

RESOLUTION OF THE CITY OF BURLINGTON BOARD OF FINANCE  
RECOMMENDING THE CITY COUNCIL APPROVE OBTAINING STANDBY LETTER(S)  
OF CREDIT FOR THE CITY'S WORKER'S COMPENSATION PROGRAM

In the Year Two Thousand and Thirteen

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Resolved by the Board of Finance of the City of Burlington as follows:

WHEREAS, pursuant to the Burlington City Charter, Section 48, the City Council has the power and authority to provide for, create, establish, maintain and regulate an insurance sinking or reserve fund to be used for the purpose of paying any and all compensation that may become due from the City under the provisions of the laws of the State of Vermont relating to worker's compensation;

WHEREAS, the City has the authority under Vermont state law, 24 V.S.A. Section 698, to obtain insurance to cover its liability under state law related to worker's compensation;

WHEREAS, the City has established a workers compensation program with The Travelers Indemnity Company ("Travelers") to provide worker's compensation coverage;

WHEREAS, the City is responsible to Travelers for payment of certain worker's compensation claims;

WHEREAS, Travelers has required that the City post a standby letter of credit to cover some of the claims and worker's compensation payments that the City would be obligated to pay Traveler's or reimburse Travelers for payments made on the City's behalf;

WHEREAS, it is expected that the standby letter of credit would only be drawn in the event that the City did not make the timely payment when due to Travelers;

WHEREAS, the City has previously obtained such a standby letter of credit from TD Bank, N.A., and is negotiating with KeyBank, N.A. to provide such a letter of credit on the City's behalf.

NOW, THEREFORE, BE IT RESOLVED that the Finance Board of the City of Burlington has determined that it is in the best interest of the City to recommend that the City Council approve the entry into one or more standby letter of credit and reimbursement agreements with TD Bank, N.A., KeyBank, N.A., or such other reputable banks or financial institutions, as may be determined by the City's Chief Administrative Officer, to provide standby letters of credit, to cover the City's expected worker's compensation liability to Travelers, as may be determined from time to time, in an aggregate amount not to exceed \$2,000,000 and to recommend that the City Council authorize the Mayor, Chief Administrative Officer, and Assistant Chief Administrative Officer for Finance to execute and deliver such letter of credit and reimbursement agreements, and such other documents and instruments to obtain such standby letters of credit in order to provide for the worker's compensation insurance programs on behalf of the City.