MEMBERSHIP / QUALIFICATIONS:

Membership shall consist of five (5) joint Trustees, all of whom shall be at least 21 years old, citizens of the United States of America and reside or work in the City of Tucson, Arizona.

One (1) Trustee shall be the City's Finance Director and no other Trustee shall be an officer or employee of the City of Tucson.

Except for the Finance Director, the Trustees shall be appointed by the Mayor and Council, serve terms of four (4) years by a written appointment, which shall be lodged with the Clerk and records of the Trust.

No person shall qualify as a Trustee until he/she has been bonded. The bond requirement may be satisfied by the blanket performance bond or other coverage provided by the City.

Trustees are subject to removal and substitution by the Mayor and Council with or without cause. Any Trustee may be reappointed by the Mayor and Council upon expiration of his /her term and upon expiration may continue to serve until a replacement is appointed. A Trustee may resign at any time by giving notice in writing to the Mayor and Council.

The determination of a vacancy among the Trustees by reason of resignation, incompetency, or death, or for any other reason, when made by a majority of the remaining Trustees, set forth in writing and delivered to the Mayor and Council, shall be final and conclusive for all purposes.

The resignation, incompetency, death or termination of any or all of the Trustees shall not terminate the Trust or affect its continuity; however, a quorum must always be present. During a vacancy, the remaining Trustee or Trustees may

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exercise the power of the Trustees hereunder. Vacancies among the Trustees shall be filled by the Mayor and Council approval.

Except for the Finance Director, Trustees shall not be entitled to receive compensation for their services as trustees, except trustees shall be entitled to reimbursement for any reasonable out-of-pocket cost and expenditures made by the trustees in the performance of their duties as trustees.

PURPOSE / FUNCTIONS:

The purpose of the Declaration of Trust is to provide self insurance coverage for workers' compensation and general public liability and such other areas as may be authorized by the Mayor and Council.

The Board of Trustees shall meet at least once a year and make recommendations thereafter to the Mayor and Council, through the City Manager, regarding the amount of funding to achieve and maintain adequate reserves in the Trust and the investment and administration of the Trust. The trustees shall submit an annual report to the Mayor and Council by March 1st through the City Clerk and City Manager relating to the status of the Trust and make other recommendations that the trustees deem necessary and appropriate.

The Board of Trustees shall be responsible for determination on an annual basis of a recommendation to the Mayor and Council of the amount of funds which would be appropriate to achieve and then maintain adequate reserves in the Trust Fund, the appointment of an actuary for the Trust and the approval of the actuarial assumptions.

The Board of Trustees shall set the policies for the effective and efficient administration of the Trust as determined in the annual meetings or such other meetings as may be called by the Board. The Board shall act in conformance with the overall direction of the Mayor and Council.

AUDITS:

The Trust shall be audited annually by an external auditor and a copy of the audit report kept on file with the City Clerk for a period of not less than five (5) years. This audit is separate from the City's Comprehensive Annual Financial Report.

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QUORUM:

A quorum shall consist of three (3) members.

TERMS OF OFFICE:

Four (4) year terms.

APPLICABILITY OF TUCSON CODE CHAPTER 10A, ARTICLE XIII:

Exempt from all provisions of TCC Chapter 10A, Article XIII.

OPEN PUBLIC MEETING LAW REQUIREMENTS:

This public body is defined as an advisory committee and must comply with all of the provisions of the Open Public Meeting Law

SUPPORTING DEPARTMENT:

Finance Department 791-4893